

UCOA Update

April 13th, 2018

History

2015 ACT 58, amending 2014, No. 179 E.500.1

*“(a) A GASB compliant **Uniform Chart of Accounts and Financial Reporting requirements** shall be established by the Agency of Education which shall: (1) be comprehensive in respect to compliance with **federal funds reporting requirements**; and (2) provide the financial information necessary for State and local education decision makers in regard to **specific program costs and evaluation of student results**. (b) The Agency of Education shall hire a contractor or contractors through the State’s procurement process to assist them in the establishment and completion of the requirements of subsection (a) of this section. Contract deliverables shall include: (1) a comprehensive **accounting manual**, with related **business rules**; (2) specifications for school financial software; (3) a **detailed transition and support plan that ensures local reporting entities required to record and report information consistent with requirements of subsection (a) of this section can fully comply on or before July 1, 2019**. (c) the requirements of subsection (a) of this section shall be in effect by July 1, 2019.”*

History

VASBO, AOE, and BerryDunn collaborated to produce a UCOA with these goals and benefits in mind. The UCOA committee met monthly from 2012-2014.

The UCOA shall provide these global attributes:

- **Transparency** – *Clear, detectable view of how dollars are invested in logical, granular detail*
- **Uniformity** – *Conformity to the same principles, standards, or rules used from district to district to ensure consistency*
- **Accountability** – *Precise rules for capturing and reporting data aligned to specific goals and objectives*
- **Comparability** – *Uniformity of method and content to allow comparison between different districts*

Benefits include:

- Uniformity of format and application
- Isolation of data in segments creating granularity of data
- Power of combining segments to address specific questions
- Comparability of data
- Numbering methodology enhances ad hoc and management reporting
- Allows for more effective analysis when combined with non-accounting data

History

The development of the UCOA requires balancing two key rules...

1. Accommodate all federal reporting requirements and easily isolate spending across the State in certain categories
2. Allow reporting of certain types of transactions to be recorded in a way that reflects local operations

Federal Reporting: ESSA

“Information submitted by the **State educational agency** and **each local educational agency** in the State, in accordance with data collection conducted pursuant to section 203(c)(1) of the Department of Education Organization Act (20 U.S.C. 3413(c)(1)), on— ...The **per-pupil expenditures** of **Federal, State, and local funds**, including actual **personnel expenditures** and actual **nonpersonnel expenditures** of Federal, State, and local funds, **disaggregated by source of funds**, for each **local educational agency** and **each school** in the State for the preceding fiscal year.”

**To accommodate these requirements in FY19, before the UCOA will be fully implemented, the State will perform an allocation to “disaggregate” per pupil expenditures by source of funds and school level.*

Federal Reporting: ESSA

Minimum criteria for IFR

		• District 1 •			
	Elementary School #11	Elementary School #12	Middle School #17	Criteria Descriptions	
Enrollment	375	511	992	Students are counted at the school that serves them, regardless of district of origin. The counts reported here are not weighted. The method of student count (ADA, ADM) is up to each individual state.	
Site Level Expenditures				Expenditures accounted for at the school site include at a minimum the actual salary and benefit costs of the school site's full-time staff (as ESSA requires). These three numbers represent expenditures directly assigned to school sites. D is the sum of B and C.	
Federal	\$456	\$209	\$164		
State/Local	\$6,111	\$4,756	\$5,998		
Site Level Total	\$6,567	\$4,965	\$6,162		
Site Share of Central Expenditures				Any shared expenditures accounted for at a central level, but reattributed to the site level via state- or district-preferred method go here. Whether to prescribe site- versus central-level accounting and, if so, what methods to use to separate the two are decisions left to each state. For schools where all public funds are reported at school level, fields E, F and G can be zero.	
Federal	\$161	\$161	\$161		
State/Local	\$5,378	\$5,378	\$5,378		
Site Share of Central Total	\$5,539	\$5,539	\$5,539		
Total School Expenditures	\$12,106	\$10,504	\$11,701	This is the number states can use to make apples-to-apples comparisons across states. Critically, the sum of D and G represents the total public funds expended on behalf of students at the school.	
Total District Exclusions/ Total District Expenditures	\$2,416,986 \$21,514,686	These are total excluded expenditure amounts at the district level, remaining total district expenditures, and the list of excluded expenditures. IFR excludes certain expenditures and permits (but does not require) exclusion of others. See page 5 for chart listing IFR exclusions and optional exclusions and related NCES codes.			
Excluded Expenditures	<i>Debt, capital, equipment, special education transfers to private schools, adult education, community services</i>				
Enrollment Count Procedure	ADA, student count Oct. 1			Each state determines its count method used for Criteria A.	

UCOA FY20

Disclaimer: For those who have implemented or are implementing, expect *some* changes for the FY20 UCOA, based on working meetings with the Handbook II committee. What is represented here is current to date, but we are still reviewing a number of open items.

UCOA FY20: Overview

Expenditures

Fund	Location	Level	Type	Program	Project	Function	Object	Revenue
XXX	XXXX	XX	X	XXX	XXX	XXXX	XXX	XXXX

Revenues

Fund	Location	Level	Type	Program	Project	Function	Object	Revenue
XXX	XXXX	XX	X	XXX	XXX	XXXX	XXX	XXXX

Balance Sheet

Fund	Location	Level	Type	Program	Project	Function	Object	Revenue
XXX	XXXX	XX	X	XXX	XXX	XXXX	XXX	XXXX

The UCOA: Overview

Segment	Description	Requirement Source	Numbering Methodology Rules	Length	Reportable
1	Location	State	Fixed	4	4
2	Fund	Federal/Local	Fixed/ Validated Flexible	3	1
3	Level	Federal	Fixed	2	2
4	Type	Federal	Fixed	1	1
5	Program	Federal	Fixed	3	3
6	Project	Federal/State/Local	Validated Flexible	3	3
7a	Function – Exp	Federal	Fixed	4	4
7b	Function – BS Code	Federal	Validated Flexible	4*	0**
8	Object	Federal	Fixed	3	3
9	Revenue	Federal/State	Fixed	4	4
10+	Other	Local	Validated Flexible	X	0

*BS code is three digits with leading “0”

**BS is not reportable at this time, but will be in the future (e.g. Fund Balance, which will be collected by district)

The UCOA: Fund

- A fund is a fiscal and accounting entity, with a self-balancing set of accounts recording cash and other resources, together with all related liabilities and residual equities or balances, or changes therein.
- The intent of the Fund segment is to segregate or isolate types of funding and activities that are associated with the various fund types (e.g. general fund, special fund, enterprise fund etc.).
- Since the State only requires the first of three digits to designate fund, the remainder may be used locally to identify “sub-funds”
- **The below are considered rollup codes, we will provide the sub-segment that should be used instead. This will allow more flexibility and less rework should sub-segments need to be collected in the future.**

Type	Definition	Rollup Code	Description
Governmental	Funds generally used to account for tax-supported activities	100	General Fund
		200	Special Revenue Funds
		300	Capital Projects Funds
		400	Debt Service Funds
		500	Permanent Funds
Proprietary	Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows	600	Enterprise Funds
		700	Internal Service Funds
Fiduciary	Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government’s own programs	800	Trust Funds
		900	Agency Funds

The UCOA: Location

- Identifies an individual school, district, or supervisory union/supervisory district, serving as the base reporting unit within the UCOA.
- The location segment will identify where (physical location) funds are being used.

UCOA Location Code	Location Type	Description
1###	School	Public School, (i.e., Town/City School, Union School, and Joint Contract School)
2###	District	Town School District
3###	District	Union School District
4###	SU	Supervisory Union/LEA
5###	School	Technical Center
6###	School	Interstate school (e.g. Rivendell)
7###	Unassigned	
8###	Unassigned	
9###	Independent School	Independent School *This code is not needed for statbook reporting, and is currently a placeholder in case this location code is used for other collections in the future.

The UCOA: Level

- The level code permits expenditures to be segregated by instructional level.
- Required code categories
 - Pre-K (11)
 - Elementary (10)
 - Option to break down by grade-level
 - Secondary (30)
 - Option to break down by grade-level
 - Adult (41)
 - Community/Junior College (42)
 - Location-wide (e.g. school, district, SU/SD) (50)
- Examples of other codes that can be used
 - Elementary & Secondary (37)
 - If this code is used, please note that AOE may disaggregate by a predetermined allocation formula for reporting purposes
 - E.g. elementary and secondary pupil ratios based on pupil counts at the location code
 - Middle school (20)
 - Federal Definition: “school organization composed of at least three grades, usually beginning with grades 4-6 and ending with grades 8 or 9”
 - If this code is used, please note that AOE may reallocate to elementary and secondary based on a predetermined allocation formula for reporting purposes
 - E.g. elementary and secondary pupil ratios based on pupil counts at the location code

The UCOA: Type

Type	Description
1	Assets
2	Liabilities
3	Fund Balance/Net Assets
4	Revenues
5	Expenditures/Expenses
7	Other Financing Sources
8	Other Financing Uses

The UCOA: Program

A program is a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives.

Code	Required Programs
021	Capital Construction - Included in Allowable Tuition
022	Capital Construction- Excluded in Allowable Tuition
031	Long Term Debt- Included in Allowable Tuition
032	Long Term Debt- Excluded from Allowable Tuition
110	Regular Education
120	Academic Summer School
130	21st Century Program
150	Food Service
210	K-12 Special Education Eligible for Reimbursement
220	K-12 Special Education Ineligible for Reimbursement
230	K-12 Special Education Collaborative
240	EEE
290	Other Special Programs
310	Vocational Regular
320	Vocational Special Education
490	All Other Elementary/Secondary Instructional Programs
600	Adult/Continuing Education
700	Community/Junior College Education
801	Community Services
910	Athletic Activities
920	Non-Athletic Co-Curricular Activities
990	Other Enterprise Programs

The UCOA: Project

- Per the Federal Handbook: the project code “permits school districts to accumulate expenditures to meet a variety of specialized reporting requirements at the local, state, and federal levels.”
- There are no required project codes for FY20.
- Project Code Ranges:
 - Local: 010 to 190
 - State: 200 to 390
 - Federal: 400 to 990
- Please note that the project code was previously used to track expenditures associated with federal or restricted funding – in the new UCOA this will be done instead by attaching a Revenue Code to designate the source of funds.

The UCOA: Function

- Describes the activity for which an expenditure is made.
- The list to the right reflects Rollup codes only, all of these require further breakout.

Rollup Code	Description
1000	Instruction
2000	Support Services
2100	Support Services - Students
2200	Support Services - Instruction
2210	Improvement of Instruction
2300	Support Service - General Administration
2310	Board of Education
2400	Support Services - School Administration
2500	Central Services
2600	Operation and Maintenance of Plant
2700	Student Transportation
2710	Vehicle Operation
3000	Operation of Non-Instructional Services
4000	Facilities Acquisition and Construction
5000	Debt Service

The UCOA: Object

Rollup Code	Description
100	Personal Services - Salaries
200	Personal Services - Employee Benefits
230	Retirement
290	Other Employee Benefits
300	Purchased Professional and Technical Services
340	Other Professional Services
350	Technical Services
400	Purchased Property Services
430	Repairs and Maintenance Services
440	Rentals
500	Other Purchased Services
510	Student Transportation Services
590	Interagency Purchased Services
600	Supplies
620	Energy
700	Property
730	Equipment
800	Debt Service and Miscellaneous
830	Debt Related Expenditures and Expenses
890	Miscellaneous Expenditures
900	Other Items
910	Fund Transfer Out
920	Payments to Escrow Agents for Defeasance of Debt
930	Net Decrease in Fair Value of Investments

- The type of service or commodity purchased.
- The list to the left reflects Rollup codes only, all of these require further breakout.

The UCOA: Revenue

- Revenues are used to designate a funding source and are organized by whether or not funding is from local, state or federal sources
- Revenue codes are also used for expenditures to designate the source of funds
 - The business rules will specify which revenue codes to use and when, for example, it may not be necessary to use a specific revenue code, in which case you may use “mixed source” or “federal source” or “state source” more broadly as appropriate.

Code	Revenue Description
1000-1999	Local Revenues
1999	<i>Local Source – Expenditure Use Only</i>
2000-2999	Intermediate Revenues
2999	<i>Intermediate Source – Expenditure Use Only</i>
3000-3999	State Revenues
3999	<i>State Source – Expenditure Use Only</i>
4000-4999	Federal Revenues
4999	<i>Federal Source – Expenditure Use Only</i>
5000+	Other Revenues/Sources
9900	<i>Mixed Sources--Expenditure Use Only (example: Child Nutrition)</i>
9901	<i>CFP School-wide--Expenditure Use Only</i>
9999	<i>Local or State sources--Expenditure Use Only</i>

The UCOA: Business Rules

- The Handbook II establishes the Hierarchy of Rules that govern how you should record a transaction, this will depend sometimes on your governance structure and other local factors
- Object rules the roost
- **Cannot book to rollup codes**
 - **If not using sub-codes, or if sub-codes are not required, then use “other” category within rollup**

The UCOA: Other notes

- AOE and the Handbook II committee are still working to minimize the number of required codes and to create rules that will reduce accounting burdens
- The order of segments in your system if you are not opting in is up to you
- If not opting in to SSDDMS, order and format of your data extract will matter for importing to state data warehouse

The UCOA: Next Steps

- Establish regular AOE-VASBO working meetings to finalize the UCOA and the Handbook II by December 2018
- Establish ongoing UCOA/Handbook II review/change process – these are *living* documents

Questions?