

Financial Management Overview of Gifted and Talented Categorical Funding

Department of Education
October 13, 2014

Iowa Code 11.6(1)"a"(1)

Examination of Governmental Subdivisions:

-The examination of school offices shall include an audit of all school funds including categorical funding provided by the state, the certified annual financial report, the certified enrollment as provided in section 257.6, supplementary weighting as provided in section 257.11, and the revenues and expenditures of any nonprofit school organization established pursuant to section 279.62. Differences in certified enrollment shall be reported to the department of management.

Iowa Code 11.6(1)"a"(1), Continued

- The examination of school offices shall include at a minimum a determination that the laws of the state are being followed, that categorical funding is not used to supplant other funding except as otherwise provided, that supplementary weighting is pursuant to an eligible sharing condition, and that postsecondary courses provided in accordance with section 257.11 and chapter 261E supplement, rather than supplant, school district courses.....

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Iowa Administrative Code Chapter 281--98

Financial Management of Categorical Funding

<https://www.legis.iowa.gov/law/administrativeRules/rules?agency=281&chapter=98&pubDate=09-17-2014>

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Categorical Fund

Targeted Financial Support:

- **Addition to General Purpose Revenue.**
- **Beyond Basic Educational Programs.**
- **General Restrictions on Use.**

General Finance Provisions

Supplement, Not Supplant

- Addition to General Purpose Revenues.
- Shall not provide services (unless expressly authorized) that:
 - Are required by state or federal or other Categorical Funding.
 - Were provided in prior years from general purpose revenues.
 - Are similar to services provided to other students from general purpose revenues.
- Rebuttable.

General Finance Provisions

Mandatory Carry Forward

- Unexpended balance carried forward as Restricted Fund Balance.
- Used for Subsequent Year's Program.
- Continues to be Categorical.
- Cannot be Used for Local Match.

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General Finance Provisions

Discontinued Funding

- Remains Categorical.
- Expend within 24 Months.
- Rolled into Formula is not considered "discontinued".

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General Finance Provisions

Expenditures

- Direct Costs Necessary for Program:
 - Not otherwise needed or otherwise provide to similar programs.
 - In addition to those normally incurred (Supplement, not Supplant).
 - Measurable directly without allocating.
- No Allocated, Indirect or Overhead unless Expressly Allowed.
- Not Used for Local Match.
- Shall not Exceed the Total of the Current Year's Funding or Allocation plus any carry forward.

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General Finance Provisions

Indirect Cost Recovery

- Federal Concept.
 - Restricted
 - Unrestricted
- State Funding Not Eligible Unless Expressly Allowed by Iowa Code.
- If Expressly Allowed, use Restricted Indirect Cost Rate.
- **TAG does not have Indirect Cost Recovery**

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General Finance Provisions

Prior Period Overage Reimbursements

- Disallowed.
- No Expenditures Prior to Beginning of Grant Period or Fiscal Year to Which Categorical Funding Applies.

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General Finance Provisions

Double Dipping

- Disallowed.
- Shall Not Charge Same Cost to More than One Funding Source.

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General Finance Provisions

Commingling

- Shall Not be Commingled with any other Funding.
- Accounted for Separately.
- Uniform Financial Accounting Chart of Account Required.

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Gifted and Talented

- Iowa Code section 257.46
 - Budget – other sources
 - 25% from district cost
 - 75% from 1999-2000 allowable growth increase, annually grown by state growth %
 - **Now \$59 for 2014-15**
 - Exclusive used for gifted & talented program
 - Mandatory carryforward of unexpended budget

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Gifted and Talented, Budget Example

- \$59 for 2014-15 x budget enrollment (this is the 75% portion)
 - + $((\$59/0.75)-\$59)$ or \$19.66 x budget enrollment (this is the 25% portion)
 - + donations, grants and other contributions for TAG
 - + prior year carryover of TAG
- = maximum TAG budget for 2014-15.

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Gifted and Talented

- Iowa Administrative Code 281—98.20
 - Repeats Iowa Code 257.46 funding
 - 75%, 25% local match, and all donations and grants shall be accounted for as categorical funding
 - Purpose: Provide for identified gifted students' needs beyond those provided by the regular school program pursuant to each gifted student's individualized plan
 - Funding used only for expenditures that are directly related to providing the gifted and talented program

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Appropriate Uses

- Salaries and benefits for teacher of gifted and talented students (if part-time must be prorated)
- Staff development for teachers of gifted and talented students (but do not supplant PD funding)
- Resources, materials, software, supplies and purchased services that meet all of the following:
 - Meet the needs of K-12 identified gifted and talented students
 - Beyond those provided by the regular school program
 - Necessary to provide the services listed on the gifted student's individualized plan, and
 - Remain with the K-12 gifted and talented program.

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Inappropriate Uses

- Indirect costs or use charges
- Operational or maintenance costs
- Capital expenditures other than equipment
- Student transportation
- Administrative costs (also includes clerical, copying, phone, postage, advertising, etc.)
- Any other cost or expenditure that is not directly related to providing the gifted and talented program beyond the scope of the regular classroom.

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FY14 Gifted and Talented Funding, Unedited

• FY13 Carryforward into FY14	14,760,317
• FY14 adjustments	33,790
• FY14 new budget	36,194,662
• FY14 expenditures	34,613,263
• FY14 Carryforward to FY15	16,486,013

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FY14 Expenditures by Object

• Salaries	24,401,104
• Benefits	7,854,384
• Purchased Services	938,266
• Supplies	887,595
• Equipment	380,356
• Misc (student fees)	145,993
• Other (prior period errors)	5,565
• Total	34,613,263

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FY14 Expenditures by Function

• Instruction	34,317,139
• Attendance & Social Work	23,239
• Guidance	0
• Other student support	16,297
• Improvement of Instruction	123,884
• Library Media	754
• Instruction-related technology	23,543
• Student assessment	346

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FY14 Expend by Function, Con't

• Executive Admin (Superintendent)	18,721
• School Admin (Principals)	4,211
• Printing	3,633
• Administrative technology	8,569
• Other business administration	17,540
• Operation and maintenance	18,145
• Student transportation	37,242
• Interfund Transfers Out	0
• Total	34,613,263

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