**SPECIAL EDUCATION TRANSACTION CODING**

**Updated August 15, 2013**

Expenditures for special education and related services (related service projects are projects such as: school age parent, social work, psychology and therapy services, special education leadership) are recorded in the Special Education Fund “Fund 27”. Fund 27 is used to account for special education and related service projects operated by the district (i.e. where the district employs the personnel) and also expenditures claimed against federal special education funded projects. It consolidates state and federal special education accounting in one fund

**FUNCTION CODES:** The individual special education codes used by a district will depend on the particular classifications adopted by the district for special education programming. What is considered “cross-categorical” will vary district to district. ***It is important that the district’s fiscal staff communicate with the district’s special education director and establish functional accounts reflective of the classifications used for special education programming.*** The district’s special education fiscal records should correspond to the district’s special education plan required by statute 115.77(4).

**PROJECT CODES:** Each special education expenditure account should have a project code assigned:

 If the expenditure is reimbursable by a federal project use the assigned project code (the IDEA grants have a 340 series project codes assigned.)

 If the expenditure is reimbursable from a CESA, project 091 should be used.

 If the expenditure is reimbursable from a County Children with Disabilities Education Board (CCDEB) , project 092 should be used.

If the expenditure is funded by payments from the another source than the preceding, project 011 should be used for expenditures eligible for state special education aid, generally certified staff salaries and benefits, certain purchased services, and special education transportation costs. If the expenditure is not reimbursable by grant, not charged to a CESA or CCDEB, and is not eligible for special education aid, then project 019 should be used as the project code. If the district is claiming a cost against another federal or state grant, the project code assigned to that grant should be used when coding the expenditure.

**SPECIAL EDUCATION FISCAL REPORT:** The district identifies state special education categorical aid eligible costs on a separate Special Education Fiscal Report. Information by special education function, object and project codes will be reported in this report. In addition, the report may include other information needed for aid computation or other requirements.

**SPECIAL EDUCATION FISCAL AUDITING**: The data contained in the Special Education Fiscal Report will be verified by the district’s auditor. The department will resolve questioned costs identified by the district’s auditor and determine that Annual Report and the Special Education Fiscal Report information agree.

**CODING QUESTIONS AND ANSWERS:**

**The district has an Early Childhood project for which purchased services, supplies and equipment are reimbursed by the federal “IDEA Flow Through” project. What is an example expenditure coding sequence?**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| FUND | LOCATION | OBJECT | FUNCTION | PROJECT | DESCRIPTOR | AMOUNT |
| 27 | 800 | 100 | 152 000 | 011 | Salaries | 127,000 |
| 27 | 800 | 200 | 152 000 | 011 | Benefits | 28,000 |
| 27 | 800 | 300 | 152 000 | 341 | Purchased Services | 15,000 |
| 27 | 800 | 400 | 152 000 | 341 | Non-Capital Objects | 11,000 |
| 27 | 800 | 500 | 152 000 | 341 | Equipment | 12,000 |
| 27 | 800 | 500 | 152 000 | 341 | Other Objects | 10,000 |
| 27 | 800 | 000 | 152 000 | 000 | Total Early Childhood |  |

In this example, project 011 costs represent salaries and related benefits for certified staff eligible for state special education categorical aid. Project 341 costs will be claimed against the IDEA grant. The IDEA grant is federal revenue source code 730. Project 011 costs will be identified in the Special Education Fiscal Report with the state categorical aid computed on these costs and paid the following year.

**The district is the “host” district for a CESA package Speech/Language program. What is an example coding for *program* related costs that are reimbursed by the sponsoring CESA?**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| FUND | LOCATION | OBJECT | FUNCTION | PROJECT | DESCRIPTOR | AMOUNT |
| 27 | 800 | 100 | 156 600 | 091 | Salaries | 115,000 |
| 27 | 800 | 200 | 156 600 | 091 | Benefits | 33,000 |
| 27 | 800 | 300 | 156 600 | 091 | Purchased Services | 1,900 |
| 27 | 800 | 400 | 156 600 | 091 | Non-Capital Objects | 2,500 |
| 27 | 800 | 500 | 156 600 | 091 | Equipment | 1,500 |
| 27 | 800 | 500 | 156 600 | 091 | Other Objects | 1,100 |
| 27 | 800 | 000 | 156 600 | 000 | Total Emotionally Disturbed |  |

In this example, the district will charge the CESA $155,000 for project costs, revenue source 546. Note that no project 011 codes are used in this example. State aid for packaged projects hosted by a district is paid by the state to the sponsoring CESA. That CESA then distributes the aid to the districts participating in the package.

**In the preceding example, the district is charging the CESA an “overhead” or “administrative” fee of $5,000. How should this be handled?**

The total billing (source 546) to the CESA will be $160,000. This $5,000 administrative fee is paid as an interfund payment to the district’s General Fund to reimburse that fund for the administrative costs paid out of that fund. The code for the reimbursement to the General Fund is:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| FUND | LOCATION | OBJECT | FUNCTION | PROJECT | DESCRIPTOR | AMOUNT |
| 27 | 800 | 390 | 480 000 | 091 | Interfund Payment | 5,000 |
| 27 | 800 | 300 | 480 000 | 000 | Total Indirect Cost | 5,000 |

**The district is the fiscal agent for a cooperative “66.0301” Early Childhood program in addition to a district pupils only Early Childhood program. How is the co-op program differentiated from the district only program?**

The recommended way is to use a separate location code:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| FUND | ***LOCATION*** | OBJECT | FUNCTION | PROJECT | DESCRIPTOR | AMOUNT |
| 27 | ***700*** | 100 | 152 000 | 011 | Salaries | 117,000 |
| 27 | ***700*** | 200 | 152 000 | 011 | Benefits | 26,000 |
| 27 | ***700*** | 300 | 152 000 | 019 | Purchased Services | 12,500 |
| 27 | ***700*** | 400 | 152 000 | 019 | Non-Capital Objects | 3,500 |
| 27 | ***700*** | 500 | 152 000 | 019 | Equipment | 4,500 |
| 27 | ***700*** | 500 | 152 000 | 019 | Other Objects | 1,500 |
| 27 | ***700*** | 000 | 152 000 | 000 | Total Early Childhood |  |

Another way would be to subdivide the function code or use another “local” accounting dimension. If the district does not have a “district pupils only” project, the single function code will identify the needed information.

**In the preceding example, the costs of the program are shared equally among the fiscal agent district and three other districts. What is the revenue coding to charges to the participants?**

The $165,000 project cost gets billed ($41,250 each) to the participants. The billing to other districts is coded to source 346, a total of $123,750. The fiscal agent’s share ($41,250) will remain in Fund 27 and will be included in the General Fund net transfer when closing out Fund 27 to a zero balance. Note that the full project cost gets charged to the participants, with no reduction for anticipated state special education aid. The fiscal agent district for a cooperative project distributes the aid to participants as a separate transaction in the year the aid is received. In this example, the fiscal agent will receive in the following year state special education aid based on $143,000 of state eligible cost (project 011) and distribute 25% of the aid received to each of the other participants as a separate transaction. The fiscal agent’s share will remain in Fund 27 and reduce any required transfer from the General Fund in the year received.

**In the preceding example, the district is charging an “overhead” or “administrative” fee of $5,000. How should this be handled?**

The total administrative fee is shared by all the participants. In our example, each participant, including the fiscal agent district will be charged an additional $1,250 as their portion. The $5,000 total administrative fee is paid to the district’s General Fund to reimburse it for costs paid out of that fund. The code for the reimbursement to the General Fund is:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| FUND | LOCATION | OBJECT | FUNCTION | PROJECT | DESCRIPTOR | AMOUNT |
| 27 | 700 | 390 | 480 000 | 019 | Interfund Payment | 5,000 |
| 27 | 700 | 300 | 480 000 | 000 | Total Indirect Cost | 5,000 |

The corresponding General Fund revenue source is source 230.

**The district has a Psychological Services staff. Personnel involved in this activity include licensed psychologists as well as office support staff. What is an example expenditure coding sequence?**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| FUND | LOCATION | OBJECT | FUNCTION | PROJECT | DESCRIPTOR | AMOUNT |
| 27 | 800 | 100 | 215 000 | 011 | Salaries | 77,000 |
| 27 | 800 | 200 | 215 000 | 011 | Benefits | 23,800 |
| 27 | 800 | 100 | 215 000 | 019 | Salaries | 47,000 |
| 27 | 800 | 200 | 215 000 | 019 | Benefits | 12,000 |
| 27 | 800 | 300 | 215 000 | 019 | Purchased Services | 5,000 |
| 27 | 800 | 400 | 215 000 | 019 | Non-Capital Objects | 1,000 |
| 27 | 800 | 500 | 215 000 | 019 | Equipment | 2,000 |
| 27 | 800 | 500 | 215 000 | 019 | Other Objects | 1,000 |
| 27 | 800 | 000 | 215 000 | 000 | Total Psychological Services |  |

The project code 011 is for licensed, aid eligible staff. Project code 019 is for office support staff. Keep in mind that under 2007 Act 221, the maximum percentage of a licensed psychologist’s salary and benefits eligible for aid is 84 percent. In this example, assuming none of it is paid with grant funds, their total salary and benefits must be at least $120,000.

**What is the General Fund code to record the district’s share of Fund 27?**

Fund 27 must have a zero fund balance at fiscal year end. A “net transfer” is made to zero out Fund 27. The district has expenditures of $1,000,000 and revenues of $400,000 in Fund 27. A transfer of $600,000 is required.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| FUND | LOCATION | OBJECT | FUNCTION | PROJECT | DESCRIPTOR | AMOUNT |
| 10 | 800 | 827 | 411 000 | 000 | Transfer to Special Education Fund  | 600,000 |

The corresponding source account in Fund 27 is source 110.

**In addition to programs accounted for in Fund 27, the district is also acquiring special education instructional related services from other districts and CESA. What is the coding for these payments?**

Payments to another district or a CESA for special education projects operated by them are coded to function 436 000 (for instructional services provided pupils not in the public school “open enrollment” program), 437 000 (for instructional services provided to pupils in the public school “open enrollment” program). The appropriate 380-series object code is used for these payments.

**The district is acquiring special educational support service (200 000 functions such as social workers, psychologists, special education leadership) from other districts or a CESA. What is the coding for these payments?**

Payments for support service activities are coded to the appropriate 200 000 function code. The appropriate 380-series object code is used for these payments.