

Financial Aspects of the Schoolwide Consolidated Initiative That Must Be Considered



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- Georgia Department of Education
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What is Schoolwide Consolidation of Funds?

- A school operating a Title I schoolwide program may consolidation state, local, and federal funds to support the comprehensive plan to upgrade its entire education plan.
- In consolidating, a schoolwide program school does not have to meet **most** of the statutory and regulatory requirements of the Federal programs.

What is Schoolwide Consolidation of Funds?

- The school is not required to maintain separate fiscal accounting records by program that identify the specific activities supported by those particular funds **in order to demonstrate that the activities are allowable under the program.**
- An LEA does not literally need to combine funds in a single account or pool with its own accounting code. Rather, the word “pool” is used conceptually to convey that a schoolwide program school has the use of all consolidated funds available to it for the dedicated function of operating a schoolwide program without regard to the identity of those funds.

Schoolwide Consolidation of Funds

Guidance from US Department of Education:

“A State **and** its subgrantees have an **affirmative obligation** to comply with applicable statutes, regulations, and approved applications under Federal programs, including Title I, and **must use fiscal and fund accounting procedures that ensure proper disbursement of accounting for Federal funds.**”

Key Points in Federal Guidance:

- The consolidation of funds happens at the **school level**.
- Federal and State Funds are allocated to **school districts**.
- Uniform Administrative Regulations includes certain requirements of the subrecipient (school district).
- So how to meet both the school level requirements and district level requirements?

Accounting for Schoolwide Consolidation

- Fund 150 – Fund to capture the consolidated activity for each school's schoolwide program.
- Utilizes the QBE instructional codes.
- Reported as a separate fund on the DE 46.
- Expenditures allocated to Federal funding sources are disaggregated (moved out) using program code 8881, object code 881.

Allowed Functions Per Chart of Accounts

- Includes:
 - 1000 – Instruction
 - 2100 – Pupil Services
 - 2210 – Improvement of Instructional Services
 - 2213 – Instructional Staff Development
 - 2220 – Media Services
 - 2400 – School Administration
 - 2600 – M&O – Only for School Resource Officers
 - 2700 – Pupil Transportation

Accounting for Schoolwide Consolidation – Fund 150 Example

2100-114.00	SUBSTITUTE/TEMPORARY EMPLOYEE	\$2,193.75
2100-163.00	SCHOOL NURSE/SPECIAL EDUCATION NURSE LPN	\$119,119.50
2100-177.00	FAMILY SERVICES/PARENT COORDINATOR	\$52,117.14
2100-210.00	STATE HEALTH INSURANCE	\$35,004.39
2100-220.00	FICA	\$12,087.32
2100-230.00	TEACHERS RETIREMENT SYSTEM	\$25,096.54
2100-260.00	WORKMEN COMPENSATION	\$555.06
2100-290.00	OTHER EMPLOYEE BENEFITS	\$171.00
2100-300.00	PURCHASED PROFESSIONAL AND TECHNICAL SERVICES	\$6,805.51
2100-430.00	REPAIR AND MAINTENANCE SERVICES	\$220.80
2100-580.00	TRAVEL - EMPLOYEES	\$2,174.94
2100-610.00	SUPPLIES	\$7,706.26
2100-615.00	EXPENDABLE EQUIPMENT	\$518.40
2100-810.00	DUES AND FEES	\$2,007.35
2100-881.00	SCHOOLWIDE SCHOOLS	-\$15,649.71
2100-000.00	TOTAL EXPENDITURE PUPIL SERVICES	\$251,026.25

Accounting for Schoolwide Consolidation – Fund 402 Example

2100-177.00	FAMILY SERVICES/PARENT COORDINATOR	\$930.00
2100-220.00	FICA	\$71.15
2100-260.00	WORKMEN COMPENSATION	\$2.98
2100-610.00	SUPPLIES	\$605.23
2100-611.00	SUPPLIES - TECHNOLOGY RELATED	\$234.92
2100-881.00	SCHOOLWIDE SCHOOLS	\$13,154.26
2100-000.00	TOTAL EXPENDITURE PUPIL SERVICES	\$14,998.54

Accounting for Schoolwide Consolidation – Fund 402 Completion Report

Function	Object	Amount Budgeted	7/1/2016-6/30/2017 Expenditures	7/1/2017-9/30/2017 Expenditures	Variance
1000 - INSTRUCTION		\$854,316.00	\$831,722.22	\$0.00	97.36%
	881 - Schoolwide Schools	\$200,158.00	\$197,092.45	\$0.00	
	881 - Schoolwide Schools	\$449,232.00	\$432,334.29	\$0.00	
	881 - Schoolwide Schools	\$204,926.00	\$202,295.48	\$0.00	

Budgeting for the Schoolwide Consolidation

- Fund 150 – Fund to capture the consolidated activity for each school's schoolwide program.
- Utilizes the QBE instructional codes.
- Depending on Budget Software, the allocation between the Federal Funds and the Consolidated Fund 150 will be shown as a Transfer or a Negative Expense (Expense-Credit) in object code 881.

Budgeting for the Schoolwide Consolidation

- Budget approved by Board is required, by law, to include all anticipated revenues and expenditures
- Format is not codified
- Budget for Fund 150 is required **prior to July 1**

Budgeting for the Schoolwide Consolidation

- Board Approval Varies
- Board is REQUIRED to approve the budget of all funds.
- Format is at the discretion of each local board, per the board policy.
- Board may approve Consolidated Activity as is, or it may be disaggregated between General Fund and Special Revenue Funds.

Budgeting for the Schoolwide Consolidation

- Each school's consolidated budget **must** be uploaded as an attachment into the Consolidated Application.
- Title I budget will not be approved until the School Fund 150 Budget is provided.
- But wait.....how is this easier on the Consolidated Application input???

Budgeting for the Schoolwide Consolidation

- The consolidated application only requires the single line item for the amount budgeted to be consolidated for each federal program.
- 1000-881 – amount budgeted for consolidation
- **Recommended:** include a separate line item for the amount budgeted for each school. This makes it easier to identify and trace back to each schoolwide budget.

Budgeting for the Schoolwide Consolidation

- The schoolwide budget is loaded as assurance that the usage of the funds budgeted for the schoolwide plan have been considered.
- The budget is the support that shows how the schoolwide comprehensive needs assessment and the intents and purposes of each funding source will be implemented.

Budgeting for the Schoolwide Consolidation

- The budget is the **financial story** of your schoolwide plan.
- If it hasn't been determined what will be funded in the schoolwide plan, how can it be determined what dollar amount will be allocated per funding source?

Budgeting for the Schoolwide Consolidation

Consolidated Application

Attachments

District Name : Mitchell County

District Code

Fiscal Year : 2018

Programs

Planning

Prayer Certification

Attachments

Audit Trail

Item#	Uploaded File
1	FY18 CEIS Documentation Form Initial.docx
2	Mitchell County Private Schools Initial Consultation form for S.pdf
3	MCSS FY18 Title II, Part A Budget Assertions.docx
4	MCSS FY18 Title II, Part A Budget Attachment - Prioritizing Funds.xlsx
5	MCSS FY17 Title II Part A Effectiveness Plan.docx
6	Copy of FY18 Title II Part A Equitable Services 06.16.17.xlsx
7	FLUND 150 Budgets 10 19 2017 ALL SCHOOLS.pdf
8	SWP MCES.docx
9	SWP MCPS.docx
10	SWP MCMS.pdf
11	SWP MCHS.pdf
12	MCSS SW Intent and Purpose ALL SCHOOLS.pdf

Budget Template Example

Schoolwide Consolidation Budget Template			
		SCHOOL NAME	
		School Code	
GENERAL FUND STATE AND LOCAL ALLOCATION TO SCHOOLS		BUDGET AS AMENDED	PERCENTAGE OF TOTAL FUNDS
Kindergarten		144,095.00	13.52%
Primary Grades 1-3		280,424.00	26.32%
Upper Elementary Grades 4-5		121,235.00	11.38%
Media		5,642.00	0.53%
Staff Professional Development		1,000.00	0.09%
Principal Professional Development		100.00	0.01%
ESOL		3,840.00	0.36%
20 Additional Days Instruction		6,563.00	0.62%
Indirect Cost - School Administration		54,457.00	5.11%
FEDERAL ALLOCATIONS TO SCHOOLS			
Title I, Part A		384,657.00	36.10%
Title II, Part A		46,500.00	4.36%
Title II, Part D			0.00%
Title III, Part A		16,890.00	1.59%
Title IV, Part A			0.00%
Title V, Innovative			0.00%
Total State, Local, Federal Funds Allocations - Site Level		1,065,403.00	100.00%

FUNDING SOURCES BUDGETED

Budget Template Example

		Budgeted Expenditures in Support of Plan
Expenditures		
INSTRUCTION - Function 1000	110 Salaries - Teachers	776,990.00
	113 Salaries - Substitutes, for Certified Staff	9,000.00
	114 Salaries - Substitutes, for Non Certified Staff	4,000.00
	140 Salaries - Aides/Parapros	100,000.00
	161 Salaries - Technology Specialist	-
	172 Salaries - Elementary Counselors	-
	210 Group Health	31,200.00
	220 Social Security	12,258.00
	230 Teacher Retirement	16,500.00
	290 Other Benefits	2,000.00
	300 Contracted Services	8,000.00
	563 Tuition to Private Sources	
	610 Supplies	28,500.00
	615 Equipment under \$5000	4,800.00
	616 Computers under \$5000	9,680.00
	642 Books and Periodicals	3,000.00
	730 Equipment	10,800.00

BUDGETED EXPENDITURES

Budget Amendments

Budget Amendments:

- If increasing the amount of funds a federal program is consolidating for the schoolwide plan, the budget will have to be amended in the Consolidated Application.
- The amended schoolwide budget detail does not have to be approved, but needs to be maintained to document how the funds are going to be spent.

Budget Amendments

Budget Amendments:

- In general, state/local funds budgeted for consolidation should not be reduced after the initial budget.
- Please contact the Consolidation team if it appears the initial budget did not correctly estimate state/local funding sources.

Finance - Implementation of Schoolwide Consolidation

- Collaboration on **school level** budgets including finance, principals, federal programs, human resources.
- Create Fund 150 and all needed account codes within Fund 150.
- Determine personnel to be funded in the consolidated funds and set up salary costs in Fund 150.
- Modify Purchase Order templates to include the new account codes.

Finance - Implementation of Schoolwide Consolidation

- Determine the cut off date for each grant period.
- State/Local Funds follow 12 month fiscal year – July-June.
- Federal Funds follow 15 month grant period July-following September.
- **Recommended: Cut off the Grant Award date at June 30th.**
- Ensure at least 85% is spent by June 30th (includes salaries/benefit accruals).

Finance - Implementation of Schoolwide Consolidation

- If the schoolwide budgets overlap, determine how the activity will be maintained separately in Fund 150.
- I.E., if Fund 150 does not zero out at June 30th and the new grant award period starts on July 1, how will the activity be identified separately on the general ledger?
- Financial Review recommends flipping federal funds.
- Fund 150 should either be flipped or have some sort of grant period identifier in the account code.

Finance - Implementation of Schoolwide Consolidation

July 1, 2017 -	September 30, 2017	June 30, 2018 -	July 1, 2018 -	September 30, 2018 -	June 30, 2019 -	July 1, 2019	September 30, 2019
2017 GRANT AWARD PERIOD							
2018 GRANT AWARD PERIOD							
FISCAL YEAR 2018			FISCAL YEAR 2019			FISCAL YEAR 2020	
			2019 GRANT AWARD PERIOD				

Finance – Cash Drawdowns

- Each cash drawdown is documented with appropriate supporting worksheets that document the actual expenditures incurred for the period and the amount allocated based on the budgeted percentage allocations.
- These drawdowns should be calculated by SCHOOL percentage.
- Do not use a consolidated centralized budget percentage allocation.
- The drawdown is in total for the district, once each school's drawdown is added with the centralized costs amount needed to draw down.

Finance – Cash Drawdowns

Program Name : 30 <input type="button" value="Retrieve the Grant"/>	State Project number : 100
Title I-A, Improving the Academic Achieve. of the Disadvantaged (CFDA# 84.010) - 551 - 100 - 30 <input checked="" type="checkbox"/>	LEA Fund Code : 402
	LEA Program Code : 1750
Grant Period : 07/01/2017 through 09/30/2018	Approved Budget : \$853,361.00

2. Year-to-Date Cash Disbursements as of End of month prior to Requested Month : \$377,834.20

a. Grant Funds Received and/or Requested through Previous Period.	\$377,834.20	*
b. Estimate Cash Disbursements through Previous Period	\$377,834.20	
c. Estimated Cash Balance of Funds at End of Previous Period	\$0.00	

*The funds requested in Part 3 are not to be included in Part2.

3. Request of Funds for Period :

Month / Year	Estimated Requirements	Less Estimated Cash Balance From Previous Period	Requested Amount	Date Paid by DOE
03/2018	\$66,879.25	\$0.00	\$66,879.25	03/29/2018

Ensure the amount requested for each cash drawdown is supported by each schoolwide consolidation allocation of expenditures, plus the expenditures for the federal fund that are not consolidated.

Finance – Cash Drawdowns

GENERAL FUND STATE AND LOCAL ALLOCATION TO SCHOOLS			BUDGET AS AMENDED	Amendments	Total	PERCENTAGE OF TOTAL FUNDS			
TOTAL STATE AND LOCAL ALLOCATION			15,946,274.61		15,946,274.61	94.03%			
FEDERAL ALLOCATIONS TO SCHOOLS						0.00%			
Title I, Part A			746,316.00	108,000.00	854,316.00	5.04%			
Title II, Part A			72,306.00	39,102.00	111,408.00	0.66%			
Title III			41,715.00	4,042.00	45,757.00	0.27%			
Title III, Part A			1,563.00		1,563.00	0.01%			
Title III Immigrant						0.00%			
Title V, Innovative						0.00%			
Total State, Local, Federal Funds Allocations - Site Level			16,808,174.61	151,144.00	16,959,318.61	100.00%			
			Actual YTD Expenditures in Support of Schoolwide Plan	State/Local YTD Allocation	Less Prior Month's Expenditures Allocated To State/Local	Total Current Month Allocation to State/Local	Title I YTD Allocation	Less Prior Month's Expenditures Allocated to Title I	Total Current Month Allocation to Title I
Expenditures									
INSTRUCTION - Function 1000	110	Teachers	3,199,515.78	3,008,396.65		3,008,396.65	161,173.78		161,173.78
	113	Substitutes	27,611.96	25,962.59		25,962.59	1,390.94		1,390.94
	118	Art, Music, PE	313,654.08	294,918.34		294,918.34	15,800.15		15,800.15
	161	Technology Specialist	44,095.08	41,461.11		41,461.11	2,221.26		2,221.26
	172	Elementary Counselor	92,394.28	86,875.22		86,875.22	4,654.31		4,654.31

Finance – Cash Drawdowns

- Apply the budgeted percentage allocations to the **YEAR TO DATE** Expenditures each time a cash draw down is performed.
- This will ensure the latest annual budget allocation is applied to the annual amount of expenditures incurred in the consolidated fund.
- A Budget Amendment in March is still an amendment for the entire fiscal year. Applying those budgeted percentages to only 3 months of activity will not result in the estimated target allocation to funding sources.

Applying Year to Date Budget Percentages - Example

Funding Sources:	Initial Budget	Percentage Allocation		Amended Budget	Amended Percentage Allocation
State/Local	100,000.00	76.92%		100,000.00	71.17%
Title I	20,000.00	15.38%		30,000.00	21.35%
Title II	8,000.00	6.15%		8,500.00	6.05%
Title III	2,000.00	1.54%		2,000.00	1.42%
TOTAL	130,000.00	100.00%		140,500.00	100.00%

Initial Title I Percentage – 15.38% Amended Title I Percentage – 21.35%

Applying Year to Date Budget Percentages - Example

Consolidated Expenditures:		Title I Allocation:	
Expenditures July - March:	110,000.00	16,923.08 (using initial budget percentages)	15.38%
Expenditures April - June:	25,000.00	5,338.08 (using amended budget percentages)	21.35%
Total Expenditures:	135,000.00	22,261.16	
		28,825.62 (if applying amended budget percentages to year-to-date expenditures)	

Year End Salaries and Benefits Accruals:

- Accrue Salaries/Benefits for contracted employees in Fund 150.
- Allocate the accrual to all federal funding sources via journal entry.
- Consider the accrual when considering if a receivable needs to be posted as of June 30th in each federal fund.
- Ensure accrual includes the appropriate TRS and other Benefit rates.

Year End Salaries and Benefits Accruals:

- In next fiscal year, reverse journal entry used to allocate the salaries/benefits accruals.
- Run payroll as usual for July/August.
- Reallocate the expenditures to each Federal Program.
- Determine cash drawdown necessary for payroll cash payment.
- If a difference between the accrual and the actual expenditures, apply difference to the NEXT fiscal year.
- If no difference, the entries to reverse and reallocate may not be necessary.

Journal Entries:

- Financial Review recommends posting the journal entries **each period** a cash drawdown is requested.
- The expenditures are allocated/disaggregated for the cash drawdown documentation, and the detail can be uploaded in a journal entry template for upload.
- This methodology ensures the journal entries agree with the cash drawdowns, and the federal funds maintain a balanced account.
- **Journal Entries Allocated by Function and School Code**

FY2017	DATE		
ACCOUNT NUMBER	DEBIT	CREDIT	PERCENT
150-1-0101-000-0000-0000-0-0000-5900	✓ 20,863.12		
150-5-1000-881-0205-0000-0-9990-0000		1,712.13	
150-5-2100-881-0205-0000-0-9990-0000		5,132.24	
150-5-2210-881-0205-0000-0-9990-0000		14,018.75	
SCHOOLWIDE			
402-5-1000-881-0205-0000-0-1750-0000	1,348.92		
402-5-2100-881-0205-0000-0-1750-0000	4,037.49		
402-5-2210-881-0205-0000-0-1750-0000	11,028.45		
402-1-0101-000-0000-0000-0-0000-5900		✓ 16,412.86	43.83%
TITLE I-A			
414-5-1000-881-0205-0000-0-1784-0000	104.61		
414-5-2100-881-0205-0000-0-1784-0000	313.57		
414-5-2210-881-0205-0000-0-1784-0000	858.52	20	
414-1-0101-000-0000-0000-0-0000-5900		✓ 1,274.89	3.40%
TITLE II-A			
460-5-1000-881-0205-0000-0-1828-0000	2.32		
460-5-2100-881-0205-0000-0-1828-0000	6.96		
460-5-2210-881-0205-0000-0-1828-0000	19.01		
460-1-0101-000-0000-0000-0-0000-5900		✓ 28.29	0.08%
TITLE III-Immigrant			
460-5-1000-881-0205-0000-0-1816-0000	98.78		
460-5-2100-881-0205-0000-0-1816-0000	296.09		
460-5-2210-881-0205-0000-0-1816-0000	808.78		
460-1-0101-000-0000-0000-0-0000-5900	75	✓ 1,203.62	3.21%
TITLE III-LEP			
408-5-1000-881-0205-0000-0-1847-0000	159.51		
408-5-2100-881-0205-0000-0-1847-0000	478.13		
408-5-2210-881-0205-0000-0-1847-0000	1,306.01		
408-1-0101-000-0000-0000-0-0000-5900		✓ 1,943.65	5.19%
TITLE VI, PART B			
TOTALS	41,726.24	41,726.24	55.72%
TOTAL ALLOC TO TITLE PROGRAMS		20,863.12	

Applying Indirect Cost:

- Indirect Cost is Applied to Each Individual GRANT
- Apply the Indirect Cost Rate to the total expenditures in each Federal program AFTER the allocation entry is posted to allocate Fund 150 expenditures to each Federal program.
- Each Federal Program will budget for Indirect Cost in the individual fund – do NOT budget for indirect cost within the consolidated Fund 150
- If Indirect Cost is drawn down throughout the fiscal year, must apply the rate to the year-to-date expenditures.

Finance – Completion Reports

- Expenditures are reported on each participating Federal program's completion report separately.
- Accruals are reported in the July-June column of the completion report.
- Ensure Receivable is posted on general ledger for revenue earned on each federal program through June 30

Finance – Completion Reports

- Consolidated Expenditures should follow fiscal year.
- Federal grant award can include 15-month grant period for unconsolidated activity.
- If 15-months used for consolidation, there should be a separate consolidated Fund 150 for each grant award period to maintain separate expenditures.

How can we make sure we are successful implementing the Consolidation of Funds Initiative?

Collaboration

- The purpose of Consolidation is to ease federal expenditure requirements to allow greater flexibility in serving student needs.
- How can your school system better serve students?
- The Federal Programs, Finance Offices, and Schools must work together.
- What are the Human Resources available for your school system to utilize to make this project successful?

Consolidation Best Practices

- Create a timeline for implementation of budget.
- Determine how review and approval processes will change. Ensure written procedures for allowability and cash management are updated.
- **Review budget monthly.** Review should be performed to some degree by school, federal programs, and finance staff.

Consolidation Best Practices

- Implement standard procedure for cash drawdowns and documenting amount drawn down.
- Financial Review Consolidation Checklist – modify for your schools and school district.

Plan! Plan! Plan!

Contact Information

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