**From:** Robert Soldner. DPI
**Sent:** Friday, February 6, 2015
**To:** Fornecker, Gene. DPI
**Subject:** Fund 80 Audit Program and One Time Transfer

We have received requests for additional information related to the 2014-15 Fund 80 audit program and the one-time Fund 80 transfer option available for non-levy balances.

COMMUNITY PROGRAMS AND SERVICES (FUND 80) 2014-15 AUDIT PROGRAM: To help your school district prepare for the 2014-2015 Fund 80 audit, please review the "Community Service Audit Program" Updated April 24, 2015.” This notice can be found on the Community Service Fund Information <http://lists.dpi.wi.gov/t/228918/223491/4383/0/> website.

The audit program can also be accessed as follows:

Step 1. From School Financial Services <http://lists.dpi.wi.gov/t/228918/223491/2357/0/> select “Audit/Auditor Info” in the left-hand column and that will take you to the Financial and Membership Audit Requirements website <http://lists.dpi.wi.gov/t/228918/223491/4384/0/>

Step 2. Select the link to “Audit Manual Index” website <http://lists.dpi.wi.gov/t/228918/223491/4385/0/>

Step 3. Scroll down the page to “Chapter 3 Single Audit Requirements” and select the link to the “Department of Public Instruction Audit Programs” website <http://lists.dpi.wi.gov/t/228918/223491/4386/0/>

Step 4. Scroll down the page to “Other Audit Programs” and select the link to the “Community Service Audit Program Updated 4/24/2015”

NON-LEVY FUND 80 BALANCE TRANSFER: A one-time option to move non-levy fund balance dollars from Fund 80 to Fund 21 has been created, with prior DPI approval and passage of a Board of Education resolution. Many districts have Fund 80 balances with the intent to use these dollars in the future as allowed by prior law. State law was changed and school boards have limited options to address the use of accumulated Fund 80 balances.

School boards will have a one-time opportunity during 2014-2015 to move non-levy Fund 80 dollars to Fund 21 and in so, allow the district to honor the intent of this collection of non-levy revenue under existing state law and rule. The following process will be required:

1. District will provide the School Financial Services (SFS) Team with a written formal request. This request will include:

a. A cover letter that includes.

i. The dollar amount to be transferred and the non-levy source (e.g. fees, donations, etc.) of the balance.

ii. Description of how the Fund 80 balance came to be.

iii. A brief description of how these dollars will be used in the future based on current knowledge and district planning.

iv. The letter will explain how “rental fees” will be collected and recorded in the future to prevent a reoccurrence of significant non-levy fund balance.

1. WI Statute 120.13(17) allows a district to grant use of its facilities if such use does not interfere with school purposes or school-related activities and it involves a group that is not under the control of the school board. Facilities used for community service activities are typically owned by the district. Therefore, facility rental fees should be recorded in the general fund (Fund 10).

v. A statement that acknowledges the district will be responsible for any and all impacts on the Equalization Aid calculation this transaction creates now or in the future.

vi. The district understands that this is a one-time opportunity and all Board of Education transactions must be completed by July 31, 2015. The action will impact the 2014-2015 district financial statements.

2. A copy of the proposed formal resolution to be considered by the Board of Education. The resolution must clearly state the dollar amount to be transferred and the intended use of the non-levy balance. The SFS Team will review and approve the draft resolution to be presented to the Board of Education.

3. SFS Team will be allowed at least 10 working days to review the formal request starting on the day following receipt of the complete request.

a. The last date to provide a formal request will be Friday, July 17, 2015.

4. With the formal, documented approval of SFS, the Board of Education will then act on the formal resolution that has been pre-approved by the SFS Team.

5. This entire process (Board approval and transfer of funds) must be completed on or before Friday, July 31, 2015.

Send formal requests to Bruce W. Anderson at bruce.anderson@dpi.wi.gov and please copy DPI.SchoolFinancialServices@dpi.wi.gov. Please attach as PDF or Word documents your cover letter with justification and the draft School Board resolution. If you have questions, please contact Bruce W. Anderson at (608) 267-9707 or bruce.anderson@dpi.wi.gov.