

# School District Accounting Advisory Committee

Review topics and prepare for changes to the  
2025–26 School District Accounting Manual

October 16, 2024



Washington Office of Superintendent of  
**PUBLIC INSTRUCTION**

# Today's Agenda

1. GASB 101: Compensated Absences – New Subcommittee
2. Chapter 3, page 3-17: Warrants:
3. Chapter 3, page 3-18: Warrant Cancellation and Unclaimed Property
4. Chapter 3, page 3-65: Crediting Investment Earnings
5. Chapter 10, page 10-20: Vehicles
6. COA Subcommittee: NCEC Codes for Debit and Credit Transfers
7. Interfund Activity Tracking in the F-197
8. Interfund Activity Subcommittee - Oversight.
9. Chapter 8, page 8-4: Assessing Financial Condition
10. 2024–25 SDAAC Meeting Schedule



# Estimating the Liability for Compensated Absences (GASB 101)

- Create a Sub-Committee of Business Managers with experience calculating the liability.
  - **Volunteers Please**
- Examples we develop will be added to Appendix B.
- Hopefully, examples can be based on applied practices.
- A sub-committee will meet to review and compare work.
- Work should be completed by March 2025.



# Compensated Absences: FAQ

- Need to create a FAQ white paper to post to the OSPI website.
- Submit questions to Paul Stone with the email header: "Compensated Absences FAQ"
- **Volunteers needed to provide answers to FAQs — Please**
- I'll compile the FAQs and email the group. You provide answers... we'll compare notes... and agree to the answers...
- Should have the FAQ ready by March 2025.



# Warrants: SDAM Chapter 3, Page 17

- [HB 1419](#) modified County Treasurers' duties and redacted reference cited in the Accounting Manual.
- Current guidance does not reflect changes to Registered Warrants procedures.
- Propose we create a sub-section under Warrants to describe Registered Warrants.
- I'll draft guidance and provide it at the next SDAAC meeting.
- **Thoughts or Comments?**



# Warrant Cancellation and Unclaimed Property: SDAM Chapter 3, Page 18

- Legal references cited in the Accounting Manual have been redacted.
- The current guidance seems OK... maybe we only update the citations...
- White paper provided to SDAAC members is my research.
- Can I have a volunteer or two to research the white paper and offer an opinion on next steps?



# Crediting Investment Earnings: SDAM Chapter 3, Page 65

## Discussion Topic

- When authorized by the board of directors, any interest or earnings on investments being credited to a fund different from that which earned the interest or earnings shall only be expended for instructional supplies, equipment, or capital outlay purposes as long as it is not restricted or prohibited by another statute (RCW 28A.320.320).
- **The Question is:** Can school districts TRANSFER interest earnings previously deposited from the CPF into the General Fund?



# Crediting Investment Earnings: SDAM Chapter 3, Page 65

- **Current Guidance:** School districts have authority to redirect future CPF investment earnings to the General Fund.
- Authority does not include earnings previously deposited.
  - This is an Interfund Transfer.
- Should we clarify this in the guidance?
- Are there other opinions on the matter?





# Vehicles Charged to the CPF: SDAM Chapter 10, Page 20

- The law allowing vehicles to be charged to the CPF is expired.
- *For the 2021–2023 fiscal biennium, RCW 28A.320.330(2)(h) supersedes RCW 28A.320.330(2)(e) which states: Vehicles shall not be purchased with capital projects fund money.*
- **Proposal:** Remove expired guidance from the Accounting Manual.
- Assuming the legislature does not modify the fiscal biennium in the RCW (again).



# Add NCES Codes to Object Codes “0” and “1”: Debit and Credit Transfers [7 slides]

- Need to create a Sub-Committee to develop a series of NCES Codes for Object Codes 0 and 1
  - Volunteers for Sub-Committee — Please
  - Work should be completed by March 2025.
  - Previous Sub-Committee work was tabled.
    - Barb Piguet, Mitch Thompson, Alphonso Melton, Lori McLeod, Rhonda Ohlson, Bryan Verley, Michelle Matakas, Mike Sando, Paul Stone



# NCES Codes for Distinct Passenger Categories

- Distinct Passenger Categories
  - Special Education
  - Homeless
  - Foster Care
- Legislature appears driven towards identifying costs within the F-196.
- Expenditure provided by districts in a Smart Sheet claim file is not a long-term solution.
- Our goal is to separate costs and provide reporting in the F-196.



# Debit and Credit Transfers for Distinct Passenger Costs

- Open **Program 99, Activity 59, Object 0**
- NCES Codes for Distinct Passenger separates costs

Distinct Passengers	Program - Activity	<b>Object 0 DR Transfer NCES</b>	Object 1 CR Transfer NCES
Special Education	99-59	<b>0991</b>	1991
Homeless	99-59	<b>0992</b>	1992
Foster Care	99-59	<b>0993</b>	1993



# Debit and Credit Transfers Net to Zero

- Distinct Passenger Trip Costs stay in Program 99.
- Activity 59, Object Codes 0 & 1, would be segregated by NCES Codes.

Program 99	Total	Debit Transfer	Credit Transfer
Activity		Object 0	Object 1
59 — Transfers	\$0	\$1,000	(\$1,000)

- The total Program 99 expenditures does not change.



# NCES Codes in Object-7 for Distinct Passengers

- Need to segregate “In Lieu of” Purchased Services for Distinct Passengers in Program 99.
- New **750X Purchased Services—Student Transportation—In Lieu Of**

Distinct Passengers	Obj7 Distinct Passengers TO/FROM – <b>In Lieu of</b> — NCES Codes	Obj7 Distinct Passengers TO/FROM – <b>Commercial Vendors</b> — NCES Codes
Special Education	7501	7506
Homeless	7502	7507
Foster Care	7503	7508
In Lieu of — Other...(?)	7505	



# NCES Codes for DR/CR Transparency

- A complete list of codes for other types of DR/CR transfers
- Debit Transfers are charged to the various Programs.
- Examples:

Other Items of Debit & Credit Transfers	Object 0 DR Transfer NCES	Object 1 CR Transfer NCES
Field Trips	0996	(99-59) 1996
ASB Trips	0998	(99-59) 1998
Food Service to Programs	0980	(98-49) 1980
Food Service to ASB	0981	(98-49) 1981
Motor Pool	0750	(97-75) 1750
Lease Cost Transfer	0850	(97-85) 1850



# NCES Subcommittee – Work Process

- Develop NCES Codes
- Review at SDAAC by March 27.
- Present at the WASBO Annual Conference.
- Include the codes in the Chart of Accounts – Version 11
- Include in the 2025–26 Accounting Manual
- School Districts begin using the codes September 2025
- The 2025–26 F-196 Programming is contingent





# Interfund Activities — Review

- Subcommittee: on Interfund Activities
  - Interfund Transfers, Interfund Loans, Interfund Reimbursements, and Interfund Services;
  - Modify WAC Rules
  - Modify the F-197
  - Review allowable transactions
  - Create a real-time tracking schedule
  - New instructional guidance for the Accounting Manual



# Oversight for Interfund Activities

- New rules on Interfund Loans.
- Timely reporting to OSPI and the ESDs when Loans and Transfers occur.
- New rules will require loan repayment schedules.
- Districts provide the rationale for the transactions and offer business factors that improve the district's financial position.



# Interfund Activity — Overview

- An Ad-Hoc committee has been formed for the initial review.
  - **From OSPI and SAO**: T.J. Kelly, Michelle Matakas, Paul Stone, Ryan Montgomery, Sara Heath
  - **From the ESDs**: Jennifer Priddy, Jason Rhoades, Justin Lanting, Jason Williams, Travis Belisle, Sarah Jahn, Lori McLeod, Chuck Hole, Julie Rupe
  - **Others from the SDAAC**: Holly Burlingame, Amber Porter, Alphonso Melton, Kristy Magyar, Cindy Coleman
- Initial meeting TBD.
- Various topics will be handed off to subcommittees.



# Interfund Reimbursement Tracking In the F-197

- Interfund Reimbursement year-end reconciliation is difficult
- SAO audit focus.
- Feasibility Study to explore segregation on the F-197
  - Create new Item numbers.
  - Build rules & procedures into the SDAM to add leverage.
  - Possibly include County Treasurers in future conversations.
- **VOLUNTEERS for Subcommittee:**
  - Holly Burlingame, Justin Lanting, David Knechtel, Paul Stone.
  - More will be asked to volunteer.



<b>F-197 Partial Illustration</b>		ITEM No	General Fund 1	Capital Projects Fund 2
<b>Beginning Cash Balance</b>			\$	
<b>ADD:</b>	School District Deposits Received In	01		
	Investment Earnings	02		
	Investments Sold (Exclude Interest)	03		
	<b>Interfund Loan Proceeds from another Fund</b>	<b>52</b>		
	<b>Repayment of Interfund Loan Principal from another Fund</b>	<b>49</b>		
	(Exclude Interest)			
	Proceeds from Revenue Anticipation Notes Issued	15		
	<b>Total Schedule A Cash Increases (see page 8)</b>	<b>04</b>		
	<b>Interfund Expenditure Reimbursements from another Fund</b>	<b>#</b>		
	<b>Interfund Transfer from another Fund – Move here ? -</b>	<b>48 #</b>	<b>9900 &amp; 9901</b>	<b>9900 &amp; 9901</b>
	Other Cash Increases - Identify	19		
<b>DEDUCT:</b>	Warrants Redeemed	05		
	Warrant Interest Paid	06		
	Investments Purchased	07		
	<b>Interfund Loans to Another Fund</b>	<b>13</b>		
	<b>Repayment of Interfund Loan Principal to another Fund</b>	<b>08</b>		
	(Exclude Interest)			
	<b>Interfund Loan Interest Paid</b>	<b>09</b>		
	Revenue Anticipation Notes Redeemed	16		
	Revenue Anticipation Note Interest Paid	17		
	<b>Transfer to Funds</b>	<b>10</b>	<b>535 or 536</b>	<b>535 or 536</b>
	Bond Issuance Expenditures	18		
	<b>Interfund Expenditure Reimbursements to another Fund</b>	<b>#</b>		
	Other Cash Decreases - Identify	11		
<b>Ending Cash Balance</b>			\$	



# F-197: Review of Schedule A – Cash Increases

County Treasurer Report: Schedule A (Condensed View of Items Shown)				
Rev Code	Source	Item No.	General Fund	Capital Projects
1100	Local Property Tax	20		
1900	Other Local Tax	31		
<b>XXXX</b>	<b>Apportionment 1197 Total</b>	<b>32</b>		
2900	Other Local Support Non-Tax	38		
5500	Federal Forest	27		
XXXX	Other Federal (include 5200 & 6100)	40		
2300	Investment Earnings	02		
2400	Interfund Loan Interest	41		
7100	Participation Payments from Other	46		
7301	Non-High Participation	47		
9900	Transfers ( <b>Apportionment Redirection</b> )	48		
<b>9901</b>	<b>Transfers - Other</b>	<b>#</b>		
<b>Total Schedule A Cash Increases to Item 04</b>				



# Assessing Financial Condition: SDAM Chapter 8, Page 4

- Current guidance in Chapter 8 has not been updated
- There are growing financial condition concerns
- Accounting Manual revision will align guidance to new Note Disclosure requirements.
- Concepts include “Going Concern Considerations” GASB Cod.2250.118
- Proposed first draft provided to SDAAC.



# Updated SDAAC Meeting Schedule

Wednesday, November 20	9-11 am	OSPI Video-Conference	Regular Committee Meeting
Wednesday, January, 15	9-11 am	OSPI Video-Conference	Regular Committee Meeting
Thursday, March 27	9-11 am	OSPI Video-Conference	Regular Committee Meeting
Wednesday, June 18	9-11 am	OSPI Video-Conference	Regular Committee Meeting

❖ We anticipate scheduling sub-committee meetings between the regular meetings.





# Final Thoughts

The next meeting is scheduled for Wednesday, November 20th.

OSPI will host an In-Person; and Broadcast the meeting via Zoom or through another media platform.

If you have taken notes of today's meeting, I would appreciate having a copy. Your notes help as a reminder of items discussed.

Thank you for participating.



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