

CHANGES, CLARIFICATIONS, AND HIGHLIGHTS TO THE 2015-2016 ANNUAL SCHOOL REPORT FINANCIAL SECTION (ASRFIN)

This attachment provides information regarding important changes and clarifications to the 2015-2016 (fiscal year 2016) Annual School Report Financial Section (ASRFIN).

GENERAL ASRFIN CHANGES AND HIGHLIGHTS

Valid Excel File Extension

The 2015-2016 ASRFIN Excel template only allows the file to be saved using the **.xlsm** file extension. This restriction prevents saving as **.xls** (Excel 2003) and **.xlsx**, a file extension which will permanently erase the template's macros and require the user to start over with a new ASRFIN template. Directions for saving the ASRFIN template using this file extension are available at:

http://www.doe.virginia.gov/school_finance/filedownload_instructions.shtml.

Entering and Editing Data

When you edit data in the ASRFIN Excel template, it is imperative that you **do NOT cut and paste** information in any of the worksheets or between the various worksheets. **Cutting and pasting information may break links and codes used to compile revenue and expenditure data.** Should financial information be inadvertently cut or pasted in the ASRFIN Excel template, click on "Edit" at the top of the Excel workbook and then click on "Undo Typing." If you are unable to "undo" any cut and paste actions, then it is recommended that you download a new template from the Department's Web page and re-enter your data.

Note: Please be sure to read all "cell comments" throughout the ASRFIN Excel template. They are provided to assist with accurately completing the report. These are presented when you see a "small red" triangle in the upper right corner of a cell. When you click on the cell you can read the comment.

Shading of SOQ Instructional and Support Expenditures on the Important Reminders Worksheet (Also, at the top of each expenditure worksheet)

SOQ instructional expenditures are shaded bright green, SOQ support expenditures are shaded purple, and expenditures not recognized by the Standards of Quality are not shaded. Expenditures that are pro-rated between multiple categories are shaded blue (this was changed from purple dots used in prior ASRFIN templates).

FTE Positions (Elementary, Secondary, District)

Prior year salary comparison data is now visible in column A. Divisions may now see what salary is being used for comparison when completing FTE data. If prior year salary is not available, the state average is used for that position.

American Recovery and Reinvestment Act (ARRA)

Effective with the fiscal year 2015-2016 reporting period, in accordance with federal reporting, expenditures and any references related to ARRA have been removed from the ASRFIN template and documentation. This includes Schedule L (Expenditure Detail for ARRA funds Expended to be reported to the United States Department of Education) as it pertains strictly to

ARRA funds. Revenue codes that were removed include (84384, 84386, 84388, 84389, 84391, 84394, 84440 and 99989).

ASRFIN REVENUE CHANGES AND HIGHLIGHTS:

The following Revenue Codes have been added to the Revenues worksheet of the 2015-2016 ASRFIN template to reflect actual payment activity in fiscal year 2016. Additional revenues that were new for fiscal year 2016 but paid to only a few divisions were not added to the Revenues worksheet as separate revenue items; however, these revenues will load to the Other State Funds worksheet of the ASRFIN template.

State Revenue Codes Added

SOQ Accounts

240214 Textbooks (SOQ)

Incentive Accounts

240434 Breakfast After the Bell

Other State Revenues

240255 Virtual Virginia Administration
240317 Summer Extended School CyberCamp Program
240397 VPI Start Up Expansion Grants
240431 High School Innovation Programs
240803 Innovation Lab Network-Hewlett Foundation Grant

Depreciation Expense

Depreciation expense will be revisited for inclusion in the ASRFIN for fiscal year 2017 reporting. This expense should be included as an operating cost in accordance with Governmental Accounting Standards Board (GASB #34) standards. The DOE will provide more information as the depreciation expense reporting template is developed for next year and also will request input and feedback from divisions in the development of the reporting template and instructions.

Two-month Sales Tax Revenue Update File

As provided in the section entitled "State Retail Sales and Use Tax" on page 15 of Attachment B, the Governmental Accounting Standards Board (GASB) directs that local school divisions may accrue either one or two months of sales tax revenues (per GASB 33 and GASB 34). In order to assist school divisions in complying with this directive, the ASRFIN template only allows entry of one- or two-month accrual of state sales tax revenues on the "Revenues" worksheet. The ASRFIN Excel template will preload the one-month accrual state sales tax data for both the one percent and the one-eighth percent amounts. For school divisions that accrue on a two-month basis, the Department will provide an Excel update file which will populate two-month accrual state sales tax data. **This Excel update file will be distributed to school divisions in mid-August, after August sales tax payments are finalized.** The Department will provide further instructions on executing the Excel update (patch file) when it is released.

ASRFIN EXPENDITURE CLARIFICATIONS AND HIGHLIGHTS:

Expanded definition for Function 62150 Planning: to include Government Relations Services

Activities, other than general administration, that supports each of the other instructional and supporting service programs. These activities include planning, research, development, evaluation, and information. Such activities include government relations services that exist to achieve the legislative goals of the School Board and promote positive leadership regarding education policy and financing.

Reporting FTEs for Employees on Disability

Please ensure that employees that have been out on disability are accounted for accurately when reporting FTEs. It is critical to ensure that FTEs are allocated as accurately as possible since this data is used to calculate prevailing average salaries for SOQ funding. If an employee is out on disability leave and the FTE count is not adjusted appropriately, the division's average salary will be understated. See Attachment B – ASRFIN Instructions for further details.

Example: An employee is out on short-term disability (STD) for one month. This employee is on a 10 month contract and would normally be reported as 1.0 FTE. If the division is paying 60% of their normal wages for one month, the adjusted FTE would then be reported as 0.96 FTE:

$1.0 \text{ FTE} \times 9/10$ (full salary for 9 months of their contract period) + $1.0 \text{ FTE} \times 60\% \times 1/10$ (the one month on STD) = 0.96 FTE.

In addition, the salary amount paid by the division is reported as normal wages under object code 1120.

FTE WORKSHEETS CLARIFICATIONS AND HIGHLIGHTS:

Calculation of FTE Positions and FTE Calculation Tool

The regular contract period for instructional positions on which FTE positions are based should reflect the annual hours considered full time for a contract. Attachment B uses a 1,100-hour work year, based on a 200 day contract multiplied by 5.5 hours of instruction per day. This is intended as an example only; actual FTE calculations should use the regular work year, in hours, that is considered full time for a contract.

Due to the increasing prevalence of local workweeks that differ from the standard 40 hours, the calculation of non-instructional FTE positions (highlighted in red in Column D on the FTE Positions worksheets) should be made based on the local contracted workweek. The FTE calculator provided on each of the FTE Positions worksheets includes a cell that allows the school division to change the standard workweek used by the Calculator from the default of 40 hours.

FTE Reporting for Non-Teaching Substitutes

FTE positions for non-teacher substitutes (for example, bus drivers) should be calculated and included with the FTEs reported for full-time positions. Calculate partial FTEs for such substitutes based on the local standard workweek.

SCHEDULE N CLARIFICATIONS AND HIGHLIGHTS:

Schedule N – Terminal Leave Payouts

[Superintendent's Memorandum No. 023-14](#), dated January 31, 2014, discussed additions to the 2013-2014 ASRFIN resulting from the U.S. Department of Education's (USED) review of Virginia's Local Education Agency (LEA) indirect cost rate methodology. Schedule N in the ASRFIN template addresses the first of these additions, Terminal Leave Payouts.

Please ensure that any payouts that occur on an employee's behalf are charged to object code 2800. This includes contract payouts, salary portions, etc.

Object Code 2800, "Other Benefits," includes payouts of annual and sick leave for personnel who terminate employment, as well as employer-paid benefits payments made on behalf of retirees and pension/retirement plans specific to a locality. In order to isolate the portion of Object Code 2800 expenditures for Terminal Leave Payouts, Schedule N requires school divisions to enter the portion of expenditures coded to Object Code 2800 that were for Terminal Leave Payouts, by Function and Object Code. In addition, Schedule N requires entry of Terminal Leave Payouts by employee name. NOTE: Employee-level detail for Terminal Leave Payouts reported in the ASRFIN template will not be reported or disclosed except by request from USED.

ADDITIONAL INFORMATION

The ASRFIN provides financial data on Virginia's public education programs to the Superintendent of Public Instruction, the Governor of Virginia, the Virginia General Assembly, the U. S. Department of Education (USED), the U. S. Census, and the general public. State funding calculations for the Standards of Quality are based largely on data reported on the ASRFIN, and ASRFIN data reported to USED is used to determine allocations for several major federal grants. Consequently, in order to ensure funding and reporting integrity, it is crucial that ASRFIN data is accurate and complete.

The edit checks and warnings that are incorporated into the ASRFIN template are intended to prevent common errors and identify potential issues with data entered. If the built-in edit checks prevent you from entering data that you are confident is correct, please contact the Budget Office for assistance. As you work through the template, please review closely any data that is flagged with a warning to ensure that it is correct. If you are confident that it is correct, you can proceed with your submission. NOTE: The ASRFIN template identifies potential inaccuracies in data entered and provides warnings; however, the template can still be submitted with warnings.

CONTACT INFORMATION

If you have any questions, please e-mail: DOEBUDGETOFFICE@doe.virginia.gov. This will allow an available budget analyst to assist you and provide a timely response.