

School District Accounting Advisory Committee

Review topics and prepare for changes to the
2026–27 School District Accounting Manual

January 22, 2026



Washington Office of Superintendent of
PUBLIC INSTRUCTION

Topics — Agenda Items

- CTE—CPF Type Codes
- Unusual or Infrequent Items – AJEs
- Federal Programs X-Out of Accounting Manual
- Updating Debt Guidance
- Miscellaneous Changes and Other Discussions
- MSOC Reporting Requirement
- Special Education Tool



CTE Type Codes in the Capital Projects Fund

2025–26 Accounting Manual Addendum

Chapter 10— CTE Type Codes

- Document: *1-Chpt 10 New CTE Type-Codes*
- Accounting Manual Addendum for FY 2025–26
 - Type Code 28—CTE Building Remodeling
 - Type Code 38—CTE Equipment
 - Type Code 48—CTE Energy Upgrades
- January SAFS Hot Topics Newsletter



Unusual or Infrequent Items – GASB 103 Adjusting Journal Entries

Unusual or Infrequent Items

Document: 12 – GASB 103 – AJEs & Other Considerations

GASB 103 – Financial Reporting Model Improvements

- GL Codes added for 2025–26
- **538 Unusual or Infrequent Items—Outflows**
- **968 Unusual or Infrequent Items—Inflows**

Unusual or Infrequent Items on the F-196

F-196 Statement of Revenues, Expenditures, and Changes in Fund Balance	
960	Total Revenues
530	Total Expenditures
965/535/536	Total Other Financing Sources and Uses
UNUSUAL OR INFREQUENT ITEMS	
968	Unusual or Infrequent Items—Inflows
538	Unusual or Infrequent Items—Outflows
Total Unusual or Infrequent Items	
Title Change	Net Change in Fund Balance
	Beginning Total Fund Balance
896/897/898	Accounting Changes and Error Corrections
	Ending Total Fund Balance

Reporting Considerations

- **MATCHING:** Transactions should have district-specific Identifiers to segregate events.
- Unusual or Infrequent event-transactions may run over multiple fiscal periods.
- Inflows and Outflows may not necessarily reconcile to zero.

- **TIMING and SEFA:** Federal Awards for [Unusual or Infrequent] may be received in Future Periods. When would Expenditures be reported on the SEFA? Does it depend?

Revenues — Basic Transactions

- Revenues are posted to GL960 or 965 — and ID as [Unusual or Infrequent].
- AJEs move resources to GL 968 Inflows
- District-specific identifier in the GL 968 account code to segregate events

Expenditures — Basic Transactions

- Expenditures are posted to GL530 — and ID as [Unusual or Infrequent].
- AJEs move expenditures to GL 538 Outflows
- District-specific identifier in the GL 538 account code to segregate events

Debit & Credit Transfers

- A lot more work.
- Add Contra Revenue Codes?
- Add Contra NCES Object Codes?

GASB 103 Accounting Treatment

- Do we need Chapter 3 Accounting Guidance?
- Do we need Chapter 7 AJE Illustrations?
- Accounting Transactions in the CPF and TVF?
- Volunteers to illustrate AJEs?

GASB 103 Disclosure

- Note Disclosure Template
 - Specify Events
 - Identifying Event Expenditures by Object Type
 - Identifying Event Resources by Type (Fed-State-Local)
 - Event Disclosure Carryforward until Close Out
- SAO Help?



Federal Guidance Removed from 2026–27 Accounting Manual

Federal Stimulus Guidance Removed

- Document: 2- SDAM Federal Stimulus X-Out
- **Chapter 5** – Federal Special Purpose Resources removed:
 - 6X11; 6X12; 6X13; 6X14; 6X18; 6X19; 6X23 related to SLFRF, ESSER, APR, CARES Act Federal Funds
- **Chapter 6** – Federal Special Purpose Programs removed:
 - 11—SLFRF; 12—ESSER II; 13—ESSER III; 14—ESSER III—Learning Loss;
 - 18—Reserve G; 19—CARES Act—Other;
 - 23 Special Education—ARP—IDEA—Supplemental

Federal Stimulus Guidance Removed

- **Chapter 7:** Adjusting Journal Entry illustrations related to ESSER and the Capital Projects Fund removed.
- **Chapter 10:** Guidance related to ESSER resources — Transfers to the CPF for major capital improvements removed.
- **Appendix B:** Program Expenditure Matrices related to federal stimulus removed.

OSPI & EDS Systems Edits: 2026–27

Removing Federal Stimulus Codes

- For 2026–27:
- Remove Federal Stimulus Program and Revenue Codes **from view** in the **F-195** and **F-196**.
- Invalidate **Duty Codes** for S-275 and F-195 reporting.
- Invalidate **PP-AA-NCES** Chart of Account Codes for F-196 Expenditure Reporting.

Change to Targeted Assistance Resources

- **Document:** 3- Chpt 6 Prog 76 is na for CPF

Account	Title	GFS	CPF
6176	Targeted Assistance	open	na
6276	Targeted Assistance	open	na
6376	Targeted Assistance	open	na

- Revenues: **6X76 Targeted Assistance**
- This resource is no longer applicable to be used in the Capital Projects Fund.
- Minor edit to F-195 & F-196 Systems for 2026–2027

Other Federal Programs Removed

- Document: 4- Chpt 6 Progs 54 & 62 X-out of SDAM
- Programs: **54 Reading First** and **62 Math and Science PD**
- Resources: 6X54 and 6X62
-
- Obsolete Program and Revenue Codes removed from the Accounting Manual for 2026–27.
- System edits to the F-195, S-275, F-196, Duty Code Listing, and COA PP-AA-NCES Listing



Updating the Schedule of Debt and Liabilities Modifications to Applicable Chapter Sections

Changes related to Debt

Documents:

- # 5- Chpt 3 DEBT – SDAAC tc
- # 6- Chpt 4 LTDAG Codes – SDAAC tc
- # 7- Chpt 8 Schedule of Debt and Liabilities tc
- # 8- Chpt 7 AJEs for Arbitrage

Chapter 3 Edits related to Debt

Document: 5- Chpt 3 DEBT – SDAAC tc

- Section Headers updated: **Debt and Obligations**
- Topics within the Section are retitled, rearranged, and edited
- Sections on Bonds, Refunding, and Arbitrage are **WIP**.
- Anticipation Note section – major edits
- Conditional Sales Contracts section – reworked.
- Guidance for Leases and SBITAs moved to Appendix B.

Discussion Point: Chapter 3: Face (gross) Value and Net Present Value.

- Long-term conditional sales contracts or notes shall be reported at face (gross) value , instead of net of trade-in and other costs.

School districts recognize an expenditure (debit Account 530), Program 97, Activity 85 (Debt Service Expenditures), and an Other Financing Sources (credit Account 965, Revenue 9500).

- For leases, financing through the use of a long-term conditional sales contract requires the school district recognize the expenditure equal to the net present value of the minimum lease payments in governmental funds.

School districts recognize an expenditure (debit Account 530), Program 97, Activity 85 (Debt Service Expenditures), and an Other Financing Sources (credit Account 965, Revenue 9500).

Edits to Chapter 4 and Schedule of Debt and Liabilities

- Document: 6- Chpt 4 LTDAG Codes – SDAAC tc
- This is a working document on various changes – not the complete chapter.
- Still work to do on GL Codes.
- Document: 7- Chpt 8 Schedule of Debt and Liabilities

Discussion Point: Chapters 3 & 4: Anticipation Notes

- GL 606 is Anticipation Notes Payable
- GL 719 is Anticipation Notes
- The guidance in Chapter 3 says that Anticipation Notes are short-term and always posted to GL 606 so that they appear on the financial statements.
- RANs can be long-term, but they are still posted to GL 606 (regardless of length of maturity).
- Why the two GL Codes: 606 and 719?

SDAM Chapters 4 — The Title — Long-Term Debt Account Group (LTDAG)

- In Chapter 4, page 4-2, in the Introduction section, there was narrative providing background information on long-term debt which said a change was made (years ago) to move away from using the LTDAG terminology “for consistency”.
 - We’re changing it back.
- In Chapter 4, the GL Accounts Codes (GL701 to GL744) are being given the section title Long-Term Debt Account Group.
- The label “SLTL” is replaced with “**SDAL**” = Schedule of Debt and Liabilities

Changes to the Schedule of Liabilities (SLTL)

7- Chpt 8 Schedule of Debt and Liabilities

Changing the Title

- The “Schedule of ~~Long-Term~~ Liabilities”.
- Becomes the “Schedule of Debt and Liabilities”.
- The schedule includes: “Amounts due in one year”.
- The title change helps to eliminate confusion about disclosure requirements.

Schedule of Debt and Liabilities — Changes in Chapter 8 & the F-196

The Header Section is retitled.

(Sample School District)						
Schedule of Debt and Liabilities						
For the Year Ended August 31, 20XX						
LTDAG GL Ref # *	Description	Beginning Balance	Additions	Reductions	Ending Balance	Amt Due Within One Year
* Note: The LTDAG GL Codes listed in the left column are for reference only and are not included on the schedule in the F-196.						

GL Crosswalk on the Schedule of Debt and Liabilities — Chapter 8 Illustration

- Should we include the GL Account Codes in the Chapter 8 illustration?
- This GL crosswalk will not be included in the F-196.



Schedule of Debt and Liabilities — Changes in Chapter 8 & the F-196

Three sections – retitled

1. Voted **General Obligation** Debt Subject to the 5% Debt Limitation
2. Non-Voted Debt and Liabilities Subject to the Debt $\frac{3}{8}$ th of 1% Debt Limitation
3. Revenue Debt and Other Liabilities Not subject to the Debt Limitations



Title Changes to Liability Line Items— Chapters 4 & 8 and F-196

- Line Item: “LOCAL Program Proceeds ~~Issued in lieu of bonds~~”
- Retitled: “Voted LOCAL Program Financing”.

- Line Item: “LOCAL Program ~~Proceeds~~”
- Retitled: “Non-Voted LOCAL Program Financing”

- Similar title format
 - ❖ “LOCAL” Program = Local Option Capital Asset Lending Program administered through the Office of the State Treasurer. (SDAM – Chapter 3, Page 43)

New GL Code and Line Item— Chapters 4 & 8 and the F-196

- **GL 721 Loans and Debt Obligations to Other Governments**
- Do we repurpose GL 719 (Anticipation Notes) and retitle 719 for Loans and Debt Obligations to Other Governments?



Rearranging Line Items— Chapter 8 and F-196

- Move Compensated Absences to lower section #3:
- **Revenue Debt and Other Liabilities not Subject to the Debt Limitation**
- The Compensated Absences liability is not considered Debt for the purposes of the calculations.

Segregating RANs from BANs and TANs— Chapter 8 and the F-196

- Line Item: Anticipation Notes Payable
- Retitled: **Bond and Tax Anticipation Notes**
- New Line Item: **Revenue Anticipation Notes**
- Segregate RANs to new line in the lower section #3
- RANs are not considered Debt for the purposes of the calculations.

Chapters 3 & 4 Anticipation Notes — Segregating RANs from BANs & TANs

- In Chapter 3, the section titled Anticipation Notes includes guidance for BANs, TANs, and RANs. It has been edited to distinguish RANs from BANs and TANs.
- In Chapter 4, GL 606 Anticipation Notes, references Chapter 3 guidance.



New Line Item: Registered Warrants — Chapters 3, 4, & 8 and F-196

- In Chapter 3, the section titled Lines of Credit is updated with guidance to identify Registered Warrants separately on the Debt Schedule.
- In Chapter 8 and the F-196, a new line item is added to the Debt Schedule for Registered Warrants.

New Line Item: Arbitrage — Chapters 3, 4, & 8 and F-196

- In Chapter 3, the guidance in the section titled Arbitrage is being updated.
- In Chapter 4, GL 716 Claims and Judgments, is revised to reference Arbitrage. This was done because there is guidance in Chapter 3 in the section titled Claims and Judgments that lists Arbitrage as a type of claim.
- In Chapter 8 and the F-196, a new line item is added to the Debt Schedule for Arbitrage.

Arbitrage and Bond Guidance Updated — Chapters 3, 7, and 11

- Mark Prussing (ESD112) is helping to rewrite the Bond Guidance for Chapter 11 and the section in Chapter 3.
- He will also work on Arbitrage guidance in Chapter 3.

- In Chapter 7, new Adjusting Journal illustrations for Arbitrage will be added.





Chapter 9 Federal Grants Management Updates

Chapter 9 – Federal Grants Management

Procurement Thresholds

- Document: *9 – 2025 Federal Procurement Thresholds*
- November OSPI–SAFS Hot Topics Newsletter
- “Micro-Purchase” threshold increased from \$10K to \$15K
- “Simplified Acquisition” threshold from \$250K to \$350K
- Effective Date October 1, 2025.
- A table is available on the OSPI website under Forms
 - 2025 Federal Procurement Thresholds

Chapter 9 – Federal Grants Management

Emphasis added to Indirect Cost Guidance

- Added Guidance at page 9-4

Indirect Cost Rates

- ...Rates are calculated annually by School Apportionment and Financial Services based on information in the districts' F-196 annual financial statements. **Therefore, it is essential that LEAs classify expenditures uniformly and consistently.**



Other Stuff for 2026–27

GL Code 821 Restricted for Carryover of Restricted Revenue — Clarifying Edits

- This account is provided as a means for accumulating and restricting fund balance for future uses... ...This would include the following state funding streams: Special Education, CTE Vocational Programs, Learning Assistance Program, ~~Transitional Bilingual, Highly Capable, Student Transportation~~, State Institutions, Professional Learning Days—State (Activity 34), and other such unspent funds as may be subject to carryover; **and except those restricted resources required to be accounted for in another GL Account.**



Uncommitted Charitable Contributions Tabled for 2026–27

GL Code 655 Uncommitted Charitable Contributions

— Not being added to the Accounting Manual

655* Uncommitted Charitable Contributions (donated deposits)

This account is used to record amounts donated to the district which can be used to support provisions of [RCW 28A.320.030](#).

- Credit with amounts donated to the district because they do not represent revenues until final disposition is determined.
- Debit with amounts directed by the board of directors for scholarship and student aid purposes, or for the use or benefit of the school district.
 - Contra accounts: GL 340 to apply against bad debt, Revenue 960–2500, or other Revenue accounts.



MSOC Reporting Categories

MSOC Reporting Categories

- Document: 10 – SB-5192 MSOC Reporting Categories
- Document is a work-in-progress
- This is a Reporting Requirement — EOY 2026-27
 - New NCES Codes
 - Identify CPF Transfers
 - Identify In Lieu of Contracted Employees
- Feed back on the Word Document

MSOCs SB 5192 Work in Progress

- Future Subcommittee Meetings — TBD
- Rework the MSOC Matrix
- Clarify the MSOC Reporting Plan
- Additional Volunteers?

MSOC Reporting Ideas

- MSOCs — In the BEA Programs ... (SB 5192)
 - Categories: A through L
- Other Reporting Possibilities...(* Create a "Part—5" for the F-196)
 - MSOCs — In the BEA Programs, but not (SB 5192)
 - Maybe isolate Special Education MSOCs
 - All Other State Programs
 - All Federal Programs
 - Cumulative MSOC/NCES Codes — Funded by CPF Resource Transfers
 - Cumulative MSOC/NCES Codes — In Lieu Of Contracted Employees

* A "Part—5" would not be created for 2026–27....



The Special Education Funding Mandate and New Accounting Tool

Special Education Funding and Accounting Guidance: E2SSB 5263 — Section 7

- Subsection (2) – requires that 25% of the per student allocation be moved from 3100 to 3121.
- Subsection (3)- requires that the remaining 75% of the per student allocation (3100) be used for excess costs prior to using other funding sources.
- Subsection (4) – clearly states that local funds can be used to support special education students.

Special Education Accounting Changes

- Subcommittee met on November 4
- Alphonso Melton; Kristy M Magyar; Marci Bannan; David Knechtel; Shawn Lewis; T.J. Kelly; Paul Stone
- An Excel Tool Designed For District Use
- Seven Slides illustrate the Tool.

Special Education Tool

- The Tool uses amounts provided in the Apportionment Report

Periodic Calculations on Apportionment Report — December			
1197	Col. (A) Annual Allotment	Col. (B) Adjustment	Col. (C) Allotment Due
3121 (25%)	760,487.57	-	235,751.15
4121 (Safety Net included in August)	4,725,667.03	-	1,464,956.78
1191 SE			
BEA 3100 (75%)	2,281,462.71	-	707,253.45
4121 Carryover	0.00		
State Resources for Special Ed	7,767,617.31		2,407,961.38

Special Education Data for the Tool

- The Tool includes columns for Budget, Current-Actual, and Projections
- Projected Estimates are entered by the District.

	Annual Allotment	Current Allotment	Projection (Est.)
3121 (25%)	760,487.57	235,751.15	785,000.00
4121	4,725,667.03	1,464,956.78	5,550,000.00
3100 (75%) 1191 SE (net figure)	2,281,462.71	707,253.45	2,355,000.00
4121 Carryover 1191 SE	0.00		
State Resources for Special Ed	7,767,617.31	2,407,961.38	8,690,000.00

Special Education Tool

- Expenditures and Projections are entered by the District.
- Defined Enrichment Expenditures (B) are optional.

	Budgeted Amounts	Current Amounts	Projection (Est.)
A Total Expenditures	8,000,000	2,400,000	9,000,000
B Less: Enrichment Exp'd (optional)	85,000	17,000	135,000
C Total BEA Exp'd [A – B]	7,915,000	2,383,000	8,865,000
	Annual Allotment	Current Allotment	Projection (Est.)
D Rev. 4121 C/O	0	0	0
E Rev. 4121	4,725,667	1,464,957	5,550,000
F Rev. 3121	760,488	235,751	785,000
G Categorical Revenue (Σ D,E,F)	5,486,155	1,700,708	6,335,000
H Unfunded (Overfunded) [C – G]	2,428,845	682,292	2,530,000

Special Education Tool

- Other Resources will need to be included. **Districts input amounts.**

	Budgeted Amounts	Current Amounts	Projection (Est.)
H Unfunded (Overfunded) [C – G]	2,428,845	682,292	2,530,000
J Rev. 4321	500	500	500
K Revs. 6121, 6221, 6321	8,000	4,110	10,000
L Revs. 7121, 8521	22,000	9,000	35,000
M Σ = Total Other Resources	30,500	13,610	45,500
N Unfunded (Overfunded) [H-M]	2,398,345	668,682	2,484,500

Special Education Tool

- Districts enter remaining expenditures (if any) by resource used at (Q & R)
- All Remaining Expenditures at (P) can be charged to Sub-Fund 1 at (R).

	Budgeted Amounts	Current Amounts	Projection (Est.)
N Unfunded (Overfunded)[H-M]	2,398,345	668,682	2,484,500
O Revenue 3100 (75%)	2,281,463	707,253	2,355,000
P Remaining Expenditures or (Residual Resources) [N – O]	116,882	(38,571)	129,500
Q Other [Sub-F 0] Money Used	12,000	-	12,000
R Levy or Other [Sub-F 1] Used	104,882	-	117,500
S Must Zero Out Expenditures:	0	(38,571)	0

Special Education Tool

- This is a Summary Recap.

	Budgeted Amounts	Current Amounts	Projection (Est.)
Categorical Resources ($\Sigma G+M$)	5,516,655	1,714,318	6,380,500
Mandated Revenue 3100 (75%)	2,281,463	707,253	2,355,000
Total Resources Provided for Special Education: [$\Sigma = G+M+O$]	7,798,118	2,421,571	8,735,500
Additional State Resources [Q] or (Residual State Resources) [P]	12,000	(38,571)	12,000
Sub-Fund 0 Expenditures	7,810,118	2,383,000	8,747,500
Sub-Fund 1 Expenditures [B+R]	104,882	17,000	252,500
Total Expenditures	8,000,000	2,400,000	9,000,000

Special Education Tool

- Recap of Expenditures Per-Pupil, Based on Final Projection Figures

Special Education Expenditure Tool		
Special Education Enrollment (K-22) (1191 SE)	360.00	Per Pupil
Federal	10,000	27.78
State	8,737,500	24,270.83
Local	252,500	701.39
Total	9,000,000	25,000.00

2025–26 SDAAC Meeting Schedule

Thursday, March 26	9-11 am	OSPI Webinar	Regular Meeting
Thursday, May 7	9-11 am	OSPI Webinar	Regular Meeting



Final Thoughts

The next meeting is scheduled for Thursday, March 26th.

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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