

School District Accounting Advisory Committee

Final review of topics changes to the
2026–27 School District Accounting Manual

May 7, 2026



Washington Office of Superintendent of
PUBLIC INSTRUCTION

Topics — Agenda Items

- Addendums and Revisions to the 2026–27 Accounting Manual



Introduction Section edit

- The individuals composing the School District Accounting Advisory Committee is updated.
- This is projected as of August 2026



Chapter 1 edit

- **In Chapter 1, Beginning on Page 1-7:** Guidance in the Debt Service Fund section is deleted.
- It is outdated or duplicated in Chapter 11—Debt Service Fund.
- A sentence is added directing the reader to Chapter 11.



Chapter 2 Minor Edit on Budget Adoption

Page 2-9:

- Passage of the budget resolution shall require the vote of a majority ~~of all members~~ of the school district board of directors ~~at the public meeting~~.
- Passage of the budget resolution shall require a majority vote of the school district board of directors or the charter school board.



Chapter 3 edits

- **Near Page 3-18:** In the Warrants section:
- School districts must disclose all periodic activity involving Registered Warrants on the Schedule of Debt and Liabilities and in the Notes to the Financial Statements, even if there is no year-end balance.



Chapter 3 edits

- **Near Page 3-35:** In the section "Claims and Judgments"
- Bullet-points for Compensated Absences and Arbitrage Rebate are removed from this section.
- Also, in the "Probable" conditions, the guidance is modified.



Chapter 3 minor edits

2026-27 SDAM Revisions

- **Near Page 3-36:** The sections "Short-Term and Long-Term Obligations" are modified. (New Slide)
- **Near Page 3-38:** The section "Budgeting Short-Term versus Long-Term Obligations" is condensed by removing the guidance regarding Anticipation Notes to its own section.
- **Near Page 3-38:** A new section for Anticipation Notes is written. The guidance For Revenue Anticipation Notes is significantly different from the 2025-26 guidance. modified. (New Slide)



Short-Term and Long-Term Obligations

- **Short-Term Obligations**

- ~~Short-term obligations are anticipated to be repaid (liquidated) with currently available financial resources, and are reported as liabilities on the balance sheet.~~

- **Long-Term Obligations**

- Anticipation Note, (BANs, TANs, and RANs, see below) are generally reported as, short-term obligations and thus fund liabilities.
- ~~regardless of the length of maturity of the anticipation note.~~
- **Note:** In some instances, BANs are only reported as long-term liabilities.



Bond Anticipation Notes (BANs)

- If all legal steps have been taken to refinance the BANs and the intent is supported by an ability to consummate refinancing the short-term notes on a long-term basis in accordance (GASB Cod.Sec.2200.182-.191), they should be reported as Other Financing Sources in the governmental fund statements.
- ~~The reporting of a BAN for financial statement purposes, under GAAP, is dependent on the repayment terms of the BAN. However, as school districts do not present a government wide statement of net assets when reporting on the F-196,~~
- If the necessary legal steps and the ability to consummate the refinancing criteria have not been met, then the BANs should be reported as liabilities in the fund that issued them, typically the Capital Projects Fund, in General Ledger 606 Anticipation Notes Payable.



Chapter 3 minor edits

2026-27 SDAM Revisions

- **Near Page 3-42:** A new section for Lines of Credit is written.
- **Near Page 3-42:** A new section for Loans and Debt obligations to other Governments is written. **modified.** **(New Slide)**
- **Near Page 3-43:** New guidance is added to the section Accounting and Budgeting for Conditional Sales Contracts and Long-Term Notes.



Loans and Debt obligations to other Governments

- ~~• A loan or debt obligation to other Governments can exist when there are interlocal agreements, cooperative arrangements, or vendor relationships.~~
- A loan or debt obligation to other Governments would consist of borrowing resources with required payment schedules. Other governments can include the federal government, out-of-state governments, Washington State agencies, and other local governments. At year end, school districts must disclose...
- ~~• Loans from state or federal agencies are exempt from being counted against statutory municipal debt limits (RCW 39.69.020). However, any government loans without pledged revenues count against constitutional debt limits (RCW 39.69.030).~~



Chapter 3 minor edits

2026-27 SDAM Revisions

- **Near Page 3-43:** The guidance for Initial and Periodic Expenditures in Long-Term Conditional Sales Contract or Nonvoted Note Financing is **modified. (New Slide)**
- **Near Page 3-45:** The section on "Bond Refunding" is modified with sections removed.
- **Near Page 3-47:** The section on Arbitrage is modified.



Initial and Periodic Expenditures in Long-Term Conditional Sales Contract or Nonvoted Note Financing

- Financing through the use of a long-term conditional sales contract requires the school district recognize the expenditure (debit Account 530), Program 97, Activity 85 (Debt Service Expenditures), and an Other Financing Sources (credit Account 965, Revenue 9500) equal to the total principal amount of the future payments due under the contract. ~~the net present value of the minimum lease payments in governmental funds.~~



Chapter 3 minor edits

2026-27 SDAM Revisions

- **Near Page 3-48:** The sections on Leases and SBITAs are removed from Chapter 3 and moved to Appendix B — Additional Accounting Guidance. A note is added in Chapter 3 to direct the reader to Appendix B.
- **Near Page 3-69:** An additional legal reference (RCW 84.52.025) is added in the “residual equity transfer” topic in the section Interfund Transfers.



Chapter 4 minor edits

2026-27 SDAM Revisions

- **Near Page 4-2:** In the Introduction section, guidance is removed.
- ~~formerly known as the general long-term debt account group (GLTDAG) and general fixed asset account group (GFAAG). The concept of the account groups remains although, for consistency with GAAP, the account group titles are no longer used.~~



Chapter 4 minor edits

2026-27 SDAM Revisions

- **Near Page 4-12:** Two bullet-points describing crossover bond refunding under GL 250 Cash with Fiscal Agent are obsolete and removed.
- **Near Page 4-17:** Two bullet-points listed under GL 470 Amount Available in Debt Service Fund are obsolete and removed.
- **Near Page 4-18:** A bullet-point listed under GL 480 Amount to be Provide for Debt Retirement is modified. The crossover language is obsolete and removed.



Chapter 4 minor edits

2026-27 SDAM Revisions

- **Near Page 4-24:** In GL 535 Other Financing Uses, guidance is deleted and an bullet-point removed. The crossover language is obsolete and removed.
- **Near Page 4-28:** Guidance is added to GL 605 Accrued Salaries to help describe the accounting treatment for Compensated Absences. **modified. (New Slide)**
- **Near Page 4-28:** Guidance is added to GL 606 Anticipation Notes Payables to help describe the accounting treatment for Anticipation Notes.



GL 605 Accrued Salaries & Guidance for Compensated Absences

- Also include the current portion of the vacation and sick leave that has been **used** ~~earned~~ but is unpaid at the end of the period. This amount is normally expected to be liquidated with expendable available financial resources and should be recorded in the fund that will liquidate the liability.
- Employees' **unused** leave balances ~~which are not being paid out with current available resources~~ would be **reported** as Compensated Absences and included on the Schedule of Debt and Liabilities.



Chapter 4 minor edits

2026-27 SDAM Revisions

- **Near Page 4-32:** A new section is created, titled “**Long-Term Debt Account Group**”. This segregates GL codes in the 700 series that are only disclosed in the Schedule of Debt and Liabilities.
- **Near Page 4-36:** GL Code 719 is identified as BANs and TANs Anticipation Notes. RANs are deleted from this GL code and moved to a new GL code. GL 720 is specific for Lines of Credit with financial institutions. Guidance is added to inform the user of financial disclosure requirements.



Chapter 4 minor edits

2026-27 SDAM Revisions

- **Near Page 4-37:** New General Ledger Account Codes are created to identify types of debt.
- GL 721 is for Loans and Debt Obligations to Other Governments.
- GL 722 is for Arbitrage.
- GL 723 is for Registered Warrants.
- GL 724 is for Revenue Anticipation Notes (RANs).



Chapter 4 minor edits

2026-27 SDAM Revisions

- **Near Page 4-45:** The guidance in GL Code 821, Restricted for Carryover of Restricted Revenue, is modified.
- Certain categorical programs that do not provide for carryover are removed from the guidance.
- ~~Transitional Bilingual, Highly Capable, Student Transportation,~~
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Chapter 4 minor edits

2026-27 SDAM Revisions

- **Near Page 4-50:** GL Code 840 is open for use in the Transportation Vehicle Fund.
- Because GL 340 Prepaid Items is available for use in the TVF, school districts need a non-spendable fund balance account open for use in the TVF.



Chapter 4 minor edits

2025-26 SDAM Addendums

- **Near Page 4-61:** The subsidiary ledger for GL 965 includes new Revenue Code 9902 Transfers – Technology and Maintenance.



Chapter 5 minor edits

2025-26 SDAM Addendums

- **In Chapter 5, near page 5-5:** The section titled Deductible Revenues is edited to provide more information on the topic.
- **In Chapter 5, near page 5-30:** The applicable fund designation for revenue code 5500 Federal Forest is changed from Sub-Fund 1–(GFL) to Sub-Fund 0–(GFS). The guidance is also edited to include more information.



Chapter 5 minor edits

2026-27 SDAM Revisions

- **Near Pages 5-6 and 5-14** : A new Resource Code 2109 Tuition and Fees–Transition to Kindergarten is added to the Chart of Accounts.
- **Near Pages 5-8 and 5-31**: Resource Code 6109 Special Purpose–Transition to Kindergarten is being removed.



Chapter 5 minor edits

2026-27 SDAM Revisions

- **In Chapter 5, on various pages:** The Resource Codes used for ESSER, ARP, and other Federal Stimulus programs related to COVID 19 relief are being removed from the Accounting Manual.
- **In Chapter 5, on various pages:** Revenue Codes used for the Federal Reading First Program and the Math and Science Professional Development are obsolete and being removed.



Chapter 5 minor edits

2026-27 SDAM Revisions

- **In Chapter 5, on various pages:** Revenue Codes 6176, 6276, and 6376 are no longer open for use in the Capital Projects Fund. References to the CPF are either “n/a” or deleted.
- **In Chapter 5, near page 5-74:** Revenue Codes 9900 is only applicable to the General Fund and Capital Projects Fund.
- **In Chapter 5, near page 5-74:** A new Revenue Codes 9902 is added to the Chart of Accounts to recognize CPF Technology and Maintenance transfers to the General Fund.



Chapter 6 edits

- **In Chapter 6, on various pages:** The Federal Stimulus Programs related to COVID 19 relief are being removed.
- ~~11 Special Purpose—SLFRF~~
- ~~12 Special Purpose—ESSER II~~
- ~~13 Special Purpose—ESSER III~~
- ~~14 Special Purpose—ESSER III—Supplemental—Learning Loss~~
- ~~19 Special Purpose—CARES Act—Other~~
- ~~23 Special Education—ARP—IDEA—Federal~~



Chapter 6 edits

- **In Chapter 6, on various pages:** Obsolete Federal Programs related to Reading First and Math & Science Professional Development are being removed.
- ~~54 Reading First—Federal~~
- ~~62 Math and Science—Professional Development—Federal~~



Chapter 6 edits

- **In Chapter 6, Near page 6-30:** Activities 11 and 12 are modified, providing guidance to distinguish election fees by type.
- **11 Board of Directors...**Include expenditures for **elections of school board members...**
- **12 Superintendent's Office...**Include **election costs for bonds and levies...**



Chapter 6 edits

- **In Chapter 6, Near page 6-66:** Election Fees, NCES Code 7311 is modified, providing guidance to distinguish election fees by type.
- **Use Activity 11, Board of Directors, for **school board election fees****
- **Use Activity 12, Superintendent's Office, for **Bonds and Levies****



Chapter 7 edits

- **In Chapter 7, Near page 7-53:** A series of adjusting journal entries are added for Arbitrage Rebate.
- **In Chapter 7, Near page 7-56:** The Adjusting Journal Entries section, for ESSER funds and major capital purposes, is obsolete and removed from the Accounting Manual.
 - ~~ESSER ADJUSTING ENTRIES FOR MAJOR CAPITAL PURPOSES~~



Chapter 8 edits

- **In Chapter 8, Near page 8-16:** The Schedule of Long-Term Liabilities is retitled the Schedule of Debt and Liabilities.
- Column Titles are updated.
- Sections on the schedule are identified by debt limitation. Debt descriptions are modified.
- New debt types are added corresponding to GL 721; 722; 723; and 724.
- Compensated Absences is move to the section Revenue Debt and Other Liabilities.



Chapter 9 edits

- **In Chapter 9, Near page 9-19:** Federal Procurement Thresholds are modified.
- **In Chapter 9, Near page 9-22:** Minor edit to Time and Effort language.



Chapter 10 edits

- **In Chapter 10, Beginning near page 10-8:** CTE Type Codes are added to the Capital Projects Fund.
- 28 CTE Building Remodeling
- 38 CTE Equipment
- 48 CTE Energy Upgrades



Chapter 10 edits

- **Near page 10-18:** The ESSER guidance ~~Allowable Use of ESSER Resources for Major Capital Improvements~~ is removed.
- **Beginning near page 10-20:** In the section Ongoing Technology and Maintenance Expenditures and Transfers, guidance is added to direct school districts to use Revenue 9902 in the General Fund to record these transfers.
- **Beginning near page 10-26:** In the Transportation Vehicle Fund, Type Code 33 is modified to allow other vehicles to be used for student transportation.



Chapter 11 edits

- **In Chapter 11**, Multiple chapter sections in Debt Service Fund accounting are updated or replaced.
- The 2025–26 Accounting Manual chapter section **Introduction to Accounting for Advance Bond Refunding** is replaced. Many concepts from the old chapter sections are contained in the new chapter section.



Chapter 11 edits

- **In Chapter 11, beginning on page 11-5:** The chapter section **BOND ISSUE AND BOND REFUNDING JOURNAL ENTRIES** is replaced.
- Many concepts from the old chapter sections are contained in the new chapter section. All new illustrations and examples replace previous illustrations.



Chapter 11 edits

- **In Chapter 11, beginning on page 11-11:**
- **Questions and Answers on a Bond Refunding Issue** is replaced.
- Many concepts from the old chapter sections are contained in the new question and answer chapter section.
- **Beginning on page 11-13:** New chapter sections illustrating Debt Service Note Disclosers are added.



Appendix A edits

- **In Appendix A, beginning on page A-4:** The program expenditure matrices related to federal stimulus: Programs 11; 12; 13; 14; 18; 19; and 23 have been removed from the Accounting Manual.



Appendix B edits

- **In Appendix B, beginning on page B-29:** The guidance for Leases, SBITAs, and APAs is moved from Chapter 3 to Appendix B. The guidance is not modified.
- **Chapter Sections moved from Chapter 3:**
 - Accounting for Leases
 - Subscription-Based Information Technology Arrangements (SBITAs)
 - Public-Private & Public-Public Partnerships & Availability Payment Arrangements



Next Steps in SDAM Publications

- Schedule a Public Hearing
- Proof Accounting Manual Chapter Sections
- Post the 2026–27 Accounting Manual to the OSPI Website



2025–26 SDAAC Meeting Schedule

Thursday, June 25	9-11 am	OSPI Webinar	Final Review — (If Necessary)
Thursday, October 8	9-11 am	OSPI Webinar	Regular Meeting — Proposed Changes for 2027–28 SDAM — Billings Conf. Room



Final Thoughts

The next meeting is scheduled for Thursday, June 25th.

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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