

**CHANGES, CLARIFICATIONS, AND HIGHLIGHTS TO THE  
2005-2006 ANNUAL SCHOOL REPORT FINANCIAL SECTION (ASRFIN)**

This attachment provides information regarding important changes and clarifications to the 2005-2006 (FY 2006) Annual School Report Financial Section (ASRFIN).

**GENERAL ASRFIN CHANGES AND HIGHLIGHTS:**

**Budget Office Support**

Department of Education budget analysts will no longer be assigned to specific school divisions and regional programs. Any budget office staff member can provide support for the 2005-2006 ASRFIN to any school division or regional program and may be reached at (804) 225-2025 for assistance.

**Division or Regional Program "Accept" or "Reject" Submission**

Upon submitting the ASRFIN text file, your school division or regional program must now review the on-screen listing (in SSWS) of potential errors to determine that your 2005-2006 ASRFIN is in compliance with reporting requirements as stated in the ASRFIN instructions. Once you have reviewed your list of potential errors, you will be asked to "accept" or "reject" your submission. If you review the list of potential errors and determine that the data as submitted is accurate, then you must select the option to "accept" your submission. If you review the list of potential errors and determine that the data as submitted is not accurate, then select the option to "reject" your submission and re-submit a corrected ASRFIN text file. Compliance with laws, regulations, contracts, and grants applicable to federal and state programs is the responsibility of your school division or regional program.

If your school division or regional program must revise a submitted ASRFIN, then the ASRFIN contact must e-mail the department ([k12budget@doe.virginia.gov](mailto:k12budget@doe.virginia.gov)) requesting a resubmission and authorizing the deletion of your previous submission. At that time, the department will re-open the submission window for your school division or regional program, and you may resubmit the ASRFIN text file. You will be required again to review the list of potential errors, and then "accept" or "reject" the resubmitted file.

**ASRFIN Instruction Manual (Attachment C to this memorandum)**

Attachment C to this memorandum provides additional detail for the ASRFIN collection and screen shots to help explain in features of the Excel template. This instruction manual is

designed to help the user through each worksheet in the ASRFIN Excel template, and is organized in the same worksheet order as the template. All users are strongly encouraged to review this instruction manual before beginning the ASRFIN reporting and submission process.

**ASRFIN REVENUE CHANGES AND HIGHLIGHTS:**

**State Revenue Codes Deleted**

240465 Alternative Licensure Program

**State Revenue Codes Added**

240307 Jobs for Virginia Graduates  
*(This program was inadvertently shown with the revenue source code "240301" and the revenue source code description "Chesapeake Bay Regional Environmental Program" in the locality ledgers published in fiscal year 2006. This information has been corrected in the ASRFIN template.)*

240342 CTE Resource Center  
240344 Race to GED - Expansion  
240347 School Breakfast Program  
240349 Industry Certification Costs  
240355 Basic Aid Supplement  
240375 Middle School Teacher Corps  
240475 Turnaround Specialist Incentive Program

**Federal Revenue Codes Deleted**

15042 Title XI - Indian Education  
15130 Indian Education Assistance to Schools  
17249 Employment Services & Job Training  
17250 Job Training Partnership Act  
17259 Race for GED Education  
17261 School-to-Work Transition Project  
84060 Indian Education Grants to LEAs  
84184 Project Service Grants (Title IV-A, Subpart 2)  
84206 Javits Gifted and Talented Students Education Grant Program (Title V, Part D)  
84281 ESEA - Title II Part B  
84282 Charter Schools  
84314 Even Start - Family Literacy  
84338 Reading Excellence Program  
84340 Class Size Reduction  
84348 Title I Accountability  
84352 School Renovation/Technology Grants  
90600 Miscellaneous Revenue

93658 Foster Care (Title IV-E)  
93667 Social Services Block Grant  
93938 Comprehensive School Health Program

**Federal Revenue Codes Added**

84013 Title I - Neglected and Delinquent Children  
84144 Consortium Incentive Grants  
84346 Career Resource Network  
84938 Emergency Impact Aid for Displaced Students

**Local Revenue Codes Added**

1899200 Royalties  
*("Royalties" are defined as compensation or portion of proceeds received for granting the privilege of using or developing property.)*

1899300 Fines and Forfeits  
*("Fines and Forfeits" are defined as receipts from penalties imposed for violations and forfeits of deposits held for performance guarantees or against loss.)*

**Beginning of Year Carry-Forward Balances Deleted**

SOL Remediation (Local Share of Matching Requirement Only)  
SOL Remediation (State Share Only)

**Beginning of Year Carry-Forward Balances Added**

Competitive Leadership Grants (State Share Only)  
Textbooks (Local Share of Matching Requirement Only)  
Textbooks (State Share Only)

**Beginning of Year Fund Balances Added**

Textbook Escrow Fund

**ASRFIN EXPENDITURE CHANGES AND HIGHLIGHTS:**

**Other Benefits (object code 2800)**

The definition for this function has been updated to clarify that certain types of payouts should be included in this object code. The definition now reads as follows:

- *2800 Other Benefits*  
Include annual and sick leave payments for personnel who terminate employment. Also, report pension/retirement plans that are specific to your locality, beyond VRS, that the division pays, as well as leave and contract payouts/buy-outs.

**Contingency Reserve (function 69000), object code 5000**

Object code 5000, "Other charges," has been deleted as a data entry option for the Contingency Reserve function (69000). This is not an allowed expenditure category, and so it has been removed from the ASRFIN template.

**Premium Payments for Retirees Paid by School Division or Regional Program**

Expenditures for retired employees who pay the school division as a fiscal agent on their behalf in a relationship with a benefits provider should not be included in expenditure reporting. If the school division is acting as a fiscal agent on behalf of a retiree, then these expenditures are a "pass-through" to the benefits provider, and should not be included under the 2000 Object Code series, "Employee Benefits." If the retiree share of the premium payment is passed through the school division to the benefits provider, do not report this payment as part of division expenditures.

**Expenditures Related to Fort Pickett**

Hurricane Katrina evacuees were housed at Fort Pickett during the 2005-2006 school year. Fort Pickett should be considered a state operated program (SOP). Federal funds are paying for the costs associated with evacuees who were housed at Fort Pickett. All expenditures related to Fort Pickett expenses should be excluded from the 2005-2006 ASR; all FTEs associated with Fort Pickett should also be excluded.

**SUPPLEMENTAL SCHEDULES CHANGES AND HIGHLIGHTS:**

**Schedule C - School Nurse Staffing**

Section 2, "Estimated Nurse Hours Provided by Local Health Department," is once again required for the FY 2006 ASRFIN data collection. This data is necessary for calculating base year school nurse costs for the Standard of Quality budget each biennium. Please enter the total school nurse hours provided to students by local health department nurses in fiscal year 2006. Only include the school nurse hours provided by local health department nurses that were **paid from State funds received from the State Health Department**. Do not include school nurse hours provided to students by local health department nurses that were paid from other sources by your division.

**Schedule E - Required Local Effort**

Sections three and four of Schedule E have been modified so that the Required Local Effort schedule is aligned with changes made to the Budgeted Required Local Effort template.

Section three, "Adjustment for Federal Funds," now includes the addition of "Sum of Debt Service Expenditures Paid From Federal Funds." The addition of these expenditures to the calculation of total excluded federal revenues is consistent with the adjustment made in section two, "Adjustment for State Funds."

Accounting for the sum of debt service expenditures paid from federal fund sources allows for the identification of local debt service expenditures that should be excluded in the calculation of net local expenditures for operations. This calculation occurs because the sum total of debt service expenditures is excluded in section one, and then adjusted for debt service expenditures paid from state funds in section two, and now adjusted for debt service expenditures paid from federal funds in section three. The source data for the "Sum of Debt Service Expenditures Paid From Federal Funds" is linked in from Schedule G - Capital Expenses, where school divisions must itemize the amount of Debt Service expenditures in Sub-Function 67100 - Debt Service that are attributable to federal fund sources.

Section four, "Adjustment for Other Local Revenue," now includes the deduction of four local revenues that can be carried forward from fiscal year 2005. Local revenues categorized as "Local Funds Carried Forward from FY 2005 for Textbooks," "...for School Construction Grants," "...for Lottery," and "...for SOL Algebra Readiness," are deducted in section four. This deduction of local funds carried forward ensures that prior year revenues that are carried forward to the current fiscal year are not double-counted toward meeting local effort, (i.e. in the prior year and in the current year).

**Schedule G - Capital Expenses**

Consistent with the change to section three in Schedule E - Required Local Effort, Schedule G has been revised to capture the total federal revenue applied to capital/debt service. School divisions must itemize the amount of total expenditures from Sub-Function 67100 - Debt Service that were paid from Federal Funds. This data is used in the calculation of Required Local Effort in Schedule E.

**PREVIEW OF CHANGES ANTICIPATED FOR THE FY 2007 ASRFIN:**

**Revenue Structure Changes**

Beginning in the 2006-2008 biennium, the commonwealth uses a new budgetary structure (i.e., "service areas") for budgeting state Direct Aid to Public Education funds. These new service areas

generally correlate with the previously-used budget structure; the service area structure further differentiates the school construction and lottery funds from the Group III - Incentive Accounts, where these funds were previously housed, into a separate "School Facilities" service area. This service area structure will be incorporated into the ASRFIN beginning with the FY 2007 template.

**Deadline extension request letter template**

Beginning in FY 2007, school divisions and regional programs that wish to file for a deadline extension for their ASRFIN submission must do so via an extension request letter template. This template will ensure that requests are consistent and include the extension request information that the department needs when determining if a school division or regional program will be granted an extension.