

**HUMBOLDT COUNTY OFFICE OF EDUCATION**  
**YEAR END ACCOUNTING WORKSHOP**  
**MAY 18, 2017 - 9:00 A.M. TO 12:00 P.M.**  
**HCOE ANNEX BOARD ROOM**

**A G E N D A**  
**Welcome & Introductions**

Year-End Closing Calendars/Checklist  
Receivables and Payables  
Cafeteria Receivables  
Summer Schedule Survey-District Business Personnel  
ASES Expenditure Report  
Apportionment Information

Lisa Madsen

Accounts Payable and Deposits  
Cash Receipts/Financial 2000-Transmittal>HCOE  
Form CS-1 and CS-7 Authorization/Certifications  
Use/Sales Tax Report – Reporting Periods  
Update -Warrant Redemptions

Monica Francis

GASB Reporting  
Long-Term Debt  
Capital Assets

Sarah Poust/Angela West

Year-End Closing Procedures  
Pupil Transportation Expenditures  
Education Protection Account (EPA) Expenditures  
GASB 68 Accounting Requirements/STRS On-Behalf  
Special Reserve Transfers – Board Approval  
Designated General Fund Ending Balance Data Request  
Form CEA – Minimum Classroom Compensation  
Indirect Cost Calculations – Form ICR  
Other Topics of District Interest  
Employee Ratio Worksheet  
Federal Interest Reporting  
Audit Guide 2016/17  
SACS Minutes – 2015/16 Coding Reporting Issues  
SACS Changes to Matrix Tables  
System for Award Management/Grants.Gov/REAP

Kathy Bubenik

~~~~Lunch provided~~~~

# Summer Due Dates

## At A Glance

| What's due                                                                | To whom       | By when   |
|---------------------------------------------------------------------------|---------------|-----------|
| <input type="checkbox"/> District staff summer schedules.....             | Kathy         | 6/9/2017  |
| <input type="checkbox"/> CS1 & CS7 check authorizations.....              | Monica        | 6/30/2017 |
| <input type="checkbox"/> Payroll fiscal year-end checklist.....           | Kathy         | 6/30/2017 |
| <input type="checkbox"/> Special Reserve Resolution Transfer.....         | SueAne        | 6/30/2017 |
| <input type="checkbox"/> 2017/2018 Adopted budget certification.....      | Jemima        | 6/30/2017 |
| <input type="checkbox"/> Annual attendance report.....                    | Jemima        | 6/30/2017 |
| <input type="checkbox"/> Cafeteria accrual data request.....              | Lisa/District | 7/6/2017  |
| <input type="checkbox"/> Long-term debt/Comp Absence data request.....    | Angela        | 7/14/2017 |
| <input type="checkbox"/> GASB 34 - Fixed Asset data request.....          | Angela        | 7/14/2017 |
| <input type="checkbox"/> 2016/17 ASES Expenditure report Q4 due.....      | Carol Stewart | 7/14/2017 |
| <input type="checkbox"/> 9537 balancing data request.....                 | Kathy         | 7/17/2017 |
| <input type="checkbox"/> All payables and receivables entered.....        | Lisa/District | 7/20/2017 |
| <input type="checkbox"/> Final 16/17 account adjustments entered.....     | Lisa/District | 8/1/2017  |
| <input type="checkbox"/> Designated ending fund balance data request..... | Kathy         | 8/4/2017  |

# June

| Sunday | Monday                      | Tuesday                     | Wednesday                                                                          | Thursday | Friday                                                                                                                                                | Saturday |
|--------|-----------------------------|-----------------------------|------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
|        |                             |                             |                                                                                    | 1        | 2                                                                                                                                                     | 3        |
| 4      | 5                           | 6                           | Payroll due 10:00                                                                  | 8        | 9                                                                                                                                                     | 10       |
|        |                             |                             |                                                                                    |          | District staff summer<br>schedules due                                                                                                                |          |
| 11     | 12                          | 13                          | 14                                                                                 | 15       | 16                                                                                                                                                    | 17       |
|        |                             |                             |                                                                                    |          |                                                                                                                                                       |          |
| 18     | 19                          | 20                          | Payroll due 9:00                                                                   | 21       | 22                                                                                                                                                    | 23       |
|        |                             |                             |                                                                                    |          | Final APY batches<br>due to HCOE by 1:00<br>& final deposits to US<br>Bank (don't forget<br>revolving cash)                                           | 24       |
|        |                             |                             |                                                                                    |          |                                                                                                                                                       |          |
| 25     | 26                          | 27                          | Additional APY<br>batches & material<br>final check<br>deposits to HCOE<br>by 9:00 | 28       | 29                                                                                                                                                    | 30       |
|        | DNP R1 Payroll due<br>12:00 | DNP R2 Payroll due<br>12:00 |                                                                                    |          | CS-1 & CS-7 Due<br>Payroll year-end checklist due<br>17/18 Budget certification due<br>Annual attendance report due<br>Special reserve resolution due |          |

# July

| Sunday | Monday                                                         | Tuesday                     | Wednesday     | Thursday                                          | Friday                                                                                                         | Saturday |
|--------|----------------------------------------------------------------|-----------------------------|---------------|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------|
|        |                                                                |                             |               |                                                   |                                                                                                                | 1        |
| 2      | 3                                                              | 4<br>Holiday<br>HCOE closed | 5             | 6<br>Café A/R due<br>Payroll due 10:00            | 7                                                                                                              | 8        |
| 9      | 10<br>Summer APY schedule<br>begins<br>APY batches due by 5:00 | 11                          | 12<br>APY run | 13<br>APY checks available<br>By 10:00            | 14<br>ASES Q4 expenditure<br>report due<br>Long term debt,<br>compensated absences,<br>GASB 34/fixed asset due | 15       |
| 16     | 17<br>9537 balancing data<br>requests due                      | 18                          | 19<br>APY Run | 20<br>Last day to enter<br>payables & receivables | 21                                                                                                             | 22       |
| 23     | 24<br>Use/Sales tax & SUI/SDI<br>check requests due - 5:00     | 25<br>Payroll due 12:00     | 26<br>APY Run | 27                                                | 28                                                                                                             | 29       |
| 30     | 31                                                             |                             |               |                                                   |                                                                                                                |          |

\*\*\*\*Reminder 

# August

| Sunday | Monday | Tuesday                                        | Wednesday                                         | Thursday      | Friday                                                      | Saturday |
|--------|--------|------------------------------------------------|---------------------------------------------------|---------------|-------------------------------------------------------------|----------|
|        |        | <b>Final 16/17<br/>corrections<br/>entered</b> | 1<br>APY Run                                      | 2<br>APY Run  | 3<br>Designated ending<br>fund balance data<br>request due  | 4<br>5   |
| 6      | 7      | 8<br>Payroll due 10:00                         | 9<br>APY Run                                      | 10            | 11                                                          | 12       |
| 13     | 14     | 15                                             | 16<br>Last summer<br>APY Run                      | 17            | 18<br>APY batches due by<br>1:00 for Monday run             | 19       |
| 20     | 21     | 22                                             | 23<br>APY batches due by<br>1:00 for Thursday run | 24<br>APY Run | 25<br>Payroll due 12:00<br>APY checks available<br>by 10:00 | 26       |
| 27     | 28     | 29                                             | 30                                                | 31            |                                                             |          |

# September

| Sunday | Monday                                    | Tuesday | Wednesday              | Thursday | Friday                                                                          | Saturday |
|--------|-------------------------------------------|---------|------------------------|----------|---------------------------------------------------------------------------------|----------|
|        |                                           |         |                        |          | 1                                                                               | 2        |
| 3      | 4<br>Holiday<br>HCOE Closed<br>No APY Run | 5       | 6<br>Payroll due 10:00 | 7        | 8                                                                               | 9        |
| 10     | 11                                        | 12      | 13                     | 14       | 15<br>SACS Unaudited<br>Actuals certified by<br>your Board by<br>September 15th | 16       |
| 17     | 18                                        | 19      | 20                     | 21       | 22                                                                              | 23       |
| 24     | 25<br>Payroll due 12:00                   | 26      | 27                     | 28       | 29                                                                              | 30       |

## ACCOUNTING YEAR-END WORKSHOP

### **Setting up receivables and payables:**

1. Material items – check with your independent auditor to see what receivables or payables you need to set up (some may not be material). All items received before June 30 must be considered for materiality.
2. Auditors deem cafeteria accounts receivables and food inventory to be material. HCOE will process these entries if you submit the data request form.
3. Easy to follow payable and receivable set-up screens are available on CECC software (see procedures attached). When using journal entries for set-up, offsetting entries go to 9200 Accounts Receivable set up as a debit and 9500 Accounts Payable set up as a credit.
4. HCOE entries – do not duplicate entries made by HCOE (schedule to be available around July 14).
5. July supplemental payroll – the computer program that runs the July supplemental payroll makes all the necessary accrual entries automatically in both fiscal years.
6. Cutoff date – make all accrual entries to your records by July 20. Additional accruals may be made between July 20 and August 1 upon receipt of information.
7. There is no need to set up payables or receivables with an object code 95XX.

### **Liquidating receivables and payables:**

1. The HCOE will post a reversing entry in the next fiscal year for all HCOE entered accruals in this fiscal year.
2. The HCOE will post all receipts and expenditures of prior year income and expenses in the next fiscal year to current year revenue and expense accounts.
3. Districts may adopt the same procedures for all accrual entries made by the district at the end of this fiscal year. If not, then a periodic analysis of accounts 9201 and 9510 will need to be made and journal entries prepared to reclassify prior year adjustments to the proper current year account class.
4. There is an easy to use "Z" (zero) option on the CECC software when set-ups are made using these applications (see procedures attached).

Humboldt County Office of Education

**ACCOUNTS RECEIVABLE INSTRUCTIONS**

\* If you are depositing a health & welfare check, do not set up a receivable.

**SET-UP – Year 1**

On prior year screens, choose menu options:

- #13 - CECC - Main District Menus
- # 6 - ARS - Account Receivable
- # 1 - Account Receivable - Setup/Reports for Next Year
- # 1 - Add Receivables

Type an "A" in option box. (enter)

Type reference (may leave blank) and description. (enter)

Type account number and amount. (enter) (update)

To run a report, type a "R" in the option box (enter)

From: 000000

To: 999999

Extract by: "2" receivable number

Sort by: "2" receivable number (enter)

**RECEIVE FUNDS – Year 2**

On current year menus, choose options:

- #13 - CECC - Main District Menus
- # 6 - ARS - Account Receivable
- # 2 - Accounts Receivable Receipts (AR)

Type an "A" in option box and reference number. (enter)

Type description, date, amount = 0 (do not put actual amounts), type = Z (only option effective 7/1/17) (enter) (update)

Release batch for audit.



Humboldt County Office of Education

**ACCOUNTS PAYABLE INSTRUCTIONS**

\* If you are paying your use tax, SDI or EDD, do not set up as a payable.

**SET-UP – Year 1**

On prior year screens, choose menu options:

- #13 - CECC - Main District Menus
- # 1 - APY - Accounts Payable
- # 5 - EP - Estimated Payable Setups/Reports for Next FY
- # 1 - Add Payables

Type an "A" in option box. (enter)

Type P.O. number and vendor number. (enter)

Type account number and amount. (enter) (update)

**MAKE PAYMENTS – Year 2**

On current year menus, choose options:

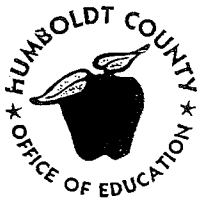
- #13 - CECC - Main District Menus
- # 1 - AP - Accounts Payable
- # 4 - AP - APY Payments: PO, PU, MV, TC, CM, CL, LB
- # 6 - CL - Payables/Current Liabilities

Type a "P" in option box. (enter)

Type payable number. (enter)

Type action, invoice date/number, batch number, payment amount, use tax, 1099. (enter) (update) (Action: P = partial F = final Z = zero)

These payments may be included in a current year accounts payable batch.



CHRIS N. HARTLEY, Ed.D., Superintendent

901 Myrtle Avenue, Eureka, California 95501-1294

Phone: 707/445-7000

FAX: 707/445-7143

www.hcoe.org

May 15, 2017

## MEMORANDUM

TO: District Superintendents and Business Managers

FROM: Lynette Kerr, Chief Business Official *LK*

**SUBJECT: 2016-2017 CAFETERIA RECEIVABLES**

The set-up of receivables for revenue expected by districts within 90 days is part of the Phase I closing entries. The HCOE will calculate and post the categorical entitlements that pass through our office for you. There are some other universal entries that are material and should be considered for set-up.

As in the past a year-end receivable must be set up in the Cafeteria Fund for federal and state reimbursements not yet deposited. We will continue to set up these receivables for you if you supply us with the amounts you expect to receive on the attached data request.

Another year-end Cafeteria Fund adjustment is to record the cost of inventory. In calculating this amount, please remember you must include your commodity at the cost of the freight only.

Please return this form to the HCOE by **Thursday, July 6, 2017**. If you have any questions, please call Lisa Madsen at 445-7056.

LK:LM:sn

A/R SET-UP COMPLETED BY:

HCOE \_\_\_\_ DISTRICT \_\_\_\_

# DATA REQUEST

## 2016-2017 CAFETERIA RECEIVABLES

DISTRICT NAME \_\_\_\_\_

SIGNATURE \_\_\_\_\_

|         | Object | April    | May      | June     |
|---------|--------|----------|----------|----------|
| Federal | _____  | \$ _____ | \$ _____ | \$ _____ |
|         | _____  | \$ _____ | \$ _____ | \$ _____ |
| State   | _____  | \$ _____ | \$ _____ | \$ _____ |
|         | _____  | \$ _____ | \$ _____ | \$ _____ |
| Other   | _____  | \$ _____ | \$ _____ | \$ _____ |
|         | _____  | \$ _____ | \$ _____ | \$ _____ |

Inventory at 6/30/17 \$ \_\_\_\_\_

**Please return this data request to the HCOE Business Office, Attn: Lisa Madsen, by *Thursday, July 6, 2017.***

♪It's a cruel, (cruel) cruel summer, leaving me here on my own  
It's a cruel, (it's a cruel) cruel summer, now you're gone.♪

DISTRICT STAFF SUMMER SCHEDULES

For Humboldt County Office of Education summer workflow planning, in particular the closing of the 2016/17 fiscal year financial records and processing of summer payrolls, it is important for HCOE staff to be able to contact key district personnel during the months of **July and August**. We would appreciate completion of the following information to assist us in meeting all the necessary timelines:

| District Business Personnel Name | Date(s) <b>unavailable</b> (if schedule is uncertain, please indicate this and we will work with you on projected key contact dates) | Alternate contact name | Telephone number |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------|
|                                  |                                                                                                                                      |                        |                  |
|                                  |                                                                                                                                      |                        |                  |
|                                  |                                                                                                                                      |                        |                  |
|                                  |                                                                                                                                      |                        |                  |
|                                  |                                                                                                                                      |                        |                  |

DISTRICT : \_\_\_\_\_

PLEASE FAX OR EMAIL THIS SURVEY TO THE BUSINESS OFFICE, ATTN: KATHY BUBENIK  
BY JUNE 9TH!

# ASES

## EXPENDITURE REPORT

**DUE: JULY 14, 2017 (FRIDAY)**

Expenditure report is based on financial.  
Charge indirect on expenses based on district rate (max 5%), if applicable.  
Expenses are listed as actuals, no rounding.

Have you made any purchases \$2,000 or more? Did you get the required authorization? If not, please contact Beth Chaton (445-7179)

Budget: Does a budget revision need to be done?

Does the budget on your financial match your "official" budget for ASES?

There can be a 10% variance.

If a revision needs to be done a form was included on my 10/10/16 e-mail OR  
let me know if you need one.

As always, feel free to call Beth Chaton or I with any questions.

Thanks for your help in a smooth YE closing.

Carol Stewart  
441-3952



# Humboldt County Office of Education

## ACCOUNTS PAYABLE

### 2016-2017 Year End Deadlines for Accounts Payable

Schedule for Regular Accounts Payable Run Days thru June 26<sup>th</sup> (final batch due on Friday, June 23<sup>rd</sup>, 1 pm)

| BATCHES DUE         | RUN DAY  | CHECKS AVAILABLE      |
|---------------------|----------|-----------------------|
| Friday 1:00 p.m.    | Monday   | Tuesday by 10:00 a.m. |
| Wednesday 1:00 p.m. | Thursday | Friday by 10:00 a.m.  |

If necessary, there will be an additional APY run on June 29<sup>th</sup> for any final material apy payments and we request that district staff submit these batches to HCOE by 9:00 a.m. on Wednesday, June 28<sup>th</sup>.

**NO A/P RUNS JUNE 30<sup>TH</sup> > JULY 7<sup>TH</sup>**

**FIRST 2017/18 A/P RUN JULY 12<sup>TH</sup> – BATCHES DUE MONDAY, JULY 10<sup>TH</sup>**

Summer Schedule (July 10<sup>th</sup> thru August 18<sup>th</sup>)

| BATCHES DUE      | RUN DAY   | CHECKS AVAILABLE       |
|------------------|-----------|------------------------|
| Monday 5:00 p.m. | Wednesday | Thursday by 10:00 a.m. |

#### REMINDERS:

Accounts payable batches must contain the following documentation when submitted or the accounts payable batch will not be processed:

- A signed prelist, must be "held for audit" with an original signature on the last page (Batch Totals page) showing the approval of the total amount being authorized. Faxed signature pages will be allowed only for Districts that contract with another District for APY processing. Please note that the signature must be that of an employee or officer of the authorizing district per Education Code Section 42632. The signature must be on file with the Humboldt County Office of Education on a current Board Approved CS-7 form. All appropriate backup documentation must be included with the signed prelist and cannot be submitted separately. ACCOUNTS PAYABLE BATCHES WILL NOT BE PROCESSED WITHOUT PROPER PRELIST AUTHORIZATION.
- Legible and complete copies of all invoices as backup for the prelist. If a statement is being provided as backup for the prelist (vendor must be a single source type vendor, i.e. Mission Linen, Crystal Springs), please note on the statement that "invoices are on file at the district office."
- Backup invoices should be *in the order that they appear on the prelist*. The district should run a calculator tape of invoice amounts from the individual invoice copies to compare against the prelist total to verify that the total amounts are in agreement before submitting for processing.
- Itemized purchase receipts must be included for reimbursements – **credit card statements are not sufficient**. This is extremely important for meals and hotel charges. However, if a meal receipt does not provide adequate details, the employee should note "no alcohol was purchased" on the receipt, memo, or statement. If the district is paying board-approved per diem amounts for meals/lodging on a travel reimbursement claim no itemized receipts are necessary.
- A tape totaling all reimbursement receipts should be included with itemized invoices being reimbursed (i.e. teacher requests reimbursement for purchases at Amazon, Dollar Tree, Staples, etc.). *Remember to check for Use Tax.*
- When a reimbursement is made to an individual who is also the signatory on the prelist, a second authorized signature must be made on the receipt/invoice or the prelist.

## Humboldt County Office of Education

Note: Splitting payment for a single bill/invoice – please note on the invoice how you are splitting the payment (e.g. by PV number, by Fund, by object code, by a different PO number, by amount paid, etc.). This makes the process faster, and will be easier to find should you need documentation from our office later.

### ❖ 2017-2018 Fiscal Year Authorizations

**DUE JUNE 30<sup>TH</sup> TO MONICA FRANCIS**

**FORMS REQUIRE BOARD ACTION ON MAY OR JUNE BOARD MEETING!**

Form CS-1 (Warrant Distribution authorization Form) &

Form CS-7 (Signature Authorizations Form) Note: must have Board Member signatures

### ❖ FORM 1099

1099's are issued for Vendor Payments of \$600+ During the Calendar Year for:

- Rents
- Medical and Health Care Paid to Providers
- Services, Including Parts and Materials
- Fees to Attorneys
- Prizes and Awards
- Payments made Directly to Retirees for the Purchase of Health Benefits (Unless retiree provides district with a receipt of the payment that was made for the health insurance. If cash is given to an employee or retiree in lieu of health insurance, the cash is considered taxable wages without receipts submitted that support proof that the individual has paid for a valid health insurance premium.

It is important when making payments to vendors for services that are subject to 1099 reporting that you have a current W-9 form on file from the vendor. This form is available from the IRS website. It is recommended that you obtain this form prior to actual release of payment to vendor in order to avoid the possibility of a vendor non-response to the W-9 form request. Once the W-9 form is received from the vendor, the tax identification information must be entered into the vendor data base accurately.

1099's are not issued for:

Payments to Corporations (except Health Care Providers and Attorneys)

Payments for Goods (unless labor is included on invoice)

Payment of Rent to Real Estate Agents

Wages and Travel Allowances to Employees

Scholarships and Fellowships

Any payments to Government Entities

### ❖ Independent Contractor EDD Reporting Requirement

Report to Employment Development Department within 20 days any Contracts exceeding \$600 or when payments to a vendor total more than \$600 in the Calendar Year.

### ❖ Nonresident Withholding Responsibilities

Please see the attached "Reporting and Withholding on California Nonresident Aliens" for important information regarding compliance with treatment of California Nonresident vendors.

## DEPOSITS

### 2016-2017 Year End Deadlines for Deposits

**The last date to deposit at your local US Bank branch is  
Friday, June 23rd.**

Please be sure all cash is physically deposited at the bank and the corresponding Cash Receipt Report has been entered into Financial 2000 and transmitted to HCOE no later than June 23rd<sup>th</sup> and email Monica Francis that a deposit has been made to US Bank. Following this process will ensure that local deposits are fully processed by June 30th (last business day of fiscal year).

**If a district receives a material check payment between June 24<sup>th</sup> and June 27<sup>th</sup>, district staff may bring the deposit to the HCOE Business Office (Monica Francis). These deposits must be brought in by Wednesday, June 28<sup>th</sup>, 9:00 a.m. HCOE will only accept final district deposits containing checks – NO CASH!**

- The deposits brought into HCOE must include the following: 1. District Cash Receipt Report. 2. Tape of all checks 3. Photo copies of all checks. Please be sure that the cash receipt report has been transmitted to HCOE before the actual deposit is brought into Monica. *Be sure to notify someone in the Business Office when dropping off your deposits.*

### DEPOSIT PROCESS REMINDERS

- FROM JUNE, 2017 FORWARD – ALL DISTRICTS WILL BE USING FINANCIAL 2000 FOR ENTRY OF CASH RECEIPTS
- Separate checks by Fund since separate cash receipt document entries must still be made in Financial 2000.
- Be sure to review the handwritten amounts on the check to ensure the correct deposit amount.
- Be sure to use the right US Bank deposit stamp on the back of the checks and on the reverse side of the deposit slip to ensure that HCOE can identify your district deposit from the US Bank records
- IMPORTANT – double check your handwritten amounts on the deposit slip for accuracy to ensure that the amount matches not only your cash receipt report but total of the checks plus cash included in the deposit.

### OTHER HELPFUL HINTS:

Cash receipt description: it is important to have the first portion of the description be meaningful, since this is the information that will appear in your general ledger and on your financial activity reports. For instance, rather than “lunch reimbursement” for the Federal meal reimbursement for September 2017, enter “9/17 NSLP Lunch Reimb” instead. This allows you to easily identify throughout the year what receipts have actually come in for a particular program, and more importantly, what receipts might be missing. Another example might be Retiree and Employee Health & Welfare payments. Using the Employee’s last name, and the month and year being paid, i.e. “Jones 9/17” helps when balancing the District’s H&W general ledger account.

Account Codes: when coding the account lines, it is important to make sure that SACS accounting requirements are met. If the check is an “abatement” of an expenditure object, ensure that the expense occurred within the same fiscal year; otherwise, the check must be reflected as revenue -- not an abatement of expense. This will help avoid *negative* expense lines in your general ledger accounts.



**2016/17 ESTIMATED RECEIVABLES SETUP IN 2016/17  
ACTUAL RECEIPT POSTING TO ESTIMATED RECEIVABLE IN 2017/18**

Procedural Change effective July 1, 2017 due to implementation of Financial 2000 Cash Receipt Program.

Setting up 2016/17 Estimated Receivables (ER)– will still be entered in Fiscal Year 2016/17 HP Reflections Program (see separate handout for process)

Posting of Cash Receipts for 2016/17 Actual Receivables (AR) in 2017/18 – FINANCIAL 2000 & HP Reflections Program

Actual 2017/18 deposits made for 2016/17 receivables will require a two-step process:

1. Cash Receipts will be entered in the Financial 2000 (F2K) Cash /Receipts program in 2017/18 fiscal year. The district may choose to separate these prior year receipt deposits from all other 2017/18 deposits but will follow the normal deposit procedure. It is important to use the same account string that was entered in the HP when the receivable was set up. When entering the cash receipt information into F2K the district should enter in the HP ER Reference # in the related document area. This will allow the district to easily identify items to “Z” out in Step 2.
2. The Estimated Receivable that was set up in the HP Reflections program must be zeroed out to avoid inaccurate financial reporting.
  - a. In the HP 2017/18 year, enter either FCARUP in Appl: field at any screen, or go through the follow menu selections:  
    >>ARS – Accounts Receivable  
    >>Accounts Receivable Receipts (AR)
  - b. Type an "A" in option box and enter ER reference number for receivable.
  - c. Type a description (recommend “Deposit Ref#18XXX” to tie to the F2K deposit), the date the funds were deposited and a transaction of “Z” to zero out. It is important to not put the actual amount of the deposit since you will not be posting a deposit to the HP transaction, you will referencing that a deposit occurred in the F2K system.
  - d. Release the batch for audit. When the HP accounts receivable transaction is posted with a “Z” action, the financial system will automatically post a “negative” amount in the 2017/18 fiscal year financial activity in the appropriate revenue account string. This “negative” amount will offset the positive F2K deposit amount made by the district in the 2017/18 fiscal year to that account string, thereby recording the appropriate transaction. The “Z” action will also post the appropriate amount to the general ledger 9201 object, clearing the receivable from that area.

You will receive a copy of the final Auditor Receipt Certificate once the funds are fully processed and posted.

## TRANSMITTAL OF CASH RECEIPTS TO HCOE

The Document Tab can be found under the Financial Transmittal Management Menu item. The Document tab is used when documents have gone through the approval path, have been held for audit, need to be bundled (much like the HP Legacy Batch program) and sent to the COE Audit Department for approval and posting. Dependent upon the individual district's internal processing, access to the Transmittal Management menu may be granted to a creator as well as an approver so that once the Authorized Agent has approved the held for audit documents, the creator may attach the documents to the transmittal for submission to the County Audit Department for review and approval.

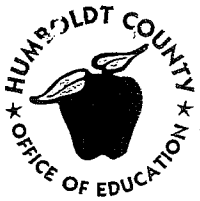
By selecting the Transmittal Management menu item, the user is prompted to a Document screen. The Document screen will list all documents that are in a COE Approval Workflow status. The default is currently set to JE and must be changed to CR to approve only the Cash Receipts that are waiting for approval. If the user double-clicks on a particular document, the program prompts the user to the Cash Receipt Edit tab and displays the original Cash Receipt. At this point the only fields that can be modified are the Effective Date and the Notes. The Authorized Agent has the ability to select the Approve button from the individual transaction screen. Once the document has been approved, a Go Back button appears that allows the Authorized Agent to return to the Approval screen for further processing.

| # | Fu | Re   | Y | Goal | Func | Obj  | Sch | Mgrd | Amount | Description | Rel Doc Type | Rel Doc # |
|---|----|------|---|------|------|------|-----|------|--------|-------------|--------------|-----------|
| 1 | 01 | 6500 | 0 | 5770 | 1180 | 5110 | 710 | 1137 | 656.00 |             |              |           |
| 2 | 01 | 6500 | 0 | 5770 | 1180 | 5110 | 710 | 1038 | 750.00 |             |              |           |

1,406.00 Page Total

The Authorized Agent also has the ability to approve by checking the checkbox on the document lines within the Document screen and selecting the Process (Attach) button (see screen shot on following page), the documents selected are automatically assigned to a transmittal. Once selected, the program will display a Transmittal Report that can be printed, signed and kept on file at the district. There is no current requirement in Humboldt County to submit a signed transmittal document for deposits to HCOE. When the "Process" button is selected, an electronic transmittal of the documents will be sent to HCOE (District AP Support Desk) becoming available in the HCOE workflow for audit/processing.

**IMPORTANT – PLEASE BE SURE TO SELECT ALL DOCUMENTS RELATING TO A SINGLE DEPOSIT WHEN PROCESSING A TRANSMITTAL. THE RESULTING TRANSMITTAL AMOUNT MUST BE IN AGREEMENT WITH THE AMOUNT OF THE ACTUAL DEPOSIT MADE TO US BANK BY THE DISTRICT. IN ORDER TO EXPEDITE POSTING OF YOUR DISTRICT DEPOSITS TO THE DISTRICT'S GENERAL LEDGER IT IS CRITICAL THAT HCOE STAFF CAN SEE A ONE-TO-ONE RELATIONSHIP BETWEEN A TRANSMITTAL AND THE ACTUAL DEPOSIT.**



May 15, 2017

**MEMORANDUM**

TO: District Superintendents and Business Managers

FROM: Lynette Kerr, Chief Business Official *LK*

SUBJECT: **WARRANT DISTRIBUTION AUTHORIZATION FORM CS-1  
AND CERTIFICATION FORM CS-7 FOR THE 2017-2018 SCHOOL YEAR**

Attached are two forms for your completion. The WARRANT DISTRIBUTION AUTHORIZATION FORM (CS-1) serves to identify the person or persons in your district who are authorized to pick up payroll checks when ready for distribution by this office and notifies the Business Office of the method of directing your commercial checks. Postage costs for mailing checks to the district (both payroll and commercial) are fully reimbursable to HCOE.

The CERTIFICATION FORM (CS-7) serves as official notification as to the person or persons who are authorized to sign commercial check orders and payroll check orders for the 2017-2018 school year as agents of the board. Education Code section 42632 is listed below for your information. An original signature of the authorized person(s) listed is required as well as every board member. (Note: **PLEASE PRINT OR TYPE EACH NAME UNDERNEATH THEIR SIGNATURE**)

“Each order drawn on the funds of the school district shall be signed by at least a majority of the members of the governing board of the district, or by a person or persons authorized by the governing board to sign orders in its name. No person other than an officer or employee of the district shall be authorized to sign orders.”

**Please complete these forms and return them by June 30 to Monica Francis in the Business Office. Without exception, these forms must be submitted before any commercial or payroll checks may be issued or released to a district after June 30, 2017.**

Revised forms should be submitted any time during the year when there is a change in authorized personnel. These forms are available at <http://www.humboldt.k12.ca.us> through the HCOE::NET Forms Room under “Business”. Please contact Monica Francis at 445-7054, if you have any questions.

LK:sn

Attachments

c: Monica Francis

AUTHORIZATION FOR FISCAL YEAR: \_\_\_\_\_

CS-7

DATE: \_\_\_\_\_, 20\_\_\_\_ SCHOOL DISTRICT \_\_\_\_\_

## CERTIFICATION

This is to certify that the Board of Trustees of the above stated School District passed the following motion at its \_\_\_\_\_, 20\_\_\_\_ meeting authorizing the following to sign commercial warrants and payroll payment orders as agent of the Board.

"It was moved by \_\_\_\_\_

and seconded by \_\_\_\_\_

that \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Be authorized to sign commercial warrants and payroll payment orders as agent of the Board of trustees of the \_\_\_\_\_ School District.

Ayes (Members' Names): \_\_\_\_\_

\_\_\_\_\_

Noes (Members' Names): \_\_\_\_\_

Motion Carried."

### Authorized Signatures:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Board of Trustees Signatures:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(signed) Clerk, Board of Trustees

04/26/16:BUS/forms/

*Return to HCOE Business Office*

AUTHORIZATION FOR FISCAL YEAR \_\_\_\_\_

CS-1

DATE: \_\_\_\_\_, 20\_\_\_\_ SCHOOL DISTRICT \_\_\_\_\_

## WARRANT DISTRIBUTION AUTHORIZATION

*Please complete and return to Humboldt County Office of Education's Business Office.*

Please check appropriate box(es).

### PAYROLL

☐ Will pick up when ready

Names of persons authorized to pick up payroll warrants:

\_\_\_\_\_  
\_\_\_\_\_

Please list an after hours emergency number: \_\_\_\_\_

☐ Mail all payroll to: *Individual's Name* \_\_\_\_\_  
(Postage cost to be reimbursed to HCOE)

☐ Other (specify) \_\_\_\_\_  
\_\_\_\_\_

### COMMERCIAL WARRANTS

☐ Will pick up when ready

Please list emergency number: \_\_\_\_\_

☐ Courier

☐ Mail all APY warrants to: *Individual's Name* \_\_\_\_\_  
(Postage cost to be reimbursed to HCOE)

☐ Mail all VOL DED warrants to: *Individual's Name* \_\_\_\_\_  
(Postage cost to be reimbursed to HCOE)

☐ Other (specify) \_\_\_\_\_  
\_\_\_\_\_

### DISTRICT AUTHORIZATION

Superintendent or Trustee \_\_\_\_\_

*Return to HCOE Business Office*

Humboldt County Office of Education  
Year End Workshop  
May 18, 2017

State Board of Equalization  
Use/Sales Tax Reporting

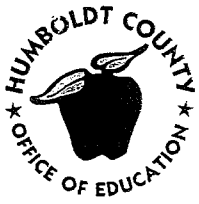
1. Run General Ledger Report
2. Run Use Tax Report
3. Balance GL Report to Use Tax Report
4. Determine cafeteria sales and portion from adult sales
5. Determine portion of other sales (equipment/supplies)
6. Complete Form BOE-401 "Sales and Use Tax Return" using on-line form at Board of Equalization website:

<http://www.boe.ca.gov/electsrv/efiling/sutd.htm>

7. Cut check for total from General Fund and Cafeteria  
General Fund 01-0000-0-0000-0000-9560-000-0000  
Cafeteria Fund 13-5310-0-0000-3700-86XX-000-0000  
Other Local Sales: use appropriate revenue account line  
to which the original sales receipts were  
deposited

**IMPORTANT: SINCE THE USE TAX FUNDS ARE ALREADY SET ASIDE IN A LIABILITY OBJECT (9560), IT IS UNNECESSARY TO SET UP A SEPARATE PRIOR YEAR PAYABLE FOR THE 16/17 USE TAX THAT IS DUE TO THE STATE BOARD OF EQUALIZATION IN JULY.**

Helpful hint: District may submit a transfer to debit the cafeteria and other local sales tax liabilities and credit the use tax G/L account 01-0000-0-0000-0000-9560-000-0000 to capture the use/sales liability in one account line for final payment to the State Board of Equalization. This is very important for those districts whose use/sales tax year is based on a fiscal year. By processing the transfer prior to the close of the June 30th fiscal year, the district will be able to process payment in July as a direct charge to the single account line and avoid the procedure of setting up an prior year accounts payable liability in the Cafeteria.



May 18, 2017

MEMORANDUM

TO: District Superintendents and Business Managers

FROM: Lynette Kerr, Director of Fiscal Services *LK*

SUBJECT: **LONG-TERM DEBT DATA REQUEST**

Pursuant to GASB 34 requirements for recording long-term debt, entries are required to be posted in the district's financial records which detail debt payments, debt issuances, and outstanding debt balances. In addition, GASB 34 requires that school districts report these balances and debt activity at year-end in their Unaudited Actuals and Government-Wide Financial Statements. GASB 34 also requires that the liability for accrued vacation balances be reported by function based on each employee's salary allocation.

As part of the 2016-2017 fiscal year close, HCOE Business Staff will record long-term debt entries in each district's Government-Wide financial records. The attached two data requests are designed to help you provide the necessary information to us. Accordingly, please provide the following to **Angela West by Friday, July 14, 2017:**

- The completed **Long-Term Debt Data Request**. Please also provide amortization schedules and contracts for any new debt entered into during the fiscal year.
- The complete **Compensated Absences Data Request**, indicating the breakdown of liability by function.

Additional information regarding long-term debt and compensated absences has been attached for your convenience. If you have any questions please call me at 441-3946 or Sarah at 445-5313. Thank you for your attention to this matter.

LK:AW:SP

c: Angela West

# HUMBOLDT COUNTY OFFICE OF EDUCATION

## DATA REQUEST

### LONG-TERM DEBT

District: \_\_\_\_\_

Due Date: July 14, 2017

**INSTRUCTIONS:**

- Column A* - Using your 6/30/16 audit report, please list the beginning balance of the principle owed on each type of Long-Term Debt instrument. (i.e. Capital Leases, Bonds, etc.)
- Column B* - Input amounts paid on principle balances for each type of debt instrument during the 2016-2017 fiscal year.
- Column C* - Input the amount of outstanding principle due at 6/30/17 for any new long-term debt entered into during the 2016-2017 fiscal year.
- Column D* - The Ending Balance = Beginning Balance less amounts Paid plus any new Debt.  
(Column D = Column A - B + C)
- Column E* - List amounts to be paid on principle balances in 2017-2018.

| Type of Debt:                  | A<br>Balance<br>6/30/2016 | B<br>Debt<br>Paid | C<br>New<br>Debt | D<br>Balance<br>6/30/2017 | E<br>Due Within<br>One Year |
|--------------------------------|---------------------------|-------------------|------------------|---------------------------|-----------------------------|
| *Bonds                         |                           |                   |                  |                           |                             |
| Certificates of Participation  |                           |                   |                  |                           |                             |
| *Capital Leases                |                           |                   |                  |                           |                             |
| Other Post-Employment Benefits |                           |                   |                  |                           |                             |
| State School Building Loan     |                           |                   |                  |                           |                             |
| Other: (please list)           |                           |                   |                  |                           |                             |
|                                |                           |                   |                  |                           |                             |
|                                |                           |                   |                  |                           |                             |
|                                |                           |                   |                  |                           |                             |
|                                |                           |                   |                  |                           |                             |
|                                |                           |                   |                  |                           |                             |

\* If your district has more than one outstanding bond or capital lease, please list them seperately.

Note: This information will be used to complete your district's DEBT Form for the Unaudited Actuals as well as the Government Wide (GASB) Statements.

**Please return this completed for to Angela West  
In the HCOE Business Office by 7/14/17**



## HUMBOLDT COUNTY OFFICE OF EDUCATION

## DATA REQUEST

## Compensated Absences

District: \_\_\_\_\_

Due Date: July 14, 2017

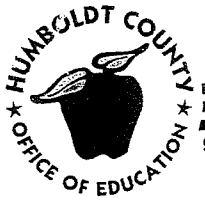
## INSTRUCTIONS:

*Complete all lines in both Column A and Column B. Then calculate Column C = B - A*

| Function:                           | A<br>Prior Year<br>6/30/2016 | B<br>Current Balance<br>6/30/2017 | C<br>Change<br>C = B - A |
|-------------------------------------|------------------------------|-----------------------------------|--------------------------|
| 1000 Instruction                    |                              |                                   |                          |
| 2100 Supervision of Instruction     |                              |                                   |                          |
| 2420 Inst'l Library, Media & Tech   |                              |                                   |                          |
| 2700 School Administration          |                              |                                   |                          |
| 3600 Pupil Transportation           |                              |                                   |                          |
| 3700 Food Services                  |                              |                                   |                          |
| 3900 All Other Pupil Services       |                              |                                   |                          |
| 4000 Ancillary Services             |                              |                                   |                          |
| 5000 Community Services             |                              |                                   |                          |
| 6000 Enterprise Activities          |                              |                                   |                          |
| 7200 All Other G & A                |                              |                                   |                          |
| 7700 Data Processing                |                              |                                   |                          |
| 8100 Plant Services                 |                              |                                   |                          |
| 8500 Facilities Acquisition & Const |                              |                                   |                          |
| TOTAL                               |                              |                                   |                          |

\_\_\_\_\_  
Signature\_\_\_\_\_  
Date

PLEASE RETURN TO Angela West by July 14, 2017



May 18, 2017

MEMORANDUM

TO: District Superintendents and Business Managers

FROM: Lynette Kerr, Director of Fiscal Services *LK*

SUBJECT: GASB 34 CAPITAL ASSET DATA REQUEST

In accordance with GASB 34, all school districts are required to report capital (fixed) assets as a component of the 2016-2017 government-wide financial statements. School districts must report capital assets as well as the accumulated depreciation of exhaustible capital assets on the Statement of Net Position. A depreciation schedule, which tracks historical cost and accumulated depreciation, is required for fixed assets. Fixed assets subject to depreciation are site improvements, buildings, building improvements and equipment with an historical cost of \$5,000 or more.

The information contained in a typical depreciation schedule includes:

- Purchase date
- Description
- Life
- Cost
- Accumulated depreciation at 6/30/16 (Beginning of year)
- Annual depreciation allocated by function; and
- Accumulated depreciation at 6/30/17 (End of year)

Additional information regarding capitalization and depreciation, and updating depreciation schedules, has been attached for your convenience.

Please update your district's depreciation schedule and use that information to complete the attached **Fixed Asset Data Request**. If you do not have a copy of your existing depreciation schedule, please contact Carol Ingram, so that the county office can assist you in either relocating that document or in creating a new one.

If you have any questions or require additional assistance in preparing these documents, please contact Angela West at 441-3946 or Sarah Poust 445-5313. The Fixed Asset Data Request and your district's updated Depreciation Schedule are due to Angela West in the HCOE Business Office by Friday, July 14, 2017. Thank you.

DISTRICT: \_\_\_\_\_

Due By: July 14, 2017

**HUMBOLDT COUNTY OFFICE OF EDUCATION  
DATA REQUEST  
FIXED ASSETS**

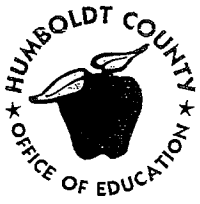
| ROW # | ASSET CATEGORIES                              | BALANCES<br>AT<br>6/30/2016<br><b>A</b> | CURRENT<br>YEAR<br>ADDITIONS<br><b>B</b> | CURRENT<br>YEAR<br>DISPOSALS<br><b>C</b> | BALANCES<br>AT<br>6/30/2017<br><b>D</b> |
|-------|-----------------------------------------------|-----------------------------------------|------------------------------------------|------------------------------------------|-----------------------------------------|
|       | FIXED ASSET COST:                             |                                         |                                          |                                          |                                         |
| 1     | Land                                          |                                         |                                          |                                          | \$ -                                    |
| 2     | Improvement of Sites (i.e. Land Improvements) |                                         |                                          |                                          | \$ -                                    |
| 3     | Buildings                                     |                                         |                                          |                                          | \$ -                                    |
| 4     | Equipment                                     |                                         |                                          |                                          | \$ -                                    |
| 5     | Work In Progress                              |                                         |                                          |                                          | \$ -                                    |
| 6     | Total Cost                                    | \$ -                                    | \$ -                                     | \$ -                                     | \$ -                                    |
|       | FIXED ASSET DEPRECIATION:                     |                                         |                                          |                                          |                                         |
| 7     | Improvement of Sites (i.e. Land Improvements) |                                         |                                          |                                          | \$ -                                    |
| 8     | Buildings                                     |                                         |                                          |                                          | \$ -                                    |
| 9     | Equipment                                     |                                         |                                          |                                          | \$ -                                    |
| 10    | Total Depreciation                            | \$ -                                    | \$ -                                     | \$ -                                     | \$ -                                    |

Completed By: \_\_\_\_\_

***DIRECTIONS:***

Column A should equal the balances on the district's Statement of Net Assets in its year-end audit report from the prior year.  
 Rows 1-5 of Column B should sum to the total in cell B6 and equal the net expenses from a 3XX Budget Summary Report run with FN 85XX and OBJ 6XXX on separate account code lines  
 Rows 7-10 of Column B should equal the current depreciation by category from the district's depreciation schedule  
 Rows 1-6 of Column C should equal the total original cost of any fixed assets by category.  
 Rows 7-9 of Column C should equal the total accumulated depreciation of any assets being disposed of in the current year.  
 Column D = A + B - C

Please return this completed form along with the district's updated Depreciation Schedule to Angela West in the HCOE Business Office by the date listed above.



May 12, 2017

MEMORANDUM

TO: District Superintendents and Business Managers

FROM: Lynette Kerr, Chief Business Official *LK*

SUBJECT: YEAR-END CLOSING PROCEDURES

Based on last year's successful year-end closing process, we will be leaving the month of July open for district staff to complete all district correcting entries. However there will still be specific timeframes for certain components needed during year end close as noted below. Compliance with these timeframes is necessary to ensure a smooth general ledger closure. In addition, the business office is offering to schedule one-on-one appointments with district staff during the month of July to assist in the district closing entry process. **Please note that in order to meet state reporting deadlines, on August 3<sup>rd</sup> district staff will be locked from making any further entries unless special arrangements have been made with HCOE.**

The following information reflects specific completion dates for June and July year-end closing activities.

| ACTIVITY                                               | RESPONSIBILITY | DATE | TIME      |
|--------------------------------------------------------|----------------|------|-----------|
| Last Regular accounts payable batches to HCOE          | District       | 6/23 | 1:00 p.m. |
| Last cash deposits to US Bank/County Treasury          | District       | 6/23 | 5:00 p.m. |
| Deposits (materials items-checks only/no cash) to HCOE | District       | 6/28 | 9:00 a.m. |
| Final APY run (if needed) payable batches to HCOE      | District       | 6/28 | 9:00 a.m. |
| All Interdistrict Transfers/Charges Processed          | District/HCOE  | 7/14 | 5:00 p.m. |
| All known Payables/Receivables set up by district      | District       | 7/21 | 5:00 p.m. |
| District correcting final entries                      | District       | 7/31 | 5:00 p.m. |

IMPORTANT NOTE:

Districts will be allowed to take deposits to US Bank through Friday, June 23<sup>rd</sup>. NO DEPOSITS should be made to US Bank for the period of June 26<sup>th</sup>-30<sup>th</sup>. If your district has received a material deposit amount (checks only) after June 23<sup>rd</sup>, you can submit your deposit to Monica Francis for direct deposit to the County Treasury. **ALL deposits from June 26-30 must be made at the County Office of Education, NOT THROUGH YOUR LOCAL BANK.** After June 30, you may resume the local banking process.

To assist you in preparing your final entries, refer to the handout "District Technical Checklist" to review your records for errors.

Please pay particular attention to the fiscal year you are working in during the months of June through July in both Reflections (HP system) and Financial 2000 (Sequel System). The fiscal year in which you are working in Reflections is always stated in the upper right-hand corner of the screen and in Financial 2000 in the lower right-hand corner. As a reminder, reference numbers always begin with the fiscal year followed by the number of the transaction (i.e. 170001/FY 16/17, 180001/FY 17/18).

## **YEAR-END CLOSING SCHEDULE**

### **June 1 through July 31 - DISTRICT**

1. District correcting entries (including posting EPA expenses to finalize Resource 1400)
2. District July supplemental payroll (automatic payable entries)
3. District receivable and payable setups (by July 21st)
4. District balance payroll liability accounts (i.e. 9537)
5. District Billing Charges to other LEA's/Charters.

Note: these charges should be sent to the district being billed as earlier as feasible to ensure posting of the interdistrict transfer by July 14<sup>th</sup>. It is recommended that the district sending the interdistrict transfer maintain tracking of the document (have the billed district send the signed interdistrict transfer back to original district) and then send the document to HCOE for posting.

6. District direct and indirect cost allocations, if any
7. District final closing entries (deferred revenues, encroachments, unearned receivables)
8. District to run financial information through SACS2017ALL software to ensure no' combo edits/technical errors exist and that indirect cost charges are within allowances
9. District staff may schedule a one on one meeting with HCOE accounting staff during July for assistance on closing entries

**ALL DISTRICT CLOSING ENTRIES MUST BE COMPLETED BY JULY 31ST**

### **June 1 through July 31 – HCOE Process/Entries**

1. District annual contract billings and payments
2. INS Contract – final 1/2 of charge
3. Restricted program receivable entries (by July 14<sup>th</sup>)
4. Final analysis and correction of 1-7000 accounts
5. Final analysis and adjustment of 9000 accounts
6. Revenue limit transfers (SDC, ADA)

### **August 1 through August 18-HCOE Entries – DISTRICTS LOCKED\***

1. HCOE entry of district requested adjustments
2. HCOE closing entries (deferred income, unearned receivables and encroachment transfers)
3. Annual revenue limit accrual entry
4. Annual special education accrual entry
5. Fourth quarter interest accrual entries
6. Long term debt account group entries
7. Special “60-day rule” accrual entries
8. Property tax reconciliation to J-29 report

\*unless circumstances require unlocking for district staff to make entries

### **August 21 through September 1– Unaudited Actuals Report Production - HCOE**

If you have any questions, please contact me at 445-7066 or Kathy Bubenik at 445-7059.

LK:KB

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## DISTRICT TECHNICAL CHECKLIST

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1. Negative amounts - research and verify that entries creating negative expenses and/or revenues are correct (any abatements for prior year expenses should be coded as revenue).
2. All prior year accounts receivables (9201) and accounts payables (9510) must be zero.
3. 5710-5749 (direct costs) and 7310/733x/737x (direct support and indirect costs) must zero out by object within the fund (budget and actuals); 7310/733x and 737x must also zero out by individual function within the fund.
4. Object 7330 must have a 7210 function; all 76xx objects must have a 9xxx function.
5. 8980-8998 (encroachments/contributions) 8093-8099 (revenue limit transfers) must zero out by object within the fund (budget and actuals). Object 8091 is to be used only for transfers to the Adult Education and Deferred Maintenance Funds based upon board action to commit funds.
6. 5750-5799 (interfund services) and 7350-7359 (interfund direct support and indirect costs) must zero out by object between funds; 7350-7359 must also zero out by individual function between funds.
7. 8910-8919 (interfund transfers in) offset 7610-7619 (interfund transfers out) between funds. The following object numbers should not be used: 7615 & 8915.
8. Review object numbers appearing in each function to see that they represent allowable direct costs per state cost accounting guidelines, i.e. counselor is coded to pupil service function.
9. "Budget-only" accounts - verify that there are no postings of *actual transactions* to objects 7999 or 8999.
10. Single school districts - split for superintendent/principal is 30% Superintendent and Board/70% School Administration; split for school secretary (or bookkeeper) is 30% District Administration/70% School Administration.
11. 6lxx and 62xx objects require an 85xx function.
12. Verify that all expenditures coded to 6xxx objects and/or function 85xx represent ***ONLY capitalized expense***.
13. All 72xx-76xx Functions require goal 0000 or 71xx. Utilities (object 5500) require an 8xxx function; this includes other funds, such as the Cafeteria. Telephone & communications expenses (object 59xx) which should be charged to either Function 2700 or Function 7200 but can be charged to other functions by direct documentation, such as monthly statements.
14. Run financial information through SACS2017ALL software and confirm no combo edit/technical errors exist (technical check) and that indirect cost charges are within allowances and that indirect cost rate appears reasonable (ICR form). Make necessary entries to correct any technical errors.

## **REVENUES**

1. Review overall actual activity posted to budgeted amounts for potential missing revenue accruals.
2. Review overall actual activity posted to budgeted amounts for any potential missing inter-district contract revenues or potential duplicate entries.

## **EXPENDITURES**

1. Does it appear that salaries are being posted to the correct resource/goal/function?
2. Are all capital expenditures in all funds coded correctly (6xxx object and/or 85xx function)?
3. Are Home to School Transportation expenses at the LCFF add-on funding level required to meet maintenance of effort. Field trip costs must be allocated to the instructional programs.
4. Are Routine Restricted Maintenance expenditure levels in compliance with State School Building Fund requirements (Resource 8150, the lessor of 14/15 RRM contribution or 3% of Fiscal Year 2016/17 General Fund expenditures) Exemption from this statute may apply to certain school districts but requires certification of the district's ability to maintain their facilities with a lesser level of maintenance.
5. Does Resource 1400 Education Protection Act Program have appropriate line item expenditures posted to the resource (no transfer of expenses by use of 571x object). It is recommended that Resource 1400 be fully expended.
6. Review overall actual activity posted to budgeted amounts for potential missing expenditure accruals.
7. Review overall actual activity posted to budgeted amounts for potential missing inter-district contract charges or potential duplicate entries.

## **GENERAL LEDGER LIABILITY ACCOUNTS (952X, 953X, 954X OBJECTS)**

1. Review all payroll liability accounts for appropriate balances. Note: Balances in object 9540 (SUI) and object 9543 (SDI) should be a credit balance equaling the district's liability for 2016 Quarter 2 amounts owed to EDD. Note: Payments to EDD should not be set up as an accounts payable liability since the general ledger already contains the liability amount. Balance in object 9537 (H&W) should agree to year-end reconciliation report amount submitted to HCOE. The following liability object areas should be at zero: 9521 (ER STRS Pr Yr), 9526 (ER PERS Pr Yr), 9527 (PERS Reduction), 9542 (Workers Compensation), 9553 (Benefit mapping error g/l offset object)
2. Review Use/Sales Tax object 9560 for appropriate balance. If district's liability for payment is based on fiscal year, the credit amount in 9560 should equal district's liability for 16/17 (due to State Board of Equalization on 7/31/17). If liability is based on calendar year, credit balance should equal amount on January>June, 2017 use tax report (due to State Board of Equalization in January, 2018)

## **ALL FUNDS**

1. Are any funds currently overdrawn?
2. Are there any temporary loans?
3. Review financial activity reports for unusual items and investigate for possible coding errors.

## **AVAILABLE REPORTS**

### **FINANCIAL STATEMENTS**

Broken by resource, this report is a good source to review your financial picture. It shows the adopted budget and any revisions that make up the current budget. You can quickly compare your actuals to your budget to see any deficits, as well as the percent spent to date for each line item. This report also shows all assets and liabilities on the fund reconciliation section to show the most accurate picture of your fund balance.

### **BUDGET REPORTS**

These are good reports to use when monitoring your budget. You can request the level of detail best suited to your district.

For most districts, a report sorted by fund, resource, goal and function (1 blank blank) is appropriate, though some may need to request further sorts by school and/or management if that level of detail is desired. This report shows the current budget and actuals, as well as any encumbrances that have been recorded. It also reflects the balance and percent unencumbered in the last two columns to help indicate which objects need to be updated.

Another useful format for budget reports is to sort by fund (3 blank blank). This will show all accounts grouped together by object. This can help show spending patterns between resources and goal/functions. For instance, in looking at the Materials & Supplies account (object 4310), you may notice one line item is overspent, while another is underspent. You'll want to question if the budget needs updating or if the expense was posted to the wrong account. This report format shows the entire 24-digit account code for each entry.

### **FINANCIAL ACTIVITY REPORT**

This is a detailed report showing all transactions listed individually. This needs to be reviewed to locate coding errors. This report is a useful tool in researching what has been posted to each account.

### **EDUREPORTS 3.0**

Many districts now have access to EduReports 3.0 and this F2K module can be very useful in reviewing actual activities in your financial records. Although relatively new to Humboldt County schools (May, 2015), this program will be replacing our existing Reflection on-line lookup when the HP3000 system is terminated (within two to three years).



SCHEDULE OF APPORTIONMENT FOR THE  
PUPIL TRANSPORTATION PROGRAM  
APRIL 2013 CERTIFICATION FY 2012/13  
amounts confirmed with 2016/17 LCFF calculator

| Local Educational Agency        | Total Apportionment<br>for Pupil<br>Transportation* |
|---------------------------------|-----------------------------------------------------|
| Humboldt Co. Off. of Ed.        | 404,123                                             |
| Arcata Elementary               | 148,497                                             |
| Big Lagoon Union Elementary     | 35,906                                              |
| Blue Lake Union Elementary      | 34,412                                              |
| Bridgeville Elementary          | 59,120                                              |
| Cuddeback Union Elementary      | 39,001                                              |
| Cutten Elementary               | 53,769                                              |
| Eureka City Schools             | 384,657                                             |
| Ferndale Unified                | 47,717                                              |
| Fortuna Elementary              | 84,517                                              |
| Fortuna Union High              | 205,526                                             |
| Freshwater Elementary           | 75,046                                              |
| Green Point Elementary          | 17,630                                              |
| Hydesville Elementary           | 17,902                                              |
| Jacoby Creek Elementary         | 42,624                                              |
| Klamath-Trinity Joint Unified   | 627,806                                             |
| Kneeland Elementary             | 33,725                                              |
| Loleta Union Elementary         | 20,992                                              |
| Maple Creek Elementary          | 15,299                                              |
| Mattole Unified                 | 50,981                                              |
| McKinleyville Union Elementary  | 170,422                                             |
| Northern Humboldt Union High    | 249,023                                             |
| Orick Elementary                | 763                                                 |
| Pacific Union Elementary        | 43,677                                              |
| Peninsula Union                 | 18,983                                              |
| Scotia Union Elementary         | 27,883                                              |
| South Bay Union Elementary      | 64,435                                              |
| Southern Humboldt Joint Unified | 953,683                                             |
| Trinidad Union Elementary       | 18,934                                              |
| <b>HUMBOLDT COUNTY TOTAL</b>    | <b>3,947,053</b>                                    |

**\*expense level required to meet maintenance of effort in  
2016/17**

HCOE recommends use of object 8984 for the maintenance of effort  
contribution to Resource 0210 and use of 8980 or 8988 for excess  
contributions required above MOE amount



## Northern California Regional Liability Excess Fund

May 11, 2017

To: Members of Northern California ReLiEF

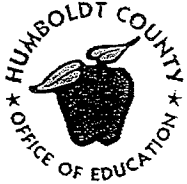
Re: Transportation Costs 2016/2017 – TRAN Report

The Authority, through an independent actuarial analysis, annually provides NCR's members with the rates necessary to estimate their annual costs of self-insuring your districts automobile exposures, for both liability and physical damage.

Below are the rates for the 2016-17 Program Year. These rates reflect your automobile liability and physical damage exposure. To determine total estimated annual costs, take the number of vehicles within each classification and multiply that number by the appropriate rate listed below.

| Vehicle Type        | Rate Per Vehicle |
|---------------------|------------------|
| Bus                 | \$1,173          |
| Maintenance Vehicle | \$879            |
| Passenger Car       | \$586            |

If you have any questions, please do not hesitate to contact your Account Manager.



CHRIS N. HARTLEY, Ed.D., Superintendent

901 Myrtle Avenue, Eureka, California 95501-1294

Phone: 707/445-7000

FAX: 707/445-7143

www.hcoe.org

May 3, 2017

## MEMORANDUM

To: District Superintendents and Business Managers

From: Lynette Kerr, Chief Business Official *LK*

### SUBJECT: EDUCATION PROTECTION ACCOUNT (EPA) PROJECTIONS

Pursuant to Article XIII, Section 36 of the California Constitution, school districts, county offices of education, and community college districts are required to determine how the moneys received from the Education Protection Account (EPA) are spent in the school or schools within its jurisdiction, provided that the governing board makes the spending determinations in an open session of a public meeting. The language in the constitutional amendment requires that funds shall not be used for the salaries and benefits of administrators or any other administrative costs. We have enclosed a sample resolution that your district may utilize to fulfill the spending determinations requirement. There is also a requirement that districts must annually post on its website an accounting of how much money was received from EPA and how that money was spent.

**For 2017-2018, please plan on including the requirement for a public hearing and board action as part of your June board meeting.** The projected 2017-2018 EPA revenue can be found on the "EPA" tab of the LCFF Calculator. The spending plan should be approved by the Board at the same time the budget is adopted, **but as an action separate from the actions taken to adopt the budget.**

For your convenience, we have included a sample format in Excel that can be used for meeting this requirement, **as well as the requirement to post the final use of EPA funds for 2016-2017 once the fiscal year is closed.** The sample exhibit mirrors the Program by Resource Report from the CDE's Standardized Account Code Structure (SACS) software. Please note that in the sample exhibit, expenditures are displayed by function code and not by object code.

If you have any questions or concerns about EPA reporting requirements, please call me at (707) 445-7066.

LK:sn

Attachments

**SAMPLE RESOLUTION REGARDING  
THE EDUCATION PROTECTION ACCOUNT**

WHEREAS, the voters approved Proposition 30 on November 6, 2012;

WHEREAS, Proposition 30 added Article XIII, Section 36 to the California Constitution effective November 7, 2012;

WHEREAS, the provisions of Article XIII, Section 36(e) create in the state General Fund an Education Protection Account to receive and disburse the revenues derived from the incremental increases in taxes imposed by Article XIII, Section 36(t);

WHEREAS, before June 30th of each year, the Director of Finance shall estimate the total amount of additional revenues, less refunds that will be derived from the incremental increases in tax rates made pursuant to Article XIII, Section 36(t) that will be available for transfer into the Education Protection Account during the next fiscal year;

WHEREAS, if the sum determined by the State Controller is positive, the State Controller shall transfer the amount calculated into the Education Protection Account within ten days preceding the end of the fiscal year;

WHEREAS, all monies in the Education Protection Account are hereby continuously appropriated for the support of school districts, county offices of education, charter schools and community college districts;

WHEREAS, monies deposited in the Education Protection Account shall not be used to pay any costs incurred by the Legislature, the Governor or any agency of state government;

WHEREAS, a community college district, county office of education, school district, or charter school shall have the sole authority to determine how the monies received from the Education Protection Account are spent in the school or schools within its jurisdiction;

WHEREAS, the governing board of the district shall make the spending determinations with respect to monies received from the Education Protection Account in open session of a public meeting of the governing board;

WHEREAS, the monies received from the Education Protection Account shall not be used for salaries or benefits for administrators or any other administrative cost;

WHEREAS, each community college district, county office of education, school district and charter school shall annually publish on its Internet website an accounting of how much money was received from the Education Protection Account and how that money was spent;

WHEREAS, the annual independent financial and compliance audit required of community college districts, county offices of education, school districts and charter schools shall ascertain and verify whether the funds provided from the Education Protection Account have been properly disbursed and expended as required by Article XIII, Section 36 of the California Constitution;

WHEREAS, expenses incurred by community college districts, county offices of education, school districts and charter schools to comply with the additional audit requirements of Article XIII, Section 36 may be paid with funding from the Education Protection Act and shall not be considered administrative costs for purposes of Article XIII, Section 36.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. The monies received from the Education Protection Account shall be spent as required by Article XIII, Section 36 and the spending determinations on how the money will be spent shall be made in open session of a public meeting of the governing board of \_\_\_\_\_;

2. In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of the \_\_\_\_\_ has determined to spend the monies received from the Education Protection Act as attached.

DATED: \_\_\_\_\_ 2017.

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

2017-2018 Education Protection Account  
Program by Resource Report  
Expenditures by Function- Detail

Projected Expenditures for the period of July 1, 2017 through June 30, 2018  
For Fund 01, Resource 1400 Education Protection Account

| Description                                                                        |                      | Amount      |
|------------------------------------------------------------------------------------|----------------------|-------------|
| <b>AMOUNT AVAILABLE FOR THIS FISCAL YEAR</b>                                       |                      |             |
| Beginning Balance                                                                  | Object: 8999         | 0.00        |
| Revenue Limit Source                                                               | 8012                 | 0.00        |
| Revenue Limit Source-Prior Year                                                    | 8019                 |             |
| Other Local Revenue                                                                | 8600-8799            | 0.00        |
| <b>TOTAL AVAILABLE</b>                                                             |                      | <b>0.00</b> |
| <b>EXPENDITURES AND OTHER FINANCING USES</b>                                       |                      |             |
| Instruction                                                                        | Functions: 1000-1999 | 0.00        |
| Instruction-Related Services                                                       |                      |             |
| Instructional Supervision and Administration                                       | 2100-2150            | 0.00        |
| AU of a Multidistrict SELPA                                                        | 2200                 | 0.00        |
| Instructional Library, Media, and Technology                                       | 2420                 | 0.00        |
| Other Instructional Resources                                                      | 2490-2495            | 0.00        |
| School Administration                                                              | 2700                 | 0.00        |
| Pupil Services                                                                     |                      |             |
| Guidance and Counseling Services                                                   | 3110                 | 0.00        |
| Psychological Services                                                             | 3120                 | 0.00        |
| Attendance and Social Work Services                                                | 3130                 | 0.00        |
| Health Services                                                                    | 3140                 | 0.00        |
| Speech Pathology and Audiology Services                                            | 3150                 | 0.00        |
| Pupil Testing Services                                                             | 3160                 | 0.00        |
| Pupil Transportation                                                               | 3600                 | 0.00        |
| Food Services                                                                      | 3700                 | 0.00        |
| Other Pupil Services                                                               | 3900                 | 0.00        |
| Ancillary Services                                                                 | 4000-4999            | 0.00        |
| Community Services                                                                 | 5000-5999            | 0.00        |
| Enterprise                                                                         | 6000-6999            | 0.00        |
| General Administration                                                             | 7000-7999            | 0.00        |
| Plant Services                                                                     | 8000-8999            | 0.00        |
| Other Outgo                                                                        | 9000-9999            | 0.00        |
| <b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>                                 |                      | <b>0.00</b> |
| <b>BALANCE (Total Available minus Total Expenditures and Other Financing Uses)</b> |                      | <b>0.00</b> |

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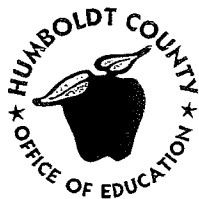
2016-2017 Education Protection Account  
Program by Resource Report  
Expenditures by Function- Detail

Actual Expenditures for the period of July 1, 2016 through June 30, 2017  
For Fund 01, Resource 1400 Education Protection Account

| Description                                                                        |            | Amount      |
|------------------------------------------------------------------------------------|------------|-------------|
| <b>AMOUNT AVAILABLE FOR THIS FISCAL YEAR</b>                                       |            |             |
|                                                                                    | Object:    |             |
| Beginning Balance                                                                  | 8999       | 0.00        |
| Revenue Limit Source                                                               | 8012       | 0.00        |
| Revenue Limit Source-Prior Year                                                    | 8019       |             |
| Other Local Revenue                                                                | 8600-8799  | 0.00        |
| <b>TOTAL AVAILABLE</b>                                                             |            | <b>0.00</b> |
| <b>EXPENDITURES AND OTHER FINANCING USES</b>                                       |            |             |
|                                                                                    | Functions: |             |
| Instruction                                                                        | 1000-1999  | 0.00        |
| Instruction-Related Services                                                       |            |             |
| Instructional Supervision and Administration                                       | 2100-2150  | 0.00        |
| AU of a Multidistrict SELPA                                                        | 2200       | 0.00        |
| Instructional Library, Media, and Technology                                       | 2420       | 0.00        |
| Other Instructional Resources                                                      | 2490-2495  | 0.00        |
| School Administration                                                              | 2700       | 0.00        |
| Pupil Services                                                                     |            |             |
| Guidance and Counseling Services                                                   | 3110       | 0.00        |
| Psychological Services                                                             | 3120       | 0.00        |
| Attendance and Social Work Services                                                | 3130       | 0.00        |
| Health Services                                                                    | 3140       | 0.00        |
| Speech Pathology and Audiology Services                                            | 3150       | 0.00        |
| Pupil Testing Services                                                             | 3160       | 0.00        |
| Pupil Transportation                                                               | 3600       | 0.00        |
| Food Services                                                                      | 3700       | 0.00        |
| Other Pupil Services                                                               | 3900       | 0.00        |
| Ancillary Services                                                                 | 4000-4999  | 0.00        |
| Community Services                                                                 | 5000-5999  | 0.00        |
| Enterprise                                                                         | 6000-6999  | 0.00        |
| General Administration                                                             | 7000-7999  | 0.00        |
| Plant Services                                                                     | 8000-8999  | 0.00        |
| Other Outgo                                                                        | 9000-9999  | 0.00        |
| <b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>                                 |            | <b>0.00</b> |
| <b>BALANCE (Total Available minus Total Expenditures and Other Financing Uses)</b> |            | <b>0.00</b> |

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May 17, 2017

## MEMORANDUM

TO: District Superintendents and Business Mangers

FROM: Lynette Kerr, Chief Business Official *LK*

SUBJECT: **ACCOUNTING REQUIRMENTS UNDER GASB 68 – ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS**

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The Governmental Accounting Standards Board Statement 68 (GASB 68), Accounting and Financial Reporting for Pensions, requires an accrual-basis recognition of employer costs and obligations for pensions to be included in school district and charter school audited financial fund statements.

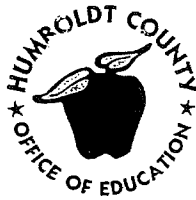
Under these accounting standards, if the present value of benefits earned by all employees participating in the CalSTRS or CalPERS pension plan (the plan's total pension liability) exceeds the resources accumulated by the pension plan to pay benefits (producing a net plan liability), LEA's must report in their government-wide financial statements their proportionate share of the plan's net pension liability. The LEA's proportionate share of the STRS and PERS retirement system net pension liability, pension expense and deferred items is based on the LEA's proportionate share of contributions to the plan.

As part of this accounting requirement, LEAs must also account for their proportionate share of the annual on-behalf payment to CalSTRS. **This entry must be recorded in each LEA's general ledger prior to closing the books.** To assist in generating the required entry CDE has provided an on-behalf spreadsheet application that can be used in conjunction with the state unaudited actuals software. In order to facilitate booking this entry into each LEA's financial records, HCOE business office staff will be preparing the required entry using the CDE-recommended process. If you do not want this entry made on your district's behalf, please contact Kathy Bubenik at 445-7059.

The CalSTRS On-Behalf payment for 2016-17 will be calculated by multiplying the LEA's 2014-15 creditable STRS compensation by % amounts provided by CalSTRS. The resulting journal entry will be made to Resource 7690, STRS On-Behalf Pension Contributions, in each LEA's 2016-17 financial report. The entry will credit state revenue and debit STRS expense across goal/functions in proportion to the LEA's own pension contributions for the year (Object 31xx). This entry is balanced and will not have an impact or change fund balances. Please note that this entry will have an impact on the CEA (minimum classroom compensation) and ICR (indirect cost rate) calculations in the state unaudited actuals report.

The GASB 68 accrual entries required for your audited financial statements will be prepared by your auditors. There is a conversion entry as part of the GASB 34 conversion tool provided by CDE. We encourage school district and charter school staff to discuss this requirement with your auditors. While we facilitate the GASB 34 conversion entries for many districts using the state conversion and district provided data request, we are not currently planning on including GASB 68 entries as part of that service at this time.

We encourage you to contact your auditors with questions regarding this requirement and the impact on your financial statements.



May 15, 2017

## MEMORANDUM

TO: District Superintendents and Business Managers

FROM: Lynette Kerr, Chief Business Official *LK*

SUBJECT: **SPECIAL RESERVE FUNDS**

Districts should follow the steps below, as applicable, regarding their Special Reserve Funds *prior to June 30, 2017*. Please return a copy of the resolution to our office, attention SueAne Novack.

### **BACKGROUND**

Education Code Section 42841 authorizes the establishment and manner of the Special Reserve Funds. It allows school districts to establish Special Reserve Funds by resolution of the governing board followed by filing of the resolution with the County Superintendent of Schools, County Auditor and County Treasurer. Once the special reserve is established, the governing board may file other resolutions specifying additional purposes of the fund or withdrawing a purpose previously designated.

Education Code section 42842 describes the limitation on the expenditures of the Special Reserve Fund. The fund may be expended for those purposes specified in the resolution. In addition, unless actually encumbered for ongoing expenses, the governing board may expend the money in the fund for general operating purposes of the school district.

### **ACTION**

Some districts may need to transfer funds from the Special Reserve to fund expenditures in the General Fund or transfer unrestricted balances in the General Fund to the Special Reserve fund.

Attached are sample resolutions (#1) to authorize transfers from Special Reserve to the General Fund, or (#2) to authorize appropriation to a Special Reserve Fund. However, you should follow your own district's policy as it relates to resolutions. You may authorize the COE to transfer any amounts necessary or designate a set amount. Incorporate either Option 1 or Option 2 into your resolution.

If you have any questions, please feel free to give me a call at 445-7066.

LK:sn

Enclosures

c: Kathy Bubenik

**RESOLUTION #1**

**RESOLUTION FOR TRANSFER FROM SPECIAL RESERVE**

**2016-2017**

**WHEREAS**, Education Code 42841 allows for the establishment of a Special Reserve Fund; and

**WHEREAS**, The \_\_\_\_\_ School District has a need for the expenditure of such monies to cover costs that have occurred in the areas of salary, employee benefits, books, supplies and equipment replacement, contracted services and other operating expenses, sites, buildings, media, new equipment and other outgo such as tuitions and transfers between funds.

**OPTION 1:**

**NOW THEREFORE, BE IT RESOLVED**, that \_\_\_\_\_ dollars be transferred from the Special Reserve Fund to the General Fund to be utilized for the above-stated purposes.

**OPTION 2:**

**NOW THEREFORE, BE IT RESOLVED**, that the district authorizes the Humboldt County Office of Education to transfer those amounts from the Special Reserve Fund up to the amount necessary to create a positive unrestricted ending fund balance in the General Fund.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_ Ayes \_\_\_\_ Noes

\_\_\_\_\_  
Chairperson, Board of Trustees

\_\_\_\_\_  
District Superintendent

RESOLUTION #2

RESOLUTION FOR APPROPRIATION TO SPECIAL RESERVE

2016-2017

**WHEREAS**, Effective June 30, 1980, the \_\_\_\_\_  
Board of Trustees established a Special Reserve Fund in  
accordance with Education Code section 42841; and

**WHEREAS**, The governing board may, by resolution, periodically specify  
additional purposes of the Special Reserve Fund or withdraw any  
purpose of the fund previously designated; and

**WHEREAS**, The school district has a need of such fund to cover costs that  
may occur in the areas of: salary, employee benefits, books, supplies,  
equipment replacement, contracted services and other operating  
expenses, sites, buildings, media, new equipment and other outgo such  
as tuitions and transfers between funds.

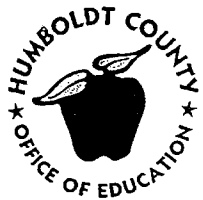
**NOW THEREFORE, BE IT RESOLVED**, that the unrestricted net General  
Fund ending balance of the school district shall automatically be  
transferred to the Special Reserve Fund on June 30, 2017. This fund is  
to be utilized for the above-stated purposes.

This resolution is passed by \_\_\_\_ Ayes \_\_\_\_ Noes.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Chairperson, Board of Trustees

\_\_\_\_\_  
District Superintendent



May 15, 2017

**MEMORANDUM**

TO: District Superintendents and Business Managers

FROM: Lynette Kerr, Chief Business Official *LK*

SUBJECT: 2016-2017 DESIGNATED GENERAL FUND ENDING BALANCES Unrestricted  
General Funds appropriated but not yet spent or encumbered by a school district as of June 30, 2017, must be identified for reporting purposes. Besides unrestricted General Funds "Designated for Economic Uncertainties" by board action, this also includes any appropriations in Resource 0000 that are set aside by the board for specific purposes.

Please enter all required carryover balances as of June 30, 2017 in the following areas:

DESIGNATED FOR ECONOMIC UNCERTAINTIES \$ \_\_\_\_\_

OTHER DESIGNATIONS- Provide an explanation for "Other Designations" contained only within Resource 0000 - DO NOT INCLUDE REVOLVING CASH  
Assigned:

\_\_\_\_\_  
\_\_\_\_\_

Committed (requires formal action by board by June 30, 2017):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

As a reminder, these entries are to be based on actual revenue versus expenditures for 2016-2017, not budgeted amounts.

We have attached information to assist you in determining the correct GASB 54 classification. For all other unrestricted resources, we will consider them as designated. For audit purposes, unrestricted resources that are designated will most likely be considered assigned or committed by your auditor. Restricted resources will continue to be designated as restricted under GASB 54.

Please return this data request to Kathy Bubenik in the Business Office by August 4, 2017.

DISTRICT : \_\_\_\_\_

SIGNATURE : \_\_\_\_\_

Date: \_\_\_\_\_

LK:kb:sn

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# **GASB 54 – Fund Balance Reporting**

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In February 2009, the Governmental Accounting Standards Board issued Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement significantly changed the categories and terminology used to describe the components of the ending fund balance. These changes are intended to enhance how fund balance information is reported by establishing new classifications that are easier to understand. GASB 54 also clarifies the definition of some governmental funds.

GASB 54 eliminates the reserved/unreserved component of fund balance in favor of a hierarchy of restricted/unrestricted classifications which are based upon the level of spending constraints placed upon the funds. The five classifications are:

## **Restricted Funds**

1. Nonspendable
2. Restricted

## **Unrestricted Funds**

3. Committed
4. Assigned
5. Unassigned

GASB 54 affects only the Governmental Funds of the school district (SACS Funds 01-60), and was effective the close of fiscal year 2010-11 for audited financial statements as of June 30, 2011.

The CDE letter and related attachments dated January 7, 2011, *New Requirements for Reporting Fund Balance in Governmental Funds*, can be found on their website at: <http://www.cde.ca.gov/fg/ac/col/>.

# New Fund Balance Classifications

## Nonspendable

- Amounts are not in spendable form (i.e. inventory, prepaids, long-term portion of loans receivable).
- Legally or contractually required to be maintained intact (i.e. the principal amount of a permanent fund.)

## Restricted

- Amounts are subject to *externally* imposed and legally enforceable constraints.
- Constraints may be imposed by grantors, creditors, contributors, laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- Restricted General Fund (Object 9740)

## Committed

- Amounts are subject to *internal* constraints self-imposed by *formal action* of the government's highest level of decision-making authority.
- "Formal action" varies by governments. For school districts, governing board actions taken at a public meeting can vary from a vote, a resolution, or the adoption of a budget.
- The amounts cannot be used for any other purpose unless the same type of action is taken to remove or change the constraint.
- The constraint for committed fund balances must be imposed no later than June 30th. (The actual amounts can be determined subsequent to that date at year-end closing.)



## Assigned

- Amounts that the government *intends* to be used for specific purposes.
- Assigned amounts can be established by a) the governing board; or b) a *body* (budget committee, finance committee, site council, etc.), or *official(s)* that has been designated by the governing board.
- The constraints that are imposed are more easily removed or modified than those classified as committed.
- The assignment does not need to be made before the end of the reporting period (June 30th), but rather can be made any time prior to the issuance of the financial statements (at year-end closing).

## Unassigned

- General Fund only, it is the residual balance that is not restricted, committed or assigned.
- All Other Funds, a positive unassigned fund balance is never reported. (Fund 17 exception; discussion to follow)
- Deficits in another classification that cannot be eliminated are reported as a negative unassigned fund balance. (Object 9790)

## Stabilization Arrangements

- Classified as a *committed* fund balance under new Object Code **9750**.
- Level of constraint must meet the criteria to be reported as committed.
- Circumstances for spending must be both *specific* and *non-routine* in nature; and identified in the formal action that imposes the parameters for spending.

### Reserve for Economic Uncertainties

- Does not meet the criteria for being classified as a *committed* fund balance.
- Will be classified as *unassigned* using new Object Code **9789**. (Object 9770 is eliminated for fiscal year 2011-12)
- Available in the General Fund and in Fund 17, Special Reserve for Other Than Capital Outlay.

| PART I - CURRENT<br>EXPENSE FORMULA              | Total Expense<br>for Year<br>(1) | EDP<br>No. | Reductions<br>(See Note 1)<br>(2) | EDP<br>No. | Current Expense<br>of Education<br>(Col 1 - Col 2)<br>(3) | EDP<br>No. | Reductions<br>(Extracted)<br>(See Note 2)<br>(4a) | Reductions<br>(Overrides)*<br>(See Note 2)<br>(4b) | EDP<br>No. | Current Expense-<br>Part II<br>(Col 3 - Col 4)<br>(5) | EDP<br>No. |
|--------------------------------------------------|----------------------------------|------------|-----------------------------------|------------|-----------------------------------------------------------|------------|---------------------------------------------------|----------------------------------------------------|------------|-------------------------------------------------------|------------|
| 1000 - Certificated<br>Salaries                  | 531,540.08                       | 301        | 0.00                              | 303        | 531,540.08                                                | 305        | 2,291.64                                          |                                                    | 307        | 529,248.44                                            | 309        |
| 1000 - Classified Salaries                       | 212,793.28                       | 311        | 21,084.80                         | 313        | 191,708.48                                                | 315        | 0.00                                              |                                                    | 317        | 191,708.48                                            | 319        |
| 1000 - Employee Benefits                         | 303,328.83                       | 321        | 4,263.97                          | 323        | 299,064.86                                                | 325        | 155.97                                            |                                                    | 327        | 298,908.89                                            | 329        |
| 1000 - Books, Supplies<br>Equip Replace. (6500)  | 77,606.16                        | 331        | 1,758.04                          | 333        | 75,848.12                                                 | 335        | 20,670.41                                         |                                                    | 337        | 55,177.71                                             | 339        |
| 1000 - Services . . . &<br>1300 - Indirect Costs | 124,147.63                       | 341        | 0.00                              | 343        | 124,147.63                                                | 345        | 8,214.80                                          |                                                    | 347        | 115,932.83                                            | 349        |
| TOTAL                                            |                                  |            |                                   |            | 1,222,309.17                                              | 365        | TOTAL                                             |                                                    |            | 1,190,976.35                                          | 369        |

Note 1 - In Column 2, report expenditures for the following programs: Nonagency (Goals 7100-7199), Community Services (Goal 8100), Food Services (Function 3700), Fringe Benefits for Retired Persons (Objects 3701-3702), and Facilities Acquisition & Construction (Function 8500).

Note 2 - In Column 4, report expenditures for: Transportation (Function 3600), Lottery Expenditures (Resource 1100), Special Education Students in Nonpublic Schools (Function 1180), and other federal or state categorical aid in which funds were granted for expenditures in a program not incurring any teacher salary expenditures or requiring disbursement of the funds without regard to the requirements of EC Section 41372.

If an amount (even zero) is entered in any row of Column 4b or in Line 13b, the form uses only the values in Column 4b and Line 13b rather than the values in Column 4a and Line 13a.

| PART II: MINIMUM CLASSROOM COMPENSATION (Instruction, Functions 1000-1999)                                                                                                                                                                                          |  | Object      | EDP No.        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------|----------------|
| 1. Teacher Salaries as Per EC 41011. . . . .                                                                                                                                                                                                                        |  | 1100        | 432,409.03 375 |
| 2. Salaries of Instructional Aides Per EC 41011. . . . .                                                                                                                                                                                                            |  | 2100        | 72,024.37 380  |
| 3. STRS. . . . .                                                                                                                                                                                                                                                    |  | 3101 & 3102 | 69,177.54 382  |
| 4. PERS. . . . .                                                                                                                                                                                                                                                    |  | 3201 & 3202 | 7,456.25 383   |
| 5. OASDI - Regular, Medicare and Alternative. . . . .                                                                                                                                                                                                               |  | 3301 & 3302 | 12,950.12 384  |
| 6. Health & Welfare Benefits (EC 41372)<br>(Include Health, Dental, Vision, Pharmaceutical, and Annuity Plans). . . . .                                                                                                                                             |  |             |                |
| 7. Unemployment Insurance. . . . .                                                                                                                                                                                                                                  |  | 3401 & 3402 | 111,641.90 385 |
| 8. Workers' Compensation Insurance. . . . .                                                                                                                                                                                                                         |  | 3501 & 3502 | 250.94 390     |
| 9. OPEB, Active Employees (EC 41372). . . . .                                                                                                                                                                                                                       |  | 3601 & 3602 | 10,333.52 392  |
| 10. Other Benefits (EC 22310). . . . .                                                                                                                                                                                                                              |  | 3751 & 3752 | 0.00           |
| 11. SUBTOTAL Salaries and Benefits (Sum Lines 1 - 10). . . . .                                                                                                                                                                                                      |  | 3901 & 3902 | 0.00 393       |
| 12. Less: Teacher and Instructional Aide Salaries and Benefits deducted in Column 2. . . . .                                                                                                                                                                        |  |             | 716,243.67 395 |
| 13a. Less: Teacher and Instructional Aide Salaries and Benefits (other than Lottery) deducted in Column 4a (Extracted). . . . .                                                                                                                                     |  |             | 0.00           |
| b. Less: Teacher and Instructional Aide Salaries and Benefits (other than Lottery) deducted in Column 4b (Overrides)*. . . . .                                                                                                                                      |  |             | 0.00 396       |
| 14. TOTAL SALARIES AND BENEFITS. . . . .                                                                                                                                                                                                                            |  |             | 716,243.67 397 |
| 15. Percent of Current Cost of Education Expended for Classroom Compensation (EDP 397 divided by EDP 369) Line 15 must equal or exceed 60% for elementary, 55% for unified and 50% for high school districts to avoid penalty under provisions of EC 41372. . . . . |  |             | 60.14%         |
| 16. District is exempt from EC 41372 because it meets the provisions of EC 41374. (If exempt, enter 'X') . . . . .                                                                                                                                                  |  |             |                |

| PART III: DEFICIENCY AMOUNT                                                                                                                                                                     |              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| A deficiency amount (Line 5) is only applicable to districts not meeting the minimum classroom compensation percentage required under EC 41372 and not exempt under the provisions of EC 41374. |              |
| 1. Minimum percentage required (60% elementary, 55% unified, 50% high) . . . . .                                                                                                                | 60.00%       |
| 2. Percentage spent by this district (Part II, Line 15) . . . . .                                                                                                                               | 60.14%       |
| 3. Percentage below the minimum (Part III, Line 1 minus Line 2) . . . . .                                                                                                                       | 0.00%        |
| 4. District's Current Expense of Education after reductions in columns 4a or 4b (Part I, EDP 369). . . . .                                                                                      | 1,190,976.35 |
| 5. Deficiency Amount (Part III, Line 3 times Line 4) . . . . .                                                                                                                                  | 0.00         |

| PART IV: Explanation for adjustments entered in Part I, Column 4b (required) |  |
|------------------------------------------------------------------------------|--|
|                                                                              |  |
|                                                                              |  |
|                                                                              |  |

**Forms CEA/CEB—Current Expense Formula/Minimum Classroom Compensation—Actuals  
(Required)/Budget(Optional)**

The Current Expense Formula/Minimum Classroom Compensation, Form CEA/CEB, is used for the following purposes:

To allow county offices to determine whether the district complies with *EC* Section 41372, Apportionments for the Payment of Salaries of Classroom Teachers, which requires that elementary, unified, and high school districts expend at least 60, 55, and 50 percent respectively, of their current cost of education for classroom teacher and aide salaries, plus associated benefits. *EC* Section 41374 provides for certain school districts with individual class sessions below a certain number of pupils to be exempt from the *EC* Section 41372 requirements. (Enter an "X" on Line 16 of the Form CEA/CEB if your district is exempt.)

To report the current expense of education (EDP 365).

The software will automatically generate all sections of this form except optional adjustments reported in Part I, Column 4b and Part II, Line 13b (see below for entering data on these lines).

**Part I—Current Expense Formula**

Calculate the current expense formula as follows:

**Column 1    Total Expense for the Year**

The software extracts the data for the total expense for the year from the general ledger Fund 01 data.

**Column 2    Reductions (Note 1)**

Certain expenditures should be excluded from the Current Expense of Education amount. Expenditures for Nonagency (goals 7100-7199), Community Services (Goal 8100), Food Services (Function 3700), Fringe Benefits for Retired Persons (objects 3701-3702), and Facilities Acquisition and Construction (Function 8500), which are included in Total Expense for Year (Column 1), are not included in the Current Expense of Education (Column 3). To exclude these expenditures, the software extracts into Column 2 the unduplicated expenditures in the referenced goals, functions, and objects.

**NOTES:**    In addition to fringe benefits for already-retired employees, objects 3701 and 3702 may include certain allocated costs for past unfunded liabilities relating to active employees (see definitions in *CSAM*). All costs reported in objects 3701 and 3702 are excluded from the calculation of minimum classroom compensation.

Maintenance Assessment District expenditures are considered to be part of the Community Services goal.

**Column 4a    Reductions (Note 2—Extracted)**

Certain expenditures are excluded from the Minimum Classroom Compensation calculation. Expenditures for transportation (Function 3600), lottery expenditures (Resource 1100), amounts paid to nonpublic schools for the education of special education students (Function 1180), and certain categorical aid expenditures which are included in Current Expense of Education (Column 3), are not included in Minimum Classroom Compensation and should be reported as Reductions (Column 4a).

In addition, expenditures for categorical aid programs which do not allow teacher salary expenditures or require disbursement of the funds without regard to the requirements of *EC* Section 41372 should be reported as Reductions (Column 4a), thereby reducing the Current Expense (Column 5). In other words, if a categorical program has, as its main purpose, activities of a specialized nature that normally indicate something other than hiring classroom teachers or aides, then the categorical funding is ignored in the minimum classroom compensation calculation (i.e., it is reduced from both the numerator and denominator of the calculation). Following are a few examples of categorical aid programs and resource codes that qualified to be excluded from the calculation:

- Education Technology (4410)
- School Bus Emissions Reduction Fund (7236)

Following is the complete list of resource codes extracted as "reductions" in Column 4a and Line 13a: 1100, 3012, 3013, 3020, 3031, 3175, 3177, 3178, 3185, 3316, 3326, 3327, 3341, 3372, 3386, 3515, 3724, 4036, 4045, 4046, 4050, 4123, 4124, 4410, 5035, 5037, 5314, 5370, 5652, 6010, 6030, 6126, 6140, 6225, 6230, 6300, 6355, 6381, 6382, 6385, 6386, 6392, 6512, 7010, 7124, 7126, 7236, 7386, 7410, and functions 1180 and 3600.

#### Column 4b Reductions (Note 2—Overrides Column 4a)

School districts may elect to report the reductions manually in Column 4b if the extracted data do not include all of the applicable categoricals.

It should rarely be necessary to use Column 4b to override the reductions automatically extracted in Column 4a. An example of the circumstances under which it is appropriate is where a district receives a grant directly from the federal government for a purpose wholly unrelated to instruction (such as developing an emergency preparedness plan), where no part of the grant can be expended for teacher salaries. Because the district receives the grant directly from the federal government, CDE has no knowledge of the grant, so CDE does not assign the grant a unique SACS resource code; the district would account for the grant using Resource 5810, Other Restricted Federal, and the grant expenditures would not automatically extract into Column 4a even though it would be appropriate for it to do so. It would be appropriate in this case for the district to use Column 4b to enter reductions that include this grant's expenditures. The district would do this by entering in Column 4b the combined total of the reductions that were extracted in Column 4a, plus this grant's expenditures, replacing all amounts from Column 4a.

**NOTE:** If an amount (even zero) is entered in any row of Column 4b, or on Line 13b (see Part II below), the software switches from using the values in Column 4a/Line 13a to using only the values in Column 4b/Line 13b; it does not use a combination of the two.

Expenditures of the Restricted Maintenance Account (RMA) (Ongoing and Major Maintenance Account, Resource 8150) should not be excluded in Form CEA. They are not "amount[s] expended from categorical aid received from the federal or state government which funds were granted for expenditures in a program not incurring any teacher salary expenditures or requiring disbursement of the funds without regard to the requirements of [*EC* Section 41372]."

The RMA exists to demonstrate compliance with the requirement that LEAs who receive Office of Public School Construction (OPSC) facility grants must dedicate a certain percentage of their operating budgets toward facility maintenance. Moneys contributed to this account are not

federal or state categorical aid. (Note that Resource 8150 is a local resource, not a state or federal resource.) Said another way, were it not necessary to demonstrate compliance with OPSC regulations, the expenditures in the RMA account would be charged to an unrestricted resource.

## **Part II—Minimum Classroom Compensation**

Report the classroom compensation. The software will generate all of this information except for optional adjustments reported on Line 13b.

- Line 13b: Report the salaries and benefits of teachers and instructional aides that were deducted in Column 4b (see note above in Column 4b text).

- A warning internal form check alerts users to review line 13b if no amount is entered when an amount is entered in Part I, Column 4b, Reductions (Overrides).

## **Part III—Deficiency Amount**

Using information from Form CEA/CEB Parts I and II, Part III indicates if a school district has met the minimum classroom compensation percentage required under *EC* Section 41372. This information will also show on Form CA, Unaudited Actuals Certification, on the page titled Summary of Unaudited Actual Data Submission.

- If the percentage is met, Line 5 will be zero.

- If the percentage is not met, and the district has not indicated they are exempt from the requirement, Line 5 will be the amount of the deficiency. In addition, an exception will be reported in the Technical Review Checklist.

- If the district has indicated they are exempt from the requirement, Line 5 will show "exempt."

## **Part IV—Explanation for adjustments entered in Part I, Column 4b**

This section must be completed if an amount is entered in Part I, Column 4b, Reductions (Overrides). A fatal internal form check will generate if the required explanation is not pro

# California Department of Education (CDE) - School Fiscal Services Division

Rates approved based on standardized account code structure expenditure data

Address questions to [sacsinfo@cde.ca.gov](mailto:sacsinfo@cde.ca.gov), or call 916-322-1770.

## 2017-18 Restricted Indirect Cost Rates for K-12 Local Educational Agencies (LEAs) – Five Year Listing

As of April 4, 2017

\* C = County

D = District

CA= Common Administration

J = Joint Powers Agency

| County Code | LEA Code | Type* | LEA Name                        | APPROVED RATES                                             |                                                |                                                |                                                |                                                |
|-------------|----------|-------|---------------------------------|------------------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|
|             |          |       |                                 | For use with state and federal programs, as allowable, in: |                                                |                                                |                                                |                                                |
|             |          |       |                                 | 2013-14<br>(based on 2011-12 expenditure data)             | 2014-15<br>(based on 2012-13 expenditure data) | 2015-16<br>(based on 2013-14 expenditure data) | 2016-17<br>(based on 2014-15 expenditure data) | 2017-18<br>(based on 2015-16 expenditure data) |
| 12          | 10124    | C     | Humboldt County Superintendent  | 7.86%                                                      | 8.61%                                          | 8.38%                                          | 8.35%                                          | 8.04%                                          |
| 12          | 62679    | D     | Arcata Elementary               | 3.82%                                                      | 7.80%                                          | 9.32%                                          | 5.13%                                          | 4.79%                                          |
| 12          | 62687    | D     | Northern Humboldt Union High    | 8.24%                                                      | 5.50%                                          | 8.41%                                          | 8.00%                                          | 6.58%                                          |
| 12          | 62695    | D     | Big Lagoon Union Elementary     | 4.39%                                                      | 4.69%                                          | 4.13%                                          | 6.95%                                          | 7.38%                                          |
| 12          | 62703    | D     | Blue Lake Union Elementary      | 3.97%                                                      | 3.36%                                          | 3.86%                                          | 3.21%                                          | 2.54%                                          |
| 12          | 62729    | D     | Bridgeville Elementary          | 5.73%                                                      | 5.09%                                          | 5.95%                                          | 8.98%                                          | 4.38%                                          |
| 12          | 62737    | D     | Cuddeback Union Elementary      | 3.71%                                                      | 4.33%                                          | 5.14%                                          | 4.98%                                          | 4.74%                                          |
| 12          | 62745    | D     | Cutten Elementary               | 3.98%                                                      | 4.58%                                          | 4.76%                                          | 4.13%                                          | 4.17%                                          |
| 12          | 62794    | D     | Fieldbrook Elementary           | 5.58%                                                      | 4.88%                                          | 4.83%                                          | 5.19%                                          | 4.50%                                          |
| 12          | 62810    | D     | Fortuna Union High              | 4.27%                                                      | 3.47%                                          | 3.36%                                          | 4.04%                                          | 3.43%                                          |
| 12          | 62828    | D     | Freshwater Elementary           | 2.61%                                                      | 2.92%                                          | 3.25%                                          | 3.04%                                          | 3.08%                                          |
| 12          | 62836    | D     | Garfield Elementary             | 8.72%                                                      | 3.69%                                          | 8.06%                                          | 6.68%                                          | 8.31%                                          |
| 12          | 62851    | D     | Green Point Elementary          | 6.21%                                                      | 5.87%                                          | 7.44%                                          | 5.60%                                          | 4.54%                                          |
| 12          | 62885    | D     | Hydesville Elementary           | 7.49%                                                      | 6.78%                                          | 5.97%                                          | 6.23%                                          | 4.78%                                          |
| 12          | 62893    | D     | Jacoby Creek Elementary         | 4.23%                                                      | 3.89%                                          | 3.03%                                          | 3.56%                                          | 3.87%                                          |
| 12          | 62901    | D     | Klamath-Trinity Joint Unified   | 9.15%                                                      | 8.58%                                          | 7.73%                                          | 6.90%                                          | 8.48%                                          |
| 12          | 62919    | D     | Kneeland Elementary             | 5.20%                                                      | 5.92%                                          | 6.43%                                          | 6.67%                                          | 6.61%                                          |
| 12          | 62927    | D     | Loleta Union Elementary         | 5.69%                                                      | 4.72%                                          | 5.60%                                          | 6.38%                                          | 5.28%                                          |
| 12          | 62935    | D     | Maple Creek Elementary          | 5.13%                                                      | 7.03%                                          | 7.16%                                          | 6.09%                                          | 3.98%                                          |
| 12          | 62950    | D     | McKinleyville Union Elementary  | 4.77%                                                      | 6.74%                                          | 5.83%                                          | 5.12%                                          | 5.03%                                          |
| 12          | 62968    | D     | Orick Elementary                | 13.00%                                                     | 16.38%                                         | 16.67%                                         | 13.95%                                         | 11.39%                                         |
| 12          | 62976    | D     | Pacific Union Elementary        | 2.40%                                                      | 2.30%                                          | 1.76%                                          | 1.91%                                          | 2.13%                                          |
| 12          | 62984    | D     | Peninsula Union Elementary      | 8.61%                                                      | 9.56%                                          | 11.35%                                         | 10.56%                                         | 9.18%                                          |
| 12          | 63008    | D     | Rio Dell Elementary             | 5.58%                                                      | 5.81%                                          | 5.39%                                          | 1.45%                                          | 2.13%                                          |
| 12          | 63024    | D     | Scotia Union Elementary         | 2.53%                                                      | 3.26%                                          | 3.20%                                          | 3.06%                                          | 2.99%                                          |
| 12          | 63032    | D     | South Bay Union Elementary      | 3.55%                                                      | 3.31%                                          | 5.34%                                          | 5.50%                                          | 5.65%                                          |
| 12          | 63040    | D     | Southern Humboldt Joint Unified | 3.93%                                                      | 5.44%                                          | 7.02%                                          | 6.24%                                          | 7.31%                                          |
| 12          | 63057    | D     | Trinidad Union Elementary       | 3.11%                                                      | 5.15%                                          | 4.82%                                          | 5.30%                                          | 3.50%                                          |
| 12          | 75374    | D     | Ferndale Unified                | 4.33%                                                      | 4.74%                                          | 4.73%                                          | 7.50%                                          | 6.90%                                          |
| 12          | 75382    | D     | Mattole Unified                 | 8.67%                                                      | 4.55%                                          | 6.80%                                          | 5.13%                                          | 6.16%                                          |
| 12          | 75515    | D     | Eureka City Unified             | 6.99%                                                      | 7.45%                                          | 7.60%                                          | 5.64%                                          | 5.21%                                          |
| 12          | 76802    | D     | Fortuna Elementary              | 7.43%                                                      | 6.12%                                          | 4.01%                                          | 4.41%                                          | 5.86%                                          |

## 2016-17 & 2017-18 Indirect Cost Rates - Charter Schools As approved by CDE

| County Code | District Code | School Code | Charter School Name<br>(sorted by county-district-school code) | For use with state and federal programs, as allowable, in: |                           |
|-------------|---------------|-------------|----------------------------------------------------------------|------------------------------------------------------------|---------------------------|
|             |               |             |                                                                | 2016-17<br>Approved Rates                                  | 2017-18<br>Approved Rates |
| 12          | 10124         | 0115097     | Northcoast Preparatory and Performing Arts Academy             | 6.15%                                                      | 8.41%                     |
| 12          | 62679         | 0109975     | Fuente Nueva Charter                                           | 5.13%                                                      | 4.79%                     |
| 12          | 62679         | 0111708     | Union Street Charter                                           | 5.13%                                                      | 4.79%                     |
| 12          | 62679         | 0127266     | Redwood Coast Montessori                                       | 5.13%                                                      | 4.79%                     |
| 12          | 62679         | 6120562     | Coastal Grove Charter                                          | 5.13%                                                      | 4.79%                     |
| 12          | 62687         | 0107110     | Six Rivers Charter High                                        | 8.00%                                                      | 6.58%                     |
| 12          | 62687         | 0124263     | Laurel Tree Charter                                            | 3.97%                                                      | 2.74%                     |
| 12          | 62828         | 6116289     | Freshwater Charter Middle                                      | 3.04%                                                      | 3.08%                     |
| 12          | 62893         | 6007959     | Jacoby Creek                                                   | 3.56%                                                      | n/a                       |
| 12          | 62927         | 1230150     | Pacific View Charter                                           | 8.13%                                                      | 3.89%                     |
| 12          | 62976         | 0115154     | Trillium Charter                                               | 1.91%                                                      | 2.13%                     |
| 12          | 63032         | 0111203     | Alder Grove Charter                                            | 5.27%                                                      | 4.84%                     |
| 12          | 63032         | 0124289     | South Bay Charter                                              | 5.50%                                                      | 5.65%                     |
| 12          | 75382         | 1230135     | Mattole Valley Charter (#159)                                  | 5.13%                                                      | 6.16%                     |
| 12          | 76802         | 0124164     | Redwood Preparatory Charter                                    | 8.72%                                                      | 7.25%                     |

2016-17 For food service programs for fiscal year 2016-17, districts are limited to the lesser of:  
Their CDE approved indirect cost rate (approved April 2016, based on 2014-15 data) or 4.92%

2017-18 For food service programs for fiscal year 2017-18, districts are limited to the lesser of:  
Their CDE approved indirect cost rate (approved April 2017, based on 2015-16 data) or 5.25%



Home / Finance & Grants / Accounting / Indirect Cost Rates (ICR)

## Frequently Asked Questions about Indirect Costs

Responses to frequently asked questions (FAQs) regarding the indirect cost process and indirect cost rates.

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In addition to these indirect cost and indirect cost rate FAQs, information on the indirect cost process is also available in Procedure 915 of the *California School Accounting Manual (CSAM)*, [<http://www.cde.ca.gov/fg/ac/sa/index.asp>] which may be viewed and printed.

### 1. What governs indirect cost rates for local educational agencies?

The United States Department of Education (ED) has approved a delegation agreement with the California Department of Education (CDE) that authorizes the CDE to establish indirect cost rates for California's local educational agencies (LEAs). Following is pertinent information concerning the agreement:

- Delegation Agreement Number: 2010-163
- Effective Period: July 1, 2010, to June 30, 2015, for rates approved for use in fiscal years 2011–12 through 2016–17. Note: an extension was granted to June 30, 2017 to cover rates approved through fiscal year 2018–19.
- Type of Indirect Cost Rate: Fixed Rate (with a carry-forward provision)
- Indirect Cost Rate Category: Restricted (computed per 34 *Code of Federal Regulations (CFR)* 76.564)
- Term Covered by the Rate: Indirect cost rates cover a one-year period and are calculated and approved annually.
- Use of Rate: Indirect cost rates are for use in the award and management of federal (and state) contracts, grants, and other assistance arrangements governed by Office of Management and Budget (OMB) Uniform Guidance 2 *CFR* part 200 and Education Department General Administrative Regulations (EDGAR) 34 *CFR* parts 75.561 and 76.561(b) and (c).

### 2. What are indirect costs?

Indirect costs are agency-wide, general management costs (i.e., activities for the direction and control of the agency as a whole). General management costs consist of administrative activities necessary for the general operation of the agency, such as accounting, budgeting, payroll preparation, personnel services, purchasing, and centralized data processing.



Conversely, direct costs are costs that provide measurable, direct benefits to particular programs. For LEAs, these can include costs that relate directly to instructional programs and also support costs that relate to the peripheral services necessary to maintain the instructional programs. Examples of LEA direct costs include salaries and benefits of teachers and instructional aides, payments for textbooks, instructional supply purchases, and pupil service costs (e.g., counseling, health services, pupil transportation).

**3. What is an indirect cost rate?**

In general terms, an indirect cost rate is the percentage of an organization's indirect costs to its direct costs and is a standardized method of charging individual programs for their share of indirect costs.

**4. Why use an indirect cost rate? How does it benefit an organization?**

General management costs are necessary for any program to exist. For instance, all programs will use the business office at one time or another for services such as contracts, purchasing, payroll checks, and personnel management. Without the benefit of an indirect cost rate, there would be no standard way for each program to contribute its share of the general management costs without spending a lot of staff time having to "time account" to each activity. By using an indirect cost rate, LEAs have a standardized, efficient way to recover a share of general management costs from individual programs.

**5. I hear that indirect costs cannot be charged on certain types of costs. What are these costs and why can I not charge indirect costs against them?**

Certain types of costs (activities) require relatively minimal administrative support compared to the amount of dollars spent. These costs would distort the indirect cost process and are excluded from the calculation of the indirect cost rate. Following are the most common costs excluded from the calculation:

Subagreements for Services (object 5100), which include expenditures for subagreements and subawards pursuant to certain contracts, subcontracts, and subgrants.

Capital Outlay (objects 6000–6999), which includes expenditures for items such as the acquisition of land, improvements to sites, construction or purchase of new buildings, books and media for new schools, major expansions of school libraries, and capitalized equipment.

Other Outgo (objects 7000–7499) and Other Financing Uses (objects 7600–7699), which include items such as tuition, excess cost payments, pass-through funds, transfers out, debt service, and transfers between funds.

Since these costs are excluded from the determination of the indirect cost rate, it is not appropriate to include them in the pool of eligible program expenditures on which to charge indirect costs. (See CSAM [<http://www.cde.ca.gov/fg/ac/sa/index.asp>] Procedure 330 for further details on these categories of expenditures).

**6. Is equipment, especially personal computers, considered capital outlay?**

If the per unit cost of the personal computer exceeds the LEA's capitalization threshold, it is accounted for as capital outlay; if the per unit cost is below the capitalization threshold, it is considered materials and supplies, not capital outlay.

In general, there are certain criteria that must be met before equipment is considered to be capital outlay. CSAM [<http://www.cde.ca.gov/fg/ac/sa/index.asp>] Procedure 770 lists these criteria, such as whether the item has a normal service life of more than one year, the item is usually repaired rather than replaced, the cost to inventory the item is only a small percentage of the purchase price, and the item's per unit purchase price exceeds the LEA's capitalization threshold. CSAM recommends an equipment capitalization threshold of at least \$5,000, but this may vary by LEA. Procedure 770 also includes guidance on capitalizing groups of items acquired at the same time that do not meet the threshold for capitalization individually.

Equipment that costs more than the inventory threshold (typically \$500), but less than the capitalization threshold, is not considered capital outlay and is accounted for as noncapitalized equipment using Object 4400.

## **7. How is an indirect cost rate calculated?**

The CDE has been granted authority by the ED to review and approve indirect cost rates for California LEAs (county offices of education, school districts, joint powers agencies, and charter schools).

Preliminary LEA indirect cost rates are calculated in the CDE's standardized account code structure (SACS) software using an indirect cost rate work sheet (Form ICR). To calculate the rate SACS Form ICR divides an LEA's general administration costs (the numerator of the calculation) by its operating costs (the denominator). An adjustment is also made for the difference between the rate approved for use in a year and the amount of indirect costs actually expended. (See CSAM [<http://www.cde.ca.gov/fg/ac/sa/index.asp>] Procedure 915 for further information on the indirect cost rate calculation).

LEAs annually submit Form ICR to the CDE along with their year-end financial reports. Once all LEA year-end financial data have been collected and reviewed by the CDE, a listing of approved indirect cost rates [<http://www.cde.ca.gov/fg/ac/ic/index.asp>] is posted.

## **8. How do I know what rate to use in what year?**

The approved listing of indirect cost rates indicates in what fiscal year the rates are to be used. Data submitted for a particular fiscal year produce indirect cost rates that are used in the second subsequent fiscal year (e.g., 2015–16 data produce indirect cost rates that are used in 2017–18).

The rate should be used in the fiscal year the funds are expended, which is not necessarily the same as the fiscal year the funds are appropriated, received, or encumbered. For instance, if money for a program is received in May 2016, which is part of fiscal year 2015–16, but the funds are not expended until fiscal year 2016–17, then the indirect cost rate approved for use in 2016–17 should be used when claiming indirect costs. This is because the indirect cost rate is meant to allow for recovery of costs in the fiscal year the expenditures are incurred, not the year the money may have become available.

**9. What rate do I use for projects that cover more than one year?**

If more than one fiscal year is involved in a project, the indirect cost rate used to recover indirect costs should change as the fiscal year changes. For instance, using an 18-month program starting August 1, 2015, the indirect cost rate approved for use in fiscal year 2015–16 would be used for expenditures incurred August 1, 2015, through June 30, 2016, and a new indirect cost rate approved for use in fiscal year 2016–17 would be used for expenditures incurred from July 1, 2016, until January 31, 2017.

For programs that follow the federal fiscal year, October 1 to September 30, the rates are still applied using the LEA's fiscal year as the basis. For example, the approved rate for the initial fiscal year would be used for October 1 through June 30, and then the new approved rate would be used for the July 1 through September 30 time period.

**10. What determines if indirect costs can be charged to a program?**

In the absence of statutory or regulatory language that would prohibit claiming indirect costs (e.g., if the legislation is silent on the subject of indirect costs), then indirect costs can generally be charged. But, if the authorizing legislation says that funds must be spent solely on the item in question, then indirect costs cannot usually be claimed. For instance, if a program states that funds are specifically limited to instructional materials, then charging indirect costs would not be allowed. (Because the statutes and regulations vary by program, questions on whether indirect costs can be charged to a specific program should be directed to the CDE unit responsible for administering the program.)

**11. Is there a cap or limit on the amount of indirect costs that can be charged?**

An LEA may claim up to its approved indirect cost rate unless there is specific authority (legislation or regulation) to limit the rate. For instance, if program statutory or regulatory language limits indirect costs to 3 percent, and an LEA has an approved rate of 5.25 percent, only 3 percent can be charged to the program for indirect costs; if the LEA had an approved rate of 2.75 percent, only 2.75 percent could be charged.

For caps associated with the food services programs, refer to question 17.

**12. How do I use the indirect cost rate to recover/charge indirect costs?**

If indirect costs are allowed, the indirect cost rate can be used to budget the maximum amount of indirect costs allowable for a program and then to claim the actual amount of indirect costs after the program expenditures have been made. It is important to remember that when recovering/charging indirect costs, the indirect cost rate is applied to the amount actually expended, not the total amount budgeted.

**Example of budgeting for indirect costs:** Assume an LEA's approved indirect cost rate is 8.00 percent and the grant amount is \$10,000. The LEA plans to spend the entire \$10,000 in the same fiscal year and does not expect to spend any of the \$10,000 on excluded costs (see question 5 for further information on excluded costs). Since the grant amount is for \$10,000, and indirect costs are part of the grant amount rather than in addition to it, you must back into a budgeted indirect cost amount that keeps the grant from exceeding \$10,000. To do this, divide \$10,000 by 1.08, which equals \$9,259.26. Then subtract \$9,259.26 from \$10,000, which equals \$740.74. The \$740.74 is the maximum amount the LEA could budget for indirect costs. (To test this, \$9,259.26 times 8.00 percent equals \$740.74, and \$9,259.26 plus \$740.74 equals \$10,000.)

**Example of charging indirect costs:** Assume an LEA's approved indirect cost rate is 8.00 percent and the grant amount is \$10,000. During the year, the LEA's actual grant expenditures totaled \$8,000, of which \$786 was for capital outlay (see question 5 for further information on capital outlay). The maximum amount that can be charged to the grant for indirect costs is \$577.12, which is \$7,214 (\$8,000 minus \$786) times 8.00 percent.

**13. Does an LEA have to charge the entire amount of indirect costs allowed by its indirect cost rate?**

An LEA may choose to claim less than the amount of indirect costs allowed by its indirect cost rate. Amounts not claimed under one award may not be shifted to another award, unless specifically authorized by legislation or regulation.

**14. What about claiming indirect costs in contracts between LEAs and the CDE?**

When indirect costs are allowed, LEAs should use their CDE-approved indirect cost rate as the basis for budgeting and claiming indirect cost reimbursements under contracts with the CDE. Contracts that cover more than one year should be structured to allow for adjustments for any rate(s) not yet known.

**15. Do schools, including charter schools, have approved indirect cost rates?**

Non-charter schools fall under the authority of their district; their expenditures are reported to the state as part of the district's General Fund and are used in the calculation of the district's indirect cost rate. This enables non-charter schools to use the indirect cost rate approved for their district.

Because of the unique circumstances surrounding charter schools, some are able to use the rate of their approving agency and some are not, depending on how their year-end expenditures were reported to the state. Please see our separate [charter school listing](http://www.cde.ca.gov/fg/ac/ic/index.asp) [<http://www.cde.ca.gov/fg/ac/ic/index.asp>] for details on approved rates for charter schools.

**16. Are there indirect cost rates for community colleges?**

The CDE's federally approved indirect cost plan only covers kindergarten through grade twelve (K-12) educational programs. Questions about indirect cost rates for community colleges should be directed to the Chancellor's Office at 916-445-8752.

**17. Are there statewide indirect cost rates?**

In compliance with *Education Code* sections 38101(c), the CDE annually calculates a statewide average rate for use by LEAs to recover indirect costs from food service programs. The food service programs limit indirect costs to the lesser of the LEA's approved rate or the statewide average rate.

The CDE calculates the statewide average rate by totaling the expenditures of elementary, high, unified, and common administration districts, thereby creating one statewide indirect cost pool and one statewide direct/direct support cost pool. The rest of the calculation is done the same as for individual LEAs, as if the statewide expenditures from all LEAs were a single LEA. For the latest statewide rate, please see our [statewide rates listing](http://www.cde.ca.gov/fg/ac/ic/index.asp). [<http://www.cde.ca.gov/fg/ac/ic/index.asp>]

**18. Can entities other than LEAs get an indirect cost rate?**

The CDE may assign indirect cost rates to non-LEAs that receive funding from the CDE as long as the

non-LEA receives little or no funding directly from any federal agency. (A non-LEA that receives funding directly from a federal agency would apply to that agency for a rate.) Examples of non-LEAs covered by this include private schools, consortia, and nonprofit entities (other than charter schools).

Non-LEAs requesting an indirect cost rate from the CDE should contact the Office of Financial Accountability and Information Services by e-mail or by phone as listed in the Questions section of this page.

**Questions: Financial Accountability & Information Services | [sacsinfo@cde.ca.gov](mailto:sacsinfo@cde.ca.gov) | 916-322-1770**

Last Reviewed: Wednesday, April 12, 2017

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## Employee Ratio Worksheet

District \_\_\_\_\_ Fiscal Year \_\_\_\_\_

Data Compiled as of \_\_\_\_\_  
(Date)

This worksheet may be utilized to summarize school district certificated staffing data for the purpose of annually monitoring the district's administrator-teacher ratio as required by *Education Code* sections 41400-41407. The information will be reviewed as part of the district's annual audit required by *Education Code* Section 41020. Do not submit this worksheet to the California Department of Education. Retain the worksheet and present the data upon request of district's independent auditor. (Note: county offices of education and charter schools are not subject to the requirements of *Education Code* sections 41400-41407.)

**Part I**      **Number of Certificated Employees** (Full-time equivalents (FTE),  
calculated to two decimal places, to include full-time, part-time,  
and prorated positions)

- A) Administrative ..... FTE
- B) Exempt Administrative ..... FTE
- C) Net Administrative ..... FTE  
(Line A minus Line B above)
- D) Teachers ..... FTE
- E) Pupil Services ..... FTE

**Part II**      **Maximum Number of Administrative Employees** (Calculate to  
two decimals)

- A) Allowed Ratio .....  
(Enter .08 for unified, .07 for high school,  
or .09 for elementary school districts)
- B) Maximum Administrators ..... FTE  
(Ratio from Part II, Line A x Teacher  
FTE from Part I, Line D)

**Part III**      **Excess Administrator FTE** (Calculate to two decimals)

- A) Actual Excess ..... FTE  
(Part I, Line C minus Part II, Line B. If  
zero or negative, enter -0-)
- B) Rounded Excess ..... FTE  
(Round any FTE reported on Part III, Line  
A to the nearest whole number (e.g. 0.49 or less  
rounds to 0.00, 0.50 or above rounds to 1.00,  
1.49 rounds to 1.00, and 1.50 to 2.00, etc.))

If Part III, Line B is zero or Part I, Line A shows one or fewer FTE, stop here. The district is in compliance with, or is exempt from, the employee ratio limitations imposed by Education Code Section 41402.

If Part II, Line B is greater than zero, continue to complete the remainder of this form.

**Part IV                      Penalty for Excess Administrator FTE**

- A) District's Total State Revenue ..... \$ \_\_\_\_\_  
(Prior Year Unaudited Actual Financial Report)
- B) District's Total Revenue and Other Financing  
Sources ..... \$ \_\_\_\_\_  
(Prior Year Unaudited Actual Financial Report)
- C) Portion of State Revenue in Total Revenue ..... \$ \_\_\_\_\_  
(Part IV, Line A divided by Part IV, Line B.  
Calculate to two decimals)
- D) Total Annual Salaries of the Administrative  
FTE reported on Part I, Line A ..... \$ \_\_\_\_\_
- E) Average Administrator Salary ..... \$ \_\_\_\_\_  
(Part IV, Line D divided by FTE from Part I,  
Line A. Calculate to nearest whole number.)
- F) State Funded Share of Administrator Salary ..... \$ \_\_\_\_\_  
(Part IV, Line E x Part IV, Line C. Calculate  
to the nearest whole number)
- G) Penalty ..... \$ \_\_\_\_\_  
(Part IV, Line F x Part III, Line B)

|                    |        |
|--------------------|--------|
| Prepared by: _____ | _____  |
| (Name)             | (Date) |



Home / Finance & Grants / Allocations & Apportionments / Categorical Programs

## ATR Guidelines

Guidelines for assessing the ratio of administrative employees to teachers.

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### Guidelines for Assessing the Ratio of Administrative Employees to Teachers

#### General Information

1. The "Employee Ratio Worksheet" may be utilized to summarize staffing data for the purpose of annually monitoring the administrator-teacher ratio in school districts as required by *Education Code* sections 41400-41407.

Note: *Education Code* sections 41400-41407 do not apply to charter schools or county offices of education. Charter schools and county offices of education are not required to summarize their staffing data or monitor their ratio of administrators to teachers pursuant to these statutes.

2. The district's ratio of administrative employees to teachers as governed by *Education Code* Section 41402 will be reviewed as part of the district's annual audit required by *Education Code* Section 41020. To prepare for the annual audit, school districts must compile the information identified on the worksheet as of a date selected by the school district. It is not mandatory that the worksheet be utilized as long as the district is capable of providing the auditor with the data required by *Education Code* sections 41403 and 41404 (i.e. the data requested on the worksheet). The data or completed worksheet should be maintained in district files. The worksheet need not be submitted to the California Department of Education.
3. Common administered districts complying with provisions of *Education Code* Section 35111 should combine data from both school districts. Combined information from both districts and the employee ratio applicable to unified school districts will be utilized to assess compliance with *Education Code* Section 41402.

Note: Although exempt from any penalties resulting from the application of *Education Code* Section 41404, school districts with one or fewer administrative full-time equivalent (FTE) employees will be subject to audit and are, therefore, advised to compile the certificated employee data required by *Education Code* Section 41403 and discussed in these instructions.

4. With the exception of those employees on unpaid leave and exclusive of any employees in a charter school, all employees on the district payroll in positions requiring certification qualifications on the date selected by the school district should be included in the FTE calculated to two decimal places. This includes employees in adult education, continuation, child development, and regional occupational



programs. The FTE should include full-time, part-time, and prorated portions of employee time. Do not include the FTE of employees in positions requiring childcare permits. Certification qualifications cannot be construed to include childcare permits. Do not include substitutes for employees on paid leave unless the employee for whom they are substituting is not counted.

Note: The FTE for hourly employees in the adult education program may be estimated using prior year data. Divide the prior year total hours logged by adult education hourly employees by the prior year annual number of hours of service required for a full-time teacher in the district.

5. Categorize employees according to duties performed. Prorate employees performing multiple functions between employee categories as appropriate.
6. Each employee class may have a different number of hours designated as full-time (30 hours per week is the minimum acceptable for this report). As a result, employees should be judged within their own category for purposes of establishing an FTE. Divide the hours worked per week by the full-time norm expected for the job classification.

Note: Please see note following number 4, above for calculation of adult education FTE.

7. No individual may be counted as more than one full-time equivalent employee unless the individual is employed on a part-time basis in adult education, driver education (including driver training), vocational education, or any part-time or additional teaching assignment (excluding summer session/intersession) in addition to his or her regular full-time assignment.
8. Questions regarding the administrative employee to teacher ratio may be directed to Thi Huynh, School Fiscal Services Division, at (916) 324-4555, or by e-mail at [thuynh@cde.ca.gov](mailto:thuynh@cde.ca.gov).

## Specific Instructions for the Worksheet

All employee FTE should be assessed in the current fiscal year as of a single date selected by the school district. That date should be identified on the line provided on the worksheet.

### Part I. Number of Certificated Employees (Definitions from *Education Code* Section 41401)

- **Administrative** - Enter the FTE of a district employee for the amount of time the employee is in a position requiring certification but is not required to provide direct instruction to pupils or direct services to pupils (services such as those provided by pupil services employees defined below). Do not include any FTE associated with the administration of a charter school. Do not include the portion of a teacher's FTE representing any time released from the classroom to perform instruction preparation functions such as peer coaching, curriculum development, and department chairing (report fully as teachers). Do not include program specialists defined in *Education Code* Section 56368 (report as pupil services). The FTE of pupil services administrators associated with the supervision and evaluation of certificated employees that provide services directly to students should not be included in the administrative category (report as pupil services). Superintendents, business managers, and deputy, associate or assistant superintendents should not be reported if the governing board of the district has acted in conformity with *Education Code* sections 35028-35029 and 44069. In such cases the position does not require a credential and is deemed as classified.

Note: As used in this definition, certification means any form of credential, e.g., teaching, services, or administrative. An employee need not have an administrative credential to be reported as an administrator.

- **Exempt Administrative** - Report that portion of an administrative FTE which is funded from federal sources, e.g., Title 1 of the Elementary Secondary Education Act as amended by the No Child Left Behind Act of 2001 (PL 107-110).

Note: Restrictive language in *Education Code* Section 41403(a) and (b) for all practical matters excludes state categorical funding as a condition for exemption.

- **Net Administrative** - Enter the difference derived from subtracting line B from line A.
- **Teachers** - Enter the FTE of an employee of the district for the amount of time the employee holds a position requiring certification and performs duties requiring direct instruction of pupils in the school(s) of the district. Do not include any FTE for teachers in charter schools. A teacher's instructional preparation time will be counted as part of the teacher full-time equivalent, including, but not limited to, mentor teacher or department chairperson time. Substitute teachers may be counted only if the employee for whom they are substituting is not counted. "Teacher" should include, but should not be limited to, the following: teachers of special classes; teachers of exceptional children; teachers of physically handicapped minors; teachers of mentally retarded minors; instructional television teachers; learning disability group teachers; speech therapists; and teachers released from the classroom for a portion of the day to develop curriculum, act as mentor teachers, or serve as department chairpersons.
- **Pupil Services** - Enter the FTE of a district employee for the amount of time the employee is in a position requiring a standard services credential, health and development credential, or a librarian credential and provides direct services to pupils (e.g., counselors, welfare personnel, librarians, psychologists, nurses, etc.). Exclude any FTE for employees serving charter schools. Program specialists defined in *Education Code* Section 56368 should be reported as pupil services employees. The FTE for pupil services administrators that is spent in direct supervision or evaluation of an employee providing services directly to students should be included in the pupil services category. Proration may be necessary if only some of the individuals evaluated are pupil services employees.

Note: A portion of a certified employee's FTE may be assigned to the pupil services category without the employee holding a services credential. Certificated employees may be partially identified as pupil services by sole virtue of providing pupil services directly to students. Districts are cautioned, however, that adequate supporting documentation must be maintained in such prorations. The documentation should include duty statements demonstrating the provision of pupil services directly to students. If the duty statement does not provide a percentage breakdown of the duties, it will be necessary to secure an employee affidavit or maintain time accounting instruments to establish the portion of FTE associated with direct pupil services.

Districts are cautioned that there may be credentialing requirements outside the scope of the administrator-teacher ratio laws that must be satisfied before an employee may legally perform specific functions. The appropriate services credential is required, however, when the employee's total FTE is categorized as pupil services.

## Part II. Maximum Number of Administrative Employees

- **Allowed Ratio** - Enter the maximum ratio per hundred teachers pursuant to *Education Code* Section 41402 as follows:
  - elementary school district .09
  - high school districts .07
  - unified school districts .08
  - common administered districts complying with *Education Code* Section 35111 .08
- **Maximum Administrators** - Calculate the maximum number of administrative employees that may be employed by the district based upon the application of the appropriate ratio prescribed in *Education Code* Section 41402. Multiply the teacher FTE on Line D of Part I by the ratio on Line A of Part II. Round the result to two decimal places.

## Part III. Excess Administrator FTE

- **Actual Excess** - Subtract the administrator limit, calculated on Line B of Part II from the net administrative FTE reported on Line C of Part I.
- **Rounded Excess** - Round the excess administrator FTE on Line A, Part III to the nearest whole number (e.g., 0.49 rounds to 0; 1.50 rounds to 2). **If the result is zero or negative, the district is within the established ratio and need not proceed further.** If the result is positive one (1) or greater, the district should complete the remainder of the worksheet.

## Part IV. Penalty for Excess Administrator FTE

- **District's Total State Revenue** - If the district uses the standardized account code structure (SACS), from the Unaudited Actual Financial Report, enter the Total State Revenue from Column C of Form 01, object codes 8011 through 8029, plus the total of Other State Revenues from Section A.3 in Column C (object codes 8300 through 8599), less account 8560, State Lottery Revenue.

If the district uses Form 201, from the Unaudited Actual Financial Report, enter the Total State Revenue from Column C of Form J201R, account codes 8011 through 8029, plus the total of Other State Revenues from Section A.3 in Column C (account codes 8300 through 8599), less account 8560, State Lottery Revenue.

- **District's Total Revenue and Other Financing Sources** - If the district uses the standardized account code structure (SACS), from the Unaudited Actual Financial Report, enter the district's Total Revenue and Other Financing Sources from Column C of Form 01, Section A.5, Total Revenues, plus Section D.1.a, Interfund Transfers In, plus Section D.2.a, Other Sources.

If the district uses Form 201, from the Unaudited Actual Financial Report, enter the district's Total Revenue and Other Financing Sources from Column C of Form J-201, Section A.5, Total Revenues, plus Section D.1.a., Interfund Transfers In, plus Section D.2.a, Other Sources.

- **Portion of State Revenue in Total Revenue** - Divide the total state revenue, excluding lottery revenue (Line A, Part IV), by the total district revenue and other financing sources (Line B, Part IV), to obtain the percent of state revenue and other financing sources in total district revenue.

- **Total Annual Salaries of Administrative FTE** - Report the sum total of annual base salaries (exclusive of benefits) for the administrative FTE reported on Line A, Part I (e.g., one-half the annual salary for .5 FTE administrator).
- **Average Administrator Salary** - Calculate the district's average administrator salary by dividing total administrator salaries on Line D, Part IV, by the administrative FTE reported in Line A, Part I.
- **State Funded Share of Administrator Salary** - Multiply the percent of state income in the total district income, Line C, Part IV, by the district's average annual administrator salary on Line E, Part IV. This product represents the State's share of an administrator's salary.
- **Penalty** - Multiply the State's share of the average administrator salary, Line F, Part IV, by the number of excess administrators calculated on Line B, Part III. This product will be the district's penalty.

**Questions:** Thi Huynh | [thuynh@cde.ca.gov](mailto:thuynh@cde.ca.gov) | 916-324-4555

Last Reviewed: Thursday, May 12, 2016

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CALIFORNIA  
DEPARTMENT OF  
EDUCATION

TOM TORLAKSON  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

January 15, 2017

RECEIVED

JAN 17 2017

SUPERINTENDENT'S  
OFFICE

Dear County and District Superintendents, County and District Chief Business Officials,  
and Charter School Administrators:

### INTEREST EARNED ON FEDERAL FUNDS

The California Department of Education (CDE) is issuing this letter to remind local educational agency (LEA) fiscal officials of the federal administrative requirements for remitting interest earned on advances of federal program funds.

Title 2, *Code of Federal Regulations (CFR)*, Part 200, Section 200.305, requires grantees and sub-grantees to remit interest earned on advances to the federal agency. Grantees or sub-grantees may retain interest amounts up to \$500 per year for related administrative expenses.

LEAs should remit to the CDE only the interest earned on federal program advances administered by the CDE; interest earned on non-CDE administered program advances should be calculated separately and remitted to the Federal Treasury via the appropriate state or federal agency. In addition, LEAs should only calculate interest on the cash balances of federal program advances; the cash balances of federal reimbursement programs should be omitted in calculating federal interest due to the Federal Treasury.

To assist LEAs in complying with the federal administrative requirements for interest earned on federal program advances, please see the CDE's guidelines for calculating and remitting interest at <http://www.cde.ca.gov/fg/ac/co/intfedfunds-calculating.asp>.

The CDE requires LEAs to calculate and report interest on a quarterly basis. When remitting interest payments, include the County-District-School code and specify the time period(s) for which interest was earned (e.g., October 1, 2016 through December 31, 2016). If there is no interest to remit, submit an e-mail or letter to the CDE specifying the reporting period and stating no interest is due.

January 15, 2017  
Page 2

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If you have any questions or need assistance regarding the federal administrative requirements for interest earned on federal program advances, please contact the CDE, Audits and Investigations Division, at 916-322-2288, or by e-mail at [cashmanagement@cde.ca.gov](mailto:cashmanagement@cde.ca.gov).

Sincerely,



Kevin W. Chan, Director  
Audits and Investigations Division

KWC:tp

2016-17

# Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting



Education Audit Appeals Panel  
770 L Street, Suite 1100  
Sacramento, California 95814  
916.445.7745 fax 916.445.7626  
[www.eaap.ca.gov](http://www.eaap.ca.gov)

July 1, 2016

March 1, 2017

## TABLE OF CONTENTS

|                                                                            |        |
|----------------------------------------------------------------------------|--------|
| GENERAL PROVISIONS                                                         | 1      |
| ABBREVIATIONS                                                              | 1      |
| SCOPE/AUDITOR JUDGEMENT                                                    | 1      |
| AUDITING STANDARDS                                                         | 1      |
| MATERIALITY LEVELS                                                         | 1      |
| REPORT COMPONENTS                                                          | 2      |
| <br>LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS                    | <br>6  |
| A.    ATTENDANCE                                                           | 6      |
| B.    TEACHER CERTIFICATION AND MISASSIGNMENTS                             | 7      |
| C.    KINDERGARTEN CONTINUANCE                                             | 8      |
| D.    INDEPENDENT STUDY                                                    | 8      |
| E.    CONTINUATION EDUCATION                                               | 14     |
| F.    INSTRUCTIONAL TIME                                                   | 16     |
| G.    INSTRUCTIONAL MATERIALS                                              | 19     |
| H.    RATIO OF ADMINISTRATIVE EMPLOYEES TO TEACHERS                        | 20     |
| I.    CLASSROOM TEACHER SALARIES                                           | 21     |
| J.    EARLY RETIREMENT INCENTIVE                                           | 21     |
| K.    GANN LIMIT CALCULATION                                               | 22     |
| L.    SCHOOL ACCOUNTABILITY REPORT CARD                                    | 22     |
| M.    JUVENILE COURT SCHOOLS                                               | 24     |
| N.    MIDDLE OR EARLY COLLEGE HIGH SCHOOLS                                 | 25     |
| O.    K-3 GRADE SPAN ADJUSTMENT                                            | 25     |
| P.    TRANSPORTATION MAINTENANCE OF EFFORT                                 | 27     |
| Q.    [Reserved] <u>MENTAL HEALTH EXPENDITURES</u>                         | 27     |
| <br>SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS     | <br>28 |
| R.    EDUCATOR EFFECTIVENESS                                               | 28     |
| S.    CALIFORNIA CLEAN ENERGY JOBS ACT                                     | 29     |
| T.    AFTER SCHOOL EDUCATION AND SAFETY PROGRAM                            | 31     |
| U.    PROPER EXPENDITURE OF EDUCATION PROTECTION ACCOUNT FUNDS             | 34     |
| V.    [Reserved]                                                           | 34     |
| W.    UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS              | 35     |
| X.    LOCAL CONTROL AND ACCOUNTABILITY PLAN                                | 38     |
| Y.    INDEPENDENT STUDY-COURSE BASED                                       | 39     |
| Z.    IMMUNIZATIONS                                                        | 42     |
| <br>CHARTER SCHOOLS                                                        | <br>47 |
| AA.   ATTENDANCE                                                           | 47     |
| BB.   MODE OF INSTRUCTION                                                  | 49     |
| CC.   NONCLASSROOM-BASED INSTRUCTION/INDEPENDENT STUDY FOR CHARTER SCHOOLS | 50     |
| DD.   DETERMINATION OF FUNDING FOR NONCLASSROOM-BASED INSTRUCTION          | 54     |
| EE.   ANNUAL INSTRUCTIONAL MINUTES - CLASSROOM BASED                       | 56     |
| FF.   CHARTER SCHOOL FACILITY GRANT PROGRAM                                | 57     |
| <br>APPENDIX: LOCAL SCHOOL CONSTRUCTION BOND AUDITS                        | <br>58 |





Home / Finance & Grants / Accounting / Standardized Account Code Structure (SACS)

## SACS Minutes, February 2017, Attachment A

This document is Attachment A to the Standardized Account Code Structure (SACS) Forum minutes for February 7, 2017.

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### Coding/reporting issues observed in 2015–16 unaudited actuals data submissions

- **Issue:** Technology expenditures – function

**Correct Procedure:** Centralized data processing (i.e., technology) expenditures should be recorded to Function 7700 and not to Other General Administration Function 7200.

Technology expenditures attributable to instruction and instruction support should be charged to Function 1000, Instruction, and/or Function 2420, Instructional Library, Media and Technology, as appropriate.

Technology expenditures that become an integral part of the building, such as wiring a building to upgrade Internet and other technology services, are appropriately charged to Function 8100 or 8500, depending on whether the improvement is capitalizable.

**References:** *California School Accounting Manual (CSAM)* Procedure 325, Function (Activity) Classification

*CSAM* Procedure 630, Technology – Coding Examples

*CSAM* Procedure 770, Distinguishing Between Supplies and Equipment

- **Issue:** Technology expenditures – intangible assets

**Correct Procedure:** Software, such as enterprise reporting systems, whether purchased or licensed, may meet the criteria to be considered an intangible asset and reported in Object 6400 or 6500, rather than Object 5800.

**Reference:** Governmental Accounting Standards Board (GASB) Statement 51, Accounting and Financial Reporting for Intangible Assets

- **Issue:** No amount entered for Object 9796, "Net Investment in Capital Assets"

**Correct Procedure:** Object Code 9796 (Net Investment in Capital Assets) consists of capital assets, net of accumulated depreciation and less any related debt. Any deferred outflows and inflows of resources are also included.

The technical review check "NET-INV-CAP-ASSETS" reads: If capital asset amounts are imported/keyed, objects 9400-9489 (Capital Assets) in funds 61-73, then an amount should be recorded for Object 9796 (Net Investment in Capital Assets) within the same fund.

References: CSAM Procedure 330, Object Classification

- **Issue:** Postemployment Benefits Other Than Pensions (OPEB) expenditures

**Correct Procedure:** OPEB expenditures recorded in Object 3701 and Object 3702, OPEB Allocated, should be allocated among all activities – any combination of fund, goal and/or function, but not necessarily resource – as appropriate in proportion to total salaries or Full-time equivalents (FTEs) in all activities. This allocation should be done even when benefits are paid on a “pay as you go” basis; that is, the amount paid represents current year benefits for already retired employees. Amounts paid should not be charged only to the account lines of the retired employees’ former salaries.

In addition, a portion of the “pay as you go” amount may be attributable to normal costs and/or unamortized liability for OPEB-eligible current employees. Generally, these amounts are direct-charged to the programs in which active employees’ salaries are charged. Consult CSAM for specific guidance.

**Reference:** CSAM Procedure 785, Postemployment Benefits Other Than Pensions

- **Issue:** PCRAF - Unrealistic or incorrect allocation factors for undistributed support costs

**Example:** FTE entered for only one instructional program, resulting in allocation of all undistributed costs to that program; or an implausibly low number of FTE per program, e.g. one FTE for regular education; or dollar amounts entered instead of factors.

**Correct Procedure:** To assure that costs are allocated on a consistent and standard basis, allocation factors should reflect real counts of the teacher FTEs, classroom units (square footage utilized), or pupils transported in all instructional programs operated by the local educational Agency (LEA).

**Reference:** CSAM Procedure 910, Program Cost Accounting

- **Issue:** PCRAF - Allocation factors entered for programs for which there are no direct costs

**Correct Procedure:** Undistributed support costs should normally only be allocated to programs in which direct charged costs are incurred.

The PCR/PCRAF should not be used to allocate costs incurred on behalf of other entities, such as charter schools, in lieu of recording them correctly to Goal 7110 in the GL.

**Reference:** CSAM Procedure 910, Program Cost Accounting

- **Issue:** Technical review check (TRC) explanations that are meaningless or otherwise unhelpful, or repetitive use of the same explanation for exceptions (e.g., “will be corrected at 1st Interim”).

**Correct Procedure:** If the data is wrong, the LEA should correct the data before submitting it. If the LEA believes the data is right, the LEA should provide a meaningful explanation of why.

Note that revenue and expenditure accounts generally cannot be corrected in the coming year because these accounts are closed out to fund balance at the end of each year. If the data is wrong, it should be corrected before submission.

**Reference:** SACS User Guide and TRC instructions

- **Issue:** Indirect cost calculation (Form ICR) – in some cases indirect cost pool expenditures are being recorded incorrectly, resulting in an inappropriate indirect cost rate.
  - ◆ Administrative costs charged entirely to a general administration function when other functions benefit from those expenditures.
  - ◆ Use of Goal 8600, "County Services to Districts or other county offices."
  - ◆ Audit costs not charged to the appropriate function.
  - ◆ Abnormal or mass separation costs not excluded from the indirect cost pool.
  - ◆ OPEB costs charged entirely or disproportionately to a general administration function.
  - ◆ Insurance, legal and communications costs charged entirely to a general administrative function.
  - ◆ Incorrect use of Function 7700, Centralized Data Processing, for costs other than those of a general administrative nature.

**Correct Procedure:**

- ◆ Especially for small school districts and charter schools, administrative costs should be allocated between general administration, board and superintendent (functions 71XX), school administration (Function 2700), and/or other instructional support functions (functions 2XXX), as necessary. For salaries, standard distributions (e.g. 70%/30% allocation between Function 2700/7200) may be used in lieu of time documentation.
- ◆ In lieu of time documentation, COEs performing activities in support of school districts or other county offices may allocate the costs 50%/50% between Goals 8600 and 0000 (Undistributed).
- ◆ Audit costs should be charged to either Function 7190 or 7191, depending on whether LEA is subject to federal Single Audit provisions.
- ◆ Abnormal or mass separation costs charged to a general administration function should be excluded by entering the appropriate amount in Part II, Line of the Indirect Cost Rate Worksheet, Form ICR.
- ◆ OPEB expenditures are allocated among all activities in proportion to total salaries or FTEs in all activities.
- ◆ Bus and food service vehicle insurance should be charged to functions 3600 and 3700, respectively. Pupil insurance should be charged to Function 1000.
- ◆ Legal costs should be recorded primarily to Function 7100 (Board and Superintendent), unless the costs are associated specifically with the business office, purchasing or personnel matters. Settlements should be charged to Function 7100.
- ◆ Communications costs such as telephone, cell phone, 2-way radio, and internet service should be charged partially to Function 2700, 7700, and maybe 8XXX, but generally not all to Function 7200.
- ◆ Costs on behalf of instructional programs should be reported in Function 1000, Instruction or Function 2420, Instructional Library, Media and Technology. Costs should be allocated between agency-wide and instruction and instruction-related functions as necessary. If all data processing costs are initially accumulated in Function 7700, instructional costs should be reclassified to the appropriate function(s) using Object 5710.

**References:** California Department of Education (CDE) letter dated 12-15-2006, "Indirect Cost and Accounting Changes Effective Beginning 2007-08."

CSAM Procedure 325, Function Classification

CSAM Procedure 785, Postemployment Benefits Other Than Pensions

CSAM Procedure 905, Documenting Salaries and Wages

CSAM Procedure 910, Program Cost Accounting

CSAM Procedure 915, Indirect Cost Rate

■ **Issue:** Charter school reporting/coding:

- ◆ Salaries reported without corresponding benefits.
- ◆ Salaries and corresponding benefits not recorded to the same resource, goal, and/or function.
- ◆ Management company fees lump-sum charged to one function, such as 7200.
- ◆ Charter school contracts for "back office" accounting services.
- ◆ Depreciation expense lump-sum charged to Function 7200 (Fund 62).
- ◆ Misconception that indirect cost rate does not apply.

**Correct Procedure:**

- ◆ Employee benefits should be recorded separately from the associated salary and in one or more appropriate benefit object codes.
- ◆ Salary and benefits for the same employee should normally be recorded to the same resource, goal, and function.
- ◆ Charter Management Organization (CMO) fees paid for charter school oversight should also be charged, in part, to those function(s) that best reflect the activity, such as instructional administration (Function 2100), school administration (Function 2700), or pupil services (functions 3000–3999).
- ◆ Fees paid for fiscal and business services are partially attributable to school administration and should be allocated appropriately. In lieu of a documented distribution, these costs may be charged 70% to school administration and 30% to general administration.
- ◆ Depreciation expense should be charged to the functions that benefit from the asset for which depreciation is charged. For example, depreciation on a school building that consists of regular education classrooms should be charged to Goal 1110, Function 1000.
- ◆ Indirect cost rates are calculated for charter schools that report separately using SACS, even if an indirect cost rate is not used.

**References:**

CSAM Procedure 325, Function Classification

CSAM Procedure 330, Object Classification

CSAM Procedure 905, Documenting Salaries and Wages

CSAM Procedure 910, Program Cost Accounting

CSAM Procedure 915, Indirect Cost Rate

**Questions: Financial Accountability & Information Services | [sacsinfo@cde.ca.gov](mailto:sacsinfo@cde.ca.gov) | 916-322-1770**

Last Reviewed: Tuesday, March 14, 2017

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# Changes to Matrix Tables for SACS Software

## April 6, 2017

The following changes have been made to the Standardized Account Code Structure (SACS) Matrix Tables. Updated tables can be found on the following CDE Web page:

<http://www.cde.ca.gov/fq/ac/ac/validcodes.asp>

The PCA/Resource spreadsheet and the Master List of Resources are also updated and can be found on the following CDE Web page:

<http://www.cde.ca.gov/fq/ac/ac/resource.asp>

**NOTE:** All new account codes and combinations are effective for 2016–17 unless specifically stated otherwise.

### **End Dates Added**

Combination of Fund 71 and Function 9100 ended June 30, 2016 (last available fiscal year 2015–2016).

FD 71 – Retiree Benefit Fund

FN 9100 – Debt Service

*To prevent LEAs from recording debt service transactions in Retiree Benefit Fund, Fund 71.*

Combination of Fund 71 and Object 7699 ended June 30, 2016 (last available fiscal year 2015–2016).

FD 71 – Retiree Benefit Fund

OB 7699 – All Other Financing Uses

*To prevent LEAs from recording debt service transactions in Retiree Benefit Fund, Fund 71.*

Resource 6264 ends June 30, 2019 (last available fiscal year 2018–2019).

RS 6264 – Educator Effectiveness

*This program is no longer funded. Combinations of this resource with all applicable funds and objects are no longer valid after June 30, 2019.*

Resource 6381 ends June 30, 2017.

RS 6381 – Linked Learning Pilot Program

*This program is no longer funded. Combinations of this resource with all applicable funds and objects are no longer valid after June 30, 2017.*

|                                                                                                   |
|---------------------------------------------------------------------------------------------------|
| <b>LEGEND:</b> FD = Fund, RS = Resource, YR = Project year, GO = Goal, FN = Function, OB = Object |
|---------------------------------------------------------------------------------------------------|

# HUMBOLDT COUNTY OFFICE OF EDUCATION

## PAYROLL YEAR END WORKSHOP

HCOE ANNEX BOARD ROOM - MAY 18, 2017 – 12:30 PM TO 2:30 PM

### A G E N D A

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#### Section I - RETIREMENT

Estelle Hawley

- ♦ CalPERS Benefit Education Event
- ♦ Payroll Contact List
- ♦ CalPERS
  - Special Compensation
  - Record Retention Policy
  - Documentation
- ♦ CalSTRS
  - Reduced Workload Applications
  - Return of Excess Contributions
- ♦ RETIREMENT
  - Compensation Not Reportable
  - Payroll Prelist – New Employees & Retirement Edits
- ♦ HANDOUTS
  - CalSTRS Directive 2017-03
  - CalSTRS Employer Information Circular Vol.33, Issue 2
  - CalPERS Circular Letter 200-028-17
  - Payroll Users Manual –CalSTRS Retiree Earnings Limit & Exceptions
- ♦ REMINDERS
  - CalSTRS Retirees/Members Accounts Payable Reporting to STRS
  - Reporting Separation
  - EDD – Unemployment/Reasonable Assurance Notifications Reminder
  - EDD – Taxes Reporting and Payment Processing Reminder

#### Section II-PAYROLL SUPPORT

Lori Rhinehart

- ♦ 2016/17 Final Payroll Processing
  - June Payroll Processing
  - DNP /Payroll AT A Glance Schedule
  - May/June/July Calendars
- ♦ 2017/18 Payroll Processes/Information
  - July Reminders
  - 2017/18 Payroll Calendars
  - Projected Payroll Rates and Information
  - Minimum Wage

- ♦ Payroll District Fiscal Year Roll Process/Authorization
  - Step by Step
  - Work Calendar Pay the Days Worked
- ♦ Reconciliation of the 9537 HW Account

Kathy Bubenik

**THANKS AND HAVE A GOOD YEAR END CLOSE!**

**MARK YOUR CALENDARS – BEGINNING OF THE YEAR PAYROLL WORKSHOP IS SCHEDULED FOR THURSDAY, AUGUST 17<sup>TH</sup>, 9 AM-12 NOON, BOARD ROOM ANNEX**

# **SECTION 1 - RETIREMENT**

## RETIREMENT

- 1 CalPERS Benefit Education Event  
May 19 and 20, 2017 Red Lion Hotel, Eureka
  - 2 District - Payroll Contact List
  - 3 PERS
    - a Special Compensation  
Record Retention Policy  
Documentation
    - b Coaching Stipends  
Not Special Compensation  
Stipend Salary Schedule  
Pay Rate - Publicly Available Salary Schedule  
How to Attach a Reasonable Pay Rate
    - c EFT - Electronic Funds Transfer  
EFT in lieu of a Check  
Golden Handshake  
Admin Fees
  - 4 STRS
    - a Reduced Workload Applications  
Processed After the June Payroll is Posted with STRS  
Applications
    - b Return of Excess Contributions  
Employer Feedback  
Employer Data Collection - Survey
  - 5 RETIREMENT
    - a Compensation Not Reportable 09-9-9 99-9-9  
01-4-09 01-8-09 01-1-09  
08-4-09 08-8-09 08-1-09  
  
same problem with STRS Ret Edit Combos
    - b Payroll Prelist - New Employees And Retirement Edits  
Warning 22: Payroll Name does not match RVR  
Warning 31: Classified service may qualify for PERS
  - 6 HANDOUTS
    - STRS Employer Directive 2017-03  
Postretirement Earnings Limit for the 2016-17 Fiscal Year,  
2017-18 Fiscal Year, and 2017 Calendar Year
    - STRS Employer Information Circular Vol. 33, Issue 2  
Pension Plan Limits For Tax Year 20174
    - PERS Circular Letter 200-028-17 May 10, 2017  
2017-18 School Employer and Employee Contribution Rates
- Payroll Users Manual STRS - Retirees Earnings Limit & Exemptions





# Know... about your benefits.

## CalPERS Benefits Education Events

### CalPERS Benefits Education Events are coming!

As you get closer to retirement it's important to review your CalPERS benefits to know if you're on the right path. Attend our CalPERS Benefits Education Events to learn about your retirement and health benefits, how to manage your deferred compensation once you retire, and how to access your personal information online. You'll also find information on Social Security, long term care and much more.

For more detailed information, visit us at  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

#### Up next...

**Friday, May 19 and**

**Saturday, May 20**

**8:30 a.m. - 4:00 p.m.**

**Red Lion Hotel Eureka**

**1929 4th Street**

**Eureka, CA 95501**

#### Events planned for 2017

July 21 & 22 Santa Clara

August 18 & 19 Pasadena

September 15 & 16 Garden Grove

*More dates to follow*



# Event Schedule CalPERS Benefits Education Events | Eureka, California

Exhibitors | 8:30 a.m. - 4:00 p.m. in the Pacific

| Room*                   | Oak                                                                 | Evergreen                                                | Humboldt Bay                                             |
|-------------------------|---------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| 9:00 - 10:00 a.m.       | Deferred Compensation - Early thru Mid-Career                       | Social Security                                          | CalPERS Retirement Benefits - Members Nearing Retirement |
| 10:15 - 11:15 a.m.      | CalPERS Health Benefits - Early thru Mid-Career Into Retirement     | CalPERS Retirement Benefits - Members Nearing Retirement | Social Security                                          |
| 11:30 a.m. - 12:20 p.m. | No session                                                          | myCalPERS - Member Self Service                          | No session                                               |
| 12:30 - 1:30 p.m.       | CalPERS Retirement Benefits - Early thru Mid-Career Into Retirement | CalPERS Health Benefits Into Retirement                  | Deferred Compensation - Members Nearing Retirement       |
| 1:45 - 2:45 p.m.        | Social Security                                                     | Deferred Compensation - Members Nearing Retirement       | CalPERS Health Benefits Into Retirement                  |
| 3:00 - 4:00 p.m.        | No session                                                          | CalPERS Retirement Benefits - Members Nearing Retirement | myCalPERS - Member Self Service                          |

## Class Descriptions

| Early thru Mid-Career                                                                                                                                                                                                                                                           | Members Nearing Retirement (less than 10 years)                                                                                                                                                                                                                                           | For Everyone                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>CalPERS Health Benefits</b> — This session provides a brief overview of your CalPERS health benefits. <i>Information provided is only for participants whose employer contracts with CalPERS for health coverage.</i></p>                                                 | <p><b>CalPERS Retirement Benefits</b> — As you get closer to retirement it is important to examine your retirement benefits to ensure you're on the right path. This session offers a basic review of your CalPERS pension and benefits.</p>                                              | <p><b>Social Security</b> — Gain a general understanding of the Social Security benefits available to you and your family. Topics include basic Social Security benefits, the Windfall Elimination Provision, Government Pension Offset, and Medicare.</p>                                                                                                                                                 |
| <p><b>CalPERS Retirement Benefits</b> — The earlier you develop an understanding of your retirement benefits, the more prepared you'll be to make sound decisions and develop a plan for your financial future.</p>                                                             | <p><b>CalPERS Health Benefits</b> — This session will provide an overview of your CalPERS health benefits and how to prepare for a smooth transition into retirement. <i>Information provided is only for participants whose employer contracts with CalPERS for health coverage.</i></p> | <p><b>myCalPERS - Member Self Service</b> — What can myCalPERS can do for you? Learn how to access our secure self-service website; estimate retirement benefits; review retirement payment options; apply for service retirement online; order and download publications; send and receive secure messages; register for classes; view annual member statements; and confirm health plan information.</p> |
| <p><b>Deferred Compensation</b> — Learn why saving for retirement is more important than ever. This breakout session will help you determine how much money you might need in retirement. <i>Information provided in this session may be useful to all CalPERS members.</i></p> | <p><b>Deferred Compensation</b> — Learn what you can do to manage and protect your Deferred Compensation during retirement. <i>Information provided in this session may be useful to all CalPERS members.</i></p>                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                            |

\*Breakout session rooms subject to change

## HUMBOLDT COUNTY OFFICE OF EDUCATION

5/11/2017

0-b DISTRICT - Payroll Contact List.xls

Revised 5/11/17

| District |                                                        |                                      |
|----------|--------------------------------------------------------|--------------------------------------|
| 01       | HCOE<br>Melody Murphy                                  | 445-7057                             |
| 02       | ARCATA<br>Judy Hollifield                              | 822-0351                             |
| 05       | BLUE LAKE<br>Robin Marks                               | 668-5674                             |
| 07       | BRIDGEVILLE<br>Jessica Springer                        | 777/3311                             |
| 09       | CUTTEN<br>Jeannemarie Baker                            | 441-3900                             |
| 12       | EUREKA CITY SCHOOLS<br>Krinstine Lane<br>Melissa Nakoa | FAX 441-0291<br>441-2433<br>441-2435 |
| 15       | FIELDBROOK<br>Meredith Moorehead                       | 839-3201                             |
| 26       | KLAMATH-TRINITY<br>Toni Colegrove ext. 1002            | 1-530-625-5600                       |
| 31       | MCKINLEYVILLE<br>Doreen Anello ext. 1004               | 839-1549                             |
| 33       | PACIFIC UNION<br>Laurie Hackney                        | 822-4619                             |
| 38       | SCOTIA<br>Alicia Rice                                  | 764-2212                             |
| 39       | SOUTH BAY<br>Amy Stewart<br>Johnna Emery               | 267-9199<br>476-8549                 |
| 40       | SO HUMBOLDT<br>Vanessa Fouquette<br>Bambi Henderson    | 943-1789                             |
| 41       | TRINIDAD ELEM<br>Desiree Cather                        | C 845-3336<br>677-3631               |
| 45       | FERNDAL<br>Denise Grinsell                             | 786-5900                             |
| 46       | MATTOLE<br>Tammy Picconi                               | FAX 445-2238<br>445-2660 ext 30      |
| 47       | FORTUNA ELEM<br>Gina Short                             | 725-2293                             |
| 73       | Redwood Prep - Charter School<br>Tiara Brown           | C 707-502-8018<br>682-6149           |

| Payroll Process by No Humboldt |                                     |          |
|--------------------------------|-------------------------------------|----------|
| 03                             | NO HUMBOLDT                         |          |
| 74                             | LAUREL TREE CHARTER<br>Jamie Kester | 839-6473 |
| 04                             | BIG LAGOON                          |          |
| 24                             | HYDESVILLE                          |          |
| 27                             | KNEELAND<br>Dora Dutra              | 839-6231 |
| 28                             | LOLETA                              |          |
| 32                             | ORICK                               |          |
| 34                             | PENINSULA<br>Travis West            | 839-6232 |
| 19                             | GARFIELD                            |          |
| 25                             | JACOBY CREEK<br>Thor Arwood         | 839-6488 |
| 18                             | FRESHWATER                          |          |
| 21                             | GREEN POINT                         |          |
| 29                             | MAPLE CREEK<br>Jessica Farley       | 839-6471 |

| Payroll Process by Fortuna High |                                          |          |
|---------------------------------|------------------------------------------|----------|
| 08                              | CUDEBACK                                 |          |
| 17                              | FORTUNA HIGH<br>Valerie Holmes ext. 3025 | 725-4461 |

| Payroll Process by HCOE |                                           |          |
|-------------------------|-------------------------------------------|----------|
| 36                      | RIO DELL                                  |          |
| 70                      | NPA - Charter School                      |          |
| 71                      | PVCS - Charter School<br>Marci Laffranchi | 445-7060 |

|    |                                       |          |
|----|---------------------------------------|----------|
| 35 | REDWOODS COMM COLLEGE<br>Kristy Seher | 476-4129 |
|----|---------------------------------------|----------|

Creditable Compensation - Special Comp - PERS

| Type of Compensation                      | Earned Type          | CLASSIC    |           |            |           | PEPRA                  |           |                        |           |
|-------------------------------------------|----------------------|------------|-----------|------------|-----------|------------------------|-----------|------------------------|-----------|
|                                           |                      | Member     |           | Non Member |           | Member                 |           | Non Member             |           |
|                                           |                      | RVR        | Tax / Ret | RVR        | Tax / Ret | RVR                    | Tax / Ret | RVR                    | Tax / Ret |
|                                           |                      | 2          | 02        | 8          | 18        | 6                      | 06        | 6                      | 16        |
| <u>EDP - EDUCATIONAL PAY</u>              |                      |            |           |            |           |                        |           |                        |           |
| EEI - Educational Incentive               | EDUC<br>PROF<br>STAF | 08 - 9 - 6 |           | 08 - 9 - 6 |           | 01 - 9 - 6             |           | 01 - 9 - 6             |           |
| UGD - Undergraduate / Graduate / Doctoral | MAST<br>DOCT         | 08 - 9 - 6 |           | 08 - 9 - 6 |           | 01 - 9 - 6             |           | 01 - 9 - 6             |           |
| <u>ICP - INCENTIVE PAY</u>                |                      |            |           |            |           |                        |           |                        |           |
| LLP - Longevity                           | LONG<br>LNG1<br>LNG2 | 08 - 9 - 6 |           | 08 - 9 - 6 |           | 01 - 9 - 6             |           | 01 - 9 - 6             |           |
| BON - Bonus                               | STP1<br>STP4         | 08 - 9 - 6 |           | 08 - 9 - 6 |           | 09 - 9 - 9<br>Use ADD2 |           | 09 - 9 - 9<br>Use ADD2 |           |
| OSP - Off-Salary-Schedule Pay             | OFFS                 | 08 - 9 - 6 |           | 08 - 9 - 6 |           | 09 - 9 - 9<br>Use ADD2 |           | 09 - 9 - 9<br>Use ADD2 |           |
| <u>PPP - PREMIUM PAY</u>                  |                      |            |           |            |           |                        |           |                        |           |
| TUP - Temporary Upgrade Pay               | OUTC                 | 08 - 9 - 6 |           | 08 - 9 - 6 |           | 09 - 9 - 9<br>Use ADD2 |           | 09 - 9 - 9<br>Use ADD2 |           |
| <u>SAP - SPECIAL ASSIGNMENT PAY</u>       |                      |            |           |            |           |                        |           |                        |           |
| BBP - Bilingual Pay                       | BILN                 | 08 - 9 - 6 |           | 08 - 9 - 6 |           | 01 - 9 - 6             |           | 01 - 9 - 6             |           |
| SDD - Shift Differential                  | SHF1<br>SHFT         | 08 - 9 - 6 |           | 08 - 9 - 6 |           | 01 - 9 - 6             |           | 01 - 9 - 6             |           |
| <u>SSI - STATUTORY ITEMS</u>              |                      |            |           |            |           |                        |           |                        |           |
| HPP - Holiday Pay                         | HOL1                 | 08 - 9 - 6 |           | 08 - 9 - 6 |           | 01 - 9 - 6             |           | 01 - 9 - 6             |           |
| UAA - Uniform Allowance                   | UNF1<br>UNF2<br>UNF3 | 08 - 9 - 6 |           | 08 - 9 - 6 |           | 09 - 9 - 9<br>Use ADD2 |           | 09 - 9 - 9<br>Use ADD2 |           |

**Special Comp - Arrears**

Arrears - Prior Period - Must have a Pay Rate and Pay Rate Type

The line need to be reported separately

PERS requires a Ret Base

| Pay Rate | Pay Rate Type | Classic    | PEPRA      |
|----------|---------------|------------|------------|
| Hourly   | 04            | 08 - 4 - 6 | 01 - 4 - 6 |
| Daily    | 08            | 08 - 8 - 6 | 01 - 8 - 6 |
| Monthly  | 01            | 08 - 1 - 6 | 01 - 1 - 6 |

**Special Comp - Span Multiple Months**

Earning Line = POSITIVE

Earning Line = NEGATIVE

Begin Date - must be in the current fiscal year  
End Date - must be in the current cycle

Requires a month by month split

**Creditable Compensation - Special Comp - STRS**

| Type of Compensation            | Earned Type          | CLASSIC    |           |            |           | PEPRA      |           |            |           |
|---------------------------------|----------------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|
|                                 |                      | Member     |           | Non Member |           | Member     |           | Non Member |           |
|                                 |                      | RVR        | Tax / Ret | RVR        | Tax / Ret | RVR        | Tax / Ret | RVR        | Tax / Ret |
|                                 |                      | 1          | 01        | 5          | 05        | 9          | 19        | 7          | 17        |
| <u>EDUCATIONAL PAY</u>          |                      |            |           |            |           |            |           |            |           |
| Educational Incentive           | EDUC<br>PROF<br>STAF | 57 - 0 - 6 |           | 57 - 0 - 6 |           | 72 - 0 - 6 |           | 72 - 0 - 6 |           |
| Undergraduate/Graduate/Doctoral | MAST<br>DOCT         | 57 - 0 - 6 |           | 57 - 0 - 6 |           | 72 - 0 - 6 |           | 72 - 0 - 6 |           |
| <u>INCENTIVE PAY</u>            |                      |            |           |            |           |            |           |            |           |
| Longevity                       | LONG<br>LNG1<br>LNG2 | 57 - 0 - 6 |           | 57 - 0 - 6 |           | 72 - 0 - 6 |           | 72 - 0 - 6 |           |
| Bonus                           | STP1<br>STP4         | 57 - 0 - 6 |           | 57 - 0 - 6 |           | 72 - 0 - 6 |           | 72 - 0 - 6 |           |

**STRS - Employer Directive 2012-07 12-27-2012**

**Existing 2% at 60**

Report as 57 - 0 - 6

There are no changes to Special Compensation

**PEPRA 2% at 62**

Report as 72 - 0 - 6

**Creditable Compensation - INCLUDES**

Certain payments, such as master's stipends, are considered creditable compensation as long as they are included in the full-time equivalent or specifically identified on a salary schedule or on a publicly available document.

Report as 99 - 9 - 9

**Creditable Compensation - EXCLUDES**

An allowance  
A bonus  
Cash-in-Lieu of receiving benefits  
Compensation that is payable for a specified number of times

Report as 71 - 0 - 6

Compensation for the purposes of enhancing a benefit

Bill Analysis

Bill Number: AB 1325  
Author: PER&SS

Reduced Workload Program

*Background*

The Reduced Workload Program was established by Chapter 1367, Statutes of 1974 (AB 3339–Brown), to permit educators who are eligible to retire the ability to work part time and still receive service credit as if they were working full time. The Reduced Workload Program provides a vehicle for career educators to transition into retirement, also giving employers the ability to retain historical knowledge by allowing seasoned employees time to transfer their knowledge to other employees.

*Proposed*

This measure clarifies and reorganizes the requirements of the Reduced Workload Program in order to better align the Teachers' Retirement Law with the intent of the program. In addition, it clarifies that a member who is participating in the program is prohibited from performing creditable service on a full-time or part-time basis in another position for the same or another employer subject to coverage under the DB Program.

*Sections affected: 22713, 44922 and 87483*

## **Excess Contributions – AB1469**

- Changed the contribution rate for Defined Benefit (DB) only.
- Defined Benefit Supplement (DBS) contribution rate remains:
  - Employer rate: 8.25 percent
  - Member rate: 8 percent
- As DB contribution rates change, excess contributions are generated as contributions move from DB to DBS.

## **Employer Feedback – Administrative & Resource Challenges**

- Location of separated (terminated/retired) members
- Tax reconciliation:
  - Determining withholding amounts
  - Processing W-2s
- Return of minimal amounts
- Research efforts
- Time to process

## Path Forward – CalSTRS Data Collection

- Number of members receiving returned excess contributions
  - Active, Inactive, Retired
- Average amount of excess contributions returned
  - Ranges (for example, 1 to 5 cents, +/- \$1.00, etc.)

## Path Forward – Employer Data Collection

- Resources required for processing
  - Time and costs to process
    - Checks and stale-dated checks
    - W-2s
  - Level of effort for locating separated members
- Preferred method of processing
  - Timing
  - Thresholds
  - Other ideas/suggestions



**HUMBOLDT COUNTY OFFICE OF EDUCATION**  
**Employee Payroll Earnings Prelist - New Employees And Retirement Edits**  
 New Employees And Retirement Edits

Production Run: 253

12 Eureka

Pay Cycle: 04    Cycle Type: S    W-Date: 05/10/2017  
 Pay Cal: CLMEND CLASSIFIED MONTH END

Fiscal Year: 2017

| SSN  | Employee Name | Class           | Salary   | Posn/Desc       | Earn | TxTy | Pty | Sched | Range | Step | Cd | Fq | DN | Ret Sys | Ret Opt | From   | To |
|------|---------------|-----------------|----------|-----------------|------|------|-----|-------|-------|------|----|----|----|---------|---------|--------|----|
| 8124 | FAULK, JANA M | REGULAR CLASSIF |          |                 |      |      |     |       |       |      |    |    | Y  | 16      |         |        |    |
| St % | Units         |                 | Rate Rty |                 |      |      |     |       |       |      |    |    |    |         |         |        |    |
| A    | 33.7500       |                 | 11.80 H  |                 |      |      |     |       |       |      |    |    |    |         |         |        |    |
|      |               |                 |          | 398.25 XTRA MON | ADD2 | AD02 | R   |       |       |      |    |    |    |         |         | 01-4-1 |    |

WARNING: 31 - Classified service may qualify for PERS.

| SSN   | Employee Name     | Class           | Salary   | Posn/Desc       | Earn | TxTy | Pty | Sched | Range | Step | Cd | Fq | DN | Ret Sys | Ret Opt | From   | To |
|-------|-------------------|-----------------|----------|-----------------|------|------|-----|-------|-------|------|----|----|----|---------|---------|--------|----|
| -5643 | HARRIS, MALLORY R | REGULAR CLASSIF |          |                 |      |      |     |       |       |      |    |    | N  | 06      |         |        |    |
| St %  | Units             |                 | Rate Rty |                 |      |      |     |       |       |      |    |    |    |         |         |        |    |
| A     | 2.5000            |                 | 14.34 H  |                 |      |      |     |       |       |      |    |    |    |         |         |        |    |
|       |                   |                 |          | 35.85 XTRA SCIA | ADD1 | AD01 | R   |       |       |      |    |    |    |         |         | 08-4-1 |    |

WARNING: 31 - Classified service may qualify for PERS.

| SSN   | Employee Name       | Class           | Salary   | Posn/Desc | Earn | TxTy | Pty | Sched | Range | Step | Cd | Fq | DN | Ret Sys | Ret Opt | From   | To |
|-------|---------------------|-----------------|----------|-----------|------|------|-----|-------|-------|------|----|----|----|---------|---------|--------|----|
| -1194 | KAWAMURA, CRYSTAL N | REGULAR CLASSIF |          |           |      |      |     |       |       |      |    |    | Y  | 18      | NWP/U   |        |    |
| St %  | Units               |                 | Rate Rty |           |      |      |     |       |       |      |    |    |    |         |         |        |    |
| A     | 0.7500              |                 | 20.99 H  |           |      |      |     |       |       |      |    |    |    |         |         |        |    |
|       |                     |                 |          | 15.74 OT  | OT-2 | AD03 | R   |       |       |      |    |    |    |         |         | 01-4-9 |    |

WARNING: 22 - Payroll Name does not match RVR. Call Retirement Dept at County.

| SSN   | Employee Name    | Class           | Salary   | Posn/Desc     | Earn | TxTy | Pty | Sched | Range | Step | Cd | Fq | DN | Ret Sys | Ret Opt | From   | To |
|-------|------------------|-----------------|----------|---------------|------|------|-----|-------|-------|------|----|----|----|---------|---------|--------|----|
| -3687 | PIERCE, DEBBIE J | REGULAR CLASSIF |          |               |      |      |     |       |       |      |    |    | Y  | 06      |         |        |    |
| St %  | Units            |                 | Rate Rty |               |      |      |     |       |       |      |    |    |    |         |         |        |    |
| A     | 48.7500          |                 | 12.97 H  |               |      |      |     |       |       |      |    |    |    |         |         |        |    |
|       |                  |                 |          | 632.29 WCC TA | ADD1 | AD01 | R   |       |       |      |    |    |    |         |         | 08-4-1 |    |
| St %  | Units            |                 | Rate Rty |               |      |      |     |       |       |      |    |    |    |         |         |        |    |
| A     | 5.2500           |                 | 12.97 H  |               |      |      |     |       |       |      |    |    |    |         |         | 08-4-1 |    |


WARNING: 31 - Classified service may qualify for PERS.



California State Teachers'  
Retirement System  
Executive Office  
PO Box 15275  
Sacramento, CA 95851-0275  
CalSTRS.com

March 9, 2017

TO: All County Superintendents of Schools  
District Superintendents of Schools  
Charter School Administrators  
Community College Districts and  
Other Employing Agencies

FROM: Jack Ehnes   
Chief Executive Officer

SUBJECT: Employer Directive 2017-03  
***Supersedes Employer Directive 2016-03***  
Postretirement Earnings Limit for the 2016-17 Fiscal Year, 2017-18 Fiscal Year,  
and 2017 Calendar Year

### PURPOSE

This employer directive is intended to inform and remind employers of:

- The application of the earnings limit for retired CalSTRS members.
- The annual postretirement earnings limit for the 2016-17 fiscal year.
- The annual postretirement earnings limit for the 2017-18 fiscal year.
- Requirements for requesting an exemption from the annual postretirement earnings limit to assist schools that are in financial or academic distress. This exemption will sunset on June 30, 2017.
- The postretirement separation-from-service requirement for members and participants during the first 180-calendar days from their retirement date with CalSTRS.
- Requirements for requesting an exemption from the separation-from-service requirement.
- Restrictions on hiring retired CalSTRS members and participants in classified positions.
- Retirement incentive restrictions.
- Requirements for employer communication regarding the earnings limits and, if applicable, the retirement incentive restrictions when hiring CalSTRS members. Also, the employer requirements regarding maintaining accurate records and reporting postretirement earnings to CalSTRS.
- The CalSTRS postretirement excess earnings notification process.
- The disability retirement earnings limit for the 2017 calendar year.
- The disability allowance earnings limit for the 2016-17 and 2017-18 fiscal years.

## SCOPE

This directive contains information for county superintendents of schools, school districts, charter schools, community college districts, and any agency that employs retired members of the Defined Benefit (DB) Program (referred to in this directive as "retired CalSTRS members") or retired participants of the Cash Balance (CB) Benefit Program (referred to in this directive as "retired CalSTRS participants") to perform creditable service or that employs CalSTRS members receiving either a Disability Allowance or Disability Retirement benefit in any capacity.

## DISCUSSION

### Application of Postretirement Earnings Limit

Sections 24214 and 24214.5 of the Education Code impose limitations on retired CalSTRS members who return to work and perform retired member activities. Section 22164.5 defines "retired member activities" as one or more of the activities identified in subdivision (b), (c) or (d) of Section 22119.5 or subdivision (b), (c) or (d) of Section 26113 when performed as either an employee of an employer, an employee of a third party (except under certain circumstances) or an independent contractor within the California public school system. The salary being paid for retired member activities may not be less than the minimum, nor can it exceed the maximum, paid by the employer to other employees performing comparable duties.

If a retired CalSTRS member earns compensation for performing retired member activities during the 180-calendar day separation-from-service period or in excess of the annual postretirement earnings limit, Education Code sections 24214(g) and 24214.5(h) require CalSTRS to reduce the member's retirement benefit dollar-for-dollar, up to a maximum of the member's retirement benefit, until the member has repaid the amount of compensation that was earned during the separation-from-service period or in excess of the earnings limit.

### Postretirement Earnings Limit for the 2016-17 and 2017-18 Fiscal Years

The postretirement earnings limit for retired CalSTRS members for the 2016-17 *fiscal* year is \$41,732.

The postretirement earnings limit for retired CalSTRS members for the 2017-18 *fiscal* year is \$43,755.

The limit is adjusted annually by CalSTRS and is equal to one-half of the median final compensation amount for all members who retired for service during the fiscal year ending in the previous calendar year.

### Exclusion When Working for a Third Party

Retired members employed by a third party are excluded from the postretirement earnings limit and related provisions provided they meet all of the following criteria:

- The retired member is employed by a third party that does not participate in a California public pension system;

- The activities performed by the retired member are not normally performed by the employees of an employer; and
- The activities are performed by the retired member for a limited term of 24 months or less.

Employer reporting of retired members who are employed by a third party under the narrow conditions above is not required. CalSTRS has not identified any example of service that would meet these criteria.

Exemption to the Annual Postretirement Earnings Limit

There is a narrow exemption from the annual postretirement earnings limit available through June 30, 2017, for certain appointments to assist schools in financial or academic distress. There are four specific appointments that are exempt:

- Appointment by the State Superintendent of Public Instruction as a trustee for a school district that has received an emergency apportionment.
- Appointment by a county superintendent of schools as a fiscal adviser or fiscal expert for a school district that must revise its budget or that may or will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year(s).
- Appointment by the State Board of Education as a trustee or a receiver for a local educational agency that has been identified for corrective action under the federal No Child Left Behind Act of 2001.
- Appointment by the Board of Governors of the California Community Colleges as a special trustee for a community college district that fails to achieve fiscal stability or that fails to comply with the Board of Governors' recommendations.

To qualify for this exemption, the appointing authority must certify the following:

- The position was first advertised for appointment to current active or inactive members and no qualified person was available to fill the appointment.
- The appointing authority made a good faith effort to hire a retired member who would reinstate.
- The salary being paid does not exceed the salary that was offered as first advertised to current or inactive members.
- The retired member is normal retirement age when the compensation is earned (for 2% at 60 members, age 60; for 2% at 62 members, age 62).
- The retired member has not received financial inducement to retire, including, but not limited to, any form of compensation or other payment that is paid directly to or indirectly to the member, from any public employer in the previous six months.

When applying for the postretirement earnings limit exemption, employers must complete the *Request for Postretirement Earnings Limit Exemption* (SR 0164) form, which is available in "Reference Items" on the Secure Employer Website. In order for CalSTRS to consider an application for an exemption, we must receive this form and all required documentation before the retired member begins performing retired member activities. If CalSTRS does not receive the *Request for Postretirement Earnings Limit Exemption* form and required documentation prior to

the beginning of a member's postretirement service for that position, CalSTRS will not accept the form for consideration, and the member will not be approved for the exemption.

If the exemption for the annual postretirement earnings limit, as outlined in Education Code section 24214, is approved, the member will only be exempt from the annual postretirement earnings limit. The separation-from-service requirement will still apply unless a member previously received a separation-from-service requirement exemption. In order to be exempt from the separation-from-service requirement, a separate exemption request must have been submitted by the employer and approved by CalSTRS.

#### Separation-From-Service Requirement

Pursuant to Education Code section 24214.5, there is a 180-calendar day separation-from-service requirement for all retired CalSTRS members, regardless of age, during which the postretirement compensation limit for the performance of retired member activities is zero dollars (\$0).

If the retired CalSTRS member returns to work during this period, CalSTRS will reduce the member's retirement benefit by an amount equal to his or her earnings up to the benefit payable during that period. This restriction is in addition to the annual postretirement earnings limit. Any amount the retired CalSTRS member receives during the first 180 calendar days of retirement will also count against the annual postretirement earnings limit for the appropriate fiscal year.

Pursuant to Education Code section 26812, the 180-calendar day separation-from-service requirement applies to Cash Balance Benefit Program annuitants who retired on or after January 1, 2014, no matter their age. If a retired CalSTRS participant receives his or her retirement benefit as a lump sum, the benefit is not payable until 180 days after the date employment was terminate. If a participant electing a lump-sum benefit performs creditable service during the 180-calendar day separation-from-service period, his or her retirement application will be automatically canceled.

#### Exemption to the Separation-From-Service Requirement

There is a narrow exemption from the 180-calendar day separation-from-service requirement for a retired CalSTRS member or participant under certain circumstances. To qualify for this exemption, the retired CalSTRS member or participant must be at or above normal retirement age at the time the compensation is earned, and the employer must appoint the retired member or participant to a critically needed position that has been approved by the governing body of the employer in a public meeting as reflected in a resolution. The resolution of the appointment must be adopted before the retired CalSTRS member or participant begins performing retired member or participant activities under the exemption. The resolution approving the appointment may not be placed on a consent calendar.

The resolution must include the following specific information and findings:

- The intent to seek an exemption from the 180-calendar day separation-from-service requirement.
- The nature of the employment.

- A finding that the appointment is needed to fill a critically needed position before the 180-calendar day separation-from-service requirement is fulfilled.
- A finding that the member or participant did not receive a retirement incentive or any financial inducement to retire from any public employer.
- A finding that, by retiring, the member or participant did not create the vacancy the member or participant is now filling.

When applying for the separation-from-service requirement exemption, the superintendent, the county superintendent of schools or the chief executive officer of a community college must complete the *Request for Separation-from-Service Requirement Exemption* (SR 1897) form, which is available in "Reference Items" on the Secure Employer Website. CalSTRS must receive this form and the aforementioned resolution indicating the above information to substantiate the eligibility of the retired CalSTRS member or participant for the exemption before the member or participant begins performing service under the exemption. CalSTRS must notify the employer and the retired CalSTRS member or participant within 30 days of receiving the resolution and all required documentation whether the service performed will be subject to or exempt from the 180-calendar day separation-from-service requirement.

If the separation-from-service requirement exemption is approved, the retired CalSTRS member or participant will only be exempt from the separation-from-service requirement. Any earnings during the 180-calendar day period will still be subject to the annual postretirement earnings limit. In order to be exempt from the annual postretirement earnings limit, a separate exemption request would need to be submitted by the employer and approved by CalSTRS.

Education Code sections 24214.5 and 26812 clarify what constitutes a "financial inducement to retire" that would prohibit a retired CalSTRS member or participant from being eligible for an exemption from the separation-from-service requirement.

#### Classified Position Restrictions

Education Code section 45134 precludes retired CalSTRS members from employment in classified positions in the California public school system. However, this section is outside of the Teachers' Retirement Law and therefore outside the purview of CalSTRS.

#### Retired CalPERS Postretirement Employment Restrictions

If the employee is a CalSTRS and CalPERS member, please ask the employee to contact CalPERS at 888-225-7377 to determine the impact that returning to work would have on his or her CalPERS benefit.

#### Retirement Incentive Restrictions

Members who retired with a CalSTRS retirement incentive under Education Code section 22714 will lose the increased service credit attributable to the retirement incentive if they return to employment in any job, including substitute teaching, within five years of receiving the incentive with the school district, community college district or county office of education that granted the retirement incentive. Education Code section 22461 requires the employer to notify retired

members of the employment restrictions in Education Code section 22714 upon retaining their services.

Employer Requirements for Notification of Postretirement Earnings and Employment Restrictions, and Required Reporting of Postretirement Earnings

Upon retaining the services of a retired CalSTRS member, Education Code section 22461 requires employers to notify that member of earnings limitations and employment restrictions for those who receive retirement incentives, regardless of whether the retired member performs the services as an employee of the employer, an employee of a third party or an independent contractor. Employers must also report the retired member's earnings to CalSTRS each month. All postretirement earnings must be reported with Member Code 2 and Assignment Code 61.

CalSTRS Postretirement Excess Earnings Notification Process

CalSTRS sends an *Initial Postretirement Earnings Letter* to the member when postretirement earnings are initially reported by the employer. The *Initial Postretirement Earnings Letter* informs the member of the current earnings limit and describes what occurs if the limit is exceeded. When the employer reports postretirement earnings equal to one-half of the annual postretirement earnings limit, CalSTRS sends a second letter, the *Postretirement Earnings Mid-Limit Letter*, notifying the member of the dollar amount reported to date and reminding the member of the consequences of exceeding the earnings limit.

When a member either violates the 180-calendar day separation-from-service requirement or exceeds the annual earnings limit, CalSTRS sends the member another letter notifying him or her that the excess earnings will be withheld from his or her monthly retirement benefit. CalSTRS gives at least a 30-day notice before commencing collection. If the earnings were reported to CalSTRS in error by a member's employer, the employer is responsible for correcting the previous reporting and notifying CalSTRS that corrected contribution lines were submitted.

Application and Amount of the 2017 Disability Retirement Earnings Limit

The disability retirement earnings limit for the 2017 *calendar* year is \$29,550. The limit applies to all earnings regardless of whether the member is self-employed or employed in any capacity in either the public or private sector. The limit is adjusted annually by the Teachers' Retirement Board, if necessary, by the amount of change in the California Consumer Price Index.

Application and Amount of the 2016-17 and 2017-18 Disability Allowance Earnings Limit

The disability allowance earnings limit for the 2016-17 and 2017-18 *fiscal* years is calculated individually for each member based on the member's indexed final compensation amount. Members receiving a disability allowance benefit are also subject to individual monthly and continuous six-month earnings limits based on the member's indexed final compensation. The various limits apply to all earnings regardless of whether the member is self-employed or employed in any capacity in either the public or private sector.

### **SUMMARY OF REQUIRED ACTIONS**

In accordance with Education Code section 22461, upon retaining the services of a retired member either as an employee of an employer, an employee of a third party or as an independent contractor within the California public school system, the employer is required to:

- Notify the retired member of all earnings limits and also the retirement incentive employment restrictions, if applicable.
- Maintain accurate records of the retired member's earnings.
- Report those earnings to the retired member and to CalSTRS monthly, using Member Code 2 and Assignment Code 61, regardless of the method of payment or the fund from which the payments were made.

To learn more about postretirement limitations, please visit [CalSTRS.com/general-information/working-after-retirement](http://CalSTRS.com/general-information/working-after-retirement). If you have questions regarding the postretirement earnings limit, contact Postretirement by email at [postretirement@calstrs.com](mailto:postretirement@calstrs.com) or leave a voicemail at 916-414-5967.



## Postretirement Earnings Limit Exemption Matrix

|                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Exemption forms AND additional required documentation must be received by CalSTRS before the retired member begins service.</li> <li>Qualification for an exemption is subject to CalSTRS approval. After completing its review, CalSTRS sends a letter to the member or participant and his or her employer approving or denying the exemption request.</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p><b>Exemption from the Separation-From-Service Requirement</b></p> <p>In order to qualify for this exemption, the employer must appoint a member to a position that has been approved by the governing body of the employer in a public meeting as reflected in a resolution. The resolution must be adopted before the member begins performing creditable service under the exemption.</p> <p>A member can qualify for this exemption only if he or she has reached normal retirement age (for 2% at 60 members, age 60; for 2% at 62 members, age 62).</p>                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Details                                                                                                                                                                                                                                                                                                                                                                                                    | <p><b>Narrow Exemption for Working in Distressed Schools</b></p> <p>Four specific appointments are exempt:</p> <ul style="list-style-type: none"> <li>Appointment by the State Superintendent of Public Instruction as a trustee for a school district that has received an emergency apportionment.</li> <li>Appointment by a county superintendent of schools as a fiscal adviser or fiscal expert for a school district that must revise its budget or that may or will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year(s).</li> <li>Appointment by the State Board of Education as a trustee or a receiver for a local educational agency that has been identified for corrective action under the federal No Child Left Behind Act of 2001.</li> <li>Appointment by the Board of Governors of the California Community Colleges as a special trustee for a community college district that fails to achieve fiscal stability or that fails to comply with the Board of Governors' recommendations.</li> </ul> | <p><b>Exemption from the Separation-From-Service Requirement</b></p> <p>In order to qualify for this exemption, the employer must appoint a member to a position that has been approved by the governing body of the employer in a public meeting as reflected in a resolution. The resolution must be adopted before the member begins performing creditable service under the exemption.</p> <p>A member can qualify for this exemption only if he or she has reached normal retirement age (for 2% at 60 members, age 60; for 2% at 62 members, age 62).</p>                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Education Code Required CalSTRS Form Additional Required Documentation                                                                                                                                                                                                                                                                                                                                     | <p>§24214</p> <p><i>Request for Postretirement Earnings Limit Exemption form (SR 0164)</i></p> <p>The appointing authority must certify that:</p> <ul style="list-style-type: none"> <li>The position was advertised to active or inactive members and no qualified person was available to be appointed.</li> <li>The appointing authority made a good faith effort to hire a retired member who would reinstate.</li> <li>The salary being paid does not exceed what was advertised or is currently paid for that position.</li> <li>Must be normal retired age (for 2% at 60 members, age 60; for 2% at 62 members, age 62) when compensation is earned.</li> <li>The member did not receive a retirement incentive or any financial inducement to retire from any public employer.</li> </ul>                                                                                                                                                                                                                                                                                 | <p>§24214.5</p> <p><i>Request for Separation-From-Service Requirement Exemption form (SR 1897)</i></p> <p>The resolution must specify the following:</p> <ul style="list-style-type: none"> <li>The intent to seek an exemption from the 180-calendar day separation-from-service requirement.</li> <li>The nature of the employment.</li> <li>The appointment is needed to fill a critically needed position before the 180-calendar day separation-from-service requirement is fulfilled.</li> <li>The member did not receive a retirement incentive or any financial inducement to retire from any public employer.</li> <li>The member did not create the vacancy the member is now filling.</li> </ul> | <p>§24214.5</p> <p><i>Request for Separation-From-Service Requirement Exemption form (SR 1897)</i></p> <p>The resolution must specify the following:</p> <ul style="list-style-type: none"> <li>The intent to seek an exemption from the 180-calendar day separation-from-service requirement.</li> <li>The nature of the employment.</li> <li>The appointment is needed to fill a critically needed position before the 180-calendar day separation-from-service requirement is fulfilled.</li> <li>The member did not receive a retirement incentive or any financial inducement to retire from any public employer.</li> <li>The member did not create the vacancy the member is now filling.</li> </ul> |
| Expiration of Exemption and Additional Restrictions                                                                                                                                                                                                                                                                                                                                                        | <p>This exemption applies only to the annual postretirement earnings limit. If applicable, the retired member will still be subject to the separation-from-service requirement. To exempt a member from both limitations, the employer must apply for both exemptions separately. This exemption will become inoperative as of July 1, 2017.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>This exemption only applies to the separation-from-service requirement. The retired member will still be subject to the annual postretirement earnings limit. To exempt a member from both limitations, the employer must apply for both exemptions separately.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

**PENSION PLAN LIMITS FOR  
TAX YEAR 2017**

The purpose of this circular is to alert employers that the Internal Revenue Service has announced the pension plan limits for tax year 2017 and to inform employers of the creditable compensation limit under the Teachers' Retirement Law for California State Teachers' Retirement System (CalSTRS) members and participants who are subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA). The following limits apply to benefits paid and compensation creditable to the Defined Benefit (DB), the Defined Benefit Supplement (DBS) and the Cash Balance (CB) Benefit programs. CalSTRS is not authorized to give tax advice; accordingly, if you have any questions about these or any other Internal Revenue Code (IRC) sections, please contact your tax advisor or the Internal Revenue Service.

**Internal Revenue Code Section 401(a)(17) Compensation Limit**

IRC section 401(a)(17) limits creditable compensation that may be counted toward a CalSTRS retirement benefit for all persons who became a CalSTRS DB member or CB participant on or after July 1, 1996.

The compensation limit in effect from July 1, 2016, through June 30, 2017, is \$265,000. The compensation limit for July 1, 2017, through June 30, 2018, is \$270,000.

If you have an employee who will earn compensation in excess of this limit *and* the employee became a CalSTRS member or participant on or after July 1, 1996, please contact your CalSTRS Member Account Services representative for reporting instructions. Employer and member contributions to the DB, DBS and CB Benefit programs should not be taken on the excess amount.

**Creditable Compensation Limit for CalSTRS 2% at 62 Members and CB Participants  
Subject to the California Public Employees' Pension Reform Act of 2013**

The California Public Employees' Pension Reform Act of 2013 (PEPRA) limits creditable compensation that may be counted toward a CalSTRS retirement benefit for all CalSTRS members and CB participants subject to PEPRA. All persons first hired on or after January 1, 2013, are subject to PEPRA and are known as CalSTRS 2% at 62 members and CB participants subject to PEPRA.

The creditable compensation limit is applicable to compensation creditable to the DB, DBS and CB Benefit programs combined and is based on 120 percent of the 2013 Social Security contribution and benefit base, adjusted annually for changes to the Consumer Price Index for All Urban Consumers: U.S. City Average.

The creditable compensation limit for CalSTRS 2% at 62 members and CB participants subject to PEPPRA for July 1, 2016, through June 30, 2017, is \$139,320.

If you have an employee who will earn creditable compensation in excess of this limit, please contact your CalSTRS Member Account Services representative for reporting instructions. Employer and member contributions to the DB, DBS and CB Benefit programs should not be taken on the excess amount.

CalSTRS will publish a separate employer information circular to inform employers of the compensation limits for CalSTRS 2% at 62 members and CB participants subject to PEPPRA that will be effective July 1, 2017.

#### **Internal Revenue Code Section 415(b) Retirement Benefit Limit**

IRC section 415(b) is a federal statutory provision that limits the amount of annual retirement benefit that may be received from a tax-qualified pension plan and applies to all DB members and CB participants. The annual retirement benefits payable from CalSTRS retirement plans are subject to the dollar limits imposed by IRC section 415(b).

The limitation on the annual benefit for CalSTRS 2% at 60 members or participants, age 65, who participate in the DB or CB Benefit programs is \$183,781 for the 2017 calendar year.

The limit is actuarially adjusted for retirement before and after age 65. For example, the 2017 limit for CalSTRS 2% at 60 members age 55 with less than 30 years of service is \$109,041; the 2017 limit for CalSTRS 2% at 60 members at age 55 with more than 30 years of service is \$109,776; and the 2017 limit for CalSTRS 2% at 60 members age 70 is \$187,826.

Any benefits due to members and participants in excess of this limit are payable from the Replacement Benefits Program administered by CalSTRS. No action is required by employers to initiate payment of benefits under the Replacement Benefits Program. However, under federal law, if members or participants were paying the Medicare Part A payroll tax when employed, payments from the Replacement Benefits Program will also be subject to the payroll tax deduction. CalSTRS will work with the member regarding any tax deductions under this part.

CalSTRS 2% at 62 members and CB participants subject to PEPPRA are not eligible for the Replacement Benefits Program.

If you have any questions regarding this circular, please contact your CalSTRS Member Account Services representative.



## Actuarial Circular Letter

California Public Employees' Retirement System  
P.O. Box 942715  
Sacramento, CA 94229-2715  
(888) CalPERS (or 888-225-7377)  
TTY: (877) 249-7442  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

May 10, 2017

Circular Letter No: 200-028-17  
Distribution: XII, XVI

**To: School Employers**

**Subject: 2017-18 School Employer and Employee Contribution Rates**

The purpose of this Circular Letter is to inform you of the following employer and employee pension contribution rates approved by the CalPERS Board of Administration on April 19, 2017. These rates become effective with the first payroll period that ends in July 2017 and are in effect for Fiscal Year 2017-18:

|                                                       |         |
|-------------------------------------------------------|---------|
| Employer Contribution as a Percentage of Compensation | 15.531% |
|-------------------------------------------------------|---------|

The employer contribution rate will continue to vary annually and is expected to increase over the next few years as the impact of a recent decision by the CalPERS Board to lower the investment return assumption is phased in.

As shown below, the employee contribution rate for some members will also change for Fiscal Year 2017-18. School employees that meet the definition of a new member under the Public Employees' Pension Reform Act (PEPRA) will contribute 6.5 percent of reportable compensation instead of 6 percent. Classic members will continue to contribute 7 percent of reportable compensation.

|                             |       |
|-----------------------------|-------|
| PEPRA Member Contribution   | 6.50% |
| Classic Member Contribution | 7.00% |

Additional information can be found on the CalPERS website in the Finance and Administration Committee Meeting [Agenda Item 8b](#) on April 18, 2017. The complete actuarial valuation report is expected to be available on the CalPERS website this summer.

If you have any questions, please call our CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

Scott Terando  
Chief Actuary  
Actuarial Office

# Payroll Users Manual

Tab: 3

Page 1 of 1

Subject: 3-e STRS – Retirees Earnings Limit & Exemptions

Revised: 5/19/17 Revised

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## Post Retirement Earnings Limit

2017-2018 \$43,755

2016-2017 \$41,732

2015-2016 \$40,321

2014-2015 \$40,173

2013-2014 \$39,903

## Application of Earnings Limit

Sections 24214 and 24214.5 of the Education Code impose limitations on retired STRS member who return to work and perform creditable service as either an employee of an employer, an employee of a third party (except under certain circumstances), or as an independent contractor within the California public school system. Activities considered to be creditable service and, therefore subject to the earnings limit are listed in section 22119.5 and subdivision (a) or (b) of section 26113.



CHRIS N. HARTLEY, Ed.D., Superintendent

901 Myrtle Avenue, Eureka, California 95501-1294

Phone: 707/445-7000

FAX: 707/445-7143

www.hcoe.org

May 17, 2017

## MEMORANDUM

TO: District Superintendents and Business Managers  
FROM: Estelle Hawley, Principal Acct Tech  
SUBJECT: **SCHOOL DISTRICT CLOSING/OPENING DATES**

All school districts are asked to notify the County Superintendent of the actual closing dates of the current school year and the opening dates of the next school year.

Closing - LAST DAY STUDENTS ARE IN SCHOOL \_\_\_\_\_

Opening - FIRST DAY STUDENTS RETURN TO SCHOOL \_\_\_\_\_

Please provide the following summer recess dates.

Recess period commences the day after the last duty day and ends the day before the first duty day.  
Example: If the last duty day is Friday, June 5, the recess period commences on Saturday, June 6.

|                        | <u>CLASSIFIED</u> | <u>CERTIFICATED</u> |
|------------------------|-------------------|---------------------|
| START OF SUMMER RECESS | _____             | _____               |
| END OF SUMMER RECESS   | _____             | _____               |

Are you going to have summer school? Yes \_\_\_\_ No \_\_\_\_

Summer school dates: \_\_\_\_\_ through \_\_\_\_\_

DISTRICT \_\_\_\_\_ PREPARED BY \_\_\_\_\_

Return **no later than May 26, 2017**.

If you have any questions or **make any changes after submitting this form**, contact Estelle at 445-7061.

**CalSTRS RETIREE EARNINGS**  
**PAID THROUGH ACCOUNTS PAYABLE**

Process for STRS Retirement Desk

CalSTRS retirees are subject to a yearly (July 1 – June 30) earnings limit (Ed Code 24216.6). Districts and COEs are responsible to report the creditable earnings of retired members to CalSTRS. Please see Ed Code 24216-24221 for what constitutes creditable service.

**DISTRICT RESPONSIBILITIES**

When a contract for professional services is issued by the District for a retired CalSTRS member the COE process is as follows:

The CalSTRS membership will be checked by the HCOE Retirement desk and a screen print will be sent to the District to be attached to the contract.

Normally, the contract is paid through payroll. If an exception is made, and the retiree is paid through Accounts Payable the following documents **MUST** be sent to the HCOE Retirement desk immediately after processing the payment.

- PAID THROUGH ACCOUNTS PAYABLE Form
- Copy of the contract for professional services
- Copy of any invoices
- Copy of the A/P Check

**HCOE RESPONSIBILITIES**

When the documents are received by the Retirement desk, the invoice amount will be reported on the next CalSTRS retirement report with the appropriate earning dates.

The date of service on the retirement report will be when "earned" not when paid.

**RETIREE RESPONSIBILITIES**

It is the employee's responsibility to keep track of their creditable earnings, not the employer. The employer must inform the retiree of the annual earnings limit and that these earnings are subject to the limit.

**CalSTRS RETIREE EARNINGS**  
**PAID THROUGH ACCOUNTS PAYABLE**

Date: \_\_\_\_\_

TO: HCOE Retirement Desk

FROM: District: \_\_\_\_\_

Contact Person: \_\_\_\_\_

**CalSTRS Retiree**

Name: \_\_\_\_\_

Social Security No.: \_\_\_\_\_

STRS Retirement Date: \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Period Worked: \_\_\_\_\_

Type of Work Performed: \_\_\_\_\_

Basis of Pay: (circle one)    Daily    Monthly    Annually

**Please note:**

CalSTRS retirees that perform creditable service and are paid through accounts payable must be reported to CalSTRS. If you have paid a CalSTRS retiree through accounts payable, please fill out this form immediately after processing the payment and send it into the HCOE Retirement Desk.

Please make sure the CalSTRS retiree has been informed of the annual earnings limit and is aware that these earnings are being reported to CalSTRS for the time period they have been earned (not necessarily when paid) and will count against the annual earnings limit.



# Payroll Users Manual

Tab: 1

Page 1 of 3

Subject: 1-c Unemployment Information

Revised: 8/13/14 Revised

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## Eligibility

### Not eligible

- Employees who quit without good cause. (CUIC section 1256)
- Employees who were discharged for misconduct. (CUIC section 1256)

### May be eligible

- Long-term substitutes given reasonable assurance of returning to day-to-day (not long-term) substitute position in the upcoming year.
- Employees who quit or are discharged AFTER receiving reasonable assurance.

### Eligible

- Substitutes who remain on-call during recess periods including summer vacation. (Eligible only during available summer school work days.)
- Employees who quit with good cause.
- Employees who were discharged for reasons other than misconduct, including employees discharged during probationary period due to not meeting standards.
- Substitutes who are not working due to a recess period in your district, but remain on-call for another district that is in session.

## Ways to Limit the Costs to the District

- Limit sub list during recess periods (for example, only 5 people on sub list during summer recess).
- Protest claims within term recess periods – flag your calendar. For example, if a claim is filed in December, indicate the dates of Christmas break on the claim form and submit to HCOE.
- During summer school, notify all candidates who are not selected to teach or substitute.
- During summer school, designate one person to be responsible for offering employment.

- During summer school, keep a separate list of substitutes.
- If a sub is on-call during a recess period, document any refusals to work or days of unavailability and document the days worked so the claimant does not receive the full benefit. Report this information to HCOE if the employee files a claim.
- Document offers of work to employees who have NOT been given letters of reasonable assurance. Send copies of these letters to HCOE for employees who have filed claims. HCOE will forward this to EDD and at that point the claimant's benefits will stop. Retain copies of all letters of offers of employment. Document if offered via telephone instead of letter.

### **Summer Recess Reminders**

Establish actual opening and closing dates for the school year and for summer school periods. If your district conducts summer school, you should:

- Establish clearly defined policies regarding summer school staffing procedures, specifying whether or not a substitute list is to be established.
- Establish a substitute list for summer school teachers, instructional aides and bus drivers. This will help decrease the unemployment costs. Establishing clear procedures for summer school eliminates regular substitute employment benefits while summer school is in session.

If an employee has received a lay-off letter, but it has been determined that he/she will be returning, notify the employee in writing as soon as the determination has been made. A copy of the letter should be kept by the district.

Remember that you have only ten days to respond to a claim. Complete the back side of the form and attach any documentation to support the districts response. If the claim is not responded to within the time allowed the district loses the right to appeal.

#### **Summer Offers of Work**

- Disqualification begins week the offer was received
- Offer must be for same or similar work

If an offer of work is extended

- Document date of offer
- Notify EDD of all offers (Whether employee accepts or declines)

#### **4 Elements of Misconduct**

- Duty owed to the employer
- Breach of duty
- Willful or wanton
- Injurious to the employer

#### **Good Cause**

A real, substantial, or compelling reason that would cause a reasonable person, who is genuinely desirous of retaining employment, to leave work under the same circumstances.

#### **Moving Party**

Employer or Employee who initiates the separation from employment

#### **SUI – Disability – Wcomp**

UI and DI - overlap – both files are flagged  
WComp - no overlaps

## **Reasonable Assurance (Concept and Definition)**

California Unemployment Insurance (UI) Code, Section 1253.3, provides for a special disqualification for school employees during school recess breaks, commonly known as reasonable assurance (RA).

**Concept:** When school is closed for recess periods such as winter, spring, and/or summer recesses, school employees may file UI claims; however, if they have RA of returning to work in the next school term, they should be deemed ineligible (school employees may qualify for unemployment from non-school employers, if such wages exist in their base period).

**Definition of Reasonable Assurance:** Reasonable assurance means a written, verbal, or implied agreement that the employee will perform services during the ensuing year or term. To find that there is RA there must be a *commitment by the school employer to reemploy* the individual in the next term or in the resumed term, which is *communicated in an explicit manner* to the individual.

### **Reasonable Assurance becomes an issue when:**

1. A claim is filed during a recess period, *and*
2. The base period of the claim includes school wages.

### **Recess Period is defined as:**

1. Any week between two successive academic years or terms, or
2. Any holiday or recess period within a term (of at least one week duration), such as winter or spring break.

## **Reasonable Assurance (Eligibility)**

During a scheduled recess break, a school employee should be **INELIGIBLE** for UI if:

They have reasonable assurance to return to the **same or similar** position at the end of the scheduled recess.

During a scheduled recess break, a school employee should be **ELIGIBLE** for UI if:

1. They **do not** have reasonable assurance to return to the **same or similar** position at the end of the recess.
2. This is the **first** year of a reduction in the number of days worked.
3. Their hours or pay are substantially (greater than 20%) reduced.
4. They were offered employment for summer school session and then it was canceled (only eligible for period of summer school session).
5. Their services may be utilized during the recess period (e.g. substitute maintenance, clerical workers, teachers, or aides who are on-call during the recess period).
6. They did not receive proper notification of reasonable assurance.

## **Payroll Users Manual**

**Tab: 1**

**Page 1 of 1**

**Subject: 1-e Sample – HCOE's Reasonable Assurance Letter**

**Revised: 5/18/17 Revised**

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**See attached**

**NOTIFICATION OF REASONABLE ASSURANCE FOR 2016-2017**

April 28, 2016

TO:

FROM: GARRY T. EAGLES, Ph.D., SUPERINTENDENT

SUBJECT: NOTIFICATION OF REASONABLE ASSURANCE FOR 2016-2017

The Humboldt County Office of Education hereby notifies you that you have Reasonable Assurance of returning to employ in the 2016 - 2017 school year. It is anticipated that the 2016 - 2017 school year will begin on or about **August 24, 2016** and you will be expected to return to work for staff duty days on that date.

You may, nevertheless, file a claim for unemployment insurance benefits. Your entitlement to benefits will be determined by the Employment Development Department and not by our office. If you are not offered an opportunity to perform services in the next academic year or term, you may be entitled to retroactive unemployment benefits if you are otherwise eligible and you filed a claim for each week benefits are claimed, and if you file a claim for the benefits within 30 days after the start of the next academic year/term.

For the purpose of unemployment claim filing, the mailing address of record you should use is:

Humboldt County Office of Education  
901 Myrtle Avenue  
Eureka, CA 95501

Furthermore, this letter is the only official notification and authorized notification on which you should rely when determining your employment status for the next year. Please complete the attachment below and return that portion of this letter to the HCOE Personnel Office no later than June 3, 2016.

---

☐ Yes, I will be returning in the 2016-2017 school year.

☐ No, I do not plan to return in the 2016-2017 school year, and consider this my Notice of Resignation from employment with the District.

If "No," please indicate reason: \_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Payroll Users Manual

Tab: 1

Page 1 of 4

Subject: 1-f Quarterly Reports

Revised: 5/18/17 Revised

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By the 5<sup>th</sup> working day of the month following the close of a quarter all PHA Pay History Adjustments are done. The district can run the PYR830 Employee Payroll History Report and the PYR750 Quarterly Report Prelist and complete their quarterly worksheet and reports.

Quarterly reports must be submitted to HCOE by the 3<sup>rd</sup> week of the month following the close of the quarter in order to meet the filing due dates.

### Filing Deadlines

Form DE 9 SDI DE 9423 SUI

| <u>Quarter</u>  | <u>Filing Due Date</u> | <u>Delinquent if Not Filed By</u> |
|-----------------|------------------------|-----------------------------------|
| Q 1 Jan-Feb-Mar | 1-Apr                  | 30-Apr                            |
| Q 2 Apr-May-Jun | 1-Jul                  | 31-Jul                            |
| Q 3 Jul-Aug-Sep | 1-Oct                  | 31-Oct                            |
| Q 4 Oct-Nov-Dec | 1-Jan                  | 31-Jan                            |

see EDD Publication DE44 California Employer's Guide

Pg 6 of 115 FORMS AND DUE DATES

Pg 59 of 115 Payroll Tax Deposit (DE88) Due Dates for Quarterly Tax Deposits

### Forms Available Online

SUI DE9423 Quarterly Contribution Return For School Employers

SDI DE88 Payroll Tax Deposit

SDI DE9 Quarterly Contribution Return and Report of Wages



## **Remember – To Avoid Penalty & Interest Charges**

**Pay by Mail – The postmark date is used to determine timeliness. The postmark date must be before the delinquent date.**

**Pay EFT – The settlement date is used to determine timeliness. Payments must settle in the state's bank account on or before the timely settlement date.**

**Penalty of 10% plus interest will be charged on late payroll tax payments.**

**You may request a waiver of the penalty and interest by writing a letter requesting a waiver. Mail it to the address at the top of the Notice.**

**If you need clarification or assistance, call the Taxpayer Assistance number 1-888-745-3886.**

## **Submit the Appropriate Forms to HCOE**

### **Balancing Worksheet**

If you use this worksheet, send a copy of both Tabs – “Data Entry” and “SUI Balancing”

### **SUI - DE 9423 EDD Quarterly Contribution Return for School Employers**

Check the “**Electronic Media**” box located under the signature line

### **SUI - DE 938sef Quarterly Return Adjustment Form**

As of January 2011, the DE 9423 does not have a line D to record adjustments. If you have an adjustment, complete the DE 938sef form, attach it to the DE 9423, and submit it to EDD. The Total Taxes Due should include the adjustment.

### **SDI - DE 88 EDD Payroll Tax Deposit**

For State SDI payments

### **SDI - DE 9 Quarterly Contribution Return And Report Of Wages**

For State SDI wages and contributions. Beginning in 2011, employers will submit the DE 9 Quarterly Contribution Return And Report of Wages form each quarter. (Replaces the DE 7 Annual Reconciliation Statement)

## Balancing the General Ledger

### SUI Suspense Account

01-0999-0-0000-0000-9540-000-0000

### SDI Suspense Account

01-0999-0-0000-0000-9543-000-0000

These are clearing accounts. The accounts are credited when the Payroll is posted. The accounts are debited when payments made through Accounts Payable are posted. The Payments for SUI and SDI must have these Object codes. The suspense account should then carry a zero balance.

**Year End SUI and SDI payments are not required to be set up as an estimated payable since the amount due is already considered a “payable” by the 9540 and 9543 Object balances.**

### LEC – Local Experience Charges

HCOE's recommendation is to track the LEC Charges separate from payroll SUI Taxes.

The LEC Charges should be charged to the same account string as the employee's earnings line with the Object Code:

3511 Certificated

3512 Classified

Any manual adjustment for SUI payroll taxes should be charged to the same account string as the employee's earnings line with the Object Code:

3501 Certificated

3502 Classified

## e-Services for Business

Districts can file the DE9423 for SUI and the DE9 for SDI through EDD e-Services for Business.

Your district must first register and receive a username and password.

Go to [www.edd.ca.gov/Payroll Taxes/e-Services for Business Information](http://www.edd.ca.gov/Payroll Taxes/e-Services for Business Information)

HCOE is responsible for transmitting electronically all DE9c Quarterly Contribution Return and Report of Wages.

Employment Development Department - Windows Internet Explorer

http://www.edd.ca.gov/

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Employment Development Department

State of California  
**Employment Development Department**

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Home Unemployment Disability Jobs & Training Payroll Taxes Labor Market Info

- Overview  
An overview of the Payroll Taxes program.
- Getting Started/Seminars  
Information on payroll taxes, employer reporting requirements, and available payroll tax seminars.
- Running Your Business  
Information for employers about filing and paying taxes and available forms and publications.
- Tax Practitioners  
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- General Information  
Information on employer taxes and other topics.
- Payroll Tax News  
Stay up to date with Payroll Tax News.
- e-Services for Business Information  
Employers can manage their payroll tax accounts online.
- Payroll Taxes FAQs  
Payroll Taxes frequently asked questions by topic.
- Contact Payroll Taxes  
Contact Information for Payroll Taxes.

Claimants Job Seekers Employers Workforce Partners Quick Links

- Labor Market Information
- Tax Rates
- Quick Statistics
- Report Fraud
- Public Records Request
- Get E-mail Notices
- Jobs with EDD
- Decisions Pending and Opportunities for Public Participation

Información en Español

Office of Governor  
**Edmund G. Brown Jr.**  
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CA Government Links

- Labor & Workforce Development Agency
- Department of Industrial Relations
- California Unemployment

EDD Are you looking for an EDD office?

EDD online MAKING IT WORK FOR YOU

http://www.edd.ca.gov/Payroll\_Taxes/

Start Outlook Internet Explorer Microsoft Word - Quarterly Reports.doc Employment Develop...

11/14/2009 2:42 PM



QUARTERLY CONTRIBUTION RETURN FOR SCHOOL EMPLOYERS  
PLEASE TYPE THIS FORM - DO NOT ALTER PREPRINTED INFORMATION

APPROVED EXTENSION TO: \_\_\_\_\_

QUARTER ENDED \_\_\_\_\_ DUE \_\_\_\_\_

DELINQUENT IF  
NOT POSTMARKED  
OR RECEIVED BY \_\_\_\_\_

|    |     |
|----|-----|
| YR | QTR |
|    |     |

Employer Account No. \_\_\_\_\_

|                        |    |   |   |   |   |   |     |     |     |     |
|------------------------|----|---|---|---|---|---|-----|-----|-----|-----|
| DO NOT ALTER THIS AREA |    |   |   |   |   |   |     |     |     |     |
| P1                     | P2 | C | P | U | S | W | A   |     |     |     |
| EFFECTIVE DATE         |    |   |   |   |   |   | Mo. | Day | Yr. | WIC |
|                        |    |   |   |   |   |   | =   | =   | =   |     |

A. NUMBER OF EMPLOYEES earning wages during or receiving pay for the pay periods that include the 12th day of the calendar month (enter numerals only). Please complete all fields. Blank fields will be identified as missing data.

1st Month

2nd Month

3rd Month

B. TOTAL SUBJECT WAGES PAID THIS QUARTER (Same figure on line M on DE 9C) \_\_\_\_\_ (B)

C. EMPLOYER'S UI CONTRIBUTIONS \_\_\_\_\_ % Times B \_\_\_\_\_ (C)

D. TOTAL TAXES DUE (Item C) \_\_\_\_\_ (D)

Make check payable to **EMPLOYMENT DEVELOPMENT DEPARTMENT**  
INCLUDE EMPLOYER ACCOUNT NUMBER ON CHECK. Do not staple check to return.

HELP US IMPROVE THE QUALITY OF OUR EMPLOYMENT TAX SERVICES. PLEASE RATE OUR CURRENT SERVICES BY ENTERING THE APPROPRIATE NUMBER IN THE BOX: 4 = EXCELLENT 3 = GOOD 2 = FAIR 1 = POOR

NOTE: - IMPORTANT Please check the appropriate box:

No payroll Enter "0" on line B. ☐

Final return ☐

Individual employees wages that are subject to Unemployment Insurance (UI) are reported on:

Attached Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C) ☐

Electronic Media ☐

INSTRUCTIONS

Note: For Items A through D, if the amount is zero, enter 0.

ITEM A. Number of Employees - For each of the three months in the quarter, enter the number of employees earning wages during or receiving pay for the pay period(s) that includes the 12th day of each month. Please complete all fields. Blank fields will be identified as missing data.

ITEM B. Total Wages in Subject Employment - Enter the total of ALL UI subject wages paid (refer to the California Employer's Guide [DE 44], the "Types of Employment" and "Types of Payments" tables).

ITEM C. Employer's UI Contributions - Multiply the amount entered in Item B by the employer's UI contribution rate, and enter this calculated amount in C.

ITEM D. Total Taxes Due - Enter amount from line C. If the amount is zero, enter "0" in Item D and check the box on the front of the return envelope. Make check payable to EMPLOYMENT DEVELOPMENT DEPARTMENT.

ITEM E. Signature of preparer or responsible individual, including title, telephone number, fax number, and date.

INFORMATION

Employer UI contributions are due and payable on the first day of the calendar month following the close of each calendar quarter. Payment shall be delinquent if not paid on or before the last day of such month.

FILING THE RETURN - This return must report all UI subject California wages paid (refer to Item B and the DE 44).

PENALTY of ten percent (10%) is added for failure to make payment by the delinquent date of the return. An additional ten percent (10%) is added if the return and report of wages is not filed within 60 days of the delinquent date of the return. Interest accrues from the delinquent date for the return.

NOTE: If you combine schools, you must file and pay the final return within 10 days of merging to avoid penalty and interest.

If your school was merged or if a change in district occurred during the period covered by this Quarterly Contribution Return, each district must file a separate return covering only that part of the quarter (or year for income tax forms) during which the particular district operated.

TOTAL WAGES - Means all remuneration payable for personal services when they meet the criteria of UI subject wages (refer to Item B and the DE 44).

TAXABLE WAGE LIMIT - Total individual employee wages are taxable. There is no wage limit.

IF YOU NEED ASSISTANCE COMPLETING THIS FORM, CONTACT THE EMPLOYMENT DEVELOPMENT DEPARTMENT, SCHOOL EMPLOYEES FUND AT (916) 653-5380.



Did you know you can file this form online using EDD's Expanded e-Services for Business? Please visit our Web site at [www.edd.ca.gov](http://www.edd.ca.gov) for further instructions.

Mail To: State of California / Employment Development Department  
P.O. Box 2482 / Sacramento, CA 95812-2482

Page 1 of 1

**QUARTERLY CONTRIBUTION  
RETURN AND REPORT OF WAGES**



REMINDER: File your DE 9 and DE 9C together.

00090112

PLEASE TYPE THIS FORM—DO NOT ALTER PREPRINTED INFORMATION

QUARTER  
ENDED

DUE

DELINQUENT IF  
NOT POSTMARKED  
OR RECEIVED BY

YR  QTR

EMPLOYER ACCOUNT NO.

**DO NOT ALTER THIS AREA**

USE ONLY

|    |    |    |    |    |    |    |
|----|----|----|----|----|----|----|
| P1 | P2 | C  | P  | U  | S  | A  |
| 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| T  | 11 |    |    |    |    |    |
| 11 |    |    |    |    |    |    |

Mo. Day Yr.

EFFECTIVE DATE

FEIN

A. NO WAGES PAID THIS QUARTER ☐

B. OUT OF BUSINESS/NO EMPLOYEES ☐

ADDITIONAL  
FEINS

B1. OUT OF BUSINESS DATE

|                      |                      |                      |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| M                    | M                    | D                    | D                    | Y                    | Y                    | Y                    | Y                    |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

C. TOTAL SUBJECT WAGES PAID THIS QUARTER.....

D. UNEMPLOYMENT INSURANCE (UI) (Total Employee Wages up to \$

per employee per calendar year)

(D1) UI Rate %

TIMES

(D2) UI TAXABLE WAGES FOR THE QUARTER

(D3) UI CONTRIBUTIONS

0:00

E. EMPLOYMENT TRAINING TAX (ETT)

(E1) ETT Rate %

TIMES

UI Taxable Wages for the Quarter (D2).....

(E2) ETT CONTRIBUTIONS

0:00

F. STATE DISABILITY INSURANCE (SDI) (Total Employee Wages up to \$

per employee per calendar year)

(F1) SDI Rate %

TIMES

(F2) SDI TAXABLE WAGES FOR THE QUARTER

(F3) SDI EMPLOYEE CONTRIBUTIONS WITHHELD

0:00

\* G. CALIFORNIA PERSONAL INCOME TAX (PIT) WITHHELD

**REPORTED AT COUNTY  
LEVEL**

0:00

H. SUBTOTAL (Add Items D3, E2, F3, and G).....

I. LESS: CONTRIBUTIONS AND WITHHOLDINGS PAID FOR THE QUARTER.....  
(DO NOT INCLUDE PENALTY AND INTEREST PAYMENTS)

0:00

J. TOTAL TAXES DUE OR OVERPAID (Item H minus Item I).....

If amount due, prepare a *Payroll Tax Deposit* (DE 88), include the correct payment quarter, and mail to: Employment Development Department, P.O. Box 826276, Sacramento, CA 94230-6276. NOTE: Do not mail payments along with the DE 9 and *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C), as this may delay processing and result in erroneous penalty and interest charges. Mandatory Electronic Funds Transfer (EFT) filers must remit all SDI/PIT deposits by EFT to avoid a noncompliance penalty.

K. I declare that the above, to the best of my knowledge and belief, is true and correct. If a refund was claimed, a reasonable effort was made to refund any erroneous deductions to the affected employee(s).

Signature *Required*

Title (Owner, Accountant, Preparer, etc.)

Phone ( )

Date

SIGN AND MAIL TO: State of California / Employment Development Department / P.O. Box 989071 / West Sacramento CA 95798-9071



## CORRECTING A PRIOR DE 9

If you made an error on a DE 9, you can make a correction as follows:

|                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Electronically</b> <ul style="list-style-type: none"><li>• Access the DE 9 online at the EDD e-Services for Business website and select "Change" to complete a <i>Quarterly Contribution and Wage Adjustment Form</i> (DE 9ADJ).</li><li>• Complete the form and select "Submit" to send your request to the EDD. It's fast, easy, and secure.</li></ul> <p><b>NOTE:</b> For 2011 and subsequent years.</p> | <b>Paper</b> <ul style="list-style-type: none"><li>• Complete and mail a paper DE 9ADJ form to the EDD to request an adjustment.</li></ul> <p>You can obtain a DE 9ADJ and <i>Instructions for Completing the Quarterly Contribution and Wage Adjustment Form</i> (DE 9ADJ-I) from:</p> <ul style="list-style-type: none"><li>• The EDD website at <a href="http://www.edd.ca.gov/payroll_taxes/forms_and_publications.htm">www.edd.ca.gov/payroll_taxes/forms_and_publications.htm</a>.</li><li>• The Taxpayer Assistance Center at 888-745-3886. If outside the U.S. or Canada, call 916-464-3502.</li></ul> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## FILING AN INFORMAL DE 9 REPORT

You can also send the EDD an informal report to avoid penalty and interest charges. Your informal DE 9 should include the following information:

- Owner's name
- Your EDD eight-digit employer account number
- Business name
- Business address
- Payroll quarter
- The following quarterly "totals" for 2014:
  - Total subject wages paid
  - Unemployment Insurance (UI) taxable wages
  - UI contributions
  - Employment Training Tax (ETT) contributions
  - State Disability Insurance (SDI) taxable wages
  - SDI employee contributions withheld
  - California Personal Income Tax (PIT) withheld
  - Subtotal tax liability
  - Less contributions and withholdings amounts paid
  - Total taxes due or overpaid

**Sign and date your informal DE 9 and note your business phone number. Mail the informal report to:**

Employment Development Department  
P.O. Box 826286  
Sacramento, CA 94230-6286

**File and Pay Online using the EDD e-Services for Business at  
<https://eddservices.edd.ca.gov>.**

**Subscribe to the EDD no-fee e-mail subscription services at  
[www.edd.ca.gov/about\\_edd/get\\_email\\_notices.htm](http://www.edd.ca.gov/about_edd/get_email_notices.htm).**

# **SECTION 2**

## **Payroll Support**



# JUNE PAYROLL PROCESSING

## BALANCING CONTRACTS

All Certificated and Classified contracts must be balanced before regular month end payroll is processed for June.

When balancing certificated contracts, you should verify retirement coding as the retirement must also be balanced. STRS retirement is calculated on gross subject wages at 10.25% for Classic members and 9.205% for PEPPRA(new) members. If any problems are encountered other than rounding, please call Melody (445-7057), or Estelle (445-7061). Penny rounding is not mandatory; district policy will prevail.

## INSTRUCTIONS FOR BALANCING NORMAL PAYROLL CONTRACTS

- |                                   |                                                                                                                                          |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| (1) <b>EMPLOYEE NAME</b>          | Enter employee name                                                                                                                      |
| (2) <b>MONTHLY RATE</b>           | Enter employee's normal monthly gross                                                                                                    |
| (3) <b>YEAR-TO-DATE GROSS</b>     | Enter information from employee payroll history report                                                                                   |
| (4) <b>SPECIAL PAY</b>            | If employee received special pay (i.e. overtime, mentor teacher pay, coaching, etc.), it must be subtracted from the year-to-date gross. |
| (5) <b>DOCKS</b>                  | If employee was docked during the year, the docked amount must be added back in.                                                         |
| (6) <b>REMAINING MONTHS</b>       | Multiply monthly rate by 2 for 10 pay (May/June payments)                                                                                |
| (7) <b>TOTAL</b>                  | Add (or subtract) columns 2, 3, 4, 5, and 6                                                                                              |
| (8) <b>CONTRACT AMOUNT</b>        | Enter employee current year contract amount                                                                                              |
| (9) <b>DIFFERENCE</b>             | Subtract column 7 from column 8. If there is a difference, check pre-lists for special pay or docks.                                     |
| (10) <b>STRS YTD</b>              | Enter employee year-to-date retirement from payroll history report                                                                       |
| (11) <b>MO RETIREMENT AMT</b>     | Enter monthly retirement amount times 2 for 10-pay                                                                                       |
| (12) <b>RETIREMENT TOTAL</b>      | Add columns 10 and 11                                                                                                                    |
| (13) <b>NET CONTRACT</b>          | Enter contract less docks, plus special pay subject to retirement                                                                        |
| (14) <b>CONTRACT X %</b>          | Multiply column 13 by 10.25% or 9.205%                                                                                                   |
| (15) <b>RETIREMENT DIFFERENCE</b> | Subtract column 14 from column 12; any differences should be discussed with HCOE retirement technician                                   |
| (16) <b>DNP</b>                   | Balance the pay history DNP totals for each employee to the Cumulative DNP Report                                                        |

## JUNE REGULAR PAYROLL

The June regular payroll is due at 9:00 am on June 21, 2017. After this payroll has been audited by HCOE payroll services, your district will be called to make corrections. Please make the corrections and route a new prelist as quickly as possible.

Any retirement corrections **MUST BE** made on the June regular payroll, they **CANNOT** be made on the DNP payrolls. If a correction is missed on the June regular payroll or a problem with the necessary adjustment is encountered, contact Estelle Hawley (445-7061).

## **AUTOMATIC PAY DEPOSITS**

Automatic Pay Deposits (APD) for employees on DNP payrolls **may not** be initiated as pre-notes on the June regular payroll. The APD programs recognize the June payrolls as three separate runs; therefore, the pre-note information would be transmitted on the June regular, with live data being transmitted on the DNP payrolls - **all three payrolls** will be transmitted sequentially on June 23, 27 & 28, 2017. If an APD was initiated with incorrect data on the June regular payroll, the banks would not have the required 30 days to notify HCOE and the district of the rejected information and the live data transmissions for the DNP payrolls would be invalid and rejected by the banks.

**LAST DATE TO PAY FOR INDIVIDUALS WHO HAVE DNP WITH EFT:** Do not put a last date to pay of 6/30/2017 until after the second DNP run is made. When the first payroll is run, and if a 6/30/2017 last date to pay is entered, the initial payroll run will trigger the elimination of the banking information and the next two DNP payrolls will generate "LIVE" payroll checks instead of an EFT

If an employee is not expected to return the following school year, **please delete** their APD information after the final payroll run for DNP2. **Also, please remove DNP in the Tax/Ret screen and any deductions in the payroll deduction screen that are no longer applicable.**

## **DNP PAYOUTS**

DNP payroll pre-lists cannot be run until after the June regular production run.

To request the DNP pre-lists, use pay calendar @, Cycle 06, Type R1 & R2. This will generate two checks for payroll employees. Review and balance DNP totals to the Employee Cumulative DNP report carefully before submitting to HCOE for processing.

**See attached samples on "How to Balance and Run DNP Payrolls"**

**PAYROLL DNP R1 PRE-LISTS ARE DUE IN THE HCOE BUSINESS OFFICE BY JUNE 26, 2017, NO LATER THAN 12:00 PM.**

**PAYROLL DNP R2 PRE-LISTS ARE DUE IN THE HCOE BUSINESS OFFICE BY JUNE 27, 2017 NO LATER THAN 12:00 PM.**

## **2017 TAXABLE LIFE INSURANCE PAID BY DISTRICT - JANUARY - JUNE**

FICA/MEDICARE WITHHOLDING AMOUNTS FOR 2017 TAXABLE LIFE INSURANCE PAID BY DISTRICT  
Be sure to put in payroll deductions for employee & employer Medicare and FICA (if applicable) withholding for those employees who have been receiving excess life insurance coverage paid by the employer during the months of January through June **and** who will not be returning to work in the new fiscal year. These deductions are necessary to ensure the individual's W-2 Medicare and FICA (if applicable) withholdings are accurate for the 2017 Calendar Year.

## How to Balance and Run DNP Payrolls

Here are the steps to perform ensuring all employees receive their proper DNP Payout:

- Make sure all DNP Payout lines are “A”ctivated
- Run the Payroll Prelist and Select the DNP ONLY checkbox at the bottom of the initiator (see sample on page 2)
- The only earnings reported on the Prelist will be the DNP Payout lines
- Run the DNP Balance Report (see sample on page 3)
- The two reports should be validated to ensure that any employee with a DNP Balance is receiving the appropriate DNP Payout
- Any employee with a DNP Balance who is NOT on the Payroll Prelist should be accessed in Earnings and ensure the DNP Payout line is created.
- If the employee does NOT have a DNP Payout line, the employee likely has a Last Date to Pay in Tax/Ret and has been terminated.
- Press the FORCE DNP button in Earnings to create that DNP Payout line for the Employee.
- To change the status for R1 and R2 from Pending to Active go to the Processes Tab and select an Action of “Update”, from “Pending to Active” for CY 06 // Cycle Type = R1 and R2 (see Processes-District Earning/Deduction Status Change)

[https://fin-app-01.humboldt.ca.gov/~Payroll/Payroll/PrelistReportInternetSp...>](#)

File Edit View Favorites Tools Help

[Home](#) [Employee](#) [Deduction Plan](#) [Pay Calendar](#) [Reports](#) [Processes](#) [Setup](#) [Configuration](#) [Close](#)

[Prelist Reports](#) [Reports](#) [Production Reports](#)

Selection Criteria:

District: [01 - HUMBOLDT COUNTY](#)

Pay Calendar: [\(All\)](#) Cycle: [05](#) Cycle Type: [R](#) SSN:

[CE10TH](#)  
[CEMEND](#)  
[CL10TH](#)  
[CLMEND](#)

From Last Name: To Last Name: -OR- Last Name First Name Mi

Employee Payroll Earnings Prelist: ☒  
New/Warnings: ☐  
New/Retirement Edits: ☐  
Employer Benefit Summary by Fund: ☐  
Deduction by Deduction Plan: ☐  
Deduction by Deduction Plan County: ☐  
Deduction by Employee: ☐  
Deduction Summary: ☐  
Deduction Summary County: ☐  
Benefits Distribution By Employee: ☐  
Payroll Register Alpha: ☐  
Special Earning Types: ☐  
Employee Payroll Summary Prelist: ☐

Benefits Distribution by Account: ☐  
Earning Summary by Account: ☐  
Benefits Distribution by Account DB/CR: ☐  
Health And Welfare Benefit by Plan Account: ☐

Sort Order [Full](#) [L](#) [Re](#) [FV](#) [CQ](#) [SN](#) [Name](#) [Date](#) [Print](#)

DNP Only: ☒ NPDP Benefits Only: ☐ SSN Format: [Include SSN](#)

[financial2000/ReportHistory/ReportHistoryUI/ShowReport.aspx?ID=174078&Format=PDF](#)
[fin-app-01.humboldt](#)

SMCOE
 Financial 2000
 US Bank Singlepoint
 SAM
 One Solution
 CalSTRS Secure Employer ...
 CDE

HUMBOLDT COUNTY OFFICE OF EDUCATION  
 Employee Payroll Earnings Prefist

SAMPLE DNP PRELIST AS OF 5/31

01 Humboldt COE

Pay Cycle: 05    Cycle Type: R    W-Date: 05/31/2017  
 Pay Cal: CEMEND, CLMEND

Fiscal Year: 2017

| Employee Deductions |            |         |            |         |            |      |           |         |          |          |            |
|---------------------|------------|---------|------------|---------|------------|------|-----------|---------|----------|----------|------------|
| T457B               | 1,750.00   | STRS    | 32,912.50  | FICA    | 7,171.30   | AFTT | 730.00    | VOL DED | 3,599.31 | DNP IN   | 49,620.94  |
| S125                | 3,147.46   | PERS GR | 117,433.42 | MEDI GR | 440,503.33 | SIT  | 10,657.44 | INV DED | 0.00     | DNP OUT  | 0.00       |
| NTX GR              | 0.00       | PERS    | 8,024.42   | MEDI    | 6,387.33   | ASIT | 320.00    | R403B   | 0.00     | DNP PROJ | 442,511.04 |
| NTX RET             | 40,936.92  | ARS GR  | 0.00       | S/B     | 0.00       | EIC  | 0.00      | SDI GR  | 0.00     | DNP YTD  | 442,511.04 |
| FIT GR              | 393,466.41 | SIT GR  | 393,466.41 | ARS     | 0.00       | HSA  | 0.00      | SDI     | 0.00     | NET PAY  | 270,801.63 |

Employer Costs

|      |           |      |           |          |            |        |            |       |            |      |          |       |            |
|------|-----------|------|-----------|----------|------------|--------|------------|-------|------------|------|----------|-------|------------|
| STRS | 41,470.46 | PERS | 16,309.17 | PERS B/O | 0.00       | ARS    | 0.00       | FICA  | 7,171.30   | MEDI | 6,387.33 | HSA   | 0.00       |
| WC   | 13,611.58 | SUI  | 220.27    | HW       | 130,352.06 | SUI GR | 440,503.33 | WC GR | 440,503.33 |      |          | TOTAL | 215,522.17 |

## Run a DNP Balance Report

https://fin-app-01.humboldtcoe.org/ Payroll ~ Reports ~ Internet Explorer

File Edit View Favorites Tools Help

Home Employee Deduction Plan Pay Calendar Reports Processes Setup Configuration Close

Prelist Reports Reports Production Reports

Payroll Report: Payroll DNP Balance Report Report Initiator

Payroll DNP Balance Report

Options Template: (Select)

Report Title: DNP BALANCE REPORT 2016-17

Selection Criteria:

District: 01 - HUMBOLDT COUNTY Pay Calendar: All

CE10TH  
CEMEND  
CL10TH  
CLMEND

SSN:

From Last Name: To Last Name: Last Name First Name Mi

Include SSN: ☒

## Last Page of resulting report:

|                      |                     |            |            |
|----------------------|---------------------|------------|------------|
| PSCHAIDA             | JENNY               | R          | 3,159.42   |
| RIVERS               | ISADORA             | M          | 2,604.02   |
| SCHMALZEL            | CHRISTIE            | L          | 485.00     |
| WEAVER               | CIARA               | P          | 1,705.65   |
| WILLIAMS             | CYNTHIA             | L          | 2,011.64   |
| YOST                 | MAUREEN             | A          | 2,548.85   |
| Pay Calendar: CLMEND | Total Employees: 33 |            | 62,308.60  |
| District: 01         | Total Employees: 98 | Total DNP: | 392,890.10 |

Total DNP Amount should equal Prelist DNP Y-T-D Amount.  
Review information for all individuals to verify accuracy.  
Note: the reports represented here do not match due to timing of extract (not all payrolls have been run).

## PROCESSES-DISTRICT

### EARNING/DEDUCTION STATUS CHANGE

The Earning/Deduction Status Change Programs will modify the earning/deduction lines either by a specific criteria selection, or all. Both Earnings Status Change and Deduction Status Change have the same initial entry as the Payroll Earning Report. Some selections must be made before the screen will complete.

Once the Sort, Action and Status selections are made, the remainder of the screen will display.

The Deduction Status Change Report/Update will function the same way.

# 2016 - 2017

## DNP // PAYROLL - AT - A - GLANCE

### MAY MONTHEND > JULY SUPPLEMENTAL PAYROLLS

| MONTH  | PAYDAY    | SUPPLEMENTAL      |          |                         | NORMAL           |          |                         |
|--------|-----------|-------------------|----------|-------------------------|------------------|----------|-------------------------|
|        |           | DUE               | RUN      | PICKUP<br>AFTER 3<br>PM | DUE              | RUN      | PICKUP<br>AFTER 1<br>PM |
| May    | 5/31/2017 |                   |          |                         | 05/24/17 noon    | 05/26/17 | 05/30/17                |
| June   | 6/9/2017  | 06/07/17 10:00 am | 06/08/17 | 06/08/17                |                  |          |                         |
| June   | 6/30/2017 |                   |          |                         | 06/21/17 9:00 am | 06/23/17 | 06/29/17                |
| DNP R1 | 6/30/2017 |                   |          |                         | 06/26/17 12 noon | 06/27/17 | 06/29/17                |
| DNP R2 | 6/30/2017 |                   |          |                         | 06/27/17 12 noon | 06/28/17 | 06/29/17                |
| July   | 7/10/2017 | 07/06/17 10:00 am | 07/07/17 | 07/07/17                |                  |          |                         |

#### PLEASE NOTE:

If your payroll has retros, please route your prelist to us at least one day prior to the due date. Please type "RETRO PAY" as the report title.

## 2016 - 2017 PAYROLL CALENDAR

| MAY 2017 |     |      |     |       |     |     |
|----------|-----|------|-----|-------|-----|-----|
| SUN      | MON | TUES | WED | THURS | FRI | SAT |
|          | 1   | 2    | 3   | 4     | 5   | 6   |
| 7        | 8   | 9    | 10  | 11    | 12  | 13  |
| 14       | 15  | 16   | 17  | 18    | 19  | 20  |
| 21       | 22  | 23   | 24  | 25    | 26  | 27  |
| 28       | 29  | 30   | 31  |       |     |     |

| JUNE 2017 |     |      |     |       |     |     |
|-----------|-----|------|-----|-------|-----|-----|
| SUN       | MON | TUES | WED | THURS | FRI | SAT |
|           |     |      |     | 1     | 2   | 3   |
| 4         | 5   | 6    | 7   | 8     | 9   | 10  |
| 11        | 12  | 13   | 14  | 15    | 16  | 17  |
| 18        | 19  | 20   | 21  | 22    | 23  | 24  |
| 25        | 26  | 27   | 28  | 29    | 30  |     |

| JULY 2017 |     |      |     |       |     |     |
|-----------|-----|------|-----|-------|-----|-----|
| SUN       | MON | TUES | WED | THURS | FRI | SAT |
|           |     |      |     |       |     | 1   |
| 2         | 3   | 4    | 5   | 6     | 7   | 8   |
| 9         | 10  | 11   | 12  | 13    | 14  | 15  |
| 16        | 17  | 18   | 19  | 20    | 21  | 22  |
| 23        | 24  | 25   | 26  | 27    | 28  | 29  |
| 30        | 31  |      |     |       |     |     |

KEY:

# Payroll Due

# Run Payroll

# Payday

X# HCOE Closed

#### PLEASE NOTE:

If your payroll has retros, please route your prelist to us at least one day prior to the normal due date. Please type "RETRO PAY" as the report title.

**June 2017**

|    |    |    |    |    |    |    |
|----|----|----|----|----|----|----|
| S  | M  | T  | W  | T  | F  | S  |
|    |    |    |    | 1  | 2  | 3  |
| 4  | 5  | 6  | 7  | 8  | 9  | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 |    |

# May 2017

**April 2017**

|    |    |    |    |    |    |    |
|----|----|----|----|----|----|----|
| S  | M  | T  | W  | T  | F  | S  |
|    |    |    |    |    |    | 1  |
| 2  | 3  | 4  | 5  | 6  | 7  | 8  |
| 9  | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 |    |    |    |    |    |    |

| Sunday | Monday        | Tuesday                                             | Wednesday                                                               | Thursday                   | Friday                           | Saturday |
|--------|---------------|-----------------------------------------------------|-------------------------------------------------------------------------|----------------------------|----------------------------------|----------|
|        | 1             | 2                                                   | 3                                                                       | 4                          | 5                                | 6        |
| 7      | 8             | 9                                                   | 10<br>Payday                                                            | 11                         | 12                               | 13       |
| 14     | 15            | 16                                                  | 17                                                                      | 18<br>End of Year Workshop | 19                               | 20       |
| 21     | 22            | 23                                                  | 24                                                                      | 25                         | 26<br>Balance Contracts          | 27       |
| 28     | 29<br>HOLIDAY | 30<br>Distribute P/R after 1pm<br>Balance Contracts | 31<br>12 pm P/R Due<br>Balance Contracts<br>Payday<br>Balance Contracts |                            | Run Payroll<br>Balance Contracts |          |



| May 2017 |    |    |    |    |    |    |
|----------|----|----|----|----|----|----|
| S        | M  | T  | W  | T  | F  | S  |
| 1        | 2  | 3  | 4  | 5  | 6  |    |
| 7        | 8  | 9  | 10 | 11 | 12 | 13 |
| 14       | 15 | 16 | 17 | 18 | 19 | 20 |
| 21       | 22 | 23 | 24 | 25 | 26 | 27 |
| 28       | 29 | 30 | 31 |    |    |    |

# June 2017

| July 2017 |    |    |    |    |    |    |
|-----------|----|----|----|----|----|----|
| S         | M  | T  | W  | T  | F  | S  |
| 2         | 3  | 4  | 5  | 6  | 7  | 8  |
| 9         | 10 | 11 | 12 | 13 | 14 | 15 |
| 16        | 17 | 18 | 19 | 20 | 21 | 22 |
| 23        | 24 | 25 | 26 | 27 | 28 | 29 |
| 30        | 31 |    |    |    |    |    |

| Sunday | Monday                                                                           | Tuesday                                                                                                    | Wednesday                               | Thursday                                                      | Friday                           | Saturday |
|--------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------|----------------------------------|----------|
|        |                                                                                  |                                                                                                            |                                         | 1                                                             | 2                                | 3        |
| 4      | 5<br>Balance Contracts                                                           | 6<br>Balance Contracts                                                                                     | 7<br>10 am P/R due<br>Balance Contracts | 8<br>Run P/R<br>Distribute P/R after 3pm<br>Balance Contracts | 9<br>Payday<br>Balance Contracts | 10       |
| 11     | 12<br>Balance Contracts                                                          | 13<br>Balance Contracts                                                                                    | 14<br>Balance Contracts                 | 15<br>Balance Contracts                                       | 16<br>Balance Contracts          | 17       |
| 18     | 19<br>Balance Contracts                                                          | 20<br>12pm Districts with Retros - Prelist due                                                             | 21<br>9 am Reg. P/R Due                 | 22                                                            | 23<br>Run regular P/R            | 24       |
| 25     | 26<br>8am-Watch for email notification to start DNP R1 P/R<br>12 noon-DNP R1 Due | 27<br>~Run DNP R1 P/R<br>~10am - Watch for email notification to start DNP R2 P/R<br>~12 noon - DNP R2 Due | 28<br>Run DNP 2 - P/R                   | 29<br>Distribute all P/R after                                | 30<br>PAYDAY                     |          |

| June 2017 |    |    |    |    |    |    |
|-----------|----|----|----|----|----|----|
| S         | M  | T  | W  | T  | F  | S  |
| 4         | 5  | 6  | 7  | 8  | 9  | 10 |
| 11        | 12 | 13 | 14 | 15 | 16 | 17 |
| 18        | 19 | 20 | 21 | 22 | 23 | 24 |
| 25        | 26 | 27 | 28 | 29 | 30 |    |

# July 2017

| Aug 2017 |    |    |    |    |    |    |
|----------|----|----|----|----|----|----|
| S        | M  | T  | W  | T  | F  | S  |
| 6        | 7  | 8  | 9  | 10 | 11 | 12 |
| 13       | 14 | 15 | 16 | 17 | 18 | 19 |
| 20       | 21 | 22 | 23 | 24 | 25 | 26 |
| 27       | 28 | 29 | 30 | 31 |    |    |

| Sunday | Monday | Tuesday                                                                                                                                                                                                                                                                                                              | Wednesday | Thursday                                                                       | Friday                    | Saturday                            |
|--------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------|---------------------------|-------------------------------------|
|        |        |                                                                                                                                                                                                                                                                                                                      |           |                                                                                |                           | 1                                   |
| 2      | 3      | Fourth of July!                                                                                                                                                                                                                                                                                                      | 4         | 5                                                                              | 6                         | 7                                   |
|        |        |                                                                                                                                                                                                                                                                                                                      |           | 2017-18 Payroll generation completed-districts will be notified of any changes | 10 am P/R Due             | Run P/R<br>Distribute P/R after 3pm |
| 9      | 10     | July 10 - July 21<br>Modify employee/employer H/W deductions for all employees. Validate account strings for retiree H/W benefits(1899/2899 objects). Delete any unnecessary earnings lines (non-position pay lines). Review employee Tax Ret information for any needed changes in pay cycles (ie. CE10th > CEMEND) | 11        | 12                                                                             | 13                        | 14                                  |
|        | Payday |                                                                                                                                                                                                                                                                                                                      |           |                                                                                |                           | 15                                  |
| 16     | 17     |                                                                                                                                                                                                                                                                                                                      | 18        | 19                                                                             | 20                        | 21                                  |
|        |        |                                                                                                                                                                                                                                                                                                                      |           |                                                                                |                           | 22                                  |
| 23     | 24     | 12 pm Districts w/ Retros- Prelist Due                                                                                                                                                                                                                                                                               | 25        | 26                                                                             | 27                        | 28                                  |
|        |        | 12 noon - P/R Due                                                                                                                                                                                                                                                                                                    |           |                                                                                | Distribute P/R after 1 pm | 29                                  |
| 30     | 31     | Payday                                                                                                                                                                                                                                                                                                               |           |                                                                                |                           |                                     |

# JULY REMINDERS

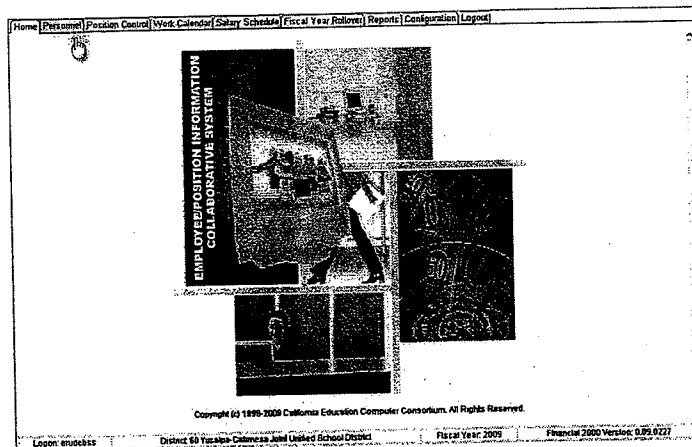
- ❖ **STUDENT WORKERS:** A student working during the school year is exempt from payroll taxes when they are enrolled in school (Earn type: STU1). If the student worker continues (or starts) working during the summer months and is not enrolled in school in your district, their earnings are subject to FICA and Medicare. You must change the Earn type to STU2 so that the appropriate FICA and Medicare withholdings are taken.
- ❖ Do not take DNP on July 10<sup>th</sup> payroll since this payroll is associated with prior year. To avoid DNP pulling, please use an earn type that is not subject to DNP (earn type DNP information available on your district payroll earn type table in Payroll.net)
- ❖ **TERMINATIONS:** As part of the year-end final process for 2016/17 and the beginning of year start-up process, please review all employees to determine if their status should be moved to “terminated” in EPICS and in addition, their status in Payroll.net should reflect termination information (on both payroll lines and deductions). See the documentation included in this workshop regarding the Termination processes in both EPICS and Payroll.net.
- ❖ **EMPLOYEE/EMPLOYER PAYROLL DEDUCTIONS:** Review all 2017/18 Payroll deductions and make necessary changes to correct the deductions for new fiscal year amounts. Review any garnishment amounts that may need to be adjusted if an individual has a garnishment based on a percentage of their salary.
- ❖ Review non-paid employees/retirees (no earnings lines or earnings lines with a “N” for HW) and who have employer-paid h/w payroll deductions that have an invalid account string in the payroll deduction account line area. If necessary, validate the account string. For example, a certificated retiree with employer-paid h/w amounts and a deduction account line of 01-0000-0-1110-1000-1899-000-0000 (maps to an object 3701 for the employer benefit charge). The 1899 and 2899 object lines need to be validated each year since they are not budgetary account strings that are validated during adopted budget rolls. Invalid account lines in h/w will create mapping errors when payroll is run.
- ❖ Review employees who have had an increase in FTE from prior year that may have created mandatory retirement subjectivity. For example, a 3.5 hour per day classified instructional aide in 2016/17 (non-PERS member) is moved into a 6 hour per day classified instructional aide position (mandatory PERS membership).

## TERMINATION PROCESS

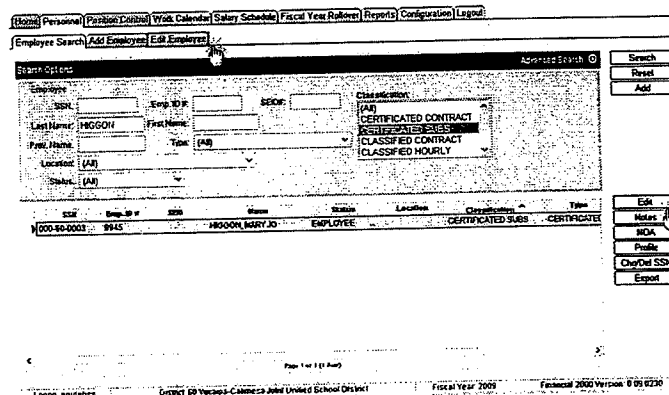
The **Termination Process** is used to quickly terminate an employee in the EPICS database. Employees entered in this process may be temporary employees or positioned employees. At **[Save]**, the **Termination Process** will store updated information in the Attributes, Events, Position Attach and Additional Info sections of the **Edit Employee** page. An additional feature to this process is the ability to add more sensitive information related to the employee's termination directly to the Notes section from the process form.

### ACCESSING THE TERMINATION PROCESS

To access the **Termination Process** in EPICS, select the Personnel Tab.



After the Personnel tab is selected the Employee Search window will open. Search for the employee by any of the available search criteria fields. When the search results are returned, highlight the employee record and select the **Edit Employee** Tab or select the **[Edit]** button to begin the **Termination Process**.



## The California Educational Computer Consortium EPICS User Guide - EPICS Processes

When the **Edit Employee** page is displayed, the employee's EIN and Name will be displayed at the top of the page. The **[Termination]** button will display if the employee does not already have a Termination Date stored in Employee Events. Selecting the **[Termination]** button will begin the **Termination Process**.

|                                                                                                                                                                                                                                                                               |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|-----------------------------------|---------------------------------|--------------------------------------|--------------------------------|---------------------------------|---------------------------|
| <a href="#">Home</a>                                                                                                                                                                                                                                                          | <a href="#">Personnel</a>       | <a href="#">Position Control</a> | <a href="#">Work Calendar</a>     | <a href="#">Salary Schedule</a> | <a href="#">Fiscal Year Rollover</a> | <a href="#">Reports</a>        | <a href="#">Configuration</a>   | <a href="#">Logout</a>    |
| <a href="#">Employee Search</a> <a href="#">Add Employee</a> <a href="#">Edit Employee</a>                                                                                                                                                                                    |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| #9945 MARY JO HIGSON, CANYON MIDDLE SCHOOL                                                                                                                                                                                                                                    |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| <a href="#">Attributes</a>                                                                                                                                                                                                                                                    | <a href="#">Position Attach</a> | <a href="#">Events</a>           | <a href="#">Certificated Comp</a> | <a href="#">Classified Comp</a> | <a href="#">Seniority</a>            | <a href="#">Emergency Info</a> | <a href="#">Additional Info</a> | <a href="#">Checklist</a> |
| <a href="#">Attributes</a>                                                                                                                                                                                                                                                    |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| <a href="#">Position Attachment</a>                                                                                                                                                                                                                                           |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| <a href="#">Events</a>                                                                                                                                                                                                                                                        |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| <a href="#">Certificated Composite</a>                                                                                                                                                                                                                                        |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| <a href="#">Classified Composite</a>                                                                                                                                                                                                                                          |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| <a href="#">Seniority</a>                                                                                                                                                                                                                                                     |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| <a href="#">Emergency Information</a>                                                                                                                                                                                                                                         |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| <a href="#">Additional Information</a>                                                                                                                                                                                                                                        |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| <a href="#">Checklist</a>                                                                                                                                                                                                                                                     |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| <a href="#">NCLB</a>                                                                                                                                                                                                                                                          |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| <a href="#">Notes</a> <a href="#">PAP</a> <a href="#">Profile</a> <a href="#">NOA</a> <a href="#">NOE</a> <a href="#">Load</a> <a href="#">Termination</a> <a href="#">Re-File</a> <a href="#">Attach</a> <a href="#">Transfer</a> <a href="#">Save</a> <a href="#">Print</a> |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |
| Logon: erudebbs District: 60 Yuba-Collins Joint Unified School District Fiscal Year: 2009 Financial 2000 Version: 0.09.0230                                                                                                                                                   |                                 |                                  |                                   |                                 |                                      |                                |                                 |                           |

### Working In The Termination Process

Once the **[Termination]** button has been selected a *Termination Date* must be defined to continue. The date entered may not be less than 07/01 of the logon fiscal year. Once a valid *Termination Date* has been defined, select the **[Load Data]** button to retrieve the Attribute and Position Attachment information for the employee that is in effect as of the *Termination Date* defined.

This is a modal form meaning that the window can be moved but not resized. It also means that it is the active page which disables the page residing underneath the form.

1 Termination Date: 06/30/2009 Load Date 2 Status: Termination Reason: (Select)

Notes:

Cancel/Close

After entering the Term date... Tab over to the "Load Date" button & select.

All current and future position attachments that are in effect for the employee as of the Termination Date will be displayed. The **Termination process** will end all current position attachments as of the defined *Termination Date* and will delete any future position attachment records.

Terminate Process -- Web Page Dialog  
#9945 MARY JO HIGGON, YUCAIPA HIGH-9TH GRADE CAMPUS

Termination Date: 06/30/2009 Load Date Status: EMPLOYEE Termination Reason: (Select)

Position Information:

| Effective Date | Position   | Description             | Location            | Start Date | End Date   |
|----------------|------------|-------------------------|---------------------|------------|------------|
| 04/19/2009     | 1TEAJRG009 | TEACHER REG HIGH SCHOOL | YUCAIPA HIGH-9TH GR | 04/19/2009 | 06/30/2009 |

Notes:

Save Cancel/Close

### Termination Defaults

When a Termination Date is defined and the **[Load Data]** button is selected some of the fields in the **Termination Process** will have default values displayed.

The *Status* field will default the Employee Status that is in effect as of the defined Termination Date from the employee's Attribute record.

The California Educational Computer Consortium  
EPICS User Guide - EPICS Processes

The Position Information section will default the *Effective Date*, *Position Code*, *Position Description*, *Location* and *Start Date* of all current and future position attachments for the employee that are in effect as of the *Termination Date*. When attachments with a first effective dated record greater than the *Termination Date* exist, the following message displays: "Termination Process will delete all future position records for this employee at [Save].", select OK to continue.

The End Date field in the Position Information section will default equal to the *Termination Date* for logon fiscal year records, this date may be modified to reflect a different date if necessary, however the *End Date* may not be greater than the *Termination Date*. The *End Date* field for a future attachment record subject to deletion by this process will default as blank and will not be editable.

### Required Fields

The following fields are required in the **Termination Process** and must be filled out in order to save. *Termination Date*, *Status* (selection must be other than status "Employee"), *Termination Reason* and *End Date*.

| Effective Date | Position   | Description             | Location             | Start Date | End Date   |
|----------------|------------|-------------------------|----------------------|------------|------------|
| 04/18/2009     | 1TEAJR0009 | TEACHER REG HIGH SCHOOL | YUCAIPA HIGH-9TH GR. | 04/18/2009 | 06/30/2009 |

When the information defined in the **Termination Process** is saved, the following records will be added or updated:

**Attributes** - an effective dated record equal to the Termination Date + 1 day will be added with the newly defined Status

**Events** - the Termination Date defined will be added to the Events section

**Position Attachment** - an effective dated record equal to the Termination Date will be added with an End Date as defined in the process.

**Additional Info** - The Termination Reason defined will populate the 99TERMRSN Additional Info table item

**Notes** - Notes added from this form will store with identification as having been added from the **Termination Process**.

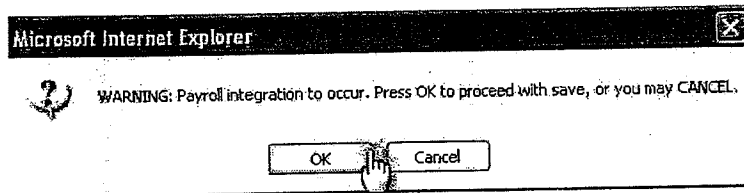
### *Save And Cancel/Close Buttons*

On access of the **Termination Process** the **[Save]** button is disabled and the **[Cancel/Close]** button is enabled.

Selecting the **[Cancel/Close]** button upon access of the **Termination Process** window will close the **Termination Process** and return the user to the **Edit Employee** page.

After data has been entered in the **Termination Process**, selecting the **[Cancel/Close]** button will allow the user to cancel all changes entered on the page rather than saving. The user will receive the following message when the **[Cancel]** button is selected. "There is unsaved data on the page. Do you wish to continue? Press **[OK]** to continue, or **[Cancel]** to stay on the current page."

When the required fields have been filled out, pressing the **[Save]** button will display the Payroll Integration warning. To continue with the SAVE, select the **[OK]** button to save the Termination information to the database. Selecting the **[Cancel]** button on the Payroll Integration warning will return the user to the **Termination Process** window.



## **INTEGRATION WITH PAYROLL**

If an employee is attached to a position where the Generate Earnings Indicator is selected and an end date is entered on the position attachment using the **Termination Process**, the **Termination Process** will call Payroll Integration to calculate the final compensation for the employee.



## TERMINATION

The Termination button is located at the bottom of the Employee Page and will allow a District user to either Terminate or UnTerminate an employee in Payroll.NET. Once a Last Date to Pay and/or a Last ER HW Date has been entered, click the Verify Data for the system to validate what Earnings, Deductions, Banking, etc. will be deleted.

Payroll - Payroll Termination Process -- Webpage Dialog

#3047 ASHLEY A FARR(CLCONT)

Last Date to Pay: 05/29/2015  
Last Date Paycat:  
Last ER HW Date: 05/29/2015  
Last ER HW Paycat:  
Banking Info:

Leave Balances Sick: 0.00 Vacation: 0.00 DNP Balance: 0.00

Position End Date

Verify Data Save Close

After Verify Data has been pressed, the page will populate with that employee's applicable data.

Payroll - Payroll Termination Process -- Webpage Dialog

52 #3047 ASHLEY A FARR(CLCONT)

Last Date to Pay: 05/29/2015  
Last Date Paycat: CLCONT  
Last ER HW Date: 05/29/2015  
Last ER HW Paycat: CLCONT  
Banking Info:

EE has Earnings that will be deleted.  
EE has Deductions that will be deleted.  
DNP Payout will be added in cycle 06 RL.  
Banking info to be deleted after 07/01/2015.

Leave Balances Sick: 0.00 Vacation: 0.00 DNP Balance: 1111.23

Position End Date

Verify Data Save Close

Upon SAVE, Earnings and Deductions will be deleted, a DNP Payout line will be created in Cycle 06 RL and the employee's Banking information will be deleted once the Cycle 06 RL Payroll has been processed. The Last Date to Pay will appear in the Employee Tax/Ret page as well.

If an employee returns to work, the button will toggle from "Terminate" to "Un-Terminate", allowing the user to either change or remove the existing Last Dates to Pay.

# 2017 - 2018

## PAYROLL - AT - A - GLANCE

| MONTH     | PAYDAY     | SUPPLEMENTAL      |          |                         | NORMAL           |          |                         |
|-----------|------------|-------------------|----------|-------------------------|------------------|----------|-------------------------|
|           |            | DUE               | RUN      | PICKUP<br>AFTER 3<br>PM | DUE              | RUN      | PICKUP<br>AFTER 1<br>PM |
| July      | 7/10/2017  | 07/06/17 10:00 am | 07/07/17 | 07/07/17                |                  |          |                         |
| July      | 7/31/2017  |                   |          |                         | 07/25/17 noon    | 07/27/17 | 07/28/17                |
| August    | 8/10/2017  | 08/08/17 10:00 am | 08/09/17 | 08/09/17                |                  |          |                         |
| August    | 8/31/2017  |                   |          |                         | 08/25/17 noon    | 08/29/17 | 08/30/17                |
| September | 9/8/2017   | 09/06/17 10:00 am | 09/07/17 | 09/07/17                |                  |          |                         |
| September | 9/29/2017  |                   |          |                         | 09/25/17 noon    | 09/27/17 | 09/28/17                |
| October   | 10/10/2017 | 10/06/17 10:00 am | 10/09/17 | 10/09/17                |                  |          |                         |
| October   | 10/31/2017 |                   |          |                         | 10/25/17 noon    | 10/27/17 | 10/30/17                |
| November  | 11/9/2017  | 11/07/17 10:00 am | 11/08/17 | 11/08/17                |                  |          |                         |
| November  | 11/30/2017 |                   |          |                         | 11/21/17 noon    | 11/28/17 | 11/29/17                |
| December  | 12/8/2017  | 12/06/17 10:00 am | 12/07/17 | 12/07/17                |                  |          |                         |
| December  | 12/29/2017 |                   |          |                         | 12/22/17 noon    | 12/27/17 | 12/28/17                |
| January   | 1/10/2018  | 01/08/18 10:00 am | 01/09/18 | 01/09/18                |                  |          |                         |
| January   | 1/31/2018  |                   |          |                         | 01/25/18 noon    | 01/29/18 | 01/30/18                |
| February  | 2/9/2018   | 02/07/18 10:00 am | 02/08/18 | 02/08/18                |                  |          |                         |
| February  | 2/28/2018  |                   |          |                         | 02/22/18 noon    | 02/26/18 | 02/27/18                |
| March     | 3/9/2018   | 03/07/18 10:00 am | 03/08/18 | 03/08/18                |                  |          |                         |
| March     | 3/30/2018  |                   |          |                         | 03/26/18 noon    | 03/28/18 | 03/29/18                |
| April     | 4/10/2018  | 04/06/18 10:00 am | 04/09/18 | 04/09/18                |                  |          |                         |
| April     | 4/30/2018  |                   |          |                         | 04/24/18 noon    | 04/26/18 | 04/27/18                |
| May       | 5/10/2018  | 05/08/18 10:00 am | 05/09/18 | 05/09/18                |                  |          |                         |
| May       | 5/31/2018  |                   |          |                         | 05/24/18 noon    | 05/29/18 | 05/30/18                |
| June      | 6/8/2018   | 06/06/18 10:00 am | 06/07/18 | 06/07/18                |                  |          |                         |
| June      | 6/29/2018  |                   |          |                         | 06/20/18 9:00 am | 06/22/18 | 06/28/18                |
| DNP R1    | 6/29/2018  |                   |          |                         | 06/25/18 12 noon | 06/26/18 | 06/28/18                |
| DNP R2    | 6/29/2018  |                   |          |                         | 06/26/18 12 noon | 06/27/18 | 06/28/18                |
| July      | 7/10/2018  | 07/06/18 10:00 am | 07/09/18 | 07/09/18                |                  |          |                         |

### PLEASE NOTE:

If your payroll has retros, please route your prelist to us at least one day prior to the due date. Please type "RETRO PAY" as the report title.

# 2017 - 2018 PAYROLL CALENDAR

| JULY 2017 |     |      |     |       |     |     |
|-----------|-----|------|-----|-------|-----|-----|
| SUN       | MON | TUES | WED | THURS | FRI | SAT |
|           |     |      |     |       |     | 1   |
| 2         | 3   | 4    | 5   | 6     | 7   | 8   |
| 9         | 10  | 11   | 12  | 13    | 14  | 15  |
| 16        | 17  | 18   | 19  | 20    | 21  | 22  |
| 23        | 24  | 25   | 26  | 27    | 28  | 29  |
| 30        | 31  |      |     |       |     |     |

| AUGUST 2017 |     |      |     |       |     |     |
|-------------|-----|------|-----|-------|-----|-----|
| SUN         | MON | TUES | WED | THURS | FRI | SAT |
|             |     | 1    | 2   | 3     | 4   | 5   |
| 6           | 7   | 8    | 9   | 10    | 11  | 12  |
| 13          | 14  | 15   | 16  | 17    | 18  | 19  |
| 20          | 21  | 22   | 23  | 24    | 25  | 26  |
| 27          | 28  | 29   | 30  | 31    |     |     |

| SEPTEMBER 2017 |     |      |     |       |     |     |
|----------------|-----|------|-----|-------|-----|-----|
| SUN            | MON | TUES | WED | THURS | FRI | SAT |
|                |     |      |     |       | 1   | 2   |
| 3              | 4   | 5    | 6   | 7     | 8   | 9   |
| 10             | 11  | 12   | 13  | 14    | 15  | 16  |
| 17             | 18  | 19   | 20  | 21    | 22  | 23  |
| 24             | 25  | 26   | 27  | 28    | 29  | 30  |

| OCTOBER 2017 |     |      |     |       |     |     |
|--------------|-----|------|-----|-------|-----|-----|
| SUN          | MON | TUES | WED | THURS | FRI | SAT |
| 1            | 2   | 3    | 4   | 5     | 6   | 7   |
| 8            | 9   | 10   | 11  | 12    | 13  | 14  |
| 15           | 16  | 17   | 18  | 19    | 20  | 21  |
| 22           | 23  | 24   | 25  | 26    | 27  | 28  |
| 29           | 30  | 31   |     |       |     |     |

| NOVEMBER 2017 |     |      |     |       |     |     |
|---------------|-----|------|-----|-------|-----|-----|
| SUN           | MON | TUES | WED | THURS | FRI | SAT |
|               |     |      | 1   | 2     | 3   | 4   |
| 5             | 6   | 7    | 8   | 9     | 10  | 11  |
| 12            | 13  | 14   | 15  | 16    | 17  | 18  |
| 19            | 20  | 21   | 22  | 23    | 24  | 25  |
| 26            | 27  | 28   | 29  | 30    |     |     |

| DECEMBER 2017 |     |      |     |       |     |     |
|---------------|-----|------|-----|-------|-----|-----|
| SUN           | MON | TUES | WED | THURS | FRI | SAT |
|               |     |      |     |       | 1   | 2   |
| 3             | 4   | 5    | 6   | 7     | 8   | 9   |
| 10            | 11  | 12   | 13  | 14    | 15  | 16  |
| 17            | 18  | 19   | 20  | 21    | 22  | 23  |
| 24            | 25  | 26   | 27  | 28    | 29  | 30  |
| 31            |     |      |     |       |     |     |

| JANUARY 2018 |     |      |     |       |     |     |
|--------------|-----|------|-----|-------|-----|-----|
| SUN          | MON | TUES | WED | THURS | FRI | SAT |
|              | 1   | 2    | 3   | 4     | 5   | 6   |
| 7            | 8   | 9    | 10  | 11    | 12  | 13  |
| 14           | 15  | 16   | 17  | 18    | 19  | 20  |
| 21           | 22  | 23   | 24  | 25    | 26  | 27  |
| 28           | 29  | 30   | 31  |       |     |     |

| FEBRUARY 2018 |     |      |     |       |     |     |
|---------------|-----|------|-----|-------|-----|-----|
| SUN           | MON | TUES | WED | THURS | FRI | SAT |
|               |     |      |     | 1     | 2   | 3   |
| 4             | 5   | 6    | 7   | 8     | 9   | 10  |
| 11            | 12  | 13   | 14  | 15    | 16  | 17  |
| 18            | 19  | 20   | 21  | 22    | 23  | 24  |
| 25            | 26  | 27   | 28  |       |     |     |

| MARCH 2018 |     |      |     |       |     |     |
|------------|-----|------|-----|-------|-----|-----|
| SUN        | MON | TUES | WED | THURS | FRI | SAT |
|            |     |      |     | 1     | 2   | 3   |
| 4          | 5   | 6    | 7   | 8     | 9   | 10  |
| 11         | 12  | 13   | 14  | 15    | 16  | 17  |
| 18         | 19  | 20   | 21  | 22    | 23  | 24  |
| 25         | 26  | 27   | 28  | 29    | 30  | 31  |

| APRIL 2018 |     |      |     |       |     |     |
|------------|-----|------|-----|-------|-----|-----|
| SUN        | MON | TUES | WED | THURS | FRI | SAT |
| 1          | 2   | 3    | 4   | 5     | 6   | 7   |
| 8          | 9   | 10   | 11  | 12    | 13  | 14  |
| 15         | 16  | 17   | 18  | 19    | 20  | 21  |
| 22         | 23  | 24   | 25  | 26    | 27  | 28  |
| 29         | 30  |      |     |       |     |     |

| MAY 2018 |     |      |     |       |     |     |
|----------|-----|------|-----|-------|-----|-----|
| SUN      | MON | TUES | WED | THURS | FRI | SAT |
|          |     | 1    | 2   | 3     | 4   | 5   |
| 6        | 7   | 8    | 9   | 10    | 11  | 12  |
| 13       | 14  | 15   | 16  | 17    | 18  | 19  |
| 20       | 21  | 22   | 23  | 24    | 25  | 26  |
| 27       | 28  | 29   | 30  | 31    |     |     |

| JUNE 2018 |     |      |     |       |     |     |
|-----------|-----|------|-----|-------|-----|-----|
| SUN       | MON | TUES | WED | THURS | FRI | SAT |
|           |     |      |     |       | 1   | 2   |
| 3         | 4   | 5    | 6   | 7     | 8   | 9   |
| 10        | 11  | 12   | 13  | 14    | 15  | 16  |
| 17        | 18  | 19   | 20  | 21    | 22  | 23  |
| 24        | 25  | 26   | 27  | 28    | 29  | 30  |

KEY:



Payroll Due



Run Payroll



Payday



HCOE Closed

## PLEASE NOTE:

If your payroll has retros, please route your prelist to us at least one day prior to the normal due date. Please type "RETRO PAY" as the report title.



State of California

## Department of Industrial Relations

Labor  
LawCal/OSHA - Safety &  
HealthWorkers'  
CompSelf  
Insurance

Apprenticeship

Director's  
Office

Boards

Labor Commissioner's Office :: Minimum Wage

## Minimum Wage

Although there are some exceptions, almost all employees in California must be paid the minimum wage as required by state law. Effective January 1, 2017, the minimum wage for all industries will be increased yearly. From January 1, 2017, to January 1, 2022, the minimum wage will increase for employers employing 26 or more employees. This increase will be delayed one year for employers employing 25 or fewer employees, from January 1, 2018, to January 1, 2023. The scheduled increases may be temporarily suspended by the Governor, based on certain determinations. (Please see the chart below for the complete schedule of rate increases).

For more information and guidance on how to count employees for the purpose of determining whether an employer qualifies as an employer with 25 employees or less please see New Minimum Wage Phase- in Requirements 2017-2023, SB 3 Frequently Asked Questions page.

There are some employees who are exempt from the minimum wage law, such as outside salespersons, individuals who are the parent, spouse, or child of the employer, and apprentices regularly indentured under the State Division of Apprenticeship Standards.

### Minimum Wage Order (MW-2017)

There is an exception for learners, regardless of age, who may be paid not less than 85 percent of the minimum wage rounded to the nearest nickel during their first 160 hours of employment in occupations in which they have no previous similar or related experience.

There are also exceptions for employees who are mentally or physically disabled, or both, and for nonprofit organizations such as sheltered workshops or rehabilitation facilities that employ disabled workers. Such individuals and organizations may be issued a special license by the Division of Labor Standards Enforcement authorizing employment at a wage less than the legal minimum wage. Labor Code Sections 1191 and 1191.5

### Schedule for California Minimum Wage rate 2017-2023.

| Date            | Minimum Wage for Employers with 25 Employees or Less | Minimum Wage for Employers with 26 Employees or More |
|-----------------|------------------------------------------------------|------------------------------------------------------|
| January 1, 2017 | \$10.00/hour                                         | \$10.50/hour                                         |
| January 1, 2018 | \$10.50/hour                                         | \$11.00/hour                                         |
| January 1, 2019 | \$11.00/hour                                         | \$12.00/hour                                         |
| January 1, 2020 | \$12.00/hour                                         | \$13.00/hour                                         |
| January 1, 2021 | \$13.00/hour                                         | \$14.00/hour                                         |
| January 1, 2022 | \$14.00/hour                                         | \$15.00/hour                                         |
| January 1, 2023 | \$15.00/hour                                         |                                                      |

# BUDGET DEVELOPMENT PAYROLL RATES

## ESTIMATED FOR 2017/18

| DISTRIBUTION OF EMPLOYER PAID BENEFITS |                                       |                                      |                      |
|----------------------------------------|---------------------------------------|--------------------------------------|----------------------|
| Certificated                           | Classified                            |                                      |                      |
| Salary Object<br>#1000-1999<br>OBJECTS | Salary Object<br>#2000-2999<br>BUDGET | G/L Liability<br>Accounts<br>OBJECTS | BENEFIT              |
| 3101                                   | 3102                                  | 9520                                 | STRS                 |
| 3201                                   | 3202                                  | 9525                                 | PERS                 |
| 3311                                   | 3312                                  | 9530                                 | FICA                 |
| 3331                                   | 3332                                  | 9533                                 | Medicare             |
| 3351                                   | 3352                                  | 9535                                 | Alternate Retirement |
| 3411                                   | 3412                                  | 9537                                 | Health Benefits      |
| 3501                                   | 3502                                  | 9540                                 | Unemployment Ins     |
| 3601                                   | 3602                                  | 9542                                 | Workers Comp         |

| DISTRICT        | 2016/17<br>District<br>Rate | 2017/18<br>Estimated Rates<br>(+5% projected<br>on 16/17 rates) |
|-----------------|-----------------------------|-----------------------------------------------------------------|
| HCOE            | 3.09%                       | 3.24%                                                           |
| ARCATA          | 2.28%                       | 2.39%                                                           |
| NORTHERN HUMB.  | 2.33%                       | 2.45%                                                           |
| BIG LAGOON      | 2.01%                       | 2.11%                                                           |
| BLUE LAKE       | 1.99%                       | 2.09%                                                           |
| BRIDGEVILLE     | 2.01%                       | 2.11%                                                           |
| CUDDEBACK       | 2.09%                       | 2.19%                                                           |
| CUTTEN          | 1.97%                       | 2.07%                                                           |
| EUREKA UNIFIED  | 3.15%                       | 3.31%                                                           |
| FLDDBROOK       | 2.00%                       | 2.10%                                                           |
| FORTUNA ELEM    | 3.21%                       | 3.37%                                                           |
| FORTUNA HIGH    | 1.85%                       | 1.94%                                                           |
| FRESHWATER      | 2.07%                       | 2.17%                                                           |
| GARFIELD        | 2.01%                       | 2.11%                                                           |
| GREEN POINT     | 2.02%                       | 2.12%                                                           |
| HYDESVILLE      | 2.00%                       | 2.10%                                                           |
| JACOBY CREEK    | 1.97%                       | 2.07%                                                           |
| KLAMATH-TRINITY | 2.97%                       | 3.12%                                                           |
| KNEELAND        | 2.01%                       | 2.11%                                                           |
| LOLETA          | 2.04%                       | 2.14%                                                           |
| MAPLE CREEK     | 2.02%                       | 2.12%                                                           |
| MCKINLEYVILLE   | 1.99%                       | 2.09%                                                           |
| ORICK           | 2.02%                       | 2.12%                                                           |
| PACIFIC UNION   | 1.95%                       | 2.05%                                                           |
| PENINSULA       | 2.02%                       | 2.12%                                                           |
| RIO DELL        | 1.98%                       | 2.08%                                                           |
| SCOTIA          | 2.17%                       | 2.28%                                                           |
| SOUTH BAY       | 2.08%                       | 2.18%                                                           |
| SOUTHERN HUMB.  | 1.95%                       | 2.05%                                                           |
| TRINIDAD        | 1.99%                       | 2.09%                                                           |
| FERNDAL         | 2.13%                       | 2.24%                                                           |
| MATTOLE         | 2.01%                       | 2.11%                                                           |
| NPA             | NON-JPA COVERAGE            |                                                                 |
| PACIFIC VIEW    | NON-JPA COVERAGE            |                                                                 |
| REDWOOD PREP    | NON-JPA COVERAGE            |                                                                 |
| LAUREL TREE     | NON-JPA COVERAGE            |                                                                 |

| UNEMPLOYMENT INSURANCE                                                                                                       |                   |
|------------------------------------------------------------------------------------------------------------------------------|-------------------|
| FISCAL YEAR 2017/18 (ESTIMATED)                                                                                              |                   |
| SUI - Employer                                                                                                               | 0.05%             |
| SUI - Earnings Limit                                                                                                         | All Wages Subject |
| <i>To calculate employer SUI tax, multiply<br/>subject wages by .0005</i>                                                    |                   |
| FICA / MEDICARE / SDI                                                                                                        |                   |
| FISCAL YEAR 2017/18 (ESTIMATED)                                                                                              |                   |
| FICA - Employee                                                                                                              | 6.20%             |
| FICA - Employer                                                                                                              | 6.20%             |
| FICA - Earnings Limit                                                                                                        | \$ 127,200        |
| <i>To calculate employer's FICA tax<br/>multiply FICA gross (total gross less employee S125 deductions) by .062</i>          |                   |
| MEDICARE - Employee                                                                                                          | 1.45%             |
| MEDICARE - Employer                                                                                                          | 1.45%             |
| MEDICARE - Earnings Limit                                                                                                    | All Wages Subject |
| <i>To calculate employer's Medicare tax<br/>multiply Medicare gross (total gross less employee S125 deductions) by .0145</i> |                   |
| SDI - Employee                                                                                                               | 0.90%             |
| SDI - Earnings Limit                                                                                                         | \$ 110,902        |
| <i>To calculate employee's SDI tax<br/>multiply subject wages by .009</i>                                                    |                   |
| CERTIFICATED RETIREMENT RATES                                                                                                |                   |
| FISCAL YEAR 2017/18 (ESTIMATED)                                                                                              |                   |
| STRS - Employee / CLASSIC (member<1/1/13)                                                                                    | 10.25%            |
| STRS - Employee / NEW (member>1/1/13)                                                                                        | 9.205%            |
| STRS - Employer                                                                                                              | 14.43%            |
| STRS - Reduced Workload Rate                                                                                                 | 14.43%            |
| <i>To calculate employer's STRS contribution<br/>multiply creditable wages by .1443</i>                                      |                   |
| FISCAL YEAR 2017/18 (ESTIMATED)                                                                                              |                   |
| PERS - Employee/CLASSIC (member<1/1/13)                                                                                      | 7.00%             |
| PERS - Employee/NEW (member>1/1/13)                                                                                          | 6.50%             |
| PERS - Employer                                                                                                              | 15.800%           |
| <i>To calculate employer's PERS contribution<br/>multiply creditable wages by .158</i>                                       |                   |

# DISTRICT PAYROLL FISCAL YEAR CHECKLIST (17/18 Payroll Generation)

## DUE TO BUSINESS OFFICE BY JUNE 30, 2017

District: \_\_\_\_\_ Contact: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

### DISTRICT TASKS TO DO BEFORE REQUESTING YOUR PAYROLL FISCAL YEAR ROLL AND GENERATION

Please perform the following tasks and initial each task as you complete it. All Tasks must be done and initialed PRIOR to the Generation and Payroll Fiscal Year Rolls taking place.

| Initial | Task                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Budget status MUST be at Tentative at the minimum. This can be validated in the Financial District Control Record (FDCUP) on the HP, or by running the Account Edit Report in Payroll.NET.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2       | The Earning Type Table in both FY17 & FY18 must match identically. This is to ensure the Earning Roll properly handles all earnings and nothing gets skipped. The EPICS Budget & Personnel Rolls have been modified to roll the Earning Type Table in Payroll.NET. However, the tables still need to be validated. The easiest way to accomplish this is to Export the Earning Type Tables from both fiscal years and compare in Excel.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 3       | Validate any changes to the Salary Schedules in the new year that have been approved and are effective July 1 (or any time in the new fiscal year that has been approved). This will ensure that position earnings are generated with the most accurate and updated salary information. Please validate the correct Longevity amounts are also reflected on the Salary Schedules as well as ensuring any new Shift or Education & Bonus CD's and amounts for stipends or other earnings are reflected on the Salary Schedules.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 4       | <p>When Work Calendars are rolled in EPICS, they will automatically move the weekends and holidays will be assigned based on the Holiday Master used. Bringing the Work Calendars into balance is a vital step to ensure that payroll calculations on hourly, daily and annual schedules are correct. Be sure that, at a minimum, employees are attached to Work Calendars with the correct number of Base days. Prior to their first salary change in the year, however, they will need to be put on a Work Calendar that correctly reflects what they work in order for salaries based on hourly, daily or annual schedules to be correct. If they have NO changes in a year, a generic calendar may work fine. Normally, this is an HR function, so please communicate with your HR Departments to ensure all data is accurate.</p> <p>If your district uses generic calendars and if you have put some employees on a specific calendar during the year due to a late start or changes in the year, you may want to put them back to the generic calendar at this time. To do this, change the Work Calendar field on the Employee Position Attachment screen.</p> <p>This is also the time of year to make the decision regarding Pay the Days. For your Classified employees, if they work even 1 day in a month, PERS wants that time/dollars reported. Validate the Work Calendars for employees by the following characters:</p> <ul style="list-style-type: none"> <li>- "Y" in the Dy Rt field will Pay the Days IN THAT MONTH</li> <li>- "A" in the Dy Rt field will Pay the Days IN THE FOLLOWING MONTH and will code as ARRears</li> <li>- "S" in the Dy Rt field will Pay the Days in the next "S"upplemental cycle</li> </ul> |

| Initial |           | Task                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | <b>5</b>  | <b>COMPLETE EPICS FINAL PERSONNEL ROLL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|         | <b>6</b>  | <p>After the EPICS Personnel Roll has been completed, make sure all Work Calendars have been brought into balance. When the Work Calendars are rolled in EPICS, a report is automatically created with any Work Calendars NOT in balance. These must be fixed prior to Payroll being generated.</p> <p><b><i>A new requirement for Payroll.NET: Please submit your Work Calendar Out of Balance Report showing all work calendars are in balance with this checklist.</i></b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|         | <b>7</b>  | <p>Evaluate the Generate Earn Flag in Employee Position Attachments and change those to 'N' that need to be changed. Only employees with a Generate Earn Flag of 'Y' will be generated into Payroll Earnings. Some classes of employees are paid from timesheets each month instead of receiving a normal monthly salary. If this is the case, you may choose to <u>not</u> generate their position salaries into payroll. This may also be appropriate for employee's who are in two positions, but with different Earning Frequencies on each position. Since Employee Tax/Retirement can only have one Earning Frequency, you might put the employee's Prime Position Earning FQ here and generate that position into Payroll. The 2nd position would then be manually entered into Payroll. Again, the maintenance of the Position Attachments is normally an HR function, so make sure you communicate with HR any changes necessary for the proper Payroll processing.</p> |
|         | <b>8</b>  | <p>Run the Account Edit Report in the <b>NEW Fiscal Year</b> to validate the position accounts. Choose Position Accounts only. The Earnings Generation program will not generate earnings if there are any invalid accounts in Position Control. All Positions <b>MUST</b> have a valid account or have a status of "RE"quested or "AB"olished.</p> <p><b>***Attach a copy of the COR960 with this checklist ***</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|         | <b>9</b>  | <p>Evaluate the last paid cycle for each employee in the Tax/Retirement Screen. Pay close attention to the Ben Cycle Roll FQ to make sure this frequency includes the best cycle to use in the deductions roll. Keep in mind employee deductions as well as employer deductions. You can request an Payroll.net Employee Tax/Retirement Report and should review all individuals for accuracy. Districts that are changing their Frequencies (Pay Cycles) need to pay close attention to this to ensure that all applicable records have been changed and validated.</p>                                                                                                                                                                                                                                                                                                                                                                                                         |
|         | <b>10</b> | <p>Validate that „R"s exist in the 5<sup>th</sup> character of the Misc column of the Earnings Type table for each earning to be rolled to the next year and a D in the 6<sup>th</sup> character for the earnings you want used in the DNP calculation. Validate that BOTH the CURRENT and NEW Fiscal Years have the SAME Tables with the same fields marked for Rolling.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|         | <b>11</b> | <p>Are there any accounts that need to be converted on the manually entered Earnings lines? If so, please provide a list of the accounts.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

# DISTRICT REQUEST FOR PAYROLL FISCAL YEAR ROLL/ GENERATION

Please perform the Payroll Fiscal Year Startup Procedures that include Earnings Generation, Fiscal Year Roll for non-position earnings, and a Deductions roll. All tasks have been completed and appropriately initialed. Any task NOT completed will result in the delay of your processing.

District: \_\_\_\_\_ Contact: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_

Contact Email: \_\_\_\_\_

\*\*\*Districts will be processed in a "First Come, First Served" order. The sooner you get your paperwork in, the sooner you will be put on the list.

Do you want any manually entered account lines to have Accounts converted using the REFERENCE field in the Account Field Definition Program (FCACLI)?

Yes, Convert my Accounts \_\_\_\_\_ No, Do NOT Convert my Accounts \_\_\_\_\_

Approval Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(HR/Personnel Representative)

Approval Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(Financial Manager)

Please return the completed Checklist (including all signatures on Page 3), a copy of the Work Calendar Out of Balance Report, and a "clean" Account Edit Report,  
To Kathy Bubenik in the HCOE Business Office by  
**JUNE 30, 2017**

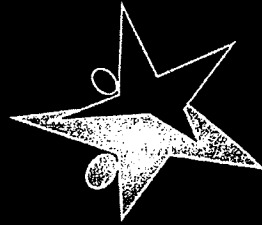
.....  
Following Section for HCOE Use Only

\*\*\*\*\*

DATE RECEIVED: \_\_\_\_\_ INITIAL \_\_\_\_\_ DATE>INS DEPT. FOR PROCESSING: \_\_\_\_\_

DATE OF ROLL: \_\_\_\_\_ DATE DISTRICT NOTIFIED OF COMPLETED ROLL: \_\_\_\_\_





# District Fiscal Year Procedures Step by Step



SA\_MEETINGS\BEST NET\16-17 FYPayrollMay022017-AM (ID 1221)\Handouts\District - Step by Step

1

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05/02/17

# Fiscal Year Startup- District

## District Payroll Fiscal Year Checklist and Authorization Form

The following checklist will take a district through the Fiscal Year start up process for Payroll.NET. Please make sure all steps are completed before filling out the Request for Fiscal Year Roll/Generation on Page 3.

Please send to your County Office pages 1-3 (with the Fiscal Manager & HR Representative's signature on Page 3) by June 30, 2017 so your Fiscal Year Rolls and Generation can be scheduled.

### PREPARATION TASKS FOR PAYROLL FISCAL YEAR START-UP

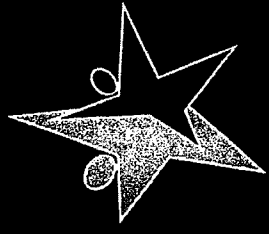
The Payroll Fiscal Year set up includes three parts:

- Generating Payroll Earnings from EPICS Employee Position Attachment.
- Transferring (rolling) Non-Position Earnings from one fiscal year to another.
- Transferring (rolling) Employee/Employer Deductions from one fiscal year to another.

### Earnings Generation

Each year position earnings will be generated from EPICS Employee Position Attachment data. Your County Office will generate the District's EPICS Position Attachment information after all steps on the checklist have been completed. All steps must be completed to ensure the data generated is as accurate as possible.

The steps on this Checklist are ONLY to be completed and submitted AFTER all the HR/Personnel and Budget Rolls are completed for the fiscal year and HR/Personnel is finished with all their maintenance in the new year.



# Fiscal Year Startup- District

## Earnings Fiscal Year Roll (Non-Position Earnings)

A few facts regarding the Fiscal Year Roll:

Only Non-Position Earnings (Pty does Not Start with 'P') are included in the Payroll Fiscal Year Roll. This is because all earning lines with a Pty of 'P?' are created during the Generation for All Districts.

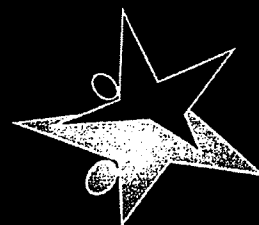
The Last Regular cycle for the employee according to their Earning Frequency in Tax/Ret is the cycle the earnings will be rolled from. For example, if the Earning Frequency is 10, the earnings will be rolled FROM Cycle 06. The earning lines will be created based on the frequency on each earning line. If the Earning Frequency is 13, the earnings will be rolled from Cycle 05.

Home Employee Deduction Plan Generation Pay Calendar Reports Processes Setup Configuration Close  
District Settings County Settings District Tables County Tables System Tables Form Letter Editor Security

EARNING TYPES (Table is View Only) Fiscal Year: 2017

### Current Table: Earning Types

| Code | Description                    | Tax  | Group | Percent... | Base Sa... | Other B... | Include... | Roll | DNP | Payroll |
|------|--------------------------------|------|-------|------------|------------|------------|------------|------|-----|---------|
| A212 | PRESCHOOL STAFF DEV/TRAINING   | AD03 | STIP  | Y          | P          |            |            |      |     | P       |
| ADD1 | ADD EARN/PERS-STRS CREDITABLE  | AD01 | OTHR  | Y          | P          |            | Y          |      | D   | P       |
| ADDX | ADD EARN W/RET/CO SUPT ONLY    | SUIX | OTHR  | Y          | P          |            | Y          | R    |     | P       |
| BDAD | BOARD ADVISOR - DIST 286       | AD02 | OTHR  | Y          | P          |            |            | R    |     | P       |
| BDM1 | BD MBR ELCTD AFTER 6/94-HRLY   | BDM1 | REG   | Y          | P          |            | Y          | R    |     | P       |
| BDM2 | BD MBR ELCTD BEFORE 7/94-HRLY  | BDM2 | REG   | Y          | P          |            |            | R    |     | P       |
| BILN | BILINGUAL PAY                  | AD01 | OTHR  | Y          | P          |            | Y          | R    |     | P       |
| BNS9 | ONE TIME BONUS DIST APPROVED   | AD03 | OTHR  | Y          | P          |            |            |      |     | P       |
| BNSP | 1 TIME BONUS DIST APPRVD PEPPA | AD02 | OTHR  | Y          | P          |            |            |      |     | P       |
| BRD  | BOARD MEMBER (NMLE)            | NML  | REG   | Y          | P          |            |            |      |     | P       |
| CAR1 | CAR ALLOW-ACCOUNTABLE          | CAR1 | MISC  | Y          | P          |            |            | R    |     | P       |
| CAR2 | CAR ALLOW-NON ACCOUNTABLE PLAN | CAR2 | OTHR  | Y          | P          |            |            | R    |     | P       |



# Fiscal Year Startup- District

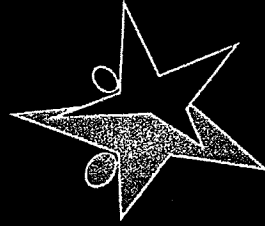
All Earnings that qualify according to the 'R' in the Roll column of the Earning Type Table will be rolled. These earnings must also have a 'P' in the Payroll column of this table.

As previously stated, the Earning Frequency on the earning line will determine which cycles those earnings will roll to. Any Frequency greater than 08 will roll according to the matrix on the Frequency table. So, earning lines with a frequency of 10 will roll to Cycles 09-06. Frequency 09 would roll to Cycles 09-05.

Frequencies 02-08 are declining frequencies and will be rolled with a number less than the frequency on the earning line. The earning will be created starting with the first paid cycle, according to the earning cycle frequency on the employee's Tax/Ret Record. For example, if the earning line has a Frequency of 05 in Cycle 06, and the employee has an Earning Frequency of 10 in Tax/Ret, the earning line will be created starting in Cycle 09 and will have a frequency of 04.

Any earning line with a frequency of 29 will be rolled/copied to the exact same cycle that it existed in the old year to the New Year. The same units and dollars will be created in the new year. This is a one-time frequency that is for one-time payments that occur in the same cycle each year to assist with data entry. In the instance of the Frequency 29, that earning will roll even if the earning type does NOT have an 'R' in the Earning Type Table.

Employees with a Last Date to Pay in the Employee Tax/Retirement less than 07/01 of the New Fiscal Year will NOT be rolled.



# Fiscal Year Startup- District

## Deductions Fiscal Year Roll

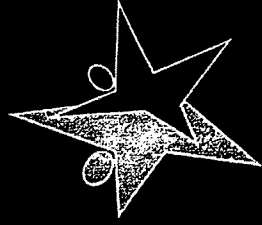
A few facts regarding the Deduction Fiscal Year Roll:

The Last Regular cycle for the employee according to their ER HW Benefit Cycle Roll Frequency in Tax/Ret is the cycle the deductions will be rolled from. For example, if the ER HW Benefit Cycle Roll Frequency is 10, the deductions will be rolled FROM Cycle 06. The deduction lines will be created based on the frequency on each deduction line. If the ER HW Benefit Cycle Roll Frequency is 13, the deductions will be rolled from Cycle 05

Same as the Earning Roll, the individual Frequency on each Deduction line will determine which cycles those deductions will roll to. Any Frequency greater than 08 will roll according to the matrix on the Frequency table. So, deduction lines with a frequency of 10 will roll to Cycles 09-06. Frequency 09 would roll to Cycles 09-05.

Frequencies 02-08 are declining frequencies and will be rolled with a number less than the frequency on the deduction line. The deduction will be created starting with the first paid cycle, according to the earning cycle frequency on the employee's Tax/Ret Record. For example, if the deduction line has a Frequency of 05 in Cycle 06, and the employee has an Earning Frequency of 10 in Tax/Ret, the deduction line will be created starting in Cycle 09 and will have a frequency of 04.

Employees with a Last ER HW Date in the Employee Tax/Retirement less than 07/01 of the New Fiscal Year will NOT be rolled.



# Fiscal Year Startup- District

DISTRICT PAYROLL FISCAL YEAR CHECKLIST (17/18 Payroll Generation)  
DUE TO BUSINESS OFFICE BY JUNE 30, 2017

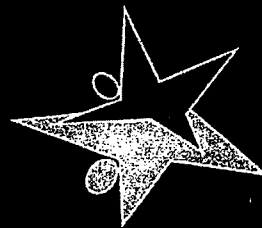
District: \_\_\_\_\_ Contact: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

## DISTRICT TASKS TO DO BEFORE REQUESTING YOUR PAYROLL FISCAL YEAR ROLL AND GENERATION

Please perform the following tasks and initial each task as you complete it. All Tasks must be done and initiated PRIOR to the Generation and Payroll Fiscal Year Rolls taking place.

| Initial | Task                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Budget status MUST be at Tentative at the minimum. This can be validated in the Financial District Control Record (FCDCUP) on the HP, or by running the Account Edit Report in Payroll.NET.                                                                                                                                                                                                                                                                                                                                    |
| 2       | The Earning Type Table in both FY17 & FY18 must match identically. This is to ensure the Earning Roll properly handles all earnings and nothing gets skipped. The EPICS Budget & Personnel Rolls have been modified to roll the Earning Type Table in Payroll.NET. However, the tables still need to be validated. The easiest way to accomplish this is to Export the Earning Type Tables from both fiscal years and compare in Excel.                                                                                        |
| 3       | Validate any changes to the Salary Schedules in the new year that have been approved and are effective July 1 (or any time in the new fiscal year that has been approved). This will ensure that position earnings are generated with the most accurate and updated salary information. Please validate the correct Longevity amounts are also reflected on the Salary Schedules as well as ensuring any new Shift or Education & Bonus CD's and amounts for stipends or other earnings are reflected on the Salary Schedules. |



# Fiscal Year Startup- District

4

When Work Calendars are rolled in EPICS, they will automatically move the weekends and holidays will be assigned based on the Holiday Master used. Bringing the Work Calendars into balance is a vital step to ensure that payroll calculations on hourly, daily and annual schedules are correct. Be sure that, at a minimum, employees are attached to Work Calendars with the correct number of Base days. Prior to their first salary change in the year, however, they will need to be put on a Work Calendar that correctly reflects what they work in order for salaries based on hourly, daily or annual schedules to be correct. If they have NO changes in a year, a generic calendar may work fine. Normally, this is an HR function, so please communicate with your HR Departments to ensure all data is accurate.

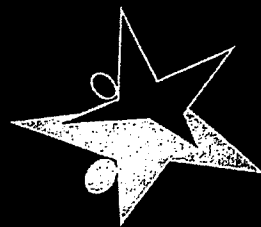
If your district uses generic calendars and if you have put some employees on a specific calendar during the year due to a late start or changes in the year, you may want to put them back to the generic calendar at this time. To do this, change the Work Calendar field on the Employee Position Attachment screen.

This is also the time of year to make the decision regarding Pay the Days. For your Classified employees, if they work even 1 day in a month, PERS wants that time/dollars reported. Validate the Work Calendars for employees by the following characters:

- "Y" in the Dy Rt field will Pay the Days IN THAT MONTH

- "A" in the Dy Rt field will Pay the Days IN THE FOLLOWING MONTH and will code as ARRears

- "S" in the Dy Rt field will Pay the Days in the next "S" supplemental cycle



# Fiscal Year Startup- District

Calendar Details

Fiscal Year: 2010

Code: CL193A

Description: 193 DAYS/6-15 YRS LONGEVITY

Holiday Master: CLASSIFIED 12 PAID HOLIDAYS

First Work Date: 7/27/2009

Last Work Date: 6/25/2010

Contract Days: 193

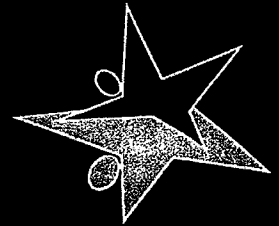
Total Paid Days: 221.5

Vacation Days: 16.5

☐ Flex Calendar
 ☐ Year Round

Comment:

| Month     | Days | Extra | Total | %   | Dy Rt |
|-----------|------|-------|-------|-----|-------|
| July      | 5    | 0     | 5     | 0   | A     |
| August    | 21   | 1.5   | 22.5  | 100 | N     |
| September | 22   | 1.5   | 23.5  | 100 | N     |
| October   | 12   | 1.5   | 13.5  | 100 | N     |
| November  | 20   | 1.5   | 21.5  | 100 | N     |
| December  | 17   | 1.5   | 18.5  | 100 | N     |
| January   | 16   | 1.5   | 17.5  | 100 | N     |
| February  | 20   | 1.5   | 21.5  | 100 | N     |
| March     | 20   | 1.5   | 21.5  | 100 | N     |
| April     | 14   | 1.5   | 15.5  | 100 | N     |
| May       | 19   | 1.5   | 20.5  | 100 | N     |
| June      | 19   | 1.5   | 20.5  | 100 | N     |
| Total     | 205  | 16.5  | 221.5 |     |       |





# Fiscal Year Startup- District

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5 | COMPLETE EPICS FINAL PERSONNEL ROLL                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 6 | After the EPICS Personnel Roll has been completed, make sure all Work Calendars have been brought into balance. When the Work Calendars are rolled in EPICS, a report is automatically created with any Work Calendars NOT in balance. These must be fixed prior to Payroll being generated.<br><i>A new requirement for Payroll.NET: Please submit your Work Calendar Out of Balance Report showing all work calendars are in balance with this checklist.</i> |

WorkCalendar-RollReportDistrict41 ID-149 - Notepad

File Edit Format View Help

Work Calendar Roll Status

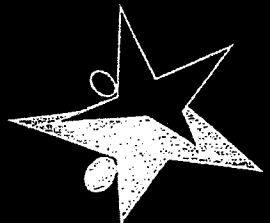
WorkCalendar Code : 1FLORE  
Status : The Total Workdays has been changed (207.00/208.00)

WorkCalendar Code : 1MA215  
Status : The Total Workdays has been changed (215.00/214.00)

WorkCalendar Code : 1RAY13  
Status : The Total Workdays has been changed (215.00/210.00)

WorkCalendar Code : 1SU220  
Status : Work Calendar Rolled in Disabled Status

WorkCalendar Code : 1WARD  
Status : Work Calendar Rolled in Disabled Status  
The Total Workdays has been changed (207.00/189.00)



# Fiscal Year Startup- District

Since EPICS is still sending the Work Calendar information to the HP, you can also run the Work Calendar Report from the HP and use the model provided to get that out of balance information as well.

CORP250  
BEST NET CONSORTIUM  
WORK C/L REPORT  
32 Lucerne Valley Unified S. D.

|                  |                                           |                      |                               |
|------------------|-------------------------------------------|----------------------|-------------------------------|
| Calendar: 201217 | Description: L108RRTRANS/ATTENDANCE CLERK | Year Round: N        | Total Paid Days/Year: 240.000 |
|                  |                                           | Pay Period From: To: |                               |

[illegible]

Comment:

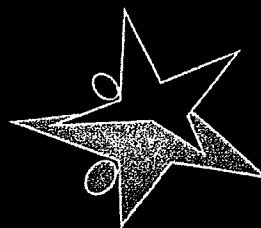
**Total: 230.000 + 10.000 = 240.000**

A:\MEETINGS\BEST NET\16-17 FYP\Payroll\May022017-AM (ID 1221)\Handouts\District - Step by Step

10

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05/02/17



# Fiscal Year Startup- District

7 Evaluate the Generate Earn Flag in Employee Position Attachments and change those to 'N' that need to be changed. Only employees with a Generate Earn Flag of 'Y' will be generated into Payroll Earnings. Some classes of employees are paid from timesheets each month instead of receiving a normal monthly salary. If this is the case, you may choose to not generate their position salaries into payroll. This may also be appropriate for employee's who are in two positions, but with different Earning Frequencies on each position. Since Employee Tax/Retirement can only have one Earning Frequency, you might put the employee's Prime Position Earning FQ here and generate that position into Payroll. The 2nd position would then be manually entered into Payroll. Again, the maintenance of the Position Attachments is normally an HR function, so make sure you communicate with HR any changes necessary for the proper Payroll processing.

|                                                                                                                                                                                                                                                                                                                                                      |  |                                                                                                                                                |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Effective Date History</b><br>02/16/2010 2ATTSAFETY <input checked="" type="checkbox"/><br>07/01/2009 2CLKACC006<br>07/01/2008 2CLKACC006<br>07/01/2007 2CLKACC006<br>07/01/2006 2CLKACC006                                                                                                                                                       |  | <b>Fiscal Year Roll Detail</b><br>Increment Date: 07/01 <input checked="" type="checkbox"/> Skip Year<br>Step Future Fiscal Year: Future Step: |  |
| <b>Salary Detail</b><br>Schedule Code: 2M225D Salary: \$257.33 Salary Rate as of: 07/01/2009<br>Range: G Step: 1<br>Shift: (Select)<br>Work Calendar: ATTENDANCE/SAFETY OFFICER (CMM225)<br>Earn Type: NORMAL PAY<br>Group Rule: CLASSIFIED<br><input checked="" type="checkbox"/> Generate Earnings Indicator <input type="checkbox"/> Override FTE |  | <b>Assignment</b><br>Type: NON-INSTRUCTIONAL<br>Reason: PROMOTION<br>Subject:                                                                  |  |
| Notes: Profile: NOA: NOE: LOA:                                                                                                                                                                                                                                                                                                                       |  | Health & Welfare: YES<br>Retirement: MEMBER PERS<br>Retirement Option: BUY-OUT<br>EEO: (Select)<br>Contract Duration: 11 - 12 MONTHS           |  |
| Schedule: 8<br>Position: 8<br>Employee: 8,000                                                                                                                                                                                                                                                                                                        |  | Budget Hours/Day: Avg. Weekly Hours<br>FTE: 1<br>1,000 8,000 40,000                                                                            |  |
| Start Date: 02/16/2010 End Date:                                                                                                                                                                                                                                                                                                                     |  | Termination: Attach Transfer Save Cancel                                                                                                       |  |

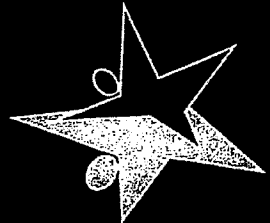
05/02/17

# Fiscal Year Startup- District

8 Run the Account Edit Report in the NEW Fiscal Year to validate the position accounts. Choose Position Accounts only. The Earnings Generation program will not generate earnings if there are any invalid accounts in Position Control. All Positions MUST have a valid account or have a status of "RE" requested or "AB" olished.

\*\*\* Attach a copy of the COR960 with this checklist \*\*\*

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |                |            |              |         |           |       |               |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------|------------|--------------|---------|-----------|-------|---------------|-------|
| Home                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Employee | Deduction Plan | Generation | Pay Calendar | Reports | Processes | Setup | Configuration | Close |
| <div> <div> Payroll Report: (Select)<br/> Banking Report<br/> Payroll Deduction/Plan Report<br/> Payroll Deductions Cycle Change Report<br/> Payroll Deductions Report<br/> Payroll DNP Balance Report<br/> Payroll Earnings Cycle Change Report<br/> Payroll Earnings Report<br/> Payroll History Report<br/> Payroll Retirement Errors Report<br/> Ret Edit Combos Report<br/> Tax Retirement Report<br/> Account Edit Report </div> <div> Report Initiator... </div> </div> |          |                |            |              |         |           |       |               |       |
| <div> Options Template: (Select) Delete </div> <div> Report Title: </div> <div> Selection Criteria: </div> <div> <div> Account Type </div> <div> Pay Calendar </div> <div> Earnings<br/> <input type="checkbox"/> </div> <div> Deductions<br/> <input type="checkbox"/> </div> <div> Positions<br/> <input checked="" type="checkbox"/> </div> <div> Include SSN: <input checked="" type="checkbox"/> </div> <div> Create Report... </div> <div> Reset... </div> </div>        |          |                |            |              |         |           |       |               |       |



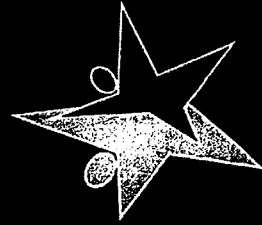
# Fiscal Year Startup- District

BEST NET CONSORTIUM  
Account Edit Report  
Budget Status is: TENTATIVE

Fiscal Year: 18

Fu Res Y Goal Func Obj Sch Mgmt

| Position Accounts                 | 01-0185-0-8600-7700-2414-881-0180 | Not Open |
|-----------------------------------|-----------------------------------|----------|
| CB044                             | AB Eff: 7/1/2017                  |          |
| CB077                             | AB Eff: 7/1/2017                  |          |
| CB104                             | AB Eff: 7/1/2017                  |          |
| CB157                             | ES Eff: 7/1/2017                  |          |
| 01-0185-0-8600-7700-2414-882-0180 | Not Open                          |          |
| CB157                             | ES Eff: 7/1/2017                  |          |
| 01-0185-0-8600-7700-2414-885-0180 | Not Open                          |          |
| CB044                             | AB Eff: 7/1/2017                  |          |
| CB104                             | AB Eff: 7/1/2017                  |          |
| 01-2430-0-3550-1000-2114-000-2350 | Not Open                          |          |
| JC397                             | RE Eff: 7/1/2017                  |          |



# Fiscal Year Startup- District

9 Evaluate the last paid cycle for each employee in the Tax/Retirement Screen. Pay close attention to the Ben Cycle Roll FQ to make sure this frequency includes the best cycle to use in the deductions roll. Keep in mind employee deductions as well as employer deductions. You can request an Payroll.net Employee Tax/Retirement Report and should review all individuals for accuracy. Districts that are changing their Frequencies (Pay Cycles) need to pay close attention to this to ensure that all applicable records have been changed and validated.

Effective Date: 04/01/2015

Print Page

| Salary Object          | Retirement Code | Retirement Option    | FICA/Medicare |
|------------------------|-----------------|----------------------|---------------|
| 1000: MEMBER STRS (01) | PICKUP *        | M - Medicare Only    |               |
| 2000: MEMBER STRS (01) | PICKUP *        | B - Both FICA and MC |               |
| 3000: MEMBER STRS (01) | PICKUP *        | M - Medicare Only    |               |
| 5000: MEMBER STRS (01) | PICKUP *        | M - Medicare Only    |               |

Taxes:

Status: ☒ M - Married ☐ M - Married

Exemptions: ☐ 03 ☐ 03

Additional Tax: ☐ 100.00 ☐ 1,000

Include Survivor Benefit: ☐ Include SDI: ☐

EIC:

Effective Date: 12/01/2013 06/01/2012 04/01/2009

Earnings Cycle FQ: 10 - All except July & August BEN Cycle Roll FQ: 13 - All except June & July

DNP: ☒

Pay Calendar:  DECONT  CERTIFICATED

Group Rule:  DNP: 2

Pay Location: 00 - SAN BERNARDINO CO SUPT OF SCHL

Dates: Last to Pay:  Last ER HW:

PayCal: Last to Pay:  Last ER HW:

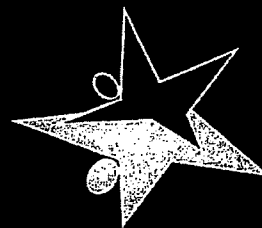
Total Employee FTE: 1.0000

Hrs/Day: 8.000

Last Paid: 07/01/2015

Last Paid: CECONT

05/02/17

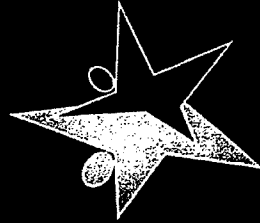


# Fiscal Year Startup- District

Remember the actual frequency on the Earning & Deduction lines are what determines which cycles they are actually rolled TO. The Earning/Ben Cycle Roll Frequency only controls what cycle the program 'looks at' to find the information.

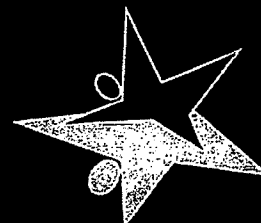
So, if the Earning/Deduction Frequency is a 10, the last paid month of the year is June, and the roll programs will look at Cycle 06 to find the Earnings/Deductions to roll.

However, if the Frequency is a 13, the last paid month of the year is May, so the program would look at Cycle 05 to find the information to roll.



# Fiscal Year Startup- District

|    |                                                                                                                                                                                                                                                                                                                                                                          |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10 | Validate that „R“s exist in the 5 <sup>th</sup> character of the Misc column of the Earnings Type table for each earning to be rolled to the next year and a D in the 6 <sup>th</sup> character for the earnings you want used in the DNP calculation. Validate that BOTH the CURRENT and NEW Fiscal Years have the SAME Tables with the same fields marked for Rolling. |
| 11 | Are there any accounts that need to be converted on the manually entered Earnings lines? If so, please provide a list of the accounts.                                                                                                                                                                                                                                   |





# Fiscal Year Startup- District

## DISTRICT REQUEST FOR PAYROLL FISCAL YEAR ROLL/ GENERATION

Please perform the Payroll Fiscal Year Startup Procedures that include Earnings Generation, Fiscal Year Roll for non-position earnings, and a Deductions roll. All tasks have been completed and appropriately initialed. Any task NOT completed will result in the delay of your processing.

District: \_\_\_\_\_ Contact: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_

Contact Email: \_\_\_\_\_

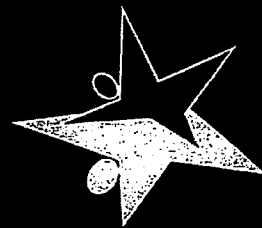
\*\*\*Districts will be processed in a "First Come, First Served" order. The sooner you get your paperwork in, the sooner you will be put on the list.

Do you want any manually entered account lines to have Accounts converted using the REFERENCE field in the Account Field Definition Program (FCACLD)?

Yes, Convert my Accounts \_\_\_\_\_ No, Do NOT Convert my Accounts \_\_\_\_\_

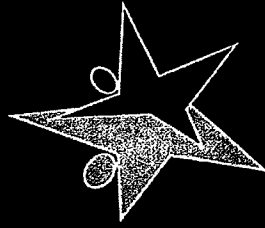
Approval Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(HR/Personnel Representative)

Approval Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(Financial Manager)



# Fiscal Year Startup- District

**After the Generation and Payroll Fiscal Year Rolls have taken place, there are several tasks that should be completed prior to processing the first payroll of the new fiscal year.**

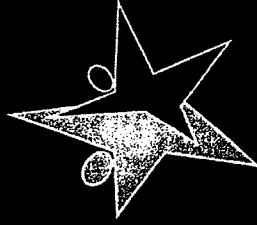


# Fiscal Year Startup- District

One of the Reports that will be created after the District Generation & Roll is completed will be the Account Edit Report for Payroll Earnings and Deductions to validate that all accounts in payroll are valid.

Rolled accounts do not get checked automatically during the roll so this report will assist in identifying invalid/closed accounts prior to the first Payroll being processed.

Validate and change the earnings lines that have a status of 'P' to a Status of 'A' using the Earnings Status Change Program



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# PAY THE DAYS WORKED

• This is the perfect time of year to decide if you will be changing your method of payment to Pay the Days.

- Pay the Days is a version of Generation that uses the Dy Rt field on the Work Calendar to determine if the salary paid in a month should be the Normal Monthly calculated or the actual days worked only.
- The codes inserted into the Work Calendar would be either an "A", "Y" or "S".

## Pay the Days

- The “Y” will indicate Pay the Days should be applied and ONLY paid days in that particular month should be paid.
- The “A” will also indicate that Pay the Days should be applied, but instead of paying it in the month worked, it will put the earnings into the NEXT open cycle, and code it as -ARREARS pay.

## Pay the Days

- The “S” will indicate Pay the Days should be applied, but instead of paying it on the next “R” regular cycle, it will put the earnings into the NEXT open “S” SUPPLEMENTAL cycle. The only time this is an issue is if the employee is a Late Start and put on a Work Calendar with the “S”, but the Pay Calendar does NOT have any “S” supplemental cycles. This will cause Generation to abort.

# Pay the Days

• You will need to analyze your Work Calendars to determine which ones could be used with the Pay the Days. In some cases, you might need to create some additional Work Calendars. Remember, if an employee is attached to a Work Calendar with a “Y”, “A” or “S” in any month, it will calculate Pay the Days for that month.



# Work Calendar Changes

• Several rules have been applied to the Work Calendar.

— Any cycle can have the “Y” to indicate Pay the Days in the Dy Rt field. However, once an “N” is used, there can be no “Y” following. For example, if July has a “Y”, and August has an “N” or Blank, then September must be “N” or Blank.

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CECC

|                                |  |                 |  |
|--------------------------------|--|-----------------|--|
| District: 06                   |  | Fiscal Year: 10 |  |
| Work Calendar: <u>F193</u>     |  | App'l: _____    |  |
| Desc: <u>CONTRACT 193 DAYS</u> |  |                 |  |

|                                   | Day                   | Day                   | Total Paid Days/Year: 216.000 | Year Round: N (Y/N) |            | Monthly Dy | Paid % Rt |
|-----------------------------------|-----------------------|-----------------------|-------------------------------|---------------------|------------|------------|-----------|
|                                   |                       |                       |                               | Base Days           | Extra Days |            |           |
| JUL                               | 111111111122222222233 | 123456789012345678901 | 5.000                         | 0.000               | 5.000      | 0.000      | A         |
| AUG                               | XXXXXXX               | XXXXXXX               | 22.000                        | 1.000               | 22.000     | 100.000    | N         |
| SEP                               | XXXXXXX               | XXXXXXX               | 23.000                        | 1.000               | 23.000     | 100.000    | N         |
| OCT                               | XXXXXXX               | XXXXXXX               | 13.000                        | 1.000               | 13.000     | 100.000    | N         |
| NOV                               | XXXXXXX               | XXXXXXX               | 21.000                        | 1.000               | 21.000     | 100.000    | N         |
| DEC                               | XXXXXXX               | XXXXXXX               | 18.000                        | 1.000               | 18.000     | 100.000    | N         |
| JAN                               | XXXXXXX               | XXXXXXX               | 17.000                        | 1.000               | 17.000     | 100.000    | N         |
| FEB                               | XXXXXXX               | XXXXXXX               | 21.000                        | 1.000               | 21.000     | 100.000    | N         |
| MAR                               | XXXXXXX               | XXXXXXX               | 21.000                        | 1.000               | 21.000     | 100.000    | N         |
| APR                               | XXXXXXX               | XXXXXXX               | 15.000                        | 1.000               | 15.000     | 100.000    | N         |
| MAY                               | XXXXXXX               | XXXXXXX               | 20.000                        | 1.000               | 20.000     | 100.000    | N         |
| JUN                               | XXXXXXX               | XXXXXXX               | 20.000                        | 1.000               | 20.000     | 100.000    | N         |
| TOTAL: 205.000 + 11.000 = 216.000 |                       |                       |                               |                     |            |            |           |

Comment: \_\_\_\_\_

Enter data and press <Enter>, then F7 to Update.

An "A" added to July will count the Paid Days in July and pay those days in August, and automatically code them as ARRears.

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CECC

Calendar Details

Fiscal Year: 2010

Code: CL193

Description: CONTRACT 193 DAYS

Holiday Master: CLASSIFIED 12 PAID HOLIDAYS

First Work Date: 7/27/2009

Last Work Date: 6/25/2010

Contract Days: 193

Total Paid Days: 216

Vacation Days: 11

☐ Flex Calendar

☐ Year Round

Comment:

| Month     | Days | Extra | Total | %   | Dy RL |
|-----------|------|-------|-------|-----|-------|
| July      | 5    | 0     | 5     | 0   | A     |
| August    | 21   | 1     | 22    | 100 | N     |
| September | 22   | 1     | 23    | 100 | N     |
| October   | 12   | 1     | 13    | 100 | N     |
| November  | 20   | 1     | 21    | 100 | N     |
| December  | 17   | 1     | 18    | 100 | N     |
| January   | 16   | 1     | 17    | 100 | N     |
| February  | 20   | 1     | 21    | 100 | N     |
| March     | 20   | 1     | 21    | 100 | N     |
| April     | 14   | 1     | 15    | 100 | N     |
| May       | 19   | 1     | 20    | 100 | N     |
| June      | 19   | 1     | 20    | 100 | N     |
| Total     | 205  | 11    | 216   |     |       |

| MARK |    | JULY 2009 |    |    |    |    |
|------|----|-----------|----|----|----|----|
| ALL  |    | [space] ▼ |    |    |    |    |
| S    | M  | T         | W  | T  | F  | S  |
|      |    |           | 1  | 2  | 3  | 4  |
| 5    | 6  | 7         | 8  | 9  | 10 | 11 |
| 12   | 13 | 14        | 15 | 16 | 17 | 18 |
| 19   | 20 | 21        | 22 | 23 | 24 | 25 |
| 26   | 27 | 28        | 29 | 30 | 31 |    |

| MARK        |    | AUGUST 2009 |    |    |    |      |
|-------------|----|-------------|----|----|----|------|
| ALL [space] |    | T           | W  | T  | F  | S    |
|             |    |             |    |    |    | 1 X  |
| 2 X         | 3  | 4           | 5  | 6  | 7  | 8 X  |
| 9 X         | 10 | 11          | 12 | 13 | 14 | 15 X |
| 16 X        | 17 | 18          | 19 | 20 | 21 | 22 X |
| 23 X        | 24 | 25          | 26 | 27 | 28 | 29 X |
| 30          | 31 |             |    |    |    |      |

| MARK          |  | SEPTEMBER 2009 |    |    |    |    |    |      |
|---------------|--|----------------|----|----|----|----|----|------|
| ALL [space] ▼ |  | S              | M  | T  | W  | T  | F  | S    |
|               |  |                |    | 1  | 2  | 3  | 4  | 5 X  |
|               |  | 6 X            | 7  | 8  | 9  | 10 | 11 | 12 X |
|               |  | 13 X           | 14 | 15 | 16 | 17 | 18 | 19 X |
|               |  | 20 X           | 21 | 22 | 23 | 24 | 25 | 26 X |
|               |  | 27 X           | 28 | 29 | 30 |    |    |      |
|               |  |                |    |    |    |    |    |      |

# Work Calendar Changes

The exception to this rule is in June.  
Regardless of any other cycle's Dy Rt field,  
June can ALWAYS have a "Y" to Pay the Days  
in June.

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PY6SOL  
PAYROLL EARNINGS  
01 Adelanto School District  
SAN BERNARDINO COUNTY SCHOOLS COMPUTER CONSORTIUM  
PAY CYCLES GENERATION REPORT  
PAGE: 1  
08/13/2003  
FISCAL YR: 04

FISCAL YEAR PAY CYCLE GENERATION

01 Adelanto School District  
\*\*\*\*\* Starting Salary Calc [PY6SQL] \*\*\*\*\*  
SSN: STEPHEN, KHRUL

Position Sal Sched Ctc Sal Sched  
Positlon Starl Date End Date PayCal Fy Eff Date Hrk Cal Sched Ty Hls Eff Date Range Step Eff Date FTE Hrs/Day Shift  
INSPED1514 07/01/2003 09/09/9999 CLCONT 12 07/01/2003 CL2065 CLHRLY HR NH 07/01/2003 III 6 07/01/2003 .7500 6.0000

SALARY CALCULATION:  
Begin Date End Date Mkr Days \* Daily Amt = Salary Amt Sched Mkr Days \* Hrs/Day \* Hrk Cal / Fy = Net Hls Amt  
07/01/2003 - 09/09/9999 180.2500 \* 85.26 = 15,368.12 14.21 \* 6.0000 \* 180.2500 / 10 = 1,536.81

LONGEVITY CALCULATION:  
Begin Date End Date Mkr Days \* Daily Amt = Salary Amt  
08/01/2003 - 08/31/2003 11.0000 \* 85.26 = 937.86  
06/01/2004 - 06/30/2004 15.2500 \* 85.26 = 1,300.22  
26.2500 Total Annual - 17,606.20

LONGEVITY CALCULATION:  
NO Longevity Date, NOT Eligible for Longevity

CYCLIC CALCULATION:

| Cycle St | Starl | End        | Gross      | Rel Base | Longevity Yr | Longevity An (3) | Longevity Pct (%) | Longevity Rel Base | Shift Pct (%) |
|----------|-------|------------|------------|----------|--------------|------------------|-------------------|--------------------|---------------|
| 7        | 0     | 07/01/2003 | 07/31/2003 | 1,536.81 | 14.21        |                  |                   |                    |               |
| 0        | 0     | 08/01/2003 | 08/31/2003 | 937.86   | 14.21        |                  |                   |                    |               |
| 9        | 0     | 09/01/2003 | 09/30/2003 | 1,536.81 | 14.21        |                  |                   |                    |               |
| 10       | 0     | 10/01/2003 | 10/31/2003 | 1,536.81 | 14.21        |                  |                   |                    |               |
| 11       | 0     | 11/01/2003 | 11/30/2003 | 1,536.81 | 14.21        |                  |                   |                    |               |
| 12       | 0     | 12/01/2003 | 12/31/2003 | 1,536.81 | 14.21        |                  |                   |                    |               |
| 1        | 11    | 01/01/2004 | 01/31/2004 | 1,536.81 | 14.21        |                  |                   |                    |               |
| 2        | 0     | 02/01/2004 | 02/29/2004 | 1,536.81 | 14.21        |                  |                   |                    |               |
| 3        | 0     | 03/01/2004 | 03/31/2004 | 1,536.81 | 14.21        |                  |                   |                    |               |
| 4        | 0     | 04/01/2004 | 04/30/2004 | 1,536.81 | 14.21        |                  |                   |                    |               |
| 5        | 0     | 05/01/2004 | 05/31/2004 | 1,536.81 | 14.21        |                  |                   |                    |               |
| 6        | 0     | 06/01/2004 | 06/30/2004 | 1,300.22 | 14.21        |                  |                   |                    |               |
|          |       |            |            |          |              |                  |                   |                    | 17,606.18     |

However, even though Tax/Rat had an Earning Frequency of 12, the program only calculated and paid, the exact days for August and June. All other months received the Normal Monthly.





PAGE: 1  
08/13/2003  
FISCAL YR: 01

451728

SAN BERNARDINO COUNTY SCHOOLS COMPUTER CONSORTIUM  
PAY CYCLES GENERATION REPORT

PPY65CL  
PAYROLL EARNINGS  
001 Adelanto School District

FISCAL YEAR PAY CYCLE GENERATION

01 Aduelan lo School District  
 Highest Starting Salary Calc | PWSQL | xoxox  
 SSN: NOTE: BROUWER J

| Position | Start Date | End Date   | PayCn   | Fq | Position   | Wk Cal | Sched Ty | Hrth Eff | Date | Scl        | Sched U/c | Scl | Sched | Matrix | Step | Eff Date   | FTE    | Hrs/Day | Shift |
|----------|------------|------------|---------|----|------------|--------|----------|----------|------|------------|-----------|-----|-------|--------|------|------------|--------|---------|-------|
| CUS72003 | 07/01/2003 | 99/99/9999 | CLOCONT | 11 | 07/01/2003 | C1223  | CLUTH    | NO       | MW   | 07/01/2003 |           |     |       |        | 5    | 07/01/2003 | 1.0000 | 8.0000  | NO    |

→ FREQUENCY 11 = ALL EXCEPT AUGUST

| Begin Date | End Date   | Wk Days | * Daily Hrt        | = Salary Hrt | Solved Matrix | * | t-te   | = Hrt Hrt  |
|------------|------------|---------|--------------------|--------------|---------------|---|--------|------------|
| 07/31/2003 | 07/31/2003 | **      | Salary from Normal | Monthly ** = | 2,715.00      | * | 1.0000 | = 2,715.00 |
| 08/01/2003 | 08/31/2003 | 5.0000  | * 125.28           | =            | 626.40        | * | 1.0000 | = 2,715.00 |
| 09/01/2003 | 09/09/9999 | **      | Salary from Normal | Monthly ** = | 27,150.00     | * | 1.0000 | = 2,715.00 |

**Total Annual = 30,497.40**

WORK CALENDAR CALCULATION: (PAY THE DAYS APPLIED)

02-921 \* 0000-5 300716388 - 300710788

5.0000

0 Longevity Date, NOT Eligible for Longevity

MOLE CALCULATION:

| Cycle St | Start | End        | Gross    | Ret Base | Longevity<br>Yr | Longevity<br>first \$1 | Longevity<br>Petit% | Longevity<br>Ret Base | Shift<br>Petit% |
|----------|-------|------------|----------|----------|-----------------|------------------------|---------------------|-----------------------|-----------------|
| 7        | 0     | 07/01/2003 | 2,715.00 | 2,715.00 |                 |                        |                     |                       | 2.50            |
| 9        | 0     | 09/01/2003 | 2,715.00 | 2,715.00 |                 |                        |                     |                       | 2.50            |
| 10       | 0     | 09/01/2003 | 626.40   | 2,715.00 |                 |                        |                     |                       |                 |
| 11       | 0     | 10/01/2003 | 2,715.00 | 2,715.00 |                 |                        |                     |                       | 2.50            |
| 12       | 0     | 11/01/2003 | 2,715.00 | 2,715.00 |                 |                        |                     |                       | 2.50            |
| 1        | 0     | 12/01/2003 | 2,715.00 | 2,715.00 |                 |                        |                     |                       | 2.50            |
| 2        | 0     | 01/01/2004 | 2,715.00 | 2,715.00 |                 |                        |                     |                       | 2.50            |
| 3        | 0     | 02/01/2004 | 2,715.00 | 2,715.00 |                 |                        |                     |                       | 2.50            |
| 4        | 0     | 03/01/2004 | 2,715.00 | 2,715.00 |                 |                        |                     |                       | 2.50            |
| 5        | 0     | 04/01/2004 | 2,715.00 | 2,715.00 |                 |                        |                     |                       | 2.50            |
| 6        | 0     | 05/01/2004 | 2,715.00 | 2,715.00 |                 |                        |                     |                       | 2.50            |
| 7        | 0     | 06/01/2004 | 2,715.00 | 2,715.00 |                 |                        |                     |                       | 2.50            |

When earning line is created, it is  
put into Cycle 09 (September)

30.491.40

17

61

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04/16/13

# Employee Payroll Earnings

Earning lines created using Pay the Days are given a Pty of "PT", "PU" or "PV". This designates them as Pay the Days and keeps them separate to flag them for future adjustments.

Like the "PX", "PY" and "PZ" Pty's the system generates, users CANNOT manually enter the "PT", "PU" or "PV". They are SYSTEM GENERATED ONLY.



|                        |  |                                  |       |                            |           |                  |                    |
|------------------------|--|----------------------------------|-------|----------------------------|-----------|------------------|--------------------|
| District: 01           |  | <b>EMPLOYEE PAYROLL EARNINGS</b> |       |                            |           | Fiscal Year: 04  |                    |
| SSN: [REDACTED]        |  | First: J                         |       | Class: CLASSIFIED CONTRACT |           | Appl: [REDACTED] |                    |
| Last: BRAUER           |  |                                  |       | Mi: A                      |           | Status: EMPLOYEE |                    |
| PayCal: <b>ELCONTI</b> |  | Cy: 09                           | Ty: 3 | DN: N                      | P-Loc: 20 | Ret: 02          | W-Date: 09/30/2003 |

| St                                                                                 | Pnsm/Dscr  | Farr | Pty  | Sched | Range | Step | Cl | % | Inits  | Rt/Amt   | Rty | Salary   |
|------------------------------------------------------------------------------------|------------|------|------|-------|-------|------|----|---|--------|----------|-----|----------|
| 1                                                                                  | P CUST2003 | NML  | P    | CLMTH | VI    | 5    |    |   | 1.0000 | 2,715.00 | M   | 2,715.00 |
| Fq: 11 CF: N Tx: I HM: Y RB: 2,715.00 RC: 08-1-1 RT: Fr: Tu:                       |            |      |      |       |       |      |    |   |        |          |     |          |
| 1 U100000-0000-8210-2213-002-0000 %: 100.000 Units: 1.0000                         |            |      |      |       |       |      |    |   |        |          |     |          |
| 2                                                                                  | P CUST2003 | SHFT | P    | CLMTH |       |      |    | % | 2.5000 | 3,341.40 | M   | 3,341.40 |
| Fq: 11 CF: N Tx: I HM: Y RB: RC: 08-9-6 RT: Fr: To:                                |            |      |      |       |       |      |    |   |        |          |     |          |
| 1 0100000-0000-8210-2213-002-0000 %: 100.000 Units: 2.5000                         |            |      |      |       |       |      |    |   |        |          |     |          |
| 3                                                                                  | P CUST2003 | NML  | (PI) | CLMTH | VI    | 5    |    |   | 1.0000 | 626.40   | M   | 626.40   |
| Fq: 11 CF: N Tx: I HM: Y RB: 2,715.00 RC: 08-1-3 RT: ARR Fr: 08/01/03 To: 08/31/03 |            |      |      |       |       |      |    |   |        |          |     |          |
| 1 0100000-0000-8210-2213-002-0000 %: 100.000 Units: 1.0000                         |            |      |      |       |       |      |    |   |        |          |     |          |

|                    |        |              |                                                 |
|--------------------|--------|--------------|-------------------------------------------------|
| <b>Totals:</b>     |        |              |                                                 |
| Position           | Long   | Shift        | 0thBase TotalBase Non-Base TotalEarn Page Total |
| 3,341.40           | .00    | 83.54        | .00 3,424.94 30.00 3,454.94   3,424.94          |
| Deducts-Voluntary: | 234.26 | Involuntary: | .00 Total: 234.26                               |

Enter data and press <Enter>, then ☒ to Update.

Earning lines calculated using Pay the Days are given a NEW PTY of either "PT", "PU", or "PV". Earning lines considered ARREARS due to an "A" being inserted onto the Work Calendar are given the Ret Codes of XX-X-3, RT = ARR, and the Start/End dates for the MONTH THAT HAD THE "A" ON THE WORK CALENDAR.

# Employee Tax/Retirement (COE5UP)

Regardless of the “type” of schedule the employee is on (Hourly, Daily or Monthly) you do NOT need to modify the Employee’s Earning Frequency in Tax/Ret. The program will automatically pay the days based on the code in the Work Calendar and will IGNORE the Earning Frequency for that month.

# Generation

Only employee's on Hourly, Monthly or Daily Salary Schedules are eligible to utilize the Pay the Days Method.

Employee's NOT using Pay the Days MUST be on a Work Calendar that HAS NO "Y", "A" OR "S" in the Dy Rt field.

Likewise, employee's needing to be calculated using Pay the Days MUST be on a Work Calendar with the appropriate months having the "Y", "A" or "S".

# Generation

Pay the Days works most efficiently for employees on Hourly or Daily Salary Schedules. For those types of Schedules, Generation is counting the days from 07/01/xx to the end of the year and getting a "true" payment. It is very easy for Generation to "pull the Pay the Days" numbers out of that total. However, if an employee is on a Monthly Salary Schedule, that same methodology does not work. When employees are on a Monthly Schedule, it doesn't count the days for the year, it simply has a monthly amount it is paying for each month based on the Earning Frequency in Tax/Ret.

When Pay the Days is used on a Monthly Schedule, it doesn't pull the days from any type of calculation. It simply takes those 5 days (for example) in August and pays them as ADDITIONAL PAY. Be very careful when using Pay the Days for employees on Monthly Salary Schedules to ensure employees are NOT overpaid.

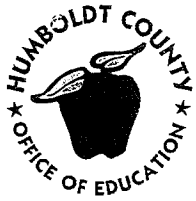
# Longevity Calculations for Pay the Days

• NO CHANGES WERE MADE TO THE LONGEVITY CALCULATIONS for Pay the Days.

- If an employee is receiving Longevity that is a flat \$ amount, the program will give that employee a FULL month worth of Longevity. It is NOT doing any prorating or recalculating for Pay the Days. If the Payroll Technician DOES NOT want to pay an entire month of Longevity, they can do a "PA" line to adjust the Longevity.

## Longevity, Cont...

If the employee is receiving Longevity that is a % of salary, the program will calculate the % based on the employee's current month salary. For example, if the employee is being paid \$500 regular salary on a Pay the Days cycle, the % Longevity will be calculated on ONLY that \$500. It will not use the employee's Normal Monthly amount.



May 11, 2017

## MEMORANDUM

TO: District Superintendents and Business Managers

FROM: Lynette Kerr, Chief Business Official *LK*

SUBJECT: **RECONCILIATION OF THE 9537 GENERAL LEDGER LIABILITY ACCOUNT**

Because of the potential fiscal impact that neglecting Health & Welfare general ledger accounts can have for a district, we believe it continues to be mutually beneficial for districts to prepare and submit a breakdown of the 9537 general ledger account balance to the county office on an on-going basis. In addition, the W2 reporting of employee health benefit premiums requires district staff verify JPA invoice accuracy, a critical component of the health/welfare reconciliation process.

To provide sufficient reconciliation documentation, our office requests that you submit either:

1. The reconciled "Employee Totals" worksheet if your district is utilizing the Excel H/W pivot table template (as of 6/30/2017) or
2. A completed subsidiary schedule with reconciliation as of 6/30/2017 (see attached).

Attached please also find a "Tips & Instructions on Balancing the 9537" for your information.

Please return the reconciliation documentation to Kathy Bubenik in the Business Office by **July 17, 2017**. The attached subsidiary schedule form is available in electronic format. Please contact Kathy by email at [kbubenik@hcoe.org](mailto:kbubenik@hcoe.org) to request this form in Excel format. In addition, if you are currently utilizing the new pivot table template and need assistance, please contact either Kathy Bubenik, Marci Laffranchi (445-7060), or Melody Murphy (445-7057).

If you have any questions regarding the reconciliation process or required data requests, please do not hesitate to call me at 445-7066 or Kathy Bubenik at 445-7059.

Attachments

cc: Kathy Bubenik  
Marci Laffranchi



# TIPS AND INSTRUCTIONS ON BALANCING THE 9537

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## ➤ UNDERSTANDING THE 9537

The 9537 is a clearing account for health and welfare benefits, alternative retirement benefits, and miscellaneous employer paid benefits that do not have a specific 95xx assigned, such as life insurance.

Credit entries to the 9537 are generated from the amounts coded as the employee and employer paid benefits on payroll (listed by employee on the Vendor Deduction Roster PAY600), deposits received from employees, retirees, or board members for their share of any premiums due, benefit clearing transfers, checks issued manually for payroll, and correcting entries made by transfers or journal entries.

Debit entries to the 9537 are generated by checks or transfers to vendors for payments of health and welfare premiums, checks issued to vendors for miscellaneous employer paid benefits, canceled payroll checks, and correcting entries made by transfers or journal entries.

Ideally, the credits generated by payroll and deposits (premiums due) would match the debits generated for the same month by payments to the vendors (premiums paid).

## ➤ BALANCING POINTS OF THE 9537

Balancing the 9537 usually involves a reconciliation of three items: 1) the master district list of employees, board members, and/or retirees with benefits; 2) the amount pulled on payroll as employee and employer share of benefits, benefits only, plus the deposits for the employee, board member, and/or retiree share of benefits received; and 3) the amount paid to each vendor.

### Balancing Points:

1. Agree the amount paid to each vendor to the district's master list of premiums due for all employees, board members, and/or retirees receiving benefits.
2. Agree the amount posted on payroll (both employer and employee portions) plus any deposits for premiums to the total premiums due per the district's master list.
3. Agree the amounts in Balancing points 1 and 2 to the amounts posted in the 9537, both for premiums owed (payroll and deposits) and premiums paid (transfers and/or checks).



➤ **CLARIFICATION OF ACCOUNTING ENTRIES**

|                                   | <b><u>DEBIT</u></b>    | <b><u>CREDIT</u></b> |
|-----------------------------------|------------------------|----------------------|
| <b>Entries posted on payroll:</b> |                        |                      |
| Employer share of premiums        | Expense-34xx           | 9537                 |
| Employee share of premiums        | Employees Payroll Ded. | 9537                 |
| Retiree Only Benefits             | Expense-37xx           | 9537                 |
| Deposits                          | Cash-9110              | 9537                 |
| Check to vendor                   | 9537                   | Cash-9110            |
| Transfer to JPA                   | 9537                   | Cash-9110            |

**THE SUBSIDIARY SCHEDULE IS DIVIDED INTO THREE SECTIONS**

**Ending Balance of 9537**

Run a General Ledger Detail Report. Note the ending balance on the report in this section.

**Detail of Ending Balance**

**A: Employees who owe the district money**

If an employee is to pay for a portion of or all of their benefit premium and was on any of the vendor billings paid prior to June 30<sup>th</sup>, but did not pay their portion of the premium, then the portion of the premium paid to the vendor, but not collected from the employee is in the 9537 as a debit. This means the premium was paid (payment to the vendor is a debit), but the offsetting credit or a portion of the offsetting credit (deposit) was not entered.

Enter the names and amounts of any employees owing the district for premiums paid by the district.

**B: Others who owe the district money**

If retirees and/or board members who pay their premiums were on any of the vendor billings paid prior to June 30<sup>th</sup>, but did not reimburse the district for the premiums or premium paid, the amount of the uncollected premiums is in the 9537 as a debit.

Enter the names and amounts of any retirees and/or board members owing the district for premiums paid by the district.

**C: Employees who reimburse the district in advance**

If employees, retirees, or board members pay in advance, the deposits for the payments will be part of the June 30<sup>th</sup> ending balance. The deposits are a credit entry to the 9537, therefore, they would be a bracketed item on the reconciliation form. (Do not include the prepayments collected using VLD's 220 or 8950. They have already been segregated using the general ledger accounts.)

Use the **GENERAL LEDGER REPORT** to complete section C.

#### **D: Errors in payments to vendors**

During the balancing process if you discover errors in the amounts paid to a vendor or vendors that were not cleared by June 30th, the amounts over or under paid will be part of the June 30th ending balance.

Look for errors by matching the premiums due to each vendor by month per the district's master list to the actual monthly payment made per the general ledger debits (transfers or checks).

Errors can also occur during data entry. The **general ledger detail should be audited monthly** to verify that the amount submitted to the vendor for payment per the district's documentation agrees to the entries (transfers or checks) per the general ledger detail.

If the amount of the transfer or check to the vendor is higher or lower than the district's records indicate, and there is not an offsetting correction prior to June 30th, enter the amount on the subsidiary schedule. If you overpaid the vendor, the entry will be positive since payments are debits in the 9537 account. However, if you underpaid the vendor, the entry will be bracketed because more premiums were posted and therefore credited to the 9537 account than were paid or debited.

#### **E: Other adjustments**

Use this section for any **outstanding adjustments** not listed in sections A through E -- including, but not limited to, adjustments for alternative retirement premiums, life insurance, miscellaneous entries made in error to the 9537, and any line item entries to the 9537 that are unidentified or unaccounted for. Be specific in identifying the employee, the vendor, or the date and reference number of the entry in question.

#### **F: Activity attributable to prior year**

Enter any prior year adjustments not cleared by June 30<sup>th</sup> or any portion of the previous year's ending balance that has not been accounted for.

#### **Reconciliation of Health & Welfare Benefits Ending Balance**

#### **G: REQUIRED ENDING BALANCE (TOTAL OF LINES A THROUGH G**

This total should be zero. If there is a difference, the 9537 is not in balance at this point. Before final closure of the fiscal year general ledger, you must either work on identifying all differences and including them in the "detail" section of the reconciliation or enter a correcting entry in the financial system adjusting the amount of the "difference".

#### **> SUBMISSION OF THE SUBSIDIARY SCHEDULE**

Please submit the reconciliation form adjustments by the due date. If after reviewing district records, billings, payrolls, and transfers or checks issued, you are not able to completely reconcile the 9537 account, please do not hesitate to call Kathy Bubenik at 445-7059.

**SUBSIDIARY SCHEDULE**  
**Health and Welfare Benefits - Object 9537**

District:

**Please return to Kathy Bubenik in the HCOE Business Office by July 17, 2017**

**Detail of Ending Balance as of June 30, 2017**

A. Employee share of premiums not deposited:  
(Insert lines if more lines are needed)

Name:   
Name:   
Name:

|  |
|--|
|  |
|  |
|  |

B. Retiree or Board Member share of premiums not deposited:  
(Insert lines if more lines are needed)

Name:   
Name:   
Name:

|  |
|--|
|  |
|  |
|  |

C. Deposits of premiums paid in advance by employees, retirees, or board members:  
(Insert lines if more lines are needed)

Name:   
Name:   
Name:

|                          |
|--------------------------|
| ( <input type="text"/> ) |
| ( <input type="text"/> ) |
| ( <input type="text"/> ) |

D. Overpayment or (underpayment) to JPA  
Overpayment or (underpayment) to Vendor

|  |
|--|
|  |
|  |

E. Other - Be specific, do not use miscellaneous:  
(Insert lines if more lines are needed)

Description:   
Description:   
Description:

|  |
|--|
|  |
|  |
|  |

F. Prior year outstanding adjustments  
(Insert lines if more lines are needed)

Description:   
Description:   
Description:

|  |
|--|
|  |
|  |
|  |

G. Required Ending Balance - Total of Lines A through F

0.00

**RECONCILIATION**

Actual Ending Balance of 9537 (RS 0999) from GL REPORT

Difference between "Required" and "Actual" Ending Balances should be zero.  
If there is a difference, a correcting entry must be made prior to final year-end  
close of general ledger.

0.00

Completed By:

Date: