**2024-2025 Audits of Local Schools**

Memorandum to Auditors of Idaho’s Public School Districts and Charter Schools

This memo outlines changes from prior years as well as providing guidance and reminders on a few of the major areas that each auditor may be reviewing and testing during audits of Idaho’s public schools.

Auditor’s Letter of Assurance

All auditors of Idaho public schools are requested to review and sign the accompanying Letter of Assurance for audits conducted on FY 2025 data. This letter acknowledges and assures that select topics contained in this memo are being reviewed during the FY 2025 review cycle. A copy of this memo can also be found posted to the Public School Finance website: https://www.sde.idaho.gov/finance/ (Under *School Level Finances / Financial Information)*

State Review of Audit Work Papers

The department has developed an annual risk self-assessment form to be completed by all school districts and charter schools starting in FY 2026. Based on the information submitted in this form, and at the department’s discretion, the local auditors may be asked to share their work papers showing their review of the items discussed in this memo and those found in the Letter of Assurance.

**State programs**

State Foundation Program

Public schools receive the majority of their General M&O revenues through the State Foundation Program. The amount received is based on attendance and staffing information supplied by the public schools through Idaho System for Educational Excellence (ISEE) reporting during the year. This information, used to distribute over $2 billion dollars to schools, is available on a secure School Finance website. Please see the school Superintendent or Charter School Administrator for the site and access information. *We are requesting that auditors verify the accuracy of attendance and staffing data submitted via ISEE.*

Attendance

The department requests that auditors review how public schools submit attendance data. This review should include testing of the attendance data submitted and confirmation that schools are reporting in compliance with department guidelines and State Board Rules and Regulations. Attendance reports will be posted to the School Finance secure website on July 15. Please work with the LEA’s Superintendent or Administrator to access these reports.

A copy of the *Attendance and Enrollment Manual* can be found on the department's website: https://www.sde.idaho.gov/finance/ (Under *Manuals)*

More information about the testing process can be found in the supplemental State Compliance Summary. If you have questions on attendance reporting, please contact Dean Reich (School Finance) at (208) 332-6983 or dreich@sde.idaho.gov.

Staffing - General

The department requests that auditors review and test the staffing data submitted via ISEE to Public School Finance. This staffing data is used to calculate Salary Based Apportionment. The review should include testing of all certified employed staff, their educational credentials, and their corresponding assignments, and confirmation that school districts and charter schools are compliant with department guidelines and State Board Rules and Regulations. The data should reflect a "snapshot in time," which is the last Friday of September, and subsequently captured in the November upload for the midterm reporting period. Final staffing reports will be posted to the School Finance secure website on July 15. Please work with the Superintendent or Administrator to access these reports.

More information about the testing process can be found in the supplemental State Compliance Summary. A copy of the *Staff Data Guidance Manual* can be found on the department's website: https://www.sde.idaho.gov/finance/ (Under *Manuals)*

If you have questions on the reporting of the staffing information, please contact Alexandra McCann (School Finance) at (208) 332-6845 or amccann@sde.idaho.gov.

Staffing – Salary Based Apportionment

Auditors should verify the placement of certified staff on (1) the education and experience multiplier table for administrators and (2) the career ladder for instructional and pupil services staff based on supporting documentation such as performance evaluations. Auditors should also verify that the correct individuals are being funded for education allocations as well. This review should include verification of transcript credits and degrees in compliance with Idaho Code 33-1004A and 33-1004B. The data should reflect a "snapshot in time," which is the last Friday of September, and subsequently captured in the November upload for the midterm reporting period. Final staffing reports will be posted to the School Finance secure website on July 15. Please work with the Superintendent or Administrator to access these reports.

More information about the testing process can be found in the supplemental State Compliance Summary. A copy of the *Staff Data Guidance Manual* can be found on the department's website: https://www.sde.idaho.gov/finance/ (Under *Manuals)*

If you have questions on the reporting of the staffing information, please contact Alexandra McCann (School Finance) at (208) 332-6845 or amccann@sde.idaho.gov.

Student Transportation

The department requests auditors review internal control procedures to confirm that reimbursable costs, as well as miles, have been reported properly and consistently on the Student Transportation Reimbursement Claim. The department also requests that auditors review bus purchasing and transportation contract solicitation which should follow Idaho Code (67-2806, 672803, 67-2807, 67-2327, 33-402 and 33-601) as well as the handling of any depreciation allowance and fuel excise tax refunds, and confirm schools are reporting in compliance with department guidelines and State Board Rules and Regulations. Funds received for bus depreciation should be placed in a separate fund (Fund 424) as required by the Standards for Idaho School Buses & Operation, which can be reviewed on the department website. The amount to be reported in Fund 424 should be approximately 85% of the total amount reported on line 69 Depreciation Allowance on the Student Transportation Reimbursement Claim.

More information about the testing process can be found in the supplemental State Compliance Summary. If you have questions relating to transportation, please contact Zane Cliver (Student Transportation) at (208) 332-6856 or zcliver@sde.idaho.gov.

Internet-Based Expenditure Website

Idaho Code 33-357 requires that school districts and charter schools submit their expenditures and revenues on a schedule set by the Idaho State Board. This schedule is set quarterly (October, January, April, July). Full implementation and compliance of this requirement is mandatory by all LEAs for the 2025-2026 school year.

If you have any questions regarding the internet-based expenditure website, please contact the State Controller’s Office at registry@sco.idaho.gov.

If you have any questions regarding data reporting or submission, please contact the State Education Data Systems Reporting Manager at (208) 332-6937.

Purchasing

The department recommends auditors include a purchasing compliance review to ensure schools have adequate purchasing procedures in place and that purchases are being appropriately reviewed and authorized. Idaho Code 33-601(2) requires that all purchasing contracts, with the exception of the purchase of curricular materials, comply with the provisions of chapter 28, title 67 of Idaho Code. These provisions specify purchasing requirements for all political subdivisions in the state of Idaho, including public schools. Unless specifically exempted, political subdivisions have the option to utilize statewide contracts executed by the State Division of Purchasing. Questions can be directed to the Division of Purchasing at (208) 332-1603 or to the Department’s Procurement Coordinator, Linda Becker, at (208) 332-6974.

Implications of the Repeal of Idaho Code 33-1019

IC 33-1019, which directed an annual allocation of school funds equal to at least two percent (2%) of a school buildings replacement value for use towards qualifying school building maintenance, was repealed with the passing of House Bill 521 during the 2024 Idaho Legislative Session. HB 521 went into full force and effect on July 1, 2024, and, as a result, Public School Finance is no longer collecting an annual School Building Maintenance Report to verify this previous allocation requirement. Additionally, IFARMS fund and function codes directly related to the School Building Maintenance Report have been adjusted and will go into effect beginning FY 2026. Further details on these chart of account changes can be found later in this memo.

Idaho Financial Accounting Reporting Management System (IFARMS) Chart of Accounts

Each public school is required to submit an annual financial report using the Idaho Financial Accounting Reporting Management System (IFARMS) as its Chart of Accounts. *It is especially important that revenues and expenditures be reported accurately using the revenue and expenditure coding structure established by the department and that coding is reviewed during the auditing process to ensure the collection of uniform data from Idaho’s public schools.*

Please refer to the *IFARMS Manual* for additional guidance on fund, function, and revenue coding. A copy of the *IFARMS Manual* can be found on the department's website: https://www.sde.idaho.gov/finance/ (Under *School Level Finances – Financial Information – IFARMS Annual Financial Report Information)*

A copy of the IFARMS Chart of Accounts can be found on the department's website: https://www.sde.idaho.gov/finance/ (Under *Budget Forms and Information)*

If you have questions on the IFARMS Chart of Accounts or reporting/recording of revenues and expenditures, please contact Andrew Konopacky (School Finance) at (208) 332-6846 or akonopacky@sde.idaho.gov.

Changes to IFARMS Chart of Accounts for FY 2025

*Revenue Account Code 437000 (Lottery/Additional State Maintenance)* was removed. Changes to state public school facility funds enacted during the 2024 Legislative Session repealed the distribution of funds through separate lottery and additional state match distributions.

*Revenue Account Code 445200 (Title VI, ESEA – Innovative Practices)* was removed. Research into this account code concluded that it was a legacy code that did not align with current federal reporting requirements.

*Fund 436 (School District Modernization Facilities Fund)* was added as a resource for school districts to hold funds distributed to it pursuant to Idaho Code 33-912 through 33-917. This fund only applies to school districts.

*Function Code 664 (Maintenance – Buildings and Equipment)* was modified. 664 was previously used for maintenance expenditures solely to student occupied buildings. Going forward it will be used for any qualifying maintenance to buildings or equipment, regardless of its student occupied designation. This modification is a result of the repeal of school building maintenance reporting that required distinction in maintenance and capital assets expenditures between student occupied and non-student occupied buildings.

*Function Code 810 (Capital Assets)* was modified. 810 was previously used for capital asset expenditures solely to student occupied buildings. Going forward it will be used for any qualifying capital assets, regardless of its student occupied designation. This modification is a result of the repeal of school building maintenance reporting that required distinction in maintenance and capital assets expenditures between student occupied and non-student occupied buildings.

Changes to IFARMS Chart of Accounts for FY 2026

*Fund 240 (School Building Maintenance (Student-Occupied))* was removed. Changes to state public school facility funds enacted during the 2024 Legislative Session repealed Idaho Code 33-1019 and the corresponding school building maintenance reporting and fund usage requirements.

*Fund 430 (Plant Facilities – School Building Maintenance – Student Occupied)* was removed. Changes to state public school facility funds enacted during the 2024 Legislative Session repealed Idaho Code 33-1019 and the corresponding school building maintenance reporting and fund usage requirements.

*Function Code 663 (Maintenance – Non-Student Occupied)* was removed. 663 was previously used for maintenance expenditures solely to non-student occupied buildings. This removal is a result of the repeal of school building maintenance reporting that required distinction in maintenance and capital assets expenditures between student occupied and non-student occupied buildings.

*Function Code 811 (Capital Assets – Non-Student Occupied)* was removed. 811 was previously used for capital asset expenditures solely to non-student occupied buildings. This removal is a result of the repeal of school building maintenance reporting that required distinction in maintenance and capital assets expenditures between student occupied and non-student occupied buildings.

Summary of State Payments made as of July 15, 2025

A worksheet summarizing all state payments sent to LEAs in FY 2025 will be posted to the School Finance portion of the department’s website after July 15. The worksheet can be found by going to: https://www.sde.idaho.gov/finance/ (Under *School Level Finances – Financial Information – Financial Reports)*

Annual Financial Report Due October 31, 2025

All annual financial reports must be submitted via the ISEE data collection process. The upload window for annual financial reports opens August 1 and all reports are due no later than October 31. LEAs will upload a single file through the *Annual Finance Report* application on ISEE. Contact your school’s ISEE Data Personnel or Regional ISEE Technology Coordinator for more information on the process.

Audit Report Due November 10, 2025

Idaho Code 33-701(6) requires audit reports to be filed with the department after the report’s acceptance by the board of trustees but no later than November 10. Idaho Code 33-701(6) states that if the department has not received the audit report by November 10, the department may withhold the school district or charter school’s November 15 distribution until the audit report has been received. The November 15 payment makes up approximately 20% of the state funding for the school year. Idaho Code 67-450B sets forth the minimum audit requirements for all local government entities, which include both school district and charter schools. Idaho Code 67-450B can be viewed on the Idaho Legislature’s website.

Audit reports should be submitted in PDF format to Andrew Konopacky (School Finance) at akonopacky@sde.idaho.gov.

**FEDERAL programs**

General Federal Guidelines

Auditors should review federal grants for compliance with OMB’s 2 CFR (outlines cost principles associated with federal grants) and to the Common Rule (details the reporting requirements). Audits should be conducted in accordance with the Yellow Book and the Single Audit Act, if appropriate.

If you have any questions relating to the auditing of federal funds, please contact Andrew Konopacky (School Finance) at (208) 332-6846 or akonopacky@sde.idaho.gov to be directed to the appropriate Federal staff coordinator.

Some of the policies and procedures on Federal grants must be in writing: Procurement

(2 C.F.R. § 200.318), Cash Management (2 C.F.R. § 200.302 (6)), Code of Conduct

(2 C.F.R. 200.215.42) and Allowable Costs (2 C.F.R. § 200.302 (7)). Purchasing procedures should include child nutrition requirements set forth in 7 CFR 210.21 and use state and federal guidelines for micro, small purchase, and large purchase procedures (whichever is most restrictive). The department has provided guidance that can be found on the department website: https://www.sde.idaho.gov/federal-programs/funding/ (New Uniform Grant Guidance).

USDA Child Nutrition Program

It is important that auditors review the internal control procedures for the handling of allowable and unallowable expenditures of USDA Child Nutrition Funds. This includes, but is not limited to, clearly documenting the transferring in and out of funds relevant to the USDA Child Nutrition programs. In addition, assurance that federal reimbursement revenue and daily cash receipts received by food service are accruing to a separate child nutrition program account. Any utilities charged to the Child Nutrition program must be on a separate meter and they cannot be proportionately allocated. All staff not allocated 100% to Child Nutrition must have a time and effort report. Procurement should be conducted following 2 CFR 200, which includes prior approval for capital purchases (equipment, software) of over $5,000. Sufficient tests should be included in your review to detect errors and prevent irregularities and ensure that USDA regulations 7 CFR 210.14, 7 CFR 226.6, 7 CFR 226.7(g), 7 CFR 250.59 and FNS 796.2 (revision 4) are being followed. Income and expenditures should be separated by Child Nutrition Program, such as School Lunch, At Risk Suppers in CACFP, Fresh Fruit and Vegetable Program, etc.

If you have any questions relating to the USDA Regulations, please contact Child Nutrition at (208) 332-6821.

Costs of building a kitchen are not to be charged to the child nutrition fund (Fund 290) and

should be covered by general or capital improvement funds just as the school building and its contents should be.

Per Idaho Code 63-3622J and Sales Tax Rule 41, meals served as part of the federal school lunch program are exempt from Idaho sales tax. Based on the statute and rule, if the items purchased would not be covered under the Federal school lunch program those items would be taxable including second meals or individual items paid for separately from the federal school lunch program. Non-program Foods (Adult Meals, Child 2nd Meals, A la Carte, and anything that is not reimbursed by USDA) should be recorded and paid under the Sales Tax rule by schools.

Distribution of Federal Dollars

All Federal dollars distributed by the department are on a reimbursement basis. The dollars are requested through the Grant Reimbursement Application (GRA) or for child nutrition meal claims, MyIdahoCNP. Child nutrition dollars must be deposited to Fund 290.

Federal Program Identification

Under 2 C.F.R. 200-302 districts must track the Assistance Listing Numbers (ALN), formerly known as Catalog of Federal Domestic Assistance (CFDA), related to Federal programs, projects, services, and activities that provide assistance or benefits to the American public. The CFDA title and number and federal identification number and year, name of the federal agency for both monitoring and reporting of program performance. The federal program award identification should be current and accurately identified on their Financial Management/Accounting Systems for each Federal award or program in accordance with 200.327 and 200.328 including audit reports. For example, LEA’s have misreported and identified Special Education IDEA Part-B Individuals with Disabilities Education Act funds as Title VIB funds. In the year 2001, Special Education was renamed IDEA Part B. Simultaneously, The No Child Left Behind Act of 2001 (NCLB, P.L. 107-110) established the Rural Education Achievement Program (REAP) under Title VI, Part B of the Elementary and Secondary Education Act of 1965 (ESEA). Congress created this program to address the unique needs of rural schools that disadvantage them relative to nonrural schools. Many LEAs in Idaho may receive the REAP grant directly through the U.S. Government (not through the department). Labeling Special Education Funds as Title VIB is misrepresenting and misidentifying programs, and must be updated in your budgets, board reports, and financial statements and audits, including the SEFA.

If you have any questions, please contact Lisa Pofelski-Rosa (Special Education) at

(208) 332-6916 or lpofelskirosa@sde.idaho.gov.

Pandemic Relief Funds

Elementary and Secondary School Emergency Relief (ESSER) Funds should be reported under their assigned fund numbers. Funds received for the purpose of the pandemic should be reported separately from other Federal funds.

For Pandemic Relief Fund reporting, auditors should review that schools are reporting their funds according to the correct IFARMS fund number:

|  |  |  |
| --- | --- | --- |
| **Pandemic Relief Fund Act** | **Grant Name** | **IFARMS Fund Number** |
| **CARES Act** | **ESSER I** | **252-00x** |
| **CRRSA Act** | **ESSER II** | **254-00x** |
| **ARP Act** | **ESSER III** | **250-00x** |
| **ARPA IDEA** | **ESSER III IDEA** | **259-00x** |

Subawards from the same Federal award must be reported in the corresponding fund, for example, ESSER II State Set Aside in 254-002.

Coronavirus Relief monies should be reported using an unassigned fund number from Fund 271-289 Federal Special Projects.

If you have any questions, please contact Lisa English (Federal Programs) at (208) 332-6911 or lenglish@sde.idaho.gov.

IDEA Part B and Preschool Financial/Cash and Program Management

For IDEA Part B School Aged 611 funds (Fund 257) and Preschool 619 funds (Fund 258), auditors should review that schools are minimizing the time elapsed between transfer of funds and disbursements, per 31 CFR Part 205. The department recommends that schools make monthly, and no later than quarterly, reimbursement requests. Use the Revenue code 445600 for Funds 257 and 258.

Fund 257 must use function/program code 521 for instructional related services, and 616 for noninstructional support services. Fund 258 must use function/program code 522 designated specifically for preschool aged 3-5 instructional expenditures, and 616 for preschool aged noninstructional support services. Preschool funding as IDEA Part B 619 may be used for kindergarteners that are age 5. LEAs do not need to offer a preschool program to utilize the IDEA part B preschool funding.

LEA expenditures and use of funds must align with the provisions set forth under IDEA Title 34 Code of Federal Regulations Part 300, 2 CFR Part 200, 34 CFR Part 80, 34 CFR Part 74, 2 CFR Part 180, and 2 CFR Part 3485.

Districts receive payment from the department on a cost reimbursement basis, as no advances are allowable under department policy. Therefore, any IDEA Part B and/or Preschool program expenditures should have a corresponding revenue match, if reimbursement requests are performed timely, at the end of the fiscal period the account balance of IDEA Part B and Preschool federal awards should have an ending fund balance of net zero. This information and the net zero amount should therefore be accurately reflected in the Combining Statement of Revenue and Expenditure as required supplementary information for federal programs, and the program should not carry a beginning balance into the next fiscal year. Other key references: 2 CFR 200-302-303, 305 Financial Management, Internal Controls, and Payments.

If you have any questions, please contact Lisa Pofelski-Rosa (Special Education) at (208) 332-6916 or [lpofelskirosa@sde.idaho.gov](mailto:lpofelskirosa@sde.idaho.gov).

Medicaid and Maintenance of Effort Special Education

Medicaid School-Based Services (SBS) are health-related and rehabilitative services provided to children with disabilities who receive services under the Individuals with Disabilities Education Act (IDEA). These services are provided by school districts and charter schools and are considered medically necessary for children to participate in their educational program. Medicaid SBS are determined by the student’s IEP Team and must have a

recommendation/order by a physician or other licensed practitioner of the healing arts,

assuring that the services are medically necessary for Medicaid reimbursement.

Medicaid SBS billable services include medical or remedial services provided by LEAs or other cooperative service agencies, as defined in Idaho Code Section 33-317 and IDAPA 16.03.09. Eligible services and claims are reimbursed on a set fee schedule.

While schools are legally liable to provide IDEA special education and related services at no cost

to eligible students, Medicaid reimbursement is available for allowable health-related services because section 1903(c) of the Act requires Medicaid to be primary to the U.S. Department of

Education for payment of health-related services provided under IDEA. The Office of Special Education Programs (OSEP) issued Memo 15-10: Issuance of Guidance on the Final Local Educational Agency (LEA) Maintenance of Effort (MOE) Regulations under Part B

of the Individuals with Disabilities Education Act (IDEA) to provide regulation guidance

regarding Medicaid State/local match and MOE. Per OSEP Memo 15-10, LEAs must include the amount of local only or State/local funds spent on the education of students with disabilities

when calculating the level of effort required to meet the eligibility and compliance standards,

even if those local only or State/local funds are also used to meet a matching requirement in

another Federal program.

There are frequent occurrences of Medicaid reimbursable expenditures and revenues not being correctly accounted for as they relate to LEA Maintenance of Effort under IDEA. Each Medicaid claim processed requires matching funds to be paid from a non-federal source.

34 CFR §300.203 states “The amount of local, or state and Local funds expended for the education of children with disabilities, is the amount of funds that establishes the level of expenditures to be maintained from year-to-year and establishes the MOE level.”

The department requires that the exact matching funds used to process reimbursement claims be accounted for in the IDEA Part B Application in Section II of Maintenance of Effort. Medicaid Match is an expenditure, is included in your calculation of Maintenance of Effort, and should be budgeted for in the IDEA Part B application, and in your General Ledger (GL).

2 CFR 200.306 (b). “[A]ny shared costs or matching funds and all contributions, including cash and third-party in-kind contributions, must be accepted as part of the non-federal entity's cost sharing or matching.”

If schools prepay match and maintain a trust account balance with the Department of Health and Welfare, it is recommended they record any balances as a prepaid asset on your GL. They should reconcile their prepaid asset account with their Health and Welfare statements, for any interest earned, less any match used for reimbursements. This will also allow for LEAs to clearly identify match used. Only match used for processing claims is reported as an expenditure line item in the IDEA Part B application towards MOE.

Since Idaho’s State Medicaid Plan considers Medicaid a cost reimbursement program, costs associated with the claiming of Medicaid funds including third-party administrator billing such as Medicaid Admin Fees, are NOT chargeable to MOE and should be accounted for somewhere other than fund 260 or function code 521, 522, or 616. Treat it like a fee; example 100-651315 or 100-651310. Billing for Medicaid reimbursements is not considered a direct required cost under IDEA and is not therefore an allowable cost under IDEA programs.

The School-Based Medicaid fund code 260 should be used to ensure that Medicaid reimbursable expenditures are not commingled with general funds. Use Revenue code 445900, and record the entire reimbursement claim against the federal revenue code.

The Medicaid fund 260 should have an ending fund balance of net zero. This information and the net zero amount should be accurately reflected on the Combining Statement of Revenue and Expenditure and the program should not carry a beginning balance into the next fiscal year. If Medicaid fund 260 expenditures exceed revenue, *expenditures should be moved* to Maintenance of Effort accounts, unless MOE has been met, and federal funds are still available in IDEA Part B.

Pay close attention to how these types of expenditures are being accounted for and ensure that only the net amount of the expenditures, less any Medicaid reimbursement, are being included in the function/program codes that are examined for MOE purposes.

Due to Maintenance of Effort exceptions that may include student data, auditors may not be able to view MOE details (i.e., MOE Section II or Section III). Please contact your LEA to print those summary pages or send you details, or you can contact the [IDEAAdministrators@sde.idaho.gov](mailto:IDEAAdministrators@sde.idaho.gov) to provide those reporting details.

If you have any questions, please contact Lisa Pofelski-Rosa (Special Education) at

(208) 332-6916 or [lpofelskirosa@sde.idaho.gov](mailto:lpofelskirosa@sde.idaho.gov), or [IDEAAdministrators@sde.idaho.gov](mailto:IDEAAdministrators@sde.idaho.gov).

Time and Effort Reporting

2 CFR § 200.430 - Compensation—personal services. All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities. Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed to support the distribution of the employee’s salary or wages among specific activities or costs objectives. This is a requirement under the Education Department’s (ED’s) Cost Allocation Guide (see section VI: Time Reporting Requirements).

One of the most common questioned costs in audits of federal programs is the absence of effective policies and procedures to ensure that personnel costs are charged to federal grants and programs in compliance with the time and effort reporting requirements of OMB’s Uniform Administrative Requirements and ED’s Costs Allocation Guide. Schools and their auditors should be aware of those requirements and should take the necessary steps to ensure that their time distribution systems are in compliance with those requirements.

It is critical for payroll charges to match the actual distribution of time recorded. If using budget estimates, the LEA must periodically, at least quarterly, reconcile payroll charges to the actual time and effort reflected in the employees’ time-and-effort records. Failures to propose, manage, and certify effort correctly could jeopardize the district's federal funding and lead to penalties/reversal of funding for the district (repayment of the unallowable costs).

If the difference between the actual and budgeted amounts is 10% or greater, the LEA should adjust its accounting records at least quarterly. If the reconciled difference is less than 10%, the LEA should adjust the accounting records at least annually. But in both cases, the accounting records must be adjusted to reflect actual time-and-effort records.

Policies and procedures that do not meet those requirements should be reported as an audit finding. The state has provided guidance on this issue that can be found at

http://www.sde.idaho.gov/federal-programs/funding/index.html (Fiscal Compliance Tab)

If you have any questions relating to Time and Effort Reporting, please contact Stacie Rekow (Title I Coordinator) at (208) 332-6891 or Austin Kohout (Federal Programs) at (208) 332-6900 or Lisa Pofelski-Rosa (Special Education) at (208) 332-6916 or [lpofelskirosa@sde.idaho.gov](mailto:lpofelskirosa@sde.idaho.gov) .

**general INFORMATION**

Budgeting

Budget forms and schedules can be viewed on the department’s website in the Forms and Templates section at http://www.sde.idaho.gov/finance/. Schools must also follow State Board Rules and Regulations as well as reporting guidelines established by the department.

If you have any questions about the budgeting process, please contact Cyndee Burgess

(School Finance) at (208) 332-6844 or cburgess@sde.idaho.gov.

School Level Expenditure Reporting

Every Student Succeeds Act (ESSA) was signed into law in 2015. Part of this act is a requirement for all states to report per-pupil expenditures at the school level. Expenditures must be reported at the school level for all funds. We know that some expenditures are easily identifiable as school level expenditures, such as the salaries and benefits of teachers and other staff assigned to a particular school. Other expenditures are more difficult to allocate, including school administration costs, business program costs, transportation costs and child nutrition costs. We are asking schools to allocate their expenditures to the best of their ability. Costs that are not allocated directly to a building by the school district or charter school will be aggregated and allocated by the Idaho Department of Education to each building using enrollment. This allocation will be done for fiscal report card purposes only.

Special Distributions

Various special distributions were included in the FY 2025 public school appropriation. A PDF document summarizing these distributions can be found with the 2024-2025 budget forms at http://www.sde.idaho.gov/finance/ (Under *Budgets - Supporting Documents and Forms*)

Single Audit Report

The Division of Financial Management (DFM) has historically facilitated the tracking of total federal dollars paid to sub-recipients by all state agencies and made this information available to the public through the annual STARS Single Audit Report.

Beginning in FY 2024, DFM will no longer be generating this report. At the time this memo was written, Single Audit Reports for FY 2023 and earlier can still be generated through the DFM website, <https://dfm.idaho.gov/singleauditv2/>.

DFM has informed the department that the State Controller’s Office (SCO) is working on posting the Single Audit reports to the Transparent Idaho website, <https://transparent.idaho.gov/>. However, at the time of writing, these reports are not currently accessible through the website and no timeline has been given for when they are expected to be posted.

General Fixed Assets

Various payments to schools are made using computations including fixed asset dollar amounts. The fixed asset information included in the notes to the financial statements should be separated into elementary, secondary, and administrative fixed asset dollars for these computations to be accurate. It would also be helpful to have this information further separated by asset type, including buildings, equipment, transportation, etc.

Coding of Tax Receipts

Please review the tax receipts collected by schools for proper fund and revenue account coding.

Miscellaneous State Grants

Schools receive miscellaneous state grant monies that should be reviewed to ensure the dollars are expended in accordance with the school’s approved applications.

Training Opportunities

There are several opportunities during the year to learn more about school finance.

* The Idaho Association of School Business Officials (IASBO), in cooperation with Public School Finance, presents a New School Finance workshop in February or March. This full-day workshop is often referred to as School Finance 101. For further information, please see the IASBO website at <https://www.idahoasbo.org/>.
* Public School Finance holds a monthly webinar on the first Wednesday of each month, August through June. For more information, please contact Amber Worthington (School Finance) at (208) 332-6829 or aworthington@sde.idaho.gov.
* IASBO also holds an annual conference in late June. This two-day workshop features concurrent sessions pertaining to issues facing Idaho’s public schools. For more information, please see the IASBO website at www.idahoasbo.org.
* The department’s website at www.sde.idaho.gov has a wealth of information. Specifically, the School Finance website at http://www.sde.idaho.gov/finance/ has manuals, forms, and statistical information.

The School Finance staff, as well as all department staff, encourage you to call or email any questions you may have. School Finance can be reached at (208) 332-6840 and the general Idaho Department of Education telephone number is (208) 332-6800.