

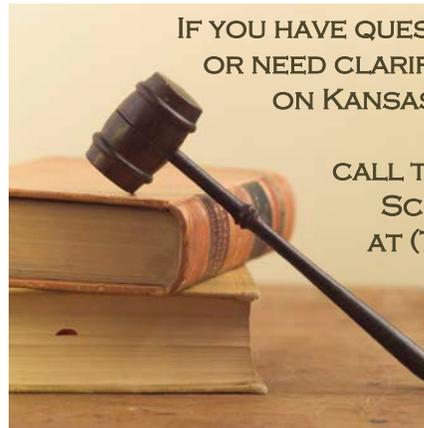
Budget Advice and Statute Compliance

Guide for School Administrators and Business Officials

PREPARED BY SCHOOL FINANCE - KANSAS STATE DEPARTMENT OF EDUCATION - 120 SE 10TH AVE - TOPEKA

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IF YOU HAVE QUESTIONS
OR NEED CLARIFICATION
ON KANSAS STATUTES,

CALL THE OFFICE OF
SCHOOL FINANCE
AT (785) 296-3872.

To read the full text of a statute, link here: <http://kslegislature.org/li/statute/>

In the **Section Number** box, type in the statute number (i.e. 72-5437) and click on **Open**.

1. Budget Reminders

- a) Be sure to read and follow the instruction pages on the official budget instructions which you receive by mail.
 - Publish **Notice of Hearing** (Minimum 10 calendar days before hearing)
 - Hold budget hearing
 - Certify budget to county clerk by August 25
- b) Double-check any **unencumbered** cash balances on July 1 for accuracy.
- c) Place all state and local revenues in the proper funds.
- d) All expenses attributable to a specific program should be budgeted in the appropriate fund, for example, all approved vocational education program expenditures should be budgeted in the vocational education fund.
- e) Transfers from the general fund should coincide with the transfers shown in the special revenue funds.

2. Recreation Commission Budget

Recreation commissions must formally adopt budgets under the provisions of K.S.A. 12-1927. All budgets should be prepared for a 12-month period. The budgets must be certified by the recreation commission to the sponsoring city or USD that levy taxes for the recreation commission by August 1, but it is recommended it be done earlier.

Recreation commission budget forms can be downloaded from the following website:

<http://www.da.ks.gov/ar/muniserv/budgetForms.htm>. For assistance, call 785-296-2311 to speak to a representative of the Municipal Services Team, Accounts and Reports, Department of Administration, or e-mail: armunis@da.ks.gov

3. Coding Expenditures

Kansas submits data every year to the National Center for Education Statistics (NCES). State averages which show the percent of expenditures used for instruction, support services, and non-instruction will rank Kansas with other states. It is very important that your expenditures are coded to the correct function – in particular, be sure all expenditures used for instruction (Function 1000) are coded correctly.

Kansas
Accounting
Handbook

The **Kansas Accounting Handbook** is available on the **School Finance** website:

<http://www.ksde.org/Default.aspx?tabid=119>, look under Guidelines and Manuals. Below are definitions taken from the **Kansas Accounting Handbook** explaining what expenditures should be charged under which code:

1000 Instruction

Instruction includes the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities. This includes expenditures formerly reported under 3400 Student Activities.

It may also be provided through some other approved medium such as two-way interactive video, television, radio, telephone, and correspondence. Included here are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process.

Include only regular and part-time teachers, teacher aides or assistants, homebound teachers, hospital-based teachers, substitute teachers and teachers on sabbatical leave.

2000 Support Services

Support services provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. These services exist to fulfill the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

Subfunctions of this function include:

Student Support Services	Business, Operation and Maintenance of Plant Services
Instructional Staff Support Services	Student Transportation
General Administration	Central Support
School Administration	Other Support

3000 Operation of Non-Instructional Services

Non-instructional services are provided to students, staff or the community. Examples of these activities would include food service operations, enterprise operations (such as LEA bookstores) and operation of any community services (such as recreation, public library, and historical museum).

4000 Facilities Acquisition and Construction Services

Activities concerned with acquiring land and buildings; remodeling buildings; constructing buildings and additions to buildings; initially installing or extending service systems and other built-in equipment; and improving sites.

5000 Other Services

A number of outlays of governmental funds are not properly classified as expenditures, but do require budgetary or accounting control. These are classified under *Other Services*. These expenditures include debt service payments (principal and interest) and certain transfers of monies from one fund to another.

4. Expenditures and Budgeted line Items

School districts must budget expenditures each year in a proposed budget. However, it is not necessary that school districts spend that exact amount of money in those line items. Each line item is a budgeted amount and the school district has the authority to overspend or underspend any line item.

That is also true for transfers. If a school district does not budget a transfer to a certain fund, they may still transfer money to that fund. They can also transfer either more or less than they had budgeted.

In summary, any line item may be overspent or underspent. The total amount per fund may not exceed the amount published or authorized by law, whichever is the lesser of the two.

5. Budgeting for special funds

The special funds should be budgeted high enough to cover any unanticipated expenditures the school district may encounter during the year.

6. Cash balances in special funds

Any time a school district begins the year with a certain cash balance, hopefully the district will end the year with a similar cash balance. A school district experiencing a drop in cash balance in a special fund is spending more than they receive in revenue. Therefore, it is important that the cash balance be monitored to ensure stability. Once a cash balance is depleted, the district must transfer money to that fund the next school year or find another source of revenue to fund that budget.

Cash balances in special funds ...continued

The following special funds will allow carryover balances:

Activity Fund	Driver Training
Adult Education	Extraordinary School Program
Adult Supplemental Education	Food Service
At Risk (K-12)	Professional Development
4 year old At Risk	Parent Education Program
Bilingual Education	Summer School
Bond and Interest #1, #2	Special Education
Capital Outlay	Vocational Education
Contingency Reserve	

Food service has a federal requirement that the cash balance should not exceed a three-month average expenditure level. **For example**, if the district's yearly expenditures are \$90,000, then the cash balance should not exceed \$30,000 ($90,000 \div 9 \text{ months} = 10,000 \text{ per month} \times 3 = \$30,000$).

7. Miscellaneous revenue and reimbursement

Miscellaneous revenue may be placed in any special fund listed in K.S.A. 72-6427. Many schools will deposit miscellaneous revenue in the capital outlay fund. **Interest on idle funds** is considered miscellaneous revenue, as well as revenue received that is not anticipated, or required to be placed in a particular fund.

Reimbursements can be placed in the fund in which the expenditures were paid originally (must be within the same fiscal year). If the reimbursements are made to a fund in the year that the expenditures have been made, then the district may overspend that particular budget by those reimbursements.

A reimbursement received by a district **after June 30** of the current fiscal year is considered miscellaneous revenue. For example, a school district receives an insurance claim and the expenditure has already been made out of the general fund, however, the insurance claim is not received until after July 1 of the next year. In this case, the money may be placed in one of the special funds as miscellaneous revenue.

8. KPERS Flow-Through Payment

KSDE will pay the employer's share of KPERS to all school districts on a quarterly basis. Estimated payment dates are: July 1, October 1, January 1, and April 15.

KPERS funds are to be deposited in Code 51 of the USD budget document.

The school district will immediately return the money to KPERS upon receipt. Nearly all districts will accomplish these transactions electronically through their bank. The estimated KPERS flow-through funds will also be documented in the USD budget on Form 195. K.S.A. 74-4939

9. Petty cash

The statute covering petty cash is K.S.A. 72-8208. **School districts are authorized to establish petty cash funds up to \$1,500 per fund.** The funds must be established by the local board of education. The board may establish more than one petty cash fund per building, however, they must specify the general purpose of each petty cash fund if they establish more than one.

Petty cash funds are used to make needed expenditures for school district purposes in emergencies. Receipts must be maintained for all expenditures. Petty cash funds may be replenished by the local board.

10. Investments

All investments should be covered by pledged securities. K.S.A. 9-1402 & 9-1403

11. Sale and use of school property

K.S.A. 72-8212 permits a school district to sell property no longer needed. The method of sale is left to the local board of education and could be sold by sealed bid, auction, or any method they deem to be in the best interest of the school district.

The local board also has the authority to allow school property to be used for community purposes.

12. Purchasing Equipment & Repairing Buildings out of General Fund

K.S.A. 72-6428, allows school districts to buy equipment and repair buildings out of general and supplemental general fund. In addition, school districts have the authority to purchase equipment and repair buildings out of capital outlay. The common definition of "repair" is to bring the building back to its original condition.

Remodeling of buildings must be paid out of capital outlay - not out of general or supplemental general fund.

13. Sales Tax Exemption Certificates

In order for schools to be exempt from the Kansas sales tax for sales purchased by a contractor, a project exemption certificate **must** be obtained from the Director of Policy and Research, Kansas Department of Revenue. This would include any size project to construct, equip, reconstruct, maintain, repair, enlarge, furnish or remodel facilities.

An application for a project exemption certificate can be downloaded from www.ksrevenue.org. In the search box, type **PR-76** (the form number). The completed application may be mailed to: Office of Policy & Research, Kansas Dept. of Revenue, 915 SW Harrison St., Room 230, Topeka KS 66612-1588; or faxed to (785) 296-7928.

The effective date of the project exemption certificate is the date the application is received by the Department of Revenue. Only sales made on or after this date will be honored as tax exempt by the state. This certificate is only good for the named project.

14. Approval of claims

K.S.A. 12-105b is the statute covering the approval of claims. The local board of education must approve all claims.

The law allows payment of claims prior to the board meeting under certain conditions. Those conditions include a penalty or a discount for early payment, however, the board must authorize school district officials to make those payments early and must still approve those claims at their next board meeting.

15. Gifts and donations received by the school district

K.S.A. 72-8210 allows school boards to accept gifts, donations, trusts, and legacies and to use those gifts as close to the donor's wishes as possible. Many fund-raisers by school district patrons or organizations are made and presented to the local board of education.

The local board of education is responsible for accepting gifts and if they do accept them, they must use them as close to the donor's wishes as possible and place them in a separate board fund.

16. School Districts giving gifts

A court case ruled that school districts do not have the authority to give gifts to employees or other persons. A school district may want to reward teachers or students for outstanding work. However, the law does not allow gifts or materials to be given away.

Salaries may be increased subject to your negotiated agreement.

17. Bidding

K.S.A. 72-6760 covers bidding and requires that school districts bid goods, wares and materials, and construction, reconstruction, and remodeling for projects **over \$20,000**. Included are such items as computers and other types of equipment.

Does a school district have to bid used equipment such as a used vehicle? Yes, if the price of the used vehicle exceeds \$20,000, the board must bid. Specifications would be drawn up on the used vehicle and the bid could be sent to car dealers who would bid on that vehicle. Bid specifications can be determined by the board.

Does a school district have to bid for computer equipment? The local board can set specifications, but if the purchase of computers is over \$20,000, it must be bid.

Also refer to: **Competitive Bidding Guidelines** available on the School Finance homepage: <http://www.ksde.org/Default.aspx?tabid=119>, look under Guidelines and Manuals.

STATE CONTRACTS can be used by school districts as an alternative. All state procurement contracts can be viewed online at the following **Department of Administration – Office of Business Improvement** website: <http://www.da.ks.gov/purch/Contracts/Contract.asp>

State of Kansas Contracts - Email questions to: chris.howe@da.ks.gov
Chris Howe, Director of Purchases

18. Leasing (Lease/Purchasing)

Two statutes cover leases for school districts: K.S.A. 72-8225 and K.S.A. 10-1116(c)

School districts are authorized to enter into leases up to 10 years and may lease real or personal property. The payment of a lease/purchase for land or buildings has certain criteria the school must meet. If the lease/ purchase for land or buildings exceed \$100,000 for the term of the lease, the school district must publish a resolution in the paper with the right of protest petition. The resolution shall be published once each week for two consecutive weeks.

Remember, a protest petition by 5 percent of the qualified voters would require an election of the district patrons to approve the lease/ purchase prior to entering into the agreement.

Payments for lease/purchase agreements **for land and buildings cannot be paid from the supplemental general fund.**

19. Cancelable purchase orders

School districts are authorized to issue cancelable purchase orders per K.S.A. 10-1113. Under that provision, school districts should make a provision on the purchase order to let the vendor know the purchase is a cancelable purchase order and that the school has the option of canceling the purchase order prior to June 30th. If a school district issues a cancelable purchase order, the expenditure is charged against the next school year budget and it is not encumbered against the current school year.

The items listed in that statute are limited to school supplies and equipment, books purchased in conjunction with textbook rental programs, school buses, and data processing equipment.

20. Meal Pricing - Breakfast/Lunch

Do you want to compare what your district charges for meals to other districts? This data is available at <http://www.ksde.org/Default.aspx?tabid=119>, and look under Reports and Publications, then **Meal Pricing Data**. Scroll back up the page to select the report year.

Listed for each school district are meal prices being charged for breakfast and lunch in the following categories: adult, elementary, middle school, high school and reduced.

21. Paying certified staff equal payments during the school year

K.S.A. 74-4940 requires that school district certified employees who are under the continuing contract law must be paid in not less than 12 substantially equal payments.

In order for teachers to receive their July and August pay early, the statute allows them to notify their local board of education in writing by April 1. If the teacher notifies the board they wish to have their July and August payroll made early, the board must make those payments no later than June 30 of that year. This written notification will be in effect until the teacher cancels it in writing.

22. CPA Federal & State Funding Report Online

Do you want to double-check the state and federal payments your school district has received to date from the State Department of Education? The state and federal aid payments are available on the KSDE School Finance website. To access this information, go to:

<http://www.ksde.org/Default.aspx?tabid=119>, look under **Payment Information** and click on **CPA Federal and State Funding Report**. A history of prior years' payments is also available.

For payments received during the current school year, the previous month's payments are posted during the second week of each month.

23. Application for Out-of-District Attendance & Transportation

(for students under K.S.A. 72-1046b) This statute does not apply for school districts with territory in Johnson, Sedgwick, Shawnee or Wyandotte counties.

Does your school district receive requests from families requesting your district to provide transportation to their children who reside in a neighboring district, but reside 2.5 or more miles from the appropriate attendance center. (K.S.A. 72-1046b amended the law in 2012).

If the answer is yes, the out-of-district application must be signed every year by the parent/legal guardian. With this application, the parent/legal guardian applies for authority for their child(ren) to attend another district and be provided transportation to and from school by the receiving school district.

Download this application from the KSDE website: <http://www.ksde.org/Default.aspx?tabid=119>, look under **Forms and Resolutions**, and Out-of-District Transportation Form.

24. School Bus Age Limit

K.S.A. Supp. 8-2009a places a limit on the **age of all school buses** of twenty-five years

✓ **School Bus Speed Limit**

K.S.A. 8-1558 allows school buses to travel at **posted speed limits** - except that the board of education of any school district may establish, by board policy, lower maximum speed limits for the operation of district school buses.

✓ **Headlight Law (all vehicles)**

K.S.A. 8-1703 was amended during 2006 to read that **all vehicles on Kansas highways will drive with headlights on when:**

- a) windshield wipers are in continuous use as a result of rain, sleet or snow, or
- b) due to insufficient light or unfavorable atmospheric conditions, including smoke or fog.

It also states law enforcement shall issue a warning citation to anyone violating this subsection. This is a good reminder for anyone who drives a motor vehicle.

✓ *Prohibiting texting while driving*

K.S.A. 8-15,111 prohibits a person who is operating a motor vehicle on a public road or highway from “texting,” using a wireless communications device to write, send, or read a written communication. This bill defines “wireless communications device” to include any type of device that sends or received messages, but to exclude voice-operated devices. (passed by 2010 legislature)

✓ *Driver’s License Renewal*

The 2010 legislature amended K.S.A. 8-235d and removed the requirements for a driver renewing his or her license to take a written examination on highway signs and knowledge of traffic laws. To renew, the applicant shall pass an eyesight examination, equivalent to the test required for an original driver’s license.

25. “S” Endorsement for Bus Drivers

All school bus drivers are required to hold an “S” endorsement on their commercial driver’s license. The Kansas Division of Motor Vehicles offices will issue this endorsement, which includes a written test. A study manual can be viewed online: <http://www.ksrevenue.org/pdf/cdlsec10.pdf>

The applicant must also take a driving skills road test in a school bus, pass a special school bus knowledge test, and pass a knowledge and skills test to obtain a passenger vehicle endorsement. K.S.A. 8-2, 135.

The School Bus Safety unit at the Kansas State Department of Education has a homepage providing information pertinent to bus drivers: <http://www.ksde.org/Default.aspx?tabid=117>

26. State & Federal Mileage Rates

The **federal private vehicle mileage rate** was set at 55.5 cents per mile on January 1, 2012. The **state rate** was set at 55.0 cents per mile on July 1, 2012.

To check the most current **state** private vehicle mileage rate, go to the Kansas State Department of Administration home page at: <http://da.ks.gov/ar>. Under Popular Links on the right, select: Informational Circulars, and under the current year, locate Private Vehicle Mileage.

To check the most current **federal** mileage rate, go to: <http://www.irs.gov>
In the Search box, type “standard mileage rates.”

27. Driver Education

Have you budgeted sufficient revenue for driver education?

- Do you retain records for each student that verify mastery of all classroom and behind-the-wheel competencies?
- Does your driver education instructor hold a current Kansas certificate with the proper endorsement to teach drivers education?

For driver education Standards, link here: <http://www.ksde.org/Default.aspx?tabid=3511#drvStd>

For driver education forms and resources, link here: <http://www.ksde.org/Default.aspx?tabid=3512>

The Graduated Driver License (GDL) law went into effect January 1, 2010. The GDL aims to decrease the number of teenagers injured or killed in car accidents each year by instigating safer driving practices for teens, such as not allowing teens to use cell phones while driving and place limits on teens driving after 9 p.m. The 2009 legislature passed Sub. For HB 2143 which modified the requirements for driving permits and drivers’ licenses for drivers younger than 17 years old, for those who get a driver permit or license after January 1, 2010. Amended K.S.A. 8-239, 8-291, 8-296, and 8-297; and K.S.A. 2008 Supp. 8-234a and 8-237 and repealing the existing sections.

28. Immunization of Students

School districts must comply with Kansas law concerning inoculations and immunization of students. K.S.A. 72-5209.

All children upon entry to school must be appropriately vaccinated. A KDHE memo dated March 2012 to School Personnel Immunization Providers shows immunization requirements and recommendations. Downloadable immunization forms and information relating to school immunizations are on the KDHE website: <http://www.kdheks.gov/immunize/schoolInfo.htm>. A one page “cheat sheet” provides detailed school immunization requirements for each grade for the 2012-2013 school year.

The Hepatitis B and Varicella requirements continue to be phased in due to vaccine funding and availability considerations. Additional grades will be added each school year until students of all ages are included:

- **Hepatitis B:** three doses are required for any Kansas student entering school through grade 12.
- **Varicella** (Chickenpox) vaccine: 2 doses required for Kindergarten - Grade 3 and 7-8; one dose will be required for grades 4-6 and 9-12 unless history of varicella disease documented by a licensed physician. Two doses are currently *recommended by the ACIP* for all ages.

29. Health Assessments

Health assessments are required for every pupil up to age 9 who was not previously enrolled in any school in Kansas, prior to admission to and attendance in school. The physical exam shall have been conducted within 12 months of school entry. K.S.A. 72-5214

Certification of Health for School Personnel (TB test)

Download form online: http://www.kdheks.gov/c-f/school_resources_forms.html

Every board of education shall require **all employees of the school district, who come in regular contact with the pupils of the school district**, to submit a certification of health on a form prescribed by the secretary of health and environment and signed physician, registered physician assistant or advanced registered nurse practitioner. The certification shall include a statement that there is no evidence of physical condition that would conflict with the health, safety, or welfare of the pupils; and that freedom from tuberculosis has been established by chest x-ray or negative tuberculin skin test. K.S.A. 72-5213

30. Free Dental Inspections

Every board of education is required to provide for free dental inspection annually for all children, except those who hold a certificate from a legally qualified dentist showing that this examination has been made within three months last past, attending such schools. The Bureau of Oral Health (KDHE) has a statewide oral health screening program to assist schools in compliance with this law. Dentists and dental hygienists in Kansas are providing dental screenings in their own local communities with school nurses sending the results home to parents and guardians. Go online to learn more: http://www.kdheks.gov/ohi/screening_program.htm K.S.A. 72-5201



31. Vision Screening

School districts are to provide basic vision screening without charge to every pupil enrolled in each school not less than once every two years. Tests shall be performed by a teacher or some other person designated by the school board. The results of the test, and, if necessary, the desirability of examination by a qualified physician, ophthalmologist, or optometrist shall be reported to the parents or guardians of such pupils.

The requirements do not apply to a pupil who has had a basic vision screening in the school.

Vision Screening... continued

Each pupil needing assistance in achieving mastery of basic reading, writing, and mathematics shall be encouraged to obtain an eye examination by an optometrist or ophthalmologist to determine if the pupil suffers from conditions which impair the ability to read. Expense for such examination shall be the responsibility of the pupil's parent or guardian, if not reimbursed through Medicaid, Healthwave, private insurance or other governmental or private program. K.S.A. 72-5205

32. Age Limits for Kindergarten - High School

A child must reach age 5 on or before August 31 to enter kindergarten. The only exception is if there is proof the child was already enrolled and attending a kindergarten program in another state prior to Kansas. There is no upper age limit for entering high school. K.S.A. 72-1107 Statute on the School Finance Homepage: <http://www.ksde.org/Default.aspx?tabid=3599>, scroll down to the fourth heading – **Record Requirements for Audits** – and select **Age of Eligibility for School Entrance (Statute)**.

33. Proof of Identity

In accordance with a policy adopted by the school board, whenever a child enrolls or is enrolled in a school for the first time, the school board, of the school in which the child is enrolling or being enrolled shall require proof of identity of the child. K.S.A. 72-53, 106

34. School Year Requirement (1,116 hours) K.S.A. 72-1106

“The school term in school years commencing after June 30, 1995, shall consist of not less than 186 school days for pupils attending kindergarten or any of the grades one through 11 and not less than 181 school days for pupils attending grade 12.”

“(b) Subject to a policy developed and adopted by it, the board of any school district may provide for a school term consisting of school hours.”

- (1) “For pupils attending kindergarten, not less than 465 school hours in each school year...; and
- (2) for pupils attending any of the grades one through 11, not less than 1,116 school hours in each school year ...; and
- (3) for pupils attending grade 12, not less than 1,086 school hours in each school year commencing after June 30, 1995.”

What can be counted toward the 1,116 hours? Frequently asked questions about topics such as the inclement weather (snow day) provision, how to count parent-teacher conferences and more is available on the School Finance homepage: <http://www.ksde.org/Default.aspx?tabid=119>, look under Guidelines and Manuals.

35. Compulsory Attendance Exemption (Dropouts)

High school principals and counselors must follow procedures when a student drops out of school prior to age 18. A child who is 16 or 17 years of age who drops out must have on file a Compulsory Attendance Exemption form signed by a school official and Attendance Disclaimer form signed by both the child and the parent or person acting as parent, or the court, pursuant to a court order.

More information on the compulsory attendance requirement may be accessed on the School Finance homepage: <http://www.ksde.org/Default.aspx?tabid=119>, select Guidelines and Manuals. K.S.A. 72-1111

If you have questions on the budget or need clarification on Kansas statutes, call School Finance at (785) 296-3872.

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