

# FINANCE

## NEWSLETTER



NOVEMBER - DECEMBER 2015

KENTUCKY DEPARTMENT OF EDUCATION

### Audited Annual Financial Report (AFR) Submission process

This application will only be open for a limited time and will only allow submission from each district once. Another article called “FY 2015 Audit Report and Audited Annual Financial Report (AFR)” includes dates and other important information for the other part of this process. The link for submitting AFRs is <https://opsupport.education.ky.gov/webforms/>.

Directions for the Annual Financial Report are located at: [Audited AFR Submission Guide](#)

#### Two new check boxes:

- SOC (Statement of Certification): The checkbox must be checked and will be found down the page near the “Submit as Test?” option
- Exception for 12.00: On a rare occasion district are given permission from SFCC to do something special with their funds that may go across years. This checkbox is only to be used if you have been given this exception and it will skip this error validation. (KDE will verify with SFCC that districts have this special approval. If you do not have an exception you will be asked to correct your audited AFR and resubmit it through the process below.)

#### New Note for the Audited AFR submission:

**26.00 Your District CY beginning balance from AFR does not match your PY ending balance from Balance sheet.**

Beginning with the 2014 – 2015 audited AFR submission there is a note that has been added that will let you know that KDE has checked prior year ending balance compared to the current year beginning balance and they do not match. The check is based on the last page of the following document:

[Fiscal Year End Processing BGL-2](#)

No action is required but you will be contacted to ask for an explanation.

#### Do you need to resubmit the audited AFR?

Once the files are submitted you will need to contact LaTonya Bell [latonya.bell@education.ky.gov](mailto:latonya.bell@education.ky.gov) with an email of explanation of why you need to have your file declined to resubmit. She will give the approval and deny it for you to resubmit.

#### Other Contacts for this process.

You can directly contact Carol Buell at [carol.buell@education.ky.gov](mailto:carol.buell@education.ky.gov) or 502.564.3846 extension 4438 or Karen Conway at [karen.conway@education.ky.gov](mailto:karen.conway@education.ky.gov) or 502.564.3846 extension 4435.

## THIS ISSUE

Audited Annual Financial Report (AFR) Submission process .....	1
Medicaid .....	1
FY 2015 Audit Report and Audited Annual Financial Report (AFR) .....	2
FY 2015 Audit Analysis Review .....	2
Redbook Reminder .....	2
School Bus Order .....	2
Transportation Growth Factor Adjustment .....	3



### Medicaid

Superintendents, please share with anyone who bills Medicaid for your district and all District Health Coordinators.

**For Medicaid Billing Purposes:** As of Oct. 1, 2015, school districts or their third-party billing agents have to use the new ICD-10 codes to bill Medicaid. If your district is billing Medicaid for school nursing services per your contract with the local health department, please contact your local health department for assistance with which ICD-10 codes are to be used for Medicaid billing.

#### How about this?

**For Tracking Student Health Conditions:** Infinite Campus made the ICD-10 codes available to school districts with the system update on Wednesday, Oct. 13. The release of the ICD-10 codes did not automatically replace the existing ICD-9 Health Conditions Codes that are required for the student health condition reports. Until further notice please continue to use the ICD-9 codes to enter data on student health conditions in IC until this matter is resolved: no further action on your behalf is required at this time.

We have a statewide committee of school nurses and district health

Medicaid continued to page 2

## Medicaid continued from page 1

coordinators who are diligently working to address this matter as quickly as possible. A crosswalk is being developed of the most frequently used ICD-9 codes with the corresponding ICD-10 codes, to assist school nurses and others with entry of information on health conditions for students into IC. KDE will train all district health services staff on how to use the new ICD-10 codes to track student's health conditions, via email and through an online meeting, when the recommendations have been finalized. After the training, district KSIS Administrators will have to manually activate the new ICD-10 codes.

For more information regarding Medicaid billing, please contact Becky Stoddard at 502-564-1979, ext. 4323.

For more information regarding tracking Student Health Conditions in IC, please contact Angie McDonald at 502-564-5279, ext. 4430.

## FY 2015 Audit Report and Audited Annual Financial Report (AFR)

In accordance with the FY 2015 Audit Contract, the FY 2015 Audit Report and Audited AFR are due to the Kentucky Department of Education (KDE) on or before Nov. 15, 2015. Due to Nov. 15 being on a Sunday, KDE will accept reports submitted on the first business day following the 15th, which is Monday, Nov. 16.

The FY 2015 On-Behalf Payments are required to be recorded in the district audited FY 2015 AFRs prior to submission to KDE. Please refer to the FY 2015 On-Behalf Payments information at <http://education.ky.gov/districts/FinRept/Pages/On-Behalf-Payments-Information.aspx>.

Districts shall submit Audited AFRs electronically in accordance with the FY2015 Audit Contract. As last year, submission will be made through the SEEK District Data Submission program at <https://opsupport.education.ky.gov/webforms/Login.aspx>. Please remember during the electronic submission to certify and submit the

*Statement of Certification (SOC) by selecting the SOC option.* The AFR submission application is scheduled to be open Oct. 16 through Nov. 16. Only one submission is allowed from each district. For more information regarding the FY 2015 Audit Contract requirements, visit <http://education.ky.gov/districts/FinRept/Pages/District-Financial-Audit-Contracts.aspx>.

For additional help, visit the MUNIS Support and Guides page at <http://education.ky.gov/districts/Pages/MUNIS-Guides.aspx>. Click the "+" beside the "Title: General Ledger – Year End" and select "MUNIS Annual Financial Report Guide STW GL 2" or "Audited AFR Submission Guide."

If you have any questions related to FY2015 Audited AFRs, please contact the Division of District Support by sending an email to [finance.reports@education.ky.gov](mailto:finance.reports@education.ky.gov). The subject line should read "Audited AFR - (insert district name)."

## FY 2015 Audit Analysis Review

In November 2015, the Division of District Support, District Financial Management Branch will begin the review of the FY 2015 Financial Audit Reports and audited Annual Financial Reports (AFRs). The audit reviews are using a two-tiered approach again this year, with Tier 1 being a more general overview and Tier 2 involving a more detailed examination of the comparison of the audited AFR and the audit report.

The plan is for each district to receive a Tier 2 review once every four years, excluding Fayette and Jefferson counties, which will receive the Tier 2 review every year. The remaining districts will receive a Tier 1 audit review.

If a Tier 1 review reveals a problem, the review will expand to a Tier 2 review. KDE staff will contact district superintendents, finance officers, and/or auditors as needed for more information during the review process.

## REDBOOK REMINDER

In an effort to streamline the cost per mile for extracurricular activities and field trips, KDE has created a bus mileage calculator to help you determine your cost per mile. This should be calculated ANNUALLY, using financial data from most current Annual Financial Report. Hover over the red tick marks to read comments with helpful information about the data requested.

The calculator can be found at <http://education.ky.gov/districts/trans/Pages/Reporting.aspx>.

## SCHOOL BUS ORDERS

School bus orders are due by Dec. 9. This is the late order date. Any buses that are ordered after this date are not guaranteed to be delivered by May 15, 2016. Contact Dave Mangum with any questions. [Dave.Mangum@education.ky.gov](mailto:Dave.Mangum@education.ky.gov). 502 564-5279 x 4422.

# Transportation Growth Factor Adjustment

The Transportation Growth Factor Adjustment Web based form for fiscal year 2015-2016 data is due to the Kentucky Department of Education 10 days after the end of the second school month, no later than Nov. 1, 2015. The data must be submitted online. The submission application will be open from Oct. 15-Nov. 1, 2015, allowing one submission per district.

The Transportation Growth Factor Adjustment form can be accessed at <http://education.ky.gov/districts/SEEK/Pages/SEEKTransportation-Funding.aspx>. Please forward any questions regarding the Transportation Growth Factor Adjustment web-based form and submission to Debra Vaughan at (502) 564-5279 x 4450.

## **KDE Office of Administration and Support**

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