

Refunding IDEA Funds to the Department of Public Instruction

When an LEA refunds IDEA funds to the Department, LEA personnel should follow the following procedures:

1. Prior to refunding any IDEA funds, complete the form located at <http://goo.gl/poz6Uo>
2. Once the LEA has submitted the form, prepare a check (no electronic transfers) made out to the Wisconsin Department of Public Instruction for the amount of the refund.
3. Send the check and a copy of the Return of Funds Notification (provided by DPI) to:

Debra Anklam – Accounts Receivable, Business Office
Wisconsin Department of Public Instruction
125 South Webster Street
P.O. Box 7841
Madison, Wisconsin 53707-7841

4. The LEA's business official will receive an e-mail confirming the check was received by the Department.
5. Check the DPI Aids Register to confirm the refund has been posted. It will appear as a negative payment.
6. The LEA's web-based claim must be adjusted by DPI in order to lower the "Expenditures to Date" amount. Once the funds have been returned, Rachel Zellmer will contact you regarding amending the electronic IDEA claim to document the return of funds.

Recording the entries for the return of IDEA funds after the fiscal year is closed

Situation 1: There was an actual expenditure incurred and claimed against the IDEA grant

Entries in the grant year to reflect return of IDEA funds after year end

DR - Expense to project 011 or 019

CR - Expense to project 341 or 347

Reverse expenditure to the grant and move to aidable or non-aidable project. (Note – this will increase your local and state costs in regards to Maintenance of Effort (MOE) testing)

Situation 2: There was no expenditure incurred, but IDEA funds were received

There are no entries in the grant year to modify expenditures, unless an expenditure not specifically budgeted and claimed was coded in error to project 341/347 to reflect the grant funds received. In that case, the expenditure would be recoded as in situation 1.

It is strongly recommended that the return of grant funds be accrued in the grant year, such as by a June 30 journal entry, to accurately reflect the district's costs in the grant year and correct the Fund 10-to-27 transfer amount for the local expenditure MOE test.

Two options for reversal of revenue and accrual of the payment back to DPI in the grant year

1. If a district has a receivable in function 715500-Due from State Government that is at least the amount of the return, the district can offset the receivable by the amount of the return.

DR - Revenue to source 730

CR - Function 715500 - Due from State Government

Reverse the revenue and reduce the year end receivable from the State by the amount of the return. This option will prevent the Aid Payment Reconciliation Error on the SAFR Full Annual report.

OR

2. If a district does NOT have a receivable in function 715500-Due from State Government that is at least the amount of the return, the district must record a liability in the amount of the return.

DR - Revenue to source 730

CR - Function 813500 - Due to State Government

Reverse the revenue and add liability to the State by the amount of the return. This option will trigger an Aid Payment Reconciliation Error on the SAFR Full Annual report. If the district has this error because of the return of IDEA funds to DPI, contact a school finance auditor to waive the error.

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Entry in the following year for payment of the return of IDEA funds

1. If the revenue was properly reversed and the payment to DPI accrued in the grant year, book the check (credit to cash) against the accrual.

DR - Function 813500 or 715500, depending on how above accrual was recorded

CR - Cash

Last Updated: 9/3/2015

Document Location: <http://www.dpi.wi.gov/sped/pdf/idea-refund-instructions.pdf>