



OFFICE OF PUBLIC INSTRUCTION

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Nancy Keenan
Superintendent

DATE: July 2000

TO: Auditors of Montana School Districts

FROM: Jim Oberembt
Fiscal Officer Supervisor

RE: SCHOOL DISTRICT AUDITS FOR FY 1999-00

The purpose of this memo is to help you in your school district audits by answering some commonly asked questions and listing problems we need your assistance on. **Please call me at 444-1257, Joan Anderson at 444-1960 or Nancy Hall at 444-9852 if you have questions about this memo or any other area of school district budgeting and accounting.**

Enclosed:

- 1) ANB, Enrollment, Attendance, and Absences (APPENDIX A)
- 2) Pupil Transportation (APPENDIX B)
- 3) Non-Levy Revenues (APPENDIX C)
- 4) Matrix - Payments between Districts and Special Ed Cooperatives (APPENDIX D)
- 5) Cash Advance Request Form (APPENDIX E)
- 6) ARM 10.10.303 - Cost Allocations (APPENDIX F)
- 7) Value of Donated Commodities for FY00 per district (APPENDIX G)*[Not yet available. OPI will send in August.]*
- 8) Excess Reserve Changes From FY99 to FY00 Budgets (APPENDIX H)
- 9) Summary: Administrative Rules – Changes Effective FY00 (APPENDIX I)
- 10) List of common audit findings (APPENDIX J)
- 11) Order Form for Other OPI Publications

WE REQUEST YOUR SPECIAL ATTENTION IN THESE AREAS DURING YOUR AUDITS FOR FY 1999-00:

1. Be sure to send a copy of the audit to OPI.

2. RECORDS RETENTION SCHEDULE

The official records retention schedule for schools ("Schedule 7") is available in hard copy or electronic form. If you need a hard copy, call Nica Carte at OPI at 444-4401. For an

electronic copy, see METNET (<http://www.metnet.state.mt.us>) under "School Finance" and look for the icon called "Records Ret Sched."

3. REQUEST FOR INFORMATION - STANDARD AUDIT CONTRACT

Please request information on budget changes or potential problems for a district or cooperative you plan to audit by sending written requests to: Joan Anderson, OPI, Box 202501, Helena, MT 59620-2501, or fax to (406)444-0509. This step is required by the standard audit contract. You can list multiple schools on one request. Please allow two weeks for response.

You can also request a verification of federal and state grant program receipts.

4. EXIT CONFERENCE

OPI recommends the auditor should meet with the trustees, district superintendent, and clerk of the school district to present the audit report upon exit. Often when OPI contacts the board to follow-up on the status of corrective actions, trustees say they were unaware that any problems were identified in the audit. In some cases trustees have stated they were not aware an audit was done. Holding a conference to discuss the matters with the board will strengthen OPI's efforts to help resolve audit findings.

5. ELEMENTARY VS. HIGH SCHOOL EXPENDITURES

Please watch for high school general fund costs being inappropriately charged to elementary general funds, and vice versa. Elementary budgets tend to be more "flush" than high school budgets in some areas, causing the motivation to charge costs to the district that has the most flexible budget. As always, it is acceptable to prorate shared costs, such as administrator's payroll, counselors, maintenance and operations of shared facilities, etc. on a cost allocation basis (see ARM 10.10.301 - APPENDIX F). However, payroll for teachers who work 100% in one school must be charged to that school. Proration of costs based on time is only appropriate when services are shared between elementary and high school.

6. REPORT COVERS

- a) If possible, please list the school district's common name (e.g., Cottonwood School).
- b) If you have multiple offices in the state, please identify on the Report Cover or Transmittal Letter which office did the audit (include telephone number) so we know who to contact with questions.

7. SEPARATE AUDIT COMMENT LETTERS

Please report all comments, including any "management letter," in the audit report as required by the standard audit contract. The district is required by law to respond to all audit findings, including items discussed in a management letter.

8. AUDIT FINDINGS

Please include enough information in an audit finding/recommendation to allow us to

understand the comparative scope of the problem. For example, finding one instance of an inappropriate travel reimbursement out of 20 is different than finding that travel reimbursements in general are incorrect or that board policy for travel reimbursement does not comply with state laws. In the audit finding, please cite the law, administrative rule, accounting manual section, etc. being violated.

9. AUDIT RESPONSE

Please include the district's audit response in the audit report if possible. By law, our office must review and accept the district's responses to audit findings. If the response is included in the audit report, this indicates the board's response is official. When we receive a letter later from a clerk, it may or may not be the official board response and slows the process down in some cases.

When coaching district officials how to respond, encourage them to list specific corrective actions rather than using general statements such as, "We concur with the audit finding." This is increasingly important because we are tracking and requiring more thorough responses about corrective actions for repeated findings.

10. FEDERAL PROGRAMS

a) STATE AND FEDERAL GRANTS HANDBOOK - NEW 2000 EDITION

In June 2000, OPI published a new edition of the State and Federal Grants Handbook for recipients of OPI grants. We sent it to all schools, special education cooperatives, and non-profits/non-public school recipients that receive OPI grants AND auditors we know are involved in the audits. OPI will send copies to auditors in early August 2000. If you do not receive your copy by August 10, please call Nica Carte at 444-4401.

In general, any OPI-administered program that is assigned a project number is a "grant" for purposes of policies included in this manual. School Foods programs and entitlements, such as the Drivers' Education Reimbursement and Federal Impact Aid, are not covered.

b) GRANT CASH MANAGEMENT

OPI sends one payment on the 10th of each month for grant funds. For each state or federal grant, the recipient submits an Annual Cash Advance Request Form to OPI indicating the amount they wish to receive each month. (See APPENDIX E) The recipient may amend the request as often as necessary by sending a revised form. Revisions received by the 25th of one month will affect the payment on the 10th of the following month (e.g., revised forms received by April 25 affect payments made on May 10).

Schools and school-related entities are expected to maintain minimal cash balances in grant accounts in compliance with Federal regulations. To meet that requirement, OPI considers it reasonable for a school district to have no more cash on hand at any time than needed to pay obligations through the following payment date, which is the 10th of the next month. Recipients are expected to review the cash request periodically and revise the schedule as necessary to maintain minimal cash on hand.

Questions to address during audit:

- Do the recipient's procedures include periodic monitoring of cash balances?
- Has the entity revised their cash requests (Cash Advance Request Form) as necessary to avoid excessive cash balances?
- Are month-end cash balances for each project approximately enough to cover an average month's obligations, and no more?
- Is the entity aware that minimal cash balances are required?

c) LATE A-133 AUDITS

If a school district spent more than \$300,000 in federal funds in FY2000, an A133 audit must be completed by March 31, 2001. If this deadline can't be met, the school district or the school district's auditor must request an extension from the U.S. Dept of Education. The request should:

1. be on letterhead stationary;
2. include a brief explanation why the March 31st due date can't be met;
3. request an extension to the date the audit will be complete.

The request may be mailed, faxed, or emailed to:

Pat Dever
U.S. Dept of Education
FB-6 Room 4W215
400 Maryland Ave SW
Washington, DC 20202-4245
Fax: 202-205-0765
Phone:202-401-1823
E-mail address: pat_dever@ed.gov

Send a copy of your request for an extension to OPI and the Dept of Commerce. If a school district has a two year audit, they must be audited as "high risk" and might incur higher audit costs. Two year A-133 audit covering FY99 and FY00 is due March 31, 2001.

d) GRANT REPORTS INCORRECTLY FILED

If a federal or state grant report has been filed incorrectly with OPI, please recommend the school district file an amended report.

e) FREQUENT CASH OVERDRAFTS

If a school district has frequent cash overdrafts in one or more grants, please recommend they establish a grant control notebook as discussed in Section 9-0400 of the School Accounting Manual. Schools should also consider software changes which will automatically alert the clerk that a grant is in the cash overdraft position.

f) INDIRECT COST RECOVERIES

Please review the indirect cost rate application for FY00. School districts may take indirects on grants ONLY IF they have an approved rate from OPI. Check to see if the school district has adequate documentation for reclassifying an expenditure as indirect on the indirect cost rate application. Check to see that the school district applied the rate to actual expenditures, less capital outlay incurred after the date of the rate's approval. If the rate has been incorrectly calculated or applied, this could result in the school district having to repay funds. Please contact me at 444-1257 for more information on indirect costs.

g) MAINTENANCE OF EFFORT

OPI monitors maintenance of effort for Federal Impact Aid, Title I, Title II, Title IV, Title VI, and IDEA programs. OPI relies on auditors to watch for coding errors which can affect maintenance of effort. However, additional verification of maintenance of effort is not necessary for OPI-administered programs.

h) OPI'S MONITORING OF FEDERAL AND STATE GRANTS

OPI's monitoring policy is found in the State and Federal Grant Handbook, section 600-4 . Beginning in FY00, most recipients of OPI-administered grants report expenditures only once in a year-end fiscal report. Cash is requested on an annual cash request form, which may be amended at any time. However, if the entity meets certain "high risk" criteria, they will be required to submit monthly expenditure and cash reports or may possibly be put on a reimbursement basis. We will try to keep you informed when districts you audit are placed into OPI's "high risk" status.

i) SCHOOL FOODS "CLUSTER" IN A-133 COMPLIANCE SUPPLEMENT

The compliance supplement covering the school nutrition cluster programs suggests several audit procedures involving USDA commodities. However, the commodities programs are not specifically listed as programs included in the cluster. In researching the discrepancy with the Federal program people, one auditor was told the reason is unknown, since it seems the cluster should name those commodities programs if such steps are included. For more information, contact auditor Ron Foltz at 728-8130.

ITEMS TO CHECK WHEN AUDITING THE BUDGET

OPI extensively edits the budget forms. Items we check are:

- accuracy of calculations;
- budget growth limits in the general fund;
- legal reserve percentages in all funds;
- adequacy of budgeted revenue sources for funding the adopted fund budgets;
- actual mills levied by the county commissioners for the district compared to budgeted mills;
- accuracy of state funding amounts such as the guaranteed tax base subsidy, direct state aid, and special education payments.

In general the items on the budget we need you to check are:

11. FUND BALANCE AND EXCESS RESERVES IN GENERAL FUND
(See APPENDIX H)

12. ANB (See APPENDIX A)

13. 180 DAYS AND MINIMUM 1080 HOURS OF INSTRUCTION

Please verify the district conducted the minimum of 180 pupil instruction (calendar) days and minimum hours required by MCA 20-1-301. State funding must be adjusted for days not conducted. This issue helps the state maintain minimum accreditation standards. If the district did not conduct the minimum days and hours of instruction, please disclose this as an audit finding.

14. BUDGETS

a) OVERDRAFTS:

State law requires individual districts to spend within adopted budget limits. Audits usually combine the elementary and high school general fund in one column. However, if either the elementary OR high school general fund is overspent, please cite this as a compliance finding. OPI must obtain an explanation of the overdrafts from the entity and determine that internal controls will be put into place to avoid overdrafts in the future.

b) VOTED AMOUNTS:

Please confirm the district held an election to approve the amount listed on the Final Budget, page 3, line II-Q "Budget Approved by Voters." The law strictly limits general fund budgets and voted amounts. An election certificate should be available to verify the voted amount.

15. NON-LEVY REVENUES (See APPENDIX C)

See "Items to Check When Auditing Trustees' Financial Summary."

16. BUDGET AMENDMENTS – (20-9-161 through 167, MCA).

Please verify that any budget amendment adopted is allowable under 20-9-161, MCA, and that appropriate adoption procedures were followed. OPI authorizes budget amendments for increased enrollment but others are passed at the discretion of trustees. Please check to make sure the district has used the project reporter assigned by OPI to the budget amendment on the Trustees' Financial Summary. To help you, a budget amendment procedures packet and information on budget amendments the district has filed are available from OPI. Call Tal Redpath at 444-3024 or Nica Carte at 444-4401.

17. BUS DEPRECIATION FUND (See APPENDIX B)

18. RETIREMENT FUND

a) REASONABLENESS OF BUDGET AMOUNT/OVERBUDGETING

Please verify the retirement fund budget was reasonably set based on budgeted salaries. We have noticed some districts spend only a portion of the budget. This indicates they

may be overbudgeting expenditures, which may result in state overpayment of Guaranteed Tax Base subsidies in the countywide retirement fund.

b) RETIREMENT INCENTIVES, PAYOFFS, "BUYING YEARS" FOR EMPLOYEES
There seems to be a widespread misconception about this issue. The retirement fund can only be used to pay REQUIRED employer contributions to TRS and PERS. There is no statutory authority for a district to charge the retirement fund, which is funded by a countywide levy, to pay additional employee contributions. The retirement fund cannot be used to pay for contributions to the PERS or TRS in lieu of an employee's contribution. The fund cannot be used to "buy years" of service for an employee as a benefit.

"Additional employee contributions" to TRS and PERS may be funded either through payroll deductions or charges to the general fund. When paid by the district, additional employee contributions are a taxable benefit.

Please verify that "additional employee contributions" paid to TRS and PERS by a school or cooperative are either deducted from the employees' payroll, paid by the general fund, or paid by another fund used to pay the normal payroll of the employee. Recommend the district repay the retirement fund for any inappropriate expenditures by using the general fund or other appropriate fund.

c) SOCIAL SECURITY
Just a reminder to check the social security option elected by the school district. See the Department of Commerce audit compliance supplement for more information.

ITEMS TO CHECK WHEN AUDITING TRUSTEES' FINANCIAL SUMMARY

19. SPECIAL EDUCATION

- a) EXPENDITURE CODING (special education expenditure program 280)
- i) Coding of expenditures on the trustees' financial summary affects many types of state and federal funding. Please pay special attention to special education expenditures coded using program code 280, since overstatement of expenditures in the special education area may result in state overpayment of state special education funding. Understatement of expenditures may result in inappropriate special education reversion (refund to state).
 - ii) Federal regulations require schools to maintain effort in special education programs. This means schools must spend the same amount of state and local funds this year as last year. OPI monitors maintenance of effort.
 - iii) Please write up miscodings, especially when miscoding is widespread.
- b) RESOURCE TRANSFERS FROM COOP TO DISTRICT (See APPENDIX D)
Please verify that any resource transfer between a special education cooperative

and a school district is recorded as listed in APPENDIX D.

20. USDA DONATED COMMODITIES (See APPENDIX G)

The Local Government Audit Quality Control Committee of MT Society of CPAs recommends:

- a) Commodities USED
 - i) Audit Report – Show commodities used as a revenue and expenditure in the school food fund on school district financial statements. Most districts use the material portion of commodities received during the year. Either report commodities used as federal assistance, or footnote the value of commodities received on the schedule of Federal financial assistance in the audit report.
 - ii) Trustees' Financial Summary – should ignore the commodities used.

- b) Commodities inventories are the property of the Office of Public Instruction until used and are reported in the audit report of that agency.
 - i) Audit Report - School districts' commodities inventories **should not be reported** as district property on the audit report of a school district.
 - ii) Trustees' Financial Summary - Commodities inventories should not be reported on the Trustees' Financial Summary.

21. TRUSTEES' FINANCIAL SUMMARY CHANGES

a) DEADLINES FOR ACCEPTING CHANGES

OPI will accept TFS changes until December 20. After that date, districts must report changes as prior year adjustments on the next year's report.

b) CHANGES TO BUDGETED FUNDS

After the levies are set, OPI cannot take changes which result in an increase or decrease in fund balance for budgeted funds. We will keep amended pages on file but schools are required to report fund balance changes as a prior period revenue or expenditure adjustment (PPA) in the ensuing fiscal year.

c) PRIOR PERIOD ADJUSTMENTS

Remember that prior year expenditure adjustments are recorded as 6100 PPA Revenue if the adjustment would reduce prior year expenditures and Object 892 PPA Expenditures if prior year expenditures would increase. Object 892 expenditures are charged to the current year budget, since they were not charged the previous year.

22. NON-LEVY REVENUES (See APPENDIX C)

a) OPI is able to ensure the general fund non-levy revenues reported on the Trustees' Financial Summary for one year are used in budgeting for the next year if required by law. However, we need auditors to check the validity of coding used for non-levy revenues reported for the general fund on the Trustees' Financial Summary. Please write up instances of improper coding of non-levy revenues in the general fund if discovered. Non-levy account numbers begin after revenue source 1116. Please refer to the School

Accounting Manual and Budgeting Instructions for more specific definitions and information concerning non-levy revenues.

- b) There is high motivation for coding non-levy revenues using a code that is not restricted in the next year's budgeting process, such as "5300 Sale of or Compensation for Fixed Assets," "1110 District- Tax Levies," "6100 Prior Year Revenue Adjustments", etc. Coding non-levy revenues using unrecognized revenue codes, such as 1220, is also a potential problem.
- c) Non-levy revenues coded incorrectly on the Trustees' Financial Summary may cause levies to be set incorrectly and the state could over or under pay the district for guaranteed tax base subsidies.
- d) In budgeting for the general fund some general fund non-levy revenue sources must be estimated while most are still budgeted using actual prior year receipts (see Appendix C for list).
- e) FY99 Motor Vehicle Taxes – Please check validity of motor vehicle taxes revenues reported for FY99. SB 184 provides OPI will reimburse school districts in FY2000 for reduced motor vehicle taxes. Accordingly, FY99 becomes a base year to determine this reimbursement and should be reported as accurate as possible.

23. MATERIAL PRIOR PERIOD REVENUE ADJUSTMENTS, CANCELED WARRANTS, AND CANCELED PURCHASE ORDERS

- a) Please review supporting documentation for year-end expenditures. Review prior period revenue adjustments, especially if the amount is material, to ensure this method was not used to "save" fund balance for the next year.
- b) By encumbering purchase orders, accruing expenditures, or writing year-end warrants for expenditures, districts use up the budget at year-end. When these items are canceled in the next year, the fund balance is restored by recording prior year revenue adjustments. There is motivation for districts to record accruals, warrants, and purchase orders they know will later be canceled; fund balance in excess of allowable operating reserves is thus "saved" from being reappropriated to fund the budget. The lowered reappropriation may have caused increased levies, resulting in an overpayment of guaranteed tax base (GTB), which is subject to be refunded to OPI.

24. TRANSFERS BETWEEN FUNDS

- a) In general, Section 20-9-208, MCA, prohibits transfers between funds. See Section 5-0500 in the School Accounting Manual for legal transfers.
- b) Illegal transfers between funds should be reversed by the school district and the county treasurer. Please report on any illegal transfer which has not been corrected from a

prior audit.

c) We have received reports some school districts "clean out" year end budget authority in the transportation and retirement funds. These schools send a letter to the county treasurer at year end asking that a lump sum transfer be made from these funds to the Impact Aid Fund or other funds to reimburse expenditures made from Impact Aid or other funds. This is acceptable if the expenditures made from the Impact Aid or other funds are truly for transportation or retirement. If they are not, the transfer is illegal and must be reversed.

25. TRANSPORTATION FUND (See APPENDIX B)

a) PAYROLL CHARGES

Many schools charge a portion of the superintendent's and clerk's salary and benefits to the Transportation Fund. Please audit whether the portion of an administrator's payroll costs charged to transportation are reasonable. The portion of the person's time spent on transportation issues should approximate the portion of the person's salary charged to the transportation fund, in keeping with ARM 10.10.303 (APPENDIX F).

We have indications the percentages of administrator's salaries charged to the transportation fund are as high as 20%, even when very little or no time is spent on transportation issues. Motivation is very high to move costs inappropriately to funds to escape the general fund "caps." (This is also true in the School Foods Fund.)

b) VEHICLE PURCHASES

Please verify that the transportation fund purchased only yellow school buses that are used on school bus routes. Activities and athletics buses and non-bus vehicles must be purchased by the general fund or extracurricular activities fund. Replacement buses for activities and athletics can be purchased using the bus depreciation fund. Transportation fund cannot be used to purchase drivers' education cars or vehicles intended to be used for employee travel. The drivers' ed fund or general fund may purchase a drivers' ed car.

11c) ACTIVITIES, ATHLETICS, AND EMPLOYEE TRAVEL

Costs of providing activities and athletic trips travel costs for employees must not be charged to the transportation fund. Again, shrinking budgets in general funds cause motivation to move these costs to other funds. Although we have tried to educate clerks, some clerks say the trustees require these charges above their objections. We request your increased audit scrutiny.

26. MONTHLY RECONCILEMENTS/ BUDGET REPORTS

a) We have found that most districts who encounter serious financial problems do not reconcile to the county treasurer's balances monthly or do not prepare expenditure and revenue budget reports to monitor spending and receipts. Please determine whether monthly reconcilements and budget reports are done. If not done, or if not done timely, please note noncompliance with administrative rules and strongly recommend the reconcilements as necessary for good budget and accounting control.

b) Monthly reconcilements are required by A.R.M. 10.10.501 (3). Budget reports are

required by A.R.M 10.10.505.

27. COMPENSATED ABSENCES LIABILITY FUND (CALF) TRANSFER

a) Please refer to Section 5-1350 and 6-0200 of the School Accounting Manual for instructions on how to calculate the maximum balance and transfer that may be made from the general fund. The compensated absences fund limit at the end of FY 1999-00 is 30% of the liability as of 6/30/00 for administrative and non-certified staff.

b) The FY 00 operating transfer from the General Fund to the Compensated Absence Liability Fund (CALF) must be made within the FY 00 general fund budget.

c) The transfer should be coded using expenditure code X01-999-61XX-910. The receipt in the CALF is coded X21-5300.

d) The fund can be used for payments to the retirement systems, FICA, and workers' comp for termination benefits paid for **non-certified/administrative personnel**. The CALF cannot be used to pay the employee severance pay, retirement bonuses, or any amount paid in lieu of employee contributions.

e) Excess balances in the CALF must be transferred back to the general fund. The transfer should be made during closing. (ARM 10.10.312) An excess balance in the CALF at year-end means the general fund was shorted by the excess amount in budgeting for the next year. The possible effects include: 1) overlevy on taxpayers; and 2) state overpayment of guaranteed tax base subsidies if BASE mills were overlevied. If the general fund operating reserve was not full (i.e., 10%), however, the excess could have been retained as reserves, causing no effect on mills or guaranteed tax base subsidies.

f) Special education cooperatives MAY NOT establish a CALF at this time. Section 20-9-512, MCA, provides transfers are only authorized from a school district's general fund. Cooperatives use a nonbudgeted interlocal agreement fund. This law would have to be amended for cooperatives to establish a CALF.

28. STUDENT EXTRACURRICULAR FUND (84)

The Student Activity Fund Accounting Manual is the authoritative source for accounting for student activity funds. You can request this manual from Lynda Brannon, Executive Director, Montana Association of School Business Officials (MASBO), One South Montana Avenue, Helena, MT 59601 (406)442-5599. Please verify the schools you audit have this manual. Audit findings relating to the student activity fund should refer to this manual when a district is not in compliance.

29. INTERNAL SERVICE FUNDS (73-79)

a) Internal service funds for certain services are allowed when approved by OPI. See administrative rule 10.10.314 enclosed. Since cost recovery, not profit, is the goal of these funds, the balances of the funds should not exceed the amount reasonably needed to maintain the operation. **OMB A-87** indicates accumulation of fund balance may be viewed

by federal programs as the result of excessive charges to those federal programs. An accumulation in excess of 60 days of financial need may be an over-accumulation.

b) **There's no such thing as an asset depreciation fund!!** An internal service fund established solely for accumulating money to replace equipment, for example, is not an appropriate use of an internal service fund. In an internal service fund, all costs of providing a service, including asset depreciation, should be charged back to all user funds. For example, revenues without expenses in a fund indicate the fund is not appropriately allocating actual costs of providing a service (i.e., there should at least be depreciation expense!). [ARM 10.10.314] Charging only the general fund for use of a copier is not appropriate, since an internal service operation should allocate costs among users, including federal projects.

The asset depreciation fund approach was proposed in the '93 and '95 legislative sessions and was rejected by legislators. It is obviously not legislative intent to allow the practice. Please DO NOT encourage the use of funds for this purpose, and do write up instances of inappropriate internal service fund usage.

c) Self-insurance funds for health coverage should be established ONLY if there is an actuarially based self-insurance program. (2-18-702(5), MCA) An informal system is not allowable by law. Excessive balances or funds which are not currently used to support self-insurance programs should be returned to the originating funds or closed to the general fund as provided by Section 20-9-201, MCA.

d) **All self-insurance funds are required to be held with the county treasurer on behalf of the school (ARM 10.10.306).** Unless a county attorney has given written approval, outside checking accounts for self-insurance are not authorized by law. Regardless of where funds are kept, the balances and annual activity of the coverage must be reported on the trustees' financial summary using fund 78 (health) or 79 (liability).

Thanks for your assistance!!

CC: Department of Commerce Audit Division

APPENDIX A - ANB and ENROLLMENT

The method used to calculate Average Number Belonging (ANB) is the same as in the previous year. Enrollment reported to OPI in two semi-annual reports is used to calculate ANB which is used for state funding. ANB provisions are found in sections 20-9-311/314, MCA and administrative rules Title 10, Chapter 20, sub-chapter 1. Please return the enclosed order form if you need an enrollment count instruction sheet.

1. GENERAL INFORMATION

- a) ANB funded in FY 1999-00 is calculated using an average of the enrollments on the first Monday in October, 1998 and February 1, 1999.
- b) When students are enrolled from out-of-district, they are funded at the district where they attend.
- c) Students attending a special education cooperative are counted as enrolled in their regular districts, who receive the ANB funding for them. Cooperatives do not report enrollments.
- d) Preschool enrollment is collected for statistical reports to the U.S. Department of Education. Preschool is not counted in ANB and is not funded by the state.
- e) Kindergarten pupils are reported as one enrolled student on the enrollment reports. When calculating ANB, OPI counts each kindergarten pupil as one-half ANB, as long as the pupil meets the hour requirement in (g) below.
- f) A pupil may not be counted for enrollment if the pupil has been absent (with or without excuse) more than 10 consecutive days unless the pupil resumes attendance by the day the enrollment count was made. Districts must drop kids from enrollment immediately when the student withdraws from school or is enrolled in another district. If the school has not received any indication the absent student has likely withdrawn, the district can consider an absent student enrolled on the count date if the student attended at least once in the 10 school days before the count date.
- g) If a student is enrolled less than full-time, the district must include the student on the enrollment reports as enrolled AND as "part-time."
 - For Enrollment Counted in October and February : Part time and full time are judged on hours per year:

Not "Enrolled"

Part-time

Full-time

| <u>Grade</u> | <u>for ANB</u> | <u>Enrolled</u> | <u>Enrolled</u> |
|--------------|----------------|-----------------|-----------------|
| Kindergarten | <180 hrs/yr | N/A | 180+ hrs/yr |
| 1-12 | <180 hrs/yr | 180-359 hrs/yr | 360+ hrs/yr |

- For Enrollment Counted in October 2000 and February 2001, or after: All students are included in the enrollment count (include those "not enrolled" for ANB, part-time and full-time enrolled). OPI adjusts ANB as necessary to account for students attending an education program which is less than 180 hrs/yr or between 180-359 hrs/yr.
- h) For enrollment count dates prior to October 2, 2000, a student who is 19 years of age on or before September 10 of the school year for which the enrollment is being reported may not be included in the enrollment count for ANB and average daily attendance (ADA) purposes.

However, for enrollment counted in October 2000 and February 2001, or after, 19 year-olds students MUST BE INCLUDED in the enrollment and attendance counts for ANB and ADA. OPI adjusts out 19 year-olds from ANB because state law continues to disallow state funding for 19 year-olds.

- i) Districts are still required to keep attendance records. Districts report attendance to OPI only on the 2 official enrollment count dates.

2. AUDITING ANB/ENROLLMENT

Please verify the accuracy of the October and February enrollment counts and accompanying information reported to OPI. For example, for your audit of FY 1999-00, please verify the enrollment reports for October 1999 and February 2000. The ANB calculation is done by OPI and does not require additional verification by auditors. The attendance and absence report is considered part of the enrollment report and is necessary to audit. Attendance and absence data drives the state's funding from several Federal programs. If you discover problems with enrollment or attendance reporting, please have the district file amended enrollment reports as soon as possible. You are welcome to contact OPI for a copy of reports. The district should contact Tal Redpath at 444-3024.

If the enrollment is overstated or understated, please disclose this as an audit finding so the district is required to respond.

An example of the format we prefer to appear in the audit report is enclosed. Please "write up" any differences you find. Most differences result in an overpayment or underpayment which must be corrected by OPI. Because of potential impacts on state funding, budgeting and GTB, we consider any enrollment difference to be material.

If a difference is found in the October count, the district must send OPI an amended fall enrollment report showing the correction to the appropriate grade, gender, and ethnicity, as

well as the days present and absent.

If a difference is found in the February count, the district must send an amended spring enrollment report showing the correction to the appropriate grade in the school affected as well as the days present and absent.

Supplemental Schedule
 XXXXXX School District Number XX
 XXXX County
 XXXXX, Montana

SCHEDULE OF ENROLLMENT
 For the Year Ended June 30, 199X (or 200X)

| | <u>Per Enrollment Reports</u> | <u>Audit Per District Records</u> | <u>Difference</u> |
|--|-----------------------------------|---------------------------------------|-------------------|
| Fall Enrollment – October, 199X | | | |
| Elementary School District | | | |
| K-6: | | | |
| (a) Kindergarten | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (b) Grades 1-6 | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (c) Part-Time (number of part-time students included on line b above) | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| 7-8: | | | |
| (d) Grades 7-8 | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (e) Part-Time (number of part-time students included on line d above) | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (f) Total (add lines a , b , and d) | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| High School District | | | |
| 9-12: | | | |
| (g) Grades 9-12 | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (h) Part-Time (number of part-time students included on line g above) | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (i) 19 Year-olds incl. on line g (eff. Oct. 2000) | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Spring Enrollment – February, 199X | | | |
| Elementary School District | | | |
| K-6: | | | |
| (j) Kindergarten | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (k) Grades 1-6 | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (l) Part-Time (number of part-time students included on line k above) | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| 7-8: | | | |
| (m) Grades 7-8 | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (n) Part-Time (number of part-time students included on line m above) | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (o) Total (add lines j , k , and m) | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| High School District | | | |
| 9-12: | | | |
| (p) Grades 9-12 | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (q) Part-Time (number of part-time students included line p above) | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (r) 19 Year-olds incl. on line p (eff. Feb. 2001) | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| (s) Early Graduates | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |

Note: This supplemental schedule format is available on diskette by calling 444-4401, or via e-mail at 'ncarte@state.mt.us'

SCHEDULE OF ATTENDANCE AND ABSENCE
 For the Year Ended June 30, 199X (or 200X)

| | <u>Per Attendance Area of Enrollment Report</u> | <u>Audit Per District Records</u> | <u>Difference</u> |
|---|---|---------------------------------------|-------------------|
| Fall Attendance – October, 199X | | | |
| Elementary School District | | | |
| PreK-8: | | | |
| Pre-Kindergarten – number in attendance | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Pre-Kindergarten – number absent | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Kindergarten – number in attendance | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Kindergarten – number absent | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Grades 1-8 – number in attendance | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Grades 1-8 – number absent | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Total | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| High School District | | | |
| 9-12: | | | |
| Grades 9-12 – number in attendance* | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Grades 9-12 – number absent* | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Total | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Spring Attendance - February, 199X | | | |
| Elementary School District | | | |
| PreK-8: | | | |
| Pre-Kindergarten – number in attendance | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Pre-Kindergarten – number absent | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Kindergarten – number in attendance | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Kindergarten – number absent | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Grades 1-8 – number in attendance | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Grades 1-8 – number absent | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Total | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| High School District | | | |
| 9-12: | | | |
| Grades 9-12 – number in attendance* | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Grades 9-12 – number absent* | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |
| Total | <u>XXXXXXXXXX</u> | <u>XXXXXXXXXX</u> | <u>XXXXXX</u> |

** include 19 year-olds in attendance and absence beginning Oct. 2000*

Note: This supplemental schedule format is available on diskette by calling 444-4401, or via e-mail at 'ncarte@state.mt.us'

This is the only copy sent to your district. Please share this information with the clerk, superintendent, trustees, and all staff involved in official enrollment counts/admissions.

September 22, 1999

TO: School District Officials

FROM: Tal Redpath
OPI Fiscal Officer / Enrollment Specialist

RE: ENROLLMENT AND ANB ISSUES

I'd like to share these enrollment & ANB issues and policies with you in preparation for the upcoming Fall enrollment count date of October 4, 1999.

Topics covered here are:

- ⇒ ENROLLMENT COUNT DATES -- ABSENCES / FLEXIBLE SCHEDULING
- ⇒ PART-TIME AND FULL-TIME ENROLLMENT
- ⇒ KINDERGARTEN AND PRESCHOOL
- ⇒ STUDENTS OVER AGE 19
- ⇒ ALTERNATIVE AND GED PROGRAMS
- ⇒ OTHER ENROLLMENT ISSUES

Please call me at 444-3024 or Joan Anderson at 444-1960 if you have additional questions.

ENROLLMENT COUNT DATES – ABSENCES / FLEXIBLE SCHEDULING

1. Does the school lose ANB if students are absent on the official enrollment count date?

In general, absences on the count date do not affect ANB. The exception is that a student's absence for 11 consecutive days immediately prior to and including the count date precludes a district from counting a student as enrolled for ANB purposes (See A.R.M. 10.20.102).

2. Does the school lose ANB if a certain class does not meet on the count date? For example, assume Kindergarten does not meet on the count date, or the high school has block scheduling that causes a class to meet on alternating days, not including the count date.

Flexible scheduling that causes a class not to meet on the count date does not affect ANB. Remember, the student's *enrollment status* on the count date affects ANB, *not attendance*. If a Kindergarten program does not conduct class on the count date, report the number of students present/absent as of the next pupil-instruction day.

PART-TIME AND FULL-TIME ENROLLMENT

3. Is part-time enrollment allowed in Montana schools?

Yes. The board of trustees of each district may set policy allowing less than full-time enrollment at the elementary or high school level. State law allows, but does not require, a school board to admit students less than full-time. The state provides funding for student enrollment which provides the legal minimum number of hours and days of pupil instruction per year.

4. What is part-time enrollment? Full-time enrollment?

Enrolled students are counted in October and February of a school year to determine state funding for the following school year. Administrative Rule 10.20.102 states the following requirements for counting students enrolled on the count dates:

| <u>Grade</u> | <u>Not "Enrolled" For ANB</u> | <u>Part-time Enrolled</u> | <u>Full-Time Enrolled</u> |
|--------------|-----------------------------------|-------------------------------|--------------------------------------|
| Kindergarten | 0 - 179 hrs/year | Not Applicable | 180+ hrs/year (one-half ANB maximum) |
| 1-12 | 0 - 179 hrs/year | 180 - 359 hrs/year | 360+ hrs/year |

5. If a student is enrolled second semester but was not enrolled first semester, how do the hourly limitations apply?

View enrollment on each count date independently. On the count date, the hours that a program of enrollment would normally provide on an annual basis should be used to determine enrollment status.

Districts may choose to allow students to enroll in short-term programs which are not designed to provide minimum pupil instruction time per year, but the district cannot count the students as enrolled for ANB purposes.

6. How does part-time enrollment affect state funding?

Funding for part-time students is paid at one-half the normal rate. The Fall and Spring enrollment forms include a space for reporting the number of "part-time" enrolled students. Part-time students should be reported as one "whole" pupil in the individual grade level of the enrollment report and one "whole" pupil in the part-time section of the enrollment report. OPI makes the adjustment for part-time students when calculating the district's ANB.

Count each enrolled Kindergarten student as one pupil in the Kindergarten grade level of the enrollment report. Kindergarten students should not be reported to OPI under the part-time section of the report. Enrolled Kindergarteners who attend at least 180 hours per year qualify for a maximum one-half ANB.

7. At high school level, how should periods be counted toward part-time enrollment?

A student enrolled in a program designed to provide from 180 to 359 hours per year and 180 days is enrolled "part-time" for ANB. Applying this to a district's scheduling depends on the terms of enrollment. If a period is 45 minutes with a 4 minute passing time, one period a day will not provide 180 hours of instruction per year. A 56 minute period with a 4 minute passing time may provide 180 hours of pupil instruction time per year. HOURS, NOT PERIODS, will qualify a student for part-time funding. Districts should set part-time enrollment policies with hours of *pupil instruction time* in mind.

KINDERGARTEN AND PRESCHOOL

8. Can a pupil admitted to Kindergarten before the age of 5 be counted for ANB?

Yes, but only if the child has been admitted by the trustees under MCA 20-5-101(3) for special circumstances. MCA 20-7-117 requires a student must be 5 years old on or before September 10, or be admitted by special permission of the board of trustees, to be counted for ANB.

9. Can full-day Kindergarten be funded as full ANB? Can a student enrolled in 2 sessions of Kindergarten to provide enrichment opportunities or special education (e.g., 2 part-day sessions or 2 alternating-day sessions) be counted twice?

No. MCA 20-9-311 allows the state to fund one-half ANB for each Kindergarten pupil.

10. Can a Kindergarten pupil who is old enough for first grade be moved mid-year to a pre-first transition program and be counted for full ANB?

Yes, in some cases. A student who is 6 years old on or before September 10 of the school year may be enrolled in a first grade or pre-first transition program. A district may choose to allow a student who meets the age criteria and who completed Kindergarten in the 1st semester to enroll in a pre-first grade program in the second semester. Assuming the pre-first program is designed to provide at least 360 hours of pupil instruction per year, the student may be counted as fulltime enrolled for second semester.

11. Can a special education preschool student of Kindergarten age be counted as a Kindergartner?

Yes, in some cases. If a student is 5 on or before September 10 and is enrolled in an accredited Kindergarten program which provides at least 90 days and 360 hours of pupil instruction or related services, the student may be included in the Kindergarten enrollment. The Individual Education Program (IEP) may require the instruction and services to be delivered in a preschool setting, supervised by the Kindergarten program.

STUDENTS OVER AGE 19

12. Can a district count a student who is 19 or older for ANB?

Pursuant to MCA 20-1-101(10), districts cannot count a student who turns 19 on or before September 10 of the year for ANB, even in special education programs. However, if a student turns 19 after September 10, the district may count him that year.

On the count date, districts can count: a) students who are 18 or under; and, b) students who turned 19 after September 10 of the current school year. This applies to special education and regular education programs.

ALTERNATIVE AND GED PROGRAMS

13. Can a high school student enrolled in an alternative program or GED preparation program be counted as enrolled for ANB purposes?

Yes, in some cases. If the student is enrolled in a program that meets accreditation standards and his enrollment provides the minimum days and hours required by law, the student may be included in the ANB. Students in programs which do not provide minimum hours and days required by law or which do not meet accreditation standards must not be counted for ANB.

14. Can students counted for ANB also be counted in the Adult Basic Ed (ABE) count for Federal funding?

No. A student enrolled in high school cannot also be counted in ABE counts. However, an 18 year old high school student and a 20 year old ABE student may actually attend the same program, same classes, etc. High school students may not be served using the Federal ABE funds, so separate recordkeeping of high school and ABE program costs and enrolled students is very important.

OTHER ENROLLMENT ISSUES

15. Can a student confined to a treatment, medical, or custodial facility be counted as enrolled for ANB?

Yes, in some cases. A.R.M. 10.20.102(8) allows such a student to be counted if all of the following criteria are met:

- The student is enrolled as defined in A.R.M. 10.15.101 and is currently receiving organized and supervised pupil instruction as defined in MCA 20-1-101
- The student is in a home or facility which does not offer a regular educational program
- The school district's general fund is financing the student's instructional costs during the absences

16. (a) Can a district count an absent student as enrolled if the student has been absent for less than 11 consecutive days and the district has not yet received a records-transfer request from another school district? (b) How about if the district receives the records-transfer request on the count date?

(a) If a student is absent on the count date and the district has become aware by any means that a student will not be resuming attendance, the student should not be counted as enrolled. This applies even if a formal records-transfer request has not been received. Generally, a district's follow-up policy on unexcused absences will reveal the circumstances of a student's non-attendance.

(b) All records-transfer requests received on the count date should be considered when completing OPI enrollment reports. Generally, OPI allows at least 14 working days to finalize and submit enrollment data, which allows time to adjust the enrollment count for transfer requests received on the count date.

Thank you for your attention to these important enrollment and ANB matters. Additional guidance on enrollment and attendance reporting may be obtained in Title 10, Chapter 20, Sub-Chapter 1 of the Administrative Rules of Montana and MAEFAIRS User's Guide (revision date May 1999).

cc: County Superintendents
Eric Feaver, MEA
Loran Frazier, SAM
Bob Anderson, MSBA
Lynda Brannon, MASBO
Auditors

APPENDIX B - PUPIL TRANSPORTATION

1. HIGH SCHOOL RIDERSHIP

- a) Transportation laws passed in 1995 require a high school ridership count for the first five school days beginning on or after November 14 each year. Eligible high school students who ride on ONE MORNING on ONE OF THOSE DAYS may be included as eligible riders for purposes of the district's eligibility for state and county reimbursement for the bus.
- b) The eligible transportee counts on buses (form TR-2 or the district's equivalent list) cannot be easily verified. **OPI does not expect auditors to attend and verify that count.** Please inspect the documentation of high school counts to verify the process provides a reasonable basis for the counts reported to OPI on bus route forms TR-1.

2. ELIGIBILITY FOR FUNDING

The following areas affecting eligibility to state transportation funding. Please check:

- a) Miles claimed by parents on TR-4 individual contracts are being verified by the school;
- b) Days of attendance claimed by the district on the TR-5 claim for each holder of a TR-4 individual contract match attendance records;
- c) Payees listed on the TR-5 claims are really receiving payments (i.e., are not fictitious contract holders);
- d) Bus drivers' certificates (TR-35) are accurately completed (i.e., the driver really has an up-to-date drivers' license, first aid certificate, and physical when the certificate is approved by the school personnel).

3. COUNTY REIMBURSEMENT

OPI distributes state transportation reimbursements to districts through counties. The school district share of the reimbursement should be reported separately as a state revenue source. Normally, state and county transportation reimbursements are equal amounts.

The state sends semi-annual payment advice sheets to districts recapping the state and county shares of the reimbursement payment. Counties should have paid the district NO MORE THAN the amount shown on that advice. Some counties incorrectly pay the budgeted county reimbursement rather than the lower amount claimed, resulting in county overpayments. Please verify the district received the correct county reimbursement and the amount was recorded correctly as county transportation revenue. Any overdistribution by the county should be for underpayments from a prior fiscal year.

4. BUS DEPRECIATION FUND

The Bus Depreciation Fund is to be used for: a) Purchase, conversion, remodeling and replacement of yellow school buses; and b) **remodeling** and **replacement** of activity/athletics **buses**. Please verify:

- a) The bus depreciation fund levy does not exceed 20% of the cost of the bus and up to 150% over time;
- b) The costs of the buses are accurately shown on the budget form.
- c) The fund is used for replacement of existing buses. The fund can purchase additional yellow school buses effective 7/1/99 due to legislative change. Additional activities buses cannot be purchased using the fund; the general fund or extracurricular fund must be used to purchase activity buses.
- d) The fund is used only for buses and bus remodeling. Policy allows the installation of video cameras as "remodeling" in this fund. Cars, suburbans, minivans, etc. do not meet the definition of "buses" for this fund.

Districts will usually be required to repay the bus depreciation fund for findings of unallowable expenditures, such as car and truck purchases.

**APPENDIX C - NON-LEVY REVENUES
FOR FY99 AND FY00**

date: 12/14/99

S T A T E O F M O N T A N A
MAE-FAIRS Final Budget Report for 1999-2000

FP-1/Page: 5
15-0334

SUBMIT ID: 0334-68825335

| | | |
|--|---------|------------------------|
| 01 GENERAL FUND | | |
| ADOPTED BUDGET..... | 0001 | 4913995.00 |
| BUDGET USES | | |
| Expenditure Budget..... | 0002 | 4913995.00 |
| Add to Fund Balance..... | 0003 | _____ |
| ESTIMATED FUNDING SOURCES | | |
| Unreserved FB Reappr..... | 0970 | |
| Dir State Aid (St Share)..... | 3110 | |
| Spec Ed Allow. Cost..... | 3115 | |
| Guar. Tax Base Subsidy..... | 3120 | 214102.02 741707.82 |
| Non-levy Revenues (Actual Pr Yr and State Est.) | | |
| Coal Gross Proceeds..... | 1123* | |
| Tax Title/Prop Sales..... | 1130 | |
| Investment Earnings..... | 1510 | 26300.00 |
| Community Svc. Act..... | 1800 | |
| Other Rev- Distr..... | 1900 | |
| Rentals-Bldg./Eq..... | 1910 | |
| Contrib./Donations..... | 1920 | |
| Textbook Sale/Rental..... | 1940 | |
| Resale-Supplies/Mat..... | 1945 | |
| Svc. to Other Schls..... | 1950 | |
| Svc. to Other Govts..... | 1960 | |
| Svc. to Other Funds..... | 1970 | |
| Summer Sch Rev..... | 1981 | |
| State PILT, St Lands..... | 3301 | |
| State PILT, FWP..... | 3302 | |
| St Aeronautics Fee..... | 3430 | |
| Other Non-Levy Revenues (Estimated) | | |
| Dist-Prior Yr Tax..... | 1117 | |
| Dist-DOR Tax Audit..... | 1118 | |
| Light Vehicle Tax..... | 1121 | 150000.00 |
| Pen & Int on Taxes..... | 1190 | |
| Tuition-Indiv..... | 1310 | |
| Tuition-In State..... | 1320 | |
| Tuition-Out-of-State..... | 1330 | |
| St Corp License Tax..... | 3420 | 2500.00 |
| Prop Tax Reimb..... | 3440* | 8485.00 |
| MT Oil & Gas Tax..... | 3460 | |
| Fed Pmt Lieu Tax..... | 4800 | |
| Resid Equity Trsnfr In..... | 9710 | |
| Other Rev..... | 9100 | |
| (* Must use the amount estimated by Dept. of Rev.) | | |
| Levies | | |
| Mand. Non-Isol. Levy..... | 1110(a) | |
| BASE Levy..... | 1110(b) | 1134048.72 |
| Over-BASE Levy..... | 1110(c) | 547571.91 |
| DISTRICT TAX LEVY..... | 1110 | 1681620.63 |
| TOTAL EST REVENUES..... | 0004 | 4913995.00 |
| EST REV > BDGT..... | 0004A | _____ |

DOR

These revenue types must be estimated using actual prior year receipts (FY 99 TFS)

GENERAL FUND ONLY

APPENDIX D - MATRIX - PAYMENTS BETWEEN DISTRICTS AND SPECIAL ED COOPERATIVES



PAYMENTS from SPECIAL ED COOP to NON-MEMBER SCHOOL DISTRICT / INTERLOCAL AGRMTS

Common Transactions

| Type of Activity | Cooperative Records | Host Records | Legal Considerations |
|---|---|-------------------------|---|
| Host Payments to Coop | | | |
| Host sends non-federal support to Coop (rare - return unused funds). | Reduce 382-280-21XX-3XX | Reduce X82-1950 | |
| Host returns unused Federal grants. (Rare - this will result in Coop having two IDEA grant projects - one from the State and one from the Host) | Reduce X15-XXX-62XX-930 ↑ Use Grant Program Number here | Reduce X15-5700 | <ul style="list-style-type: none"> • Coops which pass-through Federal moneys assume responsibilities of subgrants under Fed laws. • IDEA and Reduced Class Size are the only Federal grants administered by OPI which allows districts to pass-through dollars. |
| Host refunds unused IDEA grant | Reduce X15-5700 | Reduce 315-XXX-62XX-930 | <ul style="list-style-type: none"> • Coops which pass-through Federal moneys assume responsibilities of subgrants under Fed laws. • IDEA and Reduced Class Size are the only Federal grants administered by OPI which allows districts to pass-through dollars. |
| Coop Payments to Host: | | | |
| Coop sends non-federal funds to | Reduce 382-280-21XX-3XX | X82-1950 | <ul style="list-style-type: none"> • Alert: This payment will be counted for maintenance of effort in the Coop and Host. |
| Coop subgrants IDEA grant to Host | 315-XXX-62XX-930 ↑ Use Grant Program Number here. | X15-5700 | <ul style="list-style-type: none"> • Coops which pass-through Federal moneys assume responsibilities of subgrants under Fed laws. • IDEA and Reduced Class Size are the only Federal grants administered by OPI that allows districts to pass-through dollars. |



Common Transactions

PAYMENTS BETWEEN DISTRICTS AND SPECIAL ED INTERLOCAL AGRMTS

| Type of Activity | Host Records: | District Records: | Legal Considerations |
|---|--|---|---|
| District Payments to Host | | | |
| District sends general fund support to Host | X82-5710 | X01-280-62XX-920 | The host should establish an Interlocal Agmt Fund 82. |
| District sends Federal grant to Host (rare—subgrant) | X15-5700 | X15-XXX-62XX-930 Use Grant Program Number here | <ul style="list-style-type: none"> Districts which pass-through Federal moneys assume responsibilities of subgrants under Fed laws. IDEA and Reduced Class Size are the only Federal grants administered by OPT which allows districts to pass-through dollars. |
| District refunds unused IDEA grant | Reduce X15-5700 | Reduce 315-XXX-62XX-930 | <ul style="list-style-type: none"> Coups which pass-through Federal moneys assume responsibilities of subgrants under Fed laws. IDEA and Reduced Class Size are the only Federal grants administered by OPT which allows districts to pass-through dollars. |
| Host Payments to District: | | | |
| Host refunds non-federal support the district paid above (i.e., reduction in a high cost program) | Reduce X82-5710 | Reduce X01-280-62XX-920 | Alert: Won't be counted for maintenance of effort, unless district spends on special ed. |
| Host subgrants IDEA grant to district | X15-XXX-62XX-930 Use Grant Program Number here. | X15-5700 | <ul style="list-style-type: none"> Districts which pass-through Federal moneys assume responsibilities of subgrants under Fed laws. IDEA and Reduced Class Size are the only Federal grants administered by OPT that allows districts to pass-through dollars. |

REMITTANCE ADVICE FOR PAYMENTS BETWEEN DISTRICTS, INTERLOCAL AGREEMENTS, & SPECIAL ED COOPERATIVES

From _____ Phone # _____ Date _____

Special Ed Federal Payments: Coops/Interlocal Agreement IDEA Applications to School Districts

| | | |
|-------|--|----------|
| _____ | Federal Funds - IDEA Part B (must be spent by 6/30 or returned) Record using Rev Source X15-5700 ___ / Exp Program X15-277-XXXX-XXX-___ Project Number _____ | \$ _____ |
|-------|--|----------|

| | | |
|-------|--|----------|
| _____ | Federal Funds - IDEA Preschool (must be spent by 6/30 or returned) Record using Rev Source X15-5700 ___ / Exp Program X15-279-XXX-XXX-___ Project Number _____ | \$ _____ |
|-------|--|----------|

Special Education Non Federal Payments from Coops to School Districts

| | | |
|-------|---|----------|
| _____ | Local and State Funds from Fund 382 /ARM 10.16.2216 Record using Rev Source X15-5710 ___ / Exp Program X15-280-XXX-XXX-___ <i>Districts must return unspent funds to the special education cooperative by 6/30.</i> | \$ _____ |
|-------|---|----------|

Payments from School Districts to Special Education Cooperatives

| | | |
|-------|--|----------|
| _____ | Related Services Block Grant Match /Additional Contributions Local and State Funds (Fund 01,14, 26) Record using Rev Source 382-5710 ___ / Exp Program 382-280-XXX-XXX-___ Federal IDEA or Preschool (Rare – use section above) <input type="checkbox"/> Refund | \$ _____ |
|-------|--|----------|

Payments from School Districts to Other School Districts / Interlocal Agreements

| | | |
|-------|---|----------|
| _____ | Special Education Add On Tuition Record using Rev Source X15-1320 ___ / Exp Program X15-280-XXX-XXX-___ <i>Unused funds must be transferred to the general fund by 6/30 using a residual equity transfer.</i> | \$ _____ |
|-------|---|----------|

| | | |
|-------|--|----------|
| _____ | Non-Federal Funds Record using Revenue Source X82-5710 ___ Record using Expenditure Program X82-280-XXX-XXX-___ <i>Project Reporter Numbers may be used in Fund 82.</i> | \$ _____ |
|-------|--|----------|

| | | |
|-------|-----------------------|----------|
| _____ | Other: Describe _____ | \$ _____ |
| | _____ | |
| | _____ | |

TOTAL PAYMENT: \$ _____

NOTE: Receiving entities do not have to maintain effort for federal funds but are required to maintain effort for local and state funds. Receiving entities need to assign their own three-digit project reporter.

APPENDIX E - CASH ADVANCE REQUEST FORM

| | | |
|--|--|---|
|  | Nancy Keenan, Superintendent Office of Public Instruction Accounting Department PO Box 202501 Helena, Montana 59620-2501 | <h3 style="margin: 0;">Cash Advance Request for State and Federal Grant Programs</h3> |
| <p>DIRECTIONS—Only a Prime Applicant should complete this form. Use a separate form for each project.</p> <ol style="list-style-type: none"> 1. Complete and sign, then send the original of this form to the Office of Public Instruction, Accounting Department. Retain a copy for district files. 2. The amount requested for a particular month must be the minimum amount needed in that month for actual immediate cash required to carry out the purpose of the approved project. 3. The Office of Public Instruction may, at its discretion, request written documentation and/or an explanation for the amount requested for any or all months, and may request a report of cash-on-hand at anytime during the project period. 4. The total amount of the cash advances requested for this project may be less, but not more, than the approved project budget. 5. This form must be received at the Office of Public Instruction by the 25th of the month PRECEDING the first month a cash advance is needed. The amount requested for a particular month will be sent on the 10th day of that month (e.g., the amount of cash requested below for August will be sent on August 10th if this form is received at the Office of Public Instruction by July 25th). 6. Amended cash advance request forms should be submitted for this project if at anytime during the year a significant cash shortfall or excessive cash-on-hand exists. | | |
| Prime Applicant _____ | County: _____ | <input type="checkbox"/> Elem Legal Entity: _____ <input type="checkbox"/> H.S. Legal Entity: _____ <input type="checkbox"/> K-12 Legal Entity: _____ <input type="checkbox"/> Other Legal Entity: _____ |
| Fill in the project name and number (from the budget page) for which this CASH ADVANCE REQUEST is being requested. | | |
| State/Federal Program Name _____ | Project Number PN: _____ | |
| Check below to indicate if this is an initial or an amended cash request for this project period ____ - _____. | | |
| <input type="checkbox"/> Initial request <input type="checkbox"/> Amended request | | |
| Amount of cash advance requested for disbursements to be made in: | | |
| July \$ _____ August \$ _____ September \$ _____ October \$ _____ November \$ _____ December \$ _____ January \$ _____ February \$ _____ | March \$ _____ April \$ _____ May \$ _____ June \$ _____ July \$ _____ August \$ _____ September \$ _____ | |
| TOTAL \$ _____ | | |
| I certify that the amount of the monthly cash advances requested above is a reasonable estimate of the minimum amount needed in each month to carry out the purpose of this project. | | |
| Authorized Representative | Signature: _____ Date: _____ | |
| Clerk/Business Official | Signature: _____ Phone: _____ Date: _____ | |
| FOR OPI USE ONLY | <input type="checkbox"/> Approved <input type="checkbox"/> Denied <input type="checkbox"/> Recorded Signature: _____ Date: _____ <div style="text-align: center;">OPI Program Accountant</div> | |

APPENDIX F - ARM 10.10.303

10.10.303 COST ALLOCATIONS BETWEEN DISTRICTS (1) In the event certain shared costs, such as administrative costs, curriculum coordinator salaries, school psychologist salaries, etc., cannot reasonably be identified directly to either the elementary district or the high school district or between funds within a district, the school district administration shall prepare a cost allocation plan for approval by the board of trustees prior to adoption of the final budget. The cost allocation plan should reasonably distribute such costs between districts and funds within a district, consistently from year to year. Shared costs shall be budgeted and accounted for in accordance with the cost allocation plan approved by the board of trustees.

- (2) The following allocation bases shall be used to allocate shared costs:
 - (a) ANB or enrollment per district;
 - (b) Full time equivalent (FTE) staff per district;
 - (c) FTE teaching staff per district;
 - (d) Floor space occupied or space occupied over time per district;
 - (e) Miles driven, student miles driven, driver hours per district;
 - (f) Students served per district;
 - (g) Taxable valuation per district; or
 - (h) Time spent providing services.
- (3) As provided by 20-6-506, MCA, the cost of operating the junior high school must be prorated between the elementary district and the high school district on the basis of the ratio that the number of pupils of their district is to the total enrollment of the junior high school.
- (4) As provided by 20-4-401, MCA, whenever a joint board of trustees employs a person as the district superintendent under (2) and (3), the districts shall prorate the compensation provided by the contract of employment on the basis of the number of teachers employed by each district. (History: Sec. 20-9-102, 20-9-201, MCA; IMP, Sec. 20-9-102, 20-9-103, 20-9-201, MCA; NEW, 1990 MAR p. 717, Eff. 4/13/90; AMD, 1998 MAR p. 1719, Eff. 6/26/98.)

APPENDIX H - EXCESS RESERVE CHANGES FROM FY99 TO FY00 BUDGETS

FUND BALANCE

Please verify the amount of unreserved fund balance reappropriated used in budgeting each fund is supported by the accounting records. See **MATERIAL PRIOR PERIOD REVENUE ADJUSTMENTS, CANCELED WARRANTS, AND CANCELED PURCHASE ORDERS** discussed above in "Item to Check When Auditing the Trustees' Financial Summary."

EXCESS GENERAL FUND RESERVES

1) Documentation

Districts which designate excess reserves in the general fund budget must retain documentation to support the amounts. The reserves are limited in section 20-9-104(5), MCA, to the unused portion of certain types of receipts. If a school district designated excess reserves, OPI requires the district to submit a Schedule of Changes in Excess Reserves (see page 4-1000-29 of Budget Instructions) with the budget.

2) Auditing Excess Reserves

Please verify the additions to excess reserves reported on the FY1999-00 budget are valid current year receipts of prior year protest/delinquent taxes, tax audits, or accelerated LGST payments.

3) Other Information

- a) Operating reserve must be the greater of 10% or \$10,000 before any excess can be held.
- b) Districts must keep adequate records to prove receipts of delinquent and protested taxes were due by June 30 of the prior year. Current year taxes received late do not qualify as excess reserves. Inadequate documentation should cause the validity of excess reserves to be questioned.
- c) Interest earned on the holding of excess reserves is not a valid addition to excess reserves.

4) Invalid Excess Reserves

When invalid excess reserves are noted in audits or identified by OPI desk reviews, OPI recalculates the funding effects and may require overpayments to be repaid to the state.

"Used" means: a) Used for budget amendments; b) Used to fill the operating reserve back up to 10%; or c) Used to fund the budget through reappropriation.

Excess reserves are important in budgeting because they represent a funding source which, if not reserved, would be available to reappropriate and lower tax levies. Since the state pays guaranteed tax base (GTB) subsidies on general fund mills to districts which qualify, overlevied mills may have caused an overpayment of GTB.

Notify Bonnie Maze at OPI (444-3249) when an unsupported excess reserve is identified in a district which qualified for GTB subsidies.

APPENDIX H

LIST OF DISTRICTS WITH EXCESS RESERVES ON FY 1999-2000 BUDGET

Excess Reserve Changes
Between 1999-2000

Auditor – Are additions supported by current year receipts of:

- 1) protested or delinquent taxes billed in a prior year;
- 2) tax audit money; or
- 3) Accelerated LGST for 1995 production?

Additions show as negative.

Reductions show as positive.

| LE | Name | 1999 Total Excess Reserves | 1999 Budget Amendments | 2000 Excess Used To Bypass Base | 2000 Total Excess Reserves | |
|------|------------------------|----------------------------------|------------------------------|--|----------------------------------|------------|
| 0003 | Grant Elem | 0.00 | 0.00 | 0.00 | 367.97 | -367.97 |
| 0007 | Wise River Elem | 18,365.18 | 0.00 | 0.00 | 18,365.18 | 0.00 |
| 0009 | Lima Schools | 0.00 | 0.00 | 0.00 | 8,319.52 | -8,319.52 |
| 0010 | Wisdom Elem | 799.70 | 0.00 | 0.00 | 0.00 | 799.70 |
| 0029 | Chinook H S | 159,946.04 | 0.00 | 0.00 | 159,623.53 | 322.51 |
| 0056 | Red Lodge Elem | 4,756.64 | 0.00 | 0.00 | 14,666.48 | -9,909.84 |
| 0057 | Red Lodge H S | 7,760.54 | 0.00 | 0.00 | 11,007.31 | -3,246.77 |
| 0069 | Roberts Schools | 8,031.22 | 0.00 | 0.00 | 18,746.77 | -10,715.55 |
| 0070 | Boyd Elem | 395.78 | 0.00 | 0.00 | 0.00 | 395.78 |
| 0097 | Carter County H S | 35,711.06 | 0.00 | 0.00 | 27,058.16 | 8,652.90 |
| 0133 | Fort Benton Elem | 0.00 | 0.00 | 0.00 | 155.98 | -155.98 |
| 0244 | Baker Schools | 88,456.59 | 0.00 | 0.00 | 0.00 | 88,456.59 |
| 0291 | Winifred Schools | 39,460.00 | 0.00 | 35,000.00 | 35,679.00 | -31,219.00 |
| 0312 | Columbia Falls Elem | 693.79 | 0.00 | 0.00 | 0.00 | 693.79 |
| 0342 | Olney-Bissell Elem | 10,820.11 | 0.00 | 0.00 | 6,522.79 | 4,297.32 |
| 0347 | Manhattan Elem | 8,511.06 | 0.00 | 8,511.06 | 0.00 | 0.00 |
| 0348 | Manhattan H S | 2,500.37 | 0.00 | 2,500.37 | 0.00 | 0.00 |
| 0361 | Three Forks H S | 9,070.48 | 0.00 | 0.00 | 0.00 | 9,070.48 |
| 0404 | East Glacier Park Elem | 48,418.16 | 48,418.16 | 0.00 | 0.00 | 0.00 |
| 0411 | Lavina Schools | 0.00 | 0.00 | 0.00 | 3,081.02 | -3,081.02 |
| 0416 | Philipsburg Schools | 38,476.51 | 0.00 | 0.00 | 38,476.51 | 0.00 |
| 0418 | Hall Elem | 17,282.00 | 0.00 | 0.00 | 17,282.00 | 0.00 |
| 0419 | Drummond Elem | 33,888.07 | 0.00 | 0.00 | 33,888.07 | 0.00 |
| 0420 | Drummond H S | 47,272.09 | 0.00 | 0.00 | 47,272.09 | 0.00 |
| 0452 | Clancy Elem | 52,796.64 | 0.00 | 0.00 | 52,796.64 | 0.00 |
| 0453 | Whitehall Elem | 32,490.18 | 0.00 | 0.00 | 26,456.86 | 6,033.32 |
| 0455 | Basin Elem | 57,811.46 | 0.00 | 0.00 | 57,811.46 | 0.00 |
| 0457 | Jefferson H S | 201,318.74 | 0.00 | 0.00 | 230,026.57 | -28,707.83 |
| 0460 | Montana City Elem | 139,968.68 | 0.00 | 10,725.00 | 169,938.59 | -40,694.91 |
| 0464 | Stanford Schools | 0.00 | 0.00 | 15,685.91 | 0.00 | -15,685.91 |
| 0469 | Hobson Schools | 58,889.64 | 0.00 | 0.00 | 81,276.22 | -22,386.58 |
| 0472 | Geyser Elem | 12,919.02 | 0.00 | 0.00 | 18,951.76 | -6,032.74 |
| LE | Name | | 1999 | 2000 | 2000 | |

| | | 1999 Total Excess Reserves | Budget Amendments | Excess Used To Bypass Base | Total Excess Reserves | |
|------|--------------------------|----------------------------------|----------------------|----------------------------------|--------------------------|-------------|
| 0502 | Augusta Elem | 40,640.67 | 0.00 | 0.00 | 40,640.67 | 0.00 |
| 0503 | Augusta H S | 36,728.62 | 0.00 | 0.00 | 36,728.62 | 0.00 |
| 0519 | Troy Elem | 35,738.15 | 0.00 | 15,000.00 | 48,877.47 | -28,139.32 |
| 0520 | Troy H S | 37,131.34 | 0.00 | 15,000.00 | 34,398.62 | -12,267.28 |
| 0522 | Libby Schools | 263,469.56 | 0.00 | 170,000.00 | 93,470.00 | -0.44 |
| 0537 | Sheridan Elem | 596.81 | 0.00 | 596.81 | 0.00 | 0.00 |
| 0540 | Twin Bridges Schools | 24,423.00 | 123,700.00 | 0.00 | 46,975.00 | -146,252.00 |
| 0546 | Ennis Schools | 0.00 | 638,082.41 | 0.00 | 39,421.72 | -677,504.13 |
| 0547 | Circle Elem | 53,519.07 | 0.00 | 0.00 | 56,730.65 | -3,211.58 |
| 0548 | Circle H S | 7,282.47 | 0.00 | 0.00 | 11,882.55 | -4,600.08 |
| 0562 | Southview Elem | 2,253.54 | 0.00 | 0.00 | 2,958.04 | -704.50 |
| 0566 | Vida Elem | 0.00 | 0.00 | 0.00 | 1,580.68 | -1,580.68 |
| 0583 | Missoula Elem | 421,846.70 | 81,369.00 | 0.00 | 278,131.62 | 62,346.08 |
| 0586 | Hellgate Elem | 8,311.23 | 0.00 | 0.00 | 0.00 | 8,311.23 |
| 0588 | Lolo Elem | 9,798.33 | 0.00 | 0.00 | 0.00 | 9,798.33 |
| 0589 | Potomac Elem | 9,970.26 | 0.00 | 0.00 | 15,045.25 | -5,074.99 |
| 0590 | Bonner Elem | 11,150.53 | 0.00 | 12,056.24 | 57,746.48 | -58,652.19 |
| 0591 | Woodman Elem | 3,837.22 | 0.00 | 0.00 | 3,837.22 | 0.00 |
| 0595 | Clinton Elem | 2,870.27 | 0.00 | 0.00 | 3,744.86 | -874.59 |
| 0596 | Swan Valley Elem | 5,438.91 | 0.00 | 0.00 | 4,383.06 | 1,055.85 |
| 0597 | Seeley Lake Elem | 9,783.51 | 0.00 | 0.00 | 15,554.00 | -5,770.49 |
| 0599 | Frenchtown Schools | 0.00 | 0.00 | 0.00 | 45,428.17 | -45,428.17 |
| 0657 | Saco H S | 51,915.80 | 0.00 | 0.00 | 24,349.05 | 27,566.75 |
| 0663 | Whitewater Schools | 806,666.25 | 0.00 | 0.00 | 238,188.44 | 568,477.81 |
| 0674 | Conrad Elem | 47,517.63 | 0.00 | 47,517.63 | 45,360.37 | -45,360.37 |
| 0675 | Conrad H S | 31,205.83 | 0.00 | 31,205.83 | 23,128.57 | -23,128.57 |
| 0705 | Broadus Elem | 0.00 | 0.00 | 0.00 | 5,981.45 | -5,981.45 |
| 0706 | Powder River Co Dist H S | 9,256.18 | 0.00 | 15,000.00 | 10,263.21 | -16,007.03 |
| 0713 | Powell County H S | 178,951.50 | 0.00 | 0.00 | 178,951.50 | 0.00 |
| 0740 | Darby Schools | 60,758.37 | 0.00 | 0.00 | 85,635.65 | -24,877.28 |
| 0743 | Florence-Carlton Schools | 35,960.38 | 0.00 | 0.00 | 10,946.09 | 25,014.29 |
| 0777 | Culbertson Elem | 71,006.89 | 0.00 | 0.00 | 71,006.89 | 0.00 |
| 0778 | Culbertson H S | 51,055.92 | 0.00 | 0.00 | 51,055.92 | 0.00 |
| 0790 | Forsyth Elem | 61,044.00 | 0.00 | 0.00 | 84,147.00 | -23,103.00 |
| 0791 | Forsyth H S | 36,098.00 | 0.00 | 0.00 | 51,087.00 | -14,989.00 |
| 0794 | Rosebud Elem | 0.00 | 0.00 | 0.00 | 4,850.86 | -4,850.86 |
| 0795 | Rosebud H S | 0.00 | 0.00 | 0.00 | 5,243.00 | -5,243.00 |
| 0840 | Butte Elem | 0.00 | 0.00 | 0.00 | 386,236.20 | -386,236.20 |
| 0846 | Park City Elem | 2,045.00 | 0.00 | 0.00 | 2,045.00 | 0.00 |
| 0861 | Absarokee Elem | 0.00 | 0.00 | 0.00 | 1,814.00 | -1,814.00 |

| LE | Name | 1999 Total Excess Reserves | 1999 Budget Amendments | 2000 Excess Used To Bypass Base | 2000 Total Excess Reserves | |
|------|------------------------|----------------------------------|------------------------------|--|----------------------------------|------------|
| 0872 | Greycliff Elem | 15,357.11 | 0.00 | 0.00 | 12,569.44 | 2,787.67 |
| 0875 | McLeod Elem | 5,911.71 | 0.00 | 0.00 | 5,845.60 | 66.11 |
| 0882 | Sweet Grass County H S | 24,333.08 | 0.00 | 0.00 | 40,475.74 | -16,142.66 |
| 0883 | Choteau Elem | 12,392.00 | 0.00 | 12,392.00 | 11,229.00 | -11,229.00 |
| 0884 | Choteau H S | 18,768.00 | 0.00 | 18,768.00 | 11,277.00 | -11,277.00 |
| 0890 | Fairfield Elem | 0.00 | 0.00 | 0.00 | 11,859.05 | -11,859.05 |
| 0893 | Dutton Schools | 35,155.47 | 0.00 | 0.00 | 43,262.34 | -8,106.87 |
| 0894 | Power Elem | 51,051.94 | 0.00 | 0.00 | 54,272.25 | -3,220.31 |
| 0895 | Power H S | 11,691.62 | 0.00 | 0.00 | 13,970.72 | -2,279.10 |
| 0900 | Greenfield Elem | 3,660.00 | 0.00 | 0.00 | 0.00 | 3,660.00 |
| 0935 | Opheim Schools | 49,148.20 | 0.00 | 49,148.20 | 0.00 | 0.00 |
| 0941 | Lustre Elem | 35,673.00 | 0.00 | 0.00 | 4,469.00 | 31,204.00 |
| 0944 | Two Dot Elem | 0.00 | 0.00 | 0.00 | 486.86 | -486.86 |
| 0964 | Wibaux Schools | 31,241.85 | 0.00 | 0.00 | 31,241.85 | 0.00 |
| 0978 | Broadview Elem | 68,700.00 | 0.00 | 0.00 | 68,700.00 | 0.00 |
| 0979 | Broadview H S | 59,200.00 | 0.00 | 0.00 | 59,200.00 | 0.00 |
| 1203 | Saco Elem | 16,897.29 | 0.00 | 0.00 | 0.00 | 16,897.29 |
| 1212 | Butte H S | 0.00 | 0.00 | 0.00 | 35,460.47 | -35,460.47 |
| 1220 | Blue Sky Schools | 47,686.04 | 0.00 | 0.00 | 42,302.57 | 5,383.47 |

APPENDIX I

SUMMARY – ADMINISTRATIVE RULES EFFECTIVE FY00

No significant ARMs changes effective for FY 00.

APPENDIX J

LIST OF COMMON AUDIT FINDINGS

| Finding Code | Audit Finding Code Description | # Reported |
|--------------|--|------------|
| 000 | No comments | 64 |
| 100 | Cash overdraft-Non Federal | 6 |
| 102 | *Reconciliation to County Treasurer | 12 |
| 105 | Petty cash accounting | 7 |
| 108 | *Accounts outside County Treasurer's Office | 4 |
| 110 | Year-end accruals | 4 |
| 130 | Taxes receivable over/understated | 3 |
| 190 | General Fixed Assets-Not recorded | 20 |
| 191 | General Fixed Assets-Inadequate/not documented | 37 |
| 192 | General Fixed Assets-Inadequate Cap Policy | 7 |
| 193 | General Fixed Assets-Cap Policy not followed | 5 |
| 202 | Compensated Absences accounting | 8 |
| 203 | Warrants - Outstanding > 1 year | 4 |
| 206 | *Clearing Account not reconciling to cash | 3 |
| 275 | Capital leases over/understated | 7 |
| 277 | Gen Long-term Debt Acct Grp(GLTDAG)over/understate | 10 |
| 300 | *Deficit fund balance | 4 |
| 309 | *Budgeted Reserves - Excess Reserves | 5 |
| 401 | *Enrollment/ANB Over/understated | 36 |
| 409 | Budget to actual - Monitoring revenue | 7 |
| 422 | Attendance-Present/Absent over/understated | 8 |
| 500 | Expenditure coding error | 15 |
| 502 | Documentation supporting expenditure | 9 |
| 507 | Encumbrances-Not personal property or construction | 3 |
| 508 | Encumbrance accounting | 4 |
| 510 | Warrant sequence/Independent verification | 13 |
| 516 | Cost allocation between districts | 4 |
| 517 | Purchase Orders (POs) | 7 |
| 519 | No Board approval on claims/in minutes | 3 |
| 520 | Contracted Services | 3 |
| 522 | Facsimile signature machine or stamp | 3 |
| 527 | Bids per MCA | 5 |
| 542 | Payrolls reconciled | 8 |
| 545 | Time cards/overtime not approved | 3 |
| 547 | Payroll and related internal control | 10 |
| 551 | Personnel files missing/incomplete/wrong | 3 |
| 562 | Payroll clearing fund out of balance | 5 |
| 565 | Travel claim documentation | 3 |
| 581 | Vacation and sick leave per MCA | 3 |
| 588 | Vacation sick leave documentation | 3 |
| 603 | *Budget overexpended | 13 |
| 713 | Report(s) missing documentation | 4 |
| 715 | Title I - All findings | 7 |
| 718 | School Lunch - All findings | 13 |
| 722 | Impact Aid (PL 874) - All findings | 6 |
| 724 | Bilingual - All findings | 5 |
| 734 | Expenditures not within budget | 4 |
| 739 | Policy to use indirects/Excess accumulation | 3 |
| 800 | Inadequate segregation of duties | 44 |

| Finding Code | Audit Finding Code Description | # Reported |
|---------------------|---|-------------------|
| 809 | Journal Voucher entries | 3 |
| 822 | Endowment Fund accounting | 3 |
| 825 | Miscellaneous fund reconciliation | 6 |
| 826 | Internal control - Office efficiency | 11 |
| 848 | Dual signature should be required | 5 |
| 851 | Policy Manual/Board policies | 3 |
| 904 | Expenditure without proper approval/documentation | 18 |
| 905 | Expenditure coding - Extracurricular Fund] | 3 |
| 907 | Procedures to handle fund/acquire MASBO | 7 |
| 908 | Athletic event workers | 6 |
| 909 | Financials not reviewed by Board | 3 |
| 911 | Negative balance - Activity account overdrawn | 6 |
| 914 | Deposits not deposited intact/timely | 9 |
| 916 | Receipt procedures/ticket collections | 21 |
| 920 | Club required to maintain proper account | 4 |
| 930 | Extracurricular accounting | 20 |
| 939 | Bank reconciliations | 7 |

Office of Public Instruction
Order Form for OPI Publications

June 2000

Please check any publication you'd like a copy of and return this request to address below:

- _____ Instructions for FY99 Trustees' Financial Summary
- _____ Instructions for FY00 Trustees' Financial Summary
- _____ Administrative Rule 10.10.314 for Internal Service Funds
- _____ Administrative Rule 10.16.2216 for Special Education Transfers
- _____ List of items edited by MAEFAIRS software for Trustees' Report
- _____ Indirect Cost Rate Instructions for FY99
- _____ Indirect Cost Rate Instructions for FY00
- _____ Indirect Cost Rate Instructions for FY01

- _____ Instructions for FY99 Budget (paper forms)
- _____ Instructions for FY00 Budget (paper forms)
- _____ Instructions for FY01 Budget (paper forms)

- _____ General Fund Overview and Worksheets for FY99
- _____ General Fund Overview and Worksheets for FY00
- _____ General Fund Overview and Worksheets for FY01
- _____ Excess Reserves Worksheet

- _____ Transportation Budget Worksheet
- _____ Budget Amendment packet (July 1999)

- _____ MAEFAIRS User's Guide (Updated pages dated May 2000)
- _____ School District Records Schedule (Records Retention Schedule No. 7)

Return to:
JIM OBEREMBT, FISCAL OFFICER SUPERVISOR
SCHOOL ACCOUNTING
OFFICE OF PUBLIC INSTRUCTION
BOX 202501
HELENA, MT 59620-2501