

**CHANGES, CLARIFICATIONS, AND HIGHLIGHTS TO THE  
2009-2010 ANNUAL SCHOOL REPORT FINANCIAL SECTION (ASRFIN)**

This attachment provides information regarding important changes and clarifications to the 2009-2010 (fiscal year 2010) Annual School Report Financial Section (ASRFIN).

**GENERAL ASRFIN CHANGES AND HIGHLIGHTS:**

**Excel 2007**

Directions for accessing the ASRFIN template using Excel 2007 have been included in the Attachment A – ASRFIN Download Instructions and in Attachment C - ASRFIN Instruction Manual.

**Requests for Deadline Extension**

As required by Section 22.1-81, *Code of Virginia*, the submission deadline for the 2009-2010 ASRFIN is September 15, 2010. School divisions and regional programs that wish to file for an extension (until September 30, 2010, per Section 22.1-81, *Code of Virginia*) for their 2009-2010 ASRFIN must submit a written request signed by the division superintendent, or designee, to Kent C. Dickey, deputy superintendent for finance and operations, prior to the September 15, 2010, deadline. Please note that e-mail extension requests will not be accepted. If an extension is granted, the deadline for submitting the 2009-2010 ASR Financial Section will be Thursday, September 30, 2010. Please note, however, that the *Code of Virginia* does not permit submission extensions beyond this date. An explanation for the requested extension as well as an anticipated submission date must be included in the written request.

**ASRFIN REVENUE CHANGES AND HIGHLIGHTS:**

Revenue Codes were reorganized in order to accommodate the new revenue structure based on Chapter 842, 2010 Appropriation Act, and the deletion of “School Facilities” (former Category B). The new revenue structure is as follows:

Standards of Quality	Category A
State Incentive Funds	Category B
State Categorical Funds	Category C
State Lottery Funds	Category D
Other State Funds	Category E
Federal Funds Paid Through the Virginia Department of Education	Category F
Federal Funds Paid Directly to Locality	Category G
City-County Funds	Category H
District Funds	Category I
Other Funds	Category J
Loans, Bonds and Investments	Category K

In addition, the following Revenue Codes have been added or deleted in the 2009-2010 ASRFIN template to reflect actual payment activity in fiscal year 2010.

**State Revenue Codes Added**

240357	VA Star Program – PIF	Other State Funds
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**State Revenue Codes Deleted**

240214	Textbooks
240290	Mentor Teacher Program - Alternative Licensure/Career Switcher
240294	Competitive Leadership Grants
240306	School Construction
240389	PIF Project - Mecklenburg County
240391	Math Specialists Grants
240394	Project Word
240395	Academic Year Governor's School Planning Grant
240396	Middle Peninsula Regional CTE Program Planning Grant
240412	Verizon Thinkfinity Grant
240460	GED Waiting List
240465	Alternative Licensure Program
240470	Learning Without Boundaries
240475	Turnaround Specialist Incentive Program
240480	Teacher Incentives in Hard-to-Staff schools
240600	School Improvement Office
240602	Governor School Programs
240603	Math Diagnostic Test
240604	Assistance for Standards of Learning
240605	PASS Partnerships
240704	NGA High School Reform Grant - Symposium and Training
240705	NGA High School Reform - College Entrance Exams
240707	NGA STEM Grant
240708	SOL Implementation
240801	Preserve American Teacher Award Program

**Federal Revenue Codes Added**

84293	Arabic and Chinese Teacher Student
84386	ARRA Education Technology Grant
84389	ARRA Title I - Grants to States
84394	ARRA State Fiscal Stabilization Fund - Education State Grants

**Federal Revenue Codes Deleted**

10560	State Administrative Expense for Child Nutrition
84206	Javits Education Program
84281	Title II, Part A, Hard to Staff Schools
84332	Comprehensive School Reform (Title I, Part F)

Federal Revenue CFDA number 10550, "Cash in Lieu of USDA Commodities," should be used by those divisions that receive the value of the food in cash in the CLOC (Cash in Lieu of Commodities) program. Please note school divisions should not report the value of the

commodities received, only cash received, as this would incorrectly inflate the revenue of the school nutrition program.

**ASRFIN BEGINNING AND END OF YEAR BALANCE CHANGES AND HIGHLIGHTS**

School divisions that received a Leadership Development Grant in fiscal year 2008 (the last year the grants were awarded) were allowed to retain any unspent balances and were permitted to spend any remaining balances for the intended purposes during the ensuing two fiscal years (fiscal years 2009 and 2010). Therefore, school divisions that received such awards in fiscal year 2008 will not be permitted to carry forward any remaining balance of these funds from fiscal year 2010 to fiscal year 2011. If your division has a remaining balance from the Leadership Development Grant, the balance must be returned to the Commonwealth of Virginia. Please submit a refund check made out to “Treasurer of Virginia” and include “Refund of Leadership Development Grant” in the memo line. All refund checks should be sent to:

Virginia Department of Education  
Office of Accounting  
P.O. Box 2120  
Richmond, VA 23218-2120

Chapter 872 allows, for fiscal year 2010 only, any locality that has met its required local effort for Standards of Quality accounts and local match for Lottery accounts in which the locality elected to participate, to carryover into fiscal year 2011 any remaining state fund balances available to help minimize any revenue shortfall related adjustments that may occur in state funding to that locality. Please note that state funds must be matched with local funds in the fiscal year the state funds were received if state funds are carried over into the next fiscal year.

**ASRFIN EXPENDITURE CHANGES AND HIGHLIGHTS:**

**American Recovery and Reinvestment Act of 2009 (ARRA) Reporting**

New expenditure cells have been created on the expenditure sheets of the 2009-2010 ASRFIN for divisions to enter expenditures by function and object code for ARRA grants excluding Title I ARRA and separately for Title I ARRA expenditures for the year. These expenditures will be used in Schedule L to calculate several expenditure items required by the U.S. Department of Education (USED). Divisions are to enter all ARRA expenditures except ARRA Title I and ARRA Title V, Part A, in the column labeled “Expenditures from ARRA Funds Excluding ARRA Title I and ARRA Title V, Part A,” and then the ARRA Title I expenditures separately in the “Expenditures from ARRA Title I Funds” column. Divisions should include all ARRA expenditures in their total expenditures when completing the expenditure sheets, as the ARRA expenditure columns are a subset of the total expenditures in order to meet specific federal reporting requirements. These expenditures will be reported to and used by the USED National Center for Education Statistics (NCES) as part of states’ federal reporting requirements with respect to ARRA funds.

Please note that no Virginia LEA received ARRA Title V, Part A funding in fiscal year 2010.

### **Required Local Effort (RLE)**

In order for school divisions to better understand expenditures that directly affect their SOQ Required Local Effort calculation, the template now includes an option to highlight the expenditures that are excluded from the RLE calculation in a red color. To enable this feature, click on the check box in the light green box labeled “Check to highlight expenditure cells that do not contribute toward Required Local Effort” on the Important Reminders worksheet. Please note that the checkbox is only visible after you have selected the school division for which you are completing the template. This feature has been added to increase divisions’ understanding of Required Local Effort and is not intended to provide guidance regarding how to report expenditures. All GAAP and GASB principles and requirements should be used when reporting expenditures within the ASRFIN.

### **Expenditures**

A new object code (3010: Purchased Services – School Nurses) was added to the fiscal year 2010 ASRFIN template in order to assist school divisions to account separately for purchased service expenditures for licensed school nurses to provide school nursing services. The purchased services expenditures for school nursing services can be from public or private providers.

School divisions should report activities concerned with transporting students to and from school, as well as the purchase and maintenance of vehicles and equipment used to support pupil transportation, under District 63000, Pupil Transportation. Vehicles and equipment purchased in support of other functions should be reported under the appropriate function (i.e., vehicles purchased to support operations and maintenance services should be reported under Operations and Maintenance - 64000). Expenditures related to servicing other county vehicles not related to school functions (i.e., police and county vehicles) should not be reported on the ASRFIN. School divisions with pupil transportation contracts should report the contract cost as part of Purchased Services, object code 3000. Please note divisions with pupil transportation contracts are still required to report transportation expenditures on the ASRFIN and to report pupil ridership in the Pupil Transportation Data Collection to the Department of Education.

Pursuant to changes announced in GASB Statement #51, effective July 1, 2009, with respect to the capitalization of intangible assets, object codes 8130 (Capitalized Software Replacements) and 8230 (Capitalized Software Additions) have been added to the “District 68000” sheet. These codes were created in order to provide an appropriate location for reporting the purchase of software that, under GASB #51, should be reported as capital. Please see [Department of Accounts Topic No. 30325 – Software and Other Intangible Assets](#) for more information on GASB #51.

Expenditures for electronic textbook content or software used in place of hardcopy textbooks should be reported in object code 6040 (Technology Software/Online Content). Expenditures for the purchase of handheld devices used to read electronic textbook content (i.e., Kindle, Nook, iPad, etc.) should be included in object code 6050 (Non-Capitalized Technology Hardware).

To clarify reporting telecommunication expenditures, such as data communication services including broadband, internet, and VOIP, object code 5200 (Communications) has been added to function area 68000 (Technology). Divisions may now report telecommunication expenditures

under this object/function combination, but are still able to report communication expenditures under existing communication object/function combinations.

**SUPPLEMENTAL SCHEDULES CHANGES AND HIGHLIGHTS:**

**Schedule B – Special Education Expenditures by Disability Category**

Per pupil expenditure data by disability category from Schedule B is used in the calculation of Foster Care payments for special education students, as well as for reporting to federal agencies and the General Assembly. For this reason, an additional edit check has been added to Schedule B to ensure the reported per pupil expenditures are accurate at the disability category level. Every effort should be made to allocate expenditures as accurately as possible across disability categories. Please see page 36 of the ASRFIN Instruction Manual for more information regarding what types of expenditures to include.

**Schedule E.2 – Required Local Match**

The Required Local Match Schedule E.2 has been modified to allow for the entry of Title I funds used for preschool funds. Enter the amount of Title I funds your division spent on preschool into cell F35. The amount entered on Schedule E.2 for Title I preschool expenditures cannot exceed the total Title I revenues listed on the Revenues sheet. Please be aware that the value entered for Title I preschool funds in cell F35 is excluded from the Adjustment for Federal Funds in Section 3 of Schedule E, and will consequently alter the Net Local Expenditures for Operations value that is used to evaluate whether your division has met its local effort and local match requirements. After making your entry on Schedule E.2, please review Schedule E again for changes.

**Schedule K – Table 15**

Please note that beginning with the 2008-2009 Superintendent’s Annual Report – Table 15, state payments for regional Alternative Education programs and Academic Year Governor’s Schools are allocated to school divisions according to their participation in these programs, rather than including the total program payments in the fiscal agent’s total. Schedule K has been updated to reflect this methodology change; however, please note that the values shown in Schedule K may not coincide with the final Table 15 due to End of Year ADM changes that may occur after the release of the ASRFIN template.

For informational purposes, Schedule K now contains Maintenance of Effort calculations to help school divisions identify the likelihood of not meeting the Federal Maintenance of Effort requirement for Title I. This information is contained at the bottom of Schedule K.

The Expenditures for Operations used in Schedule K (Table 15) differ from the operational expenditures that qualify for Required Local Effort on Schedule E. The major difference between the two expenditure bases is that Table 15 includes expenditures for School Nutrition and program 7 (Adult Education), where these expenditures are excluded from consideration in the Required Local Effort calculation. Please see the calculation descriptions and cell comments on both schedules for more information.

## **NEW Schedule L – ARRA Expenditure Details**

A new schedule has been added for fiscal year 2010. Schedule L was developed to calculate the total amount of ARRA funds school divisions spent in certain areas based on function and object combinations. These amounts are calculated from previous entries created in the expenditure sheets for ARRA funds excluding Title I ARRA and Title V, Part A RRA, and Title I ARRA funds. These specific function and object combinations were specified by USED to be used by the National Center for Education Statistics (NCES) as part of states' federal reporting requirements with respect to ARRA funds. Schedule L does not require any data entry; however, please review the data contained on the schedule.

Please note that the data reported on Schedule L will be reported to NCES, and may be published on their Web site.

### **State CTE Payments for Regional Programs**

The state Career and Technical Education (CTE) payments for regional programs in fiscal year 2010 were paid to each school division rather than solely the fiscal agent, as has been the procedure in past years. Divisions who received the CTE payments should record the transfer to the regional program as a fund transfer to regional CTE programs in function 67300 (Inter-agency Fund Transfer) and object 9730 (Fund Transfers – Regional Career & Technical Center).

### **Regional Program Payments**

An additional edit check has been added to the Revenues sheet to prevent changes to state revenues for regional Alternative Education, Academic Year Governor's Schools, and Career and Technical Education programs. School divisions acting as the fiscal agent for a regional program should retain as state revenues the preloaded funds received from the state for the regional program and report the transfer of these revenues to the regional program as an inter-agency fund transfer. Additional funds transferred to the regional program for the local share of funding is considered tuition and should be reported as such. Regional programs should report the passed-through revenue (state funds only) using revenue source code 1901020, "Other Payments from Another County or City." Any other revenues to the regional program, such as revenue for local matches, should be reported using 1901010, "Tuition from Another County or City." Please see pages 14 and 42 in the ASRFIN Instruction Manual (Attachment C to this Superintendent's Memo) for more instructions.

### **Regional Program Schedules**

Beginning with the 2009-2010 ASRFIN report, the file will no longer contain the following schedules for regional programs:

- Schedules A&B – Special Education Expenditures and Maintenance of Effort
- Schedule C – School Nurse Staffing
- Schedule D – Health Care Costs
- Schedule G – Capital Expenditures
- Schedule H – Textbook Revenues and Expenditures
- Schedule J – Technology FTE Breakout

**CHANGES FOR THE FISCAL YEAR 2011 ASRFIN**

VPSA Technology Grants Language

The 2010 General Assembly adopted language, effective in fiscal year 2011, allowing the use of VPSA Technology Grant funds for the purchase of handheld multifunctional computing devices:

Chapter 874 (2010 Acts of Assembly) - Item 132, Paragraph C.12.8.c) *“For purposes of establishing or enhancing a computer-based instructional program supporting the Standards of Learning pursuant to paragraph g. 1) above, school divisions may use these grant funds to purchase handheld multifunctional computing devices that support a broad range of applications and that are controlled by operating systems providing full multimedia support and mobile Internet connectivity. School divisions that elect to use these grant funds to purchase such qualifying handheld devices must continue to meet the on-line testing requirements stated in paragraph g. 1) above.”*

Purchases made pursuant to the above guidelines should be included in object code 6050 (Non-Capitalized Technology Hardware). Software that is purchased for these handheld devices should be included in object code 6040 (Technology Software/Online Content).

Schedule C: School Nurse Contract Services

A new section to the school nurse schedule, Schedule C, will be added for the FY 2011 ASRFIN to allow school divisions to report the number of hours provided by contracted licensed school nurses other than those provided by the local Health Department. Divisions will be required to fill out Section 3 of Schedule C if they report funds under object code 3010, Purchased Services – School Nurses. The hours reported in Section 3 should reflect the hours related to the expenditures reported under object code 3010, Purchased Services – School Nurses. Divisions who contract for licensed nurses should be prepared to track and report the number of hours of nursing services provided by the contract.

Schedule C -- School Nurse Staffing Fiscal Year 2011	
Division Name	Division
Division Number	000
SCHOOL NURSE POSITIONS - HOURS PER DAY/DAYS PER YEAR/NUMBER OF FTE	
SECTION 3: ESTIMATED SCHOOL NURSE HOURS PROVIDED BY CONTRACTED SERVICES (EXCLUDING LOCAL HEALTH DEPARTMENT SERVICES)	
Please enter the <b>total school nurse hours</b> provided by contract to students for school health services provided by licensed nurses in fiscal year 2011 from all fund sources on Row 59 below.	
Please enter the <b>total</b> school nurse hours provided by contract to students for school health services provided by licensed nurses in fiscal year 2011 (all fund sources).	
Of the total hours entered on row 59 above, please enter the total licensed school nurse hours provided by contract that were funded from <b>State funds</b> other than funds provided by DOE in fiscal year 2011	
DOE and locally funded licensed school nurse hours provided by contract in fiscal year 2011	0.00