



# F-195 Budgeting and Accounting Updates for School Year 2023–24

## OSPI School Apportionment and Financial Services



# Presenter Information



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# The F-195 Budgeting System Updates for 2023–24

## Today's Topics

- 2022–23: F-200 Budget Extension Reminders
- 2023–24: F-195 Updates
- 2023–24: F-195F Reminders

# F-195/F-200 Post Project Update

- The EDS system is functioning well.
- As the OSPI staff reviews school district budgets, we redesign the process to ensure accuracy.
- So far, so good.
- Normal bumps, but it has been a smooth transition.

# F-195/F-200 Post Project Update

(Continued)

- The electronic DocuSign process is an extremely important part of the financial system.
  - You must use it. If you have questions, please ask.
- Please ensure administrators or designee's have proper access and that they are available to electronically sign documents.
- Extensive training is not required.

# F-195 Programming Updates

## General Fund Changes

- For 2023–24, the Informational Edit 1.800 message is revised to read:
  - *For Program-Activity-Duty Code [XX-XX-XXX], the minimum salary entered on the certificated salary exhibit should be greater than or equal to \$47,137.*
- This edit will print separate lines for each program that fails this edit.

# F-195 Programming Updates

## General Fund Changes

### **New Program:** Transition to Kindergarten

- Adding Program 09: Transition to Kindergarten (TTK)
- Adding Revenue Codes 4109 and 6109 for TTK
- The Activity-Object and Duty Code assignments will be similar to Program 01 (Elementary)
- A new G.L. Code is added:
  - *GL 823 – Restricted for Carryover of Transition to Kindergarten Revenues*

# F-195 Programming Updates

## General Fund Changes

### **New E-Rate** Revenue and Expenditure Codes

- Adding Revenue Code 6210: **E-Rate—Federal**
- Adding Activity 69: **E-Rate—Federal**
- ONLY in Program 79
- E-Rate—Federal will only be open for MSOC Object Codes 0, 5, 7, & 9
- E-Rate—Federal is only 79-66-xxx



# F-195 Programming Updates

## General Fund Changes

The title of Program 88 “Child Care” is changed to

- Program 88 **Early Learning**
- Adding Activity Code 24 **Guidance and Counseling** to Program 88
- The Activity-Object and Duty Code assignments are similar to 01-24-XXX.

# F-195 Programming Updates

## General Fund Changes

### **New Depreciation Sub-Fund of the General Fund**

- Adding **Activity 69** Depreciation Sub-Fund Facility Maintenance
- This is only added to Program 97 Districtwide Support (97-69-XXX)
- The Activity-Object and Duty Code assignments will be similar to Activity 64-Maintenance
- A new G.L. Code is added:
  - *GL 873 – Committed to Depreciation Sub-Fund for Facility Maintenance*

# F-195 Programming Updates Capital Projects Fund Changes

## Program and Revenue Code Title Changes for 23-24

- Adding 6210 Revenue Code: E-Rate—Federal to the Capital Projects Fund

# F-195 Programming Updates

## Transportation Vehicle Fund Changes

In the Transportation Vehicle Fund:

- Adding the **Energy Type Codes** 43 and 44 to form TVF1-2
  - The Item Codes for Type Codes 43 & 44: [AEL and AEM]

# 2023–24 Budget Process

## The F-203—Revenue Estimate

All local education agencies must complete and submit the F-203 Revenue Estimate.

All school districts and charters must complete and submit an approved budget to OSPI.

- Input your Enrollment Updates (maximum two decimals)
- The F-203 must have the status of “Ready for ESD review” before data can import to the F-195

- ❖ Budget-related references and guidance are found in:
- ❖ Chapter 28A.505 RCW;
- ❖ Chapter 392-123 WAC;
- ❖ Accounting Manual, Chapter 2

# Time Schedule for Budgets 2023–24

WAC 392-123-030, WAC 392-123-054

Date	First Class	Second Class	Charter Schools
July 10	Final date have completed annual budget and submit budget to ESD for review and comment. Copies of the budget should be available for public by July 15.	Final date have completed annual budget and submit budget to ESD for review and comment. Copies of the budget should be available for public by July 15.	Final date have proposed annual budget and submit budget to OSPI and authorizer
August 1		Final date for board directors to meet in public hearing and fix and adopt the budget.	
August 3		Last date to forward the adopted budget to ESD for review, alteration and approval.	

# Time Schedule for Budgets 2023–24

WAC 392-123-030, WAC 392-123-054

Date	First Class	Second Class	Charter Schools
August 31	Final date for board of directors to meet in public hearing and fix and adopt the budget.	Final date for the budget review committee to fix and approve the amount of the appropriation from each fund of the budget.	Final date for the charter school board to meet in public hearing and fix and adopt budget.
<b><u>September 1</u></b> (The last business day before 9/3)	Final date for district to file the adopted budget with their ESD.		Final date for the charter school to submit the adopted annual budget to OSPI and authorizer.
<b><u>September 8</u></b> (The last business day before 9/10)	Final date for ESD to file the adopted budgets with the superintendent of public instruction.	Final date for the Superintendent of Public Instruction to return a copy of the approved budget to the local school district.	

# F-195 Budget Documents

School district F-195 Budget Documents must contain:

- Estimated revenues and expenditures for the budgeted fiscal year, the current fiscal year, and actual revenues and expenditures for the last completed fiscal year.
- The beginning and ending restricted, committed and assigned fund balances for each fiscal year.
- Transfers must be included when applicable



# F-195 Budget Documents

School district F-195-F Four-Year Budget must contain:

- A four-year enrollment projection.
- A four-year summary of estimated revenues.
- A four-year summary of estimated expenditures.
- A four-year summary of the beginning and ending nonspendable, restricted, committed, assigned, and unassigned fund balances.
- Transfers must be included when applicable

# F-195-F Questions and Answers

- **Does each year of my four-year budget outlook have to balance?**
  - *No, OSPI's interpretation of the statute is that only the 2023–24 fiscal period of your four-year outlook must balance.*
- **What will happen if a beginning fund balance does not equal the prior year ending fund balance?**
  - *A footnote indicator will now display a message in red:*
  - *'This Beginning Fund Balance does not match prior year Ending Fund Balance.'*

# F-195-F Questions and Answers

- **Does my ESD have to review my four-year budget outlook?**
  - *Yes, the review process will be the same as for your F-195, except the ESD review will be set up as a high level for all funds instead of at the individual fund level detail of your F-195.*
- **When is my four-year budget outlook due?**
  - *The adoption and filing of your four-year budget plan prepared under RCW 28A.505.040 will follow the same time schedule as outlined for your F-195 in WAC 392-123-054 (for 2023, July 10th).*

# Official Budget Documents

School district budgets will not be considered official until:

- Filed for First Class districts;
- Approved for Second Class districts;
- With the final F-203 accompanying the F-195 document in the prescribed format.

- ❖ Budget-related references and guidance are found in:
  - ❖ Chapter 28A.505 RCW;
  - ❖ Chapter 392-123 WAC;
  - ❖ Accounting Manual, Chapter 2

# Budget Extension Reminders for SY 2022-23

- Review current year budgets and the potential need for budget extensions.
- August 31, 2023, is the final date to file your F-200 budget extensions with your ESD and OSPI. Make sure you account for the necessary time to complete all required elements of an extension.
- Depending on when you submitted your current year F-200 for approval and when you printed your new year F-195 budget document, you may need to reprint your new year budget to allow your current year budget extension to be accurately displayed in the middle column of your new year F-195.

# Budget Extension Reminders for SY 2022–23

- The FINAL date for school district boards to adopt appropriation resolutions exceeding budgets (a.k.a., F-200 budget extensions) is close of business on **August 31<sup>st</sup> at 5PM.**
- Any budget extensions received **after August 31<sup>st</sup>** from ANY school district or charter school **cannot** be processed and will not be included in OSPI calculations and data files.

- ❖ Budget-related references:
- ❖ WAC 392-123-071;
- ❖ WAC 392-123-072;
- ❖ WAC 392-123-073;

# Budget Extension Reminders for SY 2022–23

- Check the ASB fund appropriation levels before school lets out for the summer. An extension of the ASB Fund budget requires proof of necessary student involvement in the process. Student signatures are required.
- Check your DSF appropriation for adequate spending level for your district's debt payment schedule.
- Check your TVF appropriation for adequate spending level for that too-good-to-pass-up year-end close-out bus deal.



Budget Questions?



# Accounting Manual Update: 2023–24 Revisions

## Today's Topics

- Minor Changes and Edits to the Accounting Manual
- GASBS 100: Prior Year Changes and Error Corrections
- Resources for Voted and Non-Voted Debt
- Program 88 Changes
- CPF—Moving Equipment and Furniture
- E-Rate—Federal
- Depreciation Sub-Fund of the General Fund
- Transition to Kindergarten

# Accounting Manual Updates

- The *School District Accounting Manual (Accounting Manual)* is a collaborative product developed by the School District Accounting Advisory Committee (SDAAC) under the joint direction of:
  - The State Auditor's Office (SAO)
  - The Office of Superintendent of Public Instruction (OSPI)

# Accounting Manual Updates

- The committee meets regularly to ensure prescribed accounting instructions remain current and appropriate; incorporating Generally Accepted Accounting Principles.
- SDAAC meetings are scheduled through December 2023.
- The 2023–24 edition of the *Accounting Manual* is scheduled for publication near the end of July.

# 2023 SDAAC Meeting Schedule

2023 Dates	Time	Location	Notes
March 17	9am—11:15am	OSPI—Zoom Webinar	Regular Committee 2023-24 SDAM
April 21	9am—10:30am	OSPI—Zoom Webinar	Reading of Changes to the 2023-24 SDAM
May 19	9am—10:30am	OSPI—Zoom Webinar	Regular Committee
June 23	9am—10:30am	OSPI—Zoom Webinar	Regular Committee
October 6***	9am—10:30am	OSPI—Zoom Webinar	Regular Committee 2024-25 SDAM
November 3***	9am—10:30am	OSPI—Zoom Webinar	Regular Committee 2024-25 SDAM
December 1***	9am—10:30am	OSPI—Zoom Webinar	Regular Committee 2024-25 SDAM
<b>*** Tentative Dates</b>			

# Minor Changes and Edits in the Accounting Manual

- Clarified guidance in Chapter 3 for Petty Cash & Imprest Accounts.
- Fixed an RCW reference in Chapter 3 in the Interfund Transfer section.
- Updated the lists of federal programs identified in Programs 51 & 52 and the applicable revenue codes.
- Moved topics related to Federal Programs and Indirect Rates from Chapter 3 over to Chapter 9.
- Updated guidance in Chapter 8 for reporting on prior year error corrections.

# GASB Statement 100: Prior Year Accounting Changes and Error Corrections

## Two new General Ledger (GL) Account Codes

- It's all about segregating the types.
- GL 896 Change in Accounting Principles
- GL 897 Change to or within the Financial Reporting Entity
- GL 898 Prior Year **Error** Corrections
- School districts should disclose the nature of the changes in the Notes to Financial Statements.

# Voted Versus Non-Voted Debt

- Added guidance to Revenue 9100 Sale of Bonds

## **9100 Sale of Bonds**

Applicable Fund: (GFL, CPF, DSF, TVF)

- Use this resource code for financing capital acquisitions under RCW 28A.530.010 through .070 (**voted debt**). Use this resource code if the district takes some of its bonding authority and issue contracts under the LOCAL program, per RCW 39.94.030.

# Voted Versus Non-Voted Debt

- Added guidance to Revenue 9500 Long-Term Financing

## **9500 Long-Term Financing**

Applicable Fund: (GFL, CPF, TVF)

- Use this resource code for financing capital acquisitions under [RCW 28A.530.080](#) (**non-voted debt**) including the issuance of non-voted contracts under the LOCAL program, per [RCW 39.94.030](#).



# Changes to Program 88 “Early Learning”

- The Title for Program 88 is changed from “Child Care” to “Early Learning”.
- Adding Activity 24 Guidance and Counseling to Program 88
- A complete list of Valid NCES Codes for 88-24 is available.
- A complete list of Duty Code Assignments for 88-24 is available.

# Revenue Codes Retitled: Early Learning

2188	Early Learning—Tuition and Fees
2288	Early Learning—Sales of Goods, Supplies, and Services
4188	Early Learning
4388	Early Learning—Other State Agencies
6188	Early Learning
6288	Early Learning
6388	Early Learning
8188	Early Learning

# New Allowable Use of Capital Projects Fund Resources: Expenditures to Move Equipment & Furniture

- New subsection added to RCW 28A.320.330(2)

## **Moving of Equipment and Furniture**

During the 2023–25 fiscal biennium, moving equipment and furniture is an allowable use for moneys in the capital projects fund *not attributable to capital levies*.

Expenditures for the moving of equipment and furniture between buildings and warehouses for storage, moving of the content of teachers' classrooms between buildings, and furniture purchases, *when these costs are due to the following activities*:

Construction, remodeling, replacement, temporary placement, consolidation, or directed transfer (RCW 28A.320.330(2)(i)).

- **The SDAAC is still working on this.**

# Major Change to the E-Rate Program

- In 2023–24, the E-Rate Program will be a Federal Program
- It will be subject to single audit.
- The FCC has not provided all the details
  - Not certain if this is for “new” awards; <or>
  - “new” and “existing” awards.
- When E-Rate changes:
  - Revenue Code 2910 will not be used.
  - E-Rate expenditures will have to be coded differently.

# E-Rate Expenditures – Subject to Single Audit

- School Districts that receive an E-Rate funding commitment letter are direct recipients of the Federal award regardless of whether the district chooses to receive:
  - A direct reimbursement against the commitment; or
  - Has its service provider seek reimbursement on its behalf.
- Either way: You will need to account for the entire award.
- Work with your Program staff managing E-Rate.

# New Federal Revenue Code: 6210 E-Rate—Federal

- We are adding a new Revenue Code to the Chart of Accounts

## ***6210 E-Rate—Federal***

Applicable Fund: (GFS, CPF)

- Record resources awarded by the FCC for the Universal Service Fund – Schools and Libraries, Assistance Listing Number 32.004. Resources are provided for discounts for telecommunications, internet access, and internal connections.
- E-Rate revenues and expenditures are changing from Sub-Fund 1 to Sub-Fund 0.
- If E-Rate expenditures are in the CPF, use Source Code 4 to identify expenditures.

# E-Rate Expenditures – Specifically Identified

- E-Rate expenditures cannot be co-mingled with state and local expenditures within the same activity code.
- E-Rate expenditures cannot be accounted for in the BEA or Categorical Programs.
- E-Rate expenditures will be coded to new Activity Code 66;
  - And it will only be available in Program 79.

# New Activity Code 66 E-Rate—Federal

## ***66 E-Rate—Federal***

Include expenditures for telecommunications services, and other service assessments, discounts, or charges allowable as provided through the E-Rate funding commitment decision letter. School districts that receive E-Rate funding commitments are direct recipients of a federal award regardless of whether the district chooses to receive:

- A direct reimbursement against the commitment; or
- Has its service provider seek reimbursement on its behalf.

***This Activity Code is only available in Program 79.***



# Federal E-Rate Expenditures

## Activity 66 in Program 79

- Only the MSOC Object Codes are open for **E-Rate—Federal**
- The MSOC NCES codes are similar to those used in Activities 65 and 72.

Program 79 – Instructional Programs – Others											
Activities		Objects of Expenditures									
		Total	DR Trnsf	CR Trnsf	Cert Sals	Class Sals	EE Benes	Supply	Purch Svcs	Travel	Cap Outlay
			0	1	2	3	4	5	7	8	9
<b>66</b>	<b>E-Rate—Federal</b>		\$\$\$					\$\$\$	\$\$\$		\$\$\$

# The Depreciation “Sub-Fund” of the General Fund

- New Legislation: [SB 5403](#) establishes the School District Depreciation Sub-Fund of the General Fund.
- The Bill limits the establishment of a depreciation sub-fund to second class districts with fewer than 2000 students.
- We are **not creating** a “sub-fund 2 (or 12)” in the School District Chart of Accounts.

## A “Sub-Fund” in Name Only

- Up to two percent of a school district's general fund may be deposited each fiscal year into the depreciation sub-fund for the purpose of preventative maintenance or emergency facility needs.
  - The phrase “**may be deposited**” is not a legislative mandate.
  - The phrase “**2% of the school district’s general fund**” is not defined.
  - The Bill does not provide a specific revenue funding source.
  - The Bill is not applicable to all school districts.
  - The Fund Balance Reporting Tool will be used to track “sub-fund” accounting and reporting.

# Changes to the Chart of Accounts for: The Depreciation Sub-Fund of the General Fund

- **A new GL Code** is added to the Accounting Manual for the Depreciation Sub-Fund.
  - *GL 873 Committed to Depreciation Sub-Fund for Facility Maintenance*
- **A new Activity Code** is added to the Accounting Manual for the Depreciation Sub-Fund.
  - *Activity 69 Depreciation Sub-Fund for Facility Maintenance*
  - This will be part of Program 97 Districtwide Support
  - Activity Code 69 will mirror Activity 64 Maintenance
  - NCES Codes and Duty Codes are created.

# New Program: Transition to Kindergarten (TTK)

- New Legislation: [2SHB 1550](#) establishes the program.
- Funding for TTK follows much of the prototypical formula.
- Calculated using the AAFTE enrollment of eligible students
- TTK children are counted as kindergarten students for purposes of the funding calculations; But the students must be reported separately.
- Funding provided for the TTK program is not part of the state's statutory program of basic education under RCW 28A.150.200.
- **Must be expended only** for the support of operating a TTK program.

# Changes to the Chart of Accounts for: Transition to Kindergarten (TTK)

- A new Program Code
  - 09 Transition to Kindergarten
- Two new revenue codes will be added:
  - 4109 – State Special Purpose – Transition to Kindergarten
  - 6109 – Federal Special Purpose – Transition to Kindergarten
- A new GL Code will be added
  - GL 823 – Restricted for Carryover of Transition to Kindergarten Revenues



Accounting Update Questions?

# Contact Us!



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