**Finance Newsletter March/April 2023**

## Pl****edge of Collateral; A Timely Reminder****

As we all watch and follow the recent collapse of Silicon Valley Bank, the Kentucky Department of Education (KDE) wants to seize the opportunity to discuss the statutory requirements of collateralizing deposits above the FDIC coverage.

[KRS 160.570](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDAsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL2FwcHMubGVnaXNsYXR1cmUua3kuZ292L2xhdy9zdGF0dXRlcy9zdGF0dXRlLmFzcHg_aWQ9Mzc2OCZ1dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkifQ.s_7KzCcIYJ9vq-HdmWnaN2oqpZKg0mfFRBAUb_ScQ3Y/s/947322037/br/156165876934-l) governs depositories for local boards of education. Section 2 of the statute covers collateral and states, in part, that collateral must be in accordance with [KRS 41.240](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDEsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL2FwcHMubGVnaXNsYXR1cmUua3kuZ292L2xhdy9zdGF0dXRlcy9zdGF0dXRlLmFzcHg_aWQ9NTEzNTEmdXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.XMw7gKSTAI59UNIrxq3U1_EvM6ue4PYoS3fntGox2fo/s/947322037/br/156165876934-l). KDE encourages districts to continuously review their deposits and ensure they are properly safeguarded. Specifically, KDE encourages the following steps:

* Consider a policy of collateralizing 103% of maximum projected daily deposits.
* Monitor deposit balances daily and adjust collateral for any spikes.
* Periodically review the pledged collateral for changes in market value.

Beyond the requirement to abide by state statutes and regulations, all public sector employees have fiduciary and moral duties to safeguard the resources of the taxpayer. Hindsight is always 20/20, but please use these current events as a call to review procedures and improve the security of your district’s funds.

For more information, please see KDE’s [Pledge of Collateral webpage](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDIsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvUGFnZXMvUGxlZGdlJTIwb2YlMjBDb2xsYXRlcmFsLmFzcHg_dXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.A44MRLaBG9VQW7_gOLa9IqRbLbxkJRjfX6oxGSnVuv8/s/947322037/br/156165876934-l)

## GASB 96 and Software Reporting Changes

The effective transition date for GASB 96 is for fiscal years beginning after June 15, 2022.  It involves the reporting of software – technology which falls below the district’s capitalization threshold. This new reporting also has initiated a revision of some object codes that may have been used in the past to record software purchases.

All districts must comply with this essential reporting change of GASB 96.

**New Expenditure Object Code Description:**

* **0653 Software:** Amounts paid for technology-related software used for educational or administrative purposes that fall below the capitalization thresholds. These expenditures should be reported here to comply with GASB 96 reporting.

**Revised Expenditure Object Code Description:**

* **0650 Supplies:** Amounts paid for technology-related supplies, including supplies that are typically used in conjunction with technology-related hardware. **Software costs below the capitalization threshold shall be reported in 0653 to follow GASB 96 guidance.**
* **0651 Supplies:** Amounts paid for technology-related devices, including devices that are typically used in conjunction with technology-related hardware. **Deleted the word “software.”**
* **0652 Supplies - Technology Related Devices Other:** Amounts paid for technology-related devices, including audio visual devices that are typically used in conjunction with technology-related hardware. **Deleted the word “software.**”
* **0735 Technology:** Amounts paid for software used for educational or administrative purposes that exceed the capitalization threshold. **Software costs below the capitalization threshold shall now be reported in expenditure object 0653 to comply with the new GASB 96 guidance; districts should no longer use expenditure object 0650.**

For more information, email [Karen Conway](mailto:karen.conway@education.ky.gov) or call (502) 564-3846, ext. 4435.

## ****Student Account Refunds****

Recently, the Kentucky Department of Education (KDE) received several questions on how to efficiently issue refunds on student meal accounts or other similar school-related accounts, with the concern being how to effectually issue payment when MUNIS requires a person or entity to be formally established as a vendor.

The Accounts Payable module in MUNIS has a One Time Use Vendor option available. This enables a district to make payments to entities or individuals without taking the time gathering information needed to officially establish as a vendor.

It is important to ensure the use of One Time Use Vendor (option) is an exception, not the rule. KDE encourages all districts to develop policies and procedures on the use of this option.

These procedures should encompass the following:

1. When the utilization of a One Time Use Vendor is appropriate and when it is not appropriate.
2. The information required from the option’s use.
3. Districts should consider if additional approvals should be required when utilizing the option.
4. Payment method allowed for the option (EFT or check).
5. Periodic review of the option, ensuring its appropriate use.

Establishing vendors in MUNIS is a vital part of a district’s internal control structure and assists with compliance in procurement, tax rules and regulations.  In an electronic funds transfer (EFT) world, it is crucial to ensure payments are routed to the correct bank account, enabling districts to know who is receiving the funds. Although a One Time Use Vendor can be a helpful option, districts should be vigilant in using it, when appropriate.

For assistance establishing a One Time Use Vendor, please reach out to support via the portal at [Tyler Tech Support](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDMsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL3d3dy50eWxlcnRlY2guY29tL2NsaWVudC1zdXBwb3J0L2VudGVycHJpc2UtZXJwLXN1cHBvcnQ_dXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.1Oyn2JUwRnSTp0Z7J23ZaFeQt4aI1CGyhqu_a6QcAcE/s/947322037/br/156165876934-l)

## ****Hackers Continue Perpetuating Vendor Fraud, the Unfortunate Results of Cyber Scamming****

In 2022, two cyber scamming incidents unfolded in Louisiana. One case involved a hacker who was able to access emails between the city’s accounting staff and a vendor, resulting in $64,267.90 of unpaid invoices fraudulently paid per the Louisiana Legislative. [You can read more about this hacking case on KPLC News](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDQsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL3d3dy5rcGxjdHYuY29tLzIwMjMvMDIvMTMvbGVnaXNsYXRpdmUtYXVkaXRvci1maW5kcy1oYWNrZXItc3RvbGUtNjRrLWNpdHktd2VzdGxha2UvP3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.ElMZirJhMlZG8dJnFyDEPaS2UCHPbxryaXoQ-n07QLw/s/947322037/br/156165876934-l).

The second case involved more than $2 million transferred from a school district to a cyber scammer. While the school board was able to recover most of the money, $344,000 was still lost to the hacker. School board employees were tricked twice into changing electronic funds transfer details of legitimate vendors, then sending payments to the scammer posing as vendors, per the Louisiana Legislative Auditor’s office report. [You can read more about this scam in Greater Baton Rouge Business Report](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDUsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL3d3dy5idXNpbmVzc3JlcG9ydC5jb20vYnVzaW5lc3MvbGl2aW5nc3Rvbi1zY2hvb2wtYm9hcmQtZHVwZWQtaW4tMi1taWxsaW9uLWVtYWlsLXNjYW0_dXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.pnDzLGKh2wnNPClMeXEDFQc-8XpUIG1Q4LoCt58zP4A/s/947322037/br/156165876934-l).

A common denominator between both incidents was the failure of the school districts to independently verify changes to vendor information prior to issuing payments. Internet-enabled crimes and cyber invasions are becoming increasingly clever, and districts need to ensure the validity of their vendors information before disbursing funds in good faith. KDE recommends districts reach out to vendors through known and verified phone numbers, confirming the legitimacy of their information before issuing payments.

This scheme may sound familiar, as comparable fraudulent cases have occurred in Kentucky school districts in recent years. KDE asks all districts to remain vigilant in safeguarding their resources.

## Get What You Pay For

Preparing requests for proposals and obtaining/ evaluating bids is a time-consuming process. We gather information from potential vendors and consider lists of deliverables that decides which bidder will be awarded the contract, but are you ensuring the district is receiving everything for which it is paying?

Each district should consider establishing a system of internal controls and procedures to review and evaluate vendor performance based upon the terms of the agreed upon contract. This is a crucial step for a few reasons:

* Districts have a duty to ensure the school system is maximizing the value received for their dollars.
* A nonwinning bidder may have grounds for a grievance if winning contracts are not held to the criteria against which they were evaluated.
* Prior contract performance should be a factor considered when evaluating bids.

Evaluating vendor performance should be a part of ensuring your district is receiving the best possible value for its dollar. Successfully managing vendor performance can have a far-reaching impact and can set the boundaries for a stronger partnership.

### **Audit Contract**

The fiscal year 2022-2023 audit contract will be released upon approval from the State Committee for School District Audits. It will be posted to the Kentucky Department of Education’s (KDE) [Financial Audit Contract Information](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDYsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvUGFnZXMvRGlzdHJpY3QtRmluYW5jaWFsLUF1ZGl0LUNvbnRyYWN0cy5hc3B4P3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.eDLjJomS64df2uwssmNqlbesjsv6wx3nXvYyys6ds4E/s/947322037/br/156165876934-l) with an anticipated date of **April 15.** Please remember to review the contract thoroughly for 2022-2023 fiscal year changes and updates.

For audit contract questions, email [Kim Carter](mailto:kimberly.carter@education.ky.gov) or call (502) 564-3846, ext. 4440.

### **Audit Acceptance Statement**

In connection with approval of the audit contract, the window to submit the “Audit Acceptance Statement” will open on **April 17** and is due to KDE on **May 31**.

**Please note:**KDE is requesting you **not** submit the Audit Acceptance Statement until you receive the accepted contract with an anticipated posting date of **April 15** at  [Financial Audit Contract Information](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDcsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvUGFnZXMvRGlzdHJpY3QtRmluYW5jaWFsLUF1ZGl0LUNvbnRyYWN0cy5hc3B4P3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.OdZQQf4SiWt88ijBYuY_YBWQU5DLC4YOS_wlLMFqkIs/s/947322037/br/156165876934-l)

The link to the Audit Acceptance Statement and the instructions on how to submit it are available on KDE's [Financial Audit Contract Information](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDgsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvUGFnZXMvRGlzdHJpY3QtRmluYW5jaWFsLUF1ZGl0LUNvbnRyYWN0cy5hc3B4P3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.fm2Fo_RbosBlEESD2E5q1IH2YGIG6devVPcM5jwfC5Q/s/947322037/br/156165876934-l) webpage under the Audit Acceptance Statement section. Please review the instructions for updates prior to the window opening.

For more information, email [Gail Cox](mailto:Gail.cox@education.ky.gov)  or call (502) 564-3846, ext. 4462.

### **SCN Procurement Training: Third Thursdays**

If you are interested in learning more about procurement in the child nutrition programs, please consider spending the third Thursday of each month with School and Community Nutrition (SCN).

Beginning in April and continuing the third Thursday of every month, SCN staff will be hosting short webinars focused on all the hot topics in child nutrition procurement. The first webinar will focus on a general overview of procurement and why it matters. The goal of each webinar is to provide guidance and resources on a specific topic and answer any questions.

Speaking of resources, SCN recently updated all of its guidance documents and resources related to procurement. All materials are now available on SCN’s SponsorNet. We’ve also revised and updated the Child Nutrition Procurement Plan template to include the latest required regulations.

If you are interested in attending SCN’s Third Thursdays or if you would like access to SCN’s SponsorNet site, please contact [Katie Embree.](mailto:kathryn.embree@education.ky.gov)

### Chart of Accounts Update

KDE has added items to the Chart of Accounts that will assist districts in reporting financial data accurately.

Below is a list of those additions or changes recently made:

* Chart of Accounts revisions effective July 1, 2022 (list of all changes recently made).
* KDE Chart of Accounts Quick Reference Guide FYE2022-2023 (added expenditure object 0653 and federal and state project numbers listed in the worksheet titled Highlights of Changes).
* New KDE Chart of Accounts and Segment Descriptions - added 6245, 6246, 6255, 6256 and 0653 (for GASB 96) and changed wording concerning software in 0650, 0651, 0653 and 0735.

Please visit the "Chart of Accounts Revisions effective 7-1-22" in the Chart of Accounts section on KDE's [Fund Balances, Revenues and Expenditures, Chart of Accounts and Indirect Cost Rates](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDksInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvUGFnZXMvRnVuZCUyMEJhbGFuY2VzLCUyMFJldmVudWVzJTIwYW5kJTIwRXhwZW5kaXR1cmVzLCUyMENoYXJ0JTIwb2YlMjBBY2NvdW50cywlMjBJbmRpcmVjdCUyMENvc3QlMjBSYXRlcyUyMGFuZCUyMEtleSUyMEZpbmFuY2lhbCUyMEluZGljYXRvcnMuYXNweD91dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkifQ._RaObNt3Z-IQpsK7uhMCHkAaz5hb8TTYAidsC-xqxXU/s/947322037/br/156165876934-l) webpage.

For further questions or concerns, please email [finance.reports@education.ky.gov](mailto:finance.reports@education.ky.gov).

### **Newly Funded Certified Audiologists and Speech Language Pathologists Salary Supplement**

Reimbursement requests for eligible certified audiologists and speech language pathologists (ASLP) salary supplement is open**.**

For the FY2022-2023 and FY2023-2024 school years, the General Assembly appropriated $2,312,000  each fiscal year for district reimbursement of the $2,000 salary supplement for certified audiologists and speech language pathologists per [KRS 157.397](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTAsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvRG9jdW1lbnRzL0tSUyUyMDE1Ny4zOTclMjBBU0wucGRmP3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.PMS0MVNRg8d0wnjYKkO7Wx3u8GCgbAiogDqWXoXfSoQ/s/947322037/br/156165876934-l).

Districts will submit a form to Kentucky Department of Education requesting reimbursement of these qualified salary supplements by May 1 of each fiscal year.

For questions regarding this process, please email [Jana Cox.](mailto:jana.cox@education.ky.gov)

For further information, please visit KDE's [National Board Certification Salary supplement](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTEsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTUuNzMzNzIzMDEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvUGFnZXMvTmF0aW9uYWwtQm9hcmQtQ2VydGlmaWNhdGlvbi1TYWxhcnktU3VwcGxlbWVudCwtQ2VydGlmaWVkLUF1ZGlvbG9naXN0cy1hbmQtU3BlZWNoLUxhbmd1YWdlLVBhdGhvbG9naXN0cy1TYWxhcnktU3VwcGxlbWVudC5hc3B4P3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.JkiC0y6x1xo_zBPInvJU64vG4LBKvjfLtSZjAsgUcWg/s/947322037/br/156165876934-l) webpage.

## Indirect Cost Rate Adjustment Form Reminder

The Indirect Cost Rate Adjustment Form window will close **May 1, 2023**. Districts must review the rate calculations and enter adjustments for their individual districts. The FYE 2024 indirect cost rates for all districts will be generated and presented for final approval at the June Kentucky Board of Education (KBE) meeting.

**Reminder:** The current fiscal year 2022-2023 process uses prior fiscal year data in order to calculate a rate for the next fiscal year.

To generate the report calculation rates for your district, please follow these steps:

1. Log onto: [Office of District Support Services District Data](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDAsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL29wc3VwcG9ydC5lZHVjYXRpb24ua3kuZ292L3dlYmZvcm1zL29kc3NyZXBvcnQuYXNweD91dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkifQ.6coUhqjU_003drP9x55PTP98W8Lh7Id8XhWUmEeuPac/s/947322037/br/156281236435-l). The fiscal year will be pre-populated and you will have an option on how the format of the report is run.
2. Log onto: [SEEK District Data Submission](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDEsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL29wc3VwcG9ydC5lZHVjYXRpb24ua3kuZ292L3dlYmZvcm1zL0xvZ2luLmFzcHg_dXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.kuDJFy_CC3iFFEsDUz71PAq2RKbNNDletbyoHLlEdjg/s/947322037/br/156281236435-l). You will need to check the box if no adjustments are made.

If adjustments need to be made, enter those and save them, then repeat the first step to calculate the rate for your district after the adjustments are made. You may repeat this as often as you like until the May 2 deadline.

This is an annual process that begins the first business day in April and must be completed by May 1.

Resources regarding indirect costs can be found on KDE's [Fund Balances, Revenues and Expenditures, Chart of Accounts and Indirect Cost Rates webpage](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDIsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvUGFnZXMvRnVuZCUyMEJhbGFuY2VzLCUyMFJldmVudWVzJTIwYW5kJTIwRXhwZW5kaXR1cmVzLCUyMENoYXJ0JTIwb2YlMjBBY2NvdW50cywlMjBJbmRpcmVjdCUyMENvc3QlMjBSYXRlcyUyMGFuZCUyMEtleSUyMEZpbmFuY2lhbCUyMEluZGljYXRvcnMuYXNweD91dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkifQ.yLHoE2oDaGuvcT6lJowgq04HaRkQJ-NuapFBJYe7R9k/s/947322037/br/156281236435-l).

For more information, email [Karen Conway](mailto:karen.conway@education.ky.gov) or call (502) 564-3846, ext. 4435.

## National Board Certification Salary Reimbursement Request Guidance Reminder

Reimbursement requests for eligible National Board Certified Teachers is open. Districts have until **May 2, 2023**, to request reimbursement.

Additional information for salary reimbursement is available under National Board Certification Salary Reimbursement on KDE's [School District Personnel Information webpage](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDMsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvUGFnZXMvU2Nob29sJTIwRGlzdHJpY3QlMjBQZXJzb25uZWwlMjBJbmZvcm1hdGlvbi5hc3B4P3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.eORASdsQXAFY_kaTfHSlhlG8hqtb4uc3xf9tRg8q6XU/s/947322037/br/156281236435-l).

Districts can email [Jana Cox](mailto:jana.cox@education.ky.gov) for any questions regarding this process.

## Capital Funds Requests Reminder

All Capital Funds requests are due to KDE by **May 31, 2023,** for approval by **June 30, 2023**. Please email them to [Jana Cox](mailto:jana.cox@education.ky.gov) or [Sarah Tandy](mailto:Sarah.tandyl@education.ky.gov). Remember, the 2022-2023 fiscal year is **not** a carryover year.

**As a Reminder:** If your district has adopted House Bill (HB) 678, the district does not require approval from KDE for FY2022-2023.

A local board may adopt a resolution and file it with KDE electing to conduct projects under the provisions of Section 1 of HB 678 by **June 30, 2024**. Districts opting in do not require KDE prior approval for building plans and specifications [KRS 162.060,](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDUsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2FwcHMubGVnaXNsYXR1cmUua3kuZ292L2xhdy9zdGF0dXRlcy9zdGF0dXRlLmFzcHg_aWQ9NDAyOCZ1dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkifQ.idS3_uBkMOl9cGRO7C0l_hMVco_tdYqnSg1w_hOac88/s/947322037/br/156281236435-l) Capital Outlay Funds [KRS 157.420,](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDYsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2FwcHMubGVnaXNsYXR1cmUua3kuZ292L2xhdy9TdGF0dXRlcy9zdGF0dXRlLmFzcHg_aWQ9NDIzNzMmdXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.v0XqrfcqHYlCTL0bM_24b8lXNfklEWSKaHWVNigTua8/s/947322037/br/156281236435-l)and financing arrangements [KRS 160.160,](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDcsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2FwcHMubGVnaXNsYXR1cmUua3kuZ292L2xhdy9zdGF0dXRlcy9zdGF0dXRlLmFzcHg_aWQ9MzY4NyZ1dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkifQ.t6XavYzoovHfuSh51La3xMM1evXJ_Xqru2SodxMpyDk/s/947322037/br/156281236435-l)(3) and (4).

For additional information, visit KDE's [Facilities Planning webpage](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDgsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL2ZhYy9QYWdlcy9GYWNpbGl0eS1QbGFubmluZy5hc3B4P3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.1voT7azikYkUjdplovO_WpwqkDNtsrCSwHJAff2zNpU/s/947322037/br/156281236435-l):

Examples may include, but are not limited to, the following:

* School plant maintenance/repair;
* Insurance on buildings;
* Replacement of equipment such as HVAC chillers;
* Purchase of school buses (KISTA or cash); and
* Technology, which may include telecommunications, hardware, televisions, and/or computers which are used for educational purposes only.

Additional information is located on KDE's [Capitol Funds Request Guidelines](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDksInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvUGFnZXMvQ2FwaXRhbC1GdW5kcy1SZXF1ZXN0LmFzcHg_dXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.kO-m5FxqdeyjBMWxScfrABm6IZJ0ZKwHYIiH-7SRZmo/s/947322037/br/156281236435-l) webpage.

## Transportation Forms Reminder

The Kentucky School for the Deaf and Kentucky School for the Blind [Daily Trips](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTAsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL1NFRUsvRG9jdW1lbnRzL0tlbnR1Y2t5JTIwU2Nob29scyUyMGZvciUyMHRoZSUyMEJsaW5kJTIwYW5kJTIwRGVhZiUyMC0lMjBEYWlseSUyMFRyaXBzJTIwQURBLmRvY3g_dXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.hOUtRSXP_sBdorsKzSf2GMcUE6Qde3cPdd87SrdD8B4/s/947322037/br/156281236435-l) and [Resident Trips](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTEsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL1NFRUsvRG9jdW1lbnRzL0tlbnR1Y2t5JTIwU2Nob29scyUyMGZvciUyMHRoZSUyMEJsaW5kJTIwYW5kJTIwRGVhZiUyMC0lMjBSZXNpZGVudCUyMFRyaXBzJTIwQURBLmRvY3g_dXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.I6n4VdZIHCK2KID5V4vqRsLPu5lv7jQlbZlSggWz_CE/s/947322037/br/156281236435-l) are due by **May 31, 2023,**and the window will open for data submission on May 1.

The Kentucky Department of Education (KDE) is transitioning from the paper forms to electronic submission via the SEEK Web Submission Form at [Applications Education Login](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTIsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2FwcGxpY2F0aW9ucy5lZHVjYXRpb24ua3kuZ292L2xvZ2luP3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.FzUh8rCs0p2PSMkWlInx7dbaaG1Qz9lOCtisTTW00HM/s/947322037/br/156281236435-l). We will be providing districts updated forms to maintain for audit purposes.

Training will be provided in April. Please email any questions to [kdetransreports@education.ky.gov](mailto:kdetransreports@education.ky.gov).

**Please Note:** The year-end Transportation Adjustment Form will be collected for FY2023 and will open the end of May. Please visit [Applications Education Login.](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTMsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2FwcGxpY2F0aW9ucy5lZHVjYXRpb24ua3kuZ292L2xvZ2luP3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.dwkr6g6Sa007ji0tLpc9pjNRA6qIkJoaKvri1OqV-_U/s/947322037/br/156281236435-l) Go to “Transportation Forms” and select “Transportation Adjustment EOY” and enter the data in this form.

The Vocational Transportation (VT-2 Form) submitted in the SEEK Web Application is due on June 30, 2023. Please visit [Applications Education Login](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTQsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2FwcGxpY2F0aW9ucy5lZHVjYXRpb24ua3kuZ292L2xvZ2luP3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.ninzIwOzMKoFPkzrMZWhEitwJ0-tbJGaOhLW1I7230E/s/947322037/br/156281236435-l). Go to “Transportation Forms” and select “Vocational Transportation” and enter the data in this form.

## ****KECSAC Reporting Changes Reminder****

The Kentucky Department of Education (KDE) Office of Special Education and Early Learning approached the District Funding and Reporting Branch concerning the need for additional, detailed reporting of the Kentucky Educational Collaborative for State Agency Children (KECSAC). The goals were to separate and distinguish the reporting for both the general population and special education students who are served through KECSAC.

To distinguish the student population better for Special Education IDEA-B reporting, the districts should use the program codes listed below. Please be aware the description for program code 280 has changed.

**280 State Agency Children (KECSAC):**Activities for students **(not special education students)** that provides for children of school age committed to or in custody of the Cabinet for Health and Family Services (CHFS) and placed, or financed by the cabinet, in a CHFS operated or contracted institution, treatment center or facility, including those for therapeutic foster care. This program also includes services provided to children placed or financed by the CHFS in a private facility pursuant to childcare agreements including those for therapeutic foster care (these do not include non-therapeutic foster care), [KRS158.135](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTUsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2tlY3NhYy5la3UuZWR1L3NpdGVzL2tlY3NhYy5la3UuZWR1L2ZpbGVzL2ZpbGVzL0tSUyUyMDE1OF8xMzUucGRmP3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.pRhK9Rt0CEYycEi8x6OwyUQdPfm0g_xZrKAa0CUVOwo/s/947322037/br/156281236435-l) (1) (a).

**281 State Agency Children Special Education (KECSAC):**Activities for **special education students with IEPs** that provides children of school age committed to or in custody of CHFS and placed, or financed by the cabinet, in a CHFS operated or contracted institution, treatment center or facility, including those for therapeutic foster care. This program also includes services provided to children placed or financed by the CHFS in a private facility pursuant to child care agreements, including those for therapeutic foster care (these do not include non-therapeutic foster care), children of school age in home and community-based services provided as an alternative to intermediate care facility services for students with disabilities, and children committed to or in custody of the Department of Juvenile Justice and placed in a department operated or contracted facility or program, [KRS 158.135](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTYsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2tlY3NhYy5la3UuZWR1L3NpdGVzL2tlY3NhYy5la3UuZWR1L2ZpbGVzL2ZpbGVzL0tSUyUyMDE1OF8xMzUucGRmP3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.fAJSzSude56qNEb_nbsrWuC5NsIXzwuuOeeexIh0arE/s/947322037/br/156281236435-l) (1) (a).

For more detailed information, please email [Jonathan Compton](mailto:jonathan.compton@education.ky.gov) or call (859) 230-8677.

### **Fidelity Bonds Reminder**

The Fidelity Bond information for fiscal year 2023-2024, is due to the Kentucky Department of Education (KDE) by **July 1** through the SEEK Application “Fidelity Bond” web form and is required to be approved by the commissioner of education.

The “Exposure Calculation Report” for FY 2023-2024 will be posted to the website by the end of **April** 2023. Note: The SEEK window will open June 1 for districts to make entries.

The district will need to update the beginning and ending dates and submit the appropriate fidelity bond information for district personnel to KDE through the SEEK Application web form. The districts are to maintain all official hardcopy documentation at the local board of education.

Please refer to KDE's [Fidelity Bond webpage](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTcsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvUGFnZXMvRmlkZWxpdHklMjBCb25kLmFzcHg_dXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.RIYPc25860aKT8pB9AV5-t3J4gtgMDbr87SDJoHkWlc/s/947322037/br/156281236435-l) for all forms, instructions, and reports.

If, during the fiscal year, the district needs to make changes to the Fidelity Bond information that already has been approved by KDE, or for more information, please email [Jackie Chism](mailto:jackie.chism@education.ky.gov) or call (502) 564-3846, ext. 4445.

### **Pledge of Collateral Reminder**

The "Pledge of Collateral" SEEK information for fiscal year 2022-2023, is due to the Kentucky Department of Education (KDE) by **July 1** through the SEEK Application “Pledge of Collateral” web form and is required to be approved by the commissioner of education. Note: The SEEK window will open June 1 for districts to make entries.

The district will need to update the beginning and ending dates and submit the market collateral information to KDE through the SEEK Application web form. The districts are to maintain all official hardcopy documentation at the local board of education.

Please refer to KDE's **updated** [Pledge of Collateral forms](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTgsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMzAzMTYuNzM0NDk1NzEiLCJ1cmwiOiJodHRwczovL2VkdWNhdGlvbi5reS5nb3YvZGlzdHJpY3RzL0ZpblJlcHQvUGFnZXMvUGxlZGdlJTIwb2YlMjBDb2xsYXRlcmFsLmFzcHg_dXRtX21lZGl1bT1lbWFpbCZ1dG1fc291cmNlPWdvdmRlbGl2ZXJ5In0.8croOpnKELV65_TRFXbK5aBOhnmi_ywDhnvuXf2SPMQ/s/947322037/br/156281236435-l), instructions and reports.

If, during the fiscal year, the district needs to make changes to the “Pledge of Collateral” information that already has been approved by KDE, or for more information, please contact Jackie Chism at (502) 564-3846, ext. 4445 or [email Jackie Chism](mailto:jackie.chism@education.ky.gov).

## Finance Officer Spotlight

Andy Lyons accepted the position of finance officer for the Carter County Board of Education after relocating back home to Carter County in 2000. Lyons began his school finance career as a certified public accountant for a regional accounting firm with offices located in Kentucky and Ohio. He audited several school districts in both states before accepting the position of finance officer for Floyd County Board of Education in 1998.

Early in Lyons 25-year career, he assisted in the initiation of building projects and position additions to accommodate student population growth. He has served on five local planning committees and during his tenure, has been involved with the construction of three new elementary schools and numerous major additions. Currently, the district is in the planning stage of a new high school and technical school facility.

For the past few years, Lyons has been involved with supporting a rapidly declining student population. He has enjoyed the challenges that have resulted in the many changes that have been made in education over his career.