
Newsletter No. 19-08/09, January 16, 2009

Philip Price
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(1) Allotment Balance Reconciliation Report:

Due to a programming error, the previous Allotment Balance Reconciliation Report (JHA351EG) for June 30, 2008 as of September 2008 for Company 8000 was incorrect. We have corrected the error and the new Allotment Balance Reconciliation report for June 30, 2008 as of September 2008 for Company 8000 has been downloaded on Thursday, January 15, 2009 and are now available for you. If you have questions, please contact Roxane Bernard at rbernard@dpi.state.nc.us or Richard Smith at rismith@dpi.state.nc.us.

(2) December 2008 (Period 6) Monthly Financial Reports (MFR) Reports Netviewed:

We netviewed the December 2008 MFR (Period 6) reports on Thursday, January 15 2009. We have since noticed that there may be incorrect errors listed on the December 2008 MFR Error Message Issued (PGA10RP4-E) and the MFR Verification Messages Issued (PGA10RP4-V) reports. Our programmers are reviewing the reports and once corrected we will resend the reports. If you have questions regarding the MFR reports, please contact Roxane Bernard at rbernard@dpi.state.nc.us or 919.807.3725.

(3) Transportation Webcast:

DPI Transportation Services presented a webcast for transportation personnel around the state. The first 15 minutes focuses on a program of the American School Bus Council "Love the Bus." LEAs are encouraged to hold Love the Bus events the week before Valentine's Day to highlight the safety of school bus transportation. The last 20 minutes focus on various administrative topics including the current fuel status and remaining allotments for 2008-2009. The webcast is linked at www.ncbussafety.org/.

(4) Early College Transportation Allotments:

Transportation directors have been notified that requests for Early College Transportation Allotments for the first semester are due February 1, 2009. Contact Steve Beachum 919.807.3570.

(5) Substitute Teachers Claims for Unemployment:

Please review the attached letter from Eileen Townsend to Unemployment Coordinators and Finance Officers concerning unemployment benefits as it pertains to substitute teachers.

Attachments: To get the attachments referenced in the newsletter, please email Deby Jackson and let her know which attachments to send.

To subscribe to the Finance Officers' Weekly Newsletter email or call Deby Jackson at debjacks@dpi.state.nc.us or 919.807.3603 and provide your name and email address.

Newsletter No. 20-08/09, January 23, 2009

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(1) December 2008 (Period 6) Monthly Financial Reports (MFR) Reports Re-Netviewed:

We will be resending the correct December 2008 MFR (Period 6) reports on Monday, January 26, 2009. The incorrect December 2008 MFR reports were erroneously sent this past week.

If you have questions regarding the MFR reports, please contact Roxane Bernard at rbernard@dpi.state.nc.us or 919.807.3725.

(2) State Public School Fund Allotment Overdraft Reports:

We netviewed the "State Public School Fund Allotment Overdraft Report" (JHA356EG) for the prior year report, Company 8000, FY 2007-2008, as of the December processing period, on Thursday, January 22, 2009. All refunds through the December 2008 processing period are reflected. Refunds for all allotments exceeded, plus any penalties due, should be submitted with the processing period 7 (January 2009), by Tuesday, February 3, 2009, to avoid additional penalties. If you have questions, please contact the following persons: Total Dollar Allotment Overdraft: Roxane Bernard at 919.807.3725, rbernard@dpi.state.nc.us; Audit Exceptions - State Overpaid and Month Allocated Versus Months Used: Angela McNeill at 919.807.3736, amcneill@dpi.state.nc.us or Sue Holly at 919.807.3735, sholly@dpi.state.nc.us.

(3) Allotment Overdraft Penalties:

Thank you for your timely payment of the penalties due on the Allotment Overdraft report. 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. Before paying your penalties, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us to confirm the correct amount of penalties to pay.

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

Newsletter No. 21-08/09, February 6, 2009

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(1) Federal Stimulus Package Information:

Below you will find information that we have been gathering from various sources. This information can help you learn and understand what is being discussed at the Federal level regarding relief to states and local school districts. There is much information circulating, we hope this information will assist you by providing names of associations following the process and URL sources to help keep up with the ever changing landscape at the federal level.

The House has passed their bill to the Senate which is currently working on their bill, as soon as we get more definite information on the final Senate version we will review it and pass on the information to you. **Remember all this is subject to change and is not is not final.**

This information will be placed in the What's New Section of the [FBS website](#) in the next few days. We will continue to update you and place new items under the What's New link as information is received.

Stimulus Package Bills

- House bill text located at <http://appropriations.house.gov/pdf/RecoveryBill01-15-09.pdf>
- Senate bill text located at http://appropriations.senate.gov/News/2009_01_28_Text_of_S336_the_American_Recovery_and_Reinvestment_Plan.pdf?CFID=3012449&CFTOKEN=86703057

Federal Stimulus Comparison (Attached) Comparison of House and Senate as of February 2

Information was obtained from the bills above.

Estimated Local School District Allocations for Selected Programs Funding Under the Federal Stimulus Package (includes Title 1, IDEA and Construction based on the House Version)

<http://edlabor.house.gov/selected-allocations-for-school-districts-under-the-american-recovery-and-reinvestment-bill/index.shtml>

CRS-Stimulus on Education Funding (Attached)

State level impact and description of the funding.

Question and Answer Document (Attached) for the House Budget -

Provided by the Firm of Brustein and Manasevit

Organizational Links Following the Federal Stimulus Packages

North Carolina Association of School Administrators

www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=229

National Clearinghouse For Educational Facilities

www.ncef.org/school-modernization

Should you have any questions, please feel free to contact Paul LeSieur at

plesieur@dpi.state.nc.us 919.807.3701.

(2) Unspent Driver Training Funds at June 30, 2009:

Please analyze your Driver Training funds and report the amount you anticipate reverting to the State at June 30, 2009 on the attached Excel form. This form must be signed by the Finance Officer and Superintendent and faxed by March 24, 2009 to the School Allotments Section at 919.807.3723. Contact Sharon Ramseur with questions at 919.807.3675 or SRamseur@dpi.state.nc.us.

(3) Change in Personnel:

Although it is a loss to the Salary Administration group, we are happy to announce that Angela McNeill has accepted a position in the Allotments Section. Please direct all Salary Administration questions to Sue Holly at sholly@dpi.state.nc.us or 919.807.3735.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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

TO: Finance Officers

(1) Public Schools Budget - Possible Reductions for FY 2009-10 and FY 2010-11 Biennium Budget:

As we have been discussing with you over the past few months, the economic picture has not improved and adjustments will be necessary to fill the 2 to 3 billion dollar shortfall in the State's biennium budget. At this time we do not know what the final impact will be in State funding reductions to Public Schools and we do not know what, if any, Stimulus Funding will be received by the State for education purposes. We will keep you posted on anything we find out that may impact your local operations once public.

Last week we sent you some information from the Federal Stimulus Package. We are hoping the final bill from the conference committees expected sometime this month will include program funding for states on education as proposed in the House budget last week and provided to the Senate on Capitol Hill. If so, some of the funding should offset some of the reductions the Department provided to the Office of State Budget and Management.

Attached you will find the 3, 5 and 7% possible reductions submitted to Office of State Budget and Management for consideration and possible inclusion in the Biennial Budget due to the General Assembly for action during this long session.

We are also preparing a document that will be ready in the next few days and placed on our website which will provide you with information of how these possible 3, 5, and 7% reduction options would have impacted your FY 2008-09 Initial Allotments. This can be used as a guide to what impact it may have on the next 2 years funding. Be reminded, these documents will not include the Kindergarten adjustment, which is scheduled to change the start date for a 5 year old from October 15 to August 31 (estimated to be 13,000 students statewide), and will not be the actual impact on next years' allocations to LEAs.

Should you have any questions, please feel free to contact Paul LeSieur at plesieur@dpi.state.nc.us or 919.807.3701.

(2) FY 2009-10 Planning Allotment Average Daily Membership (ADM):

Below you will find the website URL where your FY 2009-10 Planning Allotment ADM can be found. Adjustments to your Actual Best 1 of 2 have been made for projecting Kindergarten for FY 2009-10.

www.ncpublicschools.org/fbs/allotments/planning/

Should you have any questions, please feel free to contact Paul LeSieur at plesieur@dpi.state.nc.us or 919.807.3701.

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TO: FINANCE OFFICERS

3%, 5%, and 7% Funding Reduction Options Presented for the 2009-10 Continuation Budget:

In the January 16, 2009 Budget Update notification we mentioned that we would be required to work up 3, 5, and 7% reduction options based on guidance from the Office of State Budget and Management. Attached you will find what was submitted to the Office of State Budget and Management in preparation for the FY 2009-10 Continuation Budget.

The reduction options were not presented to or approved by the State Board of Education. The Department does not endorse any of the reductions either. The Department was asked to present reduction options to address a 3%, 5%, and 7% cut.

In addition to submitting the possible reduction options, the Department requested that, if a major reduction is required to the Public School Fund (3% or greater), the local education agencies be given the flexibility to move funds around within the State Public School Fund to minimize the impact of classroom operations. This flexibility will allow school districts to adjust their reductions (for one year) to focus their resources to meet the needs of their student population.

Hopefully, the flexibility will help off-set any of the reductions that get imposed on our schools. Should you have any questions, please feel free to contact Paul LeSieur at plesieur@dpi.state.nc.us or 919.807.3701.

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

Newsletter No. 22-08/09, February 13, 2009

Philip Price
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(1) Spreadsheets on Possible Reduction Options for FY 2009-10:

We have placed on the web under What's New on www.ncpublicschools.org/fbs/ a worksheet with multiple tabs of how the possible 3, 5, and 7% reduction options would have impacted your FY 2008-09 Initial Allotments. This can be used as a guide for working with your local boards in preparation for your upcoming budget process for next school year. These numbers do not represent the General Assembly's passage of the appropriation bill for the 2009-11 biennium budget.

We will keep you posted on any changes that are presented to us as we work though the State's budget process as in years prior. We hope the Federal Stimulus Bill will provide funding that will help offset possible reductions to be made to the state public school fund.

Should you have any questions, please feel free to contact Paul LeSieur at 919.807.3701 or plesieur@dpi.state.nc.us.

(2) Federal Update - The Stimulus Package in the House for Vote as of 2/13/09:

\$53 billion for Stabilization funding for States.

- 61% to be used for LEAs to prevent teacher layoffs and reduce cutbacks to other key education services.
- \$13 Billion for Title I
- \$12 Billion for IDEA
- Other Requirements
- Supplement Not Supplant - Secretary May Waive
- Maintenance of Effort - FY 2006-07 Level (FY 2006)

Should you have any questions, please feel free to contact Paul LeSieur at plesieur@dpi.state.nc.us or 919.807.3701.

(3) Program Report Codes:

An updated listing of the current Program Report Codes (PRCs) has been added to the Supporting Documents FY 2009. The information is located at www.ncpublicschools.org/fbs/finance/reporting/coa2009.

If you have any questions, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

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

Budget Update 2/25/2009

TO: Finance Officers

The Governor continues to view public schools as a budget priority. In this difficult economic situation, public schools will not be asked to return any additional general fund appropriations. Our target remains @ \$159 million. Please remember that a larger reversion will only improve the fund availability for next fiscal year. Please work to maximize your reversion from State appropriations. We cannot emphasize how important every un-spent dollar will be in meeting the budget needs for next fiscal year.

We do need to let you know that a reduction has been made to your capital funds. The latest quarterly distribution for lottery capital funds and ADM capital funds will be redirected to help address the budget shortfall. These funds have not been (nor will be) allocated to local school districts.

Philip Price

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Newsletter No. 23-08/09, February 25, 2009

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(1) REMINDER: The following request was sent to you via email on February 18, 2009. You are reminded that your forms are due to the Office of the State Controller no later than Friday, February 27.

The Office of the State Controller is requesting that State Agencies, Universities, Community Colleges and LEAs update their Delegation of Disbursing Authority Agreement. Attached is the related memorandum and delegation form. Please complete the form as requested and submit it to the Office of the State Controller no later than February 27, 2009. Completed forms should be mailed to Melody Tart, Office of the State Controller, 1410 Mail Service Center, Raleigh, NC 27699-1410. NCDPI's contact regarding this request is Sarah Harris at 919.807.3636 or sharris@dpi.state.nc.us.

(2) State Public School Fund Allotment Overdraft Reports:

We netviewed the "State Public School Fund Allotment Overdraft Report" for January 2009 (Company 1000) for the current fiscal year 2008-2009 on Monday, February 23, 2009. Please submit your refunds effective February 2009 (processing period 8) by Tuesday, March 3, 2009 to avoid additional penalties.

We have temporarily excluded state PRC 055 Learn and Earn from the Allotment Overdraft Report for Company 1000. PRC 055 will be included in this report by June 2009 once the Learn and Earn Online textbook allotment is allocated.

We were unable to netview the June 2008 "State Public School Fund Allotment Overdraft Report" as of January 2009 (Company 8000). We hope to have this report netviewed next month. Continue to review the reports from previous months to ensure that you have refunded any outstanding allotment balances and salary audit exceptions.

If you have questions, please contact the following persons:
Total Dollar Allotment Overdraft: Roxane Bernard at 919.807.3725, rbernard@dpi.state.nc.us;
Audit Exceptions-State Overpaid and Month Allocated Versus Months Used: Sue Holly at 919.807.3735, sholly@dpi.state.nc.us.

(3) Transportation Simulator:

The 2009 Transportation Budget Rating Simulator is now available for download at www.ncbussafety.org/. Click on "2009 Simulator" Questions should be directed to Derek Graham at DPI Transportation Services dgraham@dpi.state.nc.us

(4) Transportation - Fuel Price Status:

This year in your December 1 Transportation Allotment Adjustment, funds were reduced based on a decrease in fuel cost from an actual \$2.90 per gallon (2007-2008) to an estimated amount for 2008-2009 of \$2.40 per gallon. While the fiscal year started with fuel prices over \$4 per gallon, prices have been falling dramatically. Last week's statewide average price per gallon from the state contract was \$1.40 per gallon. The statewide average YEAR TO DATE price has now fallen to \$2.52 per gallon and it appears that the average price for the year will not be above the allotted \$2.40 per gallon. Given these favorable pricing conditions, it is unlikely that there will be any additional fuel allotments for 2008-2009.

(5) Transportation Contingency Funding:

The due date for the 2008-09 Equipment Contingency requests has been moved up to March 16, 2009. Contingency allotments are limited to major equipment expenditures for Low Wealth counties and Small County systems, and limited to approved requests received or postmarked by March 16th. Transportation Directors have details needed to submit these requests. Contact DPI Transportation Services with questions at 919.807.3570.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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Newsletter No. 24-08/09, March 5, 2009

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(1) Senate Bill 287 Introduced on Hospital Insurance and Retirement for FY 2009-10:

Below are the rates outlined in Senate Bill 827 and attached is the actual bill introduced.

- Hospital Insurance \$4,460
- Retirement Rate 8.54%

We will let you know as soon as action is taken on this bill or if there are changes to the amounts outlined in the bill.

(2) American Recovery and Reinvestment Act Updates:

Weekly Webcasts on Economic Recovery Law Provided by NEA is Free. Attached is a document listing the dates and means to obtain access to the broadcasts to come. Also you can find Power Point Presentations on the NEA website www.nea.org/home/ns/29549.htm .

(3) March 13th Brustein and Manasevit Webinar on the Fiscal Stimulus Education Funds:

Broadcast Next Friday March 13, 2009 1-4:30. See attached document and registration procedures. Online registration is due March 6. Fee required.

(4) New UERS file requirement starting with March data:

Using a Federal grant from the US Dept. of Education, NCDPI is building a data-driven decision-making environment to help improve student learning. The key to this new data warehouse known as NC CEDARS (NC Common Education Data Analysis and Reporting System) will be a unique ID for both LEA staff and students. This ID, which may one day be the common identifying link in all DPI and LEA data systems, will be generated from profile information such as home address, gender and ethnic code - information not currently captured in any

UERS data. NCDPI has been working with the LEA software providers to create a new UERS file of staff profile information and in most cases the file will be created automatically with no LEA intervention required. You will soon receive information from your software provider with additional information as well as programs updates. You will also be hearing from the NC CEDARS team with information about how the warehouse will be built and maintained. The staff profile file specification document is attached so you will be aware of the type of information contained in this new UERS file. If you have any questions about this new UERS file, please contact Karl Pond of the NC CEDARS team at 919.807.3241 or KPond@dpi.state.nc.us.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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

Newsletter No. 25-08/09, March 13, 2009

Philip Price
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(1) Annual Leave payout rate of pay:

Please remember when calculating annual leave or bonus leave payout for a school based employee on the 215 day calendar that the daily rate of pay is always calculated as 1/22 of the employee's full monthly payroll.

For all other types of employees, the annual leave or bonus leave payout daily rate is variable based on the work days in the month that the employee leaves. (For a variable employee who retires March 1, the payout is made on the employee's last workday at the end of February at a daily rate of 1/20 of the monthly salary, while for an employee who retires April 1, the payout is made the end of March at a daily rate of 1/22 of the monthly salary.)

All employees are paid out for only the number of days in their annual leave balance, up to a maximum of 30 days. The balance is not to be spread over weekends and holidays to increase the number of days paid out.

Should you have questions please contact Ally Barfield at abarfield@dpi.state.nc.us.

(2) MSA & Cash Management Training:

MSA and Cash Management Training will be offered on Thursday, April 2, 2009, for LEAs. There is no registration fee for the class, but you must register in order to attend. Class description: DPI Systems Training & Monthly Reports. This class is designed for those who work in an LEA finance office to include all finance staff. The class consists of "Hands-on" training with the main emphasis on the MSA/DBS General Ledger System, a brief lecture on Compliance & Monitoring, and a brief overview of the Cash Management System. Instruction is geared to the beginner or new user, and as a refresher for others. The training is located at DPI in Raleigh in Room #564 from 9:00 a.m. - 4:00 p.m. There are only a certain number of seats in the training room, so limited space is available on a first come, first serve basis.

If you would like to attend this class, please email Roxane Bernard at rbernard@dpi.state.nc.us. If you have questions, please call Roxane Bernard at 919.807.3725 or Richard Smith at 919.807.3729. You will be notified by email that you have been successfully registered for this class on this date.

(3) Fund 8 - Other Local Current Expense Fund:

DPI will be activating Fund Code 8 as an "Other Local Current Expense Fund." This fund is for funding of the current operating expenses of the local school administrative unit other than funding included in the State Public School Fund (1) and the Federal Grant Fund (3) which are not appropriated by County Commissioners. This shall include, but not be limited to, direct federal grants, foundation and other non-state grants, rental of school property and contributions and donations.

If you have any questions, please contact Roxane Bernard at rbernard@dpi.state.nc.us or 919.807.3725.

(4) State Zero-Out Reports:

LEAs received the incorrect state zero-out report for the month of February. Please disregard that report and the correct report for the month of February 2009 will be sent no later than Monday. If you have not received the correct state zero-out report by Tuesday, March 17th, please notify Richard Smith at rismith@dpi.state.nc.us or 919.807.3729.

(5) Abstinence Planning FY 09-10:

The FY 09-10 Planning Allotments for Abstinence have been placed in BUD to allow LEAs to submit budgets electronically. Because the 4th quarter installment for FY 2007-08 has been allotted in FY 08-09, we have zeroed out those allocations temporarily so that BUD can recognize the Planning Allotments. This procedure will allow until April 15, 2009 for budgets to be submitted for approvals. Any budgets not submitted prior to April 15, 2009, will have to be submitted manually. LEAs might have to amend budgets again when the new money is allotted and prior actuals are restored. The 4th quarter actual amounts should be restored by April 16, 2009.

The Abstinence Program Administrator, Nakisha Floyd, will be sending out information regarding the application process. Please contact her at 919.807.3942 if your LEA does not plan to apply for funding or if you have questions about the application process. Please contact School Allotments at 919.807.3739, if you have other questions.

(6) REMINDER: Unspent Driver Training Funds at June 30, 2009:

Please analyze your Driver Training funds and report the amount you anticipate reverting to the State at June 30, 2009 on the attached Excel form. This form must be signed by the Finance Officer and Superintendent and faxed by March 24, 2009 to the School Allotments Section at 919.807.3723. Contact Sharon Ramseur with questions at 919.807.3675 or SRamseur@dpi.state.nc.us.

Attachment: To get the attachment referenced in the newsletter, please email Debby Jackson and let her know which attachment to send.

Newsletter No. 26-08/09, March 23, 2009

Philip Price
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(1) BUD PKWARE Release:

Thank you to our pilot LEAs: Nash Rocky Mount & Tyrrell County.

Please read this message in its entirety. This will affect your ability to send and receive files from DPI after Thursday, March 26. The BUD PKWARE Release file has been sent to your box. DPI uses PKWARE for the encrypting, zipping and unzipping of files that you send to DPI and that we send to you. The license for PKWARE expires on Thursday 3/26/2009. This BUD release contains only the updated key for PKWARE. We need for you to install this release by Wednesday, 3/25/2009. If you do not install by then, you will no longer be able to send/receive files to/from us.

The installation instructions are attached. You can also print the instructions from our website at www.ncpublicschools.org/fbs/ in the what's new section. Please remember to receive all files from DPI before installing this release.

If you have any problems installing the release, please contact the Education Support Center Helpdesk at 919.807.4357. Please reference BUD PKWARE Release in your call.

(2) State Public School Fund Allotment Overdraft Reports:

We netviewed the "State Public School Fund Allotment Overdraft Report" for February 2009 (Company 1000) for the current fiscal year 2008-2009 on Tuesday, March 17, 2009. Please submit your refunds effective March 2009 (processing period 9) by Friday, April 3, 2009, to avoid additional penalties.

We hope to netview the "State Public School Fund Allotment Overdraft Report" for June 2008 as of February 2009 (Company 8000) next week. Continue to review the reports from previous months to ensure that you have refunded all outstanding allotment balances and salary audit exceptions.

If you have questions, please contact the following persons:

- Total Dollar Allotment Overdraft: Roxane Bernard at 919.807.3725, rbernard@dpi.state.nc.us;
- Audit Exceptions-State Overpaid and Month Allocated Versus Months Used: Sue Holly at 919.807.3735, sholly@dpi.state.nc.us.

(3) Allotment Overdraft Penalties:

Thank you for your timely payment of the penalties due on the Allotment Overdraft reports. 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. Before paying your penalties, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us to confirm the correct amount of penalties to pay.

(4) Days Missed for Inclement Weather Survey:

All LEAs and Charter Schools are REQUIRED by Legislation to complete the Days Missed Survey for school year 2008-2009. Please complete the online survey and submit by June 1, 2009. The survey can be found on the Financial Business Services website at www.ncpublicschools.org/fbs/ under "What's New". If you have questions about the survey, please contact Ozella Wiggins at owiggins@dpi.state.nc.us or 919.807.3757.

NOTE: The STATE BOARD OF EDUCATION will meet March 31 - April 2, 2009. The agenda is online at www.ncpublicschools.org/sbe_meetings/.

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Newsletter No. 27-08/09, March 27, 2009

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(1) State Public School Fund Allotment Overdraft Reports:

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If you have questions, please contact the following persons: Total Dollar Allotment Overdraft: Roxane Bernard at 919.807.3725, rbernard@dpi.state.nc.us; Audit Exceptions - State Overpaid and Month Allocated Versus Months Used: Sue Holly at 919.807.3735, sholly@dpi.state.nc.us.

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(3) Funds for Retrofitting Diesel School Buses:

The economic stimulus funding has made available funds for retrofitting diesel school buses to reduce emissions. Some grants have already been received and DPI is requesting additional funds for some interested LEAs. Information was sent to LEA transportation directors and indications of interest are due March 31. If you have any questions, contact Derek Graham at 919.807.3570.

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Newsletter No. 28-08/09, April 3, 2009

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Email: pprice@dpi.state.nc.us

(1) CHANGE TO REVISED GRADUATE PAY POLICY:

At the December 4, 2008, meeting of the State Board of Education (SBE), the Board approved revisions to the graduate pay policy that recognized all graduate degrees earned through regionally accredited institutions for salary purposes. This provision was to go into effect July 1, 2009.

Based on the state of the economy, the SBE approved at their April board meeting to delay the implementation of this policy change until July 1, 2010, rather than implementing the policy change on July 1, 2009, as previously approved.

(2) American Recovery and Reinvestment Act of 2009:

The American Recovery and Reinvestment Act of 2009 (ARRA) provides a one-time appropriation of \$3,313,727 for equipment assistance grants for Child Nutrition Programs in North Carolina. ARRA requires these funds to be distributed to Child Nutrition Programs based on competitive grants. Funds must be used to purchase food preparation and service equipment. For the purpose of this grant, equipment must be \$5,000 in value or equal to the LEA's fixed asset threshold.

Child Nutrition Personnel must follow Federal procurement regulations in making these purchases; a quote or formal bid must accompany each school application. ARRA requires preference to be given to schools where 50% or more of students are eligible for free/reduced price meals in awarding the grant funds. ARRA also requires these grant funds to be managed, monitored and reported separately; they may not be commingled with other funds, including other Child Nutrition funds, so it will be necessary to establish a separate account for these funds.

Grant proposals are due May 15; our goal is to distribute funds to LEAs no later than June 15. Ideally, all funds will be expended by September 25, 2009. Instructions for submitting grant proposals, and grant proposal forms are attached.

Should you have questions about the grant proposal process, please contact Lynn Hoggard, Section Chief, Child Nutrition Services at lhoggard@dpi.state.nc.us or 919.807.3506.

(3) Recovery Guidance Posted to the US Department of Education Website:

Below is the link to the newly posted guidance from the Department of Education. Now that it is posted, we will begin sifting through the documents and provide you further guidance and ask additional questions of the Dept. of Ed.

<http://www.ed.gov/policy/gen/leg/recovery/index.html>

Once the Grant Awards are received we will begin calculating the allocations for Title I and IDEA. In the meantime please share this information with all pertinent personnel associated with your federal recovery act initiative.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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

Newsletter No. 29-08/09, April 24, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
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Email: pprice@dpi.state.nc.us

(1) Budget Freeze Q&A updated:

The Q&A has been updated. There are still several questions that have not been answered. Thank you for your patience as we try to address all your questions. See attached Updated Q&A. If you have questions contact Alexis Schauss at aschauss@dpi.state.nc.us.

Please note the following:

CORRECTION: For LEAs, MORE AT 4 is not included. Once the funds are received they are considered local funds.

NOTE : CAPITAL PROJECTS. Pertaining to questions 30 to 33. OSBM has revisited these questions. Please see the revised statement from OSBM on page 7.

Drivers Education cars- several requests have been submitted to OSBM, we have not had a ruling as of April 24.

Requests for PRC 061 funds that were previously transferred from Textbook fund and now would like to have these funds transferred back. DPI is preparing a statewide request for all LEAs and will submit to OSBM on 27th.

(2) State Public School Fund Allotment Overdraft Reports:

We will netview the "State Public School Fund Allotment Overdraft Report" for March 2009 (Company 1000) for the current fiscal year 2008-2009 on Monday, April 27, 2009. Please submit your refunds effective April 2009 (processing period 10) by Monday, May 4, 2009, to avoid additional penalties.

It appears we may not be able to netview the "State Public School Fund Allotment Overdraft Report" for June 2008 as of March 2009 (Company 8000) this month. Continue to review the reports from previous months to ensure that you have refunded all outstanding allotment balances and salary audit exceptions. DPI will call all of the LEAs that still have outstanding allotment balances and/or salary audit exceptions. If we are able to netview the Company 8000 report we will let you know.

If you have questions, please contact the following persons: Total Dollar Allotment Overdraft: Roxane Bernard at 919.807.3725, rbernard@dpi.state.nc.us; Audit

Exceptions-State Overpaid and Month Allocated Versus Months Used: Sue Holly at 919.807.3735, sholly@dpi.state.nc.us.

(3) Allotment Overdraft Penalties:

Thank you for your timely payment of the penalties due on the Allotment Overdraft reports. 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. Before paying your penalties, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us to confirm the correct amount of penalties to pay.

(4) REMINDER - Days Missed for Inclement Weather Survey:

All LEAs and Charter Schools are REQUIRED by Legislation to complete the Days Missed Survey for school year 2008-2009. Please complete the online survey and submit by June 1, 2009. The survey can be found on the Financial Business Services website at www.ncpublicschools.org/fbs/ under "What's New". If you have questions about the survey, please contact Ozella Wiggins at owiggins@dpi.state.nc.us or 919.807.3757.

Attachment: To get the attachment referenced in the newsletter, please email Debby Jackson and let her know which attachment to send.

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

TO: Finance Officers

FROM: Philip Price

FY 08-09 Budget Shortfall Status Update

The Office of State Budget has been monitoring the state of our FY 2008-09 State Budget. As a result, they have implemented the following actions to balance the budget that impacts the State Public School Fund:

1. The Department of Education's Required Reversion has been increased to \$200 million (from \$159 million). Based on this increase, the LEAs will be required to revert an additional \$41 million. The reversion will be taken from your Non-instructional support allotment. The Department will present a request to the State Board at the May meeting for broader flexibility to transfer funds from other categories to cover this reversion. If approved, the LEA will be required to use the ABC transfer process to transfer funds with the new flexibility. Please see the chart attached to this email for the impact of the reversion by LEA. The allotment reductions will be distributed next Thursday (May 7) after State Board action.
2. Flexible Furlough - We are still compiling guidance on the Flexible Furlough. We expect to have this guidance available on our web page by early next week.

To mitigate the impact of these recent actions, LEAs can use their flexibility allowed by the Title-I Recovery and IDEA VI-B funds to ensure no teachers are impacted by this reduction. The 50% Federal Award of these funds were allocated in Allotment Revision 23, on April 30, 2009. These funds are in the BUD system and are available for budgeting.

Philip Price
Chief Financial Officer
Department of Public Instruction
6326 Mail Service Center
Raleigh, NC 27699-6326

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

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

TO: Finance Officers

FROM: Philip Price

Guidance on Executive Order #11

On April 28, 2009, Governor Perdue issued Executive Order #11, which mandates that all employees paid in whole or in part from funds appropriated by the 2008 Appropriations Act (Session Law 2008-107) shall participate in a flexible furlough program. The attached Word document provides further guidance on the implementation of this order.

We have been working closely with the software vendors to provide solutions to the payroll mechanics for both salaried and hourly employees. For salaried employees, we are recommending that LEAs use a new Reason 47- Furlough Reduction to account for the reduction. DPI staff prepared a file to assist you in the calculations for different employment terms, one tab is for 215 day employees and one tab is for variable calendar employees. Column G provides the appropriate days to be coded as Reason 47 for the different employment situations.

Furlough Information: www.ncpublicschools.org/fbs/

Additional questions should be sent to Alexis Schauss at aschauss@dpi.state.nc.us.

Thank you for your patience and support.

Newsletter No. 30-08/09, May 8, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
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Email: pprice@dpi.state.nc.us

(1) Required Reversion - Flexibility Process:

The State Board of Education on May 6, 2009, authorized local education agencies (LEAs) the flexibility to adjust all State allotment categories (except Drivers Training) to offset the mandated reduction of \$41 million (\$27.75 per ADM) to the LEAs Non-Instructional Support allotment (PRC 003) (see attached). The School Allotments Section processed the required reversion in Allotment Revision 24, on May 7, 2009.

An Excel file will be provided by email so that your LEA can exercise the State Board approved flexibility to cover the required reversions from other categories in the State Public School Fund. In addition to the exclusion of Driver's Training, we have also excluded ABC Incentive awards (balance reverted as of December 31, 2008) and School Buses (allotted after Lease expenditure). These forms must be returned to School Allotments by May 20, 2009. Since these adjustments are occurring close to the end of the fiscal year, please review the current financial position of your State Funds before returning the form. Once the form is received, no changes will be allowed.

If you have any questions or do not receive your form by Tuesday, May 12, 2009, please contact School Allotments at 919.807.3739.

(2) Temporary Policy for Flexible Furlough Leave:

The State Board of Education on May 6, 2009, approved a Temporary Policy for Flexible Furlough Leave. A copy of that policy is attached for your information. Should you have questions you may email Alexis Schauss at aschauss@dpi.state.nc.us.

NOTE: Proposed Legislation related to Executive Order #11

Earlier today the Q&A related to the Flexible Furlough was sent out. We would like to direct you to House Bill 917 that is going through the legislative process. This Bill, if passed, will change some of the answers provided today. You can see House Bill 917 at www.ncleg.net/gascripts/BillLookUp/BillLookUp.pl?Session=2009&BillID=h917

(3) HRMS LEA v5.2 Implementation Notice:

The attached documents provide information regarding the upcoming HRMS LEA release. If you have any questions about the release, please contact the DPI Customer Support Center Help Desk at 919.807.4357.

(4) REMINDER - Days Missed for Inclement Weather Survey:

All LEAs and Charter Schools are REQUIRED by Legislation to complete the Days Missed Survey for school year 2008-2009. Please complete the online survey and submit by June 1, 2009. The survey can be found on the Financial Business Services website at www.ncpublicschools.org/fbs/ under "What's New". If you have questions about the survey, please contact Ozella Wiggins at owiggins@dpi.state.nc.us or 919.807.3757.

Attachments: To get the attachments referenced in the newsletter, please email Deby Jackson and let her know which attachments to send.

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

Newsletter No. 31-08/09, May 14, 2009

Philip Price
Chief Financial Officer
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(1) 0.5% Reduction/ Furlough Clarifications:

1. When the furlough time is taken by the employee, there is NO ADDITIONAL REDUCTION to the employee's pay. The April 28th Memorandum from the Office of State Budget and Management stated that "Base salaries will be adjusted to reflect the unpaid flexible time off". This gave the incorrect impression that pay would be reduced immediately in the May (and June) check and then again when the furlough time is taken. This is not the case - employee pay WILL NOT be deducted any further beyond the .5% taken this fiscal year. Please make sure this is clearly and accurately communicated with your employees.
2. DPI will not track the use of the 10 hours of furlough time - it will not be reported to DPI in the UERS Payroll file. Each LEA will decide how best to track the use of the furlough time. Again, use of furlough time WILL NOT result in an additional pay reduction to the employee.
3. Overtime wages are NOT included in the .5% reduction calculation. The reduction is only on base wages/compensation.

If you have questions contact Ally Barfield at abarfield@dpi.state.nc.us.

(2) Contract Provisions for the Procurement of Goods, etc:

Attached is a memorandum that was distributed by the Division of Purchase & Contract and the Office of Economic Recovery. Please review the memorandum and Attachment 1 - ARRA Contract Provisions and Management Directives Applicability, Attachment 2 - Contract Provisions, and Attachment 3 - Use of Recovery Funds Report Form. If you have questions please contact Chuck Clements at 919.807.3661 or clements@dpi.state.nc.us.

(3) "Green" School Opportunity:

Vote by Sunday for America's Greenest School. May 17th is the deadline to vote for the student essay that best describes the nation's most environmentally friendly school. A NC student at the ASHEBORO ZOO SCHOOL is one of the top 10 finalists from over 2000 entries! Parents, students, teachers, friends, etc. (age 13 and older) can vote daily through Sunday, May 17th. FIRST PRIZE IS A \$5000 SCHOLARSHIP and a NEW HYBRID ELECTRIC SCHOOL BUS for the school district. Please pass this information along to others that might be interested. www.americasgreenestschool.com/

(4) REMINDER - Days Missed for Inclement Weather Survey:

All LEAs and Charter Schools are REQUIRED by Legislation to complete the Days Missed Survey for school year 2008-2009. Please complete the online survey and submit by June 1, 2009. The survey can be found on the Financial Business Services website at www.ncpublicschools.org/fbs/ under "What's New". If you have questions about the survey, please contact Ozella Wiggins at owiggins@dpi.state.nc.us or 919.807.3757.

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

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

Newsletter No. 32-08/09, May 19, 2009

Philip Price
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(1) HB 917:

HB917 is law. The full Ratified Bill can be read at www.ncleg.net/Sessions/2009/Bills/House/PDF/H917v4.pdf.

Two significant items of the Bill:

Section 2: related to retirement contributions. The Retirement fund will receive both the employer and employee contribution related to the 0.5% reduction.

Section 8: All employees, regardless of funding source, are now subject to the pay reduction, including locally funded.

Yesterday, the Retirement Office sent communication to the LEAs stating that employee gross pay (without the furlough reduction) must be reported, and the retirement contributions must be pre reduction. In April, DPI advised the LEAs based on directions received from the State Budget Office, but these directions are now not inline with the Retirement Office's directions. The legislation is clear that we must now pay the retirement amounts and we are in the process of talking with the Retirement Office and the vendors to come up with an acceptable process to adhere to the legislation. **We understand that the LEAs are in the late stages of May payroll and preparing for year end. At this point, you should continue with the reduction directions previously provided i.e. R47.** We will keep you informed.

(2) Reduction to Allotments related to the 0.5%:

Executive Order #11 requires the pay reduction of all employees of 0.5% of their annual salary. This reduction is necessary in order to ensure that the State's 2008-09 budget is balanced. To ensure that the pay reduction to public school employees results in the intended consequences of Executive Order #11, allotments will be reduced. The Division of School Business has calculated a dollar amount for each PRC for each LEA. This calculation is 0.5% of the year-to-date salary expenditure for the LEA for the PRC. The resulting dollars were then assessed and materiality determined.

The following PRCs were deemed to include material salary expenditures and will be reduced.

- PRC 002 Central Office
- PRC 003 Non instructional support
- PRC 027 Teacher Assistants
- PRC 031 Low wealth
- PRC 032 Exceptional Children
- PRC 056 Transportation
- PRC 069/068 At risk

The attached file provides the amount by LEA, by PRC.

If you have further questions, please contact Alexis Schauss at aschauss@dpi.state.nc.us

(3) Furlough Update:

VIF employees are included in the furlough.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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

May 20, 2009

TO: Finance Officers and Staff

(1) Budget Freeze - Driver Education Cars:

A few LEAs had ordered Driver Education cars prior to the budget freeze and had asked if they could receive these cars. DPI has received a waiver for these cars based on the fact that the cars are special order and the orders can not be canceled. If you ordered a car prior to April 9th, you may receive and pay for that car from state funds if there is no cancellation option. If you have questions contact Alexis Schauss at aschauss@dpi.state.nc.us.

(2) 0.5% Furlough:

Attached is an updated Q&A on the Furlough, which is also online at www.ncpublicschools.org/fbs/. You may contact Alexis Schauss with questions at aschauss@dpi.state.nc.us.

(3) Transportation Reimbursements for 2008-2009:

Any expenditure of state Transportation funds (PRC56) to provide transportation other than to-and-from-school and mid-day IEP-required transportation must be reimbursed from the funding source of the relevant program. Please ensure that these reimbursements are up-to-date by the end of May, 2009. Reimbursements should also be done weekly or bi-weekly in June, 2009, to ensure payment within the current fiscal year. Questions about the allowable use of school buses (covered by the state Tort Claims Act) and reimbursements can be found in the following document: www.ncbussafety.org/documents/buses/TortReimbursements.pdf. If you have questions contact Derek Graham at 919.807.3571.

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

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

Newsletter No. 33-08/09, May 22, 2009

Philip Price
Chief Financial Officer
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6326 Mail Service Center
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Email: pprice@dpi.state.nc.us

(1) State Public School Fund Allotment Overdraft Reports:

We netviewed the "State Public School Fund Allotment Overdraft Report" (JHA356EG) for the current year, FY 2008-2009, as of the April processing period, on Monday, May 18, 2009, and the prior year report, Company 8000, for FY 2007-2008, as of the April 2009 processing period, on Thursday, May 21, 2009. Please submit your refunds effective May 2009 (processing period 11) by Wednesday, June 4, 2009, to avoid additional penalties.

It has been brought to our attention that the penalties assessed on your outstanding allotment balance were not netviewed on the current JHA356EG report. DPI will be in contact with your LEA or you can contact Roxane Bernard at 919.807.3725, rbernard@dpi.state.nc.us for the correct amount of your outstanding penalties.

If you have questions, please contact the following persons: Total Dollar Allotment Overdraft: Roxane Bernard at 919.807.3725, rbernard@dpi.state.nc.us; Audit Exceptions - State Overpaid and Month Allocated Versus Months Used: Sue Holly at 919.807.3735, sholly@dpi.state.nc.us.

(2) Allotment Overdraft Penalties:

Thank you for your timely payment of the penalties due on the Allotment Overdraft reports. 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. Before paying your penalties, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us to confirm the correct amount of penalties to pay.

(3) Activity Bus Drivers - Certification:

In coming months the State Board of Education will hear a recommendation for the training and certification of new activity bus drivers. A memo from Ben Matthews and Derek Graham provides details. Please reference the memo online at: www.ncbussafety.org/documents/activitybusdriversmay2009.pdf.

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

Newsletter No. 34-08/09, May 28, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
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Email: pprice@dpi.state.nc.us

(1) REMINDER: Legislative Request- Fund Balance: SURVEY DUE TODAY!

All LEAs are required to complete the following survey requested by the General Assembly. The survey must be completed by May 28, 2009. If you have questions, please contact Alexis Schauss at aschauss@dpi.state.nc.us. Go to the survey at www.zoomerang.com/Survey/?p=WEB2298K29GZBK.

(2) Workers' Compensation - Third Party Administrator (TPA) - Contract Award:

The Workers' Compensation bid for TPA services has been finalized. DPI has awarded the Workers' Compensation Third Party Administrator service contract to CorVel. The contract award is effective July 1, 2009. DPI will work with all LEA's to make this a smooth transition, and Eileen Townsend would like for all of your comments and concerns to be directed to her at etownsen@dpi.state.nc.us or 919.807.3522.

(3) May and June Retirement Reporting:

H.B. 917 states that:

"A public employee subject to a nondisciplinary reduction in pay shall not suffer any diminution of retirement average final compensation, which shall continue to be calculated based on the undiminished compensation. The public agency shall pay both the employee and employer contributions to the Retirement Systems Division or to the appropriate Optional Retirement Plan carrier on behalf of the public employee as to the amount that compensation was reduced."

This means that each LEA and charter school will be responsible for covering not only 8.14% of the unreduced salary amount, but also 6% of the .5% reduction for each employee. (Example: If the employee's May salary is reduced by \$200 due to the Executive Order then the LEA is responsible for the 6% on the \$200 = 12.00 and the 8.14% on the \$200 = 16.28 for a total additional amount to balance ORBIT of \$28.28.) Software modifications for all LEAs and Charters are underway and should be in place at each unit in time to produce the May "undiminished" ORBIT file. Since the total employee contributions and employer matching will be higher in the "undiminished" detail ORBIT file than what was accrued during the monthly payroll cycle, each unit

must make up the payment difference to balance the ORBIT CSI with the payment detail. Each unit may decide how to best make and expense their payment from 1 of the 3 following options:

1. Pay the difference entirely from local funds, possibly from a single local expense code (unit choice)
2. Accrue and pay at the detail budget code level, expensing each salary and matching line item as if it was done thru the normal payroll process
3. Accrue and pay the state and federal portions at the fund PRC level, selecting a single retirement matching code from each PRC to expense that PRC's entire ee and er differential portion. For example, the total differential for state PRC 001 could be expensed to 1-5110-001-221 rather than each individual state 001 salary and matching code. The non-state and non-federal portions could also be accrued and paid at the PRC level or to a single code (unit choice)

Make sure that all of the "normal" monthly payroll retirement checks are written during the normal end of month processing with a May check date. It does not matter whether the additional differential check(s) to balance the May ORBIT file carries a May date to be included in your May data or a June date to be included with a June check date. NOTE: It will be critical that the check(s) to balance the June ORBIT file carries a June check date so it will be included in FY 09 expenditures.

ISIS users (on 5/27/09) and SunPac users (on 6/1/09) will receive program modifications and instructions from their vendors which will cover how to build the "undiminished" ORBIT file and how to generate the additional payment to the retirement system. Again, writing the check(s) for the May differential expense with a June date will be fine.

If you have questions please contact Ally Barfield at abarfield@dpi.state.nc.us.

(4) PRC 003 - Non-Instructional Support Personnel:

DPI will not include PRC 003 Non-Instructional Support Personnel in the Allotment Overdraft (JHA356EG) report as of May 31, 2009. If your LEA has an overage in PRC 003 as of May 31, 2009, DPI will not assess your LEA a penalty. You will have the month of June 2009 to fix any overage that pertains to PRC 003 and as long as the overage is fixed before June 29, 2009. We will add back PRC 003 to the Allotment Overdraft report as of June 29, 2009.

If you have additional questions, please contact Roxane Bernard at rbernard@dpi.state.nc.us or 919.807.3725.

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

Newsletter No. 35-08/09, May 29, 2009

Philip Price
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1) State Budget Memo from SBE Chairman and State Superintendent:

Where do the funds come from to pay for public schools in North Carolina?
How much is \$1 billion?

State Board of Education Chairman and CEO Bill Harrison and State Superintendent June Atkinson give you answers to those questions and other details that may be helpful as you discuss the state budget situation with your legislators and other school employees.

Please take a look at the attached PDF for all the details.



PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION William C. Harrison, Ed.D., *Chairman and Chief Executive Officer*
DEPARTMENT OF PUBLIC INSTRUCTION June St. Clair Atkinson, Ed.D., *State Superintendent*
WWW.NCPUBLICSCHOOLS.ORG

May 28, 2009

TO: Local Educators

FROM: Bill Harrison *WCH*

June Atkinson *JSA*

Many of you have responded to the news regarding the budget proposals of the NC House and Senate by contacting your legislators to express your concerns and ideas. Thank you for taking time to do that. Your views mean a great deal to legislators who are wrestling with very difficult choices this year.

When Gov. Perdue and the Senate presented their budgets for the 2009-11 biennium, the State's revenue forecast projected a very large shortfall (estimated to be \$1.4 billion). By the time the House presented its budget, the revenue forecast was worse. Today, the state's revenue forecast projects pending deficit of \$3.2 billion, and House leadership is identifying \$1 billion in cuts to public school funds (plus additional reductions of up to \$467 million to access federal recovery/stabilization funds). Other parts of state government also will be cut to fill this gap between spending needs and expected tax revenues.

In FY 2008-09, public school funding accounts for 38 percent of the State's General Fund, or a total of \$7.98 billion. Ninety percent of public school funding is spent on salaries and benefits.

Here's where the money comes from to support public schools:

General Fund Appropriations	\$ 7,816,143,933
Class Size Reduction – Lottery	99,399,385
More at Four – Lottery	84,635,709
Average Daily Membership Fund – Corporate Taxes	60,500,000
Civil Fines and Forfeitures	138,362,790
(School Technology \$18 million and State Public School Fund \$120.3 million)	
Sales Tax	46,300,000

Total \$ 8,245,341,827

Note: Lottery funds also support capital projects and scholarships. 2.24 percent of the public schools' operating budget is supported by the lottery.

Few of us will ever see \$1 billion. Here are some ideas to show you what it would take to make up \$1 billion in public school funds.

OFFICE OF THE STATE BOARD OF EDUCATION

William C. Harrison, Ed.D., *Chairman and Chief Executive Officer* | wharrison@dpi.state.nc.us
6302 Mail Service Center, Raleigh, North Carolina 27699-6302 | (919) 807-3430 | Fax (919) 807-3445
AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

What Does a \$1 Billion Reduction in State Funding Mean?

PLEASE UNDERSTAND that the following is for illustrative purposes only. NCDPI is NOT advocating for any of these example reductions.

If we eliminate:	Funding
<u>ALL Administration?</u>	
NC DPI	\$ (53,137,189)
LEA Central Office	(120,855,235)
Principals & Assistant Principals	(262,034,980)
Total Administration	<u>\$ (436,027,404)</u>

Eliminate **ALL** administration and you still would need to cut \$564 million to reach \$1 billion. Eliminating State funding for the NCDPI would do away with licensing of teachers, standardization of curriculum, support of school initiatives; eliminating of LEA Central Office means no Superintendent, Associate/Assistant Superintendents, Finance Officer, curriculum experts, etc.. Eliminating School Building Administration means no Principals or Assistant Principals. Possibly teacher committees would run schools. With no central office, all local district administration (payroll, travel, teacher/student assignments, and bus scheduling and operations) would be managed at the school level).

Then Eliminate Testing and Classroom Supplies and Textbooks?

Textbooks	(109,140,068)
Classroom Materials and Supplies	(88,238,683)
Testing	(16,485,051)
Total Classroom Support	<u>\$ (213,863,802)</u>

(Elimination of classroom support would require parents to provide supplies for their children).

Savings from Elimination of Administration and Classroom Support	<u>\$ (649,891,206)</u>
We would still need to reduce another	<u>\$ (350,108,794)</u>
Total	<u>\$ (1,000,000,000)</u>

OR

Elimination of 20,000 Classroom Teachers

Note: 60% of every dollar spent of State funds is related to classroom teacher positions and salaries

OR

A Pay Decrease of Every Public School Employee of 6.8%

This years .5% reduction was \$34 million for Public School Employees and a 6.8% decrease would be approximately a 3 step decrease for teachers.

North Carolina faces a large revenue shortfall, the sixth highest unemployment rate in the nation and growing needs in education and health and human services (the two largest areas in the State's budget). With this backdrop, budget decisions are very difficult. Without new taxes, existing programs will need to be trimmed to align with the amount of money available to spend. Even with new revenue sources, it is highly unlikely that they would bring in enough money to fill the budget shortfall.

We are facing a very tough budget year. Without finding additional revenue, it will be impossible to make decisions that will not negatively affect some key services. Thank you for considering this in your communication with legislators.

TO: Finance Officers

FROM: Philip Price

Please share this information with your Superintendent and Program Administrators.

(1) State Fiscal Stabilization Funding (SFSF) Methodology Estimates for FY 2009-10:

At this time we are unable to determine what the outcome of the FY 2009-10 budget will reflect in regards to State Stabilization Funding to be distributed under the American Reinvestment and Recovery Act. The House has not identified the additional nonrecurring reductions that the stabilization will replace. To give you an understanding of how the funds will be distributed once an amount is determined by legislation, we have prepared an excel spreadsheet. Please note that there are several sub-worksheets in the file.

Using the FY 2009-10 State Planning Allocations we did the following:

1. Totaled the LEA planning allocations by LEA.
2. Excluded the Low Wealth and Small County Supplemental Funding allocations since they are not distributed to all LEAs. DSSF was not reflected in the planning allotments and was not included in the estimate.
3. Divided each of the LEAs adjusted total allocation by the statewide adjusted total funding allotted in planning and determined the percent of total adjusted allotment.
4. Multiplied this percentage by \$500 million to calculate the LEAs share of the \$500 million. (Note this amount does not reflect actual or anticipated funding).
5. In determining the charter school amount we used the same methodology used for allocating all state resources.

If you have any question on these calculations please feel free to contact Lydia Prude at lprude@dpi.state.nc.us 919.807.3708 or Paul LeSieur at plesieur@dpi.state.nc.us 919.807.3701.

(2) House Budget Cuts by LEA:

Attached is an excel spreadsheet to provide you with an understanding of the affect of the proposed reductions by the House Sub Committee on Education last week. Please note that these reductions are not final and the allotments are subject to change before the House makes their final changes to their budget.

If you have any question on these calculations please feel free to contact Lydia Prude at lprude@dpi.state.nc.us 919.807.3708 or Paul LeSieur at plesieur@dpi.state.nc.us 919.807.3701.

(3) Federal Recovery Information funding website:

Please review our Federal Recovery Information funding website under What's New at www.ncpublicschools.org/fbs/. Below are a few of the new items:

- Overview of Funding Available through DPI - Chart (Time Lines for Funding)
- Recovery Act Q & A
- Exceptional Children Guidance Information and Letters
- Title I Guidance Information and Letters

Please check with your Program Directors on information they have received from their respective DPI Program Administrators on the distribution plans for budgeting and use of funds.

(4) Hospital Insurance and Retirement Rates for FY 2009-10:

Based on the changes in Session Law 2009-16 (SB 287), the non-Medicare eligible non-contributory premium contributions paid by employing agencies for health benefit coverage are as follows:

July 1, 2009: \$4,527

July 1, 2010: \$4,929

The Retirement Contributions were also affected by the changes in SB 287. The new rates are reflected below:

	July 1, 2009	July 1, 2010
Teachers and State Employees	8.54% of salary	8.94% of salary

(5) Local Supplements and the 0.5% furlough:

It has been brought to our attention that some LEAs may have deducted the 0.5% from the local supplement. As stated in the Q&A (question 31) Local supplements are not included in the calculation of the 0.5% furlough reduction. Please make any corrective action necessary.

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**You will be notified when the two excel spreadsheets attached and mentioned above are posted to the web.**

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Newsletter No. 36-08/09, June 5, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
6326 Mail Service Center
Raleigh, NC 27699-6326
Email: pprice@dpi.state.nc.us

NOTE - FBS Summer Conference: LEAs will not be allowed to use State Funds when registering for the FBS Summer Conference until July 1, 2009. The conference information will be available on our website next week (registration link, hotel information, etc.).

(1) FY 08-09 Required Reversion Form:

Today, June 5, 2009 is the last day to submit the FY 08-09 Required Reversion Form. This form is only required if the LEA wants to transfer some or all of the Required Reversion reduced from Non-Instructional Support to other Categories. These transfers will be processed in Allotment Revision 28, Wednesday, June 10, 2009. Please contact Lydia Prude at 919.218.6416 if you have any questions.

(2) Allotment Revision Information:

The last date to submit allotment information for processing in FY 08-09 is June 10, 2009. Please make sure that all of the allocations that your LEA expected have been processed. Please contact School Allotments if you have any questions at 919.807.3739.

(3) FY 2009-10 Federal Planning Allotments:

The FY 2009-10 Federal Planning Allotments have been revised to include estimates for Educational Technology - Formula (PRC 107) and Educational Technology- Formula ARRA (PRC 146). The planning amounts were uploaded to BUD on June 3, 2009. Please contact the School Allotment Section if you have questions.

(4) Federal Abstinence Funding (PRC 057):

As of this date, Legislation had not been passed by Congress to extend the authority and funding for State Abstinence Education activities under Title V, Section 510, of the Social Security Act. Without legislative authorities, the Title V State Abstinence Education Grant Program is set to expire on June 30, 2009. If Title V authority expires, State may only draw down FY 2009 funds obligated by the state for expenses incurred for authorized activities through June 30, 2009. We will update you if we receive any additional information on the ending or extending of this grant. If you have questions, please contact School Allotments at 919.807.3739.

(5) House Projected Budget Reduction on Transportation (\$29,133,420):

The attached spreadsheet was sent to the Transportation Directors for each LEA. The possible transportation reductions were not included in the spreadsheet on the Affect of possible House reductions on FY 09-10 Planning sent out in the June 3, 2009 newsletter. Remember, the House has not finalized their budget and this information is subject to change. Please contact Transportation Services if you have any questions at 919.807.3570.

(6) Special Small School Request:

The Special Small School request form and instructions for FY 2009-10 is on the following web link: www.ncpublicschools.org/fbs/allotments/forms/. We are requesting that this form be turned in by June 12, 2009. Funding for these positions is dependent upon final action by the General Assembly. If you have any questions, please contact School Allotments at 919.807.3739.

(7) FY 2009 Close Out Deadlines:

- UERS Data files, including MFR file, must be ready for transmission. JUNE 30, 2009 (midnight)
- All Installment Accruals must be ready for transmission. JUNE 30, 2009 (midnight)
- DPI will begin pulling data at 7 a.m. July 1, 2009.
- In order to meet required processing deadlines it is imperative that your data is ready to transmit at that time. It is also critical you have someone on-site Wednesday morning, July 1, 2009 to verify that DPI successfully received your data. This person must remain on-site until receiving an email from DPI stating that your LEA's data has been successfully pulled and verified by DPI and that your on-site contact

person is no longer needed at your LEA. Please email the name of your on-site contact person with their telephone number and their email address to Alice Lambricht at alambrig@dpi.state.nc.us by Friday, June 12, 2009.

REMINDER:

- Beginning June 15, 2009, DPI will be receiving and processing BUD batches twice a day. Please receive your BUD files daily and immediately make corrections to any denied batches.

(8) UERS Data Transfer Schedule for LEAs for Fiscal Year 2009-2010:

The UERS Data Transfer Schedule for LEAs for Fiscal Year 2009-2010 is attached and a link to this schedule is also located on the Financial and Business Services Financial Reporting internet website:

www.ncpublicschools.org/fbs/finance/reporting/.

(9) Year-End Close-Out and Invalid Account Codes:

It is getting near year-end close-out time. It is 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. If you have any questions about errors on the MFR data, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

(10) Kindergarten Breakfast Program Claims and/or Adjusted Claims:

Child Nutrition Directors should ensure that all Kindergarten Breakfast program claims and/or adjusted claims to be reimbursed from State FY 2007-08 funds be submitted via the automated system by 5:00 p.m., June 22, 2009. This deadline will allow sufficient time to process payment of your claim(s). If you have questions, please contact Sherry Peele at 919.807.3620 or speelee@dpi.state.nc.us or Regetta Darden at 919.807.3652 or rdarden@dpi.state.nc.us .

(11) CorVel Training - Workers' Compensation Third Party Administrator (TPA) Change:

CorVel has been awarded the contract for administration of the DPI Workers' Compensation contract, effective 7/1/09. The following dates have been established for training and presentation.

- June 22, 2009 - Rowan Salisbury Schools, Salisbury NC, 10 a.m.
- June 23, 2009 - Asheville Board of Ed, Asheville NC, 10 a.m.
- June 24, 2009 - Dept of Public Instruction, Raleigh NC, 10 a.m.
- June 25, 2009 - Cape Fear Community College, Wilmington NC, 10 a.m.

DPI is making a change to the way we conduct our Workers' Compensation business and we encourage LEAs to make time to attend one of these sessions. Training will include instruction on how to file Form 19's on line, navigating through the CorVel website, finding information related to medical providers in your area, and instructions on how to monitor your claim activity.

Addresses for each location will come at a later date. Please contact Traci Waters at 919.807.3521 or twaters@dpi.state.nc.us to confirm your attendance at one of these sessions.

(12) List of Individuals for Access to Form 19:

Workers' Compensation Administrators are asked to prepare a listing with names of individuals whom they wish to have access to the CorVel Website for accessing Form 19s. CorVel is in the process of assigning User ID's and passwords to all individuals and we are requesting this information by June 17th. If you need to add, remove or change users at any time, that will be possible. However, CorVel would like to have as many individuals in the system before our start date of 7/1/2009. Please forward your list to Traci Waters at twaters@dpi.state.nc.us or call her if you have questions at 919.807.3521.

(13) 2009 Strategic Energy Plan Training Workshops:

The NC State Energy Office has announced a series of workshops to learn how to develop a strategic energy plan to obtain AARA stimulus funding for construction projects utilizing energy savings techniques, including schools. A total of 6.3 billion dollars is being distributed nationwide. Please refer to the attached document for more information on how to apply for this funding. Contact the State Energy Office at 1.800.662.7131 for more information.

(14) School Name and Address File (SNA):

Please review the attached memorandum concerning the School Name and Address File System. If you have questions contact Nicola Lefler at nlefler@dpi.state.nc.us.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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

Newsletter No. 37-08/09, June 10, 2009

Philip Price
Chief Financial Officer
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(1) Clarification of .5% Flexible Reduction Question Related to Local Salaries:

We continue to receive questions related to the implementation of the .5% flexible furlough pay adjustment. Please remember that we hopefully have addressed most of the questions on the Q and A posted on our web page www.ncpublicschools.org/docs/fbs/furloughqa.pdf.

One question that we have received recently relates to the local salaries and local supplements. There has been some confusion because the Governor's Executive Order #11 did not apply to local funds. HB 917, which was ratified by the General Assembly on May 14, 2009, implements the Governor's Executive Order and also requires that the salaries of teachers paid in whole or in part with local or federal funds be reduced by 0.5% just like teachers paid entirely with state funds. However, neither HB 917 nor the Governor's Executive Order addresses any reduction in local supplements. The power to reduce local supplements rests with the local school board, and must be authorized by the local board.

(2) Latest News on House Budget:

Not Good News:

The House continues to debate their Budget. The only change made to the Budget through an amendment last night was the creation of a recurring LEA Discretionary Reduction of \$15,550,000 in FY 2009-10 and \$20,050,000 in FY 2010-11.

Good News:

The House allowed the House Appropriation Subcommittee on Education to restore \$355,000,000 in reductions for FY 2009-10 and \$416,565,000 in reductions for FY 2010-11. For public schools, the Committee recommended:

- 1) restoring teachers in grades K-3 to their FY 2008-09 allotment level (no reduction to K-3)

- 2) Restore At-Risk funding to the FY 2008-09 level (no reduction remains)
- 3) Restore reduction to Low Wealth Supplemental funding (no reduction remains)
- 4) Restore reduction to Instructional Support Positions (no reduction remains)
- 5) Restore reduction to School Building Administration (no reduction remains)
- 6) Restored part of the LEA Discretionary Reduction (\$12,678,449 remains for FY 2009-10 and \$10,414,711 remains for FY 2010-11).

Please remember that the Budget has not passed the House and the Budget will need to be Conferenced. There is a long way to go in the process.

(3) Allotment Revision:

Allotment Revision 28 will upload on Wednesday, June 10, 2009 and will include the transfers for the Required Reversion and the Child Nutrition Equipment funding (PRC 149). Please contact School Allotments if you have any questions at 919.807.3739.

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

Newsletter No. 38-08/09, June 12, 2009

Philip Price
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(1) Salary exceptions related to the .5% furlough reduction:

Unfortunately not all LEAs followed the DPI and vendor guidelines for calculating and reporting the Governor's .5% furlough salary reduction. As a result, an overwhelming number of salary audit exceptions have resulted. In most cases the amount of money reduced from salaried employees was correct and the salary exceptions have resulted from incorrect payroll payment processes. The majority of the processing errors seem to fall into 1 of 4 categories. The attached document details each of the 4 processing error categories and the steps needed to correct these salary audit exceptions thru BUD IPC transactions. Please note that as of Friday 6/12, DPI will no longer be entering IPC transactions for the LEAs. IPCs must be entered and sent thru BUD. As noted in the attachment, when adding or correcting R47 daily rate of pay values, you will need to use a R27 in BUD since BUD does not currently recognize the R47 value. Both the R47 and R27 will function identically in the salary system. Beginning Monday 6/15, DPI will begin receiving and processing BUDs twice a day so there will be plenty of opportunities for each LEA to send BUD batches to correct their outstanding salary exceptions.

In some cases, salaried employees have not had enough reduced from their check. Remember that the annual salary for salaried employees is defined as the monthly base times the normal number of checks for that position X .5%. If an employee has only been with the LEA for a few months, the .5% reduction is still a monthly base annualized by 9 or more checks. It is not based on just the pay the new employee has received since working with the LEA. If an employee has not had the full annualized reduction amount and will not receive a check in June, then the employee should bring the LEA a check for the remainder of the .5% annualized reduction for the LEA to then refund to DPI thru BUD.

If you have any questions about how to clean up salary exceptions related to the .5% reduction thru BUD please contact Tiandra Alli, at talli@dpi.state.nc.us, 919.807.3736 or Sue Holly at sholly@dpi.state.nc.us, 919.807.3735. If you have questions about how to how to calculate the necessary corrections or how to correctly process any remaining June furlough reductions please contact Ally Barfield at abarfiel@dpi.state.nc.us, 919.807.3715.

(2) INSTALLMENT ACCRUAL REMINDER:

In order to ensure that we receive all of the installment accruals with the June datafile transmission, and to prevent us from unnecessarily contacting those of you who will have no accruals, we are requesting your help. If you do not pay your employees on traditional installments, and therefore will not have installment accruals, please email Alice Lambricht at alambrig@dpi.state.nc.us by Friday, June 26, 2009. Simply put "No accruals - LEA (plus your three digit LEA number)" in the subject line. We appreciate your help.

(3) Reminder to Monitor Administration Expenditures:

Five Federal PRCs [Vocational Education (017), Safe & Drug Free Schools (048), Title I (050), Language Acquisition (104), and Reading First (106)] have administration expenditure limitations. These limitations are monitored at June 30. In addition, indirect cost charged to federal programs is compared against your approved rate. If administrative expenditures and/or indirect cost charges exceed allowable amounts, you may be subject to an audit exception by your independent auditors. Please contact Stephanie English 919.807.3686 or senglish@dpi.state.nc.us in the Monitoring & Compliance Section if you have questions.

(4) Administration Limitation for Migrant Grant Funds:

The Migrant Education Program (PRC 051) has instituted a 20% administrative expenditure limitation which will be enforced for the first time in 2009-2010. This limitation may have implications on Time & Effort documentation for some individuals if they also perform other duties for the Migrant program. In order to assure that no more than 20% of Migrant funds are spent to administer the program, individuals who are paid from Migrant funds to administer the program and also perform non-administrative duties for Migrant or any other program, must document their effort on monthly Personnel Activity Reports (unless a substitute time & effort system has been approved - see www.ncpublicschools.org/docs/fbs/finance/federal/presentations/substitutesystems.pdf for a list of approved substitute systems). For questions about the program limitation, contact Sonja Williams at 919.807.3958 or swilliams@dpi.state.nc.us; for time & effort documentation questions, please contact Stephanie English at 919.807.3686 or senglish@dpi.state.nc.us.

(5) Budgeting ARRA Funds:

Please note that you should not enter a "projected carryover" amount when submitting your planning budgets for 2009-10 for ARRA funds in PRCs 141, 144, and 145. The planning allotment shown in BUD is 100% of the funds expected, and includes the 50% allotment you received in April/May. Including a carryover amount for those PRCs will cause your budget to be overstated. Please contact Stephanie English at 919.807.3686 or senglish@dpi.state.nc.us if you have questions.

(6) Year End BUD Processing:

Beginning Monday, June 15, we will begin processing BUD adjustment/202 batches twice a day. If you send an adjustment batch before 1:00, you can receive the communication form back the same afternoon. You will need to run SURF to receive files. This additional processing should allow LEAs more time to correct denied batches. If you have any question regarding this notice, please contact Denise Jackson at djackson@dpi.state.nc.us.

(7) FY 2009 Close Out Deadlines:

- UERS Data files, including MFR file, must be ready for transmission JUNE 30, 2009 (midnight)
- All Installment Accruals must be ready for transmission JUNE 30, 2009 (midnight)
- DPI will begin pulling data at 7 a.m. July 1, 2009.
- In order to meet required processing deadlines it is imperative that your data is ready to transmit at that time. It is also critical you have someone on-site Wednesday morning, July 1, 2009 to verify that DPI successfully received your data. This person must remain on-site until receiving an email from DPI stating that your LEA's data has been successfully pulled and verified by DPI and that your on-site contact person is no longer needed at your LEA. Please email the name of your on-site contact person with their telephone number and their email address to Alice Lambricht at alambrig@dpi.state.nc.us by Friday, June 12, 2009.

REMINDER:

- Beginning June 15, 2009, DPI will be receiving and processing BUD batches twice a day. Please receive your BUD files daily and immediately make corrections to any denied batches.

(8) UERS Data Transfer Schedule for LEAs for Fiscal Year 2009-2010

The UERS Data Transfer Schedule for LEAs for Fiscal Year 2009-2010 is attached and a link to this schedule is also located on the Financial and Business Services Financial Reporting internet website: www.ncpublicschools.org/fbs/finance/reporting/.

(9) May 2009 MFR report (Period 11)

DPI netviewed the May 2009 MFR report (Period 11) on Thursday, June 11, 2009. Please review the following reports that were netviewed:

1) Please review your DBS/MFR Match report (JHA899EG):

This report shows the comparison month-to date (MTD) and year-to-date (YTD) between the DBS data (datafile; DPI ledger) and the MFR data (LEA general ledger). Any YTD differences on this report should be reconciled.

2) Please review your Records Dropped Due to Invalid Data Report (PGA10RP1):

Please make sure to correct all items on this report. Examples of errors are that you cannot have 0000 representing a Purpose Code or 000 representing a PRC or 000 representing an Object Code.

3) Please review MFR Information Dropped per Finance Officers Request (PGA10RP2):

This report includes items that were dropped per the LEA Finance Officer's request. To request that certain Funds or Funds with Specific PRCs be excluded for per-pupil calculations, complete the "Funds or Funds with Specific PRCs to Exclude for MFR Process" request form that is located on DPI's website.

www.ncpublicschools.org/docs/fbs/finance/reporting/amfr/excludeform.pdf

4) Please review your MFR Error Messages Issued Report (PGA10RP4-E):

Please make sure to correct all items on this report. This includes all funds, even local funds (funds other than 1 (State) and 3 (Federal)). If you need to move invalid account codes to valid account codes for funds 1 and 3, please email or fax your manual 202 to DPI. Once DPI closes the month of June 2009, manual 202s cannot be sent to DPI in July and August for FY 2008-09.

Some examples of errors are the following:

"Invalid Budget codes" - The account code does not exist within the current Chart of Accounts.

"State Textbook Revenue 3211 Missing \$" - Please record your journal entry in Fund 1 (state) to record your revenues and expenditures for State Textbook expended and reimbursed.

5) Please review your MFR Verification Messages Issued Report (PGA10RP4-V):

This report notifies you of unusual transactions/conditions. Items on this report do not have to be corrected if they are valid transactions. If they are not valid transactions, then you only need to correct your general ledger. You do not need to notify DPI of these corrections.

6) Please review your MFR Revenue & Expenditure Summary Report (PGA10RP5):

At year end, your revenue totals and your expenditure totals should equal/match on this report. You will only receive this report for periods/months 10-13 of any fiscal year.

If you have any questions about errors on the MFR data, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

Newsletter No. 39-08/09, June 19, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
6326 Mail Service Center
Raleigh, NC 27699-6326
Email: pprice@dpi.state.nc.us

(1) Impact of House Budget:

Attached please find an updated excel spreadsheet that outlines the impact of the House Budget on your projected allotments for FY 2009-10. Please remember that the House Budget does not reflect the final Budget from the General Assembly. The Conference (and Final) Budget is currently being discussed.

A key item included in the attached spreadsheet is the Stabilization funds (as appropriated by the House Budget). The House identified non-recurring cuts to non-instructional support and instructional supplies. As communicated to you previously, the federal Stabilization funds will be distributed on a formula that is based on all State allotments (excluding low wealth, small county, and DSSF) to your district. We have included the non-recurring reductions with the stabilization distribution on the same spreadsheet. We did this to make sure you understood that the reductions and the federal stabilization allotment will not equal. We would also like to remind you that the Stabilization funds can be utilized for any purpose as authorized under federal ESEA Impact Aid regulations. This means that there will be very few restrictions as to how you can use these funds.

Please contact Paul LeSieur (919.807.3700) or Lydia Prude (919.218.6416) if you have any questions. This item will be posted on our website the early part of next week.

(2) FY 2009 Close Out Deadlines:

- UERS Data files, including MFR file, must be ready for transmission JUNE 30, 2009 (midnight).
- All Installment Accruals must be ready for transmission JUNE 30, 2009 (midnight).
- DPI will begin pulling data at 12:01 A.M. July 1, 2009.
- In order to meet required processing deadlines it is imperative that your data is ready to transmit at that time. It is also critical you have someone on-site by 7:00 A.M. Wednesday morning, July 1, 2009, to verify that DPI successfully received your data. This person must remain on-site until receiving an email from DPI stating that your LEA's data has been successfully pulled and verified by DPI and that your on-site contact person is no longer needed at your LEA. Please email the name of your on-site contact person with their telephone number and their email address to Alice Lambricht at alambrig@dpi.state.nc.us.

(3) State Public School Fund Allotment Overdraft Reports:

We netviewed the "State Public School Fund Allotment Overdraft Report" (JHA356EG) for the current year, FY 2008-2009, as of the May 2009 processing period, on Tuesday, June 16, 2009, and the prior year report, Company 8000, for FY 2007-2008, as of the May 2009 processing period, on Thursday, June 18, 2009. It is imperative that all outstanding state overages and penalties are paid to the state as soon as possible and no later than June 30, 2009.

(4) May 2009 MFR Reports (Period 11):

DPI netviewed the May 2009 MFR report (Period 11) last Thursday, June 11, 2009. Please review the following reports that were netviewed:

- 1) Please review your DBS/MFR Match report (JHA899EG):
This report shows the comparison month-to date (MTD) and year-to-date (YTD) between the DBS data (datafile; DPI ledger) and the MFR data (LEA general ledger). Any YTD differences on this report should be reconciled.
- 2) Please review your Records Dropped Due to Invalid Data Report (PGA10RP1):
Please make sure to correct all items on this report. Examples of errors are that you cannot have 0000 representing a Purpose Code or 000 representing a PRC or 000 representing an Object Code.
- 3) Please review MFR Information Dropped per Finance Officers Request (PGA10RP2):
This report includes items that were dropped per the LEA Finance Officer's request. To request that certain Funds or Funds with Specific PRCs be excluded for per-pupil calculations, complete the "Funds or Funds with Specific PRCs to Exclude for MFR Process" request form that is located on DPI's website.
www.ncpublicschools.org/docs/fbs/finance/reporting/amfr/excludeform.pdf
- 4) Please review your MFR Error Messages Issued Report (PGA10RP4-E):
Please make sure to correct all items on this report. This includes all funds, even local funds (funds other than 1 (State) and 3 (Federal)). If you need to move invalid account codes to valid account codes for funds 1 and 3, please email or fax your manual 202 to DPI. Once DPI closes the month of June 2009, manual 202s cannot be sent to DPI in July and August for FY 2008-09.
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- 6) Please review your MFR Revenue & Expenditure Summary Report (PGA10RP5):
At year end, your revenue totals and your expenditure totals should equal/match on this report. You will only receive this report for periods/months 10-13 of any fiscal year.

If you have any questions about errors on the MFR data, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

Attachments: To get the attachments referenced in the newsletter, please email Deby Jackson and let her know which attachments to send.

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Newsletter No. 40-08/09, June 22, 2009

Philip Price
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Email: pprice@dpi.state.nc.us

(1) Closing Procedures for Fiscal Year 2008-2009:

In order to comply with the closing deadline for 2008-09, as directed by the Office of State Budget and Management, please initiate the procedures as set out in the attached letter directed to LEA Superintendents and LEA Finance Officers. Should you have questions, please contact Paul LeSieur at plesieur@dpi.state.nc.us or by phone 919.807.3701.

(2) House Version of SB 202 - Sixth Edition, Budget Cuts by LEA:

Attached is an excel spreadsheet to provide you with an understanding of the affect of the House version of SB 202 approved June 13. Please note that these reductions are not final and the allotments are subject to change once the Senate and House Conference Committees agree on the education funding reductions and the final bill is passed by the General Assembly. Non-Recurring cuts are reflected in this document to Classroom Materials and Supplies \$46,448,981 and Noninstructional Support \$356,970,583. The nonrecurring cuts to these two categories will be replaced with the Federal, State Fiscal Stabilization Funds. If you have any question on these calculations please feel free to contact Lydia Prude at lprude@dpi.state.nc.us 919.807.3739 or Paul LeSieur at plesieur@dpi.state.nc.us 919.807.3701.

(3) Matching Retirement Rate - use 8.14% to accrue AND pay installments:

As stated in the June 3rd newsletter, SB 287 increases the Matching Retirement Rate to 8.54%, effective July 1, 2009. LEAs should use the 8.54% rate for all new FY 10 payrolls BUT since it is very unlikely that a final State budget will be passed by June 30, DPI is recommending that the LEAs use the current rate of 8.14% as the matching retirement rate for the Installment accruals. This will have the least amount of impact on your FY 09 expenditures and 13th period reporting. Make final FY 09 expenditures accordingly. Even though SB 287 increases the rate to 8.54% July 1 (and the final budget may establish yet

another rate), LEAs will still run the July (and in some cases August) installment payrolls at the accrued 8.14% rate so that the actual installment expense will closely match the installment accruals. Once the budget is passed, AP invoices will be manually accrued to adjust the July and/or August matching checks to the passed percentage. Any difference in the rate would be reflected in FY 10 expenditures. DPI will keep you posted, and notify you of the legal FY 10 rate once the budget is passed. If you have questions contact Ally Barfield at 919.807.3715 or abarfiel@dpi.state.nc.us.

(4) INSTALLMENT ACCRUAL REMINDER:

In order to ensure that we receive all of the installment accruals with the June datafile transmission, and to prevent us from unnecessarily contacting those of you who will have no accruals, we are requesting your help. If you do not pay your employees on traditional installments, and therefore will not have installment accruals, please email Alice Lambricht at alambrig@dpi.state.nc.us by Friday, June 26, 2009. Simply put "No accruals - LEA (plus your three digit LEA number)" in the subject line. We appreciate your help.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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

Newsletter No. 41-08/09, June 26, 2009

Philip Price
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(1) Final Year End BUD Processing:

1. The last day to submit batches for FY 2009 is June 30 at midnight. Your LEA will receive a phone call and email from our salary analysts regarding any denied batches. The opportunity for LEAs to correct and resubmit denied batches will be through July 2 until 1:00 pm. In order to meet our closeout deadlines, there can be no exceptions to this one time opportunity. If you wish to take advantage of this opportunity, please have someone in your office through July 2, who can not only receive files, but also correct and send BUD batches. If you have any questions, please contact Andrew Cox at acox@dpi.state.nc.us.
2. 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.
3. We recommend that you keep your adjustment batches small.
4. It is your responsibility to make sure that your batches are successfully transmitted to DPI. In order to verify that no batches are "stuck" in your outbox, please note the following: when you send items to DPI, if you get an error message that the ftp failed, you need to have your IT staff restart the ftp server at your LEA. The items that you were trying to send are now in your bud outbox (options 60, 2, 10 from the main menu). Once you have your ftp server restarted, you can run fast path SEND (or options 60, 2, 8 from the main menu) to send the items to DPI. Please make sure that your outbox is empty by using options 60, 2, 10 from the main menu. If there are items in this outbox, please follow the steps above to get them sent to DPI. If you continue to have problems, please contact our customer support center at 919.807.4357.

(2) Matching Retirement Rate - use 8.14% to accrue AND pay installments:

As stated in the June 3rd newsletter, SB 287 increases the Matching Retirement Rate to 8.54%, effective July 1, 2009. LEAs should use the 8.54% rate for all new FY 10 payrolls BUT since it is very unlikely that a final State budget will be passed by June 30, DPI is recommending that the LEAs use the current rate of 8.14% as the matching retirement rate for the Installment accruals. This will have the least amount of impact on your FY 09 expenditures and 13th period reporting. Make final FY 09 expenditures accordingly. Even though SB 287 increases the rate to 8.54% July 1 (and the final budget may establish yet another rate), LEAs will still run the July (and in some cases August) installment payrolls at the accrued 8.14% rate so that the actual installment expense will closely match the installment accruals. Once the budget is passed, AP invoices will be manually accrued to adjust the July and/or August matching checks to the passed percentage. Any difference in the rate would be reflected in FY 10 expenditures. DPI will keep you posted, and notify you of the legal FY 10 rate once the budget is passed. If you have questions contact Ally Barfield at 919.807.3715 or abarfiel@dpi.state.nc.us.

(3) FY 2009 Close Out Deadlines:

- UERS Data files, including MFR file, must be ready for transmission JUNE 30, 2009 (midnight)
- All Installment Accruals must be ready for transmission JUNE 30, 2009 (midnight)
- DPI will begin pulling data at 12:01 AM. July 1, 2009.
- In order to meet required processing deadlines it is imperative that your data is ready to transmit at that time. It is also critical you have someone on-site by 7 AM Wednesday morning, July 1, 2009 to verify that DPI successfully received your data. This person must remain on-site until receiving an email from DPI stating that your LEA's data has been successfully pulled and verified by DPI and that your on-site contact person is no longer needed at your LEA. Please email the name of your on-site contact person with their telephone number and their email address to Alice Lambricht at alambrig@dpi.state.nc.us.

REMINDER:

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

(4) May 2009 MFR Reports (Period 11):

DPI netviewed the May 2009 MFR report (Period 11) Thursday, June 11, 2009. Please review the following reports that were netviewed:

- 1) Please review your DBS/MFR Match report (JHA899EG):
This report shows the comparison month-to date (MTD) and year-to-date (YTD) between the DBS data (datafile; DPI ledger) and the MFR data (LEA general ledger). Any YTD differences on this report should be reconciled.
- 2) Please review your Records Dropped Due to Invalid Data Report (PGA10RP1):
Please make sure to correct all items on this report. Examples of errors are that you cannot have 0000 representing a Purpose Code or 000 representing a PRC or 000 representing an Object Code.
- 3) Please review MFR Information Dropped per Finance Officers Request (PGA10RP2):
This report includes items that were dropped per the LEA Finance Officer's request. To request that certain Funds or Funds with Specific PRCs be excluded for per-pupil calculations, complete the "Funds or Funds with Specific PRCs to Exclude for MFR Process" request form that is located on DPI's website.
www.ncpublicschools.org/docs/fbs/finance/reporting/amfr/excludeform.pdf
- 4) Please review your MFR Error Messages Issued Report (PGA10RP4-E):
Please make sure to correct all items on this report. This includes all funds, even local funds (funds other than 1 (State) and 3 (Federal)). If you need to move invalid account codes to valid account codes for funds 1 and 3, please email or fax your manual 202 to DPI. Once DPI closes the month of June 2009, manual 202s cannot be sent to DPI in July and August for FY 2008-09.
Some examples of errors are the following:
 - "Invalid Budget codes" - The account code does not exist within the current Chart of Accounts.
 - "State Textbook Revenue 3211 Missing \$" - Please record your journal entry in Fund 1 (state) to record your revenues and expenditures for State Textbook expended and reimbursed.
- 5) Please review your MFR Verification Messages Issued Report (PGA10RP4-V):
This report notifies you of unusual transactions/conditions. Items on this report do not have to be corrected if they are valid transactions. If they are not valid transactions, then you only need to correct your general ledger. You do not need to notify DPI of these corrections.
- 6) Please review your MFR Revenue & Expenditure Summary Report (PGA10RP5):
During the 13th period, your revenue totals and your expenditure totals

should equal/match on this report. You will only receive this report for periods/months 10-13 of any fiscal year.

If you have any questions about errors on the MFR data, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

(5) REMINDER: Application and Assurances for State Fiscal Stabilization Funds due June 30th:

Per federal legislation passed in the American Recovery and Reinvestment Act, all LEAs and Charter schools must apply for the State Fiscal Stabilization funds before they are eligible to receive the funds. Based on the most recent budgets, we anticipate over \$400m in Stabilization funds will be allocated to public schools. Attached is the application and assurances for all LEAs and Charter Schools. This application must be completed and signed by all charter schools and LEAs before any State Fiscal Stabilization Funds can be allotted. This document can also be found at www.ncpublicschools.org/fbs/ under "What's New - Federal Recovery Information"

Please return the signed document via email or fax by June 30th, 2009.

If you have questions contact Alexis Schauss at aschauss@dpi.state.nc.us or 919.807.3553.

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

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

Newsletter No. 001-09/10, July 2, 2009

Philip Price
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Please share all information and guidance with your superintendent and personnel director.

(1) Continuing Budget Resolution Passed, Extends Government Operations thru July 15, 2009. Session Law 2009-215 (S311):

The General Assembly passed the continuing resolution Tuesday afternoon.

- It allows state government to continue operations at an 85% funding level, knowing there are imminent cuts coming to the budget.
- Does not allow vacancies or positions with expected cuts to be filled.
- The retirement rate payments until a budget is passed must be paid at the 8.14% amount until the budget is passed.
- Employee salary schedules for FY 2008-09 remain in effect, no pay increases.

Web link to the bill: www.ncleg.net/Sessions/2009/Bills/Senate/PDF/S311v6.pdf

(2) Budget Freeze is Lifted Effective July 1, 2009:

Though new year expenditures are allowed, please beware that the cash flow is still an issue.

At this time, the House budget reflects an 11% reduction in funding to the K-12 budget. Expenditures you incur may be subject to elimination after the final budget is passed and will require being transferred to another appropriate funding source.

There has been no discussion of changing Longevity payments by either the Senate or House to date.

(3) Reduction in Force (RIF) and Health Insurance Guidance

Attached are the following documents on:

- 2009 RIF Policy Guidance - Defines what is and what is not a reduction in force situation. Links included to NC School Boards Association sample RIF policies.
- Reduction in Force and Health Insurance - Provides options for RIF employees.
- 2009 Q&A Implications for RIF Actions - Provides frequently asked questions on RIF and Health Insurance options.

If you have questions or concerns, please contact Joan Crump at jcrump@dpi.state.nc.us or 919.807.3366.

(4) Guidance on Retirees and the October 1, 2009 Sunset of Working the Exempt from the CAP:

Attached are the following documents on:

- Retirement and Re-employment Changes 2009 - Outlines changes required of retirees hired exempt from the cap.
- 2009 Chart on Exempt from the Cap due to Sunset - Outlines options for retired teachers hired exempt from the cap.
- 2009 HB94 Retirees Volunteering - New retirees may volunteer in schools as unpaid "bona fide" volunteers during the six months waiting period.

If you have questions or concerns, please contact Joan Crump at jcrump@dpi.state.nc.us or 919.807.3366.

(5) Reporting Matching Expenditures for Abstinence Grant (PRC 057):

The requirements of the Abstinence Until Marriage (AUM) grant (PRC 057) include a requirement for matching expenditures at the LEA level of 3 non-federal dollars for every 4 federal dollars. Matching expenditures are to be reported quarterly, and the final match report for 2008-09 should be submitted by July 15, 2009. Additional information, including reporting forms and information regarding the types of matching expenditures to be reported, can be found on the DPI website at www.ncpublicschools.org/fbs/finance/federal/. The DPI program administrator for the AUM grant is Nakisha Floyd (nfloyd@dpi.state.nc.us). Please contact Stephanie English in the Monitoring & Compliance (senglish@dpi.state.nc.us or 919.807.3686) with questions related to the reporting of matching expenditures.

(6) Transportation Funding Information:

DPI Transportation has posted some important links dealing with transportation efficiency and transportation funding for 2009-2010, including a 45 minute webcast. Refer to www.ncbussafety.org/FundingTIMSLinks2009.html.

Contact Derek Graham at 919.807.3571 if you have questions.

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

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

Newsletter No. 002-09/10, July 10, 2009

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(1) Educator Years of Experience/Salary in New Fiscal Year:

DPI has completed "the Bump" to credit eligible educators with a year of educator experience. This additional year of experience does not result in a step increase on the salary schedule. Per the Continuing Budget Resolution, all employees shall remain at the same pay level as 2008-09. If you have employed a new certified employee with zero years of experience, they should be paid on the beginning step of the applicable 2008-09 salary schedule.

Attached are the salary schedules that should be used until a final budget is passed.

If you have questions contact Andrew Cox at ACox@dpi.state.nc.us.

(2) Program Report Codes (PRCs) for the American Recovery Reinvestment Act funding (ARRA):

The following are current PRCs for the ARRA funds:

- **Federal Funds (Fund 3)**
 - PRC 140 - ARRA - Education Stabilization (Open Chart)
 - PRC 141 - ARRA - Title 1
 - PRC 142 - ARRA - Title 1 School Improvement
 - PRC 143 - ARRA - School Improvement 1003 (G)
 - PRC 144 - ARRA - IDEA VI-B
 - PRC 145 - ARRA - IDEA Pre School
 - PRC 146 - ARRA - Education Technology - Formula
 - PRC 147 - ARRA - Education Technology - Competitive
 - PRC 148 - ARRA - McKinney Vento
 - PRC 149 - ARRA - Child Nutrition Equipment
- **Local Funds**
 - PRC 333 - ARRA - Head Start

If you have questions about the ARRA PRCs listing, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

(3) FY 2009 13th Month MFR File - Reminder:

This is a reminder that we will pull your preliminary FY 2009 13th month MFR File on Monday evening, July 20,2008.

The 13th month information is very important because the information represents your "Per Pupil" calculation and the information is reported in the NC School Report Cards.

Please do the following before building the 13th Month MFR file (Please make sure that you are signed into FY 09):

- (1) Book the Period 12 zero-out entry to your GL in June (Period 12).
- (2) Correct all of your MFR errors, including local account codes.
- (3) Review the AFR/MFR Recommendations located on the Financial and Business Services web page:
www.ncpublicschools.org/docs/fbs/finance/reporting/amfr/recommendations.pdf

If you have questions about your MFR file, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

(4) ANNUAL REPORT - TD-1:

A revised TD-1, Annual Pupil Transportation Report for 2008-09 is now available on the NC School Bus Safety Web Site at www.ncbussafety.org/ under REPORTS AND FORMS. You are reminded that this report is due by **August 1**. It is important that the individual assigned to complete the annual report read all of the instructions very carefully prior to beginning to record data on the report. Some of the instructions have changed from last year. Please pay close attention to the instructions for reporting expenditures that were restricted as a result of the Governor's spending freeze during April, May and June.

Only expenditures reported in your Local PRC 056 are to be reported on this report. These are local eligible transportation expenditures which could have been paid from State PRC 056 for to/from school transportation for students in grades K-12. All ineligible transportation expenditures should be coded to Local PRC 706 and should not be reported on this report.

Please be reminded that the information obtained in this report is part of the input for the transportation funding formula and budget development and are subject to review and audit. Therefore, appropriate signatures are required to certify accuracy.

Contact: Steve Beachum @ 919.807.3576 if you have questions.

(5) FBS Summer Conference - Sheraton Imperial Hotel - Thursday, July 30, 2009:

- 1) Sheraton Imperial Hotel Reservations:
Hotel reservations for the FBS Summer Conference at the Sheraton Imperial Hotel has been extended to Friday, July 17 at 5:00 p.m. Please make your reservations by this date in order to receive the group rate.
- 2) FBS Conference Early Registration:
Since the conference is a one-day event this year, registration will begin on Wednesday, July 29 from 4:00 p.m. until 7:00 p.m. Conference registration will reopen on Thursday, July 30 from 7:30 a.m. until 9:00 a.m.
- 3) Attached is an updated Session Schedule for your review.

If you have any questions regarding the conference, please contact Paul LeSieur or Doris McCain at 919.807.3700.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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

Newsletter No. 003-09/10, July 17, 2009

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(1) PRC 018 - State Employee Severance Payments (Open Chart):

We have added a new state PRC 018, called State Employee Severance Payments. This state PRC will be an open chart PRC that will represent expenditures for state employees that are part of the Reduction-in-Force (RIF). This open chart should include the salaries paid to RIF state employees and the health insurance for RIF employees that are paid by their employer. If you have questions about this new PRC, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

(2) FY 2009 13th Month MFR File - Reminder:

This is a reminder that we will pull your preliminary FY 2009 13th month MFR File on Monday evening, July 20, 2009.

The 13th month information is very important because the information represents your "Per Pupil" calculation and the information is reported in the NC School Report Cards.

Please do the following before building the 13th Month MFR file (Please make sure that you are signed into FY 09):

- (1) Book the Period 12 zero-out entry to your GL in June (Period 12).
- (2) Correct all of your MFR errors, including local account codes.
- (3) Review the AFR/MFR Recommendations located on the Financial and Business Services web page:
www.ncpublicschools.org/docs/fbs/finance/reporting/amfr/recommendations.pdf.

If you have questions about your MFR file, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

(3) State Public School Fund Allotment Overdraft Reports:

We netviewed the "State Public School Fund Allotment Overdraft Report" (JHA356EG) for the current year, FY 2008-2009, as of the June 2009 processing period, on Tuesday, July 14, 2009. For those LEAs listed on this report, please pay back the outstanding state overages and penalties as a prior year refund and prior year penalty payment. If you have questions about your Allotment Overdraft report, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

(4) McKinney-Vento ARRA Grant Deadline 7/23/09:

The School Allotment Section uploaded the FY 09-10 Planning Allotments for the McKinney-Vento ARRA Grant (PRC 148) in BUD on July 14, 2009 for all eligible LEAs for budgeting.

The purpose of the McKinney-Vento ARRA grant is to assist states and LEAs in addressing the educational and related needs of some of the most vulnerable members of our society - homeless children and youth - during a time of economic crisis in the United States. The funds will be utilized to increase LEA support to homeless children and youth for their educational access and success in school. The expected outcome is that all homeless children and youth are identified and provided services. The McKinney-Vento American Recovery and Reinvestment Act (ARRA) grants are a one-time source of funds that supplement the regular McKinney-Vento FY 2009 appropriation. LEAs who have not already applied may submit their applications by July 23, 2009. The instructions for applying are on the application which is available to download at www.serve.org/hepnc website. If you have any questions, please contact Lisa Phillips, State Coordinator at 336.315.7491 or at lphillip@serve.org. NC ARRA McKinney-Vento funds will be awarded on a formula basis to LEAs that complete an application, providing assurances that the funds will be spent on allowable expenses and that the LEA will comply all monitoring and reporting requirements.

Please contact School Allotments at 919.807.3739 if you have questions about the FY 09-10 McKinney-Vento ARRA Planning Allotments.

(5) Child Nutrition Equipment - ARRA (PRC 149):

Allotments for Child Nutrition Equipment - ARRA (PRC 149) were processed in Revision 30 in June. While a few LEAs submitted budgets in BUD for the funds prior to June 30, all recipients should submit a budget in BUD for 2009-10.

The funds were allotted to each LEA who received an award in the FY 2009. A carryover budget will need to be created for FY 2010 and the amount of the initial allotment will be entered as the carryover amount.

The Child Nutrition Services will be approving the request in BUD once the request has been submitted.

These funds must be expended by September 15, 2009 and the Child Nutrition Services section at NCDPI must have a copy of the invoice and check written for payment.

Contact Janet Johnson at 919.807.4043 or jchatman@dpi.state.nc.us if you have questions.

(6) HRMS Implementation Alert - HRMS LEA v5.3:

The attached documents provide information regarding the upcoming HRMS LEA release. If you have any questions about the release, please contact the DPI Customer Support Center Help Desk at 919.807.4357.

(7) Travel Subsistence Rate Revision Effective July 1, 2009

Effective July 1, 2009, the subsistence reimbursement rates increased for state employees' in-state and out-of-state travel. Attached is the memorandum from the Office of State Budget and Management reflecting this change.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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

Newsletter No. 004-09/10, July 24, 2009

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(1) Reduction-In-Force (RIF) and Severance Implementation:

In last Friday's Finance Officers' Newsletter, we established program report code 018 for the purpose of pay for the hospital Insurance and any severance payment for employees that were paid from state funds in FY 2008-09 that are part of the RIF that will take place due to the cut in state funding for FY 2009-10.

With the General Assembly still in town, we decided to move forward with establishing the PRC based on the House Budget providing funding for hospital insurance and severance funding for state employees and in the language it included state paid public school employees.

The PRC will be an open chart that is for the purpose of posting the following:

- Hospital Insurance 1-XXXX-018-231
- Annual Leave Payout 1-XXXX-018-188
- Bonus Leave Payout 1-XXXX-018-185
- Longevity Pay 1-XXXX-018-184

If funds are provided after the General Assembly passes the final Budget bill for FY 2009-10:

- Severance Payment XXXX-018-121, 113, 146, etc...

Code to the purpose and object level that the employee was paid from in FY 2008-09.

Should you have any questions, please feel free to contact Roxane Bernard at rbernard@dpi.state.nc.us or 919.807.3725.

(2) IDEA VI-B ARRA (PRCs 144 and 145) and Title I -ARRA (PRC 141):

Information and Analysis has now posted carryover to the BUD system for PRCs 141, 144 and 145 for FY 09-10. Since the FY 09-10 Planning Allocations for ARRA are 100% of the total funds (50% allocated in FY 08-09 and 50% to be allocated in FY 09-10), the total on BUD is temporarily overstated.

If the LEA has already submitted the budget for the 100% ARRA Planning, no further action is needed until School Allotments allocates the remaining 50% of ARRA federal funds for FY 09-10 on an Allotment Revision Report. At that time the LEA's total

funding for FY 09-10 will be correct, and then the LEA can make decisions regarding necessary amendments.

If the LEA is in the process of creating the Initial Budget for these ARRA PRCs for FY 09-10, budget only the 100% Planning amount and leave the remaining amount un-budgeted at this time. No further action is needed until School Allotments allocates the remaining 50% of ARRA federal funds for FY 09-10 on an Allotment Revision Report. At that time the LEA's total funding for FY 09-10 will be correct, and then the LEA can make decisions regarding necessary amendments.

Please remember to review the balance in the Authority To Draw Account (11210000) on the MSA System for the current balance of cash available to drawn down for deposit. If you have any questions, please contact School Allotments at 919.807.3739.

(3) State Public School Fund Allotment Overdraft Reports:

We netviewed the "State Public School Fund Allotment Overdraft Report" (JHA356EG) for the prior year report, Company 8000, for FY 2007-2008, as of the June 2009 processing period, on Tuesday, July 21, 2009. You cannot pay back the outstanding prior year balances and prior year penalties in the BUD system. You will need to refund the outstanding prior year balances and prior year penalties with a check. You may contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us for assistance. You may also contact Sue Holly at 919.807.3735 or sholly@dpi.state.nc.us and Tiandra Alli at 919.807.3736 or talli@dpi.state.nc.us for assistance in refunding outstanding prior year salary audit exceptions.

(4) 2009 13th Month Preliminary MFR file:

We pulled the Preliminary 13th Month MFR file for FY 08-09 this past Monday, July 20, 2009. We plan to netview the 13th Month MFR reports this Monday, July 27, 2009. You may contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us for assistance regarding the 13th Month MFR reports.

(5) ARRA COBRA Information:

As you may be aware, based on the new ARRA legislation implemented by the federal government, all employees who meet certain criteria will be eligible for reduced premium COBRA benefits at 35% of the cost. The employer (LEA) will pick up the remaining 65%. This 65% is to be paid out of local funds. All expenditures for the 65% employer funded ARRA reduced premium COBRA payments should be coded to budget code 2-XXX-018-231. We have created a Q&A on the new COBRA requirements for your reference. If you have other questions not addressed in the Q&A regarding the new COBRA requirements, contact Andrew Cox at acox@dpi.state.nc.us.

(6) Retirement matching rate for July ORBIT reporting:

Per Roscoe Perry with the NC Retirement System: "If the final budget is signed by the Governor by July 29, 2009, we will change the rate in Orbit and all agencies will be required to pay whatever that final rate is determined to be. If the final budget is not signed by July 29, all agencies will be required to pay 8.54% for their July reporting. It is highly unlikely that 8.54% will be the final rate. It will probably be higher."

Roscoe and DPI have been in touch with Sartox and ISIS to discuss both of these July reporting possibilities and the vendors are updating their queries and instructions to assist the LEAs with calculating and entering invoices to bring the retirement matching rate up to 8.54% and/or the final rate for all July payroll checks. Make sure that all of the "normal" monthly payroll retirement checks are written during the normal end of month processing with a July check date. It does not matter whether the additional adjustment check(s) to balance the July Orbit file carries a July date to be included in your July data or an August date to be included with August data.

If you have questions please contact Ally Barfield at abarfield@dpi.state.nc.us.

(7) 2008-09 Final Data:

The 2008-09 final data reports (PMR, ADM, MLD, and ADA:ADM Ratio) are available on the Financial Business Services website and can be found by clicking on www.ncpublicschools.org/fbs/accounting/data/. Should you have any questions, please contact Ozella Wiggins at owiggins@dpi.state.nc.us or 919.807.3757.

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

To subscribe to the Finance Officers' Weekly Newsletter email or call Debbie Jackson at debjacks@dpi.state.nc.us or 919.807.3603 and provide your name and email address.

TO: Finance Officers

FROM: Philip Price

A lot of the federal recovery funds are now available to our public schools (and even more will soon be distributed). It is important to remember that reporting for these funds will be different from reporting requirements for other federal funds. We will soon have a section of our web-page that will outline all the normal and new reporting requirements for these funds. An excellent summary of the Recovery Act Reporting Guidance is attached (prepared by Brustein and Manasevit). The details of expected data elements to be reported can be reviewed at the following link:

www.recovery.gov/?q=node/579.

In summary, here are some of the reporting requirements highlights - What has been expended and a description of the activity. - An estimate of the jobs created or retained. - Details on sub-awards which will include required information included in the above two bullets.

To accommodate the reporting requirements we are working on modifications to the BUD program (used to submit budget amendments) to include data related to positions and standard descriptions. If we are unable to modify BUD, we will establish a new Web-based system to collect the needed information. In any case, you need to be aware of and prepared for this level of reporting.

Posting Job Openings with ESC:

In addition to the above reporting requirements, the Governor would like all job postings associated with the recovery funds to be posted with the Employment Security Commission (ESC). Since it will be very difficult to separate out the Recovery positions from ordinarily occurring job openings, we are asking that all job openings be posted with ESC.

Below is the information received from the Employment Security Commission on how to list stimulus-funded jobs:

- Here is the link for posting Recovery Act jobs with ESC on-line through ESC's automated, electronic Job Order Entry System (JOES):
www.esc.state.nc.us/onlineapps/Joess/JobOrder/BeginJoess.asp
- Here is the downloadable form that can be completed and faxed to any ESC office:
www.ncesc.com/business/findemployees/findemployemain.asp. Select "Download Job Listing Fax Form" for a printable, MS Word document.
- Here is the link to a directory of 89 ESC offices across North Carolina including telephone number, fax number and a contact person. Job orders can be posted at any location by phone, fax or in person.
www.ncesc1.com/locator/locatormain.asp

Thank you for helping us address all the new reporting requirements related to the federal Recovery Act. There will be a lot of new information and guidance coming your way in the coming weeks.

TO: Finance Officers

FROM: Philip Price

The recent downturn in the economy and proposed funding reductions to public schools has increased the discussion of the lottery's role in funding our public schools and other education needs. As you all know, lottery funds fund the following needs:

- Teachers in Grades K-3
- Prekindergarten Programs
- School Construction
- Scholarships to Universities and Community Colleges

No one will dispute that this revenue stream is very important to the successful operations of our public schools. Without the \$193 million going for class size teachers and preK programs, teachers would have more students in their classes, and we would only be able to serve ½ of the 4-year-olds in our More at Four program. What is confusing to the public is that, while significant, lottery funding accounts for only 2.3% of the State operating Budget for our public schools (\$8.3 billion). Most people believe that it is the major funding resource for our public schools.

To help you respond to questions you have, or will receive related to lottery funding, we have prepared the following talking points:

- Lottery funding is an important part of our public school budget and accounts for approximately 3.4% of the State funded classroom teachers in our schools (almost 9% of our K-3 teachers).
- Without the lottery funding, the public school operating budget would need to be reduced by 2.3% (or \$193 million)
- The budget cuts proposed by the General Assembly would cut public schools by approximately 7.5% (\$620 million). A proposed increase in class size in grades 4-12 by 2 students would eliminate 3,419 classroom teachers. Without the lottery, we would also need to reduce approximately 2,357 K-3 teachers.
- Please remember, the lottery funds are not sufficient to cover the proposed budget cuts to public schools (lottery funds only account for 2.3% of total State funding for public school operations). Without the lottery funding, class size in grades K-3 would grow by an average of 2 students per teacher in grades K-3.

Newsletter No. 005-09/10, July 31, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
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Email: pprice@dpi.state.nc.us

(1) Updated ARRA COBRA Information:

Attached is a revised Q&A regarding COBRA payments. The employee 35% premium should NOT be paid to the LEA as was listed in the previous Q&A. According to the State Health Plan, they will bill the individuals enrolled directly for this premium. Also, the revised Q&A addresses the dependent eligibility question posed at the FBS Summer Conference. If you have additional questions, please, contact Andrew Cox at acox@dpi.state.nc.us.

(2) 2009 FBS Summer Conference Presentations:

All conference presentations will be put on DPI website next week at www.ncpublicschools.org/fbs/conferences/presentations/.

(3) Federal Overspent Programs:

In the next few weeks, LEAs that have overspent their Federal Programs for FY 2008-09 will be receiving a letter from DPI. The letter will be requesting a refund for the overspent amount by PRC and instructions on how to submit the refund. The overspent amount should be refunded with a check and a paper Form FPD 202, and not submitted through the BUD System. If you have any questions in reference to the letter or overspent federal programs, please contact Barbara Chalk at bchalk@dpi.state.nc.us or 919.807.3716 or Roxane Bernard at rbernard@dpi.state.nc.us or 919.807.3725.

(4) 13th Month MFR Report FY 08-09:

We netviewed your first Preliminary 13th Month MFR report for FY 08-09 on Tuesday, July 28, 2009. Please review the reports carefully. These reports include your final ADM number on the PGA49PRL reports called FY 2008-009 EXPENDITURES BY SOURCE OF FUNDS (Child Nutrition Included and Excluded) by Purpose and Object Groupings. You may find additional information pertaining to your Final ADM number at www.ncpublicschools.org/docs/fbs/accounting/data/adm/2008-09admmlid.xls. For assistance with your ADM numbers you may contact Ozella Wiggins at owiggins@dpi.state.nc.us or 919.807.3757.

We will pull the next preliminary 13th Month MFR report for FY 08-09 on Monday, August 17, 2009 and the Final 13th month MFR for FY 08-09 pull will be Wednesday, August 26, 2009. Please review carefully your 13th month MFR reports and make the necessary corrections before you rebuild your 13th month MFR file for FY 08-09.

If you have question regarding your MFR reports, please contact Roxane Bernard @ rbernard@dpi.state.nc.us or 919.807.3725.

Attachment: To get the attachment referenced in the newsletter, please email Deby Jackson and let her know which attachment to send.

To subscribe to the Finance Officers' Weekly Newsletter email or call Deby Jackson at debjacks@dpi.state.nc.us or 919.807.3603 and provide your name and email address.

Newsletter No. 006-09/10, August 7, 2009

Philip Price
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Email: pprice@dpi.state.nc.us

(1) Salary Reminders:

Salary schedules:

See attached Salary schedules. These will be posted on the website next week at www.ncpublicschools.org/fbs/finance/salary/.

Substitute Pay:

There is no change in the minimum or maximum daily rate for substitutes.

- Non certified Substitute
 - Minimum \$69
 - Maximum \$138.32
- Certified Substitute
 - Minimum \$90
 - Maximum \$138.32

Retirement Rate:

Effective July 1, 2009 the retirement rate is 8.75%

Expired Legislation:

S.L. 2008-107 - One day of personal leave without a deduction on an instructional day.

- Absence Codes 36 and 46 are NO longer valid.
- Expired: June 30, 2009

Expiring Legislation:

S.L. 2007-326 - Re-employed retirees exempt from the Cap
Expires: September 30, 2009

Principals 1 for 3:

2009 H1172 state principals will NOT receive a pay increase based on 1 for 3 during the 2009-2011 fiscal biennium.

State PRC 018 - State Employee Severance Payments:

Use PRC 018 when paying out any type of expenditure related to the RIF. This includes Hospitalization, Annual Leave and Bonus Leave Payout, and Longevity Pay.

If you questions regarding salary, contact Andrew Cox at acox@dpi.state.nc.us.

(2) NC State Health Plan Offers Electronic Benefits Administration and Enrollment:

The North Carolina State Health Plan has partnered with Blue Cross Blue Shield of North Carolina's vendor, Benefitfocus, to bring electronic benefits administration and enrollment to the LEAs. The attached letter details the options and benefits that the paperless, member driven electronic enrollment provides. For more information or to schedule an on-site visit you can call Ben Pistole from Benefitfocus at 919.545.0058 or Linda Forsberg from the State Health Plan at 919.881.2300.

(3) IDEA: Supplanting and Maintenance of Effort - Clarification:

The "specific cost" test for supplanting in IDEA was removed from the regulations in 1992. Since then it has been determined that when an LEA meets its IDEA Maintenance of Effort (MOE) requirement, it has not supplanted. Most LEAs will find it helpful to use non-ARRA funds for contracts. In IDEA, this means using other sources of funds for contracts, and using ARRA funds for salaries. As long as the LEA meets its IDEA MOE requirement, it has not supplanted.

On another IDEA MOE issue, some LEAs have the flexibility to reduce their state and local expenditures for IDEA (their IDEA MOE) by an amount up to 50% of the increase in their IDEA VI-B funding in 2009-10 (regular allocation plus ARRA funds). It is important to remember that IDEA funds, whether the regular allocation or the ARRA funds, may only be used for the special education and related services. The state and local funds that are freed up under this IDEA MOE flexibility must be used for activities allowable under the ESEA. At no time are the federal IDEA funds (regular allocation or ARRA) to be used for anything other than IDEA purposes.

For questions, please contact Stephanie English, senglish@dpi.state.nc.us or 919.807.3686.

(4) HRMS Reporting Tool 4.8.2 - HRMS Implementation Alert:

The attached documents provide information regarding the upcoming HRMS Reporting Tool release. If you have any questions about the release, please contact the DPI Customer Support Center Help Desk at 919.807.4357 or help@dpi.state.nc.us.

(5) REMINDER: Days Missed for Inclement Weather Survey:

All LEAs and Charter Schools are **REQUIRED** by Legislation to complete the Days Missed Survey for school year 2008-2009. If you have already completed the survey you do not need to submit it again. Please complete the online survey and submit by August 19, 2009. The survey can be found at the Zoomerang link www.zoomerang.com/Survey/?p=WEB228X6MARKYJ. If you have questions about the survey, please contact Ozella Wiggins at owiggins@dpi.state.nc.us or 919.807.3757.

(6) ANNUAL TRANSPORTATION REPORT:

The Annual TD-1 report is due August 1 each year. Most reports have been received both electronically and signed hard-copy at DPI Transportation Services. We realize that there are a number of complications in completing this report due to the spending restrictions in place during the last part of the fiscal year. However, the data are needed in order to begin work on this year's funding adjustments for transportation. ONLY LEAs whose electronic and paper/signed forms have been received at DPI Transportation Services by Friday, August 14th at noon will be considered in the first round of transportation funding adjustments. Thank you for your cooperation. Questions should be directed to Derek Graham or Steve Beachum (919.807.3570). A tally of reports received is posted at: www.ncbussafety.org/documents/StateForms/TD1Status.PDF.

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

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

Newsletter No. 007-09/10, August 14, 2009

Philip Price
Chief Financial Officer
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1) FY 2009-10 Initial Allotments:

- The Initial Allotments have been posted to MSA for your review.
- Be reminded, Initial Allotments are subject to change based on Revision 1, which includes reductions for charter schools.
- We are in the process of finalizing Revision 1 and expect to release this the end of the day Monday.
- By the end of the day Monday, we are preparing to send out your LEA Adjustment worksheet. This will be used to return your LEAs share of the \$225 million reduction passed by the General Assembly. When you receive this document, it will have the Revision 1 reductions for charter schools already included.

2) LEA Flexibility Chart for FY 2009-10 and 2010-11:

This was provided to you yesterday in Microsoft 2007 version of Excel. We have converted the excel worksheet into a lower version for easier access.

Should you have any questions on either of these two items, please feel free to contact Paul LeSieur at plesieur@dpi.state.nc.us or 919.807.3701.

3) Seven State PRCs will be Removed from the Chart of Accounts:

Due to the passing of the Senate Bill 202, seven state PRCs will be removed from the current Chart of Accounts. The seven state PRCs are the following:

- PRC 028 - Staff Development
- PRC 033 - ABC Incentive Award
- PRC 045 - Compensation Bonus (Legislated)
- PRC 052 - Literacy Coaches
- PRC 072 - Improving Student Accountability Standards
- PRC 080 - Math Science Teacher Supplement
- PRC 093 - High Priority Schools

The effective date of the removal of the above state PRCs was July 1, 2009. Some LEAs have coded expenditures to the above state PRCs, therefore we will allow these PRCs to remain open for REFUNDS ONLY until Friday, August 28, 2009. All expenditures must be refunded through the BUD system by August 28, 2009. DO NOT code future expenditures to any of the above state PRCs. Please ensure all personnel, especially payroll personnel, are aware of this requirement.

If you have any questions, please contact Roxane Bernard at rbernard@dpi.state.nc.us or 919.807.3725.

4) FY 2009 13th Month MFR File - Reminder:

This is a reminder that we will pull your preliminary FY 2009 13th month MFR File on Monday evening, August 17, 2009.

The 13th month information is very important because the information represents your "Per Pupil" calculation and the information is reported in the NC School Report Cards.

Please do the following before building the 13th Month MFR file (Please make sure that you are signed into FY 09):

- (1) Book the Period 12 zero-out entry to your GL in June (Period 12).
- (2) Correct all of your MFR errors, including local account codes.
- (3) Review the AFR/MFR Recommendations located on the Financial and Business Services web page:

www.ncpublicschools.org/docs/fbs/finance/reporting/amfr/recommendations.pdf

If you have questions about your MFR file, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

Attachment: To get the attachment referenced in the newsletter, please email Debby Jackson and let her know which attachment to send.

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Newsletter No. 008-09/10, August 19, 2009

Philip Price
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1) Executive Order #20 - Budget Freeze:

The Executive Order #20, dated July 24th, which restricted purchases and the hiring of personnel, has been rescinded and the LEAs are no longer in a budget freeze situation. The Governor has put in to place Executive Order #21 (attached) which states that the Office of State Budget and Management shall reduce monthly allotments by five percent (5%) of each State agency's certified budget (see attached OSBM memorandum dated August 14). This does NOT pertain to the LEAs allotments and there will be no reduction in the initial allotments. The Executive Order does however illustrate that the State needs to take precautionary measures to ensure that the cash flow meets the expenditures during the year.

You are urged to expend conservatively but ensure that you have the staff and materials in place to educate the students in your LEA. We appreciate your continued effort as we get through these times.

Any questions should be sent to Alexis Schauss at aschauss@dpi.state.nc.us.

2) School Attendance & Student Accounting Manual:

The 2009-2010 School Attendance and Student Accounting Manual is available at www.ncpublicschools.org/fbs/accounting/manuals/. This manual has been revised to reflect new General Statutes, State Board of Education Policies, or Session Laws that pertain to school attendance and student accounting. Extensive editing was done to remove the areas that were SIMS specific. The naming convention was not changed from previous years. If you have WEBPAGE links pointing to the 2008-2009 version, they will now point to the 2009-2010 version.

If you have comments, concerns, or questions, please contact Scott Douglass at sdouglass@dpi.state.nc.us or 919.807.3737.

3) QZABs and QSCBs Applications:

Attached is a memorandum regarding Qualified Zone Academy Bonds (QZABs) and Qualified School Construction Bonds (QSCBs) applications. If you have any questions regarding the memorandum, please contact Ben Matthews at bmatthew@dpi.state.nc.us (919.807.3500) or Steve Taynton at staynton@dpi.state.nc.us (919.807.3560).

4) Projected Allotment Schedule:

Allotment Revision 2

Allotment Revision 2 will upload on Wednesday, August 19, 2009, to MSA. The Allotment Revision Reports will be available Friday, August 21, 2009. This revision will include the following:

- (1) Carryover - PRCs that carried over and % of FY 08-09 ending balance allotted:
 - School Technology (PRC 015) - 100%
 - At -Risk Student Service/Alternative Schools (PRC 069)-50%; Reverts August 31, 2009.
 - School Connectivity (PRC 073)- 100%
 - Focused Ed Reform (PRC 071) 100%
 - School Tech. Pilot (PRC 081) - 0%; Carryover for the State not by LEA
- (2) School Capital Funds (PRC 015)
- (3) State Stabilization Funds (PRC 140); Upload to MSA and BUD

Allotment Revision 3

Allotment Revision 3 will upload by the end of the week of August 24, 2009, to MSA. This revision will include the following:

- Special Small School (PRC 001)
- Small Specialty High Schools (PRCs 005/003)
- Fines and Forfeitures (PRC 015)
- Disadvantaged Student Supplemental Allotments (DSSF) - PRC 024 (see attached file of the DSSF Allocations for FY 2009-10).
- Child and Family Support Teams (PRCs 042/043)
- Learn and Earn (PRC 055)
- At-Risk Treatment Centers (PRC 069)

The Federal Allocations will be processed starting mid-September as we receive grant awards and budget approvals.

Please contact the School Allotments Section at 919.807.3739.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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Newsletter No. 009-09/10, August 21, 2009

Philip Price
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1) FY 2009 13th Month MFR File - Reminder:

This is a reminder that we will pull the FINAL FY 2009 13th month MFR File on Wednesday evening, August 26, 2009.

The 13th month information is very important because the information represents your "Per Pupil" calculation and the information is reported in the NC School Report Cards.

Please do the following before building the 13th Month MFR file (Please make sure that you are signed into FY 09):

- (1) Book the Period 12 zero-out entry to your GL in June (Period 12).
- (2) Correct all of your MFR errors, including local account codes.
- (3) Review the AFR/MFR Recommendations located on the Financial and Business Services web page:
www.ncpublicschools.org/docs/fbs/finance/reporting/amfr/recommendations.pdf

If you have questions about your MFR file, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

2) Seven State PRCs will be Removed from the Chart of Accounts:

Due to the passing of the Senate Bill 202, seven state PRCs will be removed from the current Chart of Accounts. The seven state PRCs are the following:

- PRC 028 - Staff Development
- PRC 033 - ABC Incentive Award
- PRC 045 - Compensation Bonus (Legislated)
- PRC 052 - Literacy Coaches
- PRC 072 - Improving Student Accountability Standards
- PRC 080 - Math Science Teacher Supplement
- PRC 093 - High Priority Schools

The effective date of the removal of the above state PRCs was July 1, 2009. Some LEAs have coded expenditures to the above state PRCs, therefore we will allow these PRCs to remain open for REFUNDS ONLY until Friday, August 28, 2009. All

expenditures must be refunded through the BUD system by August 28, 2009. DO NOT code future expenditures to any of the above state PRCs. Please ensure all personnel, especially payroll personnel, are aware of this requirement.

If you have any questions, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

3) MSA & Cash Management Training:

MSA and Cash Management Training will be offered on Thursday, October 1, 2009, for LEAs. There is no registration fee for the class, but you must register in order to attend. Class description: DPI Systems Training & Monthly Reports. This class is designed for those who work in an LEA finance office to include all finance staff. The class consists of "Hands-on" training with the main emphasis on the MSA/DBS General Ledger System, a brief lecture on Compliance & Monitoring, and a brief overview of the Cash Management System. Instruction is geared to the beginner or new user and as a refresher for others. The training is located at DPI in Raleigh in Room #564 from 9:00 a.m. - 4:00 p.m. There are only a certain number of seats in the training room, so limited space is available on a first come, first serve basis.

If you would like to attend this class, please email Roxane Bernard at rbernard@dpi.state.nc.us. If you have any questions, please call Roxane Bernard at 919.807.3725 or Richard Smith at 919.807.3729. You will be notified by email that you have been successfully registered for this class on this date.

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

Newsletter No. 010-09/10, August 28, 2009

Philip Price
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(1) Indirect Cost Rates for 2009-10:

We expect to have indirect cost rates for 2009-10 ready for distribution by September 15, 2009. In the meantime, you may use last year's approved rate and adjust to the new rate once you receive it. Please contact Stephanie English (919.807.3686 or senglish@dpi.state.nc.us) if you have questions.

(2) Disadvantaged Student Supplemental Funding Allocation for 2009-10:

The 2009 General Assembly maintained DSSF funding without reduction. You are still required to submit a plan as you have done in the past. See attached memo for specific instructions. If you have programmatic questions, please direct those to Dr. Rebecca Garland, Chief Academic Officer at rgarland@dpi.state.nc.us. Budget questions should be directed to Paul LeSieur at plesieur@dpi.state.nc.us.

(3) Reducing IDEA Maintenance of Effort:

Please see the following instructions for step-by-step guidance on the flexibility provision related to the IDEA Maintenance of Effort, as governed by IDEA Regulations in §300.205.

Step-by-Step Instructions

1. In order to exercise this flexibility, the LEA must have received a performance determination of "Meets Requirements" from DPI's Exceptional Children Division. Contact Laura Snyder (lsnyder@dpi.state.nc.us or 919.807.3992) or Ira Wolfe (iwolfe@dpi.state.nc.us or 919.807.3976) if you do not know the status of your LEA with regards to this requirement. (Note: There are two additional requirements that must also be met, however, we know that all of the LEAs who received a performance determination of "Meets Requirements" also met the additional requirements.)
2. Add together the 09-10 allotment for PRC 060, and the total allotment for PRC 144 (April 2009 allotment plus September 2009 allotment).

3. Subtract the amount of the PRC 060 allotment for 08-09 from the amount determined in step 2.
4. Multiply the resulting amount by 50%.
5. Subtract the amount of funds being transferred this year to PRC 070 (if any) from the result in step 4.
6. The result is the amount that you can reduce your IDEA Maintenance of Effort; that is, the amount of state and local funds that can be diverted from services for children with disabilities to other activities allowed under the ESEA. Please remember that you will be expected to report on the use of the state/local funds freed up under this flexibility provision.

Every LEA should plan to meet the IDEA Maintenance of Effort requirement. DPI is requesting a waiver, but there is no guarantee that a waiver will be granted by the US Department of Education.

Please contact Stephanie English (919.807.3686 or senglish@dpi.state.nc.us) if you have questions.

(4) NBPTS Application:

The deadline for requesting State funding for applications for National Board certification is October 31, 2009. In 2009-10, there is state funding for the National Board application fee. However, per SB202 Section 7.30(a), beginning in 2010-11, the application fee will no longer be paid by the State. Eligible candidates will be able to take out a loan for the funds through the State Education Assistance Authority. For more information in National Board application process, go to www.ncpublicschools.org/recruitment/nationalboardcertification/.

(5) School Allotments Updates:

1. **Federal State Stabilization Funds** - The Federal State Stabilization Funds were allocated in Allotment Revision 2 for FY 09-10. Based on the current budget, there will be another allocation in FY 10-11 based on the FY 10-11 Planning Allotments and the new budget of \$373.3 million. The funds allocated in both years will expire September 30, 2011. If you have any questions please contact School Allotments at 919.807.3739.
2. **LEA Adjustment Forms** - The LEA Adjustment forms are due back to the School Allotments Section by September 4th, 2009. Please remember to fax a signed copy to 919.807.3723. If you have any questions, please email Lydia Prude at lprude@dpi.state.nc.us.
3. **Allotment Revision 3** - Allotment Revision 3 reports were net-viewed yesterday but due to systems problems the batch did not post to MSA. Our IT department is working to get the batch posted during the day today. The Child and Family Support team allocation did not process in Allotment Revision 3. It

will be processed in our next revision. If you have any questions, please email Lydia Prude at lprude@dpi.state.nc.us.

- 4. **Allotment Revision Calendar and ABC Transfer Forms** - These items will be available on the School Allotments website next week. If you have any questions, please contact School Allotments at 919.807.3739.

(6) Textbook Purchasing and Reimbursement for Various Programs:

Attached you will find the guidelines to purchasing textbooks for Learn and Earn Programs, and NCVPS courses, and Middle College and Huskins Programs.

LEAs are required to pay for the textbooks for these programs and the textbook becomes part of the LEAs inventory. Please make sure you communicate your local procedures for handling this and clearly document for your staff in the schools and the schools which you partner with to ensure consistent and prompt payment. **The only reimbursement you will receive during the school year will be for the textbooks purchased for the Learn and Earn online courses taken.** If you have any questions, please feel free to contact Paul LeSieur at 919.807.3701.

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

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

9/1/09

TO: Finance Officers and Staff

Matching Retirement rate clarification - STILL 8.75%

Yesterday, 8/31/09, the Fiscal Management Section of the Department of State Treasurer sent a fax stating that the TSERS 09-10 matching retirement rate is 8.44%. **This is incorrect.** The FY 09-10 legislated matching retirement rate remains at 8.75%. The Fiscal Management Section plans to fax the attached revised memo out tonight and it is with the Fiscal Management Section's approval that DPI shares this with you early to hopefully avoid confusion.

E-Mail from N.C. Retirement Systems about 401(k) and 403(b) plans:

Questions have arisen about an e-mail from Meredith Rouse-Davis sent August 27, 2009 with the subject "Mis-leading Benefits Information Not from N.C. Retirement". DPI has verified that Meredith Rouse-Davis is with the N.C. Retirement Systems and that her e-mail is a valid warning. LEAs should not respond to any fax being sent to North Carolina schools from a business called "**State Employee Benefits Division**" regarding 401(k) and 403(b) plans. The fax is not from the North Carolina Department of State Treasurer's Retirement Systems Division and the situation is currently being investigated. The e-mail warning is valid. Please do not forward the fax to your employees as the fax requests.

Please contact Ally Barfield with questions at abarfield@dpi.state.nc.us.

Newsletter No. 011-09/10, September 11, 2009

Philip Price
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6326 Mail Service Center
Raleigh, NC 27699-6326
Email: pprice@dpi.state.nc.us

(1) Child Nutrition Equipment Assistance Grants - Please Proceed to Draw Down Grant Funds:

Equipment Assistance Grants were recently awarded to Child Nutrition Programs as a result of the 2009 American Recovery and Reinvestment Act. These funds must be used to purchase commercial equipment in the Child Nutrition Program. Recipients of these funds were instructed to expend these funds before September 15, 2009. However, given the nation-wide demand for equipment manufacturing, we have been advised by a few vendors that they will be unable to meet the September 15 deadline for delivery and/or installation of the equipment.

Since these funds were awarded based on a competitive procurement process which resulted in a contract with a vendor, the decision has been made to allow the districts to draw down these one-time grant funds based on the vendor's actual quote/bid as opposed to a paid invoice. The contract with the vendor represents a mutually binding agreement, therefore, the contract provides sufficient documentation to draw down any remaining funds from PRC 149. Proceeding to draw down these funds will prevent any possible reversion. LEAs with balances remaining in PRC 149 will be notified by letter on Monday. Please work with the district's Child Nutrition Administrator to draw down these funds no later than September 25, 2009.

For questions, please contact Paul Lesieur at 919.807.3701 or Janet Johnson at 919.807.3506.

(2) Federal PRC 140 - Education Stabilization:

Open Chart PRC 140 is replacing some state funds. Therefore, you will be able to use any valid purpose code and object code combination that is currently valid within the COA for both state fund 1 and federal fund 3. Due to the fact that federal PRC 140 is an open chart, you will not see a listing of the account codes within the COA or within the BUD system.

If you have questions, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

(3) Open Chart Attachment A Salary Account code for PRC 140:

If you do not see an Attachment A salary account code for the Open Chart PRC 140 and believe it is a valid salary account code, please email Roxane Bernard at rbernard@dpi.state.nc.us.

(4) NBPTS Application:

The deadline for requesting State funding for applications for National Board certification is October 31, 2009. In 2009-10, there is state funding for the National Board application fee. However, Per SB202 Section 7.30(a), beginning in 2010-11, the application fee will no longer be paid by the State. Eligible candidates will be able to take out a loan for the funds through the State Education Assistance Authority. For more information in National Board application process, go to www.ncpublicschools.org/recruitment/nationalboardcertification/.

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

Newsletter No. 012-09/10, September 18, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
6326 Mail Service Center
Raleigh, NC 27699-6326
Email: pprice@dpi.state.nc.us

(1) Transportation Student Ridership Count:

The week of September 21 is designated for the transportation ridership count unless an alternate week has been approved by DPI Transportation Services. This count of students riding buses is a part of the transportation funding formula. Please help to ensure an accurate count in your LEAs. Questions should be directed to Steve Beachum or Derek Graham (919.807.3570).

(2) FY 09-10 LEA Adjustments:

The LEA Adjustments required by SB 202 were processed in Allotment Revision 5 on Wednesday, September 16, 2009. Allotment Revision Reports were sent by FTP on Thursday, September 17, 2009. The Position and MOE allotments were processed in the revision at the LEA's Average Salary to match the allocation in the Initial Allotments; therefore, the dollars associated with the positions/MOE's reduced will vary from the reports submitted. The dollar amounts associated with guaranteed positions/MOE's are used as budget guide. If you have any questions, please email Lydia Prude at lprude@dpi.state.nc.us.

(3) Federal Allotments:

The School Allotments section will allocate the FY 09-10 Federal funds for formula grants in Allotment Revision 6 on September 23, 2009. These allocations will be for categories with Federal Grants awards to LEAs and Charters with budget approvals. If you have questions, please contact the School Allotments Section at 919.807.3739.

(4) FY 09-10 Allotment Revision Calendar and ABC Transfer Form:

These items are available on the School Allotments web site at www.ncpublicschools.org/fbs/allotments/forms/. If you have any questions, please contact School Allotments at 919.807.3739.

(5) School Allotment Reminder:

Please remember to liquidate expenditures in the same account codes encumbered on September 30, 2009 to avoid unexpected federal reversions on 27 month grants. If you have any questions, please contact Tonga Le in School Allotments at 919.807.3747.

(6) Work Based Learning Program Insurance Contract:

Moore and Johnson Agency has renewed the 2009-2010 Work Based Learning Program Insurance Contract. Please review the attached memorandum and forms. If you have questions you may contact Eileen Townsend at 919.807.3522 or etownsen@dpi.state.nc.us.

(7) Flu reporting:

Some of you may have read the NC Pandemic Flu Plan on the web (link below) and noted that there is a reporting requirement for the LEAs on student and staff absenteeism. It reads as follows:

"As a sentinel reporter, each school will closely monitor and report attendance and data trends when student absentee rates rise above 10%. The human resources department for each LEA will activate tracking of absenteeism for school and central staff, and report trends."

NCDPI has student absentee data readily available in NCWISE, NCDPI staff are already reviewing this data regularly to determine any unusual trends. Therefore LEAs are not required to provide any additional reporting on student absences at this time.

NCDPI receives teacher absentee data on a monthly basis through datafile and will submit this data on request, on behalf of the LEAs. We believe that teacher absences will be sufficient to determine any trends in illness. Therefore, no further reporting is required at this time.

www.nchealthyschools.org/docs/healthissues/pandemicflu/ncpandemicplan.pdf

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

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

Newsletter No. 013-09/10, September 25, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
6326 Mail Service Center
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Email: pprice@dpi.state.nc.us

(1) ARRA Reporting October 1:

LEAs and Charter Schools have complied with the October 1 reporting requirements by submitting your DUNS information and registering with CCR. Please make sure your CCR registration is complete and in active status. If not in active status, your information will be rejected when we upload your expenditure and grant award amounts into recovery.gov.

This week many of the LEAs listened to the webinar presentation on ARRA compliance and reporting for local governments. This created great confusion on what, when and how LEAs were to report beginning October 1.

We have been mentioning when presenting to Finance Officers, Superintendents, etc. at the RESA meetings since the passing of the ARRA funding, that we would minimize the impact of reporting based on the information we have at the state level which is reported monthly through UERS reporting. We stated we would request as needed the information well in advance when input was required. We are one of the few states that have up to date detail information at the state level on a monthly basis.

What we are doing:

We are modifying the budget utilization system (BUD) to capture the necessary information for reporting. Jobs saved Jobs created for all salary line items is part of the next BUD release that will be coming out in October.

What you need to do:

One item you will need to begin gathering for the January 1 reporting period, is information on Jobs saved and Jobs created for vendors you contract with during this year and if you used funds associated with ARRA funding in FY 2008-09.

We will be doing a survey to receive this information in early December to ensure we have the necessary information for reporting to recovery.gov in January.

If you received any ARRA funding directly from a Federal Agency, you will be required to report by October 10th.

Here is the link on reporting, should you have to report due to direct grants from the federal government. www.recovery.gov

Should you have any questions, please feel free to contact Paul LeSieur at plesieur@dpi.state.nc.us or 919.807.3701.

(2) Procurement Directive #3: (The following information and attachments were provided to you in the May 14 FO update)

Contract Provisions for the Procurement of Goods, etc:

Attached is a memorandum that was distributed by the Division of Purchase & Contract and the Office of Economic Recovery. Please review the memorandum and Attachment 1 - ARRA Contract Provisions and Management Directives Applicability, Attachment 2 - Contract Provisions, and Attachment 3 - Use of Recovery Funds Report Form. If you have questions please contact Chuck Clements at 919.807.3661 or cclements@dpi.state.nc.us.

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We are continuing to work with OERI on a utilization of E-procurement as meeting the requirement for the \$5,000 Local News Print Outlets topic on Page 3 of the Directive #3.

We require you to use E-procurement for all purchasing and contracts you enter into with ARRA funds. This will allow us to pull the necessary information directly from E-procurement reports at the state level for reporting contracts less than \$25,000 that you enter into with ARRA funds.

We hope to have final information on how to meet this Directive #3 next week.

Should you have any questions, please feel free to contact Paul LeSieur at plesieur@dpi.state.nc.us or 919.807.3701.

(3) Federal Grant Allocations:

The School Allotment Section processed a number of Federal Grant Formula Allocations in Allotment Revision #6 which uploaded to the system on September 23, 2009. Attached to this newsletter is the Federal Initial Allotment General Information sheet which tells whether the allocation is a partial amount or 100% of the FY 09-10 estimated total Allocation.

School Allotments will process another revision on September 30, 2009 to allocate additional federal grant funds for LEAs with approvals. Please be sure to print the Allotment Revision #6 reports to make sure they are not erased by the unscheduled revision next week.

We are just receiving the grant award notifications for the Federal ARRA money for Title I, and the IDEA Grants. We project that we will start allotting funds for these grants in the October Allotment Revisions.

If you have any questions, please contact School Allotments at 919.807.3739.

(4) Final 13th Month MFR report for FY 08-09:

We netviewed the final 13th Month MFR report for FY 08-09 on Thursday, September 24, 2009. If you have questions regarding the MFR reports, please contact Roxane Bernard at rbernard@dpi.state.nc.us or 919.807.3725.

(5) Reminder: Re-employed Retirees Exempt from the Cap:

The provision that allowed for re-employed retirees to work exempt from the earnings cap expires on September 30, 2009. For guidance on how to handle the employment of re-employed retirees after September 30, 2009, please see: www.ncpublicschools.org/fbs/personnel/faq/.

If you have questions, please contact Paul LeSieur at plesieur@dpi.state.nc.us or 919.807.3701.

(6) Retired Employees:

You should review the attached memo to Unemployment Administrators from Eileen Townsend concerning Retired Employees and unemployment benefits.

If you have questions contact Eileen Townsend at etownsen@dpi.state.nc.us or 919.807.3522.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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

Newsletter No. 014-09/10, October 16, 2009

Philip Price
Chief Financial Officer
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Email: pprice@dpi.state.nc.us

1) State Zero Out & Cash:

The state zero out reports that you have received are incorrect for the month of September. Due to an error in posting of the installment collapse and installment payments, your September expenditures are inaccurate; thus, causing an error in the correct calculation of the zero out reports and amounts. Research is still underway to determine resolution in this matter due to this error. But in the meanwhile, it is recommended that if you need to order emergency cash based on your cash needs and any deficits that the zero out may have caused, then please do so no later than Monday, October 19, 2009. The state zero out amounts will not hit your State Treasurer's bank account until Monday afternoon or maybe not until Tuesday, October 20, 2009.

If you have any additional concerns in reference to the zero out, please call Richard Smith at 919.807.3729 or email at rismith@dpi.state.nc.us. Also for cash concerns in ordering emergency funds, please contact Candace Watkins at 919.807.3643 or email at cwatkins@dpi.state.nc.us.

Again, DPI apologizes for any inconveniences.

2) 11th and 12th Installment Reporting:

DPI faxed the 11th and 12th Installment Reporting letter and reports to certain LEAs this week. The reports were incorrect and we are in the process of correcting the reports. We are sorry of any inconvenience. If you have any questions, please contact Roxane Bernard at (919) 807-3725 or rbernard@dpi.state.nc.us.

3) New Local Program Report Codes (PRCs):

We have set up two new local PRCs 334 and 336 for federal grants/funding sources not allotted by DPI.

PRC 334 - ARRA - Qualified School Construction Bonds program (QSCB)

PRC 336 - ARRA - Qualified Zone Academy Bonds program (QZAB)

We suggest that you flag these local PRCs as federal. If you have any questions regarding the coding of these PRCs, please contact Roxane Bernard at 919.807.3725 or rbernard@dpi.state.nc.us.

4) Reminder: Re-employed Retirees Exempt from the Cap:

The provision that allowed for re-employed retirees to work exempt from the earnings cap expired on September 30, 2009. Object codes 128 (Re-employed Retired Teacher-Exempt from the Earnings Cap) and 228 (Employer's Retirement Costs-Re-employed Retired Teachers Not Subject to the Cap) have also expired as of September 30, 2009. For guidance on how to handle the employment of re-employed retirees after September 30, 2009, please see www.ncpublicschools.org/fbs/personnel/faq/. If you have questions, please contact Paul LeSieur at plesieur@dpi.sate.nc.us or 919.807.3701.

5) MSA & Cash Management Training:

MSA and Cash Management Training will be offered on Thursday, November 19, 2009, for LEAs. There is no registration fee for the class, but you must register in order to attend. Class description: DPI Systems Training & Monthly Reports. This class is designed for those who work in an LEA finance office to include all finance staff. The class consists of "Hands-on" training with the main emphasis on the MSA/DBS General Ledger System, a brief lecture on Compliance & Monitoring, and a brief overview of the Cash Management System. Instruction is geared to the beginner or new user and as a refresher for others. The training is located at DPI in Raleigh in Room #564 from 9:00 a.m. - 4:00 p.m. There are only a certain number of seats in the training room, so limited space is available on a first come, first serve basis.

If you would like to attend this class, please email Roxane Bernard at rbernard@dpi.state.nc.us. If you have questions, please call Roxane Bernard at 919.807.3725 or Richard Smith at 919.807.3729. You will be notified by email that you have been successfully registered for this class on this date.

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

To: LEA Superintendents, Finance Officers, and HR Directors/Personnel Administrators

From: NCDPI Chief Academic Officer Rebecca Garland

NCDPI Chief Financial Officer Philip Price

Please see the following HR-related updates.

*** HR Support**

Quality public schools depend on having quality teachers, principals and other staff members. For that reason, Human Resource Issues are very important to local schools and districts, and we understand that it is important for you to have a strong support network in this area at the NC Department of Public Instruction.

On behalf of NCDPI, this memo is to update you on the new organizational structure for the School Personnel Support Section and to assure you that we will continue to offer support to you in the HR area. Formerly a part of the Department's Financial and Business Services area, the School Personnel Support function has been moved to the Department's Human Resources division. This move was necessary for NCDPI to meet its staff reductions required by the 2009 General Assembly session. NCDPI was directed to reduce its state-funded positions by 13.5 percent.

The two staff members in the School Personnel Support section, Ms. Sonya James and Ms. Joan Crump, are now in the Department's Human Resources division. Their contact information remains the same as before:

Sonya James - 919.807.3365 or sjames@dpi.state.nc.us

Joan Crump - 919.807.3366 or jcrump@dpi.state.nc.us

Their offices will be located in the Human Resources division on the second floor of the Education Building, 301 N. Wilmington St. Raleigh.

Questions and issues that previously were directed to Larry Simmons or Joe Parry-Hill should be addressed to Jack Stone, HR Director, 919.807.3395 or 807.3396 or jstone@dpi.state.nc.us.

The Department's Human Resources division is staffed with seasoned HR professionals with a great deal of experience in state or local government. In addition to Mr. Stone, three others in this area each have over 20 years in state or local government. While there will be a learning curve to issues specific to the local school districts, the HR staff as a whole is committed to providing responsive service and timely communication to you. Over the coming months, they will be meeting with many of you to learn more about your needs as they relate to LEA Personnel Administration.

The other HR staff members are

- Elena Viso, Classification/Compensation Analyst - 919.807.3390 or eviso@dpi.state.nc.us
- Rick Roberson, Employee Relations/Performance Management - 919.807.3798 or rroberson@dpi.state.nc.us

- Gail Walton, Benefits Specialist - 919.807.3392 or gwalton@dpi.state.nc.us
- Ayesha Elam, HR Supervisor, Recruiting and Staffing - 919.807.3387 or aelam@dpi.state.nc.us
- Sean Gutowski, Recruiting Specialist - 919.807.4190 or sgutowski@dpi.state.nc.us
- Althea Trantham, HR Representative - 919.807.3393 or atrantham@dpi.state.nc.us

*** New Director of Educator Recruitment and Development**

We are also pleased to announce that Dr. Lynne Johnson has joined the staff at the Department of Public Instruction as the Director of Educator Recruitment and Development (ERD). This division was formerly known as Talent Management and Development and was under the leadership of Dr. Jesse Dingle. Dr. Johnson was most recently a staff member at PEP. She has also been a principal in Wake County Schools and a member of Senior Leadership in Guilford County. Dr. Johnson will be revamping the ERD Division and filling the vacant position formerly held by Danny Holloman who left DPI to become the HR Director in Person County. Any questions that you may have regarding Title II, beginning teacher support, mentoring, etc. should be directed to Dr. Johnson. Her email address is ljohnson@dpi.state.nc.us.

*** Praxis 511 Update**

HR directors should have received a copy of the memorandum regarding Praxis 511 that went out from Dr. Atkinson to Superintendents last Thursday. The Department has been working with the US Department of Education to try to ameliorate this situation, but we did not prevail. Superintendents had been apprised of this situation as it unfolded over the summer and into fall. NCDPI staff consider this situation very sensitive since all teachers who have been regarded as highly qualified under 511 are not teaching in assignments that require them to be labeled as "not highly qualified." We appreciate your careful handling of this matter and soon hope to have specific suggestions for how to handle Praxis 511 in the future. NCDPI staff will be providing further guidance regarding action plans for any teachers who will remain "not highly qualified" due to Praxis 511 after principals have had an opportunity to reorganize services for students with disabilities for the spring semester.

*** Teacher Turnover Report Update**

HR Directors also have asked if NCDPI will modify the Teacher Turnover Report to allow proper notation of teacher turnover due to budget cuts and reduction in force. NCDPI staff will be adding a column to the report that will allow for those indications.

Newsletter No. 015-09/10, October 23, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
6326 Mail Service Center
Raleigh, NC 27699-6326
Email: pprice@dpi.state.nc.us

(1) LEA Full-time Personnel Data:

LEA Full-time Personnel Data (SS200) is due November 25th. See attached forms. If you have any questions, contact Angela Harrison at 919.807.3734 or aharrison@dpi.state.nc.us.

(2) Salary Supplements Data:

Local Salary Supplements Data (SS300) is due November 25th. See attached form. If you have any questions, contact Ozella Wiggins at 919.807.3757 or owiggins@dpi.state.nc.us.

(3) Principal Teacher Count - Update

In addition to the current policy that includes state-funded teachers, student services personnel and assistant principals, principal teacher count will also include teachers, student services personnel and assistant principals funded from ARRA PRC 140. This is the only Federal PRC that will be included in the teacher count. The five (5) month employment requirement remains in effect for all personnel, no matter whether state or federally funded.

For questions, please contact Tiandra Alli at TAlli@dpi.state.nc.us, 919.807.3736, or Sue Holly at SHolly@dpi.state.nc.us, 919.807.3735.

(4) MSA & Cash Management Training:

MSA and Cash Management Training will be offered on Thursday, November 19, 2009 for LEAs. There is no registration fee for the class, but you must register in order to attend. Class description: DPI Systems Training & Monthly Reports. This class is designed for those who work in an LEA finance office to include all finance staff. The class consists of "Hands-on" training with the main emphasis on the MSA/DBS General Ledger System, a brief lecture on Compliance & Monitoring, and a brief overview of the Cash Management System. Instruction is geared to the beginner or new user and as a

refresher for others. The training is located at DPI in Raleigh in Room #564 from 9:00 a.m. - 4:00 p.m. There are only a certain number of seats in the training room, so limited space is available on a first come, first serve basis.

If you would like to attend this class, please email Roxane Bernard at rbernard@dpi.state.nc.us. If you have questions, please call Roxane Bernard at 919.807.3725 or Richard Smith at 919.807.3729. You will be notified by email that you have been successfully registered for this class on this date.

(5) Installment Collapse:

Effective 9/30/09, DPI posted the 11th & 12th installment payments for State funds in the current year in the special installment codes: 5110-001-120, 5110-001-210, and 5110-001-220. This procedure is known as the Installment Collapse. A letter dated October 21, 2009 detailing this procedure was faxed to the Finance Officers. 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 Roxane Bernard at rbernard@dpi.state.nc.us or 919.807.3725.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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

Newsletter No. 016-09/10, October 30, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
6326 Mail Service Center
Raleigh, NC 27699-6326
Email: pprice@dpi.state.nc.us

(1) November Cash Calendar Revised:

The cash calendar has been revised to include a Funds Requirement Date of 11/30/09 for federal funds. The last day to request funds for that FRD is 11/23/09. If you have questions, contact Ed Stone at 919.807.3638 or estone@dpi.state.nc.us.

(2) State Public School Fund Allotment Overdraft Reports:

We netviewed the "State Public School Fund Allotment Overdraft Report" (JHA356EG) for the prior year report, Company 8000, FY 2008-2009, as of the September processing period, on Tuesday, October 27, 2009. All refunds through the September 2009 processing period are reflected. Refunds for all allotments exceeded, plus any penalties due, should be submitted with the processing period 4 (October 2009), by Tuesday, November 3, 2009, to avoid additional penalties. If you have questions, please contact the following persons: Total Dollar Allotment Overdraft: Roxane Bernard at 919.807.3725, Audit Exceptions-State Overpaid and Month Allocated Versus Months Used: Sue Holly at 919.807.3735 or sholly@dpi.state.nc.us or Tiandra Alli at 919.807.3736 or Talli@dpi.state.nc.us.

(3) Allotment Overdraft Penalties:

Thank you for your timely payment of the penalties due on the Allotment Overdraft report. 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. Before paying your penalties, please contact Roxane Bernard at 919.807.3725 to confirm the correct amount of penalties to pay.

(4) MSA & Cash Management Training:

MSA and Cash Management Training will be offered on Thursday, November 19, 2009, for LEAs. There is no registration fee for the class, but you must

register in order to attend. Class description: DPI Systems Training & Monthly Reports. This class is designed for those who work in an LEA finance office to include all finance staff. The class consists of "Hands-on" training with the main emphasis on the MSA/DBS General Ledger System, a brief lecture on Compliance & Monitoring, and a brief overview of the Cash Management System. Instruction is geared to the beginner or new user and as a refresher for others. The training is located at DPI in Raleigh in Room #564 from 9:00 a.m. - 4:00 p.m. There are only a certain number of seats in the training room, so limited space is available on a first come, first serve basis.

If you would like to attend the class, please email Roxane Bernard at rbernard@dpi.state.nc.us. If you have questions, please call Roxane Bernard at 919.807.3725 or Richard Smith at 919.807.3729. You will be notified by email that you have been successfully registered for this class on this date.

(5) Clarification of Indirect Cost Charges to the Child Nutrition Program Expenditures:

Attached you will find a letter to clarify an issue raised by LEAs and their auditors surrounding a Child Nutrition Program (CNP) having a loss in FY 2008-09, having charged indirect cost, and the CNP having a fund balance in the program. The clarification allows LEAs to maintain the charged indirect cost in FY 2008-09, even if at year end the program recognized a loss. To determine this, the CNP must have reflected 1.5 months cash on hand balance on the FC1-A report as of June 30, 2007.

For the Current Year:

This clarification gives you prior notice of whether you are eligible to charge the indirect cost for the 2009-10 school year.

The option of charging indirect cost in FY 2009-10 is acceptable, even if you incur a loss in the CNP at June 30, 2010, as long as the program had a 1.5 months cash on hand balance on the FC1-A as of June 30, 2008.

As always you may charge up to the approved indirect cost rate. We recommend if you charge indirect cost, you do so in a timely manner, monthly or at least quarterly to accurately reflect your current expense to your programs.

Should you have any questions please feel free to contact Paul LeSieur at plesieur@dpi.state.nc.us or 919.807.3701.

Attachment: To get the attachment referenced in the newsletter, please email Debby Jackson and let her know which attachment to send.

Newsletter No. 017-09/10, November 6, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
6326 Mail Service Center
Raleigh, NC 27699-6326
Email: pprice@dpi.state.nc.us

1) New School Number Request Form:

LEAs should use the form posted at www.ncpublicschools.org/fbs/accounting/forms/ to request school numbers for schools opening in the 2010-2011 school year. If you have any questions, please contact Nicola Lefler at nlefler@dpi.state.nc.us or 919.807.3615.

2) State Salary Manual:

The 2009-2010 Employee Salary Manual has been posted to the FBS web site. www.ncpublicschools.org/docs/fbs/finance/salary/salarymanual.pdf. For salary related questions, please contact Sue Holly at sholly@dpi.state.nc.us or Tiandra Alli at talli@dpi.state.nc.us.

3) 2008-09 Salary Audit Exceptions and Position Overdrafts:

The period for resolving 2008-2009 salary audit exceptions and position allotment overdrafts has ended. If your local education agency has unresolved exceptions, please take appropriate action by December 30, 2009. If you are unsure if your local education agency has any unresolved exceptions or position overages, please visit the Licensure Salary web site at <http://licsalweb.dpi.state.nc.us>. See attached letter for more information. Please contact Sue Holly at sholly@dpi.state.nc.us or Tiandra Alli at talli@dpi.state.nc.us if you have questions.

Attachment: To get the attachment referenced in the newsletter, please email Debby Jackson and let her know which attachment to send.

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

Newsletter No. 018-09/10, November 13, 2009

Philip Price
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6326 Mail Service Center
Raleigh, NC 27699-6326
Email: pprice@dpi.state.nc.us

(1) FINANCING REPLACEMENT SCHOOL BUSES:

DPI Transportation Services has uploaded the instructions for issuing purchase orders for replacement school buses. LEAs receiving 2 or more replacement school buses will be financing the purchase of those buses. (DPI is ordering directly the buses for LEAs receiving one replacement bus.) Information for financing the purchase of replacement school buses is now online at www.ncbussafety.org/finance.

Be sure to click on the 2009-2010 instructions. The Exhibit B form shows the replacement buses that each LEA is authorized to order.

Note: The first action item is to complete and fax the REQUEST FOR PAYMENT form. Please contact Steve Beachum or Derek Graham if you have any questions. 919.807.3570.

(2) Reminder - LEA Full-time Personnel Data (SS200):

LEA Full-time Personnel Data (SS200) is due November 25, 2009. See FBS website: www.ncpublicschools.org/fbs/ - What's New or attached file. If you have any questions, contact Angela Harrison at 919.807.3734.

(3) Reminder - Salary Supplements Data (SS300):

Salary Supplements Data (SS300) is due November 25, 2009. See FBS website: www.ncpublicschools.org/fbs/ - What's New or attached file. If you have any questions, contact Ozella Wiggins at 919.807.3757.

(4) Reminder - November Cash Calendar Revised:

The cash calendar has been revised to include a Funds Requirement Date of 11/30/09 for federal funds. The last day to request funds for that FRD is 11/23/09. If you have questions, contact Ed Stone at 919.807.3638 or estone@dpi.state.nc.us.

(5) Reminder - Legislative Request - Reduction in Force Survey:

All LEAs and charter schools are required to complete the reduction in force survey by November 20th. www.zoomerang.com/Survey/?p=WEB229TSL28U4J The survey is also available on the FBS website under "What's New" www.ncpublicschools.org/fbs/.

Attachments: To get the attachments referenced in the newsletter, please email Debby Jackson and let her know which attachments to send.

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

Newsletter No. 019-09/10, December 12, 2009

Philip Price
Chief Financial Officer
Department of Public Instruction
6326 Mail Service Center
Raleigh, NC 27699-6326
Email: pprice@dpi.state.nc.us

(1) IRS Mileage Rate Change:

See attached memo (or go to www.ncpublicschools.org/fbs/resources/memos/) from State Budget Director, David McCoy, regarding the change in IRS mileage rate and the allowable rate of reimbursement for travel on official business effective January 1, 2010. If you have any questions, please contact Sarah Harris at 919.807.3636 or sharris@dpi.state.nc.us.

(2) NC Education Lottery Beneficiary Brochure:

A FY09 NC Education Lottery Beneficiary Brochure has been posted to our web page. This brochure has county by county detailed information on lottery distributions by program. Posted at www.ncpublicschools.org/fbs/allotments/lottery/

(3) REPLACEMENT SCHOOL BUS FINANCING DOCUMENTS UPDATED:

The Master Replacement Bus Financing Agreement (MRBFA) is now available at www.ncbussafety.org/finance. Also the Exhibit B has been updated to correct some rounding errors. Finally, the MRBFA's should be mailed to the address in San Francisco indicated on the web page, also shown in in the updated memo from Ben Matthews and Derek Graham. Questions? Contact Derek Graham dgraham@dpi.state.nc.us.

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