

School Finance

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Date: December 31, 2012

To: Chief School Administrators

From: Dale M. Dennis, Deputy Commissioner

Craig Neuenswander, Director

School Finance

INTEREST RATE ON INVESTMENT Effective 12/31/12 through 1/6/12

TERM	CURRENT	PREVIOUS
1 to 89 Days	0.17%	0.17%
3 Months	0.04%	0.03%
6 Months	0.12%	0.10%
1 Year	0.18%	0.17%
18 Months	0.22%	0.22%
2 Years	0.26%	0.26%

Minimum investment rates banks must offer to secure public funds as prescribed by K.S.A. 75-4210

January Payment Update

January state and federal payment amounts for each LEA will be posted on the School Finance homepage: http://www.ksde.org/Default.aspx?tabid=1891. Spreadsheets will be posted online near the actual deposit date. Upcoming payments are listed below:

- Thursday, January 2
 - o General State Aid
 - Bond & Interest State Aid
- Thursday, January 10
 - Federal Aid (requested via Form 240) The Federal Cash Management Act requires that these funds must be spent by the end of the month in which they are received. LEAs cannot carry over federal funds to the following month.
- Tuesday, January 15
 - KPERS (3rd Quarter)

If you have state aid questions, please call Kevin Mercer at (785) 296-4973 or email kmercer@ksde.org.

If you have questions submitting Form 240, contact School Finance, Rose Ireland, at 785-296-2020. To receive a federal payment in February, please submit your request no later than January 15.

2013 Federal Mileage Rate increases January 1 to 56.5 cents per mile

Federal rate - 56.5 cents

Effective January 1, 2013, the federal private vehicle mileage reimbursement rate for business miles driven increased to 56.5 cents. This is up one cent per mile from the 2012 rate.

To read the notice on the IRS website, link here: http://www.irs.gov/uac/2013-Standard-Mileage-Rates-Up-1-Cent-per-Mile-for-Business,-Medical-and-Moving

State rate - 55 cents

For FY2013, as authorized by K.S.A. 75-3203a, the Secretary of Administration fixed the mileage reimbursement rate at 55 cents per mile for a privately owned automobile. The State rate is normally adjusted on July 1.

Typically, local boards will review and establish the private vehicle mileage reimbursement rate for their district at the July meeting. K.S.A. 75-3203.

Form 1099-MISC: Reporting Payments to Independent Contractors

Attn: board clerks, finance directors, payroll and accounts payable personnel

If a payee is not your employee, school districts must issue <u>Form 1099-MISC</u> for each person to whom you have **paid at least \$600** as compensation for **services**. Services could include, but not limited to, payments for advertising, auto repair, construction, maintenance, landscapers, consultants, referees, printing and accountants. The form is also required to report rents, prizes and awards, medical and health care payments, crop insurance proceeds, and attorney fees or gross proceeds to an attorney.

A helpful Q&A sheet is posted with the <u>Online Budget Packet</u> on the School Finance homepage. Scroll down to the 5th heading **Guidance for Administrators and Business Office** and select **Form 1099-MISC**.

Please remind your accounts payable person to keep track of independent contractors that have been paid at least \$600, and file this form in January when they are filing Form W-2 for your employees. If you have additional questions, please call a FSLG Tax Specialist at 316-352-7443.

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KSDE will be closed on Tuesday, January 1.

