

Newsletter No. 03-04.19, December 2, 2003

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**(1) Federal Grants Ending December 31, 2003:** The Dwight D. Eisenhower Professional Development Grant (PRC 067), the Title I Accountability Grant (PRC 087), and the Class Size Reduction Grant (PRC 085) will all end on December 31, 2003. All requests for funds needed on the December 31, 2003 funds requirement date (VERD) must be entered into the Cash Management System on or before December 19, 2003. After December 31st, DPI cannot draw down funds for these grants. For a list of items to consider when requesting funds for obligations or disbursements prior to the grant closing date, review the below attachment entitled: "Cash Management Guidelines for Federal Grants that End December 31, 2003". If you have questions, please contact Jean Landon at 919-807-3638, [jangdon@dpi.state.nc.us](mailto:jangdon@dpi.state.nc.us) or Sarah Harris at 919-807-3636, [sharris@dpi.state.nc.us](mailto:sharris@dpi.state.nc.us) .

**(2) FY 2004 Uniform Chart of Accounts:** The FY 2004 Chart is now available on the website. We are also in the process of mailing each LEA a printed copy of the Chart. You should be receiving this in a few days. There have been many changes to the FY 2004 Chart of Accounts. Specifically, many codes have been deleted from Federal PRC 110, and several new codes have been added. Please see the attached spreadsheet for the changes that have occurred since last year's Chart or you may view these changes on our website. If you have any questions about the Chart of Accounts, please contact Richard Smith, [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us) , or Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us) .

**(3) Public School Building Bond Fund Reports:** The October monthly reports for the Public School Building Bond Fund have been netviewed again on Tuesday, November 25th. Due to a processing error, the reports that were sent on Monday, November 24th, did not include October's monthly expenditures in the Year-to-Date expenditures. Please discard the Public School Building Bond Fund reports that were sent on November 24th. Please contact Richard Smith at [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us) , if you have any questions.

**(4) End of Month BUD System Processing:** Monday, November 24th was the last day that we processed BUD batches in November, since no BUD batches are processed that last two working days of the month and Thursday and Friday are holidays. The batches processed on Monday had to be sent by

4:00 Friday, November 21st. We will process any BUD batches sent after last Friday on Monday, December 1st. If you have any questions about the BUD processing, please contact Richard Smith, [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us)

**(5) School Allotments Update:**

Special State Reserve in PRC 063 - The Exceptional Children's section requested that the Special State Reserve allotment be made in PRC 063 rather than PRC 032 this year. So make sure you are recording your special state reserve expenditures to PRC 063. If you did record these expenditures in PRC 032, please process a 202 adjustment moving them to PRC 063.

**(6) Allotment Revision 13** - Included in last week's Revision 13 were the decreases required if your second month ADM was less than your Allotted ADM by 100 or more students or 2% of your Allotted ADM. These adjustments were based on the Higher of the first and second month ADM compared to the Allotted ADM. These adjustments could have affected Classroom Teachers, Instructional Support Personnel, Teacher Assistants, Non-instructional Support, Classroom Materials Supplies and Equipment, Textbooks and Vocational Education - Program Support. You should have received a spreadsheet from Karen Peng with the details of these adjustments.

**(7) Allotment Revision 14** - Revision 14 will include increases based on 2nd month ADM for those qualifying LEAs who requested adjustments. Only classroom teachers will be allotted to relieve class size overages, within funds available. Revision 14 is scheduled for upload to MSA on December 10. Should you have question call/email Becky McConkey at 919.807.3741 or [bmconke@dpi.state.nc.us](mailto:bmconke@dpi.state.nc.us)

**(8) REMINDER: Finance Forum - December 5, 2003, DPI, 7th Floor Education Building, State Board Room at 9:00 AM to 12:30.**

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**Attachments:** To get the attachments referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachment(s) to send.

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Newsletter No. 03-04.20, December 17, 2003  
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**(1) REMINDER:** The annual **Low Wealth and Small School Supplemental Funds Survey** was sent to the LEAs on November 17, 2003, for completion by those LEAs who receive low wealth and/or small school system supplemental funding. The survey was due on Friday, December 12. To date a significant number of LEAs have not responded. We are required by the General Assembly to supply the requested information to the State Board of Education annually. The survey can be found on the FBS website at [www.ncpublicschools.org/fbs](http://www.ncpublicschools.org/fbs). If you have not completed the survey, please do so by noon on Friday, December 19. If we have not received your survey by Friday, we will note your LEA as non-responsive.

**(2) Input Requested on 2004-05 Budget Request:** It is time to start thinking about budget needs for 2004-05, and State Superintendent Mike Ward and the State Board of Education would like your input. We welcome your comments on the 2003-2005 Expansion Budget Request, which is still active, and beginning today can be viewed on the DPI Web site by going to <http://www.ncpublicschools.org/fbs/> and clicking on the appropriate link. You can submit your comments to DPI by completing the Input form at the same link. In addition, this Input form provides you the opportunity to list your top two budget items for public schools, your top two policy items for public schools, and other issues you would like addressed in the 2004-05 supplemental budget request. Your input on education policy and finance is very important to us as we work together to continue to improve our schools. Final date for submission of the form is Jan. 9, 2004. If you have any questions, please contact Becky McConkey, DPI's Office of Budget Management, 919/807-3741, or by email, [bmconke@dpi.state.nc.us](mailto:bmconke@dpi.state.nc.us).

**(3) Budget Information for 2004-05:** We want to share with you the following information we already know for 2004-05 Budget Preparation:

- Retirement Rate 5.77%
- Hospitalization Rate \$3,432
- Classroom Materials, Supplies & Equipment Inflation Rate 4.2%
- Textbooks Inflation Rate 5.3%
- Discretionary Reduction Total Amount \$44,291,248. Identification of reductions due to DPI September 1, 2004.

-Assistant Principal Interns' Stipends Capped. Total stipend from the State plus any fellowship funds received shall not exceed beginning salary of an assistant principal.

-Voc Ed MOE Formula To Include a Base of 50 Months Plus a Ratio of 1:9.2 per Grade 8-12 ADM.

We will keep you advised as additional information becomes available to us.

**(4) Important Notice Regarding Time & Effort Reporting:** Please be reminded, ALL federally-paid employees must comply with OMB Circular A-87. Specifically, this includes (1) employees funded 100% from a single cost objective (or the supervisor who has first-hand knowledge of the employee's work), who must complete semi-annual certification statements; (2) employees who are split-funded with multiple cost objectives, which require daily time records (Personnel Activity Report forms) must be kept which detail the time spent on the various objectives; and (3) LEAs who are approved to use a substitute time reporting system. You may go to <http://www.ncpublicschools.org/fbs/sumconf03present.html#Budget> for a list of LEAs with approved substitute systems.

ALL Personnel Activity Report (PAR) forms for split-funded personnel must involve the participant recording the actual number of hours worked. If you are using a time sheet that requires the employee to simply mark an "X", you are using the wrong form. The federal government withdrew their approval of the "X" form several years ago. A copy of the revised form is attached to this newsletter.

Finance Officers are responsible for making payroll adjustments which reconcile the actual time reported to the budgeted payroll; i.e., the charges to federal grants for salaries and fringe benefits must reflect the actual hours worked in support of the federal program. Your auditors should be reviewing these adjustments for compliance.

The Title I program has begun making monitoring visits, and time and effort reporting is one of the items being reviewed. Be sure your records are in order to avoid potential findings in this area. Uncorrected findings can result in loss of funding. Please contact Sharon McMillon ([smcmillo@dpi.state.nc.us](mailto:smcmillo@dpi.state.nc.us) or 919-807-3679) or Stephanie English ([senglish@dpi.state.nc.us](mailto:senglish@dpi.state.nc.us) or 919-807-3686) in the Federal Programs Section for additional information or assistance.

**(5) Transportation Allotments.** Final transportation allotments were issued as Revision # 15 on December 10, 2003. In addition, a data sheet showing the funding formula calculations and latest budget ratings was mailed from DPI Transportation Services on December 10, 2003 to Transportation Directors, Superintendents and Finance Officers. Questions should be directed to Steve Beachum ([sbeachum@dpi.state.nc.us](mailto:sbeachum@dpi.state.nc.us), 919/807-3576)

**(6) New Look For FBS Site:** The Financial and Business web site has a new look. Last week, work was completed on the redesign of the FBS site that will make information easier to follow. There will also be a link to the site for all School Personnel Support (this e-newsletter) and Finance Officer newsletters. Go to [www.ncpublicschools.org/fbs/](http://www.ncpublicschools.org/fbs/) for a look at this design. We think you will be better able to review current developments, recent legislative action, links to commonly used web sites and reviews of past newsletters.

**(7) State Board Meeting Highlights:** Complete Highlights of the Board's December meeting are posted online at <http://www.ncpublicschools.org/sbehighlights/> .

**(8) 2004 Holiday Schedule Available Online:** The 2004 holiday schedule that is issued by the office of State Personnel is available on the web at <http://www.osp.state.nc.us/holsched.htm>

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Newsletter No. 03-04.21, January 6, 2004

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**(1) LEA Employees Not Included in Raises:** We have been receiving a lot of inquiries concerning the recent decision of the Governor to give raises to State employees paid below the poverty-line. The questions relate to if these raises are applicable to local school employees. The answer is NO, local education agency and charter school employees are not eligible for these salary increases. Based on information we received from the Office of State Personnel (who are administering this salary increase), the salary increases are only for employees who are subject to the State Personnel Act (SPA employees) in State agencies and universities.

**(2) Accounts Payable/Child Nutrition Claims:**

**SFS-FC-1A** - The SFS-FC-1A report for the period of July 1, 2003 - December 31, 2003 is due by January 20, 2004. This is the report that determines the severe need breakfast rates. The report certification form must be signed by the Finance Officer. Please note: Payment for your January 2004 claim will be not made until the FC-1A report has been submitted (on-line) and the report certification report has been received.

**Electronic Deposit** - If your bank account information changes, the Accounts Payable/Child Nutrition Claims section must be notified immediately. You will need to complete and submit a new electronic deposit form (for Child Nutrition payments). You may contact Ruth Hunt at (919) 807-3649 to obtain a form if needed.

**FFY 03 Close-out** - As a reminder, all adjusted child nutrition claims for FFY 03 (October 2002 - September 2003) were due by mid- December 2003. FFY 03 funds will be closed out the first week of February 2004. All outstanding claims received will be listed as unliquidated obligations to secure funds for payment. (Claims received after close-out generally take up to 8 months after USDA approval before reimbursement is available.)

**October 4A Report** - The October 2003 4A report (for the month of October only) was due by November 20, 2003. Units with outstanding reports are not being reimbursed for any claims until the 4A report has been submitted (on-line) and the

certification report has been received. Contact Tina Pickett (919) 807-3650 or Regetta Darden (919) 807-3652 with questions.

If you have any questions regarding the above information, you may contact Tina Pickett (919) 807-3650 or Regetta Darden (919) 807-3652.

**(3) Best 1 of 2 Report on the Web:** In order to assist you with your budgeting and planning process, we have prepared the "Best 1 of 2 ADM By School" report for your LEA. This report shows the current year data for each school within your LEA. The Memo provides an explanation of the report. The link to the memo and report can be found at <http://www.ncpublicschools.org/fbs/memobest1of203-04.html> .

**(4) FAIR LABOR STANDARDS LITIGATION:** We received information that several advertisements were being aired seeking clients and information on potential FLSA violations. Two notices have been sent to primary and secondary personnel contacts (sent December 19 and 29 ) alerting school systems of these developments. From these television ads, it appears that the FLSA overtime issues with non-exempt employees are now making its way through North Carolina. We know of television ads being circulated on stations in the Charlotte, Raleigh-Durham, and Morehead City regions. Although we are not certain this is the same litigation group that surfaced in Alabama, Mississippi, Arkansas, and other southeastern states, the message is basically the same. Consequences for non-compliance can be costly in time and money. During the summer and fall, the NC School Boards Association and DPI shared considerable information related to FLSA issues.

**(5) State Board Meets This Week:** The State Board of Education will meet this Wednesday and Thursday, Jan. 7-8, in the 7th Floor Board Room, Education Building, Raleigh. To review the State Board of Education agenda go to [www.ncpublicschools.org/SBE\\_Meetings/index.html](http://www.ncpublicschools.org/SBE_Meetings/index.html).

**(6) Employee Benefits Manual:** The Employee Benefits Manual will be available later this month. All of the changes are complete, and will be represented in a "Grid" format to assist you with the changes. As in the past, this grid presents the rationale for the changes. We will also have a complete manual for posting on the web. As soon as both are available, we will notify you. In addition, please note that hard copies of the manual will not be mailed to school systems.

**(7) Mileage Rate Change:** Effective January 1, 2004, the Internal Revenue Service (IRS) has increased the business standard mileage rate from 36 cents per mile to 37.5 cents per mile. The following memo was posted the OSBM website:

State of North Carolina  
Office of State Budget and Management

Michael F. Easley  
Governor and Director of the Budget

David T. McCoy  
State Budget Officer

January 2, 2004

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers  
FROM: David McCoy  
SUBJ: Change in IRS Mileage Rate

Effective January 1, 2004, the Internal Revenue Service (IRS) has increased the business standard mileage rate from 36 cents per mile to 37.5 cents per mile. Pursuant to G.S. 138-6(a)(1), the Office of State Budget and Management will change the allowable rate of reimbursement for travel on official business by the officers and employees that operate from funds deposited with the State Treasurer. The Travel Policies and Regulations section of the Budget Manual will be updated to reflect the new IRS business standard mileage rate of 37.5 cents per mile early next year.

As detailed in the Travel Policies and Regulations section of the Budget Manual, departments and agencies should continue to use the 22 cents per mile rate for employees who choose to use personal vehicles when a state-owned vehicle is available.

If you have any specific questions regarding the new IRS mileage rate, please contact your budget analyst or Todd Barlow by phone at (919) 733-7061, or by email, [Todd.Barlow@ncmail.net](mailto:Todd.Barlow@ncmail.net).

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**Newsletter No. 03-04.22, January 29, 2004**

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**(1) Reminder: ABC Incentive Award funds** will revert as of January 30, 2004. Balances remaining on the January expenditure report will be removed in the first revision in February. If you have questions, please contact School Allotments at (919) 807 - 3739.

**(2) Public School Building Bonds - Semi-Annual Cash Zero-Out February 20, 2004:** DPI is required to periodically zero-out the Public School Building Bond funds (PRC 078). We will be using the Life-to-date (LTD) draws versus the LTD expenditures reported in our system for the November reporting period, to calculate the dollar amount to be taken back from your local bank account. We will do this cash zero-out for a funds requirement date of February 20, 2004(i.e., the date funds will be withdrawn from your designated bank account). Your December Project Balance Report and Allotment Balance Report for the Public School Building Bonds (PRC 078) were downloaded to the LEA finance officers Wednesday, January 14th.

We must receive any manual expenditure adjustments that should adjust the Cash Zero-Out in our office by Friday, February 13th, marked "Adjustment to Zero-Out". The effect of this zero-out process is to align your LTD cash and LTD expenditures by project. If you have any questions about your allotment or project balance, or the zero-out process, please contact Richard Smith at (919) 807-3729.

**(3) Allotments Revisions:** Due to the adverse weather conditions, we were unable to process the scheduled revision this week. We will process revision 18, the week of Feb. 2nd. If you have question contact Lydia W. Prude at 919.807.3718 or [lprude@dpi.state.nc.us](mailto:lprude@dpi.state.nc.us)

**(4) MSA Training:** Due to the adverse weather conditions, the MSA training for January 27th was canceled. All staff registered for the January 27th class will be notified of the rescheduled date.

**(5) 2003-04 Allotment Policy Manual:** The 2003-2004 Allotment Policy Manual is now available online at <http://www.ncpublicschools.org/fbs/allot/default.html>.

**(6) Activity Bus Policy Survey:** Superintendents and Transportation Directors will soon receive a survey requesting information about and copies of local board policies, rules or procedures regarding the use of activity buses. The State Board is required to submit a report to the General Assembly in March. Questions should be directed to Derek Graham (919/807-3571) or Ben Matthews (919/807-3501).

**(7) Head Start Transportation Changes:** The US Dept. of Health and Human Services issued an interim final rule delaying the implementation of two requirements for transporting Head Start and Early Head Start students. The effective date has been moved from January 20, 2004 to June 21, 2004 for two requirements: (1) that a monitor be present on all vehicles used for Head Start transportation, and, (2) that any vehicle used for Head Start transportation be equipped with a child safety restraint system. Further, they will approve requests to extend the deadline later (but not later than January, 2006) in cases where the extension of these rules is in the best interest of the children being served. By January, 2006, all Head Start transportation must utilize a school bus or an allowable alternate vehicle that meets school bus construction standards. Contact Derek Graham (919/.807 3571).

**(8) Food Service Management Company Contracts:** LEAs considering contracting with a Food Service Management Company to provide school nutrition services must notify Child Nutrition Services before releasing a Request for Bids. RFBs must be reviewed and approved in advance to ensure consistency with federal and state regulations. Please allow a minimum of 8 weeks for the review/approval process. For questions, please contact Lynn Hoggard, Child Nutrition Section Chief at (919) 807-3507 or [lhoggard@dpi.state.nc.us](mailto:lhoggard@dpi.state.nc.us)

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**Newsletter No. 03-04.23, February 9, 2004**

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**(1) Reminder: Public School Building Bonds - Semi-Annual Cash Zero-Out February 20, 2004:**

DPI is required to periodically zero-out the Public School Building Bond funds (PRC 078). We will be using the Life-to-date (LTD) draws versus the LTD expenditures reported in our system for the December reporting period, to calculate the dollar amount to be taken back from your local bank account. We will do this cash zero-out for a funds requirement date of February 20, 2004 (i.e., the date funds will be withdrawn from your designated bank account). Your December Project Balance Report and Allotment Balance Report for the Public School Building Bonds (PRC 078) were downloaded to the LEA finance officers Wednesday, January 14th.

We must receive any manual expenditure adjustments that should adjust the Cash Zero-Out in our office by Friday, February 13th, marked "Adjustment to Zero-Out". The effect of this zero-out process is to align your LTD cash and LTD expenditures by project. If you have any questions about your allotment or project balance, or the zero-out process, please contact Richard Smith at (919) 807-3729.

**(2) UERS Data Transfer for January:** Wednesday night, February 4, 2004, DPI transferred the January UERS Financial Data files and MFR data. CONGRATULATIONS! Thanks to your hard work and diligence, DPI received ALL financial and MFR files from ALL 117 LEAs the first day! Receiving your data in a timely manner, allows DPI to send the Monthly Reports to you on time. Let's continue this trend through Year-End Close!

**(3) Alternative Installment plans:** In preparing DPI/s budget figures for 2005, one of the amounts that must be considered is the anticipated installment accrual that will be paid out in July and August of FY 2006. If your LEA plans to start offering an installment alternative and therefore will not be reporting FY 2005 accruals to DPI next year, please notify DPI (attention Ally Barfield) by Monday, March 15, 2004. Please refer to the June 15, 2003 memo titled "Alternative 12 Month Installment Plans" for the specific information needed when notifying DPI of an installment alternative. A copy of this memo is posted on our web page at:

<http://www.ncpublicschools.org/fbs/memo12monthplan.html>.

(4) **Planning Allotments:** The School Allotments Section is working very hard to have planning allotments ready to distribute at the end of the month. We will get planning allotments to you as quickly as possible to help you in preparing for your next fiscal year budget.

(5) **2004-05 CTE FUNDING:** Attached is a memorandum to Career-Technical Education Directors and LEA Finance Officers in reference to the 2004-05 Funding for Career-Technical Education. You will need to review the memorandum and let us know if you have questions.

(6) **Public School Insurance Fund Web Site:** The Public School Insurance Fund, a Division of School Support has recently launched it's new web site. The site can be found at <http://www.ncpublicschools.org/fbs/insurance/index.html>.

(7) **NEW PUBLIC SCHOOL LAW BOOK:** To order the new law book for public schools, please call 800-663-1250 or visit Publication Sales on the Web at <http://www.ncpublicschools.org> . North Carolina Public School Laws (through the 2003 Session) Statutes, case notes and opinions of the Attorney General are included. The text includes statutes other than 115C. Books are available in hard copy or CD-Rom with search engine. Prices for the book are SL102, \$28.00 (hard copy) SL109, \$18.00 (CD-Rom with search engine).

(8) **Finance Officers' Awards:** Each year, since 1989, the State Board of Education has recognized finance officers for outstanding achievements in three categories: State Board of Education Recognition of Achievement in Financial Resource Management (SBE), Association of School Business Officials Certificate of Excellence in Financial Reporting (ASBO), and Government Finance Officers Association Certificate of Achievement for Excellence (GFOA). The LEAs receiving these awards for FY 2003 are posted on the FBS web site at <http://www.ncpublicschools.org/fbs/foaward03.html>. The criteria to receive an award are also listed.

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**Newsletter No. 03-04.24, February 18, 2004**

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The deadline for any manual expenditure adjustments needed to adjust the Cash Zero-Out was Friday, February 13th, marked "Adjustment to Zero-Out". The effect of this zero-out process is to align your LTD cash and LTD expenditures by project. If you have any questions about your allotment or project balance, or the zero-out process, please contact Richard Smith at (919) 807-3729.

**(2) Reminder: Federal Sales Tax Refunds Processing:**

The reporting of Sales Tax Refunds that affect active Federal Funds Programs is a two step process. 1) A current year refund is processed through the Budget Utilization and Development (BUD) System. Even though the Sales Tax being refunded is from a prior year, the refund is processed as a current year refund. 2) A budget amendment is processed through the Budget Utilization and Development (BUD) System to adjust the budget for the expenditure of the Sales Tax Refund credit. The BUD System has been updated to allow for negative budget amounts. Therefore, in order to properly record and expend your Federal Sales Tax Refund, you must process a budget amendment to record a negative budget amount for the Sales Tax Refund code, and a positive budget amount for the appropriate expense code. The Sales Tax Refund code is 8100-XXX-697, where XXX is the appropriate PRC. This amendment will increase the budgeted expense amount without

increasing your overall budget. Please share this information with appropriate staff. Contact Barbara Chalk, 919-807-3716, or Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us) , with any questions about the above procedures. If you have Sales Tax Refunds for Federal Funds Programs that have ended, please call for specific instructions.

**(3) State Public School Fund Allotment Overdraft Report:** (New Report)

We will be sending the "State Public School Fund Allotment Overdraft Report" for FY 2002-03, as of the January processing period, this week. Several changes have been made to this report to better assist you in monitoring your prior year allotment exceptions. First, beginning next month the report will be sent via Netview with your other monthly reports rather than being mailed. This will ensure that the report is sent in a more timely manner. Also, we have added sections to the report to include State overpaid salaries and Months of Employment that have been overused, as well as the dollar allotments that were overspent. The Penalty section of the report has also been expanded to show the amount of unpaid penalties carried forward from previous periods and the 1% penalty from the current exception balance.

**(4) FLSA AND CALENDAR ADJUSTMENTS:** Words of caution as you revise your school calendars. Be mindful that the additional days stay within the confines of the law (115C-84.2) and that schedules take into account your non-exempt (FLSA) employees. Also, if you are using non-exempt staff to drive roads to check driving conditions, or have non-exempt employees check doors, refrigeration systems or clean walkways, remember that such time is recorded as work hours. Be careful of "on call" hours for non-exempt employees. Refer to the materials provided by the NC School Boards Association this Fall for additional guidance.

**(5) MILITARY LEAVE AND RETIREMENT:** We continue to receive questions about retirement contributions for employees on military leave. The answer to that question is NO. Schools are not to withhold retirement from personnel on active military service because they are not actively working for the school system and all adjustments will need to be made upon return to duty in the schools. Other retirement issues are addressed on the Military Leave Q/A found on the FBS site and the School Personnel Support site ([www.ncpublicschools.org/fbs/schlbus/SchPerSupp.htm](http://www.ncpublicschools.org/fbs/schlbus/SchPerSupp.htm).)

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**Newsletter No. 03-04.25, March 3, 2004**

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Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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**(1) State Planning Allotments:** State Planning Allotments were emailed to all finance officers, superintendents and personnel administrators on Thursday, February 26. If you have not received this email, please contact Karen Peng at [kpeng@dpi.state.nc.us](mailto:kpeng@dpi.state.nc.us) or (919) 807-3750 immediately so she can transmit it again.

**(2) MSA/Cash Management Training:** There are two remaining MSA/Cash Management training dates available - March 23rd and April 27th. Seats are available in both classes. Please forward this information to any staff members that would benefit from this training.

There is no registration fee for the class, but you must register to attend. On-line registration is available at the following site: <http://training.dpi.state.nc.us/> .

**Class description:**

This class is geared toward those who work in an LEA finance office - Finance Officers and finance staff. The class consists of "hands-on" training in the MSA/DBS General Ledger System and the Cash Management System. Instruction is targeted to the beginner or new user. For questions about the LEA training, contact Richard Smith at [rsmith@dpi.state.nc.us](mailto:rsmith@dpi.state.nc.us) or Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us) .

**(3) ON-LINE SURVEY - Legislative Survey:** We have been asked to collect data from all LEAs concerning Organizational and Individual membership dues, paid by the LEA. Please complete the on-line survey by March 16th <http://www.ncpublicschools.org/fbs/>. If you are not the appropriate recipient of this request, please forward this to the appropriate person.

**(4) Public School Building Capital Fund - Quarterly Reports:** Quarterly reports, 10-year planning projections, application forms, and procedures manual are posted on the School Planning website at <http://www.schoolclearinghouse.org> under "PS Bldg Capital (ADM) Fund". Reports are updated quarterly after tax revenue is added to the fund in February, May, August, and November.

The legislature changed the administration of the Public School Building Capital Fund from the Office of State Budget and Management to the Department of Public Instruction in 2003. Contact Jim Lora, 919-807-3561 or [jlora@dpi.state.nc.us](mailto:jlora@dpi.state.nc.us), with any questions.

**(5) FYI: Statewide Stoparm Count:** On Wednesday, March 10, all LEAs have been asked to participate in a data gathering effort to determine the number of times a motorist illegally passes a stopped school bus. This study is done annually and, unfortunately, continues to show that our students are needlessly put in danger by the motoring public. Information has been emailed to LEA transportation personnel. Contact Derek Graham at 919/807-3571 with questions.

**BENEFITS MANUAL:** The updated Employee Benefits Manual has been posted to the internet at <http://www.ncpublicschools.org/benemanual>. The previous grid sent to primary and secondary personnel contacts which showed all of the changes in the manual will be resent as soon as possible as changes have been made since the original copy was forwarded. An up to date copy is available on the website identified above as well. Due to the cost of printing and mailing, a manual will not be printed for distribution to schools.

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To subscribe to the Finance Officers' Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.  
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**Newsletter No. 03-04.26, March 11, 2004**

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Philip Price  
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**(1) IMPORTANT: Unspent Driver Training Funds at June 30, 2004:** Each year a letter is sent to LEAs asking that any Driver Training funds projected to revert at June 30 be reported to the School Allotments Section so they can be reallocated to LEAs projecting a shortage. This year the request is being made in this email. Please analyze your Driver Training funds and report the amount you anticipate reverting to the State at June 30, 2004 on the attached Excel form. **This form must be signed by the Finance Officer and Superintendent and faxed by March 31 to the School Allotments Section at 919.807.3740.**

**(2) LEA Cash Deposit Information Available through Core Banking Inquiry:** LEAs can now confirm the deposit of State, Federal and Local fund requests as well as "BUD" adjustments to their State Treasurer's account by inquiry to the Core Banking System. Cash requests updated to the Core Banking System is an assurance that your "money is in the bank". Using the Core Banking System to confirm the deposit of funds should lessen the LEA's need to contact NCDPI Cash Management personnel for deposit verification. Also, current account balance information in Core Banking should eliminate any overdraft concerns.

To make an inquiry on a cash deposit in Core Banking, select the account activity option under the "Account Data" section and enter the expected deposit date of your cash request. If a deposit has been made, it will be indicated as a "CMCS Bank Deposit" in the description field on the Core Banking inquiry screen. Account balance information is available in Core Banking by selecting the account balance option under the "Account Data" section.

You may contact Sarah Harris at 919-807-3636 or [sharris@dpi.state.nc.us](mailto:sharris@dpi.state.nc.us) with questions concerning Core Banking deposit inquiries.

**(3) UERS Data Transfer for February:** Wednesday night, March 3, 2004, DPI transferred the February UERS Financial Data files and MFR data. CONGRATULATIONS! (again) Thanks to your continued hard work and diligence, DPI received ALL financial files from ALL 117 LEAs the first day and all MFR files by Friday! Receiving your data in a timely manner, allows DPI to send the Monthly Reports to you on time. Let's continue this trend through Year-End Close!

**(4) Reminder: MSA/Cash Management Training:** There are two remaining MSA/Cash Management training classes for LEAs available - March 23rd and April 27th. Seats are available in both classes. Please forward this information to any staff members that would benefit from this training. Both of these classes will pertain to traditional LEAs rather than Charter Schools.

There is no registration fee for the class, but you must register to attend. On-line registration is available at the following site: <http://training.dpi.state.nc.us/>.

Class description:

This class is geared toward those who work in an LEA finance office - Finance Officers and finance staff. The class consists of "hands-on" training in the MSA/DBS General Ledger System and the Cash Management System. Instruction is targeted to the beginner or new user. For questions about the LEA training, contact Richard Smith at [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us) or Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(5) Abstinence Until Marriage FY03-04 Planning Allotment:** School Allotments completed the FY03-04 Planning Allotment for the Abstinence Until Marriage Federal Grant (PRC 057). The planning allotment uploaded to BUD on 3/9/04 for LEAs to submit their budget for approval. On March 10, 2004 Karen Peng emailed the Abstinence Until Marriage (PRC 057) FY03-04 Planning Allotment information to the superintendent, finance officer, and personnel director of all LEAs and to the chief administrator of the charter schools which have the planning allotment. If you have questions please contact Karen Peng at 919-807-3750 - Allotment, DPI Help Desk at 919-807-4357 - BUD Support, or Sarah Langer at 919-807-3867 and Wayne Smith at 919-807-3681 - Budget approval status.

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**Attachment:** To get the attachment referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachment to send.

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**Newsletter No. 03-04.27, March 16, 2004**

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**(1) State Public School Fund Allotment Overdraft Reports:** We will be mailing the "State Public School Fund Allotment Overdraft Report" for the current year, FY 2003-04, as of the February processing period, this week. Beginning next month the report will be sent via Netview after your other monthly reports rather than being mailed. Penalties will also begin being assessed next month on all allotments that are exceeded. We will notify you in the weekly newsletter when the report is netviewed.

We will be sending the "State Public School Fund Allotment Overdraft Report" for prior year, FY 2002-03, by netview Wednesday, March 17th. All refunds through the February processing period are reflected on this report. Refunds for all allotments exceeded, plus any penalties due, should be submitted by April 5, 2004, to avoid additional penalties. Contact Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us), with any questions.

**(2) Legislative Survey Reminder:** If you have not already completed the on-line survey on membership dues, please do so. The deadline for this survey is today, March 16, and can be located under "What's New" on the FBS website at <http://www.ncpublicschools.org/fbs/> .

**(3) Unemployment Update - Substitutes:** A meeting was conducted on Monday, March 8 with the Employment Security Commission. The topic of conversation centered on section of law regarding, Substitutes North Carolina General Statute 96-8 (10) e. This section of law states, "No substitute teacher or other substitute school personnel shall be considered unemployed for days or weeks when not called to work unless the individual is or was a permanent school employee regularly employed as a full-time substitute during the period of time for which the individual is requesting benefits."

This statute has not been utilized as effectively in denying unemployment benefits due to inconsistencies among adjudicators and appeal referees at the ESC. The ESC has made a written statement to adjudicators and appeal referees that school employees on substitute lists are not eligible for unemployment benefits.

Please advise Eileen Townsend [etownsen@dpi.state.nc.us](mailto:etownsen@dpi.state.nc.us) or Latarsha Silver [lsilver@dpi.state.nc.us](mailto:lsilver@dpi.state.nc.us) if you have claims denied by the ESC inconsistent with the referenced statute.

**FYI:**

**2004 FBS Summer Conference:** The 2004 FBS Summer Conference has been scheduled for July 29 and 30, 2004 at the Sheraton Imperial RTP. Put these dates on your calendar. We will advise you when additional information about the conference is available.

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.  
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**Newsletter No. 03-04.29, March 31, 2004**

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**(1) Change to the Final Teacher Count for Principals Salaries:** Please note that DPI will institute a change in the timing of the final teacher count for principal's salaries. As you are aware the teacher count determines the state salary schedule from which the principals are paid. Starting this current fiscal year, principal's final teacher count will be determined based on the 11th pay period, using the 5 month rule. This change was implemented in order for the LEAs to have time before the year end to make any necessary adjustments.

**(2) High Priority Schools:** This message has been communicated to all school data managers. All high priority schools are required to have 5 additional instructional days added to their calendar. Student accounting for these 5 days are required to be reported to NCDPI. If you have a school that is designated as High Priority, please make sure the school calendar includes all instructional days. If the students are having 185 instructional days all 185 days should be reported by that school. All schools in your LEA do **NOT** have to report the same number of days. Please transmit all schools in your LEA on the same pickup date. If that pickup date needs to be adjusted please FAX or email the revised Transfer Schedule to Scott Douglas at 919.807.3704 or [sdouglas@dpi.state.nc.us](mailto:sdouglas@dpi.state.nc.us). Because of software limitations you cannot have eight 20 day months and one 25 day month to report 185 days.

**(3) Abstinence Grant (PRC 057) FY 03-04 Planning Budgets:** (from Lydia Prude) LEAs may submit their FY 03-04 Planning Budgets now!!! Budget Management has successfully manipulated BUD to allow the planning allotments to be budgeted. Make sure that you pull in all communication from DPI before you open your budget amendment. You can budget only the planning amount or the planning amount and the carryover. Please submit your amended budgets between April 1 - April 16, 2004. After these dates, we will have to assist you on an LEA by LEA basis to submit your budget.

If you had an actual allotment in BUD for FY 03-04, we will restore this amount back into BUD on Monday, April 19.

If you have any questions, please contact Karen Peng at 919-807-3750 - Allotment, DPI Help Desk at 919-807-4357 - BUD Support, or Sarah Langer at 919-807-3867 and Wayne Smith at 919-807-3681- Budget approval status.

**(4) Letter of Reasonable Assurance:** In order to avoid unemployment costs during the summer months, we are submitting the attached sample Letter of Reasonable Assurance for your use. **The letter should be sent to each of your classified employees prior to the end of the school year.**

You should edit the letter accordingly and print on your school letterhead. It is suggested that you ask your employee to sign the letter of reasonable assurance and that you retain a copy of the letter.

Substitute teachers or other substitute school personnel serving your school on an "as needed basis" do not need to receive a letter of reasonable assurance, as they are not eligible for unemployment benefits.

If you have any questions, please call Tarsha Silver @ 919-807-3521 or email @ [lsilver@dpi.state.nc.us](mailto:lsilver@dpi.state.nc.us).

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REASONABLE ASSURANCE  
SAMPLE LETTER

**Note to Schools: This is a sample of a reasonable assurance letter that could be presented to classified employees prior to the end of the school year. Completion of a reasonable assurance letter would avoid unemployment loss claims for 10-month employees during the summer months. It is recommended that you review this letter with your attorney.**

Dear \_\_\_\_\_:

Thank you for your services as a \_\_\_\_\_(position) with the \_\_\_\_\_(school district name) during the 2003-2004 school year. Although the budget for fiscal year \_\_\_\_\_(year) has not been finalized, and positions have not been allocated, this letter serves notice that at this time it is the intent of this school district to retain your employment.

The school year begins on \_\_\_\_\_(date) and prior to that date you will be informed of your final assignment. Should your address or employment availability change before the start of the year, please notify us immediately. If you have questions, please feel free to contact \_\_\_\_\_(name of contact) at \_\_\_\_\_(phone number) or \_\_\_\_\_(address).

**Note to Schools: Retain a copy of this letter in all applicable files. Notification can be made by mail or by personal contact. If letters were distributed by personal delivery, it would be a good idea to have the employee sign that they have received the letter.**

The undersigned has received a copy of letter above and acknowledges receipt by signature below.

\_\_\_\_\_  
Employee Print Name

\_\_\_\_\_  
Employee Signature

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**Newsletter No. 03-04.30, April 14, 2004**

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Philip Price  
Associate State Superintendent  
Department of Public Instruction  
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Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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**(1) Work-Study Code Deleted from PRC 017:** As a result of a recent audit finding by the US Department of Education, work-study expenditures can no longer be paid from Vocational Education federal funds. Object code 177 has been deleted from the Uniform Chart of Accounts for PRC 017, in this week's Chart update, to prevent further use for this purpose. In addition, any expenditures you may have coded to object code 177 in PRC 017 for the 2003-04 year, through the March processing period, have been moved to PRC 014 in the April processing period. This will free up the funds in PRC 017 for other allowable purposes. The Finance Officers of the LEAs that have had expenses moved from PRC 017 to PRC 014, because of this issue, will receive an e-mail with the affected expenditure detail. Please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us) for questions or concerns.

**(2) FY 2003-2004 Chart of Accounts:** An update to the FY 2004 Chart will be downloaded to the BUD system Wednesday afternoon, April 14th. The current changes will be available on the FBS website by the end of the week. Please notice that several account codes have been deleted from PRC 041. Also, the Work-Study codes have been deleted from Federal PRC 017. FBS website: <http://www.ncpublicschools.org/fbs/coa/default.html>. If you have any questions concerning the Chart of Accounts, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(3) UERS Data Transfer for March:** Monday night, April 5, 2004, DPI transferred the March UERS Financial Data files and MFR data. CONGRATULATIONS! (again) This is the BEST one yet. Thanks to your continued hard work and diligence, DPI received ALL financial files from ALL 117 LEAs AND all MFR files the first! Receiving your data in a timely manner, allows DPI to send the Monthly Reports to you on time. Three months down, three more to go. Let's continue this trend through Year-End Close!

**(4) Reminder: MSA/Cash Management Training:** There is one remaining MSA/Cash Management training class for LEAs available on April 27th. Seats are still available in this class. Please forward this information to any staff members that would benefit from this training. This class will pertain to traditional LEAs rather than Charter

Schools. There is no registration fee for the class, but you must register to attend. On-line registration is available at the following site: <http://training.dpi.state.nc.us/>.

Class description:

This class is geared toward those who work in an LEA finance office - Finance Officers and finance staff. The class consists of "hands-on" training in the MSA/DBS General Ledger System and the Cash Management System. Instruction is targeted to the beginner or new user. For questions about the LEA training, contact Richard Smith at [rsmith@dpi.state.nc.us](mailto:rsmith@dpi.state.nc.us) or Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(5) Central Office Report:** For your information: attached is the Central Office Report by LEA. This report shows the full time equivalent central office administrators by fund as reported to DPI in the 6th pay period. Contact Will Wilson [jpwilson@dpi.state.nc.us](mailto:jpwilson@dpi.state.nc.us) with questions.

**(6) FYI: SPRING PANC MEETING HIGHLIGHTS:** The Personnel Administrators of NC met last week in Wilmington. Over 10 current topics addressed in separate sessions. Topics included: An address by the State Board of Education Chair on Board Priorities, Legislative Update, NCLB, Highly Qualified Teachers and information on Evaluation of Beginning Teachers and Finance. The available presentations will be placed on the School Personnel Support web-site within a week.

The Personnel Update included a review of the Benefits Manual.

The following items regarding State service for vacation leave earning and for longevity were reviewed.

- a. Charter school employment is NOT State service. This means that charter school employment will not count as time toward longevity in traditional public schools and State agencies. However, teaching experience in a charter school will count as teaching experience, as does teaching experience in a private school.
- b. Employment in the University of North Carolina System is State service IF it is in a permanent position and at least 20 hours per week, even if the position is EPA (exempt from the State Personnel Act).

The revised Benefits Manual is on-line at: <http://www.ncpublicschools.org/benemanual/>

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**Attachments:** To get the attachments referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachment(s) to send.

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**Newsletter No. 03-04.31, April 22, 2004**

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**(1) 2004-04 Federal Planning Allotments:** On Friday, April 16, you were emailed the 2004-05 Federal Planning Allotments. If you have not received them or have questions you may contact either Lydia Prude at 919/807-3718 or Karen Peng at 919/807-3750.

**(2) Title I Planning Allotments:** Title I planning allotments were based on updated 2000 census data and over half of the eligible schools systems (regular and charter) will receive less Title I funding than they received in 2003-04. Overall census poverty was down across the country from the 1999 data to the 2000 data, and this had a significant impact on Title I funding. North Carolina's overall census poverty fell from 16 percent to 14 percent and only a handful of school systems actually increased in the number of poverty students and the percentage of students in poverty.

The two elements of Title I funding that have been in place the longest - basic and concentration - did not receive additional funding this year. Basic, which is the largest element of the Title I funding formula, actually decreased nationally because Congress applied an across the board cut to this element of the funding formula. Concentration was level funded. Increases were in the two newest elements of the Title I funding formula - Targeted Grants and Education Finance Incentive Grants (EFIG).

Allotments are calculated by the U. S. Department of Education using census poverty and other data, and we may hold a small percentage of funds for administrative and school improvement purposes. This means that we have very little flexibility in making adjustments to these allotments that come to us from the U. S. Department of Education. Contact Lydia Prude at 919/807-3718 or Karen Peng at 919/807-3750 with questions.

**(3) Public School Building Bonds - Semi-Annual Cash Zero-Out May 28, 2004:** Our department is required to periodically zero-out the Public School Building Bond funds (PRC 078). We will be using the Life-to-date (LTD) draws versus the LTD expenditures reported in our system for the April 2004 reporting period, to calculate the dollar amount to be taken back from your local bank account. We will do this cash zero-out for a funds requirement date (FRD) of May 28, 2004 (i.e., the date funds will

be withdrawn from your designated bank account). We must receive any expenditure adjustments in our office by Friday, May 21, 2004, that should be posted prior to the Cash Zero-Out.

Please bring your expenditures up-to-date through the April 2004 reporting period (i.e., Life-to-date (LTD) cash drawn through April 2004 should equal LTD expenditures through April 2004). The effect of this zero-out process will be to align your LTD cash and LTD expenditures by project. If you have any questions about your allotment or project balance, or the zero-out process, please contact Richard Smith at (919) 807-3729.

**(4) State Public School Fund Allotment Overdraft Reports:** We netviewed the "State Public School Fund Allotment Overdraft Report" for the current year, FY 2003-04, as of the March processing period, Monday, April 19th and the prior year report, FY 2002-03, as of the March processing period, Tuesday, April 20th . Penalties were assessed on ALL allotments that were exceeded on both reports. All refunds through the March processing period are reflected. Refunds for all allotments exceeded, plus any penalties due, should be submitted by May 5, 2004, to avoid additional penalties. Please submit the refunds effective April (processing Period 10). Contact Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us), with any questions.

**(5) Public School Building Bond:** Fiscal Year 2003-2004 Cash Close Out Procedures for Public School Building Bond Funds: Because of closing requirements set by the Office of State Controller, the last Funds Requirement Date to certify bond funds for this fiscal year will be June 4, 2004. Your final request for funds must be entered by June 1, 2004 and should include your cash needs for the remainder of June through the first week of July. Also, refunds can not be accepted after June 4, 2004. Any refunds received after June 4, 2004 will be returned to the LEA.

You should consider any positive or negative certification of funds posted during the Zero-Out process on May 28, 2004 when determining your remaining cash needs. You may view the Zero-Out certification by inquiring in the Bond Cash System for funds requirement date (FRD) of May 28, 2004, after this date. The next available date to receive Public School Building Bond funds will be July 09, 2004. If you need funds for the remainder of this fiscal year, it is imperative that you adhere to the time frames outlined above. Please be advised that due to the requirements set by The Office of State Controller, no exceptions can be made to these procedures. If you have questions, please contact Sarah Harris at (919) 807-3636 or Richard Smith at (919) 807-3729.

**(6) Federal Grants - 2004-2005 Application Due Dates and Contacts:** Attached is a list of federal programs with the due date for each project application to be received by the state program consultant for fiscal year 2004-2005. Budgets are to be received by the same date through BUD, or mailed with the application.

**FYI:**

**TOLL-FREE LINES TO RETIREMENT NOW AVAILABLE:** The Retirement System is pleased to offer the convenience of a toll-free line to North Carolina's dedicated public servants.

Retirees outside of the Raleigh area can now call the System toll-free by dialing 1-877-733-4191. Retirees within local calling distance should dial 919-733-4191.

Employees outside the Raleigh area can now call the System toll-free by dialing 1-877-NCSECURE (1-877-627-3287). Employees within local calling distance should dial 919-807-3050.

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**Newsletter No. 03-04.32, May 4, 2004**

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**(1) BUD Release 6.2.0:** DPI starting sending you the BUD Release 6.2.0 to your AS/400 via the state data transfer network on Wednesday, April 28, 2004. It is a large release and ended up taking several days to send to everyone. All LEAs should have the two save files now. For those of you that have already installed, thank you.

This BUD Release does contain file layout changes, so you will need to load the appropriate ISIS or SARTOX release in conjunction with this BUD Release.

**Attention!**

**ISIS USERS:** You must load either the ISIS patch located on the ISIS website or ISIS Release 4.2.0 in conjunction with this BUD Release. You should be on ISIS Release 4.0.0 or higher to load the patch or ISIS Release 4.2.0.

**SARTOX USERS:** You must load SARTOX Release 5.99.02 in conjunction with this BUD Release.

The install instructions are attached, or you can find them on the FBS website in the "What's New" section: <http://www.ncpublicschools.org/fbs>

You will need to load the new BUD release in order to receive communication forms, COA changes, and allotment information via BUD.

If you need assistance while installing the BUD release, please contact the DPI help desk at (919) 807-4357.

If you have any questions regarding the release itself, please feel free to contact Kathy Horky at (919) 807-3707 or [khorky@dpi.state.nc.us](mailto:khorky@dpi.state.nc.us).

**(2) Sales Tax Refunds Processing:** Refunds for expenditures from Public School Building Bond Funds, School Technology Funds (PRC 15), and Federal Funds must be submitted to DPI. You will do these as current year refunds, in the year that they are received, even if the refund is for prior year expenditures. NOTE: Record the receipt of the NC Dept of Revenue check to Fund 2 - Local. Pay the refunds to State and Federal from Fund 2 - Local.

I. The Public School Building Bond Fund refunds must be done manually with a paper FPD202 form and a check. You will select just one (1) project to receive the refund. Use the contra expenditure code (81XX-078-697) for the credit entry, where (XX) is the appropriate project number. You will code the check to the appropriate Local code.

II. The School Technology Funds (PRC 15) refund can be posted through the BUD system. Use the contra expenditure code (8100-015-697) for the credit entry. You will debit the appropriate Local code. NOTE: The remainder of the state portion of the refund is yours to be used as part of your Local General Operating Fund.

III. For Federal Funds, if the Federal program receiving the refund has closed, the refund is process differently from the refunds for the active Federal programs.

1. If the program has closed in the PRIOR or CURRENT fiscal year, then the refunds must be done manually with a paper FPD202 form and a check, and the LEA will NOT get to use the funds. Use the contra expenditure code (8100-XXX-697) for the credit entry, where XXX is the appropriate PRC. You will code the check to the appropriate Local code.

2. If the refund is for a currently active Federal PRC there is a two-step process.

a) A current year refund is processed through the Budget Utilization and Development (BUD) System using the contra expenditure code (8100-XXX-697) for the credit entry, where XXX is the appropriate PRC, and debit the appropriate Local code. Even though the Sales Tax being refunded is from a prior year, the refund is processed as a current year refund. You have until the end of the current fiscal year to spend the refund credit.

b) If the LEA has a budget for the currently active PRC, then a budget amendment needs to be processed through the Budget Utilization and Development (BUD) System to adjust the budget for the expenditure of the Sales Tax Refund credit. If the LEA does not have a current year budget, then no budget amendment is needed.

The BUD System has been updated to allow for negative budget amounts. Therefore, in order to properly record and expend your Federal Sales Tax Refund, you must process a budget amendment to record a negative budget amount for the Sales Tax Refund code, and a positive budget amount for the appropriate expense code. The Sales Tax Refund code is 8100-XXX-697, where XXX is the appropriate PRC. This

amendment will increase the budgeted expense amount without increasing your overall budget.

Contact Barbara Chalk, (919) 807-3716, Richard Smith, (919) 807-3729, or Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us), with any questions about the above procedures.

**(3) Reminder: Public School Building Bond Funds - Semi-Annual Cash Zero-Out May 28, 2004:** Our department is required to periodically zero-out the Public School Building Bond funds (PRC 078). We will be using the Life-to-date (LTD) draws versus the LTD expenditures reported in our system for the April 2004 reporting period, to calculate the dollar amount to be taken back from your local bank account. We will do this cash zero-out for a funds requirement date (FRD) of May 28, 2004 (i.e., the date funds will be withdrawn from your designated bank account). We must receive any expenditure adjustments in our office by Friday, May 21, 2004, that should be posted prior to the Cash Zero-Out.

Please bring your expenditures up-to-date through the April 2004 reporting period (i.e., Life-to-date (LTD) cash drawn through April 2004 should equal LTD expenditures through April 2004). The effect of this zero-out process will be to align your LTD cash and LTD expenditures by project. If you have any questions about your allotment or project balance, or the zero-out process, please contact Richard Smith at (919) 807-3729.

**(4) Reminder: Public School Building Bond Funds:** Fiscal Year 2004 Cash Close Out Procedures: Because of closing requirements set by the Office of State Controller, the last Funds Requirement Date to certify bond funds for this fiscal year will be June 4, 2004. Your final request for funds must be entered by June 1, 2004 and should include your cash needs for the remainder of June through the first week of July. Also, refunds can not be accepted after June 4, 2004. Any refunds received after June 4, 2004 will be returned to the LEA.

You should consider any positive or negative certification of funds posted during the Zero-Out process on May 28, 2004 when determining your remaining cash needs. You may view the Zero-Out certification by inquiring in the Bond Cash System for funds requirement date (FRD) of May 28, 2004, after this date. The next available date to receive Public School Building Bond funds will be July 09, 2004. If you need funds for the remainder of this fiscal year, it is imperative that you adhere to the time frames outlined above. Please be advised that due to the requirements set by The Office of State Controller, no exceptions can be made to these procedures. If you have questions, please contact Sarah Harris at (919) 807-3636 or Richard Smith at (919) 807-3729.

**(5) UERS Data Transfer for April:** Wednesday, May 5, 2004, DPI will pick-up your UERS Financial Data files and MFR data file for the month of April. This pick-up also includes the ESC file for the quarter ending 3/31/04. Please have all of your file ready prior to 6:00 p.m., Wednesday, May 5, 2004.

**(6) Abstinence Grant (PRC 057) FY 03-04 Planning Budgets in BUD:** The planning budget is still the approved allotment when you open a new amendment in BUD. You can continue to enter the planning budget if you have not done so. The actual allotment in BUD will be restored for FY03-04 after your LEA has converted to the new BUD/IRM 6.2.0 release. (This is to revise the information in the email we sent to you on 3/19/04 and 4/15/04 and Finance Officers' Newsletter 3/31/04.) Please contact Karen Peng in School Allotments if you have any questions at (919) 807-3750.

**(7) Allotment Revision Number 23** Allotment revision 23 contained the allocation of available federal unallotted balances. This additional allotment for FY 2003-04 has the same reversion date as the original allotment. All Federal adjustments will be transmitted to BUD as the LEAs convert to the new BUD release. If you have questions, please contact School Allotments at (919) 807 - 3718.

**(8) State Board Meets:** The State Board of Education will meet Wednesday and Thursday, May 5-6, in the 7th Floor Board Room, Education Building, Raleigh. To view the full agenda, please go to [http://www.ncpublicschools.org/SBE\\_Meetings/index.html](http://www.ncpublicschools.org/SBE_Meetings/index.html)

**(9) FINANCIAL AND BUSINESS SERVICES SUMMER CONFERENCE**  
July 29-30, 2004, Sheraton Imperial Hotel and Convention Center, Research Triangle Park. Conference, registration, and hotel information is available on our web site at [www.ncpublicschools.org/fbs](http://www.ncpublicschools.org/fbs). If you have questions regarding the conference, please contact Paul LeSieur or Doris McCain at 919-807-3700. See attached memorandum.

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.  
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# PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION :: Howard N. Lee, *Chairman*

WWW.NCPUBLICSCHOOLS.ORG

DEPARTMENT OF PUBLIC INSTRUCTION :: Michael E. Ward, *State Superintendent*

April 29, 2004

## MEMORANDUM

**TO:** LEA Superintendents  
LEA Finance Officers  
LEA Personnel Administrators  
Charter School Administrators

**FROM:** Philip W. Price, Associate Superintendent  
Financial and Business Services

Paul LeSieur, Director  
School Business Division

## **FINANCIAL AND BUSINESS SERVICES SUMMER CONFERENCE**

On July 29-30, 2004, the Office of Financial and Business Services will conduct its annual conference at the Sheraton Imperial Hotel and Convention Center, Research Triangle Park. The conference will provide essential information about new and continuing financial and personnel policies that impact local education agencies and charter schools.

Conference, registration, and hotel information is available on our web site at [www.ncpublicschools.org/fbs](http://www.ncpublicschools.org/fbs). If you have questions regarding the conference, please contact Paul LeSieur or Doris McCain at 919-807-3700.

The conference will be very helpful to you as you begin the FY 2004-05 school year, so plan to be with us on the 29<sup>th</sup> and 30<sup>th</sup>. We look forward to seeing you there!

PWP/PL/dkm

c: Agency Coordinating Council

**OFSB# 04-10**

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**Newsletter No. 03-04.33, May 11, 2004**

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Philip Price  
Associate State Superintendent  
Department of Public Instruction  
6326 Mail Service Center  
Raleigh, NC 27699-6326  
Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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**(1) Visiting International Faculty (VIF):** As of now, the conversion rate for the Visiting International Faculty for FY 2004-05 is the Classroom Teacher Average Salary plus Benefits. We will inform you of any changes and the exact conversion amount after the final budget is passed. If you have any questions, please contact School Allotments at (919) 807-3718.

**(2) IMPORTANT NOTICE - ABC Transfers:** Wednesday, May 26th will be the last day we will accept ABC transfer requests for the 2003-04 fiscal year. Please fax your transfer requests to (919) 807-3740 no later than the close of business on Wednesday, May 26th. If you have questions, please contact Mike Thompson in the School Allotments Section at (919) 807 - 3732.

**(3) Disposition of Equipment Purchased With Federal Funds:** When disposing of equipment that was purchased with Federal funds, EDGAR guidelines require the approval of the appropriate Program Administrator at DPI. An "Equipment Disposition Request" form and instructions are attached for your use. Please note that although EDGAR requires that disposition procedures be followed for items over \$5,000, the LEA's capitalization policy will override this in instances where "equipment" is defined to be an amount less than \$5,000. For instance, some LEAs have a capitalization policy that specifies that items are to be classified as equipment if they have a value in excess of \$50. In such a case, equipment disposition procedures must be followed when disposing of equipment meeting the LEA's definition. Completed forms should be submitted to the appropriate DPI Program Administrator for approval along with any questions about disposition.

**(4) UERS Data Transfer for April:** Wednesday night, May 5, 2004, DPI transferred the April UERS Financial Data files and MFR data. CONGRATULATIONS! (again) This is tied with last month for the BEST transfer. Thanks to your continued hard work and diligence, DPI received ALL financial files from ALL 117 LEAs AND all

MFR files the first day! Receiving your data in a timely manner, allows DPI to send the Monthly Reports to you on time. Four months down, two more to go. Let's continue this trend through Year-End Close!

DPI will be netviewing month end reports, including the Current Year Allotment Overdraft Report, on Wednesday, May 12, 2004, and processing the Cash Zero-Out on Thursday, May 13, 2004. The Prior Year Allotment Overdraft Report will be netviewed early next week. Please monitor your budgets monthly, and refund or adjust any allotment over usages by the 5th of the following month.

**(5) Year-End Close-Out and Invalid Account Codes:** It is getting near year-end close-out time. Time to clean-up any remaining errors on the MFR data. There are still many LEAs who are reporting invalid account codes in their monthly financial data. Your financial software edits the expenditure accounts at the point of data entry. You set your system parameters to give either a "Warning" or an "Error" when an invalid code is used. Please notify your staff that the "Warning" should not be ignored. Using invalid codes causes you problems with your datafile posting and with your MFR reporting. You should download updated files from the BUD System weekly to ensure that you have the most current information.

DPI sends each month, via netview, an "MFR Error Messages" report (PGA10RP4-E) listing any errors detected in your MFR data, usually transactions from your general ledger that are recorded to invalid codes; and a Monitoring Letter listing any expenditures submitted through datafile to invalid codes, with the valid codes where DPI posted the expenditures. If you disagree with the code used by DPI to post the datafile expenditure, then you must submit a UTR in the BUD system, moving the expenditure FROM the valid code that DPI used TO the valid code that you choose. If you have any questions about the invalid code information on the Monitoring Letter, please contact Richard Smith at 919.807.3729 or [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us). If you have any questions about errors on the MFR data, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(6) Reminder: Public School Building Bond Funds - Semi-Annual Cash Zero-Out May 28, 2004:** Our department is required to periodically zero-out the Public School Building Bond funds (PRC 078). We will be using the Life-to-date (LTD) draws versus the LTD expenditures reported in our system for the April 2004 reporting period, to calculate the dollar amount to be taken back from your local bank account. We will do this cash zero-out for a funds requirement date (FRD) of May 28, 2004 (i.e., the date funds will be withdrawn from your designated bank account). We must receive any expenditure adjustments in our office by Friday, May 21, 2004, that should be posted prior to the Cash Zero-Out.

Please bring your expenditures up-to-date through the April 2004 reporting period (i.e., Life-to-date (LTD) cash drawn through April 2004 should equal LTD expenditures through April 2004). The effect of this zero-out process will be to align your LTD cash and LTD expenditures by project. If you have any questions about your allotment or project balance, or the zero-out process, please contact Richard Smith at (919) 807-3729.

**(7) Reminder: Public School Building Bond Funds:** Fiscal Year 2004 Cash Close Out Procedures: Because of closing requirements set by the Office of State Controller, the last Funds Requirement Date to certify bond funds for this fiscal year will be June 4, 2004. Your final request for funds must be entered by June 1, 2004 and should include your cash needs for the remainder of June through the first week of July. Also, refunds can not be accepted after June 4, 2004. Any refunds received after June 4, 2004 will be returned to the LEA.

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\*\*\*\*\*  
To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.  
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Instructions for Preparation of FPD 212  
Equipment Disposition Request

- A.
  1. Complete columns 1-4 for the items which will be purged from inventory
  2. Complete column 5 for each item. Use “**Excellent, Good, Fair, Poor or Useless**” to describe the current condition. If the item cannot be located, and the condition is not known, use “**Unknown**”. However, a physical inventory of equipment must be taken and the results reconciled with the property records at least once every two years to verify the existence, current utilization, and continued need for the equipment.
  3. Complete column 6 for each item with recommended action.
    - a. **Cannibalize** – Equipment that has become obsolete or unserviceable due to excessive repair costs, but still has serviceable component parts that can be used to repair, modify or construct other items of equipment.
    - b. **Beyond Repair – Discard** – Equipment that has been used beyond repair and the parts are not usable, and the item will be discarded.
    - c. **Lost** – Indicated the last date of inventory, and when the item of equipment was unable to be located.
    - d. **Stolen** – Attach a copy of the Official Police or Sheriff Investigation Report.
    - e. **Destroyed by Fire, Water, or Natural Disaster such as Flood, Wind, Snow, Ice, etc.** – Indicate insurance claim value as well as the date the claim was filed and attach a copy, if possible.
    - f. **No Longer Required** – The equipment is no longer needed for the operation of the program and is available for transfer or sale. Indicate ““Transfer” or “On Loan” to (other Federally funded Education Programs)” or “Sell at Auction” or “Sell Through Purchasing at a Fair Market Value” for any item of equipment with a unit cost of \$5,000 or more.
- B. The LEA Program Director signs to indicate approval of the request for disposition.
- C. Mail completed form with cover letter of explanation to:  
North Carolina Department of Public Instruction  
(Appropriate DPI Division)  
\*Use Appropriate Mail Service Center  
Raleigh, North Carolina 27601-2825
- D. The appropriate DPI Consultant will sign to indicate program approval and forward to the Federal Programs Section.
- E. A notification will be mailed of the approved disposition action and any further disposition instructions if necessary.

TO: Finance Officers

Attached is a summary of the Governor's Budget for your review. You may access the entire budget online at

[http://www.osbm.state.nc.us/files/pdf\\_files/2004-2005\\_adjustments.pdf](http://www.osbm.state.nc.us/files/pdf_files/2004-2005_adjustments.pdf)

Philip Price  
Associate State Superintendent  
Department of Public Instruction  
6326 Mail Service Center  
Raleigh, NC 27699-6326  
Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

## **Governor's Budget Released**

As you know, the Governor released his budget yesterday (we have included a link below to a web-site that includes the details). When reviewing the proposed budget please keep in mind that some of the largest funding increases are not listed. The **Continuation Budget** increased a little more than \$113.6 million (netted for the adjustments for ADM and salaries detailed in the Governor's Budget of \$19.4 million). North Carolina's schools are expected to have 26,256 more students than in FY 2003-04 (expected population: 1,369,062). Major adjustments include:

- An additional 407 classroom teachers (\$15.2 million)
- An additional 79 vocational education teachers (\$3.1 million)
- 51 additional instructional support positions (\$2.2 million)
- \$5 million for Transportation (fuel and personnel)
- 14 Assistant principals (\$659,000)
- \$500,000 for textbooks
- \$355,000 for children with disabilities
- \$320,000 for classroom materials

The Governor's proposed budget does include a number of reductions that total over \$79.9 million (including \$31.6 million redirection of capital funds). Here are the reductions:

- -\$11,294,221 for improving student accountability (FY 2003-04 appropriation level)
- -\$5,638,273 for at risk student services/alternative schools
- -\$1.8 million for school building administration
- -\$1,413,819 for continually low performing schools
- -\$217,837 for textbook freight
- -\$432,619 for teachers for small schools and on-loan positions
- -\$170,721 reduction to the DPI
- -\$1,547,040 for Textbooks (reduces inflationary increase from 5% to 3%)
- -\$1,273,228 for Classroom materials (reduces inflationary increase from 4% to 2%)
- -\$10,512,901 for School bus replacement (leaving \$37.2 million all for lease purchases)
- -\$5,000,000 for Transportation (eliminating the Continuation Budget increase)

- The Governor's Budget redirects approximately one-half of funding originally earmarked for the Public School Building Capital Fund to support public school operations in FY 2004-05. The amount redirected is \$31,625,500 (nonrecurring).

*Please note that the LEA Discretionary Reduction of (\$44,291,248) remains in the proposed Governor's Budget.*

The Governor also included 4 **Expansion Budget** Items:

- \$108 million for ABCs Incentive
- \$50.5 million to reduce the allotment ratio in the third grade to 1:18 (from 1:23.23)
- \$4.5 million for High Priority LEAs
- \$2.2 million for Gates Foundation match for reforming high schools

Other items of Interest:

- Teachers and instructional support would receive a step increase plus 0.5% (teachers at the top of the salary schedule would get a one-time bonus)
- Principals and assistant principals would receive a step increase plus 0.5% (those at the top of the scale would receive a one-time bonus)
- All other employees would receive a 2% salary increase plus \$250 one-time bonus
- The employer retirement rate contribution remains at 5.77%
- The employer contribution for hospitalization remains at \$3,432

Link to Governor's Budget:

[http://www.osbm.state.nc.us/files/pdf\\_files/2004-2005\\_adjustments.pdf](http://www.osbm.state.nc.us/files/pdf_files/2004-2005_adjustments.pdf)

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**Newsletter No. 03-04.34, May 19, 2004**

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Philip Price  
Associate State Superintendent  
Department of Public Instruction  
6326 Mail Service Center  
Raleigh, NC 27699-6326  
Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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**(1) REMINDER - LEGISLATIVE REQUESTS:** We have several LEAs that have not responded to the Legislative Request Surveys - Early Dismissal Days and Final School Closings. Please ensure that your LEA has completed the short survey so we can accurately report to the General Assembly.

The **Final School Closings Survey** is to be completed by each LEA and Charter School for school year 2003-04. The link to this survey is on the Financial and Business Services web site, [www.ncpublicschools.org/fbs](http://www.ncpublicschools.org/fbs), under "What's New". Please complete and submit this survey by **Friday, May 21, 2004**. If you have questions about the survey, please contact Bobby Williams at 919-807-3734 or email at [bwilliam@dpi.state.nc.us](mailto:bwilliam@dpi.state.nc.us).

The **Early Dismissal Days Survey** is to be completed by each LEA for school year 2003-04. The link to this survey is on the Financial and business Services web site, [www.ncpublicschools.org/fbs](http://www.ncpublicschools.org/fbs), under "What's New". Please complete and submit this survey by **Tuesday, May 18, 2004**. If you have questions about the survey, please contact Scott Douglass at 919-807-3737 or email at [sdouglas@dpi.state.nc.us](mailto:sdouglas@dpi.state.nc.us).

**(2) Change to the Final Teacher Count for Principals Salaries:** Just a reminder that DPI made a change in the timing of the final teacher count for principal's salaries. As you are aware the teacher count determines the state salary schedule from which the principals are paid. Starting this current fiscal year, principal's final teacher count will be determined based on the 11th pay period (May), using the 5 month rule. This change was implemented in order for the LEAs to have time before the year end to make any necessary adjustments.

**(3) BUD Release 6.2.0:** There are 20 LEAs that have not installed the new BUD release yet. Please remember that you need to load the new BUD release in order to receive communication forms, COA changes, and allotment information via BUD.

This BUD Release does contain file layout changes, so you will need to load the appropriate ISIS or SARTOX release in conjunction with this BUD Release.

**Attention!**

**ISIS USERS:** You must load either the ISIS Release 4.2.0 in conjunction with this BUD Release. You should be on ISIS Release 4.0.0 or higher to load the patch or ISIS Release 4.2.0.

**SARTOX USERS:** You must load SARTOX Release 5.99.02 in conjunction with this BUD Release.

The install instructions are on the FBS website in the "What's New" section:

<http://www.ncpublicschools.org/fbs/>

If you need assistance while installing the BUD release, please contact the DPI help desk at (919) 807-4357.

If you have any questions regarding the release itself, please feel free to contact Kathy Horky at (919) 807-3707 or [khorky@dpi.state.nc.us](mailto:khorky@dpi.state.nc.us).

**(4) Accounts Payable/Child Nutrition Claims:** The State Kindergarten Breakfast funding for State Fiscal Year 2003-2004 will expire on June 30, 2004. All kindergarten claims and/or adjusted claims to be reimbursed from SFY 03-04 funds must be submitted via the automated system by Wednesday, June 16, 2004. A letter dated May 17, 2004 has been mailed to Child Nutrition Directors. If you have any questions, please contact Regetta Darden at 919-807-3652 or Tina Pickett at 919-807-3650.

**(5) State Public School Fund Allotment Overdraft Reports:** We netviewed the "State Public School Fund Allotment Overdraft Report" for the current year, FY 2003-04, as of the April processing period, Friday, May 14th and the prior year report, Company 8000, FY 2002-03, as of the April processing period, Tuesday, May 18th. Penalties were assessed on ALL allotments that were exceeded on both reports. All refunds through the April processing period are reflected. Refunds for all allotments exceeded, plus any penalties due, should be submitted by June 7, 2004, to avoid additional penalties. Please submit the refunds effective May (processing Period 11). Contact Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us), with any questions.

**(6) Allotment Overdraft Penalties:** Thank you for your timely payment of the penalties due on the Current Year and Prior Year Allotment overdrafts. When paying the penalties, please remember to mark the "Prior Year" field with a "Y" if the penalty due is from the "Allotment Overdraft Report for Company 8000" report.

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**FYI:**

**"DANCING COW AWARD":** The Directors and Associate Superintendent for Financial and Business Services have begun an awards program that we call the "Dancing Cow Award". The award is presented to a Financial and Business Services employee who has consistently worked at levels that exceeded prescribed duties and has implemented processes that have greatly improved communication between the Department of Public Instruction's Financial and Business Services area and LEAs and charter schools. The recipient is selected by the Directors and Associate Superintendent.

Karen Peng of the Office of Budget Management is the first recipient of the "Dancing Cow Award." She was presented with the "Dancing Cow Award" on Tuesday, May 11, 2004. Karen has been selected for this award because of her ability to take cumbersome and complex formulas and simplify the presentation to allow local school systems, charter schools, and all other interested parties to quickly obtain important allotment information and grasp an understanding of the formula. Karen utilizes multiple tools (Access, Visual Basic, and Excel for example) to package massive documents into simple menu driven spreadsheets. Her spreadsheet techniques are now being used not only by others in Financial and Business Services but also by other agencies across the state. The feedback from all our customers, related to Karen's work, has been consistently positive.

**Congratulations Karen!**

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.  
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**Newsletter No. 03-04.35, May 25, 2004**

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Philip Price  
Associate State Superintendent  
Department of Public Instruction  
6326 Mail Service Center  
Raleigh, NC 27699-6326  
Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

\*\*\*\*\*

**(1) Change to the Final Teacher Count for Principals Salaries:** Just a reminder that DPI made a change in the timing of the final teacher count for principal's salaries. As you are aware the teacher count determines the state salary schedule from which the principals are paid. Starting this current fiscal year, principal's final teacher count will be determined based on the 11th pay period (May), using the 5 month rule. This change was implemented in order for the LEAs to have time before the year end to make any necessary adjustments.

**(2) Disability Refunds from the State Treasurer:** We have been working on procedures for posting the Disability Refunds, received from the State Treasurer, to minimize the affect that they have on the LEAs cash management and monthly Zero-Out percentage. The refunds that we receive near the end of a month continue to be a challenge. As you may know, we do not know when we will be receiving these refunds from the State Treasurer. Since, they must be deposited by DPI's Cash Management Section when received, we must post them to the LEAs. When your LEA receives a Disability refund, the finance officer receives a letter with the details of the refund.

When you receive a Disability Refund, and it adversely affects your State Zero-Out percentage, please notify Richard Smith at (919)807-3729 or [rsmith@dpi.state.nc.us](mailto:rsmith@dpi.state.nc.us) . Since the LEA does not have control over the receipt of this refund, we can hold you harmless for that month's Zero-Out when calculating the State Board Awards.

**(3) FY 2004 Close Out Deadlines:**

**MAY 26** - The final date DPI will accept ABC transfers is May 26, 2004. Please fax your transfer requests to (919) 807-3740 no later than the close of business on Wednesday, May 26th. If you have questions, please contact Mike Thompson in the School Allotments Section at (919) 807 - 3732. Official notice was given in the weekly newsletter on May 11, 2004.

**JUNE 1** - The last date to request Public School Building Bond funds for this fiscal year is June 1, 2004 for a Funds Requirement Date of June 4, 2004. Closing procedures for Public School Building Bond funds were transmitted by DPI in the weekly newsletter e-mail on May 4, 2004.

**JUNE 30** - DPI will begin transmitting data at 12:10 a.m. July 1, 2004.

- UERS Data files, including MFR file, must be transmitted.
- All Installment Accruals must be transmitted.

**JULY 1** -

- All BUD adjustments and refunds must be transmitted.
- All manual adjustments and refunds must be received.
- All over expended allotments (dollars and positions) must be refunded to the State as of June 30th.
- Someone must be on duty at the LEA to verify that DPI successfully received all your data.

**REMINDER:** Use small batches when transmitting BUD batches. Keep batches containing June vouchers separate from those containing vouchers cut in May or earlier; this may reduce the potential impact of any errors.

**(4) Allotment Deadlines** The following information must be received by the School Allotments Section by the dates noted in order to be processed for FY 2003-04.

ABC Transfers - May 26, 2004

All Other Revisions - June 9, 2004

Please review your allotment reports and make sure that you have all the funds that you were expecting this year in the appropriate categories. If you have any questions, please contact Lydia Prude at (919) 807-3718.

**(5) Federal Grant Expiration Dates:** The School Allotments Section emailed the 45 day reminder notification letters on May 14, 2004 for your LEA's federal grants that will expire on June 30. Please make sure that all of your expenditures are recorded properly for the following PRCs:

017 - Vocational Education Basic Grant

023 - Vocational Education Technology Preparation

064 - Learn and Serve America

088/089 - Reading Excellence

110 - 21st Century Community Learning Centers

If you have any questions, please contact Monique Johnson at (919) 807 - 3684.

**(6) E-Rate Update:** NCDPI is conducting a survey in order to determine the success of the E-Rate program in North Carolina as well as to collect information that could assist LEAs with this very time-consuming program. The survey is located on the NCDPI E-Rate Web site at <http://www.ncwiseowl.org/it/erate>. NCDPI is very interested in the responses from those involved with the E-Rate process and the results will be posted on the NCDPI E-Rate Web site.

Notification of the survey will be sent to all technology directors and E-Rate contacts via email.

**(7) UERS DATA TRANSFER SCHEDULE:** The UERS DATA TRANSFER SCHEDULE for LEAs & Charter Schools for FY 2004-05 is now available via the Internet at <http://www.ncpublicschools.org/fbs/reports.htm>. Information concerning the Monthly Financial & Statistical Data Requirements (MFR), the Annual Financial & Statistical Data Requirements (AFR), the Fiscal Data Transfer to LEAs dates, and the Preset Transfer dates are listed. The UERS Transfer Schedule Form is also included. This form must be completed by each LEA and Charter School by June 30, 2004. Instructions for filling out the form and returning it to NCDPI are included with the form. Please make sure that your school system completes the form and returns it as indicated on the form. If you have questions or concerns the NCDPI contact person is Scott Douglass [sdouglas@dpi.state.nc.us](mailto:sdouglas@dpi.state.nc.us) or 919 807-3737. Please do not schedule any data transfers for December 22 or December 29, 2004.

**(8) Reminder: Public School Building Bond Funds - Semi-Annual Cash Zero-Out May 28, 2004:** Our department is required to periodically zero-out the Public School Building Bond funds (PRC 078). We will be using the Life-to-date (LTD) draws versus the LTD expenditures reported in our system for the April 2004 reporting period, to calculate the dollar amount to be taken back from your local bank account. We will do this cash zero-out for a funds requirement date (FRD) of May 28, 2004 (i.e., the date funds will be withdrawn from your designated bank account). Friday, May 21, 2004, was the deadline to receive expenditure adjustments that should be posted prior to the Cash Zero-Out.

The effect of this zero-out process will be to align your LTD cash and LTD expenditures by project. If you have any questions about your allotment or project balance, or the zero-out process, please contact Richard Smith at (919) 807-3729.

**(9) Reminder: Public School Building Bond Funds: Fiscal Year 2004 Cash Close Out Procedures:** Because of closing requirements set by the Office of State Controller, the last Funds Requirement Date to certify bond funds for this fiscal year will be June 4, 2004. Your final request for funds must be entered by June 1, 2004 and should include your cash needs for the remainder of June through the first week of July. Also, refunds can not be accepted after June 4, 2004. Any refunds received after June 4, 2004 will be returned to the LEA.

You should consider any positive or negative certification of funds posted during the Zero-Out process on May 28, 2004 when determining your remaining cash needs. You may view the Zero-Out certification by inquiring in the Bond Cash System for funds requirement date (FRD) of May 28, 2004, after this date. The next available date to receive Public School Building Bond funds will be July 09, 2004. If you need funds for the remainder of this fiscal year, it is imperative that you adhere to the time frames

outlined above. Please be advised that due to the requirements set by The Office of State Controller, no exceptions can be made to these procedures. If you have questions, please contact Sarah Harris at (919) 807-3636 or Richard Smith at (919) 807-3729.

**(10) Year-End Close-Out and Invalid Account Codes:** It is getting near year-end close-out time. Time to clean-up any remaining errors on the MFR data. There are still many LEAs who are reporting invalid account codes in their monthly financial data. Your financial software edits the expenditure accounts at the point of data entry. You set your system parameters to give either a "Warning" or an "Error" when an invalid code is used. Please notify your staff that the "Warning" should not be ignored. Using invalid codes causes you problems with your datafile posting and with your MFR reporting. You should download updated files from the BUD System weekly to ensure that you have the most current information.

DPI sends each month, via netview, an "MFR Error Messages" report (PGA10RP4-E) listing any errors detected in your MFR data, usually transactions from your general ledger that are recorded to invalid codes; and a Monitoring Letter listing any expenditures submitted through datafile to invalid codes, with the valid codes where DPI posted the expenditures. If you disagree with the code used by DPI to post the datafile expenditure, then you must submit a UTR in the BUD system, moving the expenditure FROM the valid code that DPI used TO the valid code that you choose. If you have any questions about the invalid code information on the Monitoring Letter, please contact Richard Smith at 919.807.3729 or [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us). If you have any questions about errors on the MFR data, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(11) Allotment Overdraft Penalties:** Thank you for your timely payment of the penalties due on the Current Year and Prior Year Allotment overdrafts. When paying the penalties, please remember to mark the "Prior Year" field with a "Y" if the penalty due is from the "Allotment Overdraft Report for Company 8000" report.

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.  
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**Newsletter No. 03-04.35, June 4, 2004**

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\*\*\*\*\*

**(1) CORRECTION: Matching Retirement Rate:** The employer's matching retirement rate effective July 1, 2004 is **5.77%**. Use this new rate when computing the 11th and 12th Installment accruals and for all payrolls on or after July 1, 2004. The retirement rate was incorrect in the closing procedures memorandum sent to LEAs on May 27.

**(2) Public School Building Capital (ADM) Fund Update:** Attached is a status report for the Public School Building Capital (ADM) Fund for your information. You should note that Fiscal Year 2003-04 figures are for 11 months (July '03 through May '04).

**(3) Replacement School Buses:** For those LEAs who were to receive replacement school buses this year: When your buses are delivered, your representative signs an acceptance form for the receipt of the buses. DPI then notifies our Accounts Payable department to make the first payment for one-third the cost of the buses. When the payment is processed, the Allotment Section will be notified to include on the next Allotment Revision report an information line concerning PRC 120-Lease/Purchase of School Buses. This notice will include the current year payment amount. When you receive this notice on the Allotment Revision report, this is your notice that the buses have been delivered and the payment has been made. You should record a budget for the current year amount in Fund 4: Credit 4-3490-120-000 and Debit 4-9300-120-551. Also, post a journal entry to Fund 4 to record a revenue and expenditure for the same amount: Credit 4-3490-120-000 and Debit 4-9300-120-551. Since these funds were spent for the benefit of your LEA, they must be recorded on your General Ledger before the end of the year. NOTE: Also record a manual entry to disencumber 1/3 of the PO after each payment is made.

**(4) FY 2004 Close Out Deadlines:**

JUNE 30 - DPI will begin transmitting data at 12:10 a.m. July 1, 2004.

- UERS Data files, including MFR file, must be transmitted.
- All Installment Accruals must be transmitted.

JULY 1 -

- All BUD adjustments and refunds must be transmitted.
- All manual adjustments and refunds must be received.
- All over expended allotments (dollars and positions) must be refunded to the State as of June 30th.
- Someone must be on duty at the LEA to verify that DPI successfully received all your data.

**REMINDER:** Use small batches when transmitting BUD batches. Keep batches containing June vouchers separate from those containing vouchers cut in May or earlier; this may reduce the potential impact of any errors.

**(5) Disability Refunds from the State Treasurer:** We have been working on procedures for posting the Disability Refunds, received from the State Treasurer, to minimize the affect that they have on the LEAs cash management and monthly Zero-Out percentage. The refunds that we receive near the end of a month continue to be a challenge. As you may know, we do not know when we will be receiving these refunds from the State Treasurer. Since, they must be deposited by DPI's Cash Management Section when received, we must post them to the LEAs. When your LEA receives a Disability refund, the finance officer receives a letter with the details of the refund.

When you receive a Disability Refund, and it adversely affects your State Zero-Out percentage, please notify Richard Smith at (919)807-3729 or [rsmith@dpi.state.nc.us](mailto:rsmith@dpi.state.nc.us). Since the LEA does not have control over the receipt of this refund, we can hold you harmless for that month's Zero-Out when calculating the State Board Awards.

**(6) Year-End Close-Out and Invalid Account Codes:** It is getting near year-end close-out time. Time to clean-up any remaining errors on the MFR data. There are still many LEAs who are reporting invalid account codes in their monthly financial data. Your financial software edits the expenditure accounts at the point of data entry. You set your system parameters to give either a "Warning" or an "Error" when an invalid code is used. Please notify your staff that the "Warning" should not be ignored. Using invalid codes causes you problems with your datafile posting and with your MFR reporting. You should download updated files from the BUD System weekly to ensure that you have the most current information.

DPI sends each month, via netview, an "MFR Error Messages" report (PGA10RP4-E) listing any errors detected in your MFR data, usually transactions from your general ledger that are recorded to invalid codes; and a Monitoring Letter listing any expenditures submitted through datafile to invalid codes, with the valid codes where DPI posted the expenditures. If you disagree with the code used by DPI to post the

datafile expenditure, then you must submit a UTR in the BUD system, moving the expenditure FROM the valid code that DPI used TO the valid code that you choose. If you have any questions about the invalid code information on the Monitoring Letter, please contact Richard Smith at 919.807.3729 or [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us). If you have any questions about errors on the MFR data, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(7) END OF YEAR TRANSPORTATION REFUNDS:** The following information was sent to all transportation directors. Please help to ensure that all refunds for labor, parts and fuel on local vehicles are reimbursed to PRC 56. Questions should be directed to Derek Graham (919.807.3570) in Transportation Services.

The use of BSIP has several implications for end of year reimbursements that are different from previous years. Keep in mind that STATE LAW PROHIBITS THE EXPENDITURE OF STATE FUNDS FOR LABOR, PARTS OR FUEL FOR LOCAL VEHICLES.

1. In the past, LEAs had to wait for state-generated reports to be run and printed and mailed so it was difficult to get reimbursed for May and June expenses for local vehicles in time for those funds to be spent through PRC 56 (transportation to-from school). Now, with SAP, you have the capability to run your own end of month reports and can even run them mid-month. Therefore, all work done on local vehicles during May must be reimbursed before the end of June. If possible, any work done on local vehicles during the first 2 weeks of June should also be reimbursed. In light of the high cost of fuel that we have experienced toward the end of school, it is very important to recoup all state resources that were spent on the maintenance of local vehicles.
2. While most counties are caught up with data entry in SAP, there are some that are still a number of weeks behind. If this is the case for your county, you must identify a way to be reimbursed for labor, repair parts and fuel for local vehicles. This may involve identifying those high priority tickets to be entered in the system or, in extreme cases, manually calculating those expenses so that reimbursement can take place.

If you have questions on this process, please contact DPI Transportation Services or, for BSIP procedural questions, send an email to [BSIP@DPI.STATE.NC.US](mailto:BSIP@DPI.STATE.NC.US).

**(8) Reminder: Public School Building Bond Funds:** Fiscal Year 2004 Cash Close Out Procedures: The last Funds Requirement Date to certify bond funds for this fiscal year will be June 4, 2004, because of closing requirements set by the Office of State Controller. Your final request for funds must be entered by June 1, 2004 and should include your cash needs for the remainder of June through the first week of July. Also, refunds can not be accepted after June 4, 2004. Any refunds received after June 4, 2004 will be returned to the LEA.

You should consider any positive or negative certification of funds posted during the Zero-Out process on May 28, 2004 when determining your remaining cash needs. You may view the Zero-Out certification by inquiring in the Bond Cash System for funds requirement date (FRD) of May 28, 2004, after this date. The next available date to receive Public School Building Bond funds will be July 09, 2004. If you need funds for the remainder of this fiscal year, it is imperative that you adhere to the time frames outlined above. Please be advised that due to the requirements set by The Office of State Controller, no exceptions can be made to these procedures. If you have questions, please contact Sarah Harris at (919) 807-3636 or Richard Smith at (919) 807-3729.

**(9) Allotment Overdraft Penalties:** Thank you for your timely payment of the penalties due on the Current Year and Prior Year Allotment overdrafts. When paying the penalties, please remember to mark the "Prior Year" field with a "Y" if the penalty due is from the "Allotment Overdraft Report for Company 8000" report.

**(10) FYI - Student Attendance:** In order to be considered in attendance, a student (except for hospital/homebound or staggered kindergarten) must be present in the school for the school day or at a place other than the school with the approval of the appropriate school official for the purpose of attending an authorized school activity. Such activities may include field trips, athletic contests, student conventions, musical festivals, or any similar approved activity.

If students graduate prior to the end of the school's 180 Day Instructional Calendar the days AFTER graduation are still considered part of the student's instructional school year. If a student is not present ½ the instructional time, with exceptions as note above, a student must be recorded as absent. This is covered in the School Attendance and Student Accounting Manual available at <http://www.ncpublicschools.org/fbs/sasa/default.html> page 2:2. If you have questions or concerns the contact person at NCDPI is Scott Douglass [sdouglas@dpi.state.nc.us](mailto:sdouglas@dpi.state.nc.us) or 919 807-3737.

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.  
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**Newsletter No. 03-04.36, June 8, 2004**

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Philip Price  
Associate State Superintendent  
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Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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**(1) REMINDER: Legislative Survey Request: On June 2 we sent you the following legislative survey for completion to be returned to DPI by Monday, June 7, 2004:**

The State Legislature has requested information on sales tax refunds by PRC from State expenditures. Attached is an Excel form to be completed by all LEAs for FY 2001, FY 2002, and FY 2003. Please ensure that your LEA completes and submits this Legislative Request by Monday, June 7, 2004 so we can accurately report to the General Assembly.

Please provide the sales tax refund by PRC from STATE funds only.  
Save your completed Excel form as "yourLEANumber\_STRSurvey", eg "160\_STRSurvey"  
Attach your response to an e-mail and send to [kjordan@dpi.state.nc.us](mailto:kjordan@dpi.state.nc.us)  
Please put your LEA number in the subject line.

If you have not completed your survey please do so today and forward to DPI. If you have questions about the survey, please contact Alexis Schauss at 919-807-3708 or email at [aschauss@dpi.state.nc.us](mailto:aschauss@dpi.state.nc.us). (attachment)

**(2) Hiring Retired Teachers for FY 2004-05 School Year:** One of the State Board's legislation priorities this year was to extend the sunset to allow retired teachers to continue to be employed without negatively impacting their retirement benefits. It is important to remember that the authorization to allow you to employ retired teachers without impacting the retirement income of the teacher sunsets June 30, 2004. As of this latest version of the House Budget, no provisions have been included to extend this deadline. As of today, all earnings for a retired teacher employed as of July 1, 2004, is not exempt from the earned income caps of the Retirement System.

**(3) FY 2003-2004 Chart of Accounts:** An update to the FY 2004 Chart was downloaded to the BUD system Thursday afternoon, June 3, 2004. The current changes will be available on the FBS website the week of June 11th. The most significant change is the deleting of most of the account codes using Purpose 5100 from PRC 106 and the adding of several codes using Purpose 6210. A spreadsheet detailing the deleted codes and the new codes that have been added to PRC 106 is attached. If you have any questions concerning the Chart of Accounts, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).  
FBS website: <http://www.ncpublicschools.org/fbs/coa/default.html>. (attachment)

**FYI:**

**Hurricane Preparedness:** With hurricane season approaching, DPI's Insurance Section asks school systems to consider the following:

Browse the FEMA and FM Global Web Sites for Guidance and Facts Sheets.

<http://www.fema.gov/hazards/hurricanes/>

<http://www.fmglobal.com/scripts/store/category.asp?catid=21>

Plan with your local Emergency Management Office to coordinate disaster plans and share resources. Develop a formal loss control policy identifying specific objectives, procedures, responsibilities and accountabilities.

Stock disaster supplies:

Portable Phones, Batteries, Radio, Flashlight, First Aid Kit, Essential Medicines, Food, Water, Cash, Camera, Film, Generator, Fuel, Chainsaw, Sand Bags, Tarps

Teach children how and when to call 911, police, or fire department and which radio station to tune for emergency information. Teach responsible parties how and when to turn off gas, electricity, and water.

Protect property:

Precut and drill plywood for windows

Trim dead and weak branches from trees

Bring in trash cans, lawn furniture, etc.

Clean gutters and drains

Check roof flashing to ensure the entire roof perimeter is securely fastened.

Review your insurance policy to verify all buildings are listed.

Establish agreements with contractors (outside potential hurricane areas) for supplies and repairs.

Check into flood insurance.

Photograph both building and content damage for insurance claims.

You may contact Joseph Gramer, Consultant with the Public School Insurance Fund at 919-807-3532, for more information.

**REMINDER: FBS Summer Conference:** The Financial and Business Services Summer Conference is scheduled for July 29-30, 2004, Sheraton Imperial Hotel and Convention Center, Research Triangle Park. Conference, registration, and hotel information is available on our web site at [www.ncpublicschools.org/fbs/](http://www.ncpublicschools.org/fbs/). We have attached a Grid indicating the time and location of the sessions. If you have questions regarding the conference, please contact Paul LeSieur or Doris McCain at 919-807-3700. (attachment)

**State Board Meeting Highlights:** At their June meeting. State Board members approved a position statement opposing potential reductions to teacher workdays. The Board approved this unanimously and stressed the need for further study of all issues related to the school calendar, needs for teacher staff development and workdays and the organization of the instructional year. To read the full position statement, please go to <http://www.ncpublicschools.org> and look under In the News. In other business, the Board approved recommendations for suspended and expelled students, and heard presentations from students in the first class of Occupational Course of Study graduates. Complete SBE Highlights will be posted online by Tuesday afternoon at <http://www.ncpublicschools.org/sbehighlights/>

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**Attachments:** To get the attachments referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachments to send.

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.

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**Newsletter No. 03-04.37, June 22, 2004**

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Philip Price  
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Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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**(1) BUD Year End Information:**

- 1) Starting June 22nd until July 2nd, we will receive and process the BUD adjustment/202 batches at 1:00 PM and 8:00 PM each day. If you send an adjustment batch by 1:00 PM, you can conceivably receive your communication form back that same afternoon. Hopefully, this change will allow LEAs more time to correct denied batches. Please be sure and receive your files daily if you know that you have sent BUD batches to DPI for processing.
- 2) You may send BUD 202's to DPI until midnight on July 1, 2004 for FY 2004 batches.
- 3) For your salary corrections, please keep BUD 202 information for July-May voucher dates in separate batches from June voucher corrections/refunds. This will help you get your information processed quicker. Remember that we cannot process BUD batches with June voucher dates until we get your June data on July 1.
- 4) We recommend that you keep your adjustment batches small (i.e., less than 30).
- 5) Please remember the salary system cannot process multiple changes to a voucher on the same day. You must wait for one change to clear before submitting another change to that same voucher. The exception to this will be your June vouchers since we will process all June voucher changes in one day on July 2nd.
- 6) Starting July 1, the BUD system will default Year Ending June 30, 2005 in the adjustment batches. In order to avoid this, you will need to change the Year Ending date to 2004 on the menu (AUMU) BEFORE creating a new batch for FY 2004.
- 7) We are sending BUD communication forms back to you daily, including the Federal budgets/amendments. Please receive and review your 202 batch communication forms daily to ensure that we did process your 202 batches and did not reject them. You must correct rejected batches and send the corrected batches back to DPI by midnight on July 1st.

Please contact Kathy Horky at [khorky@dpi.state.nc.us](mailto:khorky@dpi.state.nc.us) or (919) 807-3707 if you have any questions regarding BUD processing for yearend.

**(2) Indirect Cost Rates for FY 2004-05:**

Indirect cost rates for 2004-05 will be netviewed on Tuesday, June 22, 2004. You will access your indirect cost reports just as you do your month-end reports from DPI. Charter Schools should look for FI045A and FI045B files. Please note that this is the only notification you will receive regarding your indirect cost rates for FY 2004-05

These rates are for use in the fiscal year beginning July 1, 2004. The restricted rate can be applied against all grants operating with "supplement but not supplant" restrictions in the regulations.

Charter Schools that have no data in their file should contact Stephanie English (919-807-3686) in the Federal Programs Section to obtain their indirect cost rates.

If you have questions regarding these rates, please contact Stephanie at the number shown above.

DPI will also transmit a BUD file containing the LEA FY 2005 indirect cost rates on Tuesday, June 22. Please sign onto BUD as BUDPUSER and run SURF to receive the file.

In order to see the new rate when working on Planning budget detail screen (FUDT) or Amendment/transfer update (FUAB), you will need to go to the indirect cost field in the upper left portion of the screen. Key the new indirect cost rate in the field and press enter. The system will recalculate your indirect cost amount based on the new rate that you enter. The system will not allow you to enter an indirect cost greater than the one that DPI transmits to you.

**REMINDER:**

**(1) Matching Retirement Rate:** The employer's matching retirement rate effective July 1, 2004 is 5.77%. Use this new rate when computing the 11th and 12th Installment accruals and for all payrolls on or after July 1, 2004. The retirement rate was incorrect in the closing procedures memorandum sent to LEAs on May 27.

**(2) FY 2004 Close Out Deadlines:**

JUNE 30 - DPI will begin transmitting data at 12:10 a.m. July 1, 2004.

- UERS Data files, including MFR file, must be transmitted.
- All Installment Accruals must be transmitted.

JULY 1 -

- All BUD adjustments and refunds must be transmitted.
- All manual adjustments and refunds must be received.
- All over expended allotments (dollars and positions) must be refunded to the State as of June 30th.

- Someone must be on duty at the LEA to verify that DPI successfully received all your data.

**REMINDER:** Use small batches when transmitting BUD batches. Keep batches containing June vouchers separate from those containing vouchers cut in May or earlier; this may reduce the potential impact of any errors.

**(3) UERS DATA TRANSFER SCHEDULE FY 2004-05:** The UERS DATA TRANSFER SCHEDULE for LEAs & Charter Schools for FY 2004-05 is now available via the Internet at <http://www.ncpublicschools.org/fbs/reports.htm> , and has REPLACED the FY 2003-04 schedule. Information concerning the Monthly Financial & Statistical Data Requirements (MFR), the Annual Financial & Statistical Data Requirements (AFR), the Fiscal Data Transfer to LEAs dates, and the Preset Transfer dates are listed. The UERS Transfer Schedule Form is also included. This form must be completed by each LEA and Charter School by June 30, 2004. Instructions for filling out the form and returning it to NCDPI are included with the form. Please make sure that your school system completes the form and returns it as indicated on the form. If you have questions about the UERS Transfer Schedule Form, the NCDPI contact person is Scott Douglass [sdouglas@dpi.state.nc.us](mailto:sdouglas@dpi.state.nc.us) or 919 807-3737. Please do not schedule any data transfers for December 22 or December 29, 2004.

**(4) FY 2003-2004 Chart of Accounts:** An update to the FY 2004 Chart was downloaded to the BUD system Thursday afternoon, June 3, 2004. The current changes are now available on the FBS website. The most significant change is the deleting of most of the account codes using Purpose 5100 from PRC 106 and the adding of several codes using Purpose 6210. A spreadsheet detailing the deleted codes and the new codes that have been added to PRC 106 is attached. If you have any questions concerning the Chart of Accounts, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

FBS website: <http://www.ncpublicschools.org/fbs/coa/default.html>. (attachment)

**(5) Replacement School Buses:** For those LEAs who were to receive replacement school buses this year: When your buses are delivered, your representative signs an acceptance form for the receipt of the buses. DPI then notifies our Accounts Payable department to make the first payment for one-third the cost of the buses. When the payment is processed, the Allotment Section will be notified to include on the next Allotment Revision report an information line concerning PRC 120-Lease/Purchase of School Buses. This notice will include the current year payment amount. When you receive this notice on the Allotment Revision report, this is your notice that the buses have been delivered and the payment has been made. You should record a budget for the current year amount in Fund 4: Credit 4-3490-120-000 and Debit 4-9300-120-551. Also, post a journal entry to Fund 4 to record a revenue and expenditure for the same amount: Credit 4-3490-120-000 and Debit 4-9300-120-551. Since these funds were spent for the benefit of your LEA, they must be recorded on your General Ledger before

the end of the year. NOTE: Also record a manual entry to disencumber 1/3 of the PO after each payment is made.

**(6) Sales Tax Refunds Processing:** Refunds for expenditures from Public School Building Bond Funds, School Technology Funds (PRC 15), and Federal Funds must be submitted to DPI. You will do these as current year refunds, in the year that they are received, even if the refund is for prior year expenditures. NOTE: Record the receipt of the NC Dept of Revenue check to Fund 2 - Local. Pay the refunds to State and Federal from Fund 2 - Local.

I. The Public School Building Bond Fund refunds must be done manually with a paper FPD202 form and a check. You will select just one (1) project to receive the refund. Use the contra expenditure code (81XX-078-697) for the credit entry, where (XX) is the appropriate project number. You will code the check to the appropriate Local code.

II. The School Technology Funds (PRC 15) refund can be posted through the BUD system. Use the contra expenditure code (8100-015-697) for the credit entry. You will debit the appropriate Local code. NOTE: The remainder of the state portion of the refund is yours to be used as part of your Local General Operating Fund.

III. For Federal Funds, if the Federal program receiving the refund has closed, the refund is process differently from the refunds for the active Federal programs.

1. If the program has closed in the PRIOR or CURRENT fiscal year, then the refunds must be done manually with a paper FPD202 form and a check, and the LEA will NOT get to use the funds.

Use the contra expenditure code (8100-XXX-697) for the credit entry, where XXX is the appropriate PRC. You will code the check to the appropriate Local code.

2. If the refund is for a currently active Federal PRC there is a two-step process.

a) A current year refund is processed through the Budget Utilization and Development (BUD) System using the contra expenditure code (8100-XXX-697) for the credit entry, where XXX is the appropriate PRC, and debit the appropriate Local code. Even though the Sales Tax being refunded is from a prior year, the refund is processed as a current year refund. You have until the end of the current fiscal year to spend the refund credit.

b) If the LEA has a budget for the currently active PRC, then a budget amendment needs to be processed through the Budget Utilization and Development (BUD) System to adjust the budget for the expenditure of the Sales Tax Refund credit. If the LEA does not have a current year budget, then no budget amendment is needed.

The BUD System has been updated to allow for negative budget amounts. Therefore, in order to properly record and expend your Federal Sales Tax Refund, you must

process a budget amendment to record a negative budget amount for the Sales Tax Refund code, and a positive budget amount for the appropriate expense code. The Sales Tax Refund code is 8100-XXX-697, where XXX is the appropriate PRC. This amendment will increase the budgeted expense amount without increasing your overall budget.

Contact Barbara Chalk, (919) 807-3716, Richard Smith, (919) 807-3729, or Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us) , with any questions about the above procedures.

**FYI**

**INSTITUTE OF GOVERNMENT VIDEO CONFERENCE ON FLSA CHANGES:**

The video conference is focused on local government employee issues but is open to public school personnel administrators. There is a \$50 conference fee. This three-hour program will highlight the changes to the U.S. Dept. of Labor's Fair Labor Standards Act (FLSA) regulations that will become effective on August 23, 2004. Topics to be covered include the new salary-threshold test, the ways in which the new full-day suspension and safe-harbor rules affect the salary basis test, and the changes made to the executive, administrative, professional and computer employees duties tests. The presentation will include analysis of selected state and local government positions under both the current and the new regulations. The program assumes that participants have a good working knowledge of the current regulations. It is not an introduction to the FLSA. The instructor is Diane Juffras of the Institute of Government.

<http://ncinfo.ioq.unc.edu/programs/hresources/pdfs/04.pdf>

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.

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**Attachments:** To get the attachment referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachment(s) to send.

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June 22, 2004

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TO: Finance Officers

FROM: Philip Price

Attached is a summary of the Senate's Budget for your review. We have also attached a comparison of the Governor and House budgets with the Senate version added.

**Note the following items of interest in the Senate's budget::**

--The raises for school building administrator's and individuals paid on the teacher salary schedule would be 2.75% (actual salary increases will vary based on years of experience). Raises for all other employees are the greater of \$1,000 flat amount or 2.75% annual salary increase for full-time permanent employees (10,11, and 12 months).

--Employer retirement rate contribution (Senate 5.98%, House 5.77%)

--Retired Teachers returning to classroom without loss of retirement benefits/option extended to June 30, 2005.

SECTION 31.18A.(g) Effective July 1, 2004, each local school administrative unit shall pay an employer contribution rate of thirteen and sixty-four hundredths percent (13.64%) for retirement and other related benefits as a percentage of covered salaries for all employees under the age of 59½ who have retired from the Teachers' and State Employees' Retirement System and continue to work either in a full-time, part-time, temporary, interim, or on a fee-for-service basis, whether contractual or otherwise, for the 2004-2005 fiscal year. The employer contribution rate shall be paid from sources other than funds from the General Fund or the Highway Fund. Each local school administrative unit shall report monthly to the Retirement Systems Division. The foregoing contribution rate includes three and twenty hundredths percent (3.20%) for hospital and medical benefits and fifty-two hundredths percent (0.52%) for the Disability Income Plan.

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TO: FINANCE OFFICERS

FROM: Philip Price

DATE: June 23, 2004

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**URGENT: Matching Retirement Rate:** With the July 1st accrual submission deadline looming, and the House (5.77%) and Senate (5.98%) budget recommendations for matching retirement being different, DPI is recommending that the LEAs use the Senate's higher rate of **5.98%** as the matching retirement rate for the 11th and 12th Installment accruals. We are making this recommendation to help prevent over expended allotments from occurring after June 30th when Installments are posted and the Accruals are reversed. This is an option that the LEAs may choose to use to avoid possible refunds if the higher Senate rate is adopted in the conference committee. We will keep you posted, and notify you of the final rate once negotiated. If you have questions contact Paul LeSieur at 919.807.3700, [plesieur@dpi.state.nc.us](mailto:plesieur@dpi.state.nc.us) or Nancy Harris at 919.807.3725, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**Sales Tax Refunds and Exemptions** Although there have been several discussions and/or actions that would have impacted the process/receipt of sales tax refunds for local school districts and charter schools, nothing has changed as of today. The process of spending, applying for reimbursement, and receiving a refund has not been altered. The money has not been earmarked or redirected nor have LEAs and charter schools been given an exemption from paying sales tax on purchases. If anything does change, we will let you know.

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## Finance Officers' Newsletter

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### Newsletter No. 03-04.38, June 29, 2004

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Philip Price  
Associate State Superintendent  
Department of Public Instruction  
6326 Mail Service Center  
Raleigh, NC 27699-6326  
Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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#### (1) BUD Year End Information:

- 1) Starting June 22nd until July 2nd, we will receive and process the BUD adjustment/202 batches at 1:00 PM and 8:00 PM each day. If you send an adjustment batch by 1:00 PM, you can conceivably receive your communication form back that same afternoon. Hopefully, this change will allow LEAs more time to correct denied batches. Please be sure and receive your files daily if you know that you have sent BUD batches to DPI for processing.
- 2) You may send BUD 202's to DPI until midnight on July 1, 2004 for FY 2004 batches.
- 3) For your salary corrections, please keep BUD 202 information for July-May voucher dates in separate batches from June voucher corrections/refunds. This will help you get your information processed quicker. Remember that we cannot process BUD batches with June voucher dates until we get your June data on July 1.
- 4) We recommend that you keep your adjustment batches small (i.e., less than 30).
- 5) Please remember the salary system cannot process multiple changes to a voucher on the same day. You must wait for one change to clear before submitting another change to that same voucher. The exception to this will be your June vouchers since we will process all June voucher changes in one day on July 2nd.
- 6) Starting July 1, the BUD system will default Year Ending June 30, 2005 in the adjustment batches. In order to avoid this, you will need to change the Year Ending date to 2004 on the menu (AUMU) BEFORE creating a new batch for FY 2004.
- 7) We are sending BUD communication forms back to you daily, including the Federal budgets/amendments. Please receive and review your 202 batch communication forms daily to ensure that we did process your 202 batches

and did not reject them. You must correct rejected batches and send the corrected batches back to DPI by midnight on July 1st.

Please contact Kathy Horky at [khorky@dpi.state.nc.us](mailto:khorky@dpi.state.nc.us) or (919) 807-3707 if you have any questions regarding BUD processing for yearend.

**(2) IMPACT OF PROPOSED BUDGETS ON LEAs:**

How is your LEA's planning allotment affected by the budgets proposed by the Governor, House and Senate? Go to our Financial and Business Services website at [www.ncpublicschools.org/fbs/](http://www.ncpublicschools.org/fbs/) and simply type in your LEA number and you can review the planning allotment for 2004-2005 along with how those planning allotments are impacted by the budgets proposed by the Governor, the House and the Senate. This information does not reflect proposed salary or benefit adjustments. It also does not reflect allotments for Improving Student Accountability and ABC Incentive Awards since those funds are distributed based on test scores which are not yet finalized. If you have any problems, contact the School Allotments Section at (919) 807-3739.

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.  
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Teresa Matthews  
Financial and Business Services  
(919) 807-3600  
[tmatthew@dpi.state.nc.us](mailto:tmatthew@dpi.state.nc.us)

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**Newsletter No. 001-04/05, July 8, 2004**

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Philip Price  
Associate State Superintendent  
Department of Public Instruction  
6326 Mail Service Center  
Raleigh, NC 27699-6326  
Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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**(1) NEW Cash Management Report for Year-end:** Since we process for the FRD = 06/29/04 over several days, we have developed a new year-end report that will help you reconcile your bank statements. The report will reflect the actual process dates for the BUD batches for FRD = 06/29/2004. The total at the bottom of the report ties back to the Refund Inquiry Detail screen on the Cash Management system.

The new report is entitled:  
Department of Public Instruction  
Total BUD Refunds Processed  
Funds Requirement Date (FRD): 06/29/04.  
The report number is JHA150YE.

We will NetView the new report tomorrow, Friday morning. You should have the report by noon tomorrow.  
If you have questions about the new report, please contact Kathy Horky via E-Mail or phone: [khorky@dpi.state.nc.us](mailto:khorky@dpi.state.nc.us) or 919-807-3707.

**(2) WORKERS' COMPENSATION CONTRACT AWARDED TO KEY RISK MANAGEMENT INC:** Effective July 1, 2004, DPI has awarded Key Risk Management Inc. the contract of providing third party administrative services for workers' compensation claims. Key Risk has provided workers' compensation services to LEAs and DPI since January 1, 2001, and the Department of Public Instruction looks forward to continuing this collaborative effort in order to assist schools in managing their claims and returning employees to the workplace. Please contact Eileen Townsend, Section Chief of Insurance at 919-807-3522 if you need additional information.

**(3) IMPACT OF PROPOSED BUDGETS ON LEAs:** How is your LEA's planning allotment affected by the budgets proposed by the Governor, House and Senate? Go to our Financial and Business Services website at [www.ncpublicschools.org/fbs/](http://www.ncpublicschools.org/fbs/) and simply type in your LEA number and you can review the planning allotment for 2004-2005 along with how those planning allotments are impacted by the budgets proposed by the Governor, the House and the Senate. This information does not reflect proposed salary or benefit adjustments. It also does not reflect allotments for Improving Student Accountability and ABC Incentive Awards since those funds are distributed based on

test scores which are not yet finalized. If you have any problems, contact the School Allotments Section at (919) 807-3739.

**(4) Special State Reserve Funds for Children with Disabilities** DPI will provide Special State Reserve Funds for emergency situations for children and youth with disabilities. After budgets are set and funds are committed, often a high-cost child will move into your LEA. This situation places a fiscal burden on the LEA to secure needed funds for special education and related services. There may be other unexpected situations, especially with severely disabled children. You may request funds from the North Carolina Department of Public Instruction, Exceptional Children Division for these students with extraordinary needs. When all the funds are allocated, no more requests will be approved. The ending date for submission of applications is May 15, 2005. If you have questions concerning the Special State Reserve Funds for Children with Disabilities, please call Tony L. Mitchell at (919) 807-3992 or email ([tmitchel@dpi.state.nc.us](mailto:tmitchel@dpi.state.nc.us)).

**(5) FBS Summer Conference:** The Financial and Business Services Summer Conference is scheduled for July 29-30, 2004, Sheraton Imperial Hotel and Convention Center, Research Triangle Park. Conference registration, sessions, and hotel information is available on-line at: <http://www.ncpublicschools.org/fbs/>. On site registration will be available at the hotel. The Sheraton Imperial Hotel has extended its conference rate of \$85.00 through July 9, 2004 @ 5:00 pm. The overflow hotel is Springhill Suites by Marriott, which is located in the parking lot of the Sheraton Imperial Hotel. You may contact the hotel directly at (919) 998-9500 and ask for the North Carolina Department of Public Instruction Financial Services Block. They will honor the \$85.00 rate as long as rooms are available. You will not be able to make reservations on-line with the Springhill Suites. If you have questions regarding the conference, please contact Paul LeSieur or Doris McCain at 919-807-3700.

**Reminder:**

**Input Requested on 2005-07 Biennial Budget Request:** It is time to start thinking about budget needs for 2005-07, and we need your input. Go to DPI's Web site at <http://www.ncpublicschools.org/fbs/> and list your top three budget items and top three policy items for public schools. The agency and the State Board of Education will use this information to formulate its budget request for the 2005-07 biennium, which is due to the Office of State Budget and Management this fall. Your input on education policy and finance is most important to us as we all work together to continue to improve our schools, so please take a minute to visit our site and tell us your greatest needs. If you have any questions, please contact Becky McConkey, Office of Budget Management, DPI, at [bmconke@dpi.state.nc.us](mailto:bmconke@dpi.state.nc.us).

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.  
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**Newsletter No. 002-04/05, July 15, 2004**

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Philip Price  
Associate State Superintendent  
Department of Public Instruction  
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Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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**(1) CARRYOVER IS APPROVED - Good News!** The Office of State Budget and Management has approved DPI's request to carryover 100% of LEA unspent balances after the 13th period for At Risk (PRC 069), Improving Student Accountability (PRC 072) and Staff Development (PRC 028). An Excel spreadsheet is attached which shows the amount your LEA is carrying over including the carryover amount for School Technology (PRC 015) which is in a special revenue fund. Don't forget At Risk and Improving Student Accountability funds must be spent by August 31, 2004. Staff Development funds must be spent by December 31, 2004. If you have questions, please contact the School Allotments Section at 919.807.3718.

**(2) UERS Data Transfer for June:** Thursday morning at 1:00 a.m., July 1, 2004, DPI transferred the June UERS Financial Data files and MFR data. CONGRATULATIONS! (again) Thanks to your hard work and diligence, DPI received ALL financial files from ALL 117 LEAs the first day! Receiving your data on time allowed DPI to meet all of our year-end deadlines and take the 4th of July Holiday.

**(3) UERS Monthly Reports for June:** DPI netviewed 12th Period June reports on Thursday, July 8, 2004, and processed the Cash Zero-Out on Wednesday, July 7, 2004. The 13th Period June reports will be netviewed tonight, July 15, 2004. We will not netview a current year Allotment Overdraft report at this time. We will roll the June 30, 2004 balance over into Prior Year State (Company 8000). A report will be issued in October after the actual installments have been paid and the accruals reversed. You will have one month to pay any overdrafts before additional penalties will be assessed.

**(4) REMINDER: Sales Tax Refunds Processing:** Refunds for expenditures from Public School Building Bond Funds, School Technology Funds (PRC 15), and Federal Funds must be submitted to DPI. You will do these as current year refunds, in the year that they are received, even if the refund is for prior year expenditures. NOTE: Record the receipt of the NC Dept of Revenue check to Fund 2 - Local. Pay the refunds to State and Federal from Fund 2 - Local.

- I. The Public School Building Bond Fund refunds must be done manually with a paper FPD202 form and a check. You will select just one (1) project to receive the refund. Use the contra expenditure code (81XX-078-697) for the credit entry, where (XX) is the appropriate project number. You will code the check to the appropriate Local code.
- II. The School Technology Funds (PRC 15) refund can be posted through the BUD system. Use the contra expenditure code (8100-015-697) for the credit entry. You will debit the appropriate Local code. NOTE: The remainder of the state portion of the refund is yours to be used as part of your Local General Operating Fund.
- III. For Federal Funds, if the Federal program receiving the refund has closed, the refund is process differently from the refunds for the active Federal programs.
  1. If the program has closed in the PRIOR or CURRENT fiscal year, then the refunds must be done manually with a paper FPD202 form and a check, and the LEA will NOT get to use the funds.  
Use the contra expenditure code (8100-XXX-697) for the credit entry, where XXX is the appropriate PRC. You will code the check to the appropriate Local code.
  2. If the refund is for a currently active Federal PRC there is a two-step process.
    - a) A current year refund is processed through the Budget Utilization and Development (BUD) System using the contra expenditure code (8100-XXX-697) for the credit entry, where XXX is the appropriate PRC, and debit the appropriate Local code. Even though the Sales Tax being refunded is from a prior year, the refund is processed as a current year refund. You have until the end of the current fiscal year to spend the refund credit.
    - b) If the LEA has a budget for the currently active PRC, then a budget amendment needs to be processed through the Budget Utilization and Development (BUD) System to adjust the budget for the expenditure of the Sales Tax Refund credit. If the LEA does not have a current year budget, then no budget amendment is needed.

The BUD System has been updated to allow for negative budget amounts. Therefore, in order to properly record and expend your Federal Sales Tax Refund, you must process a budget amendment to record a negative budget amount for the Sales Tax Refund code, and a positive budget amount for the appropriate expense code. The Sales Tax Refund code is 8100-XXX-697, where XXX is the appropriate PRC. This amendment will increase the budgeted expense amount without increasing your overall budget.

Contact Barbara Chalk, (919) 807-3716, Richard Smith, (919) 807-3729, or Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us), with any questions about the above procedures.

**(5) Annual Pupil Transportation Report:** The TD-1 Annual Pupil Transportation Report is due by August 1, 2004. Transportation Directors can download the reporting forms from the [www.ncbussafety.org](http://www.ncbussafety.org) website. Please also review your district's calendar for the upcoming school bus "Student Ridership Count" due by October 15, 2004.

The count is to be conducted during the week of September 20-24, 2004. The count can be done a week earlier or later than this if there are school calendar conflicts. Should you have questions contact Derek Graham (919/807 3570).

**FYI:**

**NCASBO Professional Development:** Please remember that you are required to have 24 hours of continuing education each year to continue to be certified as a finance officer. NCASBO is offering a full day of professional development on July 28th at the Sheraton Imperial in Research Triangle Park. If you have not already done so, please sign up for the classes of your choice through the NCASBO website at [www.ncasbo.org](http://www.ncasbo.org).

**LEGISLATIVE ACTIONS:** For a summary of legislative activities affecting public schools, visit DPI's web site at <http://www.ncpublicschools.org> and click on "Legislative Report" under "What's New?"

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**Attachment:** To get the attachment referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachment to send.

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July 19, 2004

04/05 State Budget Summary

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TO: Finance Officers

FROM: Philip Price

Attached is a summary of the 04/05 Budget for your review. We have also attached a comparison of the Governor, House, Senate and Final budgets.

Note the following items of interest in the Senate's budget:

--The raises for school building administrators and individuals paid on the teacher salary schedule would be 2.50% (actual salary increases will vary based on years of experience). Raises for all other employees are the greater of \$1,000 flat amount or 2.50% annual salary increase for full-time permanent employees (10, 11, and 12 months).

--\$27.6 million discretionary reduction for LEAs (in addition to \$44.3 million in continuation budget)

--Retirement Rate - The Budget passed by the General Assembly states that "the State's employer contribution rates budgeted for retirement and related benefits as percentage of covered salaries for the 2004-2005 fiscal year are (i) five and eight hundred fifteen thousandths percent (5.815%) - Teachers and State Employees;.....". Unfortunately most of the LEA and charter school software packages are unable to handle the increased number of digits in this legislated matching rate. DPI has worked very closely with the State Retirement System to address this problem. For the LEAs who are currently unable to enter the 5.815% matching percentage into their payroll software, the State Retirement System has stated that the LEA should enter a rate of 5.81%.

Using 5.81% as the matching rate is only a temporary payroll solution until the payroll softwares are modified to accommodate the extra digit. Any differences that result from FY05 payrolls being matched at a 5.77%, 5.98% and/or 5.81% rate and the legislated 5.815% will need to be corrected prior to the end of calendar year 2004. The State Retirement System will issue Adjustment Letters noting the overall difference between the matching retirement amount due and amount paid.

The software vendors are evaluating the system changes needed to increase the number of digits in the matching retirement rate. The State Retirement System has agreed to accept July payments as computed at any of the above rates and at the 5.81% for future months until the permanent software solution is distributed. DPI and the Retirement System are working on the final solution and we will keep you posted as soon as we know more.

--Retired Teachers returning to classroom - effective July 1, 2004, each local school administrative unit shall pay to the Teachers' and State Employees' Retirement System a Reemployed Teacher Contribution Rate of eleven and seventy hundredths percent (11.70%) as a percentage of covered salaries that the retired teachers, who are exempt from the earnings cap, are being paid. Each local school administrative unit shall report monthly to the Retirement Systems Division on payments made pursuant to this subsection. Notwithstanding any other provision of law, effective July 1, 2004, any portion of the payment made by a local school administrative unit to a reemployed teacher who is exempt from the earnings cap, consisting of salary plus the Reemployed Teacher Contribution rate, that exceeds the State-supported salary level for that position shall be paid from local funds.

--School Calendar - The school calendar bill was passed reducing the number of noninstructional teacher workdays by five; public schools shall open no sooner than August 25 and close no later than June 10.

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**Attachments:** To get the attachments referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachments to send.

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**Newsletter No. 003-04/05, July 27, 2004**

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Philip Price  
Associate State Superintendent  
Department of Public Instruction  
6326 Mail Service Center  
Raleigh, NC 27699-6326  
Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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**(1) REMINDER - FBS SUMMER CONFERENCE:** The Financial and Business Services Summer Conference is scheduled for Thursday and Friday, July 29-30, 2004 at the Sheraton Imperial Hotel and Convention Center, Research Triangle Park. Conference registration, sessions, and hotel information is available on-line at: <http://www.ncpublicschools.org/fbs/>.

**(2) Initial Allotments and Revision 1:** Initial Allotments and Revision 1 will be available at the Financial and Business Services - Summer Conference, Thursday, July 29, 2004 near the registration desk. If you are unable to attend the conference, the allotments will be mailed to your LEA on Monday, August 2, 2004.

**(3) Discretionary Reduction:** The Discretionary Reduction Excel spreadsheet will be emailed to each LEA by August 2, 2004 and will be based on Allotment Revision 1 year-to-date allotments. Per legislation, the reductions must be reported back to the DPI by August 18, 2004.

**(4) FY 2004-05 Carryover from 2003-04:** Carryover will be allotted in Allotment Revision 2. Remember that carryover for At Risk Student Services and Alternative Schools (PRC 069) and Improving Student Accountability (PRC 072) must be spent by August 31, 2004. Carryover for Staff Development must be spent by December 31, 2004.

**(5) Federal Initial Allotments:** Federal Grant Awards are coming in fast. Plans are to have Federal Initial Allotments uploaded on September 8th, 2004.

**(6) Salary Schedules:** Salary Schedules have been updated on the FBS website at <http://www.ncpublicschools.org/fbs/> and in the salary system.

**(7) REMINDER - Survey Reminder-Deadline July 30th:** All LEAs and Charter Schools are required to complete the State Controllers on-line survey on foreign nationals. This survey can be found at <http://www.ncpublicschools.org/fbs/> under "What's New". **The deadline for this survey is July 30th.**

**(8) Anti-Idling Policies & Stickers:** A dashboard sticker for each school bus in the state is being sent to county transportation directors this week. The stickers can be mounted on the school bus dashboard to reinforce your LEA's policy or guidelines regarding school bus idling. The sticker which reads "Don't Idle! Save Fuel & Breathe Easier" can help remind bus drivers that diesel vehicles don't get warmer until they are moving so they don't benefit from a long idle time. Further, we need to minimize the amount of fumes produced on school grounds. Contact Derek Graham, DPI Transportation Services (919/807-3570).

**(9) Q & A - Bonus to Certified Personnel at the Top of their Salary Schedule:** Questions and Answers to HB 1414 - Bonus to Certified Personnel at the Top of their Salary Schedule can be found on our website at <http://www.ncpublicschools.org/fbs/>

**(10) "Who does What":** For each section in the Financial and Business Services Division we have provided a list of employees and "who does what." You can access this information at the FBS website under the School Business, School Support, Financial Services and Budget Management sections.

**(11) SCHOOL PERSONNEL SUPPORT SECTION CHIEF:** Larry Simmons will join Financial & Business Services, School Business Division as the School Personnel Support Section Chief replacing Gary Jarrett effective August 1, 2004. Larry has over 9 years of experience with the Cumberland County Schools and served as their Personnel Supervisor. We look forward to Larry joining our staff.

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**Newsletter No. 004-04/05, August 2, 2004**

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Philip Price  
Associate State Superintendent  
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6326 Mail Service Center  
Raleigh, NC 27699-6326  
Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

\*\*\*\*\*

**(1) REMINDER, ALIEN/FOREIGN NATIONAL SURVEY:** All LEAs and Charter Schools were required to complete the State Controllers on-line survey on foreign nationals. This survey can be found at <http://www.ncpublicschools.org/fbs/> under "What's New". The deadline for this survey was July 30th. (VIF teachers were not included unless they were reemployed by the school system after their VIF obligation was completed.) If your school system has not responded, please submit a report even if you do not employ any foreign nationals. Enter "na" for any categories that do not apply.

**(2) Work Based Learning Programs:** Effective August 15, 2004, be advised that the NCDPI Work Based Learning Programs have been renewed with Utica National Insurance Group.

Coverage provided for the Work Based Learning Programs includes:  
General Liability

- Each Occurrence \$ 1,000,000
- Damage to Rented Premises \$ 50,000
- Medical Expense (any one student) \$ 10,000
- Personal and Advertising Injury \$ 1,000,000
- General Aggregate \$ 3,000,000
- Products and Completed Operations Aggregate \$ 3,000,000

Teachers performing within the scope of their duties will be covered under workers' compensation for accidents or injuries.

Renewal rate for job shadowing has been reduced from \$1.00 to \$.50 for students participating in programs for 1-10 days. All other rates remain the same. Surry Insurance requires a \$ 50.00 Administrative Fee. Please note there is an additional form that requires completion. (attached) Specifically, Utica Insurance is asking for information regarding the task or job students are expected to perform within their Work Based Learning Programs. This form along with your registration /invoice (attached) and check made payable to Surry Insurance must be completed in order to participate in the school year program for August 15, 2004 - August 15, 2005.

If you have any questions, please contact Eileen Townsend, NCDPI (919) 807-3522. You can also contact Nancy Wright, Surry Insurance (336) 386-8228. All information and payments must be sent to Surry Insurance by August 29, 2004.

**(3) Textbook Adoption:** Information about the statewide textbook adoption process in North Carolina can be found on the DPI website at <http://www.ncpublicschools.org/textbook/>. A Five-Year Tentative Adoption Schedule is provided for your information.

**(4) STATE BOARD OF EDUCATION MEETING:** The State Board of Education meets in Raleigh on August 4th and 5th. The agenda is online at: [http://www.ncpublicschools.org/SBE\\_Meetings/index.html](http://www.ncpublicschools.org/SBE_Meetings/index.html)

**(5) Legislative Raise - \$1,000 or 2.5% Question and Answers:** Question and Answers for the Legislative raise are provided on the FBS website at [www.ncpublicschools.org/fbs/](http://www.ncpublicschools.org/fbs/) under "What's New".

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**Attachments:** To get the attachments referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachments to send.

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.

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**Newsletter No. 005-04/05, August 9, 2004**

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Philip Price  
Associate State Superintendent  
Department of Public Instruction  
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Raleigh, NC 27699-6326  
Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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**(1) School Health Nurse Initiative:** The General Assembly appropriated \$4,000,000 of recurring funds in the Department of Health and Human Services Budget that provides funding for 80 school health nurses around the state. This funding will not require an application. It will be based on criteria established by the General Assembly to determine eligibility. The LEAs that are determined eligible for the funding will be notified by the Department of Health and Human Services or their designee over the next two weeks. This notification will include detailed procedures and contact names at that time. If you have questions you may contact Lydia W. Prude at (919) 807 - 3718 or [lprude@dpi.state.nc.us](mailto:lprude@dpi.state.nc.us).

**(2) FY 2004-05 ABC Incentive Award Allotments:** 04/05 ABC Incentive Award Allotments (based on FY 2003-04 test results and eligible staff) are available on FBS website at [www.ncpublicschools.org/fbs/](http://www.ncpublicschools.org/fbs/) . If you have questions you may contact Lydia W. Prude at (919) 807 - 3718 or [lprude@dpi.state.nc.us](mailto:lprude@dpi.state.nc.us).

**(3) Reemployed Retired Teachers - Questions & Answers:** Reemployed Retired Teachers questions & answers are attached and also available on FBS website at [www.ncpublicschools.org/fbs/](http://www.ncpublicschools.org/fbs/) .

**(4) Annual Average Daily Attendance:** Average Daily Membership Ratio Reports (ADA:ADM) for school year 2003/04 are available at [www.ncpublicschools.org/fbs/reports.htm](http://www.ncpublicschools.org/fbs/reports.htm) . An explanation of these reports and data are addressed on the webpage.

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**Attachments:** To get the attachment referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachment to send.

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**Newsletter No. 006-04/05, August 27, 2004**

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**(1) Local Transportation Expenses:** In an effort to improve the reporting of local transportation expenses, two changes to the Chart of Accounts were implemented effective July 1, 2004.

#1 - PRC 056 in Fund 2 is designated to record all ELIGIBLE local transportation expenditures.

#2 - PRC 706 in Fund 2 is being designated to record all OTHER (ineligible) local transportation expenditures.

Eligible expenditures - Local funds used to support the operation of the "yellow" school buses to transport students in grades K through 12 to and from school, that serve the instructional purposes of the school (Fund 2, PRC 056).

Other (ineligible) expenditures - Include Local funds used for: maintenance and operation of activity buses and all local vehicles; and mileage for field trips (Fund 2, PRC 706).

We anticipate that the implementation of these changes should also expedite the completion of the "TD-1 Annual Pupil Transportation Report".

More detail information is currently being drafted by Transportation and School Business Services and will be forth coming in the very near future. If you have any questions about these changes, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us). If you have questions concerning eligible or ineligible expenditures, please contact Steve Beachum at [sbeachum@dpi.state.nc.us](mailto:sbeachum@dpi.state.nc.us).

**(2) Reporting Requirements for Reemployed Retirees exempt from the Cap:**

The retirement office has provided us with the attached memorandum and forms explaining how to report the 11.7% employer contributions for reemployed retirees exempt from the earnings limitations (HB 1414 Section 31.18A(f)). (attachments)

**(3) New State Contract Provides Recycling Services for Discarded**

**Electronics:** Review the attached information related to the disposal of computers and related equipment. If you have questions, concerns please call Dr. Ben Matthews at 919-807-3501 or email him at [bmathew@dpi.state.nc.us](mailto:bmathew@dpi.state.nc.us) (attachment)

**(4) UERS Data Transfer for August:** DPI will pick-up the UERS August data next Thursday, September 2, 2004. Please have the month closed and the files ready PRIOR to 6:00 p.m.

**(5) REMINDER: 13th Period MFR/AFR Final Pick-up:** DPI will pick-up your 13th month MFR file on Monday night, August 30, 2004. Please insure you have done the following before rebuilding your 13th Month MFR File:

- (1) Booked the Period 12 zero-out entry to your GL in June (Period 12).
- (2) Corrected all of your MFR errors, including local account codes
- (3) Reviewed the AFR/MFR Recommendations posted on the Financial and Business Services web page to ensure accurate reporting of your Per Pupil expenditures:

<http://www.ncpublicschools.org/fbs/afm-mfr04.html>

Please E-Mail your MFR questions to:

Nancy Harris - [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us) or

Kathy Horky - [khorky@dpi.state.nc.us](mailto:khorky@dpi.state.nc.us) or

Richard Smith - [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us).

**(6) Workers' Compensation Administration Program - Orientation to Key**

**Risk:** Orientation sessions for the administration of workers compensation claims will be held at the following times and locations:

- Lenoir Community College on Monday - September 20 @ 9:00-12:00
- Guilford County Board of Education on Tuesday - September 21 @ 9:00-12:00
- McDowell Community College on Thursday - September 23 @ 9:00-12:00

These sessions will be conducted for individuals involved in workers compensation claims. Key Risk and DPI invite you to attend. Attached you will find an agenda.

Contact Tarsha Silver at (919)807-3521 or [tsilver@dpi.state.nc.us](mailto:tsilver@dpi.state.nc.us) if you are attending. You should respond no later than Tuesday September 14, 2004 to sign up for the sessions. (attachment)

**(7) School Attendance & Student Accounting Manual:** The annual revision of the School Attendance & Student Accounting Manual is available at

<http://www.ncpublicschools.org/fbs/manuals.htm>. This manual outlines state laws and state board policies pertaining to student accounting and school attendance. Includes information on class size and school closing due to inclement weather. If you have questions or concerns the NCDPI contact person is Scott Douglass, [sdouglas@dpi.state.nc.us](mailto:sdouglas@dpi.state.nc.us) or (919) 807-3737.

**(8) FLSA SALARY REQUIREMENTS DO NOT APPLY TO EXEMPT TEACHERS:**

New Fair Labor Standards Act (FLSA) requirements go into effect today. In most cases, the regulations make employees who earn less than \$455 per week non-exempt (subject to the Wage and Hour requirements). Fact Sheet #17: Exemption for Executive, Administrative, Professional, & Outside Sales Employees under the Fair Labor Standards Act (FLSA)

[http://www.dol.gov/esa/regs/compliance/whd/fairpay/fs17a\\_overview.htm](http://www.dol.gov/esa/regs/compliance/whd/fairpay/fs17a_overview.htm)

Exempt teachers (not subject to the Wage and Hour requirements) include, but are not limited to, regular academic teachers; kindergarten or nursery school teachers; teachers of gifted or disabled children; teachers of skilled and semi-skilled trades and occupations; teachers engaged in automobile driving instruction; aircraft flight instructors; home economics teachers; and vocal or instrument music teachers. The salary and salary basis requirements do not apply to bona fide teachers. In other words, teachers, regardless of the percentage employed (i.e., 30%, 50%, etc.) are not subject to wage and hour requirements and are not entitled to overtime pay or compensatory time off. Fact Sheet #17D: Exemption for Professional Employees under the Fair Labor Standards Act (FLSA).

[http://www.dol.gov/esa/regs/compliance/whd/fairpay/fs17d\\_professional.htm](http://www.dol.gov/esa/regs/compliance/whd/fairpay/fs17d_professional.htm)

**(9) FBS SUMMER CONFERENCE PRESENTATIONS:** Presentations and handouts from the July 2004 Financial and Business Services Conference are now online. Visit

<http://www.ncpublicschools.org/fbs/sumconf04present.html> to learn more.

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**Attachments:** To get the attachments referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachments to send.

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**Newsletter No. 007-04/05, September 8, 2004**

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**(1) 10 days staff development for lateral entry teachers:** We have received several calls about the payments and accounting for the NCLB required 10 days staff development for lateral entry teachers. Following are some guidelines:

This staff development must be coded to object 186-workshop participant and funded from allowable dollar allotments (State, Federal or Local). The lateral entry teacher should be paid a minimum of a A00 daily rate (\$115.55 for 2004-05) for these 10 days.

If the individual does not have any teaching experience and is eligible for new teacher orientation. The final three 3 days of this required staff development may be coded to object 125 - new teacher orientation and these three days will be paid at the certified rate.

**The teacher will not receive experience credit for these 10 days.**

Contact Alexis Schauss at [aschauss@dpi.state.nc.us](mailto:aschauss@dpi.state.nc.us) with questions.

**(2) MSA Cash Management Training:** MSA and Cash Management training is again being offered this year. There is no registration fee for the class, but you must register to attend. On-line registration is available at the following site: <http://training.dpi.state.nc.us/>. The following training dates are available: October 12, 2004 - Charter Schools only; October 14, 2004, January 20, 2005, and March 21, 2005 - LEAs only.

Class description: "Surviving the School Business Jungle" - DPI Systems Training: This class is geared toward those who work in an LEA or Charter School finance office - Finance Officers and finance staff. The class consists of "hands-on" training in the MSA/DBS General Ledger System and the Cash Management System. Instruction is targeted to the beginner or new user. Questions for the Charter School training, contact Karen Frazier at 919-807-3738. Questions for the LEA training, contact Richard Smith at [rsmith@dpi.state.nc.us](mailto:rsmith@dpi.state.nc.us) or Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(3) FY 2004-2005 Chart of Accounts:** An update to the FY 2005 Chart was downloaded to the BUD system Thursday afternoon, September 2nd. A summary of all of the current changes are attached and will be available early next week on the FBS website: <http://www.ncpublicschools.org/fbs/coa/default.html>. If you have any questions concerning the Chart of Accounts, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us). (attachment)

**(4) Federal Initial Allotments:** The Federal Initial Allotments will upload to MSA in Allotment Revision #6 on September 8, 2004 for LEAs with approved budgets. Revision reports will be available for printing on Friday, September 10, 2004. Please contact the School Allotments section if you have any questions at 807-3739.

**(5) SPSF Carryover Reversion Reminder:** Carryover allotted for At-risk Student Services/Alternative Schools (PRC 069) and Improving Student Accountability (PRC 072) will revert based on August 2004 expenditure reports. Please make sure that the expenditures for these two PRCs are posted correctly. Please contact the School Allotments section if you have any questions at 807-3739.

**(6) LEA Full-time Personnel and Salary Supplements Data:** We have attached a memorandum and forms (Public School Full-time Personnel Report (SS-200) and Local Salary Supplements Report (SS-300) to collect essential data we cannot get by any other means. Please review the memorandum and complete and returned the requested data to the Statistical Research Section, NC Department of Public Instruction, 6334 Mail Service Center, Raleigh, NC 27601-2825 no later than October 29, 2004. We request that you submit your data via email to Dr. Muhammad Mannan at [mmannan@dpi.state.nc.us](mailto:mmannan@dpi.state.nc.us). If you have any questions, please contact Dr. Mannan at (919) 807-3756 or via e-mail. Please share this information with your Superintendent. (attachments)

**(7) School Calendar Change Waiver Policy:** The General Assembly passed House Bill 1464, which requires LEAs to begin school no earlier than Aug. 25 and end no later than June 10 beginning with the 2005-06 school year. DPI is in the process of developing the policy, which will go to the State Board of Education for discussion at its October board meeting and action at its November meeting. A Q & A will be distributed as soon as the State Board of Education approves a waiver policy. To assist your school system in the meantime, a "School Calendar - 10 Year Closing History" can be found online at <http://www.ncpublicschools.org/fbs/> by clicking on the appropriate link. This document will allow you to see if your LEA is one of the eligible school systems that may request a waiver once the State Board approves a policy. Should you have any

questions, please feel free to call Alexis Schauss at 919/807-3708 or Paul LeSieur at 919/807-3701.

**(8) State Board Meeting Highlights:** The Board held its September meeting in Elizabeth City at Elizabeth City State University. Complete Board highlights will be posted online by Thursday afternoon at <http://www.ncpublicschools.org/sbehighlights>.

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**Attachments:** To get the attachments referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachments to send.

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**Newsletter No. 008-04/05, September 14, 2004**

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**(1) Make It A Goal: Revert NO Federal Money:** Please pay close attention to your FY 2002-03 federal grant funds and help our state revert zero, no, nada, zilch, nil federal funds. Funds for grants with a 15 month term must be spent by September 30, or the funds revert. Funds for grants with a 27 month term must be encumbered by September 30 and those encumbrances must actually be liquidated by December 31, or the funds revert.

In recent months the federal government has reported that states are not using education funds in a timely manner and that all states are reverting a significant amount of federal funds. Although DPI has never been able to confirm amounts reported for North Carolina, agency and state leaders are requiring periodic reports of our available federal funds. Therefore, we are requesting that LEAs and Charter Schools be alert to the approaching deadlines and make sure federal grant funds are either spent or encumbered by September 30. If you have questions, please contact DPI's Federal Programs Section or the School Allotments Section at 919-807-3739.

**(2) Reading First Extension by Federal Government DENIED:** DPI received the Reading First grant monies in late July 2003, 13 months after the initial grant submission. We requested an extension of time in which to spend these funds, but that request has been denied. DPI's program staff are working closely with your LEAs' Reading First program directors encouraging them to obligate their 2003 Reading First allotted funds before September 30, and although LEAs have done a remarkable job spending these funds, we've been told nearly \$7 million remains unobligated. Please assist your Reading First program directors with strategies for getting these funds encumbered before September 30 and getting those encumbrances liquidated by December 31. If you have questions, please contact DPI's Federal Programs Section or the School Allotments Section at 919-807-3739.

**(3) NATIONAL GUARD FAMILY PROGRAMS:** We have recently learned from the National Guard Family Programs that over 5000 North Carolina students will be affected by the deployment of North Carolina National Guardsman over the next few years. The mission of the National Guard Family Program is to facilitate on-going communication, involvement and support of Guard families. As part of that role, the National Guard has contacted Mary Easley and the State Board of Education to alert education policy-

makers of a particular problem concerning children of guardsmen who are being deployed. As the result of deployment, family members are encouraged to take part in deployment ceremonies and other activities related to deployment. The issue that has been brought to our attention is that students who attend these activities are being charged with unexcused absences. The SBE wants to clarify that SBE Policy EEO-L-002, Policy Defining Excused Absences, in section (b) states that "LEAs may excuse temporary or occasional absences for other reasons in accordance with local board policies, provided that the student has been in attendance for at least one-half of the school day." Therefore, local boards of education may establish policy to define reasons for excused absences, over and above the seven reasons explicitly stated in the State Board policy. We urge superintendents, principals and teachers to examine their local policies to insure that they are aligned with the intent of the SBE policy on excused absences and in order to give students of deployed parents the support they need and deserve during these stressful times. Deployment can be very challenging for families, and policy-makers, superintendents, principals, counselors, teachers and communities should all be working together to help our students and families through these difficult transitions. The National Guard Family Program also offers its assistance in working with schools systems who are interested in learning more about the role they can play in deployment. Please contact, Captain Sherrill Murray, State Family Program Coordinator at [Sherrill.Murray@nc.ngb.army.mil](mailto:Sherrill.Murray@nc.ngb.army.mil) for additional information. For additional information about the State Board policy, contact Jane Worsham at (919)807-3400 or [jworsham@dpi.state.nc.us](mailto:jworsham@dpi.state.nc.us).

**(4) E-Rate Training Workshop:** From the recent E-Rate survey it was learned that training was an important issue to all who are involved with the E-Rate process. We are pleased to announce that DPI will be offering five E-Rate training workshops this fall, with Kathy Kiser and Cindy Johnson presenting. The morning session will cover basic E-Rate information geared to the beginner, and the afternoon segment will tackle more advanced topics. Please visit our website to find the training session nearest to you and the dates that they will be held. We look forward to seeing you there. [www.ncwiseowl.org/it/erate](http://www.ncwiseowl.org/it/erate)

**(5) REMINDERS:**

**Local Transportation Expenses:** In an effort to improve the reporting of local transportation expenses, two changes to the Chart of Accounts were implemented effective July 1, 2004.

#1 - PRC 056 in Fund 2 is designated to record all ELIGIBLE local transportation expenditures. Expenditures that are eligible to be included in the state transportation funding formula.

#2 - PRC 706 in Fund 2 is being designated to record all OTHER (ineligible) local transportation expenditures.

Eligible expenditures - Local funds used to support the operation of the "yellow" school buses to transport students in grades K through 12 to and from school, that serve the instructional purposes of the school (Fund 2, PRC 056).

Other (ineligible) expenditures - Include Local funds used for: maintenance and operation of activity buses and all local vehicles; and mileage for field trips (Fund 2, PRC 706).

We anticipate that the implementation of these changes should also expedite the completion of the "TD-1 Annual Pupil Transportation Report".

More detail information is currently being drafted by Transportation and School Business Services and will be forth coming. If you have any questions about these changes, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us) If you have questions concerning eligible or ineligible expenditures, please contact Steve Beachum at [sbeachum@dpi.state.nc.us](mailto:sbeachum@dpi.state.nc.us).

**MSA Cash Management Training:** MSA and Cash Management training is again being offered this year. There is no registration fee for the class, but you must register to attend. On-line registration is available at the following site: <http://training.dpi.state.nc.us/>. The following training dates are available: October 12, 2004 - Charter Schools only; October 14, 2004, January 20, 2005, and March 21, 2005 - LEAs only.

Class description: "Surviving the School Business Jungle" - DPI Systems Training: This class is geared toward those who work in an LEA or Charter School finance office - Finance Officers and finance staff. The class consists of "hands-on" training in the MSA/DBS General Ledger System and the Cash Management System. Instruction is targeted to the beginner or new user. Questions for the Charter School training, contact Karen Frazier at 919-807-3738. Questions for the LEA training, contact Richard Smith at [rsmith@dpi.state.nc.us](mailto:rsmith@dpi.state.nc.us) or Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**FY 2004-2005 Chart of Accounts:** An update to the FY 2005 Chart was downloaded to the BUD system Thursday afternoon, September 2nd. A summary of all of the current changes are attached and is available on the FBS website: <http://www.ncpublicschools.org/fbs/coa/default.html>. If you have any questions concerning the Chart of Accounts, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us). (attachment)

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**Newsletter No. 010-04/05, September 28, 2004**

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**(1) Principal Fellows and MSA Programs:**

HB 1414 Section 7.2(i), adjusted the maximum state salary allowable for participants in the Principal Fellows program to account for the awards received from the Principal Fellows Program. Beginning July 1, 2004 they may not receive more than the beginning salary of the assistant principals pay, inclusive of their Principal Fellows monthly stipend. Therefore, the State monthly salary shall not be more than \$1,248.

Participants in the masters in school administration (MSA) shall receive the beginning salary of the assistant principals pay from state funds.

Due to the different sources of pay, MSA and Principal Fellows will require different account codes to avoid salary audit exceptions. Please ensure that all participants are coded appropriately:

Principal Fellows      1-6410-066-119  
Other MSA:              1-6390-066-119

If your LEA has already made payments to these individuals, adjustments will need to be made.

If you have any questions, please call Marie Houston at 919.807.3735 or Sherry Peele at 919.807.3736.

**(2) FY 2004-2005 Chart of Accounts:**

An update to the FY 2005 Chart was downloaded to the BUD system Monday afternoon, September 27th. This update includes the new Matching Retirement Adjustment code: 1-5910-009-225. If you have any questions concerning the Chart of Accounts, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(3) Tricare Supplemental Health Insurance:**

The option for eligible employees to choose Tricare Supplemental Health Insurance was included in the 2004 Appropriations Act, Section 31.24(a), effective January 2005. LEAs who have eligible employees who elect to be covered by the TRICARE Military Health System's standard benefit option and who elect not to be covered by the Teachers' and State Employees' Comprehensive Major Medical Plan, may pay an employer matching amount to sponsors of TRICARE. This payment is in lieu of the employer contribution to the Teachers' and State Employees' Comprehensive Major Medical Plan for these employees. The payment is made monthly, not to exceed \$63.50 per employee, per month. The matching will be coded to Object 231. For more information, go to the following website concerning Tricare and state employees:

<http://ncemployee22.absmil.net/nc22/index.cfm>.

**REMINDERS:**

**MSA Cash Management Training:**

MSA and Cash Management training is again being offered this year. There is no registration fee for the class, but you must register to attend. On-line registration is available at the following site: <http://training.dpi.state.nc.us/>. The following training dates are available:

- October 12, 2004 - Charter Schools only
- January 20, 2005 and March 21, 2005 - LEAs only

On-line registration for the October 14, 2004 class is closed.

**Class description: "Surviving the School Business Jungle" - DPI Systems Training:**

This class is geared toward those who work in an LEA or Charter School finance office - Finance Officers and finance staff. The class consists of "hands-on" training in the MSA/DBS General Ledger System and the Cash Management System. Instruction is targeted to the beginner or new user. Questions for the Charter School training, contact Karen Frazier at 919-807-3738. Questions for the LEA training, contact Richard Smith at [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us) or Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

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**Newsletter No. 011-04/05, October 12, 2004**

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Email: [pprice@dpi.state.nc.us](mailto:pprice@dpi.state.nc.us)

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**(1) State Expenditure Child Nutrition Match:** This is a reminder that Federal law requires a state expenditure matching for child nutrition funds in order for North Carolina to be eligible for the Section 4 federal funds. For fiscal year 2004-05, the matching requirement is \$7.16m in state expenditures. As outlined in the Central Office Administration Section of the State Board's Allotment Policy Manual, if we are not projected to meet our match requirements, a small percentage of your Central Office Administration allotment will be required to be expended for Child Nutrition Supervisors.

We do not anticipate an adjustment at this time; however Financial and Business Services will be monitoring 2004-05 expenditures monthly to ensure the LEAs match is consistent with the requirement. If expenditures are projected to be below the matching requirement, a percentage of the Central Office allotment may be required to be expended for the child nutrition supervisor. For more information, please contact Alexis Schauss, Information Analysis and Support, DPI, 919.807.3708, or by email, [aschauss@dpi.state.nc.us](mailto:aschauss@dpi.state.nc.us).

**(2) Transportation Allotment Data Review:** Transportation Directors and Finance Officers were sent data to review in preparation for final 2004-2005 transportation allotments to be issued prior to December 1. This information can be used in the budget rating simulator to determine budget ratings to be used in this year's final base allotment adjustment. Any allotment adjustments to compensate for the increased cost of fuel will be in addition to the base transportation allotment. Contact Derek Graham with questions at 919.807.3571 or [dgraham@dpi.state.nc.us](mailto:dgraham@dpi.state.nc.us).

**(3) Disadvantaged Students Supplemental Funding:** The State Board of Education, approved in their October meeting, the completed LEA plans for the Disadvantaged Students Supplemental Funding. The allotment of these funds will be made in Allotment Revision 9. This revision will upload on Wednesday, October 20, 2004 and reports will be available for netviewing, Friday, October 22, 2004. Disadvantage Student expenditures should be coded to PRC 024.

The following LEAs and funding will be included in Allotment Revision 9:

Weldon City - \$269,500  
Vance County - \$2,039,250  
Hertford County - \$901,500  
Hoke County - \$1,648,250  
Warren County - \$777,500  
Lexington City - \$790,500  
Northampton County - \$813,500  
Halifax County - \$1,357,000  
Thomasville City - \$666,500  
Washington County - \$538,750  
Edgecombe County - \$1,897,750

Five additional LEAs will be allotted funds once their plans are approved by the State Board. Those LEAs are Franklin County, Montgomery County, Robeson County, Hyde County and Elizabeth City/Pasquotank.

Please contact the School Allotments Section at (919) 807-3739 if you need any additional information.

**(4) CALENDAR WAIVERS:** If your school district plans to request a waiver to the new school calendar law, please assemble your information now so that you will be ready to submit your request as soon as the State Board of Education approves its new procedures for handling waivers. This approval is expected in November, and the first waivers could be approved as early as the December State Board meeting. Additional information about the format for waiver requests will be sent to local superintendents as soon as possible. Local districts may request waivers if they have been closed for eight days in four of the last 10 years due to inclement weather or other emergency situations. Waivers also are possible for educational programs at specific schools, at schools serving special populations or for a defined program within a school. For more information, contact Alexis Schauss at 919/807-3708 or Paul LeSieur at 919/807-3701. You can find the School Calendar - 10 Year Closing History online at <http://www.ncpublicschools.org/fbs/closingdays94-04.html>.

**(5) STATE BOARD MEETING HIGHLIGHTS ONLINE:** The State Board of Education tackled a very full agenda at its October meeting. Members approved a framework for new high school exit standards, to go into effect with the 2006-07 incoming freshman class. They also considered their biennial budget request for 2005-07, the policy for school districts to request waivers of the school calendar law and a process for evaluating the validity of the ABCs accountability system. Complete Board highlights are posted online at <http://www.ncpublicschools.org/sbehighlights>.

(6) **BELK SETS ANNUAL EDUCATORS NIGHT CELEBRATION:** In Celebration of Education, Belk is again proud to welcome all educators, administrators, support staff, and their immediate families to Educators Night 2004 for a private evening of shopping fun. This year's event will be held Sunday, Nov. 7, from 5-9 p.m., at all Belk Stores. This event is not open to the general public. Educators will be treated to a 15 percent shopping discount off all regular and sale priced merchandise (normal exclusions will apply); a 10 percent shopping discount in the Home area; a chance to win a trip for four to Jamaica or the Bahamas for three nights and four days; a chance to win one of four \$1,000 principals' awards to be used in your school; and a chance to win a \$200 Belk Shopping Spree (one of these will be given away in every Belk store). Belk store managers will be contacting local schools with flyers and ID discount cards for the event. Please feel free to contact your nearest Belk Store manager for information regarding this event or Leigh Ann Lyle, Belk, Special Events Coordinator, 704/426-6862, or by email, [LeighAnn.Lyle@belk.com](mailto:LeighAnn.Lyle@belk.com).

(7) **2003/04 Facts and Figures North Carolina Public Schools** is now available online at <http://www.ncpublicschools.org/fbs/factsfigs.htm>.

(8) **2004 Statistical Profile** is available online at [www.ncpublicschools.org/fbs/stats/statprofile04.pdf](http://www.ncpublicschools.org/fbs/stats/statprofile04.pdf).

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.  
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**Newsletter No. 012-04/05, October 19, 2004**

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**(1) BUD Release 6.3.0:** DPI started transmitting the install programs for the BUD 6.3.0 Release to your AS/400 Thursday night, October 14, 2004. Because of the file size, it took several days for some LEAs to receive the files. As of this morning all LEAs should have the install programs and files. As of this morning, 55 LEAs have already installed BUD 6.3.0. We want to thank you for being so responsive!

If at all possible, please install the BUD 6.3.0 release as soon as you are able. Keep in mind that DPI cannot send you any of the BUD files (i.e., communication forms, COA updates, allotment updates) until you are on the new release.

The install instructions are attached to this E Mail. If you have any problems while trying to install, please contact our Customer Response Center at (919) 807-4357. Please let them know you are trying to install BUD release 6.3.0.

Also attached is a summarized list of changes for this release.

Please contact Kathy Horky if you have any questions or concerns regarding this release: Kathy Horky, System Accountant, NCDPI - Financial and Business Services, Phone: (919) 807-3707, [khorky@dpi.state.nc.us](mailto:khorky@dpi.state.nc.us)

**(2) Math, Science, & Special Ed Bonus:** Please be aware that the \$1,800 Math, Science, & Special Ed Bonus (PRC 094) was not funded in the FY 2005 budget. Therefore, PRC 094 has been removed from the FY 2005 Chart of Accounts. Any expenditures coded to PRC 094 will have to be refunded from your Local funds. Contact Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us), or Richard Smith, [rsmith@dpi.state.nc.us](mailto:rsmith@dpi.state.nc.us), with any questions.

**(3) Allotment Balance Reconciliation:** The JHA351EG Report "Allotment Balance Reconciliation" that was sent and downloaded to your systems on Wednesday, October 13th is incorrect for the month of September. We will inform you when we will resubmit the revised report. If you have questions, please contact Richard Smith at [rsmith@dpi.state.nc.us](mailto:rsmith@dpi.state.nc.us) or 807-3729. Sorry for any inconvenience.

**(4) State Public School Fund Allotment Overdraft Report:** We have sent the "State Public School Fund Allotment Overdraft Report" for prior year, FY2003-04 (Company 8000), by netview on Monday, October 18. This report reflects the posting of the actual Installment payments and the reversal of the Installment Accruals. Also, any refunds posted through the September processing period are reflected on this report. Refunds for all allotments exceeded, plus any penalties due, should be submitted by November 5, 2004, to avoid additional penalties. Contact Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us), with any questions.

**FYI:**

**Educator Expense Deduction Reinstated:** The Internal Revenue Service last week advised educators to save their receipts for books and other classroom supplies purchased in 2004 and apply it to the educator expense deduction. Teachers can deduct up to \$250 when figuring adjusted gross income. This deduction is available whether or not the taxpayer itemizes deductions on Schedule A. To be eligible, a person must work at least 900 hours during a school year as a teacher, instructor, counselor, principal or aide. For more information, please call the IRS Tele-Tax system toll-free at 800/829-4477 and select Topic 458. Or go to the IRS Web site at [www.irs.gov](http://www.irs.gov) and use its search engine to find Tax Topic 458.

**Grant Web Site:** Educators interested in federal government and foundation funding opportunities may want to bookmark a new Web site, [www.GrantsAlert.com](http://www.GrantsAlert.com).

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**Attachments:** To get the attachments referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachments to send.

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**Newsletter No. 013-04/05, November 2, 2004**

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**(1) School Calendar:** The approval of the waiver process for the calendar start and end dates is on the agenda for the November State Board of Education meeting. Many of you are in the process of discussing your 2005-06 school calendars and we want to make you aware of the existing legislation surrounding school calendars. The following items have not been affected by HB1464:

The school calendar must...

1. have a minimum of 180 days and 1,000 instructional hours.
2. cover at least nine calendar months.
3. have a minimum of 10 annual vacation leave days.
4. have the same or an equivalent number of legal holidays occurring within the school calendar as those designated by State Personnel Commission for State employees.
5. not have Sunday as an instructional or staff work day.
6. not have Veterans as an instructional or staff work day.

In addition, teachers are paid for a term of 10 months (GS115-302.1) and therefore, the calendar shall not schedule instructional days or workdays on a Saturday. A Saturday may be used as a makeup day for an inclement weather day when the school has been closed.

See attached chart for additional calendar information.

**(2) REVISED FY 2004 Per Pupil Reports:** DPI discovered the major replacement costs were erroneously left out of the per pupil calculations. We have run the reports again to include the major replacement cost data. DPI NetViewed the REVISED Final FY 2004 Per Pupil reports to your AS/400 last night, Monday, November 1, 2004. These are the numbers that DPI will publish in the Governor's Report Card. If you have any questions, please contact: Kathy Horky, System Accountant, (919) 807-3707, [khorky@dpi.state.nc.us](mailto:khorky@dpi.state.nc.us).

**BUD Release 6.3.0 Update:** All of the LEAs have installed the new release in record time. Thank you for your quick response and cooperation.

**Installment Collapse:** Effective 9/30/04, DPI posted the 11th & 12th installment payments to the current year in the special installment codes: 5100-001-122, 5910-001-212, 5910-001-222. This procedure is known as the Installment Collapse. Because the installment payments are "cash" payments for July and August, but are not expenditures from your current year allotments, they are included only to reflect an accurate "cash" balance. These amounts were posted on your general ledger when the checks were written, but DPI didn't post to the Cash Account on the MSA system until September.

Each LEA should reverse the State accrual entries on their general ledgers now, if it has not already been done. Any differences between the accrual amount and the actual installment payment for State Funds should be moved on your general ledger to the special installment codes listed above, so that only current year expenditures are reported in the current year expenditure codes. If you have any questions concerning the Installment Collapse, contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us) or Richard Smith at [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us).

**FY 2004-2005 Chart of Accounts:** An update to the FY 2005 Chart was downloaded to the BUD system Thursday afternoon, October 28th. This update included the account codes for the new PRC 024 - Disadvantaged Student Supplemental funding. Please be aware that the \$1,800 Math, Science, & Special Ed Bonus (PRC 094) was not funded in the FY 2005 budget. Therefore, PRC 094 has been removed from the FY 2005 Chart of Accounts. Any expenditures coded to PRC 094 will have to be refunded from your Local funds. You will be notified when the FY 2005 Chart of Accounts is available on our website. As in past years, each LEA will receive one printed copy of the Uniform Chart of Accounts. These will be mailed in mid-November. A summary of the changes to the FY 2005 Chart of Accounts is attached. If you have any questions concerning the Chart of Accounts, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**Allotment Balance Reconciliation Report:** Due to a programming error, the previous Allotment Balance Reconciliation Report (JHA351EG) for September 2004 was incorrect. We have corrected the error and the new report for September has been downloaded and is now available for you. If you have questions, please contact Richard Smith [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us) or Nancy Harris [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**DPI Transportation Video Teleconference:** DPI Transportation Services is planning to conduct a video teleconference via the Information Highway on Thursday, November 18th from 1:00 until 3:30. A variety of transportation issues will be addressed. 15 locations around the state are confirmed. Contact Derek Graham with questions at (919) 807-3571, [dgraham@dpi.state.nc.us](mailto:dgraham@dpi.state.nc.us).

**State Board to Meet this Week:** The State Board of Education will hold its November meeting this Wednesday and Thursday in the 7th Floor Board Room, Education Building. Agenda items include action on the 2005-07 Biennial Budget request, and the waiver policy for school calendar start and end date changes. Discussion items include definitions related to the Calendar Bill. The complete agenda is available online at [http://www.ncpublicschools.org/sbe\\_meetings/index.html](http://www.ncpublicschools.org/sbe_meetings/index.html) by clicking on the appropriate link.

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**Attachments:** To get the attachments referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachments to send.

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**Newsletter No. 014-04/05, November 9, 2004**

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**(1) Calendar Bill Process Approved By SBE:** The State Board of Education approved the forms and the process for receiving a waiver for the beginning and end dates of the 2005-06 school year. All LEAs which have schools that are exempt from this provision, or have schools for which they would like to apply for a waiver should refer to the documentation on the website under "What's New" at <http://www.ncpublicschools.org/fbs/>.

Schools which are exempt include charter schools and those schools with a year round calendar or a 2003-04 modified calendar.

LEAs may apply for a waiver based on the inclement weather history of the LEA (See <http://www.ncpublicschools.org/fbs/closingdays94-04.html> for a listing) or based on the educational purpose of the school or specific program within a school. Contact Alexis Schauss with questions at [aschauss@dpi.state.nc.us](mailto:aschauss@dpi.state.nc.us).

**(2) FY 2004-2005 Chart of Accounts:** The updated FY 2005 Chart of Accounts should be available on the FBS website by the end of this week: <http://www.ncpublicschools.org/fbs/manuals.htm>. If you have any questions concerning the Chart of Accounts, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(3) Installing new AS/400:** Any time you will be planning major computer system work (such as installing a new AS/400) where your system will be down during the time when DPI is scheduled to pick-up data, please notify the area receiving the data so that arrangements can be made to pick your data up early.

**(4) Change To The On-Line Retired Teacher Questions And Answers (Q&A):**

An additional question has been added to the on-line Q&A regarding retired teachers. The additional question (#8) addresses volunteering to teach during the 6-months immediately after retirement.

<http://www.ncpublicschools.org/fbs/reempretiredteacherqa.html>

**(5) State Board Meeting Highlights:** The State Board approved its 2005-07 biennial budget request. More complete highlights of the Board's activities will be posted today at <http://www.ncpublicschools.org/sbehighlights/>.

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.

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**Newsletter No. 015-04/05, November 18, 2004**

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**(1) Retired teacher 11.7% matching:** Please make sure that the 11.7% matching expense for reemployed retired teachers is paid as a general expense check coded to 5910-XXX-228. Several LEAs have incorrectly coded the 11.7% matching to 1-5910-009-225 which was set up solely to adjust any differences due to the expanded 5.815% matching rate. If you have incorrectly charged 11.7% matching expenditures to the 225 object code, please do the appropriate BUD entries (UTR or REF refund to state) to move the expenditures from the 225 to the correct 228 object codes. Expenditures posted to the 225 and 228 object codes will be audited and compared with the information DPI has received from the Retirement System.

**(2) Matching Retirement Adjustment:** All payroll software packages now have the ability to accrue and pay the legislated 5.815% retirement matching percentage, but it appears that some LEAs have not updated their system parameters to reflect the expanded 5.815% rate. Please check your system parameters to make sure that the correct matching rate is being used. According to the Retirement System, about half of the LEAs still have outstanding over/under matching differences that must be cleared by December. You should be receiving information from the Retirement System detailing the difference between your July - October actual payments and the 5.815% calculated matching amounts. Differences of \$5.00 or less do not have to be corrected. DPI has set up a special one-time use budget code to be used to adjust your next retirement payment. If you still have an outstanding difference, please accrue a state invoice to the special one-time use budget code of 1-5910-009-225 to correct your November retirement payment. This invoice may be positive or negative depending on your individual difference. Any difference pertaining to installment payrolls will not be adjusted separately but included in this single adjusting invoice. Differences do not need to be broken out by fund or PRC. You may use the 1-5910-009-225 code to correct the entire matching difference. Expenditures posted to the 1-5910-009-225 code will be audited and compared with the information DPI has received from the Retirement System. If you have any questions please contact Ally Barfield at 919-807-3715 or [abarfiel@dpi.state.nc.us](mailto:abarfiel@dpi.state.nc.us).

**(3) FY 2004-2005 Chart of Accounts:** The updated FY 2005 Chart of Accounts is now available on the FBS website, along with the summary of changes from the FY 2004 to FY 2005: <http://www.ncpublicschools.org/fbs/manuals.htm>. If you have any questions concerning the Chart of Accounts, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(4) State Public School Fund Allotment Overdraft Report:** We will send the "State Public School Fund Allotment Overdraft Report" for prior year, FY2003-04 (Company 8000), by netview on Wednesday, November 17th. Any refunds posted through the October processing period are reflected on this report. This report now has penalties assessed for all overspent allotments. Refunds for all allotments exceeded, plus any penalties due, should be submitted by December 6, 2004, to avoid additional penalties. Contact Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us), with any questions concerning Dollar Allotments. Contact Sherry Peele, [speelee@dpi.state.nc.us](mailto:speelee@dpi.state.nc.us), or Marie Houston, [mhouston@dpi.state.nc.us](mailto:mhouston@dpi.state.nc.us), with any questions concerning Position over usage or State overpayments.

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**Newsletter No. 016-04/05, December 2, 2004**

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**(1) Sales Tax Refunds:** Attached to this e-mail are instructions for processing Sales Tax Refunds for each fund. Please pay close attention to Federal PRCs that have closed and those for which you have no current year allotment. Contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us) with any questions concerning these instructions.

**(2) Medicaid Administration Claims (MAC):** Since the beginning of this program, the Federal Center for Medicare and Medicaid Services (CMS) has not agreed to all aspects of how the program was implemented in North Carolina. Part of this was due to the lack of definitive guidance from CMS on how to implement the program and approval of the cost allocation plans submitted by the consulting firms assisting you with the program. Based on the lack of commitment by CMS, the Department decided it would be prudent to hold back 40% of each claim when the reimbursements from the program began flowing to the State. The reserve from the hold back was designed to ensure availability of funds for future payback of audit exceptions imposed by CMS as a result of final approved cost allocation plans (to this date CMS has not approved either consulting firms plan), thus eliminating the possibility of creating hardships to the planned budgets of each LEA in the future.

Last year, CMS published a final definitive guide on the MAC program. The consulting firms managing this program for you have certified that they are in full compliance with this guide as of October 2003. As a result of these recent events, the Department has agreed to begin processing claims submitted for the quarter ending December 2003, at the 100% reimbursement level and discontinue the withholding of the 40% at the State level. We are currently working on the amounts to be distributed for the applicable quarters and will be providing the consulting firms with balance due for the two quarters. We hope to have this out before the Christmas holidays. Should you have any questions, please feel free to call Paul LeSieur at (919) 807-3701 or Jim Knight at (919) 807-3705.

**(3) Food Management Contracts:** LEAs considering contracting with a Food Management Company to provide Child Nutrition services are now required to coordinate the process with the Child Nutrition Services Section. As a result of a national audit by the USDA Office of Inspector General, State education agencies are required to have oversight of food service management contracts in school districts that receive federal Child Nutrition funds.

Please contact the Child Nutrition Services Section to obtain a copy of the Guidelines for Contracting with Food Service Management Companies. The process of securing the services of a food management company will take a minimum of six months which includes time for proper bidding, negotiating and approving contracts with a service provider.

If you are considering this option for your LEA, please contact your Regional Child Nutrition Consultant or the Child Nutrition Section Chief to schedule an appointment to discuss the process and to discuss LEA responsibilities when outsourcing Child Nutrition services. For questions or to request a copy of the guidelines, please contact Lynn Hoggard, Child Nutrition Section Chief at (919) 807-3507 or [lhoggard@dpi.state.nc.us](mailto:lhoggard@dpi.state.nc.us).

**(4) Eckerd Youth Alternatives Therapeutic Camp:** This past session of the General Assembly requires LEAs to pay for the educational services for a school-aged child placed in an Eckerd Youth Alternatives (EYA) camp. Special Provision Section 7.22A requires LEAs to pay a per day amount for each day a child attends EYA for educational services, not to exceed 1/180 days of: (1) the State funds from the average daily membership allotments from the LEA where the child resides; and (2) for a child with disabilities, the amount per pupil allocation from the children with special needs allocation if the child receives educational services at EYA not to exceed 180 days. The intent is to reduce funding to the LEAs in which the child resides and remit funds to EYA. Department staff members have been working with EYA staff to develop a tracking and approval process that will be done at the end of each quarter to meet the intent of the legislation. This process is currently being piloted with a few LEAs to obtain feedback of ways to make this process as effortless as possible. **Finance officers will be the primary contacts and will need to work with exceptional children directors and other staff to validate the students that reside in their LEA.** The Division of School Business Services will send more formal process information to all finance officers. The intent of this item is to alert you and your staff that this has an effect on the availability of your current school year funding.

**(5) Chart of Accounts Updated for Fiscal Year 2004-2005:** We will provide each LEA finance officer with one (1) hardcopy of the Uniform Chart of Accounts updated for Fiscal Year 2004-2005. The copies are being mailed and should reach you soon.

The Uniform Chart of Accounts has also been downloaded to your AS400 for you to receive in BUD (Run SURS). If you have any questions pertaining to the chart or concerning proper use of these funds, please contact the School Business Division at (919) 807-3700. If you have questions concerning receiving your Chart of Accounts in BUD, please contact the DPI Helpdesk at (919) 807-4357.

The Uniform Chart of Accounts is also available on DPI's website for you to access, search, print or purchase through Publications. If others on your staff need the chart for a specific program, they can print those specific pages.

The website address is: <http://www.ncpublicschools.org/fbs/coa/index.html>.

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**Attachment:** To get the attachment referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachment to send.

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**Newsletter No. 017-04/05, December 8, 2004**

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**(1) Financial & Business Services Reorganization:** The State Board of Education at its December 1, 2004 meeting approved a recommendation for the reorganization of the Financial and Business Services area of the Department of Public Instruction. In order to serve you better we have placed the organization charts on the FBS website at [www.ncpublicschools.org/fbs/orgfbs.pdf](http://www.ncpublicschools.org/fbs/orgfbs.pdf).

**(2) REMINDER: ESC Year End Billing:** The year end unemployment insurance is due Friday, December 17, 2004. Information was sent out to LEA's on November 10, 2004. If you do not have information on this matter, please contact Tarsha Silver at (919) 807-3521. If payment on account is not received by 12/17, it can be subject to penalties which will be the responsibility of the LEA.

**(3) Refunds: Extended Short Term Disability:** Short Term Disability payments beyond six months are paid from State PRC 009, Object code 190. The LEA is required to file for reimbursement for these payments from the Retirement System, Department of State Treasurer, at the end of the disability benefit period or at the conclusion of the disability, which ever is earlier. When the Retirement System processes the refund requests from the LEAs, they send the total refund to DPI, along with documentation of who the refunds are for. After receiving the refund from the Retirement System, DPI: (1) sends a letter to the Finance Officer of each LEA receiving a refund - detailing who the refund is for and the reimbursement period being refunded; and (2) posts a CURRENT YEAR refund in the CURRENT MONTH in MSA to the LEA's State account. If there is a difference between the amount the LEA requested and the amount the Retirement System reimbursed, the letter will notify the LEA that a refund is due to DPI. These refunds of overpayment of extended short term disability should be submitted as a CURRENT YEAR refund in the BUD System with a CREDIT to State PRC 009 and DEBIT to Local funds. If you have any questions concerning the processing of Extended Short Term Disability Refunds, please contact Alice Lambright at [alambrig@dpi.state.nc.us](mailto:alambrig@dpi.state.nc.us) or 919-807-3720.

**(4) Final Transportation Allotments:** Information for final transportation allotments for 2004-05 has been mailed to local transportation directors, finance officers and superintendents. This includes additional funds to compensate for this year's increased fuel costs. The transportation budget rating simulator will be available in January. For more information, please contact Derek Graham, Transportation Services, DPI, 919/807-3571, or by email, [dgraham@dpi.state.nc.us](mailto:dgraham@dpi.state.nc.us).

**(5) State Board Meeting Highlights:** The State Board of Education approved Disadvantaged Student Supplemental Funding allotments for four school systems, acted on the middle schools and ABCs results issue and attended the Action Plan for High School Innovation Conference as part of its December meeting. Complete highlights are online by at [www.ncpublicschools.org/sbehighlights](http://www.ncpublicschools.org/sbehighlights)

**FYI:**

**State Energy Office Support in Managing Your District's Escalating Energy Costs:**

The ability to effectively manage escalating energy costs is key to saving tight dollars for initiatives that support student learning. The Division of School Support has partnered with the North Carolina State Energy Office to offer one final Strategic Energy Planning Workshop for 2004 on Monday, Dec. 13, from 9 a.m. - 4 p.m., at Greensboro Technical Community College. The workshop will enable your district to develop and implement an energy management plan to save substantial operating dollars. The State Energy Office has agreed to subsidize 50 percent of the workshop fee, so the cost will be \$150/participant. Participants will learn about resources available through the State Energy Office to support local efforts. If you wish to be represented at this workshop, please complete the registration form that is available online at the Energy Office Web site at [www.energync.net](http://www.energync.net) under Calendar. For more information, please contact Phyllis Johnson, 919/733-2230 or 800/662-7131, or Kathleen Stahl, 919/715-1448.

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**Newsletter No. 018-04/05, December 17, 2004**

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Raleigh, NC 27699-6326  
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**(1) Eckerd Youth Alternative Program (EYA):** This year the General Assembly passed House Bill 1414 requiring LEAs to share in the cost of education for the children attending EYA. The attachment has the legislation and procedures the department will be following to enact the legislation. Next week you will be receiving an Excel spreadsheet with information on the first quarter billing from EYA. It is an interactive worksheet designed to minimize your time and effort. What we have found in testing this process, you will need to work with your school principals and exceptional children directors to validate the information. The first quarter billing information and check will need to be submitted to us no later than January 14, 2005. The LEA is responsible for the cost of any child that attends EYA, whether sent by your school system, the courts, or correctional institutions in your area. If a child has been attending a charter school this year and is no longer a member due to the transfer, you will need to note that on the document and the name of the charter school which they attend. If they have dropped out of your school system or is sent to a correctional facility by the courts, the LEA in which the child's family resides is responsible for the payment. Please take time to read the legislation, and the directions. Should you have any questions you may call Karen Peng at (919) 807-3750 or Paul LeSieur at (919) 807-3701.

**(2) FY 2004-2005 Chart of Accounts:** An update to the FY 2005 Chart was downloaded to the BUD system Wednesday afternoon, December 15th. Please be aware that the \$1,800 Math, Science, & Special Ed Bonus (PRC 094) was not funded in the FY 2005 budget. Therefore, PRC 094 has been removed from the FY 2005 Chart of Accounts. Any expenditures coded to PRC 094 will have to be refunded from your Local funds. If you have any questions concerning the Chart of Accounts, please contact Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(3) State Public School Fund Allotment Overdraft Report:** The "State Public School Fund Allotment Overdraft Report" for prior year, FY2003-04 (Company 8000), was sent by netview on Wednesday, December 15th. Any refunds posted through the November processing period are reflected on this report. This report now has penalties assessed for all overspent allotments. Refunds for all allotments exceeded, plus any

penalties due, should be submitted by January 6, 2005, to avoid additional penalties. PLEASE SUBMIT THE REFUNDS FOR THE 6TH PROCESSING PERIOD. Contact Nancy Harris, [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us), with any questions concerning Dollar Allotments. Contact Sherry Peele, [speelee@dpi.state.nc.us](mailto:speelee@dpi.state.nc.us), or Marie Houston, [mhouston@dpi.state.nc.us](mailto:mhouston@dpi.state.nc.us), with any questions concerning Position over usage or State overpayments.

**(4) Disadvantaged Student Supplemental Funding Data:** Disadvantaged Student Supplemental Funding Data is available on the DPI website at [www.ncpublicschools.org/fbs/disstusuppfunddata04.html](http://www.ncpublicschools.org/fbs/disstusuppfunddata04.html)

Instructions to access the data used to create the funding formula is provided on the above website for your information. If you have questions you should contact Lydia Prude at 919.807.3718 / [lprude@dpi.state.nc.us](mailto:lprude@dpi.state.nc.us) or Engin Konanc at 919.807.3754 / [ekonanc@dpi.state.nc.us](mailto:ekonanc@dpi.state.nc.us).

**(5) Foreign National Initiative/Windstar Rollout:** The Office of the State Controller (OSC) has distributed the attached documents to all State Agencies having Foreign Nationals employed. Your Superintendents received the two attachments of Windstar via fax from our Communications area on Tuesday of this week. LEAs were not initially considered, but are now being included in the overall program. The Windstar software being provided by the Office of State Controller and will be the mechanism which will be used to collect information including payroll data on Foreign Nationals beginning in calendar year 2005. Due to large audit pay backs for noncompliance in other state agencies throughout the country and in North Carolina, the OSC is implementing this system across state government based on approval of the General Assembly. This will be a system for all LEAs to use and will have password access for entering and updating required Foreign National information. This will ensure compliance across state agencies and minimize audit findings and fines by the IRS. We have met with the OSC staff and will be meeting with them again next week to gather more information about the system. We will let you know more about the initiative and the manner in which you will be required to report and update the system after meeting with the OSC staff next week. We will also be discussing this with the VIF staff to see how they can help minimize the impact on the LEAs. To learn more about the requirement here is a web site to the OSC where procedures and a presentation held in October:

[http://www.osc.state.nc.us/Foreign\\_Nationals/Foreign\\_Nationals\\_Information.html](http://www.osc.state.nc.us/Foreign_Nationals/Foreign_Nationals_Information.html)

Should you have any questions, feel free to call Paul LeSieur at (919) 807-3701.

**(6) BUD System Processing:** Please make note that the FINAL day to submit BUD batches to post in December is Wednesday, December 22nd. All batches must be submitted by 4:00 p.m. Wednesday afternoon. We will process these batches and send communication forms on Thursday morning, December 23rd. Any batches submitted after 4:00 12/22/04 will be received and processed on January 3, 2005. If you have any questions, please contact Richard Smith at [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us) or Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(7) MSA Cash Management Training:** There are two more MSA and Cash Management training classes coming up in 2005. There is no registration fee for the class, but you must register to attend. On-line registration is available at the following site: <http://training.dpi.state.nc.us/>. The following LEA training dates are available: January 20, 2005 and March 21, 2005.

**(8) Class description: "Surviving the School Business Jungle" - DPI Systems Training:** This class is geared toward those who work in an LEA School finance office - Finance Officers and finance staff. The class consists of "hands-on" training in the MSA/DBS General Ledger System and the Cash Management System. Instruction is targeted to the beginner or new user. If you have any questions, please contact Richard Smith at [rismith@dpi.state.nc.us](mailto:rismith@dpi.state.nc.us) or Nancy Harris at [nharris@dpi.state.nc.us](mailto:nharris@dpi.state.nc.us).

**(9) REMINDER: Federal Grant Funds:** It seems like only yesterday that we urged you to spend or obligate your federal grant funds that were expiring on September 30. You all came through, and as of September 30, all funds were spent or obligated. But obligations have to be paid up and the final date for paying them is December 31. So if you haven't already paid for obligations/encumbrances which were entered into by September 30, please do so by December 31, 2004. Let's leave no federal money behind for the Feds. If you have questions regarding the reversion process please contact Monique Johnson at 919.807.3684 and Nancy Harris at 919.807.3725 for reporting expenditures information.

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**Attachments:** To get the attachments referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachments to send.

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To subscribe to the Finance Officers' Weekly Newsletter email or call Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) or 919.807.3603 and provide your name and email address.

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**Newsletter No. 019-04/05, December 22, 2004**

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Philip Price  
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Department of Public Instruction  
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Raleigh, NC 27699-6326  
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**Have a safe and happy holiday season!**

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**IRS Rules Governing Receipt of Income:** The end of the tax year is coming up and we wanted to provide you a rule governing any payments you make to employees and contractors. Please make any individual, to whom you believe this may pertain, aware of this rule. The IRS determines that those individuals who are on the cash method must include in their gross income all items of income actually or constructively received during the tax year. It is illegal to delay receipt of income. You cannot hold checks or postpone taking possession from one year to another to avoid paying tax on income. The IRS provides this example "Jones was entitled to receive a \$10,000 payment on a contract in December 2003. She was told in December that her payment was available. At her request, she was not paid until January 2004. She must include this payment in her 2003 income because it was constructively received in 2003."

This information can be found on the IRS website, Publication 334 p14  
<http://www.irs.gov/pub/irs-pdf/p334.pdf>

**2004/05 Best 1 of 2 Months ADM Report:** The 2004/05 Best 1 of 2 Months ADM report is available online <http://www.ncpublicschools.org/fbs/best1of2.html>. There is an opening cover memo that explains the data. If you have questions or concerns contact Scott Douglass at (919) 807-3737 or [sdouglas@dpi.state.nc.us](mailto:sdouglas@dpi.state.nc.us).

**IRS Mileage Rate Change:** Effective January 1, 2005, the Internal Revenue Service (IRS) has increased the business standard mileage rate from 37.5 cents per mile to 40.5 cents per mile. See attached memo.

**Medicaid Rate Revision for Local Education Agency Services:** The Division of Medical Assistance of the Department of Health and Human Services has notified DPI that effective with the date of service January 1, 2005, the rates for Medicaid billable services for evaluation of central auditory function, with report, provided by Local Education Agencies (LEAs) will be changed. A memo containing tables of the new rates has been sent to Directors of Exceptional Children Programs in each LEA. Please refer to the Medical Coverage Policy #8H on DMA's Web site at <http://www.dhhs.state.nc.us/dma/mp/mpindex.htm> for additional billing for LEA services. For a complete listing of codes by provider type see the December 2002 Special Bulletin VII, HIPAA Code Conversion for Independent Practitioners and Local Education Agencies.

**QZAB Program Update:** The U.S. Treasury Department has issued state allocations for the Qualified Zone Academy Bond (QZAB) Program. North Carolina has been allocated \$12,750,000 for 2004 and \$13,618,000 for 2005 for distribution to eligible LEAs. The State Superintendents' Bond Advisory Council will soon meet to establish the guidelines for the allocation procedure and then mail out applications and packets of information to all local finance officers and superintendents for their information in applying for bond authority under this program, which provides interest-free financing for repair and renovation of existing school buildings. Should you have questions contact Roger Ballard at 919.807.3565.

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**Attachment:** To get the attachment referenced in the newsletter, please email Debby Jackson at [debjacks@dpi.state.nc.us](mailto:debjacks@dpi.state.nc.us) and let her know which attachment to send.  
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