

## Changes and Clarifications to the 2001-2002 Annual School Report (ASR) – Financial Section

This document provides information regarding important changes and clarifications to the 2001-2002 ASR.

- **Revenue Source Codes** – The following revenue codes have been added or amended to reflect fiscal year 2002 revenues received by school divisions for the 2001-2002 report:

### A. New Federal Revenue Source Codes and Descriptions

9.084	Federal Surplus Property
10.555	National School Lunch Program
10.556	Special Milk Program for Children
12.112	Payments in Lieu of Real Estate Taxes
17.249	Employment Services and Job Training
17.255	Pass Through Funds
20.600	State and Community Highway Safety
66.466	Chesapeake Bay Model Schools
84.173	Special Education - Preschool
84.190	Christa McAuliffe Fellowship Program
84.213	Even Start-State Educational Agencies
84.215	Partnerships in Character Education
84.243	Tech-Prep Education (Carl D. Perkins)
84.318	Technology Literacy Challenge Fund Grants
84.323	Special Education Program Improvement
84.332	Comprehensive School Reform Demonstration
84.338	Reading Excellence Program
84.340	Class Size Reduction
93.558	Temporary Assistance for Needy Families
93.600	Head Start
93.630	Development Disabilities Basic Grant
93.667	Social Services Block Grant/Family Literacy
93.938	Comprehensive School Health Program
94.004	Learn and Serve America

### B. New State Revenue Source Codes and Descriptions

240230	Northern Neck Peninsula Education Consortium
240237	Additional Lottery
240244	Small School Division Assistance
240267	Additional Teachers
240269	Southside Virginia Regional Technology Consortium
240291	Clinical Faculty
240300	Hampton Roads Public Education Cooperative
240302	Project ECOLE
240310	General Education Academic Challenge
240405	SOL Algebra Readiness
240410	Technology Resource Assistants
240460	ISAEP Waiting List
240461	SOL Test Activities
240462	School Report Card
240463	Alternate Assessment

240464 Best Practice Centers  
 240465 Alternative Licensure Program  
 240466 Teacher Certification

**C. Revised State and Federal Revenue Source Codes**

<u>New Code:</u>		<u>Old Code:</u>
240225	School-to-Work	240255
10.550	Cash in Lieu of USDA Commodities	3302300
32.001	E-Rate	3302150
99.999	Other Federal Funds	3302990

**D. New Beginning Year Balance and Carry-Forward Balances**

School Construction Escrow Fund  
 Lottery (Local Share of Matching Requirement Only)  
 Lottery (State Share of Matching Requirement Only)

- **Expenditure Codes** – The following expenditure codes have been added or amended based on feedback from school divisions ([See Attachment D for explanations of these new codes](#)):

**A. New Expenditure Codes and Descriptions (Functions 68100-68900 Only)**

5400 Leases and Rentals  
 5500 Travel  
 5800 Miscellaneous  
 6050 Non-Capitalized Technology Hardware  
 6060 Non-Capitalized Technology Infrastructure  
 8110 Technology – Hardware Replacements (Replaces 8300 – Technology Hardware)  
 8120 Technology – Infrastructure Replacements (Replaces 8300 – Technology Hardware)  
 8210 Technology – Hardware Additions (Replaces 8400 – Technology Infrastructure)  
 8220 Technology – Infrastructure Additions (Replaces 8400 – Technology Infrastructure)

**B. New End-of-Year Balance and Carry-Over Balances**

School Construction Escrow Fund  
 SOL Algebra Readiness (State Only)  
 Other Non-SOQ (State Only)  
 SOL Algebra Readiness and Other Non-SOQ (Local Share)

- **Updated FTE Codes** – The following FTE codes have been added or amended ([See Attachment D for explanations of these new codes](#)):

**A. New Elementary and Secondary FTE Codes and Descriptions**

Function 61210	Object 1520	Guidance Substitute
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**B. New Districtwide FTE Codes and Descriptions**

Function 65000	Object 1110	Administrative Salaries and Wages
Function 65000	Object 1130	Other Professional Salaries and Wages
Function 65000	Object 1140	Technical Salaries and Wages

Function 65000	Object 1150	Clerical Salaries and Wages
Function 65000	Object 1160	Trades Salaries and Wages
Function 65000	Object 1170	Operative Salaries and Wages
Function 65000	Object 1180	Laborer Salaries and Wages
Function 65000	Object 1190	Service Salaries and Wages

- **Updated Supplemental Schedules** – The following schedules have been added or deleted from the ASR:

New Schedules for FY 2002 ASR:

Schedule F – Regional Centers Service Allocation

Schedule H – Textbook Survey

Schedule I – Average Salary Survey

Schedules Deleted From FY 2002 ASR:

Schedule E – Additional Teachers

Schedule G – Regional Centers Service Allocation

- **Community Service Expenditures** – In previous ASR submissions the instructions stated that expenditures for community service activities should be reported in Program 9 across all applicable functions. Beginning with the FY 2002 ASR, please report all community service expenditures in Function 65300 (“Community Services”) only rather than in Program 9 across various functions.
- **Function 62190 (“Data Processing”) Eliminated** – With the addition of function 68000 (“Technology”), sub-function 62190 should no longer be used to report technology related expenditures. Please report all technology-related expenditures in function 68000 only.
- **Elementary, Secondary, and Districtwide FTE’s** – Each FTE sheet will be pre-loaded with the FY 2001 ASR average salary as reported by your division for each applicable function-object combination. Where no average salary was reported by your division for certain function-object combinations in FY 2001, the FY 2002 ASR will load the statewide average salary. Using prior year division and statewide averages should reduce the number of possible error prompts that will appear in your report.
- **Capitalization Threshold for Technology Expenditures (Function 68000)** – Based on feedback received from school divisions regarding the \$5,000 capitalization threshold, two new codes were added to the Technology function 68000. In order to better collect certain technology information required by the General Assembly, object codes 6050 (“Non-Capitalized Technology Hardware”) and 6060 (“Non-Capitalized Technology Infrastructure”) were added for school divisions to report hardware and infrastructure expenditures that were not recorded as capital expenditures in the 8000 series. If your division has a capitalization threshold of less than \$5,000, use your local threshold to determine whether to report the expenditures in object series 6000 or 8000.

- **Additional Teachers (former Schedule E)** – The additional teachers schedule has been removed from the ASR. Beginning with the FY 2003 ASR, Schedule E will be used to collect data for determining whether divisions' required local effort was met based on actual expenditures. There is no data required for Schedule E this year, FY 2002.
- **Regional Centers (Schedule F)** – Beginning with the FY 2002 ASR, the regional centers' percent of service will be collected using Schedule F. Schedule F is only to be completed by regional centers, or fiscal agents who prepare the ASR on behalf of a regional center. School divisions (division numbers 1 – 207) will not see Schedule F appear in their ASR template. This schedule will only appear in the report for regional centers. However, as noted in [Attachment C](#), regional centers will be required to confirm their information with each participating school division prior to submitting their ASR.
- **Capital Expenses (Schedule G)** - The information provided in this schedule will be used to revise the methodology used in calculating Table 15 of the *Superintendent's Annual Report for Virginia* (Total and Per Pupil Expenditures for Operations). As noted in Informational Supts. Memo No. 55, dated April 5, 2002, Table 15 illustrates per pupil spending for operational costs and should exclude federal or state funds expended for capital purposes. The capital expenditures reported in your 2001-2002 Annual School Report in object code 8100 (Facilities Only, Functions 66100-66600) that were paid from federal or state funds and the capital expenditures reported in object code 8200 (all functions) that were paid from federal or state funds should be excluded from Table 15. As noted in Informational Supts. Memo No. 89, dated June 21, 2002, object code 8100 in the Facilities function only was not excluded from this calculation; however, this correction will be made in the final Table 15 and Required Local Effort calculation for FY 2002.
- **Textbooks Revenues and Expenditures Survey (Schedule H) and Salary Survey (Schedule I)** – Beginning with the FY 2002 ASR, the Textbook Revenue and Expenditure Survey and the Average Salary Survey will be collected as supplemental schedules to the ASR. In an effort to reduce the amount of duplicate information requested by the department, these surveys were added to the ASR and linked to the applicable FY 2002 revenue and expenditure data. Your FY 2002 state textbook revenue and local expenditures will be updated as you complete your revenue and expenditures in the ASR. In addition, all of your FY 2002 average salary data (wages and FTE's) will be updated as you complete these sections of the ASR. Please note that all supplemental schedules included with the ASR must be completed in their entirety and submitted with the ASR text file and template.
- **End-of-Year Carryover Options for State Funds** - As communicated in Regulatory Superintendent's Memorandum No. 1, dated March 15, 2002, budget language was added allowing any unexpended balances of state funds on June 30, 2002, that are not required to be spent for the state share of Standards of Quality (SOQ) programs to be

carried forward to be appropriated to school divisions in fiscal year 2003 “for any school purpose” and for these funds to continue to be counted as state funds. Please note that this carry-over provision remains in the final fiscal year 2002 budget adopted by the General Assembly and signed by the Governor (Chapter 814).

This budget language has the effect of allowing school divisions to carry-over, for appropriation in fiscal year 2003, state fund balances for any Direct Aid to Public Education account with the exception of the SOL Algebra Readiness program and those required to meet the Standards of Quality (i.e., Basic Aid, Textbooks, Vocational Education–SOQ, Gifted Education, Special Education–SOQ, Remedial Education–SOQ, VRS Retirement, Social Security, and VRS Group Life). Please note that the SOL Algebra Readiness program has a separate carry-over provision that requires carried-over funds to be appropriated to the school division in fiscal year 2003 for use in the SOL Algebra Readiness program only.

- **Sales Tax Two-Month Accrual** – Based on guidance provided by the Virginia Auditor of Public Accounts (APA), the department is providing both the one-month and two-month accruals for State Sales Tax on the following Web site:

[http://www.pen.k12.va.us/VDOE/Finance/Budget/cdc/asr\\_other.html](http://www.pen.k12.va.us/VDOE/Finance/Budget/cdc/asr_other.html)

Unlike other state and federal revenues, Sales Tax revenue is not preloaded into the ASR template. The APA stated that local school divisions may accrue one or two months of Sales Tax revenues (per GASB 33 and GASB 34). Because local school divisions have the option of reporting one or two month accrual, please use the Sales Tax reports noted above and enter your Sales Tax receipts on the “Revenue” sheet of your ASR template. **Please note that the August 2002 sales tax report from the Virginia Department of Accounts will not be available until mid-August and will be posted to the Web site referenced above.**

- **Completing and Submitting the ASR** – There is a new process in place for completing the FY 2002 ASR and generating the final Superintendent’s Certification form for submission to the Department of Education. The major change for FY 2002 involves Web-enabled submission of your completed ASR report to the department. These changes are discussed briefly here, but please review the instructions included on the following Web site that provide more detailed directions for completing and submitting your ASR:

<https://eb01.vak12ed.edu/ssws>

**Final Check – Generate Text File** - After completing all sections of the FY 2002 ASR without error, a sheet labeled “Final Check – Generate Text File” will appear. This sheet will provide you with all potential errors found and request that you review the potential errors prior to producing your final text file. **Please note that the Excel template no longer includes the Superintendent’s Certification Form. This form**

**will be generated after you have successfully transmitted your text file to the department's Web site.**

Once you have reviewed all potential errors, if applicable, a text file is generated for transmission to the department's Web site is generated by clicking on the button labeled "Generate Text File for FY 2002 ASR." The **text file** will automatically be saved to your computer's hard drive under [C:\DOE\\_Data\ASRFIN\FY2002\ASRFINxxx\\_DATA\\_02.txt](#) (where "xxx" is the division number and "02" is the beginning school year). Please do not change the file name given by the program.

Web Submission – Once you have successfully generated your text file, the next step is to transmit the data to the department's data collection Web site at the following address:

<https://eb01.vak12ed.edu/ssws>

The instructions for loading your division data (via the text file) and all necessary menu options are available on this Web site. The menu is located on the left side of the Web site screen. Please see Administrative Supts. Memo. No. 38 dated June 28, 2002, for information on logging onto the department's Web site. Once you have successfully loaded your text file, you will be prompted that your data is being processed and you will be asked to log back in to review the status of your final report. When you log back in, you will be able to print the final Superintendent's Verification Report and the Superintendent's Certification Form. The Superintendent's Certification Form should be signed and returned by mail to the department within five business days.

- **Preview of Changes Anticipated for the FY 2003 ASR:** The following changes are planned for the 2002-2003 ASR:

Revenue and Expenditure Coding Changes – The following revenue and expenditure codes will be deleted beginning with the FY 2003 ASR. These codes are no longer required due to the FY 2002 change requiring only regional centers to provide each regional center's percent of service allocation.

Revenue Codes to be Deleted:

1901030	Tuition from Another County or City – Prepaid for Following Fiscal Year
1901040	Tuition from Another County or City – Deferred Payment for Prior Fiscal Year

Expenditure Codes to be Added:

Function 69000 ("Contingency Reserve") – Senate Bill 604 (enacted as Chapter 470, 2002 Acts of Assembly), approved at the 2002 General Assembly Session, amends Section 22.1-115 of the Code of Virginia by adding "contingency

reserves” as an additional classification for appropriation and expenditure of school funds.

This bill is effective July 1, 2002, and may affect school division appropriations and expenditures (as specified in Section 22.1-94, Code of Virginia), as well as Annual School Report (ASR) submissions, beginning with fiscal year 2003. Because expenditures from this classification may be used for any public school expenditures, the entire array of function-object code combinations will be available to report expenditures. The proposed function-object code structure to be used on the fiscal year 2003 ASR Contingency Reserve (Function 69000) can be downloaded from the following Web site:

[http://www.pen.k12.va.us/VDOE/Finance/Budget/cdc/asr\\_other.html](http://www.pen.k12.va.us/VDOE/Finance/Budget/cdc/asr_other.html)

*Expenditure Codes to be Deleted:*

- 7050 Prepaid Tuition Payments to Joint Operations
- 7060 Deferred Tuition Payments to Joint Operations

New Schedule E – Required Local Effort - Beginning with FY 2003, the Department of Education is required, per Item 147 B.7. of Chapter 899, 2002 Acts of Assembly, to collect required local effort information at the start of and after the close of each fiscal year. The appropriation act language is provided below for your reference:

**Item 147 B.7. Chapter 899, 2002 Acts of Assembly: "The Department of Education shall make calculations at the start of the school year to ensure that an operational school division has appropriated adequate funds to support its estimated required local expenditure. The Department of Education shall also make calculations after the close of the school year to verify that the required local effort level, based on actual March 31st Average Daily Membership, was met."**

The initial FY 2003 Certification of Adequate Budgeted Funds to Meet the Required Local Effort for the Standards of Quality will be sent to school divisions in late summer 2002. There are no reporting requirements for Schedule E for the FY 2002 ASR.