



# Trustees' Financial Summary Instructions

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# Section 1 Introduction

## Who Completes the Trustees' Financial Summary (TFS)

Each elementary, high school, K-12 district, public charter district, and special education cooperative must file an annual TFS. All elementary, high school, K-12 district, public charter district, 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.

If you have more than one school code in your legal entity, you must report expenditures by school code. Districts with more than one school code must allocate their expenditures between schools. Refer to the [ESSA Guidance Document](#) for what Funds, Programs, Functions and Object codes need to be allocated by school code. This guidance document is posted on the OPI website under Leadership>School Finance>Accounting>ESSA PER PUPIL.

### MAEFAIRS TFS Contacts:

Questions can be emailed to [OPISchoolFinance@mt.gov](mailto:OPISchoolFinance@mt.gov)

Barb Quinn	(406) 444-3249
Autumn Belmont	(406) 444-9852
Alivia Skeslien-Jenkins	(406) 444-1964
Enly Kovis	(406) 444-1579
Andrea Mohammadi	(406) 444-1960
Laci Novark	(406) 444-4401

## What Information to Report

Report amounts from the accounting records for each legal entity for the prior fiscal year after all necessary fiscal year-end adjusting and closing entries have been properly recorded. All district records must be reconciled to the county treasurer's monthly reports.

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

Refer to Section 7-0300.00, 7-0400.00 and 7-0500.00 of the [School Accounting Manual \(SAM\)](#) *Year-End Closing Procedures*. This section provides 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 fiscal year end and preparing for the TFS.

## Blank Forms

To print out a blank TFS form, navigate to MAEFAIRS>Reports>TFS>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

Special education cooperatives must file a TFS separately from the member. 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 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. Special Ed Cooperatives are required to report TFS information separate from their member districts. **If you have more than one school code in your legal entity, you must report expenditures by school code. Districts with more than one school code must allocate their expenditures between schools. Refer to the [ESSA Guidance Document](#) for what Funds, Programs, Functions and Object codes need to be allocated by school code. This guidance document is posted on the OPI website under Leadership>School Finance>Accounting>ESSA PER PUPIL.**

## Additional Funds

If the district opened 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.

## Student Extracurricular Activities Fund (84)

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 Activities Fund (84), 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 the Extracurricular Activities Fund (84) into one report.

## Districts That Will Become K-12 Next Year

Districts that will become K-12 in a subsequent year must report as **a separate** elementary and high school for the current year-end. The K-12 district creation is 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<sup>th</sup>. Opening the fund allows the district to record residual equity "transfers-out" of operating funds and residual equity transfers into the Non-Operating Fund (19) at the end of the fiscal year.



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 cannot 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 Programs Fund (15) and Debt Service Fund (50).
4. Balances in the Miscellaneous Programs Fund (15) and Debt Service Fund (50) **CANNOT** 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 TFS should reflect all expenditure and revenue activity across all operating funds. This includes residual equity transfers-out of the ending balances of these operating funds and residual equity transfers into the Non-Operating Fund (19).
6. If Balance Sheet cash balances are not transferred to the Non-Operating Fund (19) as of June 30<sup>th</sup>, 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 Balance Sheet.
7. 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.

**Complete the TFS steps:**

- Project Reporter Code Report
- Balance Sheets for Miscellaneous Programs Funds (15), Non-Operating Fund (19), and Debt Service Fund (50) as pursuant to [§20-9-505\(1\), MCA](#)
- 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, 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 [Alivia Skeslien-Jenkins](#) at (406) 444-1964 or [Andrea Mohammadi](#) at (406) 444-1960 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), Flexibility Fund (29), and Debt Service Fund (50) and the Detail Expenditures Report. Budgets are required for non-operating districts.

**Where to Submit Completed TFS:**

Submit completed TFS report to the county superintendent by August 15 each year. [§20-9-213, MCA](#).



The county superintendent has until September 15 of each year to report any issues with the district' submitted TFS to the OPI. [§20-3-209, MCA](#)

### TFS Changes or Revisions to be submitted:

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

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

**Note:** The district may make changes to the submitted TFS report, with Board approval, so long as the conditions below are met.

- (1)** Material revisions to the annual TFS, submitted by the deadline, 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.
- (2)** **ESSA reporting is due with the submission of the TFS.** Only minor changes to ESSA Per Pupil expenditures will be allowed.
- (3)** Changes that affect fund balance in a budgeted fund or material line-item coding changes must be reported as material prior period adjustments (object 892) 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.

### Requests for changes to the TFS

The following steps must be completed.

Step 1: On a photocopy of the originally submitted TFS printout:

- Cross out the amount to be revised. Legibly write or type in the revised amount above or beside the original amount or submit a detailed excel worksheet.
- In MAEFAIRS run the ESSA School Code Allocation Report. Access that by Views-> ESSA -> ESSA School Code Allocation. If the fund that you are wanting to change is split by school code please attach a copy of the adjustments made there as well.
- Requestor must sign and date EACH page.
- Send request to:

Montana Office of Public Instruction  
Attn: Amanda Zigan  
PO Box 202501 Helena, MT 59620-2501  
or  
Email: [OPISchoolFinance@mt.gov](mailto:OPISchoolFinance@mt.gov)

Requests for changes can be mailed or scanned and emailed. All completed requests must be received by the OPI no later than the deadline (ARM 10.10.504).

Step 2: School Clerk must verify the accuracy of the corrections made by the OPI. Once verified, email a copy of the corrected TFS to the county superintendent with an explanation of requested changes.



**Step 3:** After changes have been completed by the OPI, **verify that changes have been made accurately and send confirmation to the OPI.**

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

### 1. Prepare to complete the TFS

- Read the TFS Instructions thoroughly.
- Reconcile revenues, expenses and ending cash balances with the County Treasurer.
- Reconcile investment accounts.
- Reconcile the Student Extracurricular Activities Fund (84).

### 2. Gather the necessary materials

- TFS from the prior year.
- Records from the County Treasurer (e.g., June School Report Package), investment accounts, Student Activity reconciliations, and Trial Balance.
- Budgeted “Revenues and Expenditures to Actual” report as of June 30.
- Optional: Blank TFS form for current year (from MAEFAIRS).

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

- Review the list of accruals.
- Complete the closing procedures checklist in Section 7-0320.00 of the School Accounting Manual (SAM).
- Follow the cash-to-accrual procedures.

### 4. Complete optional worksheets found in the School Accounting Manual (SAM):

- Fixed Asset Ledger form.
- Changes in Fixed Assets.
- Compensated Absences Liability.
- Federal and State Grants.
- 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 Prefilled Data Verification Checklist (TFS Step 1).
- Check Budget Amendments and Transfers for accuracy (TFS Step 2).
- Review software information (TFS Step 3).
- Enter/copy Project Reporter Codes (TFS Step 4).
- Confirm Indian Education for All expenditures have been coded appropriately to program code 365 and that your district is in compliance with non fiscal reporting as per 20-9-329, MCA.
- Calculate on the Balance Sheet, Line 01-Cash and Investments (101-119) less warrants.
- List cash balances as of June 30 from the accounting records of the County Treasurer, Investment Accounts, Student Extracurricular Fund (84), and reconciliations for all 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 & Step 7). Districts with more than one school code must report expenditures by school code as applicable.
- 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 not in balance and the Balance Sheet is correct, adjust revenues (TFS Step 6) or expenditures





(TFS Step 7).

- ❑ Complete the Expenditure Detail Report (TFS Step 8).
- ❑ Complete Step 9 ESSA LE Per Pupil Expenditure Reporting- for the School Food Services Fund (12), the Miscellaneous Programs Fund (15) and the Interlocal Agreement Fund (82).
- ❑ Report Fixed Asset information (TFS Step 10).
- ❑ Report Long-Term Liabilities (TFS Step 11).
- ❑ Check the Special Education Reversion report (TFS Step 12). Check the General Fund revenues 3115 for any prior year posting entries needed.
- ❑ Special Education Excess Cost Calculator (TFS Step 13).
- ❑ Run validations. Corrective validations must be resolved before submitting the TFS. (TFS Step 14).
- ❑ Submit the TFS to the OPI (TFS Step 15). This step is ONLY for cooperatives and non-operating districts without a budget for the coming year.
- ❑ Remember districts must submit the Budget along with the TFS.
- ❑ Send the report to the county superintendent by August 15. Retain a copy for the district.

## Section 3 Steps to complete the TFS Report

### STEP 1: PREFILLED DATA VERIFICATION

Page 1 lists payments made by the OPI to the district in the prior fiscal year. Districts and cooperatives need to verify the state paid revenues match to the district's financial reporting system (which is reconciled to the Treasurer reports). Direct state aid does not include prior period adjustments.

Page 2 lists entitlements for the ensuing fiscal year.

### STEP 2: BUDGET AMENDMENTS AND TRANSFERS

Budget amendments processed by the OPI will appear on this screen with PRC, Title, Reason, Fund Code and Amount. If a budget amendment was sent to the OPI and does not appear in this screen, please contact OPI.

Transfers processed by the OPI, as required by [ARM 10.10.320](#), will appear on this screen. If a transfer was sent to the OPI and does not appear on this screen, please contact OPI.

If you have questions about Budget Amendments or Transfers, contact [Laci Novark](#) at (406) 444-4401 or email [OPISchoolFinance@mt.gov](mailto:OPISchoolFinance@mt.gov).

### STEP 3: SOFTWARE

Verify the accounting software package listed is correct; including any manual ledgers that are the standard process. If a software package is not listed or has changed names, please contact [Laci Novark](#) at (406) 444-4401 or email [OPISchoolFinance@mt.gov](mailto:OPISchoolFinance@mt.gov).

### STEP 4: PROJECT REPORTER CODES

**PROJECT REPORTER CODE (PRC):** Enter a unique, three-digit PRC (e.g.,123). Do NOT use 000, anything below 100 or 900-999. PRC codes from the previous year may be copied to the current year.

**Title:** Select 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.

**Project Number:** Enter the complete grant or project number, as assigned by the OPI, the grantor or district.

**Assistance Listing Number (ALN Number):** Federal Grants Obtain the ALN Number from Federal Assistance Website <https://sam.gov/content/home>. ALN Numbers are now called Assistance Listings. State and Local projects (funds) do not have a federal ALN 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.

**Budget Amendments:** The OPI assigns a PRC to each budget amendment (910-919), which is 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.

**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 Laci Novark at (406) 444-4401 or email [OPISchoolFinance@mt.gov](mailto:OPISchoolFinance@mt.gov).

## **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, Chapter 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 district on June 30<sup>th</sup>. Include cash held in separate bank accounts, investment accounts, and petty cash accounts. Include Interest accrued as of June 30<sup>th</sup> and other current assets. If the district does not use a payroll or claims clearing fund, subtract the June 30<sup>th</sup> balance of Warrants Payable (620) in that fund from the sum of accounts 101 through 119 and enter the total.

In the Payroll Fund (86) and Claims Fund (87), 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).

#### **Reporting Taxes Receivable**

Taxes Receivable for each fund must be entered if amounts are material to the fund. Taxes receivable as of June 30<sup>th</sup> are required to be reported on the County Treasurer's June report to each district. Taxes receivable 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). 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<sup>th</sup>, as reported to the district by the County Treasurer. Include the amount from Line 02-Taxes Receivable-Real and Personal (120-149) in the total on Line 36-Deferred Inflows. Receivables for taxes are reported in Deferred inflows on Line 36.

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<sup>th</sup> as reported to the district by the County Treasurer. 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):**

Enter the balances of 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. 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<sup>th</sup>. Due from Other Funds is used to record the amount receivable on June 30<sup>th</sup> for goods and services provided by one fund, usually a proprietary fund, to another fund of the same district.

**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<sup>th</sup> or joint district collections from another county which were not received into the district's funds by June 30<sup>th</sup>.

School Food Services Fund (12): Federal reimbursements not received by June 30<sup>th</sup> for claims through the month of June or 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<sup>th</sup>.

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

Amounts reported on Line 05-Due from Other Governments (180) should be included in the line items revenue account on the Schedule of Revenues, Expenditures and Changes in Fund Balance. For example, a School Food Services Fund (12) receivable on Line 05-Due from Other Governments (180) should also be recorded as revenue source 4550 <Federal School Nutrition Reimbursement>.



**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).

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

Enter the value of supplies on hand on June 30<sup>th</sup>, if the amount is material to the fund. Include both Inventories for Consumption (220) and Inventories for Resale (230). 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). If no material pre-payments of items such as insurance or rent were paid as of June 30<sup>th</sup>, 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).

**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.

**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<sup>th</sup>.

**Note:** Reporting fixed assets—Line 10 through 13 are reported in proprietary and fiduciary funds only.

**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).

**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, and 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). Remember, the total 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<sup>th</sup>.

Tuition Fund (13): Tuition which should have been paid to another district by June 30<sup>th</sup> 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<sup>th</sup>. Include unspent grant money that must be returned to the grantor, amounts owed to a grantor because of a disallowed expenditure, etc. 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).

### 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<sup>th</sup>.

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.

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

If applicable, enter the sum of Deposits Payable (690) and Due to Fiscal Agent (695).

**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). 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 is for outstanding loan principal as of June 30<sup>th</sup>.

**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.

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

If applicable, enter the sum of the balances of Contracts Payable (740) and Judgments Payable (750).

**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.

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.

**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<sup>th</sup>.

**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).

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 on June 30<sup>th</sup> 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.

If you have questions about the above, contact your county treasurer.

## **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.

### **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 be calculated. 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 be calculated. 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 47. TIF Fund Balance for Budget (973):**

[§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 (01).

### **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 be calculated. 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).

**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. This can also be printed in Steps 6 and 7 – Revenue Report or Expenditure Report. 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 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. The balance sheet report can also be printed in Step 5.)

**STEP 6: REVENUES**

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 required in the Miscellaneous Programs Fund (15), used in budgeted funds to report budget amendments and cash and/or budget transfers between funds, and may be used in the Endowment Fund (81). They are also required for school safety transfers in the Building Reserve Fund (61) and for transformational learning program transfers in the Flexibility Fund (29). Unused funds must be returned to the originating fund after 2 full fiscal years. The total of revenue accounts 1000 - 9710 is calculated at the end of the revenue section for each fund.

Districts may 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> under Guidance & Manuals.

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 the prior fiscal year and will also have a levy in the ensuing year. If the district received a TIF distribution revenue call the 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.

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

## **STEP 7: EXPENDITURES**

The expenditure and other financing 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. Sub fund              | 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 may 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> under Other Accounting Resources.

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, sub fund, 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 XXXX 1XXX 1XX Personal Services-Salaries means:

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

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

Any additional expenditures reported must be rolled up the same way -- by fund, program, school code, 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 . . .)

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

**School Code:** Districts with more than one school code, must report expenditures by school code where possible, [School Finance- ESSA \(mt.gov\)](http://School Finance- ESSA (mt.gov)).

**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-XXXX- 3XXX-XXX. The Retirement Fund



(14) expenditure is shown as \_14-999-XXXX-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) and indirect cost rates, 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.

Use appropriate PRCs and Program Codes 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 7a: ESSA EXPENDITURE VALIDATION**

The Elementary and Secondary Education Act (ESSA) Per Pupil Expenditure Reporting is a required Federal report based on annual data submitted to the OPI through the MAEFAIRS Trustees' Financial Report (TFS). The federal law requires expenditures be reported by school code (SC), regardless of enrollment, number of school buildings, or location.

Federal grants reported in the School Food Services Fund (12) or the Miscellaneous Programs Fund (15), where one district is the prime applicant for another (typically EL and HS districts), must be reported to the proper LE and school code (SC). Expenditures from the Interlocal Agreement Fund (82) must also be reported to the correct LE and school code (SC). The LE reporting the expenditures will complete Step 9 in the TFS Report, LE Per Pupil Ex Reporting – Additional.

To verify the School Level, District Wide and Excluded expenditures, as well as expenditures assigned by other districts or cooperatives (if the district is a member), the following reports should be ran and reviewed:

**Report 1: Expenditure Review** | **Report 2: Expenditures Assigned to LE** | **Report 3: Expenditures from Cooperative**

**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	564	Educational Fees to In-State Treatment Facilities
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-682	Technology Supplies/Including E-books
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	456	IDEA, Part B Special Education	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	457	IDEA, Special Education Preschool	1XXX	112 Certified Teacher Staff Salaries	(_____)
XX	458	IDEA, State Program Development	1XXX	112 Certified Teacher Staff Salaries	(_____)

**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, Part B Special Education
- XX-457-1XXX-112 Federal IDEA, Special Education Preschool
- XX-458-1XXX-112 Federal IDEA, Special Education State Personnel Development

**5. Vocational Education Teachers**

- XX-39X-1XXX-112 Local and State Career Technical Education
- XX-451-1XXX-112 Federal Carl Perkins- Basic

**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 Title I, Part D, Neglected, Delinquent and At-Risk Youth



XX-432-1XXX-112 Federal Title III Part A, English Language Acquisition and Language Enhancement

**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 FUNDS 12, 15 & 82

Expenditures from the School Food Services Fund (12), where one district is operating a food service program for another district or entity (e.g., a private school) must be reported to the correct LE and school code, or another agency, where applicable.

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

Expenditures from the Interlocal Agreement Fund (82) must also be reported to the correct LE and school code, or another agency, where applicable.

The LE reporting the expenditures will complete this step to assign expenditures to the proper LE (the LE that incurred the expenditure). The reporting LE will report all expenditures in the School Food Services Fund (12), the Miscellaneous Programs Fund (15) or the Interlocal Agreement Fund (82) in Step 7, then use this screen to remove those expenditures that were not made on behalf of their LE. The screen will allow the district to report to another LE and school code (or leave the LE and school code blank for non-public school entities). The total expenditures for the reporting LE cannot be less than the expenditures reported as non-district expenditures.

There are three Excel reports to assist districts with data verification:

1. View Excel ESSA PPE Ex Comparison Report – Compares expenditures entered in Step 7: Expenditures to the expenditures entered in Step 9.
2. ESSA Expenditures from Other Districts – Shows what expenditure strings were assigned to an LE or other entity (e.g., in the case Bozeman EL expenditures in the Miscellaneous Programs Fund (15) for Bozeman HS, this report will show the expenditures the EL assigned to the HS).
3. View Excel ESSA PPE Ex Details – A detailed view of expenditures an LE has assigned to another LE or entity. 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 or entity.

### STEP 10: FIXED ASSETS

#### **ACTIVITY TYPE:**

The Schedule of Changes in Fixed Assets (SCFA) reports governmental and business-type activities in separate sections.

**Governmental Activities** usually include the General Fund (01), Special Revenue Funds (10-29 & 84), 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.

**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.

**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)**

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 (10-29 & 84), 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**

- 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 in 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 in MAEFAIRS. Previous year's ending balances will be brought forward as beginning balances for the current year.

Suggested backup documentation for each category is listed as follows:

- 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 online (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 Danni McCarthy, [dmccarthy@mt.gov](mailto:dmccarthy@mt.gov) or (406) 444-0452.



## STEP 14: 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/Informational & Warning: These validations alert districts to possible errors (a TFS may be submitted with warning errors and informational messages).

Users are responsible for understanding all informational & warning validations. Please call if it is unclear why a warning or informational validation is showing. This is the same report as the Print Validation Report button on individual screens.

## STEP 15: SUBMIT TFS TO THE OPI

**The due date for TFS is August 15<sup>th</sup>  
The TFS and the Budget are submitted together after the Budget is completed.**

The law states that districts have until August 20<sup>th</sup> to convene their Budget Meeting and must conclude within 5 days. They have an additional 3 days to submit to the county superintendent. If the county superintendent requires a copy of your TFS prior to the adoption of your budget, you will have to send a copy to the county superintendent without a submit id. If the county superintendent requires a submit id, you must complete your budget meetings by August 15<sup>th</sup> and submit TFS and Budget at the same time. MAEFAIRS requires districts to submit the TFS report and budget report together.

For special education cooperatives ONLY – coops submit a TFS to the OPI but they do not submit a budget.

