



# Trustees' Financial Summary Instructions

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## Section 1 Introduction

### Who Completes the TFS

Each elementary, high school, and K-12 district and Special Education Cooperative must file an annual TFS. All elementary, high school district, K-12 and Special Education Cooperative must complete a Project Reporter Code Report, a Balance Sheet for each fund, a Schedule of Revenues, Expenditures and Change in Fund Balance for each fund, and a Detail Expenditure Report.

### **MAEFAIRS TFS Contacts:**

Keri Ludwig	(406) 444-0783	<a href="mailto:Keri.ludwig@mt.gov">Keri.ludwig@mt.gov</a>
Kara Flath	(406) 444-3249	<a href="mailto:Kara.flath@mt.gov">Kara.flath@mt.gov</a>
Rehanna Olson	(406) 444-1960	<a href="mailto:Rolson2@mt.gov">Rolson2@mt.gov</a>
Kathleen Wanner	(406) 444-9852	<a href="mailto:KWanner@mt.gov">KWanner@mt.gov</a>
Nicole Thuotte	(406) 444-4524	<a href="mailto:nthuotte@mt.gov">nthuotte@mt.gov</a>

### What Information to Report

Report amounts from the accounting records for the fiscal year after all necessary fiscal year-end adjusting and closing entries have been properly recorded.

### Where to Find Help for Year-End Adjustments and Closing Procedures

Refer to sections of the [School Accounting Manual \(SAM\)](#) titled 7-0300 *Year-End Closing Procedures*, 7-0400 *Cash to Accrual Worksheet-Columnar Accounting Systems*, and 7-0500 *Cash to Accrual Worksheet- Double Entry Accounting Systems*. These sections provide basic year-end accounting procedures and methods for converting the district's records from cash basis to accrual (GAAP) basis. The procedures will assist clerks/business managers in closing the books and preparing the TFS.

### Blank Forms

To print out a blank TFS form, log in to MAEFAIRS, hover on the Reports tab, slide the cursor down to TFS, then click TFS. In the TFS screen, choose the Blank Report option under the Select Report Type heading.

**NOTE:** Only one district may be printed at a time.

### Special Education Cooperatives and Hosts

Special education cooperatives must file a TFS separately from the host district's TFS. Cooperatives must report activity in the following funds:

- Transportation Fund (310), if applicable
- Retirement Fund (314)
- Miscellaneous Programs Fund (315)
- Interlocal Agreement Fund (Fund 382)
- Payroll Clearing Fund (386) Balance Sheet
- Claims Clearing Fund (387) Balance Sheet

Special education cooperatives are also required to complete the Schedule of Changes in Fixed Assets, the Depreciation and Net Fixed Assets Schedule, and Schedule of Changes in Long-Term Liabilities.

### Interlocal Agreement/ Cooperative Fund (82)

If a district is the host of a special education cooperative, report the Interlocal Agreement/Cooperative Fund (382) on a separate TFS for the cooperative. Report the Interlocal Agreement/Cooperative Fund (82) for the



elementary and high school like any other fund.

### Additional Funds

If the district used a new fund in the past year, use the drop-down box to select the new fund when completing the TFS report.

**NOTE:** New funds MUST be authorized funds from the Chart of Accounts, section 3-0200 of the SAM.

### Student Extracurricular Activities Fund (84)

**MUST BE REPORTED.** Report student extracurricular accounts held by the county treasurer and those accounts outside the county treasurer (e.g., separate checking accounts) as Student Extracurricular Activities Fund (84) financial activity. If the combined elementary and high school district shares one extracurricular fund for both districts, combine all activities and report it on either the elementary or high school district's TFS.

**NOTE:** A district needs to be consistent in reporting from year to year when combining EL/HS funds into one report.

### Districts That Will Become K-12 Next Year

Districts that will become K-12 in a subsequent year must report **separately** for the elementary and the high school for current year-end. The K-12 district is created effective July 1 and the activities of a K-12 district will be reported on the **subsequent year's TFS**.

### Non-Operating Districts

#### ***First Year Non-Operating Fund (19)***

##### **Establish the Non-Operating Fund (19)**

1. The district must send a letter to the county treasurer requesting the Non-Operating Fund (19) be opened effective June 30, 2019. Opening the fund effective for FY 2018-19 allows the district to record residual equity "transfers-out" of operating funds and residual equity transfers in to the Non-Operating Fund (19) at the end of FY 2018-19.
2. Use revenue code 9710 – Residual Equity Transfers In to record fund balances transferred in from other funds, except the Miscellaneous Programs Fund (15) or the Debt Service Fund (50), which should not be transferred to the Non-Operating Fund (19). [§20-9-505, MCA](#).
3. The district should use Program 999, Function 9999, and Object 971 for transferring fund balances out of every operating fund except the Miscellaneous Fund (15) and/or Debt Service Fund (50). More information on transferring balances may be found in the SAM, Section 5-0520.20.
4. Balances in the Miscellaneous Programs Fund (15) and Debt Service Fund (50) should NOT be transferred to the Non-Operating Fund (19). Those balances should be left intact, as the Miscellaneous Programs Fund (15) and the Debt Service Fund (50) are authorized for non-operating districts. If the district has a Miscellaneous Programs Fund (15) and Debt Service Fund (50), continue to report financial activity while in non-operating status. [§20-9-505, MCA](#).
5. The FY 2018-19 TFS should reflect all expenditure and revenue activity across all operating funds, as well as residual equity transfers-out of the ending balances of these operating funds. The FY 2018-19 TFS must reflect residual equity transfers-in to the Non-Operating Fund (19).
6. If cash balances in each operating fund are not transferred to the Non-Operating Fund (19) as of June 30, 2019, then each operating fund (except Miscellaneous Programs Fund (15) and Debt Service Fund (50)) would need to reflect a "Payable to Other Funds" (liability) in the amount of the fund balance. Record a "Receivable from Other Funds" (asset) in the Non-Operating Fund (19) for the cumulative

amount of all the “Payable to Other Funds” recorded in the operating funds.

7. For FY 2019-20 prepare budgets for the Non-Operating Fund (19) and Debt Service Fund (50) if applicable. The Non-Operating Fund (19) budget may be used to budget for such items as tuition obligations to other districts, transportation of resident pupils, maintenance of district-owned property, and any other non-operating school function considered necessary by the trustees or required by law.

More information on transferring balances for a non-operating district may be found in the SAM, Section 5-0520.20.

#### **Complete the TFS steps:**

- Project Reporter Code Report
- Balance Sheets for Miscellaneous Programs Funds (15), Non-operating Fund (19), and Debt Service Fund (50)
- Schedule of Changes in Fixed Assets
- Schedule of Changes in Long-Term Liabilities
- Schedule of Revenues, Expenditures, and Changes in Fund Balance for all funds (01, 10, 13, etc.) including Non-Operating Fund (19) (report the balance transferred using the accounts described above)
- Detail Expenditures Report

#### ***Second and Third Year of Non-Operating Status:***

If the school district becomes operating in the second or third year, contact Nica Merala [nmerala@mt.gov](mailto:nmerala@mt.gov), or (406) 444-4401 at the OPI for specific instructions. Otherwise complete the Project Reporter Code Report, Balance Sheets for the Miscellaneous Programs Fund (15), Non-Operating Fund (19), and Debt Service Fund (50) including the Schedule of Changes in Fixed Assets, Schedule of Changes in Long-Term Liabilities, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance for the Miscellaneous Programs Fund (15), Non-Operating Fund (19), and Debt Service Fund (50) and the Detail Expenditures Report. Budgets are required in the second and third year for non-operating districts.

#### **Where to Send Completed Reports:**

Send completed TFS Report to the **County Superintendent by August 15 each year.** [§20-9-213, MCA.](#)

County Superintendent must send completed forms to the **OPI not later than September 15 each year.** [§20-3-209, MCA.](#)

#### **TFS Changes or Revisions:**

[Administrative Rules of Montana \(ARM\) 10.10.504](#) addresses changes allowed to the TFS after submission:

- (5) Revisions to the annual TFS report made by the district or cooperative after December 10 of the ensuing fiscal year will not be considered in calculating amounts used for special education reversion or for Federal Maintenance of Effort (MOE) requirements.

(If after submission of the TFS report, the district wishes to make changes to the TFS before December 10th, changes can be requested so long as the two conditions below are met.)

- (6) Material revisions to the annual TFS submitted by December 10 shall be accepted, but are limited to the following types of adjustments:
  - (a) Coding revisions between revenue or expenditure line items, provided no change occurs in the fund balance of budgeted funds; or
  - (b) Revisions in balance sheet accounts, provided no change occurs in the fund balance of budgeted funds.



- (7) Changes that affect fund balance in a budgeted fund or immaterial line item coding changes must be reported as prior period adjustments in the TFS for the current year. The district may need to adopt a budget amendment in the current year to record the prior period adjustment within the budget of a fund.
- (8) The OPI will file revisions to the annual TFS which are submitted by December 10.

### Requests for changes to the TFS

The following steps must be completed, on a photocopy of the originally submitted TFS printout:

- Cross out the amount to be revised;
- Write in the revised amount above or beside the original amount; and
- Requestor must sign and date EACH page.

- **Send requests for changes to:**

Montana Office of Public Instruction  
 Attn: Keri Ludwig, School Finance Specialist  
 PO Box 202501  
 Helena, MT 59620-2501  
 Fax: (406) 444-2893  
 Email: [keri.ludwig@mt.gov](mailto:keri.ludwig@mt.gov)

*Requests for changes can be mailed, faxed, or scanned and emailed. All completed requests must be received by the OPI no later than December 10.*

### After changes have been submitted to the OPI

- Check to ensure that changes have been made and that they are correct; and
- Send copies of changes to the county superintendent

## **Section 2 Guidelines for Completing the TFS Report (TFS Completion Checklist)**

### 1. Prepare to complete the TFS

- Read the TFS Instructions thoroughly.
- Reconcile year-end cash balances with the County Treasurer. (SAM 7-0200.00)
- Reconcile Investment Accounts.
- Reconcile Student Extracurricular Activities Fund (84) checking account.

### 2. Gather the necessary materials

- TFS from the prior year.
- County Treasurer, Investment Accounts, and Student Activity reconciliations.
- Budgeted “Revenues and Expenditures to Actual” report as of June 30.
- Blank TFS form for current year (from MAEFAIRS).

### 3. Complete year-end adjusting and closing entries

- Review the list of accruals from section 5-1600 of the SAM.
- Complete the checklist from section 7-0300 of the SAM.
- Follow the cash-to-accrual procedures from sections 7-0400 and 7-0500 of the SAM.

### 4. Complete optional worksheets found in the SAM:

- Fixed Asset Ledger form 6-0100 of the SAM.
- Changes in Fixed Assets 5-1210.40 of the SAM.



- ❑ Compensated Absences Liability 6-0200 of the SAM.
- ❑ Federal and State Grants 9-0400 of the SAM.
- ❑ List of Year-End Encumbrances and Accruals.
- ❑ Budget to Actual Worksheets (MAEFAIRS Reports, TFS, Expenditures Compared to Budget).

## 5. Report the current year’s information in MAEFAIRS

- ❑ Review & verify the OPI pre-filled Data Verification Checklist (TFS Step 1).
- ❑ Check Budget Amendments and Transfers for accuracy (TFS Step 2).
- ❑ Complete software information (TFS Step 3).
- ❑ Complete the Project Reporter Code list (TFS Step 4).
- ❑ Calculate on the Balance Sheet, Line 01-Cash and Investments (101-119) less warrants.
- ❑ List this year’s ending cash balance for June 30 from the County Treasurer, Investment Accounts and Student Extracurricular Fund (84) checking account reconciliations for appropriate funds. On the balance sheet, report all other assets and liabilities as appropriate (TFS Step 5).
- ❑ Report revenue and expenditure line items on a “rolled up” basis (TFS Step 6 and Step 7).
- ❑ Line 52-Total Fund Balance/Equity on the Balance Sheet must equal Ending Fund Balance-Line 5 on the Schedule of Revenues, Expenditures and Changes in Fund Balance.  
Note: If the Balance Sheet is correct, adjust revenues (TFS Step 6) or expenditures (TFS Step 7).
- ❑ Complete the Expenditure Detail Report (TFS Step 8).
- ❑ LE Per Pupil Expense Reporting-Additional (TFS Step 9- limited to Fund 15 and Fund 82).
- ❑ Report Fixed Asset Information (TFS Step 10).
- ❑ Report Long-Term Liabilities (TFS Step 11).
- ❑ Check the Special Education Reversion worksheet for accuracy (TFS Step 12).
- ❑ Special Education Excess Cost Calculator (TFS Step 13).
- ❑ Certification of Facilities Condition Inventory Report (TFS Step 14). The district must check the box certifying that the report has been updated. Districts are not required to send a copy to the OPI.
- ❑ Run validations. Corrective actions must be resolved. Try to eliminate warnings also (TFS Step 15).
- ❑ Submit the TFS to OPI (TFS Step 16), this is for Cooperatives and districts without a budget for the coming year **ONLY**.
- ❑ Send the report to the County Superintendent by August 15th. Retain a copy for the district.

## **Section 3 TFS Report Steps**

### STEP 1: PREFILLED DATA VERIFICATION

Page 1 is based on payments to the district in the reporting fiscal year. Districts and cooperatives need to verify the state paid revenues match the district’s financial reporting system. Direct state aid does not include prior period adjustments; the district must code them as prior year adjustments

Page 2 includes entitlements for next fiscal year.

### STEP 2: BUDGET AMENDMENTS AND TRANSFERS

Budget amendments sent to the OPI will appear in this screen with a Project Reporter Code (PRC), title, reason for the amendment, fund, and amount of the amendment. If a budget amendment was sent to the OPI and does not appear in this screen, please contact Nica Merala, [nmerala@mt.gov](mailto:nmerala@mt.gov) or (406) 444-4401.

Transfers sent to the OPI, as required by [ARM 10.10.320](#), will also be entered on this screen. If a transfer was sent to the OPI and does not appear on this screen, please contact Keri Ludwig, [keri.ludwig@mt.gov](mailto:keri.ludwig@mt.gov) or (406) 444-0783.

### STEP 3: SOFTWARE

Districts must verify which accounting software package is used, even if the district has a manual process. If a software package is not available in the MAEFAIRS System, please contact Nicole Thuotte, [NThuotte@mt.gov](mailto:NThuotte@mt.gov) or



(406) 444-4524.

#### STEP 4: PROJECT REPORTER CODES

**PROJECT REPORTER CODE (PRC)**: Enter a unique, three-digit PRC. (e.g. 001) Do NOT use 000 or 900-999.

**Title**: Select a project name from the dropdown list OR enter the grant or project name. (e.g., IDEA-B). Selecting from the dropdown list will pre-fill the Title, CFDA Number and Type, if applicable.

**Type**: Select Federal, State or Local from the dropdown list.

Projects from the prior year are automatically selected to use again this year.

**Project Number**: Enter the complete grant or project number, as assigned by the OPI or the grantor. (e.g., 5609657701)

**Catalog of Federal Domestic Assistance Number (CFDA Number)**: Federal Grants Obtain the CFDA Number from Federal Assistance Website <https://beta.sam.gov/>. State and Local projects (funds) do not have a CFDA Number.

**Grants**: The district must assign a unique three-digit PRC to the revenue and expenditure accounts used for each local, state and federal grant. Numbers 900-999 are reserved for the OPI's use and assignment. Grants are generally expenditure-driven. Total revenues should equal total expenditures for each grant. Refer to section 5-0200 of the SAM.

**Budget Amendments**: The OPI assigns a PRC to each budget amendment (910-919) to be used to report budget amendment expenditures. List the budget amendment line item expenditures separately from other line item expenditures, using the assigned PRC to distinguish them. It is necessary to identify budget amendment expenditures using the assigned PRC to ensure budget amendment expenditures are properly reported. If the assigned PRC is not used to identify the budget amendment expenditures, it will appear as though the budget amendment was not spent. Refer to section 3-0500 Project Reporter Codes in the SAM. If there are any questions regarding budget amendments, contact Nica Merala, [nmerala@mt.gov](mailto:nmerala@mt.gov) or (406) 444-4401.

**Cash, Budget, or Cash and Budget Transfers**: The OPI assigns a PRC to each cash, budget, or cash and budget transfer (950 - 959) and creates a 9710-revenue code in the fund to which the transfer occurred. An expenditure record is created in the fund from which the cash is transferred, using the 999-9999-971 expenditure code. If there are questions, contact Keri Ludwig, [keri.ludwig@mt.gov](mailto:keri.ludwig@mt.gov) or (406) 444-0783.

#### STEP 5: BALANCE SHEET

##### ***BALANCE SHEET LINE BALANCES:***

For each line on the Balance Sheet, combine the balances of the appropriate accounts, as directed in the MAEFAIRS screen(s). For example, in Line 06-Other Current Assets (190- 210), enter the sum of the balances recorded in balance sheet accounts numbered 190 through 210 for each fund.

NOTE: Funds may be limited in use and scope as defined in the SAM Chart of Accounts, Section 3.

##### ***ASSETS AND OTHER DEBITS:***

###### **Line 01. Cash and Investments (101-119) Less Warrants Payable (620):**

Enter cash and investments for each fund held by the County Treasurer or by the district on June 30. Include cash held in separate bank accounts, investment accounts, and petty cash accounts. Include Interest Receivable and other current assets on Investments on this line. If the district does not use a payroll and claims clearing fund, subtract the June 30 balance of Warrants Payable (620) in that fund from the sum of accounts 101 through 119 and enter that total. If the district uses a payroll and/or claims clearing fund, warrants payable are recorded only in those clearing funds, so the district will not have a Warrants Payable



(620) balance to subtract from Cash and Investments on this line.

In the Payroll Fund (86) and Claims Fund (87) only, include the balance of accounts 101 through 119 in Line 01-Cash and Investments (101-119). Enter the balance of Warrants Payable (620) on Line 23- Warrants Payable (620).

**NOTE: REPORTING TAXES RECEIVABLE**

Taxes Receivable by fund must be entered if amounts are material to the fund. Taxes receivable as of June 30 are required to be reported on the County Treasurer's June report to each district. Taxes receivable, if material, should be entered on Line 02-Taxes Receivable-Real and Personal (120-149) and Line 03-Taxes Receivable-Contested (150-159). The total of lines 02 and 03 should also be reported in the total of Line 36-Deferred Inflows (680). See Section 5-0220 in the SAM for further information. There may be other items included in Line 36-Deferred Inflows (680)

**Line 02. Taxes Receivable-Real and Personal (120-149):**

Enter the real and personal property taxes receivable for each fund as of June 30, as reported to the district by the County Treasurer. See section 5-0220 and account definitions on section 3-0400 of the SAM. Include the amount from Line 02-Taxes Receivable-Real and Personal (120-149) in the total on Line 36-Deferred Inflows.

If the district recorded allowances for uncollectible taxes, subtract the balances in accounts 129 Allowance for Uncollectible Taxes-Real Property, 139 Allowance for Uncollectible Taxes-Personal Property, and 149 Allowance for Uncollectible Taxes-Other, from the total of taxes receivable accounts and enter the NET amount on Line 02-Taxes Receivable-Real and Personal (120-149) and on Line 36-Deferred Inflows (680).

**Line 03. Taxes Receivable-Contested (150-159):**

Enter the amount of **contested taxes receivable** for each fund outstanding as of June 30 as reported to the district by the County Treasurer. See section 5-0200 Revenues and Receivables and account definitions in section 3-0400 Balance Sheet Account Definitions in the SAM. Include the amount in Line 03-Taxes Receivable-Contested (150-159) in the total on Line 25-Deferred Inflows (680).

If the district recorded allowances for uncollectible contested taxes, subtract the balance in Allowance for Uncollectible Taxes - Contested Taxes (159) from the total of taxes receivable accounts and enter the NET amount on Line 03-Taxes Receivable-Contested (150-159).

**Line 04. Receivables from Other Funds (160-179):**

If applicable, enter the balances of general ledger accounts-Interfund Loan Receivable from Other Funds(160) and Due from Other Funds (170). The total of amounts included on Line 04- Receivables from Other Funds (160-179) for all funds combined must equal the total of amounts of Line 21-Payables to Other Funds (601- 606) for all funds combined. Receivables from other School Districts (such as between a high school and elementary) are included on Line 05-Due from other Governments (180).

The use of Interfund Loans Receivable From Other Funds (160) and Due From Other Funds (170) is limited. Interfund Loans Receivable from Other Funds (160) is generally used only to record a loan from one fund to a budgeted fund to cover a deficit cash balance as of June 30. Due from Other Funds is used to record the amount receivable on June 30 for goods and services provided by one fund, usually a proprietary fund, to another fund of the same district. See account definitions in section 3- 0400 and section 5-0520.50 in the SAM.

**Line 05. Due from Other Governments (180):**

Enter the balance of account (180). Receivables from Other School Districts are included on this line.



Examples of commonly entered items are listed below.

General Fund (01): Tuition due to the district but not received by June 30; joint district collections of another county which were not received into the district's funds by June 30.

School Food Services Fund (12): Federal reimbursements not received by June 30 for claims through the month of June; State match for the year to be received in July or August.

Miscellaneous Programs Fund (15): Federal and state grant reimbursements not yet received for expenditures made by June 30.

Traffic Education Fund (18): Reimbursement to be received in August for Traffic Education program.

Amounts reported on Line 05-Due from Other Governments (180) should be included in the line items revenue amounts on the Schedule of Revenues, Expenditures and Changes in Fund Balance. For example, a school food fund receivable on Line 05-Due from Other Governments (180) should also be recorded as revenue source 4550. See section 5-0240.30 Reimbursement-Type Grants and 5-0250.00 Revenues from other Districts/State and County Governments in the SAM.

**Line 06. Other Current Assets (190-210):**

Enter the sum of the balances of Accounts Receivable (190) through Bond Proceeds Receivable (210) on this line.

If the district recorded an allowance for uncollectible accounts receivable, subtract the balance of-Allowance for Uncollectible Accounts Receivable (199) from the total of accounts 190 through 210, and report the NET amount on Line 06-Other Current Assets (190-210). See account definitions in section 3-0400 of the SAM.

**Line 07. Inventories (220 and 230):**

Enter the value of supplies on hand on June 30, if the amount is material to the fund. Include both Inventories for Consumption (220) and Inventories for Resale (230). See section 5-0600 supplies in the SAM. If the district uses the Purchases Method, MAEFAIRS will pre-fill Line 36-Reserve for Inventories (951). If the district uses the Consumption Method check the box on the MAEFAIRS balance sheet to turn off the automatic pre-fill of the Reserve for Inventories.

**Line 08. Prepaid Expenses (240):**

Enter the balance of Prepaid Expenses (240). See Section 5-0700 Prepaid Expenses in the SAM. If no material pre-payments of items such as insurance or rent were paid as of June 30, leave the line blank. Remember that payments included in Prepaid Expenses (240) should not be included as expenditures charged this year on the Schedule of Revenues, Expenditures and Changes in Fund Balance.

**Line 09. Deposits (250):**

If applicable, enter the balance of Deposits (250). See the account definition in Section 3- 0400 of the SAM.

**Line 10. Land and Land Improvements (311- 322):**

Enter the total of the Land (311) and Land Improvements (321).

**Line 11. Buildings and Building Improvements (331 and 332):**

Enter the balance of Buildings (331) and Building Improvements (332).

**Line 12. Machinery and Equipment (341 and 342):**

Enter the balance of Machinery and Equipment (341).



If the district records depreciation of machinery and equipment proprietary funds 70-79 and fiduciary funds only, subtract the balance of Allowance for Depreciation of Machinery and Equipment (342), and enter the net amount. See the account definitions in section 3-0400 Balance Sheet Account Definitions of the SAM.

**Line 13. Construction Work in Progress (351):**

Enter the balance of Construction Work in Progress (351). A district would have a balance in account 351 only IF a construction project is not completed on June 30. See section 5-1400 Construction Work in Progress in the SAM.

NOTE: Reporting fixed assets—Line 10 through 13 are reported in proprietary and fiduciary funds only. See Section 5-1200—Fixed Assets in the SAM.

NOTE: School districts required to submit a Yellow Book or federal audit are required to report fixed assets on the Schedule of Changes in Fixed Assets (SCFA). See Section 5-1210.40 Schedule of Changes in Fixed Assets in the SAM.

**Line 20. Total Assets and Other Debits:**

MAEFAIRS calculates the total of Line 1 through Line 19 on Line 20-Total Assets and Other Debits.

**DEFERRED OUTFLOWS**

**Line 21. Deferred Outflows (501):**

Resources advanced to another government in relation to a government-mandated non-exchange transaction when **time requirements** are the only eligibility requirements that have not been met by the other government;

Deferred debit amounts resulting from the refunding of debt;

The purchase of future revenues within the same financial reporting entity;

Loss from sale-leaseback.

**LIABILITIES**

**Line 22. Payable to Other Funds (601- 610):**

If applicable, enter the sum of Interfund/Loan Payable to Other Funds (601) and Due to Other Funds (606). See section 5-0520.50 Interfund Loans and account definitions in section 3-0400 in the SAM. Remember, the total of amounts on Line 04-Receivables from Other Funds (160-179) for all funds combined must equal the total of amounts on Line 22-Payable to Other Funds (601-606) for all funds combined. Payable to Other School Districts is listed on Line 23-Due to Other Governments (611).

Interfund/Loan Payable to Other Funds (601) and Due to Other Funds (606) are used on a limited and optional basis. Interfund/Loan Payable to Other Funds (601) is usually used only to record error corrections between funds. Due to Other Funds (606) is used only for the amount owed for goods and services provided to the fund by another fund of the district.

**Line 23. Due to Other Governments (611)**

Items commonly included in this category:

General Fund (01): Refunds of state or federal money or money owed to another district, the OPI or other state or federal agency, or money due to other governments on June 30.

Tuition Fund (13): Tuition which should have been paid to another district by June 30, but was not.



Miscellaneous Programs Fund (15): Refunds of state or federal money or money owed to another district, the OPI or other state or federal agency, on June 30. Include unspent grant money that must be returned to the grantor, amounts owed to a grantor because of a disallowed expenditure, etc. See account definition in section 3-0400 of the SAM. Include all payables due to other school districts or cooperatives on this line.

**Line 24. Warrants Payable (620):**

Enter the balance of Warrants Payable (620). If a district or cooperative does not use a payroll or claims clearing fund, do not enter Warrants Payable (620) on Line 24 as Warrants Payable (620) are subtracted from Cash and Investments (101-119). See the account definition in section 3-0400 of the SAM.

**Line 25. Other Current Liabilities (621- 679):**

Enter the total of current liability accounts (621-679). Common liabilities include accrued salaries and benefits, accrued Workers' Compensation and payroll taxes, and accrued costs of goods and services received but not paid for by June 30.

Amounts included in Other Current Liabilities (621-679) should also be included in the line item expenditures of the Schedule of Revenues, Expenditures and Changes in Fund Balance for the fund. A year-end list of accruals must be maintained for audit. See account definitions in section 3-0400 of the SAM.

**Line 27. Other Liabilities (690- 699):**

If applicable, enter the sum of Deposits Payable (690) and Due to Fiscal Agent (695). See account definitions in section 3-0400 of the SAM.

NOTE: Reporting long-term liabilities is required. School districts having a Yellow Book or federal audit are required to report long-term liabilities on the Schedule of Changes in Long-Term Liabilities (SCLTL). See Section 5-1310.25 Schedule of Changes in Long- Term Liabilities in the SAM. If long-term debts were recorded in proprietary funds 70-79, enter the amounts of long-term debt in the appropriate proprietary fund column(s).

**Line 29. Notes Payable-Noncurrent (720):**

Enter the balance of Notes Payable-Noncurrent (720). This line is for outstanding loan principal as of June 30. See section 5-1340 Notes/Long-Term Loans and account definitions in section 3-0400 of the SAM.

**Line 30. Lease Obligations Payable (730):**

Enter the balance of Lease Obligations-Noncurrent (730). This account includes lease-purchase obligations lasting more than one year. It does not include rental-type leases. See section 5-1330 Leases and account definitions in section 3-0400 of the SAM.

**Line 31. Contracts and Judgments Payable (740-750):**

If applicable, enter the sum of the balances of Contracts Payable (740) and Judgments Payable (750). See section 5-1360 Claims and Judgments Payable and account definitions in section 3-0400 of the SAM.

**Line 32. Compensated Absences Payable (760):**

Enter the balance of Compensated Absences Payable (760) This line is for the total of sick leave and vacation leave liability plus any other related liabilities (e.g., TRS, PERS, FICA, Workers' Compensation, Unemployment Insurance) for all district employees who are entitled to payouts upon termination. See Sections 5-1350 and 6-0200 in the SAM for further information.

If proprietary funds (70-79) are used to pay employees, any compensated absences liability and/or net



pension liability for employees paid from those funds should be reported in the appropriate proprietary funds column. See section 5-1350 Compensated Absences in the SAM for further information.

NOTE: This amount is not necessarily the same as the accumulated total in the Compensated Absences Fund (21), which is limited by law to the sick leave payout liability (25%) and vacation leave payout liability (100%) for non-teaching and administrative personnel of the preceding school fiscal year. Line 31-Compensated Absences Payable (760) should include the full liability for any employees entitled to future payouts as of June 30. See Sections 5-1350 and 6-0200 in the SAM for further information.

**Line 33. Net Pension Liabilities (770).**

Used only in Proprietary Funds, record the portion of the District’s Net Pension Liability (PERS/TRS) for employees paid from those funds. If this line is used, a corresponding expenditure entry must be made in the Schedule of Changes section of the TFS, even if an actual expenditure was not made.

**Line 35. Total Liabilities:**

MAEFAIRS calculates the sum of Line 21 through Line 34 on Line 35-Total Liabilities.

**DEFERRED INFLOWS**

**Line 36. Deferred Inflows (680):**

Enter the balance of Deferred Inflows (680). See section 5-0200 Revenues and Receivables in the SAM.

Common Deferred Inflows include the following funds:

General Fund (01) - Taxes receivable; special education allowable costs reversion.

Transportation Fund (10), Bus Depreciation Fund (11), Adult Education Fund (17), Non-Operating Fund (19), Debt Service Fund (50), and Building Reserve Fund (61) - Taxes Receivable.

Miscellaneous Programs Fund (15) -- unspent grant receipts at June 30 which were previously recorded as revenue when received must be removed from current revenue and recorded as Deferred Inflows, which will be spent in the next fiscal year. Federal funds should have balanced revenues and expenditures at the close of year end.

**FUND BALANCE/EQUITY**

**Line 37. Reserve for Inventories (951):**

If using the Purchases Method of accounting for inventories, the amount of Reserve for Inventories (951) will automatically pre-fill from line 07-Inventories (220-230). Verify that these two lines have the same amount. This account is not used if the Consumption Method of accounting for inventories is used.

**Line 38. Reserve for Encumbrances (953):**

Enter the amount of Reserve for Encumbrances (953). The amount must be the total of all valid encumbrances for the fund. The encumbrances must also be included in the line item expenditures of the Schedule of Revenues, Expenditures and Changes in Fund Balance for the fund. See Section 5-0400 in the SAM for further information.

**Line 39. Reserve for Endowments (954):**

Enter the amount of Reserve for Endowments (954) for the Endowments Fund (81 and 85) only.



**Line 41. Unrestricted Net Assets (940):**

Subtract Line 35-Total Liabilities and total of reserves [Line 37-Reserve for Inventories (951), Line 38-Reserve for Encumbrances (953), Line 39-Reserve for Endowments (954), Line 50-Invested in Capital Assets, and Line 51-Restricted Net Assets (930)] from Line 20-Total Assets and Other Debits. The amount for Line 41 should automatically calculate. This line should be greater than or equal to zero. If the amount is zero or negative, the district must explain to the auditor how this deficit will be eliminated.

**Line 45. Assets Held in Trust (980):**

Subtract Line 35-Total Liabilities and total of reserves [Line 37-Reserve for Inventories (951), Line 38-Reserve for Encumbrances (953) and Line 39-Reserve for Endowments (954)] from Line 20-Total Assets and Other Debits. The amount for Line 45 should automatically calculate. This line should be greater than or equal to zero. If the amount is zero or negative, the district must explain to the auditor how this deficit will be eliminated. This amount must equal the amount reported as fund balance for budget, TFS line 48 on the ensuing year's budget form.

**Line 46. Non-Materialized Excess Levy Fund Balance for Budget (972):**

MCA Section 20-9-314 directs the return of district general fund property tax levy over collections when related to non-materialized anticipated enrollment increases. When a non-materialized situation occurs the OPI determines the amount of excess levy and informs the district that they need to retain at least this amount in fund balance to be used in property tax reduction in the ensuing year. The OPI has created *line 47 Non-Materialized Excess Levy Fund Balance for Budget (972)* to identify this portion of the fund balance to be used specifically as property tax reductions. See section 20-9-314, MCA for details.

**Line 47. TIF Fund Balance for Budget (973):**

Section 7-15-4291, MCA and 20-9-104, MCA directs districts that receive unused tax increment financing remittance distributions to retain these remittances in the year of receipt to be used for property tax reductions in the ensuing year. When these remittances are recorded into the MAEFAIRS system they are considered as a portion of the district's fund balance. The OPI has created *line 46 TIF Fund Balance of Budget (973)* to identify this portion of the fund balance to be used specifically as property tax reductions and/or as operating reserves when recorded in the district's general fund. See sections Section 7-15-4291, MCA and 20-9-104, MCA for details.

**Line 48. Fund Balance for Budget (961- 970):**

Subtract Line 35-Total Liabilities and total of reserves (Line 37-Reserve for Inventories (951), Line 38-Reserve for Encumbrances (953) and Line 39-Reserve for Endowments (954)) from Line 20-Total Assets and Other Debits. The amount on Line 48 - Fund Balance for Budget (961-970) should automatically calculate. This line should be greater than or equal to zero. If the amount is zero or negative, the district must explain to the auditor how this deficit will be eliminated. This amount must equal the amount reported as fund balance for budget, TFS line 48 on the ensuing year's budget form.

**Line 50. Invested in Capital Assets, Net of Related Debt (921):**

Line 50-Invested in Capital Assets, Net of Related Debt, (921) applies to proprietary funds (70- 79). Enter the balance of Invested in Capital Assets, Net of Related Debt (921) **only** in proprietary type funds (70-79). See account definition in section 3-0400 of the SAM.

**Line 52. Total Fund Balance/Equity:**

MAEFAIRS calculates the total of Lines 37 through 51 on Line 52-Total Fund Balance/Equity. Line 52- Total Fund Balance/Equity on the Balance Sheet must equal the ending fund balance on the Schedule of Revenue,



Expenditures and Changes in Fund Balance.

**Line 53. Total Fund Balance/Liability:**

MAEFAIRS calculates the total of Line 35-Total Liabilities and Line 52-Total Fund Balance/Equity on Line 53-Total Fund Balance/Liability. Line 53-Total Fund Balance/Liability should equal Line 20-Total Assets and Other Debits.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE REVENUES AND OTHER FINANCING SOURCES**

The schedule is generated automatically using the revenues and expenditures input from the next few steps. To find the schedule of changes, go to MAEFAIRS (after completion of data entry) and go to Reports – TFS – Print to PDF with the check box checked next to Schedule of Revenues, Expenditures, and Changes selected with the fund selected. (This is also one way to find the ending balance discrepancy if the district has the corrective error Line 52 on the Balance Sheet does not match line 5 of the Schedule of Changes).

**STEP 6: REVENUES**

For revenue and expenditure account definitions, see section 3-0500 and 3-0600, Chart of Accounts in the SAM.

Revenue accounts are listed by two-digit fund number and four-digit source code. Enter actual revenues, including cash revenues and revenue accruals. Do not include revenue accrued last year. PRCs are used in the Miscellaneous Programs Fund (15), in budgeted funds to report Budget Amendment and Cash and/or Budget Transfers between funds, and may be used in the Endowment Fund (81). They are also recommended for the Building Reserve Fund (61) and required for School Safety Transfers. The total of revenue accounts 1000 - 9710 is calculated at the end of the revenue section for each fund.

Districts can manually enter or use a data upload to enter revenue information. Most accounting software can create the required upload file(s). The templates and instructions for uploading are available on the School Finance Webpage at <http://opi.mt.gov/Leadership/Finance-Grants/School-Finance/School-Finance-Accounting>.

Districts have two upload options:

1. Upload by fund – one file per fund (select fund before uploading file)
2. Upload all funds in one file (leave fund field blank)

If the district uploads a file for a specific fund, uploading all fund files (leaving fund field blank) will overwrite the first upload. If the district uploads all funds, and then uploads a specific fund (selecting a fund before uploading the file), the selected fund will be over-written, but all other funds will not.

***Revenue Accounts (1000- 4999)***

Considered current revenues as reported on this schedule.

***TIF Distribution Revenues (1291 and/or 1292)***

Any TIF revenues that must be used to lower property taxes must have been deposited into a fund that had a levy during prior fiscal year and will also have a levy in ensuing year. If the district received TIF distribution revenue call OPI for instructions.

***Revenue Accounts (5000- 9710)***

Considered Other Financing Sources, Prior Period Revenue Adjustments, and Residual Equity Transfers In.



## **Federal or State Grant Funds Received from Cooperatives:**

### **Revenue Code 5700**

Resource Transfers from Other School Districts or Cooperatives is used when a school district receives lump sum federal or state grant money through a cooperative rather than receiving the money directly from a state or federal agency. Use expenditure program in the 300 or 400 series for this type of revenue.

### **Revenue Code 5710**

Special Education Resources Transferred from Other School Districts or Cooperatives is used when a school district receives a lump sum payment from another school district or cooperative for the provision of special education services. Use expenditure program 280 for this type of revenue. Refer to the account definition in section 3-0500 of the SAM.

Revenues must be reported using a fund number and a four-digit revenue source code (example, 01- 2110). Do not roll up revenues.

## **GRANT CODING**

### **LIST OF COMMON EXPENDITURE DRIVEN GRANTS**

The following common grants and programs are required to be reported on the TFS with revenues and expenditures reported equally for the year. If cash received exceeds disbursements on 6/30, reduce revenue to equal expenditures and report the excess balance as Deferred Inflows, or as a liability (Due to Other Governments) if the unused dollars must be returned to the grantor. If cash received is less than disbursements, report the un-received, but claimed, amount as a receivable (Due from Other Governments).

<b>Revenue Code</b>	<b>Grant</b>	<b>Expenditure Program</b>	<b>CFDA Number</b>
3235	State Audiology Contracts	274	State
3290	In State Day Treatment	329	State
3290	Jobs for Montana Graduates	329	State
3290	Local Gov. Severance Tax (LGST)	1XX	State
3600	Gifted and Talented, State	360	State
3620	Adult Based Education State	650	State
4110	Head Start	411	CFDA #93.60
4120	Title VI, Part B, Subpart 1, Small Rural Schools (SRS)		CFDA #84.358A
4130	Title VII, Indian Education		
4140	Johnson O'Malley Indian Education (JOM)	414	CFDA #15.130
4200	Title I, Part A, Improving Basic Programs	420	CFDA #84.010
4220	Title I, Part A, Improvement Grants	422	CFDA #84.010A
4220	Title I, Part A, School Support	422	CFDA #84.010A
4250	Title I, Part C, Migrant Education	425	CFDA #84.011
4260	Title I, Part C, Migrant Incentive	426	CFDA #84.011
4270	Title I, Part D, Neglected, Delinquent & At-Risk Youth	427	CFDA #84.013A
4300	Title II, Part A, Supporting Effective Instruction	430	CFDA #84.367
4320	Title III, Part A, English Language Acquisition and Language Enhancement	432	CFDA #84.365
4340	Title IV, Part B, 21st Century Community Learning Centers	434	CFDA #84.287



Revenue Code	Grant	Expenditure Program	CFDA Number
4370	Title V, Part B, Subpart 2, Rural Low-Income Schools (RLI)	437	CFDA #84.358
4380	Title X, Part C, Education of Homeless Children & Youth	438	CFDA #84.196
4510	Carl Perkins (Federal Vo-Ed) - Basic Grant	451	CFDA #84.048
4520	Carl Perkins (Federal Vo-Ed) – Competitive	452	CFDA #84.048A
4530	Adult Basic Education TANF		CFDA #93.558
4540	Adult Basic and Literacy Education (ABLE)	454	CFDA #84.002
4552	Fresh Fruit and Vegetable Program		CFDA #10.582
4556	Adult/Child Care Program		CFDA #10.558
4560	IDEA, Part B, Children with Disabilities	456	CFDA #84.027
4570	IDEA Preschool	457	CFDA #84.173
4580	IDEA State Program Improvement	458	CFDA #84.323
4590	Title IV Part A, Student Support& Academic Enrichment		CFDA #84.424A
4710	GEAR UP (MT Commissioner of Higher Ed)	471	CFDA #84.334
4720	Carl Perkins (Federal Vo-Ed) - Tech Prep		CFDA #84.243A
4740	Pre-Employment Transition Services (DPHHS)		

### LIST OF COMMON ENTITLEMENTS

Entitlements usually have fewer restrictions as to how funds can be spent. Revenues may be recorded on the modified accrual basis and do not have to equal expenditures on the TFS.

Revenue Code	Grant/Entitlement	Expenditure Program	CFDA Number
3281	State Technology Grant	Any	State
3900	Vocational Education – All Program	390	State
3900	Vocational Education – Agriculture	391	State
3900	Vocational Education – Business/Marketing	392	State
3900	Vocational Education – Health Occupations	393	State
3900	Vocational Education – Family/Consumer Sciences	394	State
3900	Vocational Education – Tech Ed/Industrial Arts	395	State
3900	Vocational Education – Office Occupations	396	State
3900	Vocational Education – Trades and Industry	397	State

### LIST OF COMMON REIMBURSEMENTS

Reimbursements payments provide that the grantee spend funds first, then the grantor reimburses the grantee for the expenditures.

Revenue Code	Grant/Reimbursement	Expenditure Program	CFDA Number
3260	State Drivers Education Reimbursement	1XX	State
4550	Federal School Food Reimbursement		
4550	School Foods Breakfast	910	CFDA #10.553
4550	School Foods Lunch	910	CFDA #10.555
4550	School Foods Snacks	910	CFDA #10.555



Revenue Code	Grant/Reimbursement	Expenditure Program	CFDA Number
4550	School Foods Milk Program	910	CFDA #10.556
4550	School Foods Nutrition Education and Training	910	CFDA #10.564
4552	Fresh Fruit and Vegetable Program		CFDA #10.582
4555	School Foods Summer Program		CFDA #10.559
4610	School Nutrition Equipment Assistance Grant		CFDA #10.579

## STEP 7: EXPENDITURES

The expenditure and other financing uses account structure is the most extensive. It is designed to give the desired informational breakdown of expenditures and other financing uses without being overly cumbersome. As mentioned, the structure is flexible and will allow for expansion to meet increased reporting needs. The account structure includes the following dimensions:

- |                          |   |
|--------------------------|---|
| 1. Fund                  | Three Digits (Two digits in MAEFAIRS)                       |
| 2. Subfund               | Three Digits (Only applicable to the Building Reserve Fund) |
| 3. School Code           | Four Digits   |
| 4. Program               | Three Digits  |
| 5. Function              | Four Digits   |
| 6. Object                | Three Digits  |
| 7. Project Reporter Code | Three Digits  |

Districts can manually enter or use a data upload to enter expenditure information. Most accounting software can create the required upload file(s). The templates and upload instructions are available on the School Finance Webpage at <http://opi.mt.gov/Leadership/Finance-Grants/School-Finance/School-Finance-Accounting>.

Districts have two upload options:

1. Upload by fund – one file per fund (select fund before uploading file)
2. Upload all funds in one file (leave fund field blank)

If the district uploads a file for a specific fund, uploading all fund files (leaving fund field blank) will overwrite the first upload. If the district uploads all funds, and then uploads a specific fund (selecting a fund before uploading the file), the selected fund will be over-written, but all other funds will not.

### ***Expenditure object accounts (100- 889)***

Considered current expenditures as reported on this schedule.

### ***Expenditure object accounts (892- 972)***

Other Financing Uses, Prior Period Expenditure Adjustments and Residual Equity Transfers Out and are included on the Schedule of Revenues, Expenditures and Changes in Fund Balance, following current expenditures.

Expenditure accounts are listed by fund, subfund, school code, program, function, expenditure object, and PRC (where appropriate). Report actual expenditures, including cash expenditures (mandatory), accrued expenditures (mandatory), and encumbrances (optional). On the form, account numbers that contain 'X' indicate the balances should be combined ('rolled up') into one balance at the level of detail indicated by the number to the left of the 'X.' The 'X' stands for the numbers zero through 9. Refer to the SAM for a valid expenditure account list.

Example:

\_01 1XX 1XXX 1XX Personal Services-Salaries means:



_01	General Fund
1XX	Programs 100 through 199 Regular Education Programs
1XXX	Functions 1000 through 1999 Instruction
1XX	Expenditure Objects 100 through 199 Personal Services – Salaries

The sum of expenditures charged to accounts \_01-100-1000-100 through \_01-199- 1999-199 should be reported as one amount on the 01 1XX 1XXX 1XX expenditure line provided on the schedule.

Any additional expenditures reported, must be rolled up the same way -- by fund, program, function, and expenditure object using the following roll-up instructions.

**ROLL-UP INSTRUCTIONS:**

MAEFAIRS will not allow the use of incorrect combinations of coding in each fund. If a coding combination is not accepted in MAEFAIRS, recode to an acceptable coding combination.

**Fund Code:** Select fund codes using two digits (e.g., 01, 10, 11 . . .)

**Subfund:** Required in the Building Reserve Fund (61).

**School Code:** Required starting in FY 2019 TFS reporting for districts who received notification to begin reporting by school code. If a district is not able to report by SC in the FY 2019 expenditure data, the OPI will allocate expenditures based on enrollment numbers from the October snapshot. The school code is the OPI designated school code established when the district requested the school structure set up.

**Program Code:** Select program codes using three digits (e.g., 100 -160 must be rolled up to 1XX and 210 - 270 would be rolled-up to 2XX).

**Function Code:** The only function codes shown on the Schedule of Revenue, Expenditures and Changes in Fund Balance should be: 1XXX, 21XX, 221X, 222X, 23XX, 24XX, 25XX, 258X, 26XX, 27XX, 31XX, 32XX, 33XX, 34XX, 35XX, 3XXX, 4XXX, 51XX, 52XX, 61XX, 62XX, 63XX, 9999, XXXX.

**Expenditure Object Code:** Report most expenditure object codes rolled up to the first digit (e.g., 513 and 518 must be reported together using 5XX.) The 800 and 900 object levels cannot be rolled up and must be shown as 810- 999.

**Exceptions:** Student Extracurricular Activities Fund (84) revenue is shown as \_84- 1XXX and Student Extracurricular Activities Fund (84) expenditure is shown as \_84- 7XX-3XXX-XXX. Retirement Fund (14) expenditure is shown as \_14-999-9999-2XX when reported using the undistributed method only.

**EMPLOYEE BENEFITS**

**Health Insurance Benefits**

Distribute and report health insurance benefits to all appropriate funds in all appropriate expenditure programs and functions. Do not report health insurance benefits using the undistributed method.

The Undistributed Method will not work if any 2XX line items have been entered manually. All 1XX salaries must first be entered then the undistributed method must be run for workers’ compensation. If this is not completed in this order, the distribution will be incorrect.

**Workers' Compensation / Payroll Tax Benefits:**

Report workers’ compensation/payroll benefits in all appropriate funds using ONLY one of the following options. If workers' compensation benefits were partially allocated to functions this year and partially not allocated, use option A.



**Option A: Distributed (Preferred Method)**

Add expenditures for health insurance, workers' compensation, and other payroll benefits together for each program and function level (e.g., 1XXX, 21XX, etc.) using object 2XX (Personal Services - Benefits), in the General Fund (01) Schedule of Revenues, Expenditures and Changes in Fund Balance.

**Option B: Undistributed**

After entering all salary line items for a fund, enter the combined total of Workers' Compensation expenditures for all functions on the line, \_01 999 9999 2XX-undistributed employee benefits in the General Fund (01) Schedule of Revenues, Expenditures and Changes in Fund Balance. Do not use more than one account.

**Retirement Fund (14):**

Report using only one of the options below. If retirement benefits were partially allocated to functions this year and partially not allocated, use option A.

**Option A: Distributed (Preferred Method)**

Enter the retirement benefit expenditures for each program and function level. There should be more than two accounts under Option A (e.g., 1XXX, 21XX, 26XX, etc.).

**Option B: Undistributed**

Enter the combined total of retirement benefit expenditures for all functions (except resource transfers) using one or both of the following expenditure accounts as necessary:

\_14 999 9999 2XX Employee Benefits

\_14 280 6200 920 Resource Transfers

**To use this allocation method, do not use any expenditure accounts other than the two listed above.**

For the purposes of determining Federal Maintenance of Effort (MOE), indirect cost rates, and school statistics, MAEFAIRS will prorate undistributed employee benefits to the corresponding program and function based on the salary amount reported in each program and function for that fund.

Undistributed retirement benefits will be distributed based on total salaries reported in each program, function, and PRC for all funds of the district.

***Q: What if I did not have all my salaries entered before entering 999-9999-2XX amount?***

A: Enter a zero in the 999-9999-2XX account and distribute again. This will change all the amounts back to zero. Next double check to make sure all the salaries have been entered, add back health insurance expenditures by function, and then redistribute the workers' compensation or retirement benefits.

***Miscellaneous Programs Fund (15):***

Generally, grants are expenditure driven. Total revenues for each grant should equal total expenditures. Refer to section 5-0200 of the SAM.

Use appropriate PRCs for each revenue and expenditure item to identify the grant they represent. Make sure the revenues and expenditures are entered for each grant in the Miscellaneous Programs Fund (15) for all PRCs.

***Custodial (Previously Agency) Funds:***

Do not include Miscellaneous Custodial Funds A-E (90 through 94). Custodial funds do not have expenditures and revenues when reported in accordance with GAAP. Revenue and expenditures may be used in Custodial



Funds for management purposes but are not reported on the TFS.

## STEP 8: DETAIL EXPENDITURE REPORT

This is a **required supplemental report** of specific expenditures. These expenditures cannot be calculated from information provided in the Schedule of Revenues, Expenditures and Changes in Fund Balance as they are 'Rolled Up'. This specific information is needed by the OPI for federal reporting purposes and in some cases the ESSA Per Pupil Expenditure Reporting. Report expenditures, including cash expenditures and expenditure accruals plus encumbrances (optional) for all funds, for the specific expenditure line items listed below. The amounts to report for this form are included in the totals reported on the Schedule of Revenues, Expenditures and Changes in Fund Balance.

Detail Expenditures/All Funds (Add together the amount for each code listed below from ALL FUNDS and enter in the Detail Expenditure screen.)

<u>Program Code</u>	<u>Program Code Description</u>	<u>Function Code</u>	<u>Function Code Description</u>	<u>Object Code</u>	<u>Object Code Description</u>
XXX	All Programs	1XXX	Instruction	640	Textbooks and Other Printed Materials - No On-line Services
XXX	All Programs	1XXX	Instruction	650	Periodicals - Not On-Line Subscriptions
XXX	All Programs	26XX	Operation and Maintenance of Plant Services	41X	Energy Utility Services
XXX	All Programs	4XXX	Facilities Acquisition and Construction Services	710	Land
XXX	All Programs	4XXX	Facilities Acquisition and Construction Services	715	Land Improvements
XXX	All Programs	4XXX	Facilities Acquisition and Construction Services	720	Purchase of Existing Buildings
XXX	All Programs	4XXX	Facilities Acquisition and Construction Services	725	Major Construction Services
XXX	All Programs	4XXX	Facilities Acquisition and Construction Services	73X	Major Equipment-New
XXX	All Programs	4XXX	Facilities Acquisition and Construction Services	74X	Major Equipment-Replacement
XXX	All Programs	XXXX	All Functions	355	Technology Contracted Services
XXX	All Programs	XXXX	All Functions	455	Technology Repairs and Rental
XXX	All Programs	XXXX	All Functions	535	Technology Communication Services
XXX	All Programs	XXXX	All Functions	561	Tuition to Other School Districts Within the State
XXX	All Programs	XXXX	All Functions	562	Tuition to Other School Districts Outside the State
XXX	All Programs	XXXX	All Functions	563	Educational Fees to Detention Facilities
XXX	All Programs	XXXX	All Functions	645	Online Textbooks/E-Books
XXX	All Programs	XXXX	All Functions	682	Technology Supplies
XXX	All Programs	XXXX	All Functions	735	Technology Equipment and Software

### **1. Technology Related Expenditures**

XX-XXX-XXXX-355	Technology Contracted Services
XX-XXX-XXXX-455	Technology Repairs and Rentals
XX-XXX-XXXX-535	Technology Communication Services



XX-XXX-XXXX-645	Online Textbooks/E-books
XX-XXX-XXXX-682	Technology Supplies
XX-XXX-XXXX-735	Technology Equipment and Software

**2. Textbook Expenditures for Classroom Instruction**

XX-XXX-1XXX- 640 Textbooks	Not Online Services
XX-XXX-1XXX-650 Periodicals	Not Online Services

**Report teacher salaries (not substitutes or aides) for the following areas and expenditures for textbooks and periodicals:**

1. Query instructional salaries from any fund = XX-XXX-1XXX-112 (do not include teacher aides or substitutes);
2. Deduct the specific salary by program shown below;
3. Report the remaining amount under XX-XXX-1XXX-112

Use the following formula/calculating matrix for determining the **net** Certified Teacher Staff Salaries

Fund	Program Code	Program Code Description	Function Code	Function Code Description	Amount
XX	XXX	All Programs	1XXX	112 Certified Teacher Staff Salaries- All	(_____)
XX	210	Non-Federal Alternative Education	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	260	Non-Grant Bilingual Education	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	280	Special Education - Local and State	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	39X	Undistributed Vocational Education Programs	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	427	Title I, Part D, Neglected, Delinquent & At-Risk Youth	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	432	Title III, Part A, English Language Acquisition & Language Enhancement	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	451	Carl Perkins (Federal Vo-Ed) - Basic Grant	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	452	Carl Perkins (Federal Vo-Ed) - Competitive	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	456	IDEA, Part B, Children with Disabilities	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	457	IDEA Preschool	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	458	IDEA State Program Improvement	1XXX	112 Certified Teacher Staff Salaries	(_____)
<b>XX</b>	<b>XXX</b>	<b>All Programs</b>	<b>1XXX</b>	<b>112 Certified Teacher Staff Salaries- Net =</b>	<b>_____</b>

**3. Regular, Title I, and Other (Not 2, 3, or 4) Teachers**

XX – XXX – 1XXX – 112



#### **4. Special Education Teachers**

XX-280-1XXX-112 Local and State Special Education  
XX-456-1XXX-112 Federal IDEA  
XX-457-1XXX-112 Federal IDEA Pre-School  
XX-458-1XXX-112 Federal IDEA Program Improvement

#### **5. Vocational Education Teachers**

XX-39X-1XXX-112 Local and State Vo-Ed / Career Technical Education  
XX-451-1XXX-112 Federal Carl Perkins- Basic  
XX-452-1XXX-112 Federal Carl Perkins- Competitive

#### **6. Other Programs-Bilingual, Alternative, or At Risk (Drop Out) Education Program**

XX-210-1XXX-112 Non-Federal Alternative Education  
XX-260-1XXX-112 Non-Federal Bilingual/ESL  
XX-427-1XXX-112 Federal At Risk Education  
XX-432-1XXX-112 Federal Title III Part English Language Acquisition

NOTE: Districts are required to report detailed expenditures (but those expenditures are included in the expenditures report of the TFS as well).

Report Detail Expenditures under Step 8 of the TFS. Select Fund, Program, Function, Object and enter the amount for that selection.

#### **STEP 9: ESSA LE PER PUPIL EXPENDITURE REPORTING FOR FUND 15 & FUND 82**

Federal grants reported in fund 15, where one district is the prime applicant for another (typically EL and HS districts), must be reported to the proper LE and, if possible, school code.

Expenditures from fund 82 must also be reported to the correct LE and school code, or other agency, where applicable. This is the data entry screen to account for the expenditures by LE and school code for member LE's or agencies

The LE reporting the expenditures will complete this step to the assigned LE (the LE that incurred the expenditure). The reporting LE will report expenditures in fund 15 or fund 82 that do NOT belong to that reporting LE in this screen. The screen will allow the district to report to another LE and school code (or leave the LE and school code blank for non-school entities). The total expenditures for the reporting LE cannot be less than the expenditures reported as non-district expenditures.

There are excel downloads on this screen to download the expenditures reporting to another LE or expenditures reported to the LE in the assigned to table. There are three available excel views in this screen:

1. View Excel ESSA PPE Ex Comparison Rpt – this will compare the expenditures entered in the Step 7: Expenditures screen to the expenditures entered in this screen (Step 9).
2. ESSA Expenditures from Other Districts – is a view that shows what expenditure strings were entered into the assigned LE (e.g. Bozeman EL entered expenditures in Fund 15 to the Assigned to LE of Bozeman HS, this report will show the expenditures the EL assigned to the HS).
3. View Excel ESSA PPE Ex Details – this view will detail the expenditures an LE has assigned to other Les. The view in the first report is a summary view and this view is a detailed entry so districts can verify they have allocated the correct expenditures to each LE.

#### **STEP 10: FIXED ASSETS**

NOTE: School districts that have a Yellow Book or federal audit must report fixed assets on this schedule. School



districts that have a review once every four years are not required to report this information on the TFS, but are still required to maintain a listing of fixed assets and make it available to the auditor.

**ACTIVITY TYPE:**

The SCFA reports governmental and business-type activities in separate sections.

**Governmental Activities** usually include the General Fund (01), Special Revenue Funds (10-44), Debt Service Funds (50-59), Capital Projects Funds (60-69), Permanent Funds (45-49), and Internal Service Funds (73-79). These funds are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues.

**Business-Type Activities** are usually reported in Enterprise Funds (70-72). These funds are financed in whole or in part by fees charged to external parties for goods and services.

**Assets:**

- Land
- Land Improvements Buildings
- Machinery and Equipment Construction in Progress
- Improvement Accumulation
- Building Accumulation
- Machinery and Equipment Accumulation

Enter the beginning balance (beginning of the year, at cost), current year additions (at cost) and current year removals (at cost) for each category of asset.

Choose the accumulated depreciation category from the following list:

- Improvement Accumulated Depreciation (related to land improvements)
- Building Accumulated Depreciation
- Machinery and Equipment Accumulated Depreciation

Enter the beginning balance of depreciation accumulated to date as of the beginning of the year, the accumulated depreciation for current year additions as of the date added, and the accumulated depreciation for any current year removals as of the date the items were removed.

**DEPRECIATION**

Use this screen to report the amount of depreciation during the current reporting year. Current year depreciation is reported by function for governmental and/or business-type activities. Depreciation on assets that can be allocated to a specific function(s) should be reported using that function code or codes. For example, the current year depreciation for a bus barn would normally be reported under '27XX Transportation.' Depreciation on assets that cannot be easily allocated to a specific function may be reported under 'Unallocated.' For example, depreciation of a school building would normally be reported under 'Unallocated.'

NOTE: Ending balance and totals are computed by MAEFAIRS. MAEFAIRS will bring forward the previous year's ending balances as beginning balances. Acquisition cost for each category is listed first. Accumulated depreciation for Land Improvements, Buildings, and Machinery and Equipment is listed next (Land and Construction Work in Progress are not depreciated).

**Schedule of Changes in Long-Term Liabilities (SCLTL)**

NOTE: School districts that have a Yellow Book or federal audit must report long-term liabilities on the SCLTL schedule.

Districts with a *financial review, once every four years*, are not required to report this information on the TFS, but are still required to maintain a listing of long-term liabilities and make it available to the auditor.



The SCLTL reports governmental and business-type activities in separate sections.

**Governmental Activities** are usually reported in the General Fund (01), Special Revenue Funds (10-44), Debt Service Funds (50-59), Capital Projects Funds (60-69), Permanent Funds (45-49), and Internal Service Funds (73-79). These funds are generally financed through taxes, intergovernmental revenues and other non-exchange revenues.

**Business-type Activities** are usually reported in the Enterprise Funds (70-72). These funds are financed in whole or in part by fees charged to external parties for goods and services.

School districts will report beginning balance, new debt and other additions, principal payments, refunding and other reductions, and current portion (due in the next fiscal year) for long-term debt in the categories listed in STEP 11.

### STEP 11: LONG TERM LIABILITIES

- Capital Leases
- Compensated Absences
- Intercap Loan Payable
- Special Improvements (SIDs)
- Other long-term loans
- Other Post-Employment Benefits (OPEB)
- Net Pension Liabilities

**NOTE: General Obligation Bond information will be pre-filled by MAEFAIRS.** Districts with outstanding bonds payable should check the pre-filled information and contact the OPI as soon as possible if it is incorrect.

Ending balance, totals and long-term portion (due beyond the next fiscal year) will be computed by MAEFAIRS. MAEFAIRS will bring forward the previous year's ending balances as beginning balances for the current year.

Suggested backup documentation for each category is listed as follows:

- Capital Leases-lease payment schedule
- Compensated Absences-compensated absences worksheet
- Intercap Loan Payable-Intercap loan payment schedule
- Special Improvements (SIDs)-SID payment schedule
- Other Post-Employment Benefits (OPEB)
- Net Pension Liabilities (year 1 use the addition only)

NOTE: Report only principal balances, payments, etc. Do not include the interest portion of the payment schedule.

#### ***Current Portion of Long-Term Debt:***

The current portion is the principal amount that is due in the next fiscal year. For debt that is documented with a payment schedule (see above suggested backup documentation), this amount should be obtained by looking at the payment date(s) and determining how much principal is due in the next fiscal year. For Compensated Absences, the OPI suggests using one of two options for reporting current portion:

1. Report zero; or
2. Determine if the district has been notified of retirements and/or terminations that will take place in the next fiscal year (for example, teachers who take an early retirement incentive). Estimate the portion of compensated absences for the employee(s) and report the total as current portion.

### STEP 12: REVIEW SPECIAL EDUCATION REVERSION

State law requires district to match 25% of the total program. This report calculates the amount of special



education reversion required based on a calculation of Program Code 280 expenditures to state paid special education revenues (01-3115). If the amount on Line (g) is greater than zero, revenue source code 3115 State Special Education Allowable Cost Payment to Districts in the General Fund (01) will be reduced automatically.

### STEP 13: SPECIAL EDUCATION EXCESS COST CALCULATOR

This report must be reviewed each year to verify the appropriate calculations to determine the minimum amount a school district must spend at the elementary and secondary levels for education of students with disabilities before it may use funds under Part B of the Individuals with Disabilities Education Act. If there are questions about this report, contact Frank Podobnik, [fpodobnik@mt.gov](mailto:fpodobnik@mt.gov) or (406) 444-4428.

### STEP 14: CERTIFICATION OF THE FACILITIES CONDITION INVENTORY REPORT (FCI)

Pursuant to §20-9-525, MCA, districts must certify the first update to the FCI report by July 1, 2019, and each district shall certify the completion to the Office of Public Instruction no later than October 31, 2019. Subsequent updates must be certified to the Office of Public Instruction no less than once every 5 years following the first certification. In this step, districts will have three choices and must pick one of the three options:

- this district HAS updated the facilities condition inventory report (FCI) as required in §20-9-525 (2)(a)(i), MCA.
- the district HAS NOT updated the facilities condition inventory report (FCI) as required in §20-9-525 (2)(a)(i), MCA.
- the district does not own property to complete a facilities condition inventory report (FCI) as required in §20-9-525 (2)(a)(i), MCA.

### STEP 15: TFS VALIDATION

Select which type of validation the user would like to see and the district.

- All: Both Corrective and Red Warning/Warning (as defined below)
- Corrective: These validations must be corrected before a district can submit
- Red Warning/Warning: These validations alert districts to possible errors (a TFS may be submitted with warning errors)

Users are responsible for understanding all warning validations. Please call if it is unclear why a warning validation is showing. This is also the same report as the print validation report buttons on the screens.

### STEP 16: SUBMIT TFS TO THE OPI

**Only special education cooperatives submit the TFS report to the OPI.** This is because special education cooperatives do not submit budgets. MAEFAIRS requires districts with budget submissions to submit the TFS and budget report together.