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Section 700 **Unaudited Actuals**

Overview

Education Code Section 42100 requires that on or before September 15th, the governing board of each school district shall approve, in a format prescribed by the Superintendent of Public Instruction, an annual statement of all receipts and expenditures of the district for the preceding fiscal year and shall file the statement with the County Superintendent of Schools.

The Unaudited Actuals are prepared on SACS forms and are only submitted once a year. These financials provide accurate information to the board, public, and auditors as to how the district ended the fiscal year.

Key Reminders

Preparing Unaudited Actuals often requires multiple imports into SACS Web in order to correct fatal technical errors and to ensure data is correctly reflected.

- Import early, import often!
- Complete regular imports, open SACS forms to check for fatal errors before books are closed.

Key Deadlines

- July 31 – Cut-off for purchasing and payment accruals.
- August 23 – Hard close in Galaxy.
- September 16 – Promote SACS Unaudited Actuals to RCOE District Fiscal Services (DFS) (including GANN Limit resolution).

Required Forms

At each reporting period, DFS will provide a submission checklist. The required forms for Unaudited Actuals are:

- **Form CA** – Unaudited Actuals Certification (must be signed)
- **Form 01** – General Fund Revenues, Expenditures & Changes in Fund Balance
- **Form XX** – All other fund forms
- **Form A** – Average Daily Attendance
- **Form ASSET** – Schedule of Capital Assets
- **Form CAT** – Schedule for Categoricals
- **Form CEA** – Current Expense Formula/Minimum Classroom Comp.- Actuals
- **Form DEBT** – Schedule of Long Term Liabilities
- **Form ESMOE** – Every Student Succeeds Act Maintenance of Effort
- **Form GANN** – Appropriations Limit Calculations
- **GANN Limit** – Gann Limit Resolution (must be signed)
- **Form ICR** – Indirect Cost Rate Worksheet
- **Form L** – Lottery Report
- **Form PCR** – Program Cost Report
- **Form PCRAF** – Program Cost Report – Allocation Factors
- **Form SIAA** – Summary of Interfund Activities – Actuals
- **Form SEMA** – Special Education MOE – Actual vs. Actual Comparison (Due to SELPA)
- **Form SEMB** – Special Education MOE – Budget vs. Actual Comparison (Due to SELPA)
- **Form TC** – Table of Contents
- **LCFF Calculator** (must tie to LCFF revenues)
- **Technical Review Checklists**
- **Board Agenda**
- **Board Narrative**

Form A - Average Daily Attendance

The Average Daily Attendance Form is used to display the following data for Unaudited Actuals and Adopted Budget (estimated):

- P-2 ADA (July 1–April 15)
- Annual ADA (July 1–June 30)
- Funded ADA (Comprised of a combination of select P-2 and Annual ADA)

The form is made up of three different navigation tabs: school district, county office, and charter. The school district tab will include all school district ADA and any district funded county ADA. The county office tab is for COE use only and school districts should not include data on this tab. The charter ADA tab is used to account for charters in Funds 01, 09, or 62. Districts with a dependent charter should complete this tab using the charter's ADA.

When completing Funded ADA, it is important to know that the information will be pulled from two different attendance reporting periods depending on the type of student. Both P-2 and Annual ADA are used to complete Funded ADA.

The P-2 information that will be used for Funded ADA will include the following:

- Grades K-12 Regular ADA (includes Opportunity Classes, Home & Hospital, Special Day Class, and Continuation Education)
- Charter School
- County Special Day Class
- County Community School

The Annual information that will be used for Funded ADA will include the following:

- Non-Public Schools
- Community Day Schools
- Extended Year Special Education ADA
- County Non-Public Schools
- Community Day School 5th and 6th Hours

Form A – Tying to the LCFF Calculator

Form A should be reflective of information presented in the district’s LCFF calculator. Double check to confirm that the latest LCFF calculator has been updated with the correct ADA and that Form A matches the calculator.

Summary Tab

DETAILED ADA CALCULATION		
	2023-24	2024-25
Funded LCFF ADA (greater of current year, prior year)		
Grades TK-3	6,971.36	6,693.40
Grades 4-6	5,646.94	5,536.30
Grades 7-8	4,026.11	3,889.21
Grades 9-12	8,910.62	8,770.56
Subtotal	25,555.03	24,889.47
	3PY Average	3PY Average

Data Entry Tab

		2023-24	2024-25
(1) UNIVERSAL ASSUMPTIONS			
D-3, E-1	Nonpublic School, NPS-Licensed Children (Annual)		
	Grades TK-3	0.19	0.78
	Grades 4-6	0.92	0.78
	Grades 7-8	3.68	3.13
	Grades 9-12	15.05	14.09
	TOTAL NPS-CDS (Annual)	19.84	18.78
District Basic Aid ADA funded outside of the LCFF (Court Ordered, Voluntary Trf. & Open)		-	
DISTRICT TOTAL		24,734.25	24,826.30
E-2, E-3	County Operated Programs, e.g. Community		
	Grades TK-3	-	
	Grades 4-6	0.11	0.11
	Grades 7-8	-	-
	Grades 9-12	2.00	2.00
	COUNTY TOTAL	2.11	2.11

Riverside County

2023-24 Unaudited Actuals
AVERAGE DAILY ATTENDANCE

Form A
E8AANE4BH(2023-24)

Description	2023-24 Unaudited Actuals			2024-25 Budget		
	P-2 ADA	Annual ADA	Funded ADA	Estimated P-2 ADA	Estimated Annual ADA	Estimated Funded ADA
A. DISTRICT						
1. Total District Regular ADA						
Includes Opportunity Classes, Home & Hospital, Special Day Class, Continuation Education, Special Education NPS/LCI and Extended Year, and Community Day School (includes Necessary Small School ADA)	24,734.25	24,734.25	25,574.87	24,826.30	24,826.30	24,908.25
2. Total Basic Aid Choice/Court Ordered Voluntary Pupil Transfer Regular ADA						
Includes Opportunity Classes, Home & Hospital, Special Day Class, Continuation Education, Special Education NPS/LCI and Extended Year, and Community Day School (ADA not included in Line A1 above)						
3. Total Basic Aid Open Enrollment Regular ADA						
Includes Opportunity Classes, Home & Hospital, Special Day Class, Continuation Education, Special Education NPS/LCI and Extended Year, and Community Day School (ADA not included in Line A1 above)						
4. Total, District Regular ADA (Sum of Lines A1 through A3)	24,734.25	24,734.25	25,574.87	24,826.30	24,826.30	24,908.25
5. District Funded County Program ADA						
a. County Community Schools	1.13	1.13	1.13	1.13	1.13	1.13
b. Special Education-Special Day Class	.98	.98	.98	.98	.98	.98
c. Special Education-NPS/LCI	0.00	0.00	0.00	0.00	0.00	0.00
d. Special Education Extended Year	0.00	0.00	0.00	0.00	0.00	0.00
e. Other County Operated Programs: Opportunity Schools and Full Day Opportunity Classes, Specialized Secondary Schools	0.00	0.00	0.00	0.00	0.00	0.00
f. County School Tuition Fund (Out of State Tuition) [EC 2000 and 46380]	0.00	0.00	0.00	0.00	0.00	0.00
g. Total, District Funded County Program ADA (Sum of Lines A5a through A5f)	2.11	2.11	2.11	2.11	2.11	2.11
6. TOTAL DISTRICT ADA (Sum of Line A4 and Line A5g)	24,736.36	24,736.36	25,576.98	24,828.41	24,828.41	24,910.36
7. Adults in Correctional Facilities						
8. Charter School ADA (Enter Charter School ADA using Tab C. Charter School ADA)						

LCFF Calculator

While the LCFF calculator is not included in SACS Web, it is a critical element to completing Unaudited Actuals. The calculator requires several manual entries and, as a result, there is a risk of human error. The calculator should be double checked to confirm that revenues are accurately projected. LEAs should always use the most recent version available at [FCMAT LCFF Resources – LCFF Calculator](#).

DFS requires an updated calculator at each reporting period. Please provide an electronic copy via e-mail. The LCFF calculator revenues should tie to those booked in the Unaudited Actuals report. COE ADA, and corresponding expenditures, should be included.

Important Tabs

- Caveats – Important details that may impact LEA calculations are noted in this tab. The LEA should review this tab with each version update. The LCFF Calculator is updated twice a year, once in the second quarter and once in the third quarter.
- Instructions
- Data Entry – All LEA specific data is entered on this tab. Once a CDS code is entered, the calculator will populate with certified data. However, if an LEA is aware of pending revisions to certified data, the certified data should be overwritten. Categories of data entry on this tab include:
 - (1) Universal Assumptions
 - Supplemental and concentration grant percentages
 - Statutory COLA & Augmentation/Suspension
 - Proration Factors
 - EPA Entitlements
 - (2) Charter School Data Elements & (3) School District Data Elements
 - Property Taxes
 - Enrollment/Unduplicated Pupil Counts
 - Average Daily Attendance (ADA)
 - ADA is calculated the same as on Form A (P-2 ADA vs. Annual ADA)
 - Prior Year Guarantee Adjustment for Charter Shift
 - Prior-year ADA must also be reduced when pupils shift to a district-sponsored charter school.
 - A district-sponsored charter school includes a charter that a district denied, but that was approved by the county or SBE upon appeal.
 - Consider the following example:
 - Student A attended a declining district’s non-charter school in 2021-22.
 - In 2022-23, Student A attends a district-sponsored charter school.
 - A charter school is funded for current-year ADA only.
 - The declining district is funded on prior-year ADA.
 - If prior-year ADA at the district is not reduced by Student A, then both the district and the charter would receive funds in 2022-23 for Student A.
 - (4) Necessary Small Schools ADA
 - (5) In-Lieu Property Tax Calculation for Charter Schools
 - (a) Alternative Calculation Tool
 - (b) In-Lieu Tax Calculation by Charter School
- Calculator – No data is entered on this tab, it is for review only.

- EPA – No data is entered on this tab, it is for review only.
- Summary – No data is entered on this tab, it is for review only.
- NSS Calculation – No data is entered on this tab, it is for review only.
- District In-Lieu Taxes – No data is entered on this tab, it is for review only.

Principal Apportionment Exhibits

- Apportionment exhibits are available online to support state LCFF calculations.
 - [LCFF Exhibit Reference Guides](#)

Form ASSET – Schedule of Capital Assets

Form ASSET is used to report changes in the balances of capital assets and accumulated depreciation. The form is divided into two sections:

- **Governmental Activities** – To report capital assets used in general governmental activities accounted for in governmental funds.
- **Business-Type Activities** – To report capital assets used in business-type activities accounted for in enterprise funds.

Several columns require entry on the form:

Unaudited Balance July 1

- This column is extracted from prior year's Form ASSET ending balances.
 - If Form ASSET did not have data reported in the prior year, zeros will appear in the beginning balance (Unaudited Balance July 1) column.
 - If this occurs, any beginning balances should be reported in the Audit Adjustments/Restatements column. No data entry is allowed in the beginning balance column.
- Beginning balances for accumulated depreciation must be input as negative numbers.

Audit Adjustments/Restatements

- For Capital Assets:
 - Increases – Input as positive numbers.
 - Decreases – Input as negative numbers.
- Accumulated Depreciation:
 - Increases – Input as negative numbers.
 - Decreases – Input as positive numbers.

Audited Balance July 1

- This column will calculate using Unaudited Balance July 1 plus Audit Adjustments/Restatements.
- Verify the amount is correct by using the prior year Audit Report ending balances.

Increases (Acquisitions) / Decreases (Disposals)

- For capital assets – input as positive numbers
- For accumulated depreciation – input as negative numbers

Ending Balance June 30

- This column will calculate the sum of the following:
 - Audited Balance July 1
 - Increases
 - Decreases
- Verify the ending balance amounts with internal accounting records to ensure that adjustments, increases, and decreases to capital assets have been input correctly.

- Ending balances are saved by CDE, used for external data reporting purposes, and are extracted into the subsequent year's Form ASSET as beginning balances.

Reminders:

- Don't forget about **donated** assets.
- Don't forget to track & record **disposals**.
- Reconcile Work in Progress (WIP)/Construction in Progress (CIP).

Form DEBT – Schedule of Long-Term Liabilities

Form DEBT is used to report changes in the balances of long-term liabilities for the fiscal year. The form is composed of two sections:

- **Governmental Activities** - Liabilities relating to general governmental activities in the governmental funds
- **Business-Type Activities** - Liabilities relating to business-type activities in the enterprise funds

In order to complete the form, data is composed of a combination of extracted, entered, and calculated data. There are several columns that require entry on the form:

Unaudited Balance July 1

- This column is extracted from prior year's Form DEBT ending balances.
 - If Form DEBT did not have data reported in the prior year, zeros will appear in the beginning balance (Unaudited Balance July 1) column.
 - If this occurs, any beginning balances should be reported in the Audit Adjustments/Restatements column. No data entry is allowed in the beginning balance column.

Audit Adjustments/Restatements

- Increases to Unaudited Balance July 1 must be entered as positive numbers.
- Decreases to Unaudited Balance July 1 must be entered as negative numbers.

Audited Balance July 1

- This column will calculate using Unaudited Balance July 1 plus Audit Adjustments/Restatements.
- Verify the amount is correct by using the prior year Audit Report ending balances.

Increases / Decreases

- Input as positive numbers.
- Increases will be added to the Audited Balance July 1, decreases will be subtracted.
 - Example:
 - Increase: General Obligation bonds issued
 - Decrease: General Obligation bond principal payments

Ending Balance June 30

- This column will calculate the sum of the following:
 - Audited Balance July 1
 - Increases
 - Decreases
- Verify the ending balance amounts with internal accounting records and the prior year audit report to ensure that adjustments, increases, and decreases to debt have been input correctly.

- Ending balances are saved by CDE and are extracted into the subsequent year's Form DEBT as beginning balances.

Form GANN – Appropriations Limit Calculations

The GANN limit was originally approved in November 1979 in order to place a limit on the growth of expenditures for publicly funded programs. Education Code Sections 1629 and 42132 clarify that by September 15th of each year, governing boards shall adopt a resolution for the current year estimated appropriations limit and for the prior year actual appropriations limit. The GANN limit resolutions must be signed by the board and sent to DFS with Unaudited Actuals each year. Additionally, the supporting documentation must be available to the public.

Each year since, the GANN Limit is adjusted for the following:

- Inflation – The annual percentage change in California per capita personal income.
- Population - Changes in Average Daily Attendance (ADA).

Only appropriations from state and local tax sources count against the district's GANN Limit. Federal aid and non-taxable income, such as revenues from cafeteria sales or adult education fees are excluded from the limit calculation. However, categorical programs count towards the state's GANN Limit.

- If any school agency is over its GANN Limit (line D10 on page 3 is more than zero), the school district must:
 - Adopt a board resolution increasing its GANN Limit by the amount needed.
 - Inform the Director of the State Department of Finance, who shall then reduce the State's GANN Limit by an equal dollar amount (ref. Government Code Section 7902.1).

Section C (Excluded Appropriations) – Manual Entries

- Line C19: Enter federally mandated Medicare amounts in objects 3321/3322 for funds 01, 09 and 62 (do not include negotiated employer contributions).
- Lines C20-22: Enter mandatory expenditures that are made from local proceeds of taxes or state aid in funds 01, 09 and 62, which are not reimbursed.
 - Lines C20 – Americans with Disabilities Act expenditures.
 - Line C21 – Expenditures required by court order.
 - Line C22 – Any other court ordered expenditures or Federal Mandates.

Adjustment Columns

- These columns are available to make any necessary corrections to comply with GANN reporting requirements.
- Adjustments must be explained in the bottom section of Form GANN.
 - An official export is not possible if explanations are not entered.

Form CAT – Categorical Reporting

Form CAT is designed to assist in the determination of the amount of unused grant awards (carryover), accounts payable, accounts receivable, unearned revenue, and/or restricted ending balance for categorical programs. It reflects the status of both federal and state restricted funds. Programs are noted as being:

- Subject to Unearned Revenue designated by “U”
- Subject to Restricted Ending Fund Balance designated by an “F”

Information on revenue designations is available through [the SACS Query, located on CDE’s website](#).

Unearned Revenue

Unearned revenue is revenue that is recognized when expenditures are made regardless of when the funds are received.

- Total revenues received > total expenditures = record the difference as an unearned revenue.
- Total revenues received < total expenditures = record the difference as an accounts receivable.

Revenue should not be both unearned and accrued as a receivable. Unused program award revenue (carryover) is the difference between the total program award and total expenditures for the year. This portion of the revenue is not recorded in the books but is added to the amount of the program award for the subsequent year to determine total revenues available. Additionally, it should not be recorded as a receivable because it has not been earned.

Restricted Ending Fund Balance

Restricted ending fund balance revenue is recognized when cash is received regardless of the timing of expenditures. Any funds not spent before the close of the fiscal year must be reported as part of the restricted ending fund balance. The amount of any revenue that has not been received by June 30, but is expected to be received by September 30, should be accrued as an accounts receivable. A receivable may be set up for the balance of the award that has not been received without regard to expenditures.

- The available award amount is composed of:
 - Beginning balances
 - Current year award
 - Matching funds
 - Prior year adjustments

Helpful Hints

- **Line 16** (Reconciliation of Revenue) should match revenue objects **8XXX**
- **Line 13a** (Unearned Revenue) should match object **9650**
- **Line 13** (Restricted Ending Fund Balance) should match object **9740**
- Unearned revenues and restricted ending fund balances on Form CAT should match the appropriate objects in the SACS **Form XX** on pages 2 and 3

Instructions

There are six worksheets available in Form CAT:

- Unrestricted Revenue – Federal
- Unrestricted Revenue – State
- Unrestricted Revenue – Local
- Restricted Ending Balance – Federal
- Restricted Ending Balance – State

- Restricted Ending Balance – Local

Worksheets are completed using data entry; no extractions. To insert a new column in a worksheet, click on the Insert Column button near the bottom of the screen. Use the [Tab] key to move across the columns and the [Enter] key to move down the columns. Use a minus (-) sign to enter a negative number. The columns can be deleted and moved after they have been inserted.

Form CEA – Current Expense Formula/Minimum Classroom Compensation

Education Code Section 41372 requires that elementary, unified, and high school districts have to expend at least **60**, **55**, and **50** percent respectively, of their current cost of education for classroom teacher and aide salaries and benefits. Form CEA reviews the district’s expenditures to confirm that this requirement has been met. Additionally, it determines the "maintenance of effort calculation" for certain federal programs (e.g., Title I).

Form CEA reports the current cost of education, which is calculated as follows:

$$\begin{array}{ccc} \text{\% of Current Cost of} & & \text{Minimum Classroom} \\ \text{Education expended for} & \text{=} & \text{Compensation} \\ \text{classroom compensation} & & \text{Current Cost of Education} \end{array}$$

- Current cost of education - denominator – Form CEA, Part I
 - Inclusions:
 - 1XXX – Certificated Salaries
 - 2XXX – Classified Salaries
 - 3XXX – Employee Benefits (excluding 38XX)
 - 4XXX – Books, Supplies
 - 5XXX – Services
 - 6500 – Equipment Replacement
 - 73XX – Indirect Costs
 - Exclusions:
 - Nonagency (goals 71XX)
 - Community Services (goal 8100)
 - Food Services (function 3700)
 - OPEB (objects 3701/02)
 - Facilities (function 8500)
 - Transportation (function 3600)
 - Lottery (resource 1100)
 - Special Ed students in non-public schools (function 1180)
 - Categorical programs, which do not incur any teacher’s salaries or are not required to disburse funds in accordance with EC Section 41372.
 - See instructions for a complete list of resources excluded.
- Minimum Classroom Compensation - numerator – Form CEA, Part II:
 - Teacher and instructional aide salaries and benefits in functions 1XXX
 - Less teacher and instructional aide salaries excluded from the Current Cost of Education (denominator)

The software will automatically generate all sections of this form except Part I, Column 4b and Part II, Line 13b. If an amount (even zero) is entered in Column 4b or on Line 13b, the software will switch from using Column 4a/Line 13a to Column 4b/Line 13b. You must provide an explanation in Part IV if using 4b. Do not enter amounts unless you are absolutely sure you have to!

In order to make sure the minimum classroom compensation is met, make sure the percentage at the bottom is okay (line 15):

- Elementary 60%
- Unified 55%
- High 50%
- Enter an "X" in line 16 of the Form CEA/CEB if your district is exempt.

If percentage is not met, the county superintendent of schools will reduce district's apportionments after April 15 of the current fiscal year by the amount of deficiency and deposit it in the county treasury pending the district's application for exemption. The application for exemption must be submitted no later than September 15th of the succeeding fiscal year.

GASB 68 – Reporting Requirements

Beginning in the 2014-15 fiscal year, the CDE provided guidance on entering the STRS On-Behalf entry using Resource 7690. During 2014-15, DFS recommended entering only the actuals adjustment with Unaudited Actuals. In 2015-16 and going forward, STRS On-Behalf should be included in both budget and actuals. Beginning 2017-18 fiscal year, ESSCO began providing county offices with the STRS On-Behalf amount for districts to include in Unaudited Actuals. This information with instructions for including STRS On-Behalf in the district budget and actuals are distributed through a DFS-Notify. By entering these amounts, it will improve CEA calculations by increasing the amount spent on minimum classroom compensation.

Form ICR – Indirect Cost Rate Worksheet

Form ICR evaluates district expenditures and establishes an indirect rate for the district. Indirect costs are district-wide and consist of expenditures for administrative activities necessary for the general operation of the district:

- Accounting, budgeting, payroll preparation, personnel management, purchasing, centralized data processing, etc.

The indirect cost rate is calculated as follows:

$$\text{Indirect Cost Rate} = \frac{\text{Indirect Cost}}{\text{Base Cost}}$$

There are two types of cost to an LEA – direct and indirect.

A cost related activity (e.g., instruction, school administration, pupil transportation, fiscal services) rather than its type (e.g., salaries, benefits, books, and supplies) determines if it is a direct or indirect cost.

While direct costs can be identified with a particular instruction or instruction-related grant, contract, or function (activity), indirect costs are more global in nature.

Indirect Cost Pool - Numerator

- Indirect cost pool
 - Includes administrative activities in funds 01, 09, 62 that are not identifiable with a particular program but are necessary for the overall operation of the district.
- Certain plant services costs
 - Included as the percentage of administrative salaries and benefits (heating, lighting, custodial services).
- Carry-Forward adjustment
 - This is the after-the-fact correction for the difference between the indirect cost rate approved for use in a given year and the actual percentage (amount) of indirect costs incurred in that year.

Carry-Forward adjustment

- Form ICR, Part IV
 - The purpose of this calculation is to limit the adjustment for over-recovery.
 - The lesser of the approved rate or the highest rate used by the district will be utilized.
 - Exhibit A worksheet (second tab) – This worksheet calculates the rate actually used, including a pop-up advisory message if the highest rate used is greater than the approved rate.
 - A negative carry-forward adjustment can be allocated over more than one year if it causes the proposed rate to be negative, or if it reduces the rate significantly.

Base Cost - Denominator

- All of the remaining general fund costs:
 - Instructional salaries and benefits, program supplies, contracts for instructional and support services, most board and superintendent services, and the majority of plant maintenance and operations and facilities rents and leases.
- Similar expenditures in other funds:
 - Fund 09/62 – Charter
 - Fund 11 – Adult Education
 - Fund 12 – Child Development
 - Fund 13/61 – Cafeteria
 - Fund 19/57 - Foundation
- Excluded from Base Costs:
 - Food (Object 4700)
 - Sub-agreements for services (Object 5100)
 - If you have a multi-year sub-agreement, the first \$25,000 of expenditures incurred each year under that sub-agreement can be charged to Object 5800.
 - Capital Outlay (Objects 6000–6999)
 - Other Outgo (Objects 7000–7499)
 - Other Financing Uses (Objects 7600–7699)
 - Facilities Acquisition and Construction (Function 8500) and Debt Service
 - Transfers Between Agencies, and Interfund Transfers (Functions 9000–9999)

Evaluating the Indirect Cost Rate

Is the rate too high?

- Review functions 7XXX (excluding 71XX) and 8XXX to make sure expenditures are in the appropriate function.
- Audit services should be charged to function 7190 or 7191.
- Technology 77XX – Only for centralized data processing; instructional technology should be charged to either 1000 or 2420 functions

Is the rate too low?

- Review expenses in other functions to make sure costs are not district administration, technology, or maintenance.

Districts that need to adjust their ICR rate will need to make changes in financial system first. Transfer the expense to proper account with the more appropriate function.

<u>ICR POOL (numerator)</u>	<u>ICR BASE (denominator)</u>
↑ INCREASE in Pool = ↑ INCREASE in Indirect Cost Rate	↑ INCREASE in Base = ↓ DECREASE in Indirect Cost Rate
↓ DECREASE in Pool = ↓ DECREASE in Indirect Cost Rate	↓ DECREASE in Base = ↑ INCREASE in Indirect Cost Rate

Form L – Lottery Report

Form L is required from all districts receiving and/or expending state lottery revenues. The information is used by CDE to report to the Governor and the State Legislature regarding expenditures of lottery funds (Control Section 24.60 of the Budget Act). All lottery revenues are reported in:

- Resource 1100, State Lottery (unrestricted), or
- Resource 6300, Lottery: Instructional Materials.

If a district contributes from Resource 1100 into other resources, add the amounts to the second column of the lottery report in the expenditures.

- Contributions **to** Resource 1100 are not allowed.
 - Object 8980 (Contributions from Unrestricted Revenues) is limited to a debit.
 - Object 8990 is invalid with Resource 1100.
- Contributions **to** and **from** Resource 6300 are not allowed.
 - Objects 8980 and 8990 are invalid with Resource 6300.

The district must provide an explanation in Section D comments if any values appear in the shaded areas for Resource 6300. There is an internal form check requesting an explanation (fatal TRC).

Form ESMOE – Every Student Succeeds Act Maintenance of Effort

Form ESMOE compiles the expenditures used in determining if a district met the maintenance of effort (MOE) requirement under the Elementary and Secondary Education Act. This act requires that state and local funded expenditures for free public education must not be less than 90 percent of those in the preceding fiscal year. It is required for school districts and charter schools that received funding under the ESSA program.

Information on the form is extracted from the following:

- Funds 01, 09, 62, objects 1000-7999
- Less federal resources (some exclusions)
- Less state and local functions not allowed by MOE

However, there can be manual entries for the following:

- Line 9 Presidential declared disaster
- Line D-2 Deficits for student body activities

Section III Line D- Calculates if MOE is met.

- If amounts are zero, MOE calculation is met
- If amounts are positive, MOE calculation is not met (not meeting by the percentage in Section III Line F)

Section IV – Charter School Adjustments

Section V- Adjustments to Base Expenditures

- Allows LEAs that fail both the aggregate and per pupil expenditure MOE tests to include expenditures to pass the MOE requirement

Failure to meet the MOE requirement in a particular year will result in a reduction of allocations under the ESSA-covered programs for that year. If the expenditures for a particular year do not meet the required level of effort, they shall not be used as basis for determining MOE in subsequent years; the basis will be the required level of effort for that year.

Form PCRAF/PCR – Program Cost Reporting Factors

There are two forms used to allocate and report program costs in SACS Web:

- **PCRAF** – Program Cost Report Schedule of Allocation Factors
 - This form is used to distribute expenditures in Funds 01, 09, and 62 that have goals 0000 (Undistributed)
 - Uses functions 2XXX, 3XXX, 7XXX and 8XXX
- **PCR** – Program Cost Report by program
 - This form calculates total costs in Funds 01, 09, and 62 by program

PCRAF

When Form PCRAF is opened, it automatically extracts any undistributed general ledger expenditures that must be allocated to program goals into line A. Allocation factors are only needed for columns with amounts on line A:

- Number of teachers by FTE
- Number of classroom units
- Number of Pupils transported

The form must be completed and saved before Form PCR will be considered complete. See *CSAM, Procedure 910* on how to calculate allocation factors.

Allocation basis: all programs will benefit to some degree from the services provided by the support programs. If a program does not benefit from a support service or has already been direct-charged, exclude this program from the factor count (FTE, CU, and PT).

- Example: If a district has direct charged all of the services in the Special Education goals and there is an “Undistributed Amount” on Line A in the “Pupils Transported” column, the counts for Special Education goals would not be included in this column.
- Excluding factors from the count is an exception to the standardized allocation process and requires that documentation exists to substantiate the exclusion.

For data processing costs supporting instructional programs (i.e., computers in the classroom, instructional computer labs), use Functions 1000 or 2420 rather than Function 7700.

- Transfer the instruction-related costs to Functions 1000 or 2420, as appropriate.
 - To determine the amount, use work orders or a count of workstations.
 - Use Object 5710, Transfers of Direct Costs.

PCR

Form PCR takes information from PCRAF and distributes expenditures with the 0000 and 9000 goal. This form is fully automated and does not allow for manual entry of data. Once you are done with Form PCRAF, both forms (PCRAF and PCR) are complete. This information then goes to the Special Education MOE.

- Program Cost Report worksheet, Indirect Costs Charged to Other Funds line: Modify Function range to extract only Function 7210

Special Education MOE

Completion of the Special Education Maintenance of Effort (MOE) is required for LEAs. The forms can be found in the reports tab of SACS Web. When completing the reports, districts should complete information on the LEA MOE Calc tab in order to verify that the MOE has been met. There are three different types of special education maintenance of effort forms:

- Form SEMA – Actuals PY to Actuals CY
- Form SEMB – Budget to Actuals
- Form SEMAI - Interims

Form SEAS and SEA – Special Education Revenue Allocations

Form SEAS is used primarily as a tool for Special Education Local Plan Area (SELPA) Administrative Units in designating the appropriate SELPA. It must be completed before using Form SEA and/or the Special Education MOE reports.

Form SEA is an optional form for reporting and budgeting special education revenues of a SELPA and the allocations to the SELPA members.

Form SIAA – Summary of Interfund Activities

The summary of interfund activities, Forms SIAA/SIAB, is for reconciling interfund activities of the district. Upon selecting the form, SACS Web will automatically generate this report. The technical review will check for any imbalance of interfund activities.

Form 51 – Bond Interest and Redemption Fund

SACS Web will automatically generate the Unaudited Actuals information. The County Auditor-Controller's Office (ACO) will provide LEAs with information necessary to calculate the Current Year Budget to be entered by the District on the SACS "User Data Input/Review" screen.

- Must select current year budget before entering data.
- See the appendix for instructions on "Calculating Current Year Budget for Bond Interest and Redemption Fund" from District Fiscal Services.

Please note, LEAs that are off Galaxy will need to request Fund 51 actuals from DFS to complete their SACS. Please contact your designated coordinator.

Interest Earned on Federal Funds

CDE federal program grantees are required to report and remit interest on unspent federal program cash advances, at least quarterly. Detailed Guidance letter from CDE:

- [Interest Earned on Federal Funds Letter](#) (also see page 701-22 of the appendix)

The following RCOE reports are available in MicroStrategy:

- Interest Calculation for Federal Awards
- Interest Calculation for Federal Awards Detail
- Interest Calculation by Resource(s)
- Interest Calculation by Resource(s) Detail

Include the County-District-School code, listing of federal program resource codes, time period of interest earned, and amount of interest earned. Annually, each District may retain up to \$500 for administrative purposes. Effective January 1, 2015 the annual amount retained for administrative expenses increased from \$100 to \$500. (See the appendix for "Calculating Interest on Federal Funds Guidelines" from CDE.)

Calculate the total interest based on average daily cash balances. Districts can combine all federal programs to determine amount of daily cash balance. Additionally, districts can combine both positive and negative cash balances for net daily cash balance. However, districts cannot calculate negative interest earned. *If the combined federal cash is negative for any day, the interest calculation for that day is zero.*

Some programs excluded from calculations:

- 3385 – Special Ed: IDEA Early Intervention Grants
- 3550/3555 – Carl D. Perkins Career and Technical Education: Section 131 and 132
- 4510 – Indian Education (from Federal Government)
- Federal reimbursement programs.
 - Child Nutrition – resources 53XX
 - Other reimbursement programs – federal perspective

Please click [here](#) for a list of reimbursable programs typically not included in federal interest calculations.

Section 701 Appendix

Budget and Unaudited Actuals Sequence

All data input into SACS Web, either through the import process or manual entry, are stored in a database, enabling the application to extract directly from the database into each applicable form. General ledger and supplemental data is extracted into the fund, supplemental, and criteria and standards review forms, where applicable, limiting the amount of manual input to complete the forms.

Below is the recommended sequence for completing the reporting processes within SACS Web. While any order can be used, the following sequence will help to prevent you from receiving technical review exception messages simply because certain data has not yet been entered and/or verified.

- Preferences—Select LEA and reporting period.
- Form A—To collect attendance data used in other forms and calculations within the application. Complete, save, and print.
- Form CAT (unaudited actuals period only)—To calculate the year-end accruals for categoricals prior to reporting them in the general ledger.
- Import/User Data Input—Import general ledger budget and actual data from the LEA accounting system. Manually input, using the User Data Input/Review screen any general ledger data that is not maintained in the LEA accounting system.
- TRC-Import and TRC-General Ledger—Run the TRC-Import and TRC-General Ledger modules for budget and actual data to check the imported and manually entered general ledger data for valid SACS codes, combinations of codes, ending fund balances, interfund and intrafund balances, components of ending fund balances, and various other balances. Fatal exceptions must be corrected; warning exceptions must be corrected or, if the data is correct, must be explained; informational exceptions should be corrected or, if the data is correct, an explanation is optional but encouraged.
- General Ledger Data Corrections—Make general ledger data corrections, as necessary, in the LEA accounting system, and then reimport the applicable fund(s).
- Re-run TRC-Import and TRC-General Ledger to verify changes.
- Supplemental forms applicable to various funds such as 76A and 95A.
- Form PCRAF (unaudited actuals period only)—To provide allocation factors if there are expenditures in support functions with an undistributed goal.
- Form PCR (unaudited actuals period only).
- Forms CEA/CEB.
- Forms ASSET, DEBT, ICR, L, ESMOE, SEAS, and SEA, if applicable.
- Form GANN if applicable (unaudited actuals period only).
- TRC-Supplemental—Run the TRC-Supplemental module, which checks for required supplemental forms (and criteria and standards review forms during the budget period) and conditions within those forms. Fatal exceptions must be corrected; warning exceptions must be corrected or, if the data is correct, must be explained.
- Supplemental Data Changes—Make supplemental data changes, as necessary, in the applicable supplemental forms. If it is necessary to make changes to, and subsequently reimport, general ledger data, see the next step for General Ledger Data Corrections. Re-run TRC-Supplemental to verify changes.

- General Ledger Data Corrections—Make general ledger data corrections, as necessary, in the LEA accounting system or in the Components of Ending Fund Balance/Net Position screen, and then reimport the applicable fund(s), if necessary. Re-run TRC-Import and TRC-General Ledger to verify changes.
- Components of Ending Fund Balance/Net Position—Within the Components of Ending Fund Balance/Net Position screen, enter or revise applicable components of ending fund balance/net position by resource. Re-run TRC-Import and TRC-General Ledger to verify changes.
- Form CA (unaudited actuals period only)—Unaudited Actuals Certification. Review the Summary of Unaudited Actual Data Submission worksheet to verify critical data elements.
- Fund Forms—When the general ledger data is finalized, open, review, and print fund forms as necessary. Save Form 01, most importantly during budget period, so applicable data will extract appropriately into Form 01CS and Form MYP.
- Form CASH (budget period only, if using the SACS format for cashflow analysis).
- Multiyear Projections (budget period only)—Complete, save, and print Form MYP if using the SACS form for multiyear projections. Form 01 and Form A must be completed and saved first.
- Criteria and Standards Review (budget period only)—Complete, save, and print the Criteria and Standards Review form (applicable for the General Fund [CSSF] only). Form 01, Form A, and Form MYP (if using the SACS MYP format) must be completed and saved before completing Form 01CS. County Offices using Form MYP should open and save Form MYP after completing Form 01CS since data from Criterion 8 are used in Form MYP.
- TRC-Supplemental—Re-run TRC-Supplemental checks to verify that the criteria and standard review form has been completed as required.
- Form CC (budget period only)—Workers' Compensation Certification.
- Form CB (budget period only)—Budget Certification. Review the Criteria and Standards Review Summary for any areas of potential concern for fiscal solvency.
- TRC-Export Validation—Run the TRC-Export Validation module, which checks for required forms, forms that have unbalanced or incomplete data, and forms that need to be opened and saved due to general ledger and/or supplemental data changes (dependencies).
- Technical Review Checklist, All—To verify all exceptions have been corrected, or explained where applicable.
- Table of Contents—Shows the fund and supplemental reports that contain data and/or have been saved. Upon selecting this form, the application will automatically generate the contents based on the information in the application database. View or print the Table of Contents to ensure all applicable forms are completed.
- Export—Export data using the Official option for submission to the reviewing agency, if required.

Unaudited actual submissions to the state must be done as Official unless the CDE has given the LEA permission, prior to submission, to use the Other export option.

The GASB Statement 34 government-wide conversion entries and reports and the Special Education Maintenance of Effort (SEMOE) reports, found within the Reports menu for the unaudited actuals period, should only be completed after all of the above steps relating to fund reporting are completed.

See the Importing Data section in SACS Web for details about automatic recalculations done after the import, reimport, and user data input processes.

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

It's Time to Calculate Your Gann Limit

BY PATTI F. HERRERA, EDD

posted August 23, 2023

Each year, state and local government agencies are required to calculate their annual “Gann Limit,” which is intended to constrain their yearly spending by linking year-to-year changes in expenditures to changes in inflation and population. School districts and county offices of education (COEs) are among the local governments subject to these annual requirements.

Education Code Section (EC §) 1629 and EC § 42132 require county boards of education and school district governing boards, respectively, to adopt resolutions identifying the estimated spending limit for the current fiscal year and the actual spending limit for the preceding fiscal year at a regular or special meeting. COEs must adopt this resolution by October 15, while school districts must do so by September 15.

Local Gann Limits are calculated by multiplying the prior-year limit by the percent change in per capita personal income and average daily attendance. If a district's or COE's revenues exceed its Gann Limit, it is required to increase its spending limit by “borrowing” from the state's limit in an amount equal to its proceeds of taxes (see Government Code Section [GC §] 7902.1). Conversely, if a district's or COE's Gann Limit is higher than its proceeds of taxes, it must decrease its limit by an amount equal to its revenues.

As a reminder, the 2022 Budget Act amended GC § 7901—the yearly Gann Limit calculation—to exclude from local proceeds of taxes the annual deposits into a district's or COE's Routine Restricted Maintenance Account, which has been incorporated into the Standardized Account Code Structure (SACS) Form Gann.

More information on the annual Gann Limit requirement, calculation, and recent changes can be found on the California Department of Education's website [here](#).

The 2023 SACS software and user guide can be accessed [here](#).

Form CEA EDC: 41372

For purposes of this section:

(a) “Salaries of classroom teachers” and “teacher” shall have the same meanings as prescribed by Section 41011 provided, however, that the cost of all health and welfare benefits provided to the teachers by the school district shall be included within the meaning of salaries of classroom teachers.

(b) “Current expense of education” means the gross total expended (not reduced by estimated income or estimated federal and state apportionments) for the purposes classified in the final budget of a school district (except one which, during the preceding fiscal year, had less than 101 units of average daily attendance) submitted to and approved by the county superintendent of schools pursuant to Section 42127 for certificated salaries other than certificated salaries for pupil transportation, food services, and community services; classified salaries other than classified salaries for pupil transportation, food services, and community services; employee benefits other than employee benefits for pupil transportation personnel, food services personnel, and community services personnel; books, supplies, and equipment replacement other than for pupil transportation and food services; and community services, contracted services, and other operating expenses other than for pupil transportation, food services, and community services. “Current expense of education,” for purposes of this section shall not include those expenditures classified as sites, buildings, books, and media and new equipment (object of expenditure 6000 of the California School Accounting Manual), the amount expended from categorical aid received from the federal or state government which funds were granted for expenditures in a program not incurring any teacher salary expenditures or requiring disbursement of the funds without regard to the requirements of this section, or expenditures for facility acquisition and construction; and shall not include the amount expended pursuant to any lease agreement for plant and equipment or the amount expended from funds received from the federal government pursuant to the “Economic Opportunity Act of 1964” or any extension of this act of Congress.

There shall be expended during each fiscal year for payment of salaries of classroom teachers:

- (1) By an elementary school district, 60 percent of the district’s current expense of education.
- (2) By a high school district, 50 percent of the district’s current expense of education.
- (3) By a unified school district, 55 percent of the district’s current expense of education.

If the county superintendent of schools having jurisdiction over the district determines, on the basis of an audit conducted pursuant to Section 41020, that a school district has not expended the applicable percentage of current expense of education for the payment of salaries of classroom teachers during the preceding fiscal year, the county superintendent of schools shall, in apportionments made to the school district from the State School Fund after April 15 of the current fiscal year, designate an amount of this apportionment or apportionments equal to the apparent deficiency in district expenditures. Any amount designated by the county superintendent of schools shall be deposited in the county treasury to the credit of the school district, but shall be unavailable for expenditure by the district pending the determination to be made by the county superintendent of schools on any application for exemption which may be submitted to the county superintendent of schools. If it appears to the governing board of a school district that the application of the preceding paragraphs of this section during a fiscal year results in serious hardship to the district, or in the payment of salaries of classroom teachers in excess of the salaries of classroom teachers paid by other districts of comparable type and functioning under comparable conditions, the board may apply to the county superintendent of schools in writing not later than September 15th of the succeeding fiscal year for exemption from the requirements of the preceding paragraphs of this section for the fiscal year on account of which the application is made. Upon receipt of this application, the county superintendent of schools shall grant the district exemption for any amount that is less than one thousand dollars (\$1,000). If the amount is one thousand dollars (\$1,000) or greater, the county superintendent of schools may grant an exemption from the requirements for the fiscal year on account of which the application is made. If the exemption is granted by the county superintendent of schools, the designated moneys shall be immediately available for expenditure by the school district governing board. If no application for exemption is made or exemption is denied, the county superintendent of schools shall order the designated amount or amount not exempted to be added to the amounts to be expended for salaries of classroom teachers during the next fiscal year.

The county superintendent of schools shall enforce the requirements prescribed by this section, and may adopt necessary rules and regulations to that end.



**CALIFORNIA DEPARTMENT
OF EDUCATION**

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TONY THURMOND
STATE SUPERINTENDENT OF
PUBLIC INSTRUCTION

February 6, 2024

Dear County and District Superintendents, County and District Chief Business Officials, and Charter School Administrators:

Interest Earned on Federal Funds

The California Department of Education (CDE) is issuing this letter to remind local educational agency (LEA) fiscal officials of the federal administrative requirements for remitting interest earned on advances of federal program funds.

Title 2, *Code of Federal Regulations*, Section 200.305, requires grantees and sub-grantees to remit interest earned on advances to the federal agency. Grantees or sub-grantees may retain interest amounts up to \$500 per year for related administrative expenses.

LEAs should remit to the CDE only the interest earned on federal program advances administered by the CDE; interest earned on non-CDE administered program advances should be calculated separately and remitted to the Federal Treasury via the appropriate state or federal agency. In addition, the cash balances of federal reimbursement programs should be omitted in calculating federal interest due to the Federal Treasury.

The CDE monitors and updates the list of federally reimbursed programs that are typically excluded from the federal interest calculations on an ongoing basis, since funding criteria can change and opportunities for new funding periodically occur. This list was recently updated and is available on CDE's website at <https://www.cde.ca.gov/fq/ac/co/reimbursableprograms.asp>. However, the most effective way to determine if funding is a reimbursement or an advance is to refer to the Grant Award Notification (GAN) letter or similar document.

To assist LEAs in complying with the federal administrative requirements for interest earned on federal program advances, please see the CDE's guidelines for calculating and remitting interest at <http://www.cde.ca.gov/fq/ac/co/intfedfunds-calculating.asp>. The CDE requires LEAs to calculate and report interest on a quarterly basis by email to cashmanagement@cde.ca.gov. The information must specify the amount of interest due or that no interest is due and include the following:

Documentation of the County Treasurer's interest rates utilized in the interest calculations.

The LEA's interest calculations. The calculations should be provided in Excel (**new requirement**) and must include the specific resource codes used in the calculation.

The County-District-School code and the time period(s) of the interest calculation (e.g., October 1, 2023 through December 31, 2023).

For the fourth quarter interest calculation only, include a copy of the check(s) submitted to the CDE's Cashier's Office as remittance of interest earned for the fiscal year. The CDE recommends LEAs wait until their last quarterly report of the fiscal year to remit interest.

Note that unless one of the following exceptions apply, all LEAs receiving advanced federal funds from CDE are required to place those funds in an interest-bearing account and submit a quarterly interest report even if no interest is due. LEAs that meet one of the below exceptions should submit an email to the CDE advising of the exception in lieu of the interest report.

The non-Federal entity receives less than \$250,000 in Federal awards per year.

The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.

The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

A foreign government or banking system prohibits or precludes interest-bearing accounts.

Interest payments for the July 1, 2023 – June 30, 2024 period are due to the CDE by **September 30, 2024**. The CDE is responsible for ensuring that LEAs comply with federal administrative requirements. **Therefore, if the LEA does not properly calculate and timely report and remit interest earned on federal funds, the CDE will be obligated to consider further action, which may include a monitoring review, audit, and/or the withholding of federal program funds.**

Remittances must be sent to the following address:

California Department of Education

P.O. Box 515006

Sacramento, CA 95851

Attention: Cashier's Office

In accordance with Title 2, *Code of Federal Regulations*, Section 200.305, interest remitted to CDE is immediately forwarded to the United States Department of Education and cannot be returned to the LEA. Therefore, please ensure your calculations and payments are accurate prior to submission.

If you have any questions or need assistance regarding the federal administrative requirements for interest earned on federal program advances, please contact the CDE, Audits and Investigations Division, at 916-322-2288, or by email at cashmanagement@cde.ca.gov.

Sincerely,

Alice M. Lee
Director, Audits and Investigations Division

Last Reviewed: Wednesday, February 7, 2024

Calculating Interest Earned on Federal Funds

Guidelines to assist the California Department of Education (CDE) federal program grantees and sub-grantees in calculating interest on unspent federal program cash advances.

The following guidelines are designed to assist the California Department of Education (CDE) federal program grantees and sub-grantees (referred to below as grantee or grantees) in calculating interest on unspent federal program cash advances.

Calculating Interest When Federal Cash is or can be Segregated from Other Grantee Resources

If federal funds are maintained in a manner in which the County Treasurer or County Office of Education can specifically determine the amount of interest earned on federal funds for a particular period (at least quarterly), then that is the interest amount that should be reported and remitted to the CDE. The interest due on federal cash balances should reflect the actual amount of interest earned on the unspent federal program funding advances. Therefore, interest calculations should be based on applicable interest rates applied to actual federal cash held in the grantee's bank or County Treasury.

Calculating Interest When Federal Cash is Pooled with Non-Federal Funds

If federal funds are pooled with non-federal funds in the grantee's bank or County Treasurer, then the grantee must reasonably determine the federal portion of total earned interest for the period. Since the amount of federal cash available for program costs can change daily, the grantee should apply applicable interest rates to the reporting period's average daily federal cash balances. Average daily federal cash balances can be calculated by combining all federal program cash, both negative and positive, for each day of the reporting period, using federal program resource codes, then dividing by the actual number of days in the reporting period. If the combined federal cash available under this approach is negative for any day during the period, the grantee must record the average daily federal cash balance as zero to avoid reducing or offsetting federal interest earnings for the temporary use of non-federal cash resources for federal programs (see the sample calculation methodology on page 2 of this enclosure for an example of this situation).

If the grantee includes non-federal match funding in the federal program resource codes, the grantee may reduce the daily federal cash balances by the corresponding proportionate share of required cash match for each program. For example, if federal program Title XYZ has a 20 percent match requirement and the grantee accounts for the non-federal match in the Title XYZ federal program resource code, then the 20 percent proportionate share of match may be excluded from the calculated daily and average daily balances.

Reporting and Remitting Federal Interest

CDE federal program grantees are required to report and remit interest to the CDE at least quarterly. Although grantees are allowed to keep interest amounts up to \$500 per year for administrative purposes, the \$500 is in total for all federal programs, not for each federal program. When reporting and remitting federal interest to the CDE, grantees should specify the time period of interest earning and the federal program resource codes. Interest on federal cash balances should be sent to the CDE at the following address:

California Department of Education, Attn: Cashier's Office
P.O. Box 515006
Sacramento, CA 95851

* In this example, negative federal program cash balances are assumed to be the result of costs paid by cash from other federal programs or funding sources.

** In this example, the combined cash daily cash balance is negative \$100; however, for federal interest calculation purposes, combined daily cash balances cannot be negative. Negative combined daily balances would reduce or offset federal interest earnings due to the temporary use of non-federal cash resources. Therefore, any negative combined daily balances should be zero in calculating interest on federal cash balances.

*** The sample interest calculation methodology reflects annual interest rates which may change each quarter. If the LEA's County Treasurer converts the annual interest rates to quarterly rates, then the calculation methodology must be adjusted accordingly. For example, if the County Treasurer's annual rate is 2%, but the County Treasurer applies a .5% (2% divided by 4) interest rate to the quarterly cash balances, then the LEA should report the federal interest earned for the quarter without any further calculation.

Interest on Federal Cash Balances (Sample Calculation Methodology)

Date	Federal Program A	Federal Program B	Federal Program C	Federal Program (ARRA) D	Combined Daily Balance
12/01/09	\$500	\$300	\$400	\$200	\$1,400
12/02/09	500	300	400	200	1,400
12/03/09	500	300	400	200	1,400
12/04/09	500	300	*(400)	200	600
12/05/09	500	300	*(400)	200	600
12/06/09	500	300	*(400)	200	600
12/07/09	500	300	*(400)	200	600
12/08/09	500	300	*(400)	200	600
12/09/09	200	300	*(400)	*(200)	**0
12/10/09	200	300	400	*(200)	700
12/11/09	200	300	400	*(200)	700
12/12/09	200	300	400	*(200)	700
12/13/09	200	300	400	*(200)	700
12/14/09	200	300	400	*(200)	700
12/15/09	200	300	400	200	1,100
12/16/09	200	300	400	200	1,100
12/17/09	200	300	400	200	1,100
12/18/09	200	*(200)	400	200	600
12/19/09	200	*(200)	100	200	300
12/20/09	100	*(200)	100	200	200
12/21/09	100	*(200)	100	200	200
12/22/09	100	*(200)	100	200	200
12/23/09	100	*(200)	100	200	200
12/24/09	100	*(200)	100	200	200
12/25/09	100	*(200)	100	200	200
12/26/09	100	*(200)	100	200	200
12/27/09	100	*(200)	100	200	200
12/28/09	100	0	100	200	400
12/29/09	100	0	100	200	400
12/30/09	100	0	100	0	200
12/31/09	100	0	100	0	200
Total of all Daily Balances in Reporting Period (December 1 through December 31)					\$17,700

- **Step 1: Calculate the Average Daily Balance**
 - Divide the Total of all Daily Balances in Reporting Period by the actual number of days in reporting period.
 - **Example:** Divide total of all daily balances of \$17,700 in reporting period by 31 actual days in reporting period equals average daily balance of \$571.

- **Step 2: Calculate the Annual Interest Amount**
 - Multiply the Average Daily Balance by County Treasurer Interest Rate.
 - **Example:** Multiply average daily balance of \$571 by county treasurer interest rate of 2.4267% equals annual interest amount of \$14.

- **Step 3: Calculate the Daily Interest Amount**
 - Divide interest amount by number of days in year.
 - **Example:** Divide annual interest amount of \$14 by 365 days in year equals daily interest amount of \$0.038.

- **Step 4: Calculate the Total Federal Interest Due**
 - Multiply the Daily Interest Amount by number of days in reporting period.
 - **Example:** Multiply daily interest amount of \$0.038 by 31 days in reporting period equals **total federal interest due of \$1.18.**

Calculating Current Year Budget for Bond Interest and Redemption Fund

General Obligation Bonds and Form 51

General obligation bonds, also called G.O. bonds, are backed by the full faith and credit of the issuing agency and are paid for by increasing local property taxes. Because they involve an increase in property taxes, they require voter approval. Legislation specific to school districts and community college districts is found in the California Education Code §15100 et seq. These statutes authorize agencies to issue G.O. bonds to finance the acquisition and construction of public facilities and real property.

The Riverside County Auditor-Controller’s Office (ACO) works with districts that have issued G.O. bonds by collecting debt service schedules and calculating bond and interest (B&I) rates each year. In late July, the ACO will contact your office to confirm that the rates are reasonable, include any new or refinanced G.O. bond issuances, and can cover G.O. bond debt payments in the upcoming fiscal year.

The taxes collected and payments issued for G.O. bonds are held in the district’s Fund 51. Due to the nature of this fund, the district does not have access to enter a budget within Galaxy. However, in order to include the upcoming fiscal year projections in the district’s financials, the district will manually enter budget entries within SACS Web. Information for these budget entries will come directly from the packet sent from the ACO.

Budget Entries – Tax Revenues

Revenue entries into Fund 51 can be classified into three types of taxes: secured, unsecured, and homeowners’ exemption. *Districts that receive federal subsidies for G.O. Bonds should consult the Federal Subsidies section.* Projections for tax collections are found on the Bond Interest Repayment Schedule.

Fiscal Year 2017-18		BOND INTEREST REPAYMENT SCHEDULE										
DISTRICTS	Series #	County Schools Fund Numbers	Auditor's Fund Numbers	Form 51 Objects 7434 and 7433			Total Required	UNSECURED ASSESSED VALUATION WITH 7% DELINQUENCY ADJUSTMENT (auditor sheets)	VALUATION WITH 7% DELINQUENCY ADJUSTMENT	UNSECURED TAX RATE (USE PRIOR YEAR SECURED TAX RATE)	AMOUNT TO BE RAISED BY UNSECURED TAX LEVY	
				1st Payment	2nd Payment	3rd Payment						
Almond Election of 1997 2/3 Reserve for Election 1997	52,810,000 2002 Ref A-D 19.45%	3-1051	03-0501	\$1,110,005.00	\$2,769,765.00	\$1,059,747.50	\$4,940,177.50	\$960,830.18	69,147,561	64,307,231	0.0015303	\$98,408.36
Election of 2007 85% Election of 2007 85% Reserve for Election 2007	60,000,000 2007-A 2007-B 9.36%	3-1051	03-0501	\$2,643,007.50	\$1,247,296.00	\$2,792,296.00	\$6,682,607.50	\$643,576.00	100,407,960	93,379,402	0.0015303	\$142,898.50
Election of 2007-85% Election of 2012 85% Reserve for Election 2012	60,000,000 2012 A 18.95%	3-1051	03-0501	\$2,126,708.25	\$1,870,456.25	\$2,226,456.25	\$6,217,618.75	\$1,177,895.16	86,061,244	80,594,957	0.0015303	\$123,334.46
Total Reserve Election of 2010	2,872,215.66 51,995,394	15.12%	BAN									
Total				\$6,212,991.25	\$4,066,991.25	\$9,592,288.81	\$21,865,371.31		256,216,764	238,281,591	0.0015303	\$364,642.32

The unsecured tax levy (object 8612) is found under the column titled “Amount To Be Raised By Unsecured Tax Levy”:

UNSECURED ASSESSED VALUATION WITH 7% DELINQUENCY ADJUSTMENT (auditor sheets)	VALUATION WITH 7% DELINQUENCY ADJUSTMENT	UNSECURED TAX RATE (USE PRIOR YEAR SECURED TAX RATE)	AMOUNT TO BE RAISED BY UNSECURED TAX LEVY
69,147,561	64,307,231	0.0015303	\$98,408.36
100,407,960	93,379,402	0.0015303	\$142,898.50
86,061,244	80,594,957	0.0015303	\$123,334.46
256,216,764	238,281,591	0.0015303	\$364,642.32

The secured tax levy (object 8611) is found under the column titled "From Sec. Taxes". Please note it is the amount subtotaled below the line:

BOND INTEREST REPAYMENT SCHEDULE

AMOUNT DOLLARS REQUIRED 2017-18	CASH BALANCE AS OF June 30, 2017	FROM SEC. TAXES (less Unsecured) <i>Form 51 object 8571 & 8611</i>	SECURED
\$5,901,007.68	\$2,688,852.32 ✓	\$3,113,746.00	0.00
\$6,566,749.70	\$3,652,385.62 ✓	\$4,773,465.58	0.00
\$7,395,613.94	\$3,226,215.51 ✓	\$4,048,063.97	0.00
\$21,865,371.31	\$9,567,453.45	\$11,933,275.54	0.00
		\$11,819,657.86	

The homeowner's exemption (object 8571) is found under the column titled "Homeowner Exemption". Please note it is the amount subtotaled below the line:

Schools Fund Numbers	Auditor's Fund Numbers	HOMEOWNER EXEMPTION (auditor sheets)	TOTAL SECURE VALUATION
051	03-0501	75,745.118	7,955.46
051	03-0501		
051	03-0501		
PYMTS TO BEGIN AUGL		75,745.118	7,955.46
051	03-0501	75,745.118	7,955.46
E-MAY-2015		75,745.118 ✓	7,955.46
		113,617.68	

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For this example the budget entries would be:

Fund	Resource	Project Year	Goal	Function	Object	Value
51	9010	0	0000	0000	8612	\$364,642.32
51	9010	0	0000	0000	8311	\$11,819,657.86
51	9010	0	0000	0000	8571	\$113,617.68

To confirm that you have correctly captured the right tax revenue projections, compare the total to the Bond and Interest Cash Flow spreadsheet:

BOND AND INTEREST CASH FLOW

					CASH BALANCE
					6/30/2017
					\$9,567,453.45
SERIES	DUE DATE	FISCAL YEAR 2017-18			
2002-A	8/1/2017	\$910,665.00 Interest \$200,000.00 Principal	2/3		
2007-A		\$1,278,007.50 Interest \$1,365,000.00 Principal	55%		
2007-B		\$220,956.70 Interest \$111,655.80 Principal	55%		
2012-A		\$1,876,706.25 Interest \$250,000.00 Principal	55%		
		\$6,212,991.25 Total Required			\$3,354,462.20
Sec./Unsec.		\$12,297,917.86 Yearly Taxes*			
		\$6,271,938.11 51% Due January 31, 2018			\$9,626,400.31
2002-A	2/1/2018	\$904,765.00 Interest \$1,865,000.00 Principal	2/3		
2007-A		\$1,247,295.00 Interest \$0.00 Principal	55%		
2007-B		\$172,575.00 Interest \$0.00 Principal	55%		
2012-A		\$1,870,456.25 Interest \$0.00 Principal	55%		
		\$6,060,091.25 Total Required			\$3,566,309.06
		\$5,657,042.22 Taxes Due 46% June 30, 2018			\$9,223,351.27

*Includes Secured/unsecured dollars to be raised (see Excel B & I Repayment schedule)

Budget Entries – Bond Payments

Expenditure entries into Fund 51 can be classified into two types of payments: principal and interest. The budget will include both principal and interest payments for the current fiscal year only (calculations will include an additional payment outside of the current fiscal year). Projections for payments are found on the Bond and Interest Cash Flow.

ALVORD USD
BOND AND INTEREST CASH FLOW

					CASH BALANCE
					6/30/2017
					\$9,567,453.45
SERIES	DUE DATE	FISCAL YEAR 2017-18			
2002-A	8/1/2017	\$910,665.00 Interest \$200,000.00 Principal	2/3		
2007-A		\$1,278,007.50 Interest \$1,365,000.00 Principal	55%		
2007-B		\$220,956.70 Interest \$111,655.80 Principal	55%		
2012-A		\$1,876,706.25 Interest \$250,000.00 Principal	55%		
		\$6,212,991.25 Total Required			\$3,354,462.20
Sec./Unsec.		\$12,297,917.86 Yearly Taxes*			
		\$6,271,938.11 51% Due January 31, 2018			\$9,626,400.31
2002-A	2/1/2018	\$904,765.00 Interest \$1,865,000.00 Principal	2/3		
2007-A		\$1,247,295.00 Interest \$0.00 Principal	55%		
2007-B		\$172,575.00 Interest \$0.00 Principal	55%		
2012-A		\$1,870,456.25 Interest \$0.00 Principal	55%		
		\$6,060,091.25 Total Required			\$3,566,309.06
		\$5,657,042.22 Taxes Due 46% June 30, 2018			\$9,223,351.27

*Includes Secured/unsecured dollars to be raised (see Excel B & I Repayment schedule)

The principal payments total for the fiscal year (object 7433) can be calculated by adding all principal payments on the cash flow sheet for the current fiscal year only. The interest payments total for the fiscal year (object 7434) can be calculated by adding all interest payments on the cash flow sheet for the current fiscal year only.

For this example the budget entries would be:

Fund	Resource	Project Year	Goal	Function	Object	Value
51	9010	0	0000	9100	7433	\$3,791,655.80
51	9010	0	0000	9100	7434	\$8,481,426.70

To confirm that you have correctly captured the right payment projections, compare the total to the Bond Interest Repayment Schedule for the 1st and 2nd payment only:

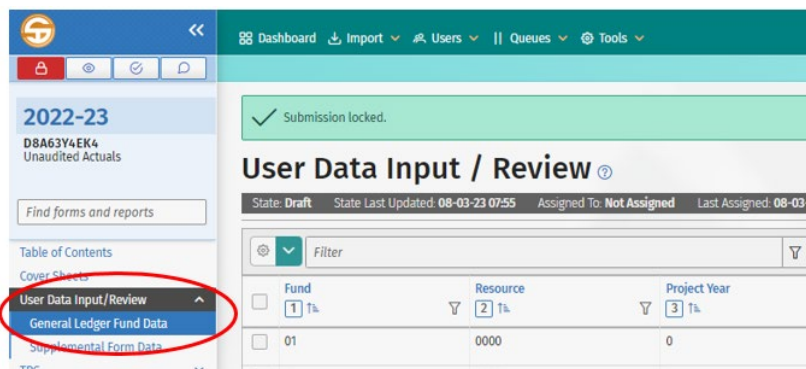
BOND INTEREST REPAYMENT SCHEDULE

Auditor's Fund Numbers	Form 51 Objects 7434 and 7433			Total Required	UNSECURED ASSESSED VALUATION (auditor sheets)	VALUATION WITH 7% DELINQUENCY ADJUSTMENT
	1st Payment	2nd Payment	3rd Payment			
03-0501	\$1,110,665.00	\$2,769,765.00	\$1,059,747.50 \$960,830.18	\$4,940,177.50 \$960,830.18	69,147,561	6
03-0501	\$2,643,007.50	\$1,247,295.00	\$2,792,295.00	\$6,682,607.50		
03-0501	\$332,612.50	\$172,575.00	\$647,575.00	\$1,152,762.50		
TO BEGIN AUGUST 2016			\$733,389.70	\$733,389.70	100,407,960	9
03-0501	\$2,126,706.25	\$1,870,456.25	\$2,220,456.25 \$1,177,995.19	\$6,217,618.75 \$1,177,995.19	86,061,244	8
2016	\$6,212,991.25	\$6,060,091.25	\$9,592,286.81	\$21,865,371.31	256,216,764	23

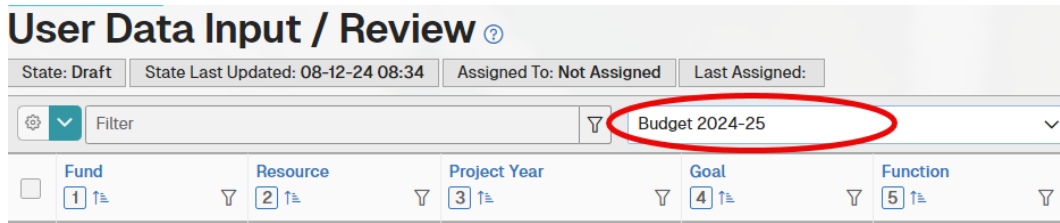
The total of these two payments should tie to your budget entries for principal and interest.

Inputting Entries into the SACS Web

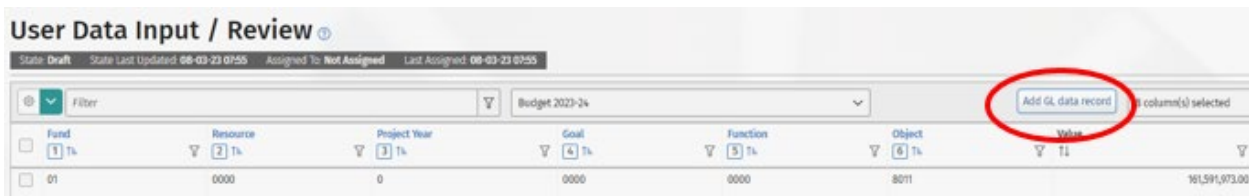
In order to enter Fund 51 Adopted Budget into SACS at Unaudited Actuals, LEAs will need to make manual entries into SACS Web itself. There will be no budget for Fund 51 in Galaxy to import into SACS. Entries for Form 51 should be entered after the district has imported into SACS and has a clean file with no fatal TRCS. The screen to make entries into SACS Web can be found on the side ribbon under User Data Input/Review.



On this screen, select the data group associated with Adopted Budget. **Do not enter any information into the Unaudited Actuals group!**



Select the add GL data record to the right of the fiscal year.



Input all the required budget entries that were identified from the ACO spreadsheets and don't forget to click save.

Create GL Data Record

Fund 51	Resource 9010
Project Year 0	Goal 0000
Function 0000	Object 8616
Value 364642.32	

After completing entries, open Form 51 from the Forms menu to confirm that the budget has been captured accurately under the budget fiscal year. Totals should tie to the confirmed numbers from the ACO spreadsheets.

Inputting Entries into the SACS Web

Districts who receive Build America Bonds, Qualified School Construction Bonds, Qualified Zone Academy Bonds, New Clean Renewable Energy Bonds, and Qualified Energy Conservation Bonds as a direct credit subsidy will need to budget for a portion of the revenue received in a separate object code.

To identify if your district receives a federal subsidy, review the Bond and Interest Cash Flow spreadsheet:

BEAUMONT USD BOND AND INTEREST CASH FLOW			CASH BALANCE AS OF 6/30/17	
SERIES	DUE DATE			5,484,050.43
FISCAL YEAR 2017-18				
				Federal Subsidy for 2008-B 188,870.61
2008-A	8/1/2017	\$124,684.00 Interest	55%	
		\$66,813.50 Principal		
2008-B		\$579,002.50 Interest		
		\$0.00 Principal		
2008-C		\$612,413.25 Interest		
		\$415,043.00 Principal		
2008-D		\$69,948.96 Interest		
		\$0.00 Principal		
2017	Refunding (2008B Partial) no payments until 2020			
		\$1,867,905.21 Total Required		3,805,015.83
1998-A	9/1/2017	\$0.00 Interest	Election 2/3	
		\$0.00 Principal		

The federal subsidy total (object 8290) is found on the side of the Bond and Interest Cash Flow spreadsheet and often consists of two payments. Both payments should be added together to budget for the subsidy projected to be received in the current year and should be attributed to the correct resource (this example is resource 5810):

SERIES	DUE DATE			5,484,050.43
FISCAL YEAR 2017-18				
				Federal Subsidy 2008-B 188,870.61
2008-A	8/1/2017	\$124,684.00 Interest	55%	
		\$66,813.50 Principal		
2008-B		\$579,002.50 Interest		
		\$0.00 Principal		
2008-C		\$612,413.25 Interest		
		\$415,043.00 Principal		
2008-D		\$69,948.96 Interest		
		\$0.00 Principal		
2017	Refunding (2008B Partial) no payments until 2020			
		\$1,867,905.21 Total Required		3,805,015.83
1998-A	9/1/2017	\$0.00 Interest	Election 2/3	
		\$0.00 Principal		
1998-B		\$0.00 Interest		
		\$0.00 Principal		
2014A	Refunding 98B	\$103,556.25 Interest		
		\$845,000.00 Principal		
		\$948,556.25 Total Required		2,856,459.58
	Sec/Unsec	\$4,138,155.31 Yearly Taxes*		
		\$2,151,840.76 52% Due January 31, 2018		\$5,008,300.34
				Federal Subsidy 2008-B 188,667.96
2008-A	2/1/2018	\$96,497.50 Interest		
		\$0.00 Principal		

For this example the budget entry would be:

Fund	Resource	Project Year	Goal	Function	Object	Value
51	5810	0	0000	0000	8290	\$337,538.57

All other revenue budget entries for secured, unsecured, and homeowner's exemption tax projections will follow the original instructions. In order to balance out the federal resource, the district should also enter a corresponding payment for the same value in object 7434 (pulling from the total interest payment identified for the fiscal year). An example would be:

Budget for interest payment prior to pulling out federal subsidy:

Fund	Resource	Project Year	Goal	Function	Object	Value
51	5810	0	0000	9100	7434	\$8,481,426.70

After pulling out federal subsidy:

Fund	Resource	Project Year	Goal	Function	Object	Value
51	5810	0	0000	9100	8290	\$337,538.57
51	5810	0	0000	9100	7434	\$8,143,888.13

The federal subsidy will now be in balance and all further entries can be identified using the original instructions.