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Washington Office of Superintendent of  
**PUBLIC INSTRUCTION**  
Chris Reykdal, Superintendent

July 1, 2021

( ) Action Required

(X) Informational

**BULLETIN NO. 047-21 SCHOOL APPORTIONMENT AND FINANCIAL SERVICES**

**TO:** Educational Service District Superintendents  
School District Superintendents  
School District Business Managers

**FROM:** Chris Reykdal, Superintendent of Public Instruction

**RE:** Third Addendum to the School District Accounting Manual for the 2020–21  
School Year

**CONTACT:** Paul Stone, Supervisor, School District Accounting  
360-725-6303, [paul.stone@k12.wa.us](mailto:paul.stone@k12.wa.us)

## **PURPOSE/BACKGROUND**

The purpose of this bulletin is to advise school districts of the third addendum to the *Accounting Manual for Public School Districts in the State of Washington (Accounting Manual)*. The effective date of the addendum is September 2020, and the changes are applicable to the school district fiscal year beginning September 1, 2020.

The addendums in this bulletin are segregated into sections:

- Elementary and Secondary School Emergency Relief Fund (ESSER III)
- ESSER III—Supplemental—Learning Loss
- The Allowable Use of ESSER Resources for Major Capital Purposes
- Modifications to the Accounting Guidance for Program 98 School Food Services and Child Nutrition Services Reimbursements
- Other Modifications to Accounting Manual Guidance and Changes to the Chart of Accounts

### **Elementary and Secondary School Emergency Relief Fund (ESSER III)**

Elementary and Secondary School Emergency Relief (ESSER III-ARP) funds, were authorized in Section 2001 of the American Rescue Plan (ARP) Act of 2021 enacted March 11, 2021. The funds are provided to state educational agencies (SEAs) and school districts to help safely

reopen and sustain the safe operation of schools and address the impact of the coronavirus pandemic on the Nation's students.

Eighty percent of the total ESSER III-ARP allocation being provided to school districts is titled ESSER III. It will become available after July 1, 2021. The remaining 20% of the total ESSER III-ARP allocation is titled ESSER III—Supplemental—Learning Loss. This allocation is required to address accelerated learning opportunity (learning loss).

### **Chapter 5—Revenues and Other Financing Sources**

New revenue codes, added in *Bulletin B010-21, The Second Addendum to the School District Accounting Manual for 2020–21* have been retitled. At the time of the Second Addendum, OSPI added revenue codes to be held in reserve for capacity in anticipation of additional federal aid packages. Revenue Codes 6113, 6213, and 6313, previously titled "Reserve B" are now titled "ESSER III."

#### **6113 Federal Special Purpose—ESSER III**

Applicable Fund: (GFS)

Record federal resources provided by the American Rescue Plan Act of 2021; SEC. 2001. Elementary and Secondary School Emergency Relief Fund. Districts should track allowable expenditures related to this resource in Program 13, Districts submit expenditure claims and attest that costs are an allowable use of the funds.

See 6213 for this type of revenue received directly from the federal agency.

See 6313 for this type of revenue received from nonfederal agencies other than OSPI.

(Ref. Section 2001 of the American Rescue Plan Act (ARP Act) of 2021)

#### **6213 Federal Special Purpose—ESSER III**

Applicable Fund: (GFS)

Record federal resources received directly from a federal agency pursuant to the American Rescue Plan Act of 2021; SEC. 2001. Elementary and Secondary School Emergency Relief Fund. Districts should track and segregate allowable expenditures related to this resource in Program 13.

See 6113 for this type of revenue received from OSPI.

See 6313 for this type of revenue received from nonfederal agencies other than OSPI.

**6313 Federal Special Purpose—ESSER III**

Applicable Fund: (GFS)

Record federal resources provided by a nonfederal agency other than OSPI pursuant to the American Rescue Plan Act of 2021; SEC. 2001. Elementary and Secondary School Emergency Relief Fund. Districts should track, and segregate allowable expenditures related to this resource in Program 13.

See 6113 for this type of revenue received from OSPI.

See 6213 for this type of revenue received directly from a federal agency.

**Chapter 6—General Fund Expenditures**

New program code 13, added in *Bulletin B010-21, The Second Addendum to the School District Accounting Manual for 2020–21* has been retitled. At the time of the Second Addendum, OSPI added new program codes to be held in reserve for capacity in anticipation of additional federal aid packages. Program Code 13, previously titled “Reserved B” is now titled “ESSER III.”

**13 Federal Special Purpose—ESSER III**

Record expenditures for allowable costs pursuant to the Elementary and Secondary School Emergency Relief III (ESSER III) funds under the American Rescue Plan Act of 2021; SEC. 2001, Elementary and Secondary School Emergency Relief Fund. LEAs may use federal ESSER III funds for the same activities allowable under the federal guidance for ESSER II. This includes, but is not limited to activities authorized by ESSA, IDEA, Carl D Perkins CTE Act, McKinney-Vento, and other activities necessary to maintain the operation of and continuity of services in the LEA.

(Ref. Section 2001 of the American Rescue Plan Act (ARP Act) of 2021)

**ESSER III—Supplemental—Learning Loss**

The ESSER III allocation included a 20% set-aside to address “student learning recovery and acceleration.” This supplemental allocation is being identified as ESSER III—Supplemental—Learning Loss.

**Chapter 5—Revenues and Other Financing Sources**

New revenue codes, added in *Bulletin B010-21, The Second Addendum to the School District Accounting Manual for 2020–21*, have been retitled. At the time of the Second Addendum, OSPI added revenue codes to be held in reserve for capacity in anticipation of additional

federal aid packages. Revenue Codes 6114, 6214, and 6314, previously titled "Reserve C" are now titled "ESSER III—Supplemental—Learning Loss."

**6114 Federal Special Purpose—ESSER III—Supplemental—Learning Loss**

Applicable Fund: (GFS)

Record federal resources provided by the American Rescue Plan Act of 2021; Sec. 2001 (e)(1), the American Rescue Plan act of 2021, P.L. 117-2 for subgrants to local education agencies to address learning loss. Districts should track allowable expenditures related to this resource in Program 14. Districts submit expenditure claims and attest that costs are an allowable use of the funds.

See 6214 for this type of revenue received directly from the federal agency.

See 6314 for this type of revenue received from nonfederal agencies other than OSPI.

(Ref. Section 2001 (e)(1) of the American Rescue Plan Act (ARP Act) of 2021)

**6214 Federal Special Purpose—ESSER III—Supplemental—Learning Loss**

Applicable Fund: (GFS)

Record federal resources received directly from a federal agency pursuant to the American Rescue Plan Act of 2021; Sec. 2001 (e)(1), P.L. 117-2 for subgrants to local education agencies to address learning loss. Districts should track allowable expenditures related to this resource in Program 14. Districts submit expenditure claims and attest that costs are an allowable use of the funds.

See 6114 for this type of revenue received from OSPI.

See 6314 for this type of revenue received from nonfederal agencies other than OSPI.

**6314 Federal Special Purpose—ESSER III—Supplemental—Learning Loss**

Applicable Fund: (GFS)

Record federal resources provided by a nonfederal agency other than OSPI pursuant to the American Rescue Plan Act of 2021; Sec. 2001 (e)(1), P.L. 117-2 for subgrants to local education agencies to address learning loss. Districts should track allowable expenditures related to this resource in Program 14. Districts submit expenditure claims and attest that costs are an allowable use of the funds.

See 6114 for this type of revenue received from OSPI.

See 6214 for this type of revenue received directly from a federal agency.

## **Chapter 6—General Fund Expenditures**

New program code 14, added in *Bulletin B010-21, The Second Addendum to the School District Accounting Manual for 2020–21*, has been retitled. At the time of the Second Addendum, OSPI added new program codes to be held in reserve for capacity in anticipation of additional federal aid packages. Program Code 14, previously titled “Reserved C” is now titled “ESSER III—Supplemental—Learning Loss.”

### **14 Federal Special Purpose—ESSER III—Supplemental—Learning Loss**

Record expenditures for allowable costs pursuant to the Elementary and Secondary School Emergency Relief III (ESSER III) funds under the American Rescue Plan Act of 2021; SEC. 2001. School districts shall reserve not less than 20% of such funds to address learning loss through the implementation of evidence-based interventions, such as summer learning or summer enrichment, extended day, comprehensive afterschool programs, or extended school year programs, and ensure that such interventions respond to students’ academic, social, and emotional needs and address the disproportionate impact of the coronavirus on the student subgroups described in section 1111(b)(2)(B)(xi) of the Elementary and Secondary Education Act of 1965 (20 U.S.C.6311(b)(2)(B)(xi)); each major racial and ethnic group, children from low-income families, children with disabilities, English learners, gender, migrant students, students experiencing homelessness, and children and youth in foster care.

(Ref. Section 2001 (e)(1) of the American Rescue Plan Act (ARP Act) of 2021)

## **APPENDIX A—Program Expenditure Matrices**

In *Bulletin B010-21, The Second Addendum to the School District Accounting Manual for 2020–21*, a single Program Expenditure Matrix template was illustrated for the Program 10 Series—Federal Special Purpose Aid. At the time of the Second Addendum, the assignment of federal programs was unknown. The design intent for a universal program matrix was to provide maximum flexibility for new programs as they came online and reduce the need for additional programming in fiscal accounting systems.

The Program 13 expenditure matrix is identical to the design illustrated in the second addendum and is shown below. It should be noted, that while the program expenditure matrix has an open and flexible design, districts must adhere to allowable cost principles in the federal award.

The Program 14 expenditure matrix is required to be more restrictive due to the requirements for use of funds specifically for accelerated learning. The Program 14 matrix is illustrated on the following page.



**PROGRAM 14—ESSER III—SUPPLEMENTAL—LEARNING LOSS—FEDERAL  
 OBJECTS OF EXPENDITURE**

ACTIVITY	Total	Debit	Credit	Cert.	Class.	Employee	Supplies, Inst	Purchased	Capital	
		Transfer	Transfer	Salaries	Salaries	Benefits	Mat'ls Noncap	Services	Travel	Outlay
		(0)	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
21 Supervision—Instruction										
22 Learning Resources										
23 Principal's Office										
24 Guidance and Counseling										
25 Pupil Management and Safety										
26 Health/Related Services										
27 Teaching										
29 Payments to School Districts										
31 Instructional Prof. Development										
32 Instructional Technology										
33 Curriculum										
TOTALS										

**The Allowable Use of ESSER Resources for Major Capital Purposes**

To determine whether an activity is an allowable use of funds, the latest guidance from the federal government regarding the use of Elementary and Secondary Schools Emergency Relief (ESSER) Funds requires a school district to determine:

- Is the use of funds intended to prevent, prepare for, or respond to the COVID-19 pandemic, including its impact on the social, emotional, mental health and academic needs of students?
- Does the use of funds fall under one of the authorized uses of ESSER or GEER funds?
- Is the use of funds permissible under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance, 2 CFR Part 200)? In particular, is it necessary and reasonable for the performance of the ESSER or GEER award?

ESSER guidance, regarding the use of funds, provides for facility repairs, improvements, replacements, and upgrades to infrastructure to reduce risks of COVID-related health issues (Ref: H.R.1319 – ARP Act SEC. 2001. ESSER III (e)(2)(O,P). Accordingly, state law requires these expenditures to be reported in a school district’s Capital Projects Fund (CPF). (Ref: RCW 28A.320.330 (1(a), 2).)

Prior to the procurement of capital expenditures, school districts must receive approval from OSPI (CFR §200.439.) School districts must complete the capital expenditure request form, embedded in the iGrants form package.

The federal government has its own public works prevailing wage requirements, or wage determinations, established by the Davis-Bacon Act (DBA). For any public works project receiving federal funding, contractors must pay the higher of the state or federal wage rates ([WAC 296-127-025](#)). This should also be stated in the bid specifications and contracts.

Capitalize equipment is defined as:

- A useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the district; or \$5,000; (CFR §200.439.)

For school districts in Washington state:

- Some capital expenditures may be expensed in the General Fund as Capital Outlay.
- Major capital projects, allowed in ESSER, must be expensed in the Capital Projects Fund. (Ref: RCW 28A.320.330 (1(a), 2).)

School Districts planning to utilize ESSER for major capital purposes should build their CPF Budgets accordingly. Districts recording related expenditures directly into the CPF should use a district-specific accounting identifier in the account code. Districts should also use Source Code 4, *Amounts received from federal agencies and used for federal portions of individual grants*, in their account codes to identify costs.

ESSER grant awards are administered by OSPI. The agency's EDS Grant Platform can only administer ESSER funds as General Fund resources. If a district utilizes a portion of their federal award for major capital improvements, the district must take care to navigate their ESSER transactions effectively to record expenditures and matching federal resources in the Capital Projects Fund.

## **Chapter 5—Revenues and Other Financing Sources**

To help facilitate accounting transactions, the following revenue codes, all currently applicable in the General Fund (GFS) will be open and applicable for use in the Capital Projects Fund (CPF).

- |                                     |                             |
|-------------------------------------|-----------------------------|
| • 6176 Targeted Assistance—ESSER I  | Applicable Fund: (GFS, CPF) |
| • 6276 Targeted Assistance—ESSER I  | Applicable Fund: (GFS, CPF) |
| • 6376 Targeted Assistance—ESSER I  | Applicable Fund: (GFS, CPF) |
| • 6111 Federal Special Purpose—GEER | Applicable Fund: (GFS, CPF) |
| • 6211 Federal Special Purpose—GEER | Applicable Fund: (GFS, CPF) |
| • 6311 Federal Special Purpose—GEER | Applicable Fund: (GFS, CPF) |



- 6112 Federal Special Purpose—ESSER II      Applicable Fund: (GFS, CPF)
- 6212 Federal Special Purpose—ESSER II      Applicable Fund: (GFS, CPF)
- 6312 Federal Special Purpose—ESSER II      Applicable Fund: (GFS, CPF)
  
- 6113 Federal Special Purpose—ESSER III      Applicable Fund: (GFS, CPF)
- 6213 Federal Special Purpose—ESSER III      Applicable Fund: (GFS, CPF)
- 6313 Federal Special Purpose—ESSER III      Applicable Fund: (GFS, CPF)

**Chapter 7—General Journal Entries**

In Chapter 7, Journal Entry examples are being included to illustrate accounting scenarios for school districts to recognize ESSER revenues and expenditures in both the General Fund and the Capital Projects Fund.

In scenario #1, a school district has used its General Fund to record all of its ESSER II transactions. The grant claim is reimbursed by OSPI; OSPI School Apportionment can only use General Fund Revenue Code 6112. The total ESSER II grant claim is \$XX,X39 (not shown in the illustration.) However, included as General Fund expenditures are items identified as Capital Outlay (Object Code 9) in the amount of \$XX,X14 that should be recognized as expenditures in the Capital Projects Fund. The school district initially receives the \$XX,X39 grant reimbursement as Revenue 6112 in the General Fund. Now, the district needs to recognize ESSER II revenue and expenditures in the Capital Projects Fund (CPF).

<b>SCENARIO #1</b>					
General Ledger Account	Subsidiary Ledger Required	Account Title	Applicable Fund	Debit	Credit
960	6112	ESSER II Revenue	GF	\$XX,X14	
530	Obj Code 9	ESSER II Expenditures	GF		\$XX,X14
530	Type Cd	Additional Equipment (ESSER II Expenditures) (SC-4)	CPF	\$XX,X14	
960	6112	ESSER II Revenue	CPF		\$XX,X14
To recognize the allowable use of ESSER II resources for major capital purposes which are required to be accounted for in the Capital Projects Fund.					

The school district must document the elements of this adjusting journal entry and reconcile amounts to the County Treasurer report.

In Scenario #2, a school district records its ESSER II expenditures for major capital purposes directly to the Capital Projects Fund using other resources available in the CPF. Now the

district needs to recoup those resources and match the federal expenditures with federal resources. In this scenario, the ESSER II grant claim includes General Fund expenditures of \$XX,X25 and Capital Projects Fund expenditures of \$XX,X14 for a total claim reimbursement of \$XX,X39. As mentioned previously, the grant claim in the amount of \$XX,X39 is reimbursed by OSPI, but OSPI School Apportionment can only use General Fund Revenue Code 6112.

In lieu of making additional adjusting journal entries, the school district may make arrangements with its County Treasurer to transfer \$XX,X14 from the General Fund to the Capital Projects Fund. The district must take care to appropriately code this County Treasurer transfer on the F-197. The school district must document the elements of this transaction and reconcile amounts to the County Treasurer Report.

If the school district elects to receive the entire grant reimbursement of \$XX,X39 in the General Fund as reported on the Apportionment Report, the district needs to reimburse its Capital Projects for the \$XX,X14.

<b>SCENARIO #2</b>					
<p><b>Transaction #A</b> is an illustration of the ESSER II transactions prior to grant claims. Both the General Fund and the Capital Projects Fund have recorded transactions for ESSER expenditures.</p>					
General Ledger Account	Subsidiary Ledger Required	Account Title	Applicable Fund	Debit	Credit
530	Prog 12	ESSER Expenditures	GF	\$XX,X25	
240		CASH	GF		\$XX,X25
530	Type Cd	Additional Equipment (ESSER II Expenditures) (SC-4)	CPF	\$XX,X14	
240		CASH	CPF		\$XX,X14
<p><b>Transaction #B</b> is an illustration of the school district receiving the grant money in the General Fund. Only a portion of the money is recognized as revenue in the General Fund, with the remaining amount recorded as a liability "Due to Other Funds." At the same time, the district records entries in the Capital Projects Fund to recognize the revenue and a receivable "Due From Other Funds."</p>					

<b>SCENARIO #2</b>					
General Ledger Account	Subsidiary Ledger Required	Account Title	Applicable Fund	Debit	Credit
240		CASH	GF	\$XX,X39	
960	6112	ESSER II	GF		\$XX,X25
640		Due To CPF	GF		\$XX,X14
320		Due From GF	CPF	\$XX,X14	
960	6112	ESSER II	CPF		\$XX,X14
<b>Transaction #C</b> is an illustration of the cash transaction to reimburse the CPF for the grant claim and eliminating the GF liability and CPF receivable.					
General Ledger Account	Subsidiary Ledger Required	Account Title	Applicable Fund	Debit	Credit
640		Due To CPF	GF	\$XX,X14	
240		CASH	GF		\$XX,X14
240		CASH	CPF	\$XX,X14	
320		Due From GF	CPF		\$XX,X14

A school district may use other methods and account codes to achieve desired results. These illustrations render the process to show results. The school district must document the elements of these transactions and a reconcile amounts to the County Treasurer report.

### Modifications to the Accounting Guidance for Program 98 School Food Services and Child Nutrition Services Reimbursements

The Summer Food Service Program (SFSP) and Child and Adult Care Food Program (CACFP) reimbursements are being reclassified as Revenue Code 6198 School Food Services.

- School districts should transfer all prior 2020–21 SFSP revenue, originally coded to revenue code 6189 O COMM SERV to revenue code 6198 School Food Services.
- School districts should transfer all prior 2020–21 CACFP revenue, originally coded to revenue code 6188 DAY CARE CACFP to revenue code 6198 School Food Services.
- Any revenue accruals received on the September 2020 Apportionment Report and reported on the 2019–20 F-196 stay coded as is. You should be able to reconcile claims received on Apportionment back to the prior year F-196.

The federal reimbursements for these programs will continue to be segregated on the Apportionment Report. However, OSPI is modifying revenue classifications; and we will begin identifying these as 6198XX (XX is a reference to a subset of Revenue 6198.)

All 2020–21 school district food service expenditures must be accounted for in Program 98 School Food Services. This includes all SFSP and CACFP activities. School districts must correct any CACFP and SFSP accounting entries made during the year which transferred costs to either Program 88 or Program 89. All food service costs, for services claimed for federal reimbursement, must stay in Program 98.

#### **The Addendum Update to CNS Guidance for SY 2020–21**

- CACFP revenue (reimbursements) were deposited to Revenue 6188
- SFSP revenue (reimbursements) were deposited to Revenue 6189
- Districts must transfer CACFP reimbursements from Revenue 6188 to Revenue 6198
- Districts must transfer SFSP reimbursements from Revenue 6189 to Revenue 6198
- Retain all Food Service expenditures (including CACFP and SFSP) in Program 98

#### **Changes for SY 2021–22**

- All USDA Child Nutrition Program reimbursements will be deposited to Revenue Code 6198
- All expenditures related to USDA Child Nutrition Programs should remain in Program 98

### **Chapter 5—Revenues and Other Financing Sources**

**On Page 5-36**, the guidance describing the revenue code is modified, removing references to the CACFP Program.

#### **6188 Child Care**

Applicable Fund: (GFL)

Record revenue from federal grants and reimbursements received through OSPI to assist school districts in providing nonprofit child care programs. ~~Also include revenue from grants and reimbursements for child care food programs through the Child and Adult Care Food Program (CACFP).~~

See 6288 for this type of revenue received directly from the federal agency.

See 6388 for this type of revenue received from agencies other than OSPI.

(Reference: 7 CFR.)

**On Page 5-36**, the guidance describing the revenue code is modified, removing references to the SFSP and CACFP programs.

**6189 Other Community Services**

Applicable Fund: (GFL)

Record revenue from the federal government received through OSPI for ~~the Summer Food Service Program, meals to the elderly under the Child and Adult Care Food Program (CACFP), or any other federal revenues~~ for community services not specifically identified in the revenue code structure.

See 6289 for this type of revenue received directly from the federal agency.

See 6389 for this type of revenue received from agencies other than OSPI.

**On Page 5-36**, the guidance describing revenue code 6198 is modified to include federal reimbursements for CACFP and SFSP.

**6198 School Food Services**

Applicable Fund: (GFS)

Record revenue from federal grants received through OSPI for the reimbursement of eligible school breakfasts, lunches, snacks, and milks served. Also record revenue from federal breakfast program start-up grants and the Fresh Fruits and Vegetable Program. Also include federal reimbursements for Child and Adult Care Food Programs (CACFP) and the Summer Food Service Programs (SFSP).

See 6298 for this type of revenue received directly from the federal agency.

See 6398 for this type of revenue received from agencies other than OSPI.

(Reference: 7 CFR; RCW 28A.235.100; chapter 392-157 WAC.)

**On Page 5-44**, the guidance describing the revenue code is modified, removing references to the CACFP Program.

**6288 Child Care**

Applicable Fund: (GFL)

Record revenue from federal grants received directly from the federal agency to assist school districts in providing nonprofit child care programs.

See 6188 for this type of revenue received from federal grants through OSPI.

See 6388 for this type of revenue received from agencies other than OSPI.

(Reference: 7 CFR.)

**On Page 5-44**, the guidance describing the revenue code is modified, removing references to the SFSP and CACFP Programs.

**6289 Other Community Services**

Applicable Fund: (GFL)

Record revenue received directly from the federal agency for community services not specifically identified in the revenue code structure.

See 6189 for this type of revenue received from federal grants through OSPI.

See 6389 for this type of revenue received from agencies other than OSPI.

**On Page 5-44**, the guidance describing revenue code 6298 is modified to include federal reimbursements for CACFP and SFSP.

**6298 School Food Services**

Applicable Fund: (GFS)

Record revenue received directly from the federal agency for the reimbursement of eligible school breakfasts, lunches, snacks, and milks served. Also record revenue from federal breakfast program start-up grants and the Fresh Fruit and Vegetable Program. Also include federal reimbursements for Child and Adult Care Food Programs (CACFP) and the Summer Food Service Programs (SFSP).

See 6198 for this type of revenue received from federal grants through OSPI.

See 6398 for this type of revenue received from agencies other than OSPI.

(Reference: 7 CFR; RCW 28A.235.100; chapter 392-157 WAC.)

**On Page 5-52**, the guidance describing the revenue code is modified, removing references to the CACFP Program.

**6388 Child Care**

Applicable Fund: (GFL)

Record revenue from federal grants to assist school districts in providing nonprofit child care programs.

See 6188 for this type of revenue received from federal grants through OSPI.

See 6288 for this type of revenue received directly from the federal agency.

(Reference: 7 CFR.)

**On Page 5-52**, the guidance describing the revenue code is modified, removing references to the SFSP and CACFP Programs.

**6389 Other Community Services**

Applicable Fund: (GFL)

Record revenue from the federal government for community services not specifically identified in the revenue code structure.

See 6189 for this type of revenue received for federal grants through OSPI.

See 6289 for this type of revenue received directly from the federal agency.

**On Page 5-52**, the guidance describing revenue code 6398 is modified to include federal reimbursements for CACFP and SFSP.

**6398 School Food Services**

Applicable Fund: (GFS)

Record federal grant revenue received indirectly through entities other than OSPI for the reimbursement of eligible school breakfasts, lunches, snacks, and milks served. Also record revenue from federal breakfast program start-up grants and the Fresh Fruit and Vegetable Program. Also include federal reimbursements for Child and Adult Care Food Programs (CACFP) and the Summer Food Service Programs (SFSP).

See 6198 for this type of revenue received from federal grants through OSPI.

See 6298 for this type of revenue received directly from the federal agency.

(Reference: 7 CFR; RCW 28A.235.100; chapter 392-157 WAC.)

**Chapter 6—General Fund Expenditures**

**On Page 6-25**, the guidance describing the expenditure program code is modified, removing guidance for CACFP.

**88 Child Care**

~~Expenditures for the Child Care Food Programs are transferred to this program using the debit-credit transfer procedure from Program 98 School Food Services.~~

**On Page 6-26**, the guidance describing the expenditure program code is modified, removing guidance for SFSP.

### ***89 Other Community Services***

Record expenditures for community service programs for which a specific program has not been assigned in the 80 series. ~~Expenditures for the Summer Food Service Program are transferred to this program using the debit-credit transfer procedure from Program 98 School Food Services.~~ Districts that are a part of a vehicle maintenance cooperative with other school districts should transfer costs for vehicles other than the district's school buses from Program 99 into this program using the debit-credit transfer procedure.

**On Page 6-26**, the guidance describing the expenditure program code is modified to include all related food service programs.

### ***98 School Food Services***

Record the direct expenditures for preparing and serving meals and a la carte items to pupils under the National School Lunch Program, School Breakfast Program, Special Milk Program, Seamless Summer Feeding Waiver, and the Fresh Fruit and Vegetable Program. Also, record the direct expenditures for serving meals and a la carte items to adults.

All food service program direct expenditures are charged and accounted for in Program 98. This includes, but is not limited to, expenditures incurred for the National School Lunch Program, School Breakfast Program, Special Milk Program, the Child and Adult Care Food Program and the Summer Food Services Program.

Other Programs utilizing food services are charged for the costs in the Debit/Credit transfer process. Use Credit transfers (Activity 49) to transfer expenditures for meal service to other programs and debit other program and activities as appropriate.

(Reference: 42 USC 1751–1760, 1779; P.L. 79-396, 89-642, 91-248, 95-166, 95-627, 96-499, 97-35; and 7 CFR 210 through 247.)



## Other Modifications to Accounting Manual Guidance and Changes to the Chart of Accounts

### Chapter 1—Principles of Accounting

Early in 2021, the Government Finance Officers Association (GFOA) announced a title change to the *Comprehensive Annual Financial Report* and to eliminate the use of the acronym for the report. See [End the Acronym](#) for more details. The title is changed to *Annual Comprehensive Financial Report*. This change is supported by OSPI and SAO.

**On page 1-3**, a paragraph is modified to reflect the title change.

All school districts in Washington state are required to prepare and submit financial statements (F-196) in conformity with legal requirements, described below. Districts are not required to prepare a GAAP Annual Comprehensive Financial Report (ACFR), but the school board may elect to do so in addition to the legally required financial statements (F-196).

**On page 1-26**, a paragraph is modified to reflect the title change.

An Annual Comprehensive Financial Report (ACFR) is not required in the state of Washington. School districts preparing an ACFR may seek a Certificate of Excellence in Financial Reporting from the Government Finance Officers' Association (GFOA) and the Association of School Business Officials (ASBO).

### Chapter 5—Revenues and Other Financing Sources

**Within Chapter 5**, a new revenue code, 8101, was added to the Chart of Accounts in *Bulletin 010-21*. There is a minor modification to the revenue code title to better distinguish the resource from revenue code 8100. Revenue Code 8101 is now titled: **8101 Governmental Entities—Enrichment**.

FEMA resources provided to school districts may be recorded under different revenue codes depending upon the source of funding. The reference to "FEMA" is removed from revenue code 5200.

**On Page 5-27**, the guidance describing the revenue code is modified.

#### **5200 General Purpose Direct Federal Grants—Unassigned**

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

Record revenue from federal unassigned general-purpose grants. An example of this is Taylor Grazing.

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A minor modification is needed for revenue code 6300. Revenues beginning with "63" are federal revenues that come indirectly through a "non-federal" agency other than OSPI. This distinction was not clarified in guidance.

**On Page 5-45**, the guidance describing the revenue code is modified.

***6300 Federal Grants Through Other Entities—Unassigned***

Applicable Fund: (GFS, CPF, TVF)

Record federal grant revenue received indirectly through non-federal entities other than OSPI.

## INFORMATION AND ASSISTANCE

For questions regarding this bulletin, please contact Paul Stone, Supervisor of School District and ESD Accounting at 360-725-6303 or by email at [paul.stone@k12.wa.us](mailto:paul.stone@k12.wa.us). The OSPI TTY number is 360-664-3631. This bulletin is also available on the OSPI website under [bulletins](#).

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School Apportionment and Financial Services

CR: pfs

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