



# USBE FINANCE TRAINING FALL 2019

SCHOOL FINANCE SECTION

ADA Compliant 11-21-2019



# CHART OF ACCOUNT UPDATE

- ▶ INSURANCE RECOVERIES- GASB 42
  - ▶ “...Restoration or replacement of the capital asset using the insurance recovery should be **reported as a separate transaction**....which is reported as an **other financing source**...”

*GASB 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, paragraph 21-22*

- ▶ Impairment other than capital assets (Ex: theft, embezzlement)
  - ▶ Treat the same as restoration or replacement of capital asset
- ▶ Improves financial reporting
  - ▶ Reports effects of capital asset when they occur
  - ▶ Enhances comparability of Financial Statements

# CHART OF ACCOUNT UPDATE

Revenue  
Account Code  
will be created

**Requirement:**  
Begin use in  
Fiscal Year  
2021

Revenue  
Code: **5600-**  
**Insurance**  
**Recoveries**

# CHART OF ACCOUNT UPDATE

- Use of **Object 450- Construction Services**
- NCES: <https://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2015347>
  - Constructing, Renovating, Remodeling
  - **Use only with Function 4000- Facilities Acquisition and Construction**
- USBE: <https://schools.utah.gov/file/613219f0-8aa3-4055-afcc-fa4e93a8ce10>
  - Constructing, Renovating, Remodeling
    - Capital Assets Constructed use 450
    - Capital Assets Purchased use 7xx
  - **Use only with Function 4000- Facilities Acquisition and Construction**

# CHART OF ACCOUNT UPDATE

- Use of **Object 450- Construction Services**
- FY18, Object 450 used outside of Function 4000s
  - 25 LEAs
  - \$21,667,876
- FY19, Object 450 used outside of Function 4000s
  - 19 LEAs
  - \$9,670,059

# CHART OF ACCOUNT UPDATE

- ▶ Use of **Object 450- Construction Services**
  - ▶ **FY20** Submissions, only Function 4000 Levels will be active for this object
  - ▶ Correct/ Adjust this **now** in your systems
    - ▶ One less validation to stress over when uploading
  - ▶ USBE was mapping Object 450 (outside of function 4000s) to 4000s in Federal Reports
    - ▶ The less we map your data, the more accurate reporting



# Deferred (Unearned) Revenue

- ▶ Deferred (Unearned) Revenue reported on Financial Statements must be reported on Balance Sheet in AFR
  - ▶ 9561- Local (**Do not report** these amounts in UPEFS)
  - ▶ 9563- State (**Report** these amounts in UPEFS)
  - ▶ 9564- Federal (**Report** these amounts in UPEFS)
- ▶ **Do not report** Deferred Inflows in this report
  - ▶ 9750- Deferred Inflows of Resources
  - ▶ 9755- Deferred Inflows of Resources – Actual vs. Expected Pension



# Deferred (Unearned) Revenue

- ▶ New Process in UPEFS
  - ▶ Deferred Report in UPEFS
    - ▶ *UPEFS > Tools > Deferred Revenue*
    - ▶ Click *+Create* > add *Revenue Type* > add *Program Code* > add *Amount*
    - ▶ Default year selected is year for most recent Actual AFR submission
      - ▶ View prior year by choosing a different year in the drop-down menu
    - ▶ Once completed, and it's green, make sure to **Certify** it
  - ▶ Totals entered, by program, must match the respective deferred amount reported in Balance Sheet of AFR and Financial Statements
  - ▶ This is required for FY19 data (if applicable to your LEA)

# Deferred (Unearned) Revenue

Deferred Revenue for [Redacted] Admin Fiscal Year: 2019 Certify + Create

**State Revenue**

Revenue Type	Program Code	Amount
--------------	--------------	--------

**Federal Revenue**

Revenue Type	Program Code	Amount
--------------	--------------	--------

**State Subtotal:** \$0.00 Does not match the actual submission for balance sheet code 9563 of [Redacted]

**Federal Subtotal:** \$0.00 Matches the actual submission for balance sheet code 9564 of \$0.00

**Total:** \$0.00

Utah Public Education Financial System (UPEFS) Version 2.0.1 September 29th, 2019 ©2015-2019 Utah State Board of Education (USBE)

# Deferred (Unearned) Revenue

UPEFS Upload Reporting Hello bbaltazar! Log out

Create Record

\*Revenue Type:

\*Program Code:

\*Amount:

\*Required

Deferred Revenue for State Revenue

Revenue Type	Amount
--------------	--------

Federal Revenue

Revenue Type	Program Code	Amount
--------------	--------------	--------

State Subtotal:	\$0.00	✔ Matches the actual submission for balance sheet code 9563 of \$0.00
Federal Subtotal:	\$0.00	✔ Matches the actual submission for balance sheet code 9564 of \$0.00
Total:	\$0.00	

Fiscal Year: 2019

# Deferred (Unearned) Revenue

Deferred Revenue for [Redacted] District Admin Fiscal Year: 2019

**State Revenue** Certify + Create

Revenue Type	Program Code	Amount
--------------	--------------	--------

**Federal Revenue**

Revenue Type	Program Code	Amount
--------------	--------------	--------

**State Subtotal:** \$0.00 ✔ Matches the actual submission for balance sheet code 9563 of \$0.00

**Federal Subtotal:** \$0.00 ✔ Matches the actual submission for balance sheet code 9564 of \$0.00

**Total:** \$0.00

Utah Public Education Financial System (UPEFS) Version 2.0.2 October 9th, 2019 ©2015-2019 Utah State Board of Education (USBE)  
Staging | upef-db-t-w1 | <https://usoessrs-test2.usoe.k12.ut.us/ReportServer>

# Indirect Cost 34- CFR 76.560-569

- ▶ LEAs that do not want an Indirect Cost Rate calculated must notify USBE
  - ▶ [SchoolFinance@schools.utah.gov](mailto:SchoolFinance@schools.utah.gov)
- ▶ LEAs that want an Indirect Cost Calculated must provide the following by December 15<sup>th</sup>
  - ▶ Organizational Chart
  - ▶ Each Tab must be viewed and certified with correct data
    - ▶ Excluded Cost Review (not certified, but LEA should review this data)
    - ▶ Unallowable Cost
    - ▶ Square Footage
    - ▶ Unused Leave Paid
    - ▶ Contracts/Subawards
    - ▶ Certify/Submit

# Indirect Cost

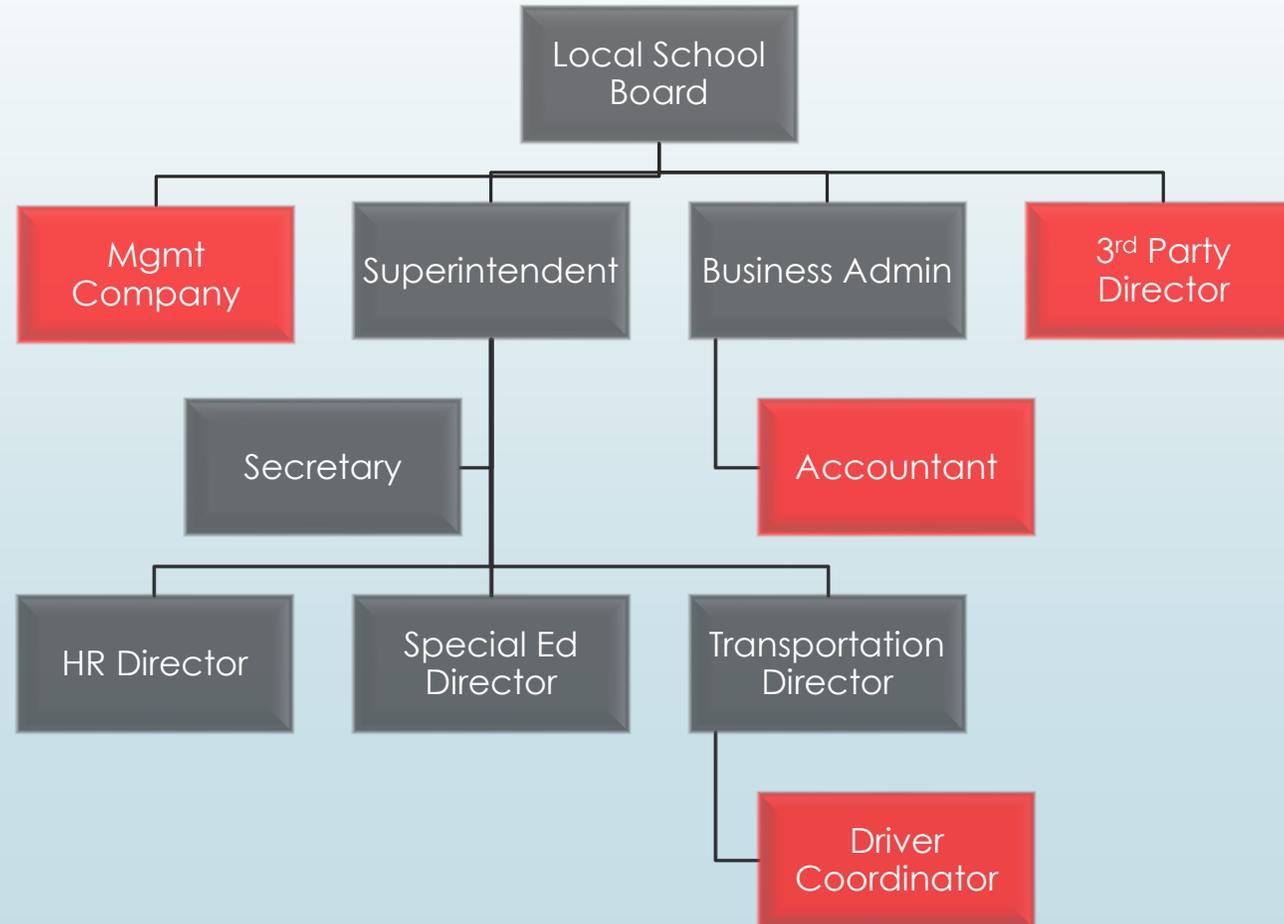
- ▶ Excluded Cost Review
  - ▶ Verify exclusions in the list match how your LEA reports them
  - ▶ Example: Legal Fees coded to 340 as *Other Contracted Services*
    - ▶ True code should have been 349- *Purchased Legal Services*
    - ▶ Add any legal services coded to 340 to the Tab: *Unallowable Cost*
    - ▶ This will ensure legal services are excluded properly

# Indirect Cost

- ▶ Unallowable Cost
  - ▶ Bad Debt- unpaid school lunch meals
  - ▶ Contingencies- Budgeting item only
  - ▶ Entertainment
  - ▶ Fines/Penalties- IRS penalties
  - ▶ General Governance- Must match Org Chart submitted separately
    - ▶ Example: Superintendent, Superintendent's Secretary, Business Administrator
      - ▶ Include directors that report directly to Superintendent (Special Ed, CTE, Transportation, etc.)

# Indirect Cost

## Governance Board Requirement



# Indirect Cost

- ▶ Square Footage by Building
  - ▶ *Optional*: Report square footage of all buildings at the Function Level
  - ▶ Review and certify this Tab, even if it is left blank
  - ▶ Federal requirement is that we have to offer each section and the LEA must view each section
- ▶ Unused Leave Paid at Termination
  - ▶ Amounts paid to individual after termination
    - ▶ Example: Individual puts in two-notice. The person accrued vacation. If LEA pays out on vacation, after the individual no longer works at LEA, then those amount would be entered in this section.

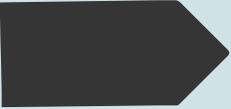
# Indirect Cost

- ▶ Contracts/Subawards over \$25,000 (in total by each vendor)
  - ▶ Include total amount (we include first \$25,000 in our methodology)
  - ▶ Do not include amounts that are less than \$25,000 (in total by each vendor)
  - ▶ Include Food Service contracts, if vendor operates the LEAs Food Service Program
    - ▶ If vendor only provides meals, don't include in this section as this will already be excluded under object 630



# Indirect Cost

- ▶ Modified Total Direct Cost (MTDC)
  - ▶ Direct Costs consist of, but not limited to (based on specific grant requirements):
    - ▶ Salaries- Those directly related to the program
    - ▶ Professional Services- Those directly related to the program
    - ▶ Supplies exclusive to the program
    - ▶ First \$25,000 of Contract/Subaward
    - ▶ All other items not mentioned in Indirect or Exclusions
  - ▶ Indirect costs consist of, but not limited to (based on specific grant requirements):
    - ▶ Equipment
    - ▶ Capital/Construction expenses
    - ▶ Excess of \$25,000 of Contract/Subaward
    - ▶ Functions 2500/2600 for Unrestricted; Function 2500 only for Restricted
- ▶ Exclusions
  - ▶ Mentioned in earlier slide and on ICT-UPEFS



# Indirect Cost

- ▶ Modified Total Direct Cost Calculation
  - ▶ Total Indirect Costs (Indirect Cost Pool + Carryforward)
  - ▶ Total Direct Costs (after exclusions and ICT adjustments)
  - ▶ Formula is based on 3 years of previous data
  - ▶  $\text{Total Indirect Costs} / \text{Total Direct Costs} = \text{Rate}$
  - ▶ To Calculate FY21 Indirect Cost Rate- FY15, 17, and 19



# Questions??

Contact me for further questions, concerns, or comments

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School Finance Auditor

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