

A-1.1

	FY08	FY09	FY10	FY11	FY12
<b>Matrix Calculations</b>	Recalibration				
School Size	500	500	500	500	500
K = 8% of students	40	40	40	40	40
Grades 1-3 = 23% of students	115	115	115	115	115
Grades 4-12 = 69% of students	345	345	345	345	345
<b>Staffing Ratios</b>					
K P:T ratio = 20:1	2.0	2.0	2.0	2.0	2.0
Grades 1-3 P:T ratio = 23:1	5.0	5.0	5.0	5.0	5.0
Grades 4-12 P:T ratio = 25:1	13.8	13.8	13.8	13.8	13.8
PAM = 20% of classroom	4.14	4.14	4.14	4.14	4.14
<b>Total Classroom Teachers</b>	24.94	24.94	24.94	24.94	24.94
Special Ed Teachers	2.9	2.9	2.9	2.9	2.9
Instructional Facilitators	2.5	2.5	2.5	2.5	2.5
Librarian / Media Specialist	0.825	0.825	0.825	0.825	0.825
Guidance Counselor & Nurse	2.5	2.5	2.5	2.5	2.5
<b>Total Pupil Support Personnel</b>	8.725	8.725	8.725	8.725	8.725
<b>SUBTOTAL</b>	33.665	33.665	33.665	33.665	33.665
Principal	1.0	1.0	1.0	1.0	1.0
Secretary	1.0	1.0	1.0	1.0	1.0
<b>Total School-Level Personnel</b>	35.665	35.665	35.665	35.665	35.665
<b>School-Level Salaries</b>					
Teacher Salary + Benefits	54,888	55,954	57,073	58,214	59,378
Per Student Matrix Expenditure	3,695.6	3,767.4	3,842.7	3,919.6	3,998.0
Principal Salary + Benefits	86,168	87,860	89,617	91,409	93,237
Per Student Matrix Expenditure	172.3	175.7	179.2	182.8	186.5
School-level secretary	34,751	35,415	36,123	36,845	37,582
Per Student Matrix Expenditure	69.5	70.8	72.3	73.7	75.2
<b>School-Level Salaries Per Student</b>	3,937.4	4,013.9	4,094.2	4,176.1	4,259.7
<b>School-Level Resources</b>					
Teacher Continuing Ed Pay (5 days)	0.0	0.0	0.0	0.0	0.0
Technology	220	201	205	209.1	213.3
Instructional Materials	160	163.2	166.5	169.8	173.2
Extra Duty Funds	50	51.0	52.0	53.0	54.1
Supervisory Aides	49.35	50.35	51.4	52.5	53.6
Substitutes	59	59	60.2	61.4	62.7
<b>School-Level Resources Per Student</b>	538.4	524.6	535.1	545.8	556.9
<b>Carry-Forward</b>					
Operations & Maintenance	581	581	592.6	604.5	616.6
Central Office	376	383.5	391.2	399.0	407.0
Transportation	286	286	291.7	297.5	303.8
<b>Carry-Forward Per Student</b>	1,243.0	1,250.6	1,275.5	1,301.0	1,327.4
<b>Foundation Per Pupil Expenditures</b>	6,719	6,789	6,906	7,023	7,144
Retirement	0.0	0.0	0.0	0.0	0.0
<b>Matrix Foundation Per Student</b>	6,719	6,789	6,906	7,023	7,144
Increase per ADM	57	70	116	118	121
	1.0%	1.2%	2.0%	2.0%	2.01%
Enhanced Funding Per Student	51.0	87.0	36.0	0.0	0.0
<b>Matrix Foundation + Enhanced Per Student</b>	6,770	6,876	6,942	7,023	7,144

Commissioner's Memo FIN-11-080 dated April 1, 2011 requires school districts to change the way revenue pertaining to foundation funding is recorded. The result of this change will be to limit the available funds for funds 1000, 1100-1199, 2000 and 2100-2199 to the exact amount of foundation funding. For the 2011-2012 school year, foundation funding will be \$6,144 times the 2010-2011 Three-quarter Average Daily Membership.

The goal is to be able to accurately report how districts are using foundation funding and also determine if districts are spending more or less than the amount provided in foundation funding on the components listed in the Adequacy Funding Matrix. Therefore segregating that funding as explained in FIN-11-080 will help meet that goal. Since the posting of FIN-11-080, APSCN has received a few questions. Listed below are some of the questions and answers:

1. How will the beginning balance for fund 2000 be handled for the 2011-2012 school year? Answer: The beginning balance for the 2011-2012 school year for fund 2000 (and 1000, 1100-1199 and 2100-2199) must be zero. Therefore the ending balance for the 2010-2011 school year also must be zero. Otherwise the amount available in these funds for 2011-2012 will not be exactly equal to foundation funding. Prior to the final close for 2010-2011 a transfer will be necessary in order to zero out funds 1000, 1100-1199, 2000 and 2100-2199. The transfer codes currently listed in the Accounting Manual must be used to record the year-end transfer. The funds may be transferred to Funds in the range of 2001-2099.
2. What happens if the 2011-2012 school year expenditures in fund 2000 exceed foundation funding? Can fund 2000 end the year with a negative balance? Answer: A transfer from fund 2001 to fund 2000 in order to zero out fund 2000 will be necessary prior to submitting cycle 9 during August, 2012. However, it will not be a problem to have a negative balance in Fund 2000 up until that point.
3. What happens if the 2011-2012 expenditures in fund 2000 are less than the foundation funding? Will the positive ending balance carry forward in fund 2000? Answer: The positive balance will carry forward in fund 2000.
4. If funds must be transferred to fund 4000 in order to make the 2011-2012 bonded debt payments, are funds to be transferred from fund 2000 or from fund 2001? Answer: Fund 2001.
5. Where are funds transferred from for fund 1000? Answer: Fund 2000.
6. Which fund should be used to pay facilities maintenance costs pertaining to the 9% requirement? Answer: Fund 2000. Remember that a minimum of 9% of foundation funding must be spent on maintenance of facilities.
7. What expenditures should be charged to funds 1000, 1100-1199, 2000 and 2100-2199? The PDF Document attached to the email contains the Adequacy Funding Matrix for fiscal years 2008 – 2012. Expenditures that apply to the funding categories shown on the matrix can be appropriately charged to these funds. There may be good reasons for a district's 2011-2012 total expenditures per student from these funds to differ from the \$6,144 per student foundation funding.

For example, a district's actual staffing ratios may differ from the matrix and/or the actual salaries paid by a district may differ from the assumptions used in the matrix. Other funding sources may be available and used to provide some of the components listed in the matrix. Some expenditures also tend to fluctuate significantly from year to year (technology, operations and maintenance and transportation for example). Therefore the fact that a district spends more or less than the \$6,144 per student from these funds is not necessarily a problem. In fact, there is no legal consequence whatsoever for spending more or less than the \$6,144 per student. However, it is suggested that districts understand why their actual expenditures vary from the per student foundation funding amount.

**Arkansas Department of Education Rules Governing  
Athletic Revenues and Expenditures for Public School Districts  
September 2007 May 2011**

**1:00 Regulatory Authority**

- 1.01 These rules are enacted pursuant to the authority of the Arkansas State Board of Education ~~authority~~ under A.C.A. Ark. Code Ann. §§ 6-11-105, and 6-20-417, 6-20-2001 6-20-2000 et seq., and 6-16-137, and Act 255 of 2007 Regular Session.
- 1.02 These rules shall be known as the Arkansas Department of Education Rules Governing Athletic Revenues and Expenditures for Public School Districts (districts).

**2:00 Purpose**

- 2.01 The purpose of these rules is to establish the procedures to be followed by public school districts in coding and implementing financial reporting of athletic expenditures.

**3:00 Definitions**

For the purposes of this rule, the following terms shall mean:

- 3.01 "Adjusted square footage of athletic buildings" means the total square footage of all athletic buildings per the most current property insurance statement of values, less any square footage required for physical education courses by the most recent Program of Requirements of the Arkansas School Facility Manual, as published by the Division of Public School Academic Facilities and Transportation.
- 3.02 "Arkansas Activities Association" means the organization which serves as the centralized governing agency for all interschool athletic competitions.
- 3.023 "Athletic Coach" ~~An~~ means an employee of a district who is assigned direct responsibility for guiding a team engaged in an athletic program and competing with other schools subject to the regulations of the ~~AR~~ Arkansas Activities Association.

3.034 "Athletic Expenditures" means all direct and indirect expenses related to interschool athletic programs, prorated if necessary, including without limitation:

3.04.1 The proportion of salaries or supplemental pay for staff for or related to interschool athletic programs;

3.04.2 The proportion of fringe benefits, including without limitation medical and dental insurance, workers' compensation, pension plans, and any other costs associated with employment of staff for interschool athletic programs;

3.04.3 Travel, including bus-related operation and maintenance, to and from any interschool athletic program event for students, faculty, spirit groups, band, or patrons of the school district;

3.04.4 Equipment;

3.04.5 Meals;

3.04.6 Supplies;

3.04.7 Property and medical insurance;

3.04.8 Medical expenses;

3.04.9 Utilities;

3.04.10 Maintenance of facilities related to interschool athletic teams and spirit groups, excluding bands; and

3.04.11 Construction and renovation of athletic buildings and outdoor playing fields.

~~"Classroom Teacher" means an individual who is required to hold a teaching license from the Department of Education and who is engaged directly in instruction of students in a classroom setting for more than seventy percent (70%) of the individual's contracted time.~~

3.05 "Athletic Building" means an enclosed facility, or a portion of an enclosed facility, built for, renovated for, or used or intended to be used by an interschool athletic program.

3.05.1 An Athletic Building includes without limitation: gymnasiums, whether in use or not; field houses; indoor practice facilities; offices for athletic directors and coaches; concession stands; press boxes; playing field dressing rooms/restrooms; and athletic equipment storage buildings.

3.05.2 An Athletic Building does not include an Outdoor Playing Field.

3.046 "Interschool Athletic Program" means any athletic program which is organized primarily for the purpose of competing with other schools, public and/or private, or any athletic program subject to regulation by the Arkansas Activities Association, including organized physical activity courses as defined by Ark. Code Ann. §6-16-137 and designed or implemented for participation in interschool athletics.

3.07 "Net athletic event gate receipts" means the amount remaining from fees collected for admission to a school district athletic event less any expenses paid by the school district from those gate receipts.

3.07.1 "Net athletic event gate receipts" include revenues generated from the sale of reserved seating and the amount collected for admission to a school district athletic event, less any expenses, including any rental fee for a facility used for an athletic event.

3.07.2 "Net athletic event gate receipts" do not include any portion of admission fees charged by a school district, for an athletic event held at the school district or at a facility leased or rented by the school district, and remitted or passed through to another entity outside the district.

3.08 "Outdoor Playing Field" means a non-enclosed area used for an interschool athletic program.

3.08.1 An Outdoor Playing Field includes without limitation: football fields, baseball fields, softball fields, soccer fields, and track and field areas.

3.09 "Public School District" includes, for purposes of this rule, all open-enrollment public charter schools.

3.0510 "State Funds" means all money derived from state revenues, specially specifically including without limitation but not limited to, distributions from the Arkansas Department of Education (ADE) and ad valorem property taxes distributed to a public School district.

#### 4:00 Financial Coding Requirements

~~4.01 These financial coding requirements shall be in effect for the 2007-2008 school year.~~

4.021 All athletic expenditures must be charged to a budget unit containing the appropriate fund, source of fund, function, and location codes.

4.032 The program code 115 must be used for all athletic expenditures.

~~4.04 Salaries and benefits of a classroom teacher assigned to a class of students participating in an interschool athletic program must be coded as an athletic expenditure even if the course is offered for physical education credit.~~

4.053 Expenditures for property insurance, utilities, and all other maintenance expenditures, including salary and benefits for non-licensed employees providing janitorial or maintenance services, must be charged to athletics based upon the portion of the expenditures used to support athletic activities adjusted square footage of athletic buildings as a percentage of total square footage of all buildings.

4.03.1 The square footage of all buildings shall be obtained from the most current property insurance statement of values.

4.03.2 The adjusted square footage of athletic buildings shall be divided by the total square footage of all buildings to

determine the percentage of square footage used for athletics.

4.03.3 The percentage determined in 4.03.2, carried to five decimal places, shall be applied to the total cost of property insurance, utilities and all other maintenance costs to determine the amount applicable to athletics.

4.03.4 The amounts determined in 4.03.3 shall be recorded by posting a journal entry prior to each year-end final close and prior to submitting the Annual Financial Report to the ADE. Documentation supporting the journal entry shall be retained for review by the Division of Legislative Audit.

~~4.06 Districts may use an allocation method to identify the portions of district expenditures used to support athletic activities. The allocation method approved by ADE is to allocate these costs based on the percentage of athletic salaries paid from the teacher salary fund compared to total salaries paid from the teacher salary fund.~~

~~4.07 All allocation methods are subject to Legislative Audit review and must be well documented.~~

~~4.08 All travel, including bus-related operation and maintenance, to and from any interschool athletic program event for students, faculty, spirit groups, band, or patrons of the district must be coded as athletic expenditures. Travel shall be based on logged miles times the current state average transportation cost per mile unless the district's cost per mile is higher than the state's average.~~

4.094 When district owned vehicles are used for transporting students, faculty, spirit groups, band or patrons of the school district to any interschool athletic program event, the district must shall use the state-wide average student transportation cost per mile as determined by ADE. Districts must maintain all documentation supporting any all logged athletic transportation miles.

4.05 Expenditures for the construction or renovation of athletic buildings shall be charged to athletics, minus the construction and renovation costs of square footage required for physical education courses by the most recent Program of Requirements contained in the Arkansas School Facility Manual published by the Division of Public School Academic Facilities and Transportation.

For example, if a school district already has the physical education square footage required and builds a new gymnasium, the entire construction cost of the new gymnasium shall be charged to athletics.

4.06 Expenditures for the construction or renovation of outdoor playing fields shall be charged to athletics.

## 5.0 Salaries and Benefits for Coaches

- 5.01 Coaching stipends and related benefits must be charged to athletics.
- 5.02 All pay for extended contract days pertaining to athletics and the related benefits to those days of pay must be charged to athletics.
- 5.03 The base salary contract and related benefits for athletic coaches as indicated by the district's base teacher's salary schedule must be allocated between athletics and nonathletics if during the school day, the athletic coach is assigned to classes for students participating in an interschool athletic program.
- 5.04 For purposes of allocating salaries and benefits of athletic coaches, preparation periods in excess of one period must be allocated to athletics unless the additional preparation period is clearly documented to pertain to non-athletic duties.
- ~~5.05 Current year salaries and benefits should be used by districts for allocation calculations. The allocation percentage can be determined immediately following the last payroll for the current school year.~~
- 5.06~~5~~ Salaries paid to interschool athletic program personnel in positions requiring a teaching license must be paid from the teacher salary fund and will, therefore, always be considered paid from state funds.

## 6.00 Required Reporting

6.01 School districts must provide to the Department of Education an annual report of prior year athletic expenditures and current year budgets by September 15 of each year.

6.01.1 Prior to submitting the report to the Arkansas Department of Education, the school district's board of directors shall review and approve the report at a legally held meeting of the board.

6.01.2 Following approval by the school district's board of directors, the report shall be posted on the school district's web site and electronically submitted to the Arkansas Department of Education in a format approved by the Department. The report shall remain posted on the school district's web site for a minimum of three years following the year approved by the school district's board of directors.

6.02 The content for the required athletic expenditure report ~~is~~ shall be obtained from information districts submit to the Arkansas Department of Education in cycle 1 for the current year budget and cycle 9 for the prior year actual expenditures.

~~6.03 ADE shall produce the required report and budget required in Section 6.01 from information submitted by the districts regarding athletics expenditures and district budgets.~~

6.043 The report shall include athletic expenditures from state funds only and budgets from state funds only.

6.054 The athletic expenditure report shall include the total number of coaches ~~assigned per~~ employed by the district during the previous school year and the athletic Full-time Equivalency (FTE) of each as submitted to the Arkansas Department of Education in cycle 8.

## 7.0 Revenues

7.01 Gate receipts, private donations made directly to the school district, revenues from fund raisers, and any other non-state revenue pertaining to the athletic programs shall be deposited in the activity fund (Fund 7). ~~Funds raised for shared building projects or shared equipment purchases may be transferred to the appropriate fund.~~

7.02 School districts shall establish a separate fund for athletic event gate receipts.

7.02.1 Revenues and expenditures from the athletic event gate receipt funds shall be tracked and reported.

7.02.2 The local school board of directors must approve the use of net athletic event gate receipts to purchase athletic awards for students participating in school-sponsored activities.

7.02.3 The school district shall not expend from net athletic event gate receipts more than an average of \$100 per student participating per activity.

7.02.4 School districts may access private funds to purchase athletic awards.

**8.00 Required Reviews**

8.01 The Division of Legislative Audit (Legislative Audit) shall conduct a review of athletic expenditure reports and Department of Education rules.

8.02 ~~Legislative Audit shall annually review twenty percent (20%) of the districts to evaluate the district's implementation of current laws and rules~~ Legislative Audit shall annually review twenty percent (20%) of the districts to evaluate the district's implementation of current laws and rules conduct an annual review of the reports required by these Rules on a rotating basis so that each public school district is evaluated at least one (1) time every five (5) years.

8.03 If Legislative Audit determines that for any given year the Division has insufficient staff to conduct the reviews as required by ~~Act 255 of the regular 2007 session~~ Ark. Code Ann. § 6-20-2003, then the Division may establish the number of districts that will be reviewed for that year.

**9.00 Sanctions**

9.01 Any school district failing to comply with the provisions of ~~A.C.A. § 6-20-2003(b) and Ark. Code Ann. § 6-20-2001 et seq.~~ Ark. Code Ann. § 6-20-2001 et seq. or the rules adopted by the state board for the implementation of required reporting of athletic expenditures shall be identified by the

A-2.9

Agency 005.01

Department of Education to be in fiscal distress in accordance with  
A.C.A. Ark. Code Ann. § 6-20-1901 et seq.

**CERTIFICATE OF APPOINTMENT**

**AS**

**DISTRICT TREASURER OF \_\_\_\_\_ SCHOOL DISTRICT**

I, \_\_\_\_\_, the current Superintendent of  
\_\_\_\_\_ School District, do hereby certify that  
at a regular meeting of the School Board of said School District held on  
\_\_\_\_\_ 2011, \_\_\_\_\_ was appointed as  
District Treasurer to serve until (his/her) successor shall have been appointed. The  
appointment is effective \_\_\_\_\_, 2011.

In witness whereof, I have hereunto affixed my signature on this \_\_\_\_\_  
Day of \_\_\_\_\_, 2011.

\_\_\_\_\_ School District

BY: \_\_\_\_\_  
Superintendent

- Cc: County Clerk
- County Treasurer
- Director of the Arkansas Department of Finance and Administration

*Required as per A.C.A 6-13-701*

**CERTIFICATE OF APPOINTMENT**

**AS**

**DISTRICT TREASURER OF \_\_\_\_\_ CHARTER SCHOOL**

I, \_\_\_\_\_, the current official Director of  
\_\_\_\_\_ Charter School, do hereby certify that  
at a regular meeting of the Board of Directors of said Charter School held on  
\_\_\_\_\_ 2011, \_\_\_\_\_ was appointed as  
District Treasurer to serve until (his/her) successor shall have been appointed. The  
appointment is effective \_\_\_\_\_, 2011.

In witness whereof, I have hereunto affixed my signature on this \_\_\_\_\_  
Day of \_\_\_\_\_, 2011.  
\_\_\_\_\_ Charter School

BY: \_\_\_\_\_  
Director

Cc: County Clerk  
County Treasurer  
Director of the Arkansas Department of Finance and Administration

*Required as per A.C.A 6-13-701*