

FINANCE

NEWSLETTER



SEPTEMBER - OCTOBER 2015

KENTUCKY DEPARTMENT OF EDUCATION

Audited AFR Submission

The fiscal year (FY) 2014-2015 Audited AFRs are due to the Kentucky Department of Education (KDE) on or before Nov. 15. Please remember that the FY2015 on behalf payments are required to be recorded in the district audited AFR prior to submission to KDE. **GASB 68 Reminders:**

- *FY2015 Audited AFRs shall include the FY2015 KTRS on behalf payments recorded in the "KTRS GASB 68 Report."* Please refer to the on behalf payment information located at <http://education.ky.gov/districts/FinRept/Pages/On-Behalf-Payments-Information.aspx> and within the "Auditor Contract Information FY2014-15" package located at <http://education.ky.gov/districts/FinRept/Pages/District-Financial-Audit-Contracts.aspx> for more

information.

- Districts will not recognize their proportionate share of the net pension liability. The State will record the KTRS pension fund liability for local school district employers on its financial statements. Districts will not need to make any net pension liability journal entries in the MUNIS accounting system. However, the district auditors will need to add detailed disclosures to the financial statements and footnotes to the Financial Statement section of the district FY2015 Audit Reports. Please refer to the GASB 68 Implementation Guide located at <http://gasb.org/> for more information.

The Audited AFR Submission Guide and other helpful year-end information may be found at <http://education.ky.gov/districts/Pages/MUNIS-Guides.aspx> by clicking the "+" beside

"title: General - Ledger- Year End."

Submission Reminders:

- *New* -There will be a check box for the Statement of Certification (SOC). KDE will not accept the audited AFR until this box is checked.
- Audited AFRs may be submitted beginning Oct. 15. *Please remember to check the "test" check box if you are submitting as a "test,"* otherwise, the submission will be considered official.
- Districts will submit audited AFRs electronically through the web submission process at <https://opsupport.education.ky.gov/webforms/Login.aspx>.
- If you have any questions related to the Audited AFRs, please contact the Division of District Support by sending an e-mail to finance.reports@education.ky.gov. The subject line should read "Audited AFR (insert district name)."

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Capital Funds Request

The FY2016 Capital Funds Request (CFR) form, instructions and guidelines are available at the following link: <http://education.ky.gov/districts/FinRept/Pages/Capital-Funds-Request.aspx>.

The CFR documents have been revised to provide additional clarification and further expedite the review/approval process. The changes are reflected in red type. Some key revisions to the CFR guidelines include:

1. The CFR form and supporting documents must be submitted **together** by e-mail to Denise Hartsfield at denise.hartsfield@education.ky.gov in the Kentucky Department of Education's Division of District Support.
2. Restricted funds approved for use in the CFR process may be used for general operating expenses such as: KISIT workman's compensation expenditures **and** KISBIT property liability expenditures, which must be expended in FY2016.
3. A copy of the districts' detailed gross and net of federal rebate Debt Service Schedules must be submitted with the initial CFR request. The Debt Service

Schedules must reflect the principal, interest, federal rebates, other debt service reimbursements and the gross and net amount for FY 2016 in separate columns on the schedule. The debt service schedule information should be obtained directly from the district's fiscal agent.

4. New supporting documents may need to be submitted with the CFR to KDE based on the funding sources. For example, if the district plans to use leftover or residual funds in the Construction Fund 360, then a "Project Budget Report" from MUNIS will be required to support the amount(s) being requested, along with a BG-5 approval or BG-4 approval.
5. Districts using the School Facilities Construction Commission (SFCC) escrowed funds from odd-numbered years must submit a copy of the approval from the SFCC to use such funds **with** the CFR form and any other required supporting documents.
6. Districts whose CFR expenditures are related to construction or renovation projects not on the district's facilities plan must submit a Project Application Form (BG-1) to the KDE's District Facilities Branch concurrently with the CFR.

Please forward CFR questions relating to the facilities review to Greg Dunbar at greg.dunbar@education.ky.gov and questions relating to the financial review to Renee Thomas at renee.thomas@education.ky.gov or (502) 564-3846 ext. 4454 or Carol Buell at carol.buell@education.ky.gov or (502) 564-3846 ext. 4438.

Electronic Submission of the Construction Project Documents to KDE District Facilities Branch (DFB)

In order to enhance and provide continued efficiency with the facilities process, KDE is developing an information management system for the District Facilities Branch (DFB). As part of this new system, beginning July 1, 2015, all construction project documents must be submitted electronically in Portable Document Format (PDF) to the KDE Facilities SharePoint site: <https://staffkyschools.sharepoint.com/sites/dsapps/KDEConstruction>. Please 'bookmark' this site for future use.

(For details on required document submittals, refer to 702 KAR 4:160 and the BG-1 checklist accompanying the initial approved BG-1.)

Initial access to the Facilities SharePoint site will be automatically assigned to each district superintendent, finance officer and facilities director. Upon request by the superintendent to DFB, access will be provided to design professionals and other appropriate parties. Access to the SharePoint site will allow uploading of project files. Access will be limited to the district superintendent and assigned district personnel and consultants on a project-by-project basis.

Initial BG-1 forms must be uploaded to the SharePoint site. Upon approval, a BG-1 number will be assigned to the project and a unique project folder created in the SharePoint site, accessible only to those holding permissions. All subsequent project documents must be uploaded to the SharePoint site. Note that the email addresses for BG-1 and BG-5 submittals will be discontinued July 1, 2015.

Additional information will be available on the KDE Facilities SharePoint site.

For assistance contact the following KDE staff:

General submission questions: Calleen Yett at calleen.yett@education.ky.gov or (502) 564-4326, extension 4431.

- Project specific questions: the district assigned District Facilities Branch Project Manager. Refer to the [KDE District Facilities Branch Project Managers List](#) and contact information on KDE School Facilities webpage at <http://education.ky.gov/districts/fac/Pages/default.aspx>.
- Questions related to BG-1 and BG-5 submittals: Jeff Coulter at jeffrey.coulter@education.ky.gov or (502) 564-4326, extension 4459.

Your cooperation in this matter is greatly appreciated.

Federal Reimbursement of Health Benefits Timeline & District Contact

The Kentucky Department of Education's Division of District Support (DDS) would like to remind districts that the Federal Reimbursement of Health Benefits files and payments <http://education.ky.gov/districts/FinRept/Pages/Federal-Reimbursement-of-Health-Benefits.aspx> are due to the division after the districts run their end of the month payroll. The districts will be considered late if their files and payments are not received **within 30 days after their last end of the month payroll**. At that time the DDS staff will begin communicating with the districts' Federal Reimbursement of Health Benefits contact(s) regarding the outstanding files and payments for the previous month's premiums.

District finance officers are encouraged to review and update the districts' Federal Reimbursement of Health Benefits contact(s) annually in order to ensure that the outstanding file and payment notifications are sent to the appropriate district personnel promptly. Finance officers are being asked to update the districts' Federal Reimbursement of Health Benefits contact(s).

The DDS recommends that the district has at least one contact and one backup contact listed. The district contacts should

Federal Reimbursement *continued from page 2*

be the person(s) who generates and uploads the Federal Reimbursement files and who initiates the Federal Reimbursement payments. The backup district contact can be the finance officer.

Please provide the following information:

- district contact's and backup contact's first and last names
- district contact's and backup contact's telephone numbers and extensions
- district contact's and backup contact's email addresses

Please email the requested information to Gail Cox at Gail.Cox@education.ky.gov.

Fidelity (Performance) Bonds & Depository Bonds

If during the fiscal year, the district needs to make changes to the Fidelity or Depository Bond information that has already been approved by KDE the district will be required to update the end date of the current information. The begin date on the new information should follow the end date of the current information. The district will be required to submit the current and the new information to KDE. It is the responsibility of the district to make sure that their Fidelity and Depository Bond information that is submitted to KDE is correct and current.

If the district has a change to their approved information in the SEEK application, please contact Gail Cox at gail.cox@education.ky.gov or 502-564-3846 extension # 4462 for the SEEK application window to be opened to allow the district to make their changes for approval.

KTRS On Behalf Payments & GASB 68

Due to the implementation of GASB 68, the Pathway System is no longer to be used to determine the FY2015 KTRS On Behalf Payments. Please obtain the FY2015 KTRS On Behalf Payments from the KTRS website at <http://ktrs.ky.gov/> or by contacting KTRS at (502)848-8500. School districts are required to record the FY2015 KTRS On-Behalf Payments in MUNIS in accordance with the "On-Behalf Payment Instructions FY2014-2015" document. Once KDE receives the final FY2015 KTRS On Behalf Payment amounts from KTRS, the "On Behalf Payments Summary Report FY2014-2015" will be updated with the KTRS On Behalf Payment amounts.

For KTRS On Behalf Payments and GASB 68 guidance, please refer to the following websites:

- Revised KTRS On Behalf Payments information located at the On Behalf Payments website at <http://education.ky.gov/districts/FinRept/Pages/On-Behalf-Payments-Information.aspx>
- Revised KTRS section of the "Frequently Asked

Audit Questions FY2015" document located on the District Financial Audits website at <http://education.ky.gov/districts/FinRept/Pages/District-Financial-Audits.aspx>

- KTRS website at <http://ktrs.ky.gov> under the "GASB 68 Information" link that will be available soon or contact Mark Whelan at mark.whelan@ky.gov or (502)848-8500
- GASB website <http://gasb.org/>

For CERS and GASB 68 guidance, please refer to the following websites:

- Kentucky Retirement Systems (KRS) website at <https://kyret.ky.gov/Pages/default.aspx> or contact Todd Coleman at <https://kyret.ky.gov/Pages/contact.aspx> or (502) 696-8800
- KRS - GASB Statements 67 & 68 <https://kyret.ky.gov/employers/GASB/Pages/default.aspx>
- GASB website <http://gasb.org/>

Finance Officer Certification

If you have not already completed the submission, the Finance Officer Certification is due Sept. 15. Each district should only have one Finance Officer which may be 'grandfathered' or will submit a provisional application. You may submit the application on the KFOMC site: <https://opsupport.education.ky.gov/KFOMC/>

If you have any questions, please contact Jana Cox at (502) 564-3846, ext. 4462 or via e-mail at jana.cox@education.ky.gov.

Superintendent Compensation Data Collection

The Superintendent Compensation Data will need to be submitted to KDE by Sept. 15. This process should be completed for new and existing Superintendents annually. If there are contract or benefit changes, you may update this information throughout the year.

If you have any questions, please contact Carol Buell at (502) 564-3846, ext. 4438 or via e-mail at carol.buell@education.ky.gov.

Growth Factor Report (Attachment)

The Growth Factor Report is due to the Kentucky Department of Education (KDE) ten (10) days after the last day of the second school month, but **no later than Nov. 1**, of each school year. This report includes the following information for the first two (2) school months:

- Aggregate days' attendance and absence;
- Race and gender count;
- Nonresident/non-contract students; and
- Overage and underage students

All information is reported by school, grade level and transportation code. The Growth Factor Reference document for the 2015-16 Growth Factor Report is **attached**. Please submit the Growth Factor Report via the KDE web site at <http://opsupport.education.ky.gov/attendancereports/>.

If you have any questions, please contact Garnetta Barnette at garnetta.barnette@education.ky.gov, or via telephone at (502) 564-5279, ext. 4419.

KISTA Financed Bus Orders

The late order date for ordering school buses is Dec. 4, 2015. In order to allow sufficient time for bond approval by the Kentucky Department of Education prior to the buses being ordered, KISTA financed bus orders should have a participation resolution sent to Ross Sinclair Associates (RSA) no later than Nov. 15, 2015. The point of contact at RSA is Lincoln Theinert, 800-255-0795 or <mailto:ltheinert@rsamuni.com>.

New Director to DDS

We welcome Donna E. Duncan as the new director of the Division of District Support. Donna took office Aug. 1, 2015, replacing Kay Kennedy who retired at the end of July. Donna most recently served as the Executive Director, Office of Policy and Audit in the Finance and Administration Cabinet. She also held leadership positions at Kentucky Housing Corporation and the Cabinet for Economic Development. Prior to returning to Kentucky in 2000, Donna held various positions with the Office of the Comptroller of the Currency, US Treasury Dept. in Washington DC.

PSD/CSD Submission

The PSD/CSD Submission is due Oct. 1. The window for testing and submission will open Sept. 15. This year all notes **must** be answered. One reminder is to check your superintendent's salary for accuracy as this will be posted to the web. The window closes on Oct. 15. Please go back over the July/August Newsletter article for PSD/CSD that reflects the new changes.

Salary Submission

The Salary submission for PSD/CSD will not have a test option – any Salary submissions that pass the submission

validation will be submitted to KDE as final. The window for submissions will be open during the test window for PSD and CSD so that the districts will have an opportunity to test the PSD submission. PSD data is validated against the Salary data, so it is necessary to have a final submission of the Salary data to KDE in order to either test or submit a final version of the PSD. As in previous years, if a Salary submission is inaccurate and needs to be resubmitted, any PSD submission based upon that data will also need to be resubmitted.

PSD and CSD Submission

The test window for both the PSD and CSD submission is Sept. 1 through the 14. Districts will only be able to test PSD and CSD submissions during this timeframe. PSD submissions must first be preceded by a valid Salary submission (see Salary Submission above). The window for final submissions for both PSD and CSD opens on Sept. 16 and closes on Sept. 30. During this time, a district may still test a PSD or CSD submission, but a final submission must be submitted before Sept. 30.

KDE Office of Administration and Support

Associate Commissioner Hiren Desai
Division of District Support Services
Director Donna Duncan, Assistant Director Steve Lyles

District Funding and Reporting

Chay Ritter – Manager
Staff
Karen Conway, Carol Buell,
Jana Cox, Renee Thomas

District Financial Management

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FirstName.LastName@education.ky.gov

District Facilities Branch

Greg Dunbar – Manager
Staff
James Bauman, Jeffrey Coulter,
Anne Saint-Aignan, Calleen Yett