

# FINANCE

## NEWSLETTER

September - October 2016

KENTUCKY DEPARTMENT OF EDUCATION

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## Certified Salary Tables, Professional Staff (PSD) and Classified Data (CSD) File Submission as of 9/15

The deadline for the certified salary table, the professional and classified staff report is quickly approaching. The Kentucky Department of Education (KDE) has been working hard to simplify the process. We have made a few changes that should benefit not only KDE but also benefit the districts.

### New:

Submitting your salary table is **different** this year. We have linked the submission to the superintendent data submitted by the district and there will no longer be a check box for the salary table submission based on KRS 161.760.

Your salary table submission will have one of two status:

1. Approved – your file submitted passed all of our checks and you are ready to proceed to submit the PSD data file.
2. Pending–your file submitted did not pass the checks and/or you may need to check a box stating that your district does not have superintendent as of Sept. 15 if applicable.
  - a. If your submission does not pass the checks, you will be sent to a report screen where you can pull a new report that will outline where your salary table is incorrect. Fix and retry or call KDE.
  - b. If no superintendent is employed as of Sept. 15, please check the applicable box. This will allow your salary table submission to be sent. KDE staff may contact you to confirm this information.
  - c. Either of the above will require KDE to either approve the file or deny it.

### Change:

Does your district have a **separate extra duty salary table** tied to (object 0112) that uses a letter or letter/numeric combination in the grade and step fields? If yes, our checks for the 4.40, 4.50, 13.00 and 14.00 error check for PSD are now restricted to only review records for object codes 0110 and 0111.

If your district does get an error, please contact us immediately to see what is happening in your district before deleting data. We want to simplify this process and create less work on the district's side.

Salary differences for salaries reviewed have had a change in the amount KDE has set in the past to check these. Each PSD or CSD file will be set at a \$25 difference when the error checks are processed.

Location for submission of salary tables and staff data:

<https://opsupport.education.ky.gov/webforms/Login.aspx>

Link to the documentation for the PSD CSD overall process.

<http://education.ky.gov/districts/FinRept/Pages/School%20District%20Personnel%20Information.aspx>

Go to the following location on that page: **School District Personnel Reporting**

During the submission process please 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.



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

Please email the requested information to Jackie Chism at [jackie.chism@education.ky.gov](mailto:jackie.chism@education.ky.gov).

## Capital Funds Request

The FY2017 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 Jana Cox at [jana.cox@education.ky.gov](mailto:jana.cox@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 FY2017.
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](mailto:greg.dunbar@education.ky.gov) and questions relating to the financial review to Krystal Downey at [krystal.downey@education.ky.gov](mailto:krystal.downey@education.ky.gov) or (502) 564-3846 ext. 4425 or Carol Buell at [carol.buell@education.ky.gov](mailto:carol.buell@education.ky.gov) or (502) 564-3846 ext. 4438.

## 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 Jackie Chism at [jackie.chism@education.ky.gov](mailto:jackie.chism@education.ky.gov) or (502) 564-3930 extension 4445 for the SEEK application window to be opened to allow the district to make their changes for approval.

## A few important tips to ensure successful payment downloads:

- only text files are allowed;
- only extensions of .txt, .pm, and .csv can be used;
- examples of manual journal entries:
  - ▷ Debit 10-7461 (whatever account the federal amounts are posted to after payroll process)
  - ▷ Credit 10-6101 (or whatever cash account district uses when federal amounts posted after payroll process)
- if you are informed by KDE that you have a credit for a certain month, please adjust your next month's payment before sending;
- rate changes for FY 2017 – administrative fee (\$7.96) and life insurance premium (\$1.00);
- if you have changed banks, you will need to complete the form below, and email it to [bethany.crockett@ky.gov](mailto:bethany.crockett@ky.gov) and [patricia.boler@ky.gov](mailto:patricia.boler@ky.gov) at the Finance Controller's Office to make the change to your account. Please also inform Gail Cox at [gail.cox@education.ky.gov](mailto:gail.cox@education.ky.gov) or myself of the changes

Please use the website below for directions for downloading the Federal Reimbursement Health Benefits files:

<http://education.ky.gov/districts/FinRept/Pages/Federal-Reimbursement-of-Helth>

## FY2016 Audit Extension Request

The fiscal year 2016 audit reports are due to the Kentucky Department of Education (KDE) on or before November 15.

If an audit report cannot be submitted by the Nov. 15 deadline, due to factors beyond the control of Accountant, the Accountant shall submit an Audit Extension Request form, fully completed by **both** the Accountant and the district, to KDE by **October 1**. The form is provided in Appendix I of the fiscal year 2016 audit contract package located at <http://education.ky.gov/districts/FinRept/Pages/District-Financial-Audit-Contracts.aspx>. If the Audit Extension Request form does not reach KDE on or before October 1 and the audit has not been received by KDE on or before November 15, then the audit will be considered late and the penalties as outlined in the audit contract shall be imposed by the district. The Audit Extension Request form should be submitted to [Finance.Reports@education.ky.gov](mailto:Finance.Reports@education.ky.gov) with the "DISTRICT NAME AUDIT EXTENSION REQUEST" in the subject line (SUBJECT: DISTRICT NAME AUDIT EXTENSION REQUEST) and a carbon copy should be sent to the School District Superintendent.

For more information, contact Kim Carter at [Kimberly.Carter@education.ky.gov](mailto:Kimberly.Carter@education.ky.gov) or (502) 564-3846, ext. 4440, or Nicole Vanover at [Misty.Vanover@education.ky.gov](mailto:Misty.Vanover@education.ky.gov) or (502) 564-3846, ext. 4443.

## KTRS On Behalf Payments & GASB 68

Due to the implementation of GASB 68, the Pathway System is not to be used to determine the FY2016 KTRS On Behalf Payments.

Please obtain the final FY2016 KTRS On Behalf Payments from the KTRS website at <https://ktrs.ky.gov/employers/information/gasb-65-67/> within the "GASB Statement No. 68" report or by contacting KTRS at 502-848-8500.

School districts are required to record the FY2016 KTRS On-Behalf Payments in MUNIS in accordance with the "On-Behalf Payment Instructions FY2015-2016" document. KDE will accept only the "Schedule A" totals for the state contributions column contained within the GASB Statement No. 68 Report. Once KDE receives the final FY2016 KTRS On

Behalf Payment amounts from KTRS, the "On Behalf Payments Summary Report FY2015-2016" 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:

- KTRS On Behalf Payments information located on the "On Behalf Payments" website at <http://education.ky.gov/districts/FinRept/Pages/On-Behalf-Payments-Information.aspx>
- KTRS section of the "Frequently Asked Audit Questions FY2016" document located on the "District Financial Audits" website at <http://education.ky.gov/districts/FinRept/Pages/District-Financial-Audits.aspx>

- KTRS website at <https://ktrs.ky.gov/employers/information/gasb-65-67/> within the "GASB Statement No. 68" report that will be available soon or contact Mark Whelan at [mark.whelan@ky.gov](mailto: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 the link for [Email Kentucky Retirement Systems](mailto:Email Kentucky Retirement Systems) or (502) 696-8800
  - KRS - GASB Statements 67 & 68 <https://kyret.ky.gov/employers/GASB/Pages/default.aspx>
  - GASB website <http://gasb.org/>

# School Nutrition Pension Reporting and New Financial Reporting Tool

## Changing how to report

GASB 68 Accounting and Financial Reporting for Pensions has the primary objective of improving accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This was first used in 2014-2015 and districts took various approaches to reporting this.

This fall, there will be a new SNP Financial Report being introduced for School Nutrition and we found during testing that there were coding issues caused by GASB 68. In order to comply with both reporting pieces, the Kentucky Department of Education (KDE) is recommending that in 2015-2016 submission of the audited Annual Financial Report (AFR) that the following balance sheet object code 8737 Restricted – Other along with the letter P (8737P) be used in reporting the pension liabilities. This will provide a separate line item in Munis for pension liability and not interfere with the development of the SNP report.

If you have any questions please contact Karen Conway at [karen.conway@education.ky.gov](mailto:karen.conway@education.ky.gov) or (502) 564-3846 extension 4435 or Steve Lyles at [steve.lyles@education.ky.gov](mailto:steve.lyles@education.ky.gov) or (502) 564-3846 extension 4416 or LaTonya Bell at [latonya.bell@education.ky.gov](mailto:latonya.bell@education.ky.gov) or (502) 564-3846 extension 4418.

**KDE Office of Finance and Operations**  
*Associate Commissioner Robin Kinney*  
*Division of District Support Services*  
*Director Donna Duncan, Assistant Director*  
*Steve Lyles*

**District Funding and Reporting**  
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*Staff*  
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*Jana Cox, Krystal Downing*

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