

# 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
	<b>UNUSUAL OR INFREQUENT ITEMS</b>
968	Unusual or Infrequent Items—Inflows
538	Unusual or Infrequent Items—Outflows
	<b>Total Unusual or Infrequent Items</b>
<b>Title Change</b>	<b>Net Change in Fund Balance</b>
	<b>Beginning Total Fund Balance</b>
896/897/898	Accounting Changes and Error Corrections
	<b>Ending Total Fund Balance</b>



# 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].
- AJs 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 LT DAG 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 LTDAAG 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 3/8<sup>th</sup> 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, ~~Transistional 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.

	<b>Annual Allotment</b>	<b>Current Allotment</b>	<b>Projection (Est.)</b>
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.)
<b>A</b> Total Expenditures	8,000,000	2,400,000	9,000,000
<b>B</b> Less: Enrichment Exp'd (optional)	85,000	17,000	135,000
<b>C</b> Total BEA Exp'd [ A – B ]	7,915,000	2,383,000	8,865,000
	Annual Allotment	Current Allotment	Projection (Est.)
<b>D</b> Rev. 4121 C/O	0	0	0
<b>E</b> Rev. 4121	4,725,667	1,464,957	5,550,000
<b>F</b> Rev. 3121	760,488	235,751	785,000
<b>G</b> Categorical Revenue (Σ D,E,F)	5,486,155	1,700,708	6,335,000
<b>H</b> 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.)
<b>H</b> Unfunded (Overfunded) [C – G]	2,428,845	682,292	2,530,000
<b>J</b> Rev. 4321	500	500	500
<b>K</b> Revs. 6121, 6221, 6321	8,000	4,110	10,000
<b>L</b> Revs. 7121, 8521	22,000	9,000	35,000
<b>M</b> $\Sigma$ = Total Other Resources	30,500	13,610	45,500
<b>N</b> 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.)
<b>N</b> Unfunded (Overfunded)[H-M]	2,398,345	668,682	2,484,500
<b>O</b> Revenue 3100 (75%)	2,281,463	707,253	2,355,000
<b>P</b> Remaining Expenditures or (Residual Resources) [ N – O ]	116,882	(38,571)	129,500
<b>Q</b> Other [Sub-F 0] Money Used	12,000	-	12,000
<b>R</b> Levy or Other [Sub-F 1] Used	104,882	-	117,500
<b>S</b> 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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