



# Financial Transparency Basic Considerations

## Introduction

This “Basic Considerations” guide is designed to provide information and help Local Education Providers (LEP) understand updated financial transparency requirements resulting from legislation in both 2014 and 2015.

Primarily:

CRS 22-44-105 and CRS 22-44-304 resulting from [HB14-1292](#) and [HB15-1321](#)

Local Education Provider (LEP):

- Districts
- Charter School Institute
- BOCES
- Charter Schools
- Charter School Collaboratives and Charter School Networks

## What is Required?

- The financial transparency section of your website will need modification
- All LEP’s are required to use a Standard Website Template to show required financial information
- LEP’s will begin posting financial data, which includes school site level data on the LEP website: CRS 22-44-304(1)(d)
  - FY2015-2016 data is the first school site level financial data that will be posted.
  - Note: Districts that are defined as small/rural, and do not have a charter school, are only required to post district-level financial data
  - small/rural districts with a charter school are required to post school site level financial data for the charter school and district level financial data
- The financial information posted on the LEP websites will be used by a software vendor to create a public website view which allows for clarity and comparability and is understandable by a layperson
- The existing Financial December Data Pipeline collection continues
  - The updated financial transparency requirements do not replace any existing Financial December Data Pipeline requirements
  - Financial December Data Pipeline data is not required to have expenditures tied to unique school codes
  - CDE will not provide financial data for the public website view developed by the software vendor

## The Big Picture

- Financial Transparency Requirements Overview



## Website Templates: CRS 22-44-304(4)

There are three new required standard website templates:

- FY2015-16 Template: for use July 1, 2015
- FY2016-17 Template: for use July 1, 2016
- FY2017-18 Template: for use July 1, 2017

All LEPs must follow the format of the required templates, and post all required information for each fiscal year.

Website templates are available on the CDE website:

<http://www.cde.state.co.us/cdefinance/sfFinancialTransparency>

Please discuss website changes with your web designer and I.T. staff.

## Easy Website Navigation

In order to easily demonstrate compliance with financial transparency requirements, the Financial Policies and Procedures Committee (FPP) adopted two options for LEP homepages:

- LEP website homepage should clearly show the financial transparency icon as a link to the standard website template **Or**
- LEP website homepage should clearly show the words “Financial Transparency” as a link to the standard website template – which will be used by all LEPs for their financial transparency website page

## Financial Transparency Icon



This icon can be downloaded (JPG file) on the CDE website:

<http://www.cde.state.co.us/cdefinance/sfFinancialTransparency>

The icon can be re-sized by your district to meet the needs of your homepage

On July 1, 2015, your website must utilize the standard website template in order to demonstrate compliance with financial transparency: CRS 22-44-304(4)

## The Big Picture

- Website templates
- Easy website navigation
- Financial Transparency Icon



### **Expenditures Tied to Unique School Sites: CRS 22-44-304(1)(d)**

No later than March 1, 2017 every LEP will post FY2015-16 financial data on the LEP standard website template. The software vendor will collect this financial data from LEP websites and use that data to create the public website view.

### **Public Website View: CRS 22-44-105(4)(e)(I)**

No later than July 1, 2017, the FY2015-16 financial data posted by the LEP will be used by a software vendor to publish a public website view. This public website view will include graphics and the ability to make comparisons between districts, schools within districts, schools across districts, BOCES and charter schools. The public website view will present financial data with the greatest degree of clarity and comparability for laypersons.

### **Small/Rural School District Exemption: HB15-1321**

- [Districts defined as small/rural](#) that have less than 1,000 students and DO NOT have a charter school are not required to post financial data tied to individual schools, but are required to post district level financial information
- Districts defined as small/rural that have less than 1,000 students but DO HAVE a charter school are required to post expenditures tied to those charter schools, and are required to post district level financial information
- All districts regardless of size must use the standard website templates discussed above

### **Four Digit Unique School Code**

CDE has assigned a four digit unique school code to every school in your district. Using the Chart of Accounts, you will want to consider how you will report expenditures to the unique school codes assigned to your district.

- The four digit school codes are on the CDE website:  
<http://www.cde.state.co.us/cdefinance/financialtransparencyschoollistfy1516>
- Use of these codes will allow you to illustrate the financial information specific to your individual schools

Again, you do NOT need to submit expenditures tied to your unique school codes to CDE. CDE will NOT be providing data to the software vendor for the public website view. It is the LEP's responsibility to post the required financial data on the LEP website.

### **The Big Picture**

- Expenditures tied to unique school sites
- Public website view
- Small/Rural school district exemption
- Four digit unique school codes



The following table shows examples of a Unique School Code (5540) tied to Expenditure data:

DISTRICT	ADMIN	SCHOOL	FUND	LOCATION	SRE	PROGRAM	OBJECT	JOB	GRANT	AMOUNT
1234	00000	5540	10	375	00	1500	0100	201	0000	3796937
1234	00000	5540	10	375	00	1500	0200	201	0000	2199631

These two example accounts are a salary account and a benefit account for a regular teacher, social sciences, at Unique School Code 5540

### Excel Spreadsheet Template for Financial Data File Posting

- The FPP committee approved the use of a standard Excel spreadsheet template for all LEPs to post their financial data
- Spreadsheet template will be an Excel file which follows the standard Chart of Accounts elements

DISTRICT	ADMIN	SCHOOL	FUND	LOCATION	SRE	PROGRAM	OBJECT	JOB	GRANT	AMOUNT
4 bits	5 bits	4 bits	2 bits	3 bits	2 bits	4 bits	4 bits	3 bits	4 bits	13 bits

- The standard Excel file will be the file collected by the software provider to be used in the public website view
- The standard Excel file posted annually by the LEP should use the following naming convention:
  - FY2015-16\_website view
  - FY2016-17\_website view
  - FY2017-18\_website view

### Expenditure Considerations - What kind of an LEP are you?

Think about the story your FY2015-16 financial data is going to tell about your district and your individual schools.

Every LEP is unique, and Colorado is a local control state which allows LEPs to determine the appropriate level of budget management and control. The expenditures you report at your unique school sites are decisions specific to your district.

However, there are general considerations for you to think about as you determine the most appropriate way to report expenditures at individual schools for your district.

Treatment of costs is a key component of financial transparency. LEPs that allocate centralized costs to unique schools will demonstrate higher per pupil expenditures than LEPs that manage costs/expenditures at the district level.

### The Big Picture

- Four digit unique school code
- Excel data file template
- Expenditure Reporting: Considerations



Are you more of a centralized LEP, where budgets/costs are managed at the district level?

Or are you more of a decentralized LEP where budgets/costs are managed at the school level with guidance from central staff?

Either approach is allowable, but be aware that how you choose to report your expenditures tied to unique schools will generate questions that your district will need to answer.

You might have two or three schools within one “parent” building. If CDE has assigned a unique school code to multiple schools within one building, each of those schools is considered a unique school for the financial transparency website. The district must determine what expenditures should be shown at each school assigned its’ own unique school code, including schools within the same parent building.

Review your current expenditures, and think about how far you will go with expenditures tied to unique schools:

- Custodial
- Special Education
- Utilities
- Grounds and Maintenance
- Transportation
- Risk Management etc.

You may not need to change what you are currently doing – you may simply need to add your unique school codes to your expenditure accounts as appropriate.

One key aspect of financial transparency requirements and the public website view is to have comparability between LEPs. Some of the questions that may be answered utilizing the public website view could include:

- How do you compare to your neighboring districts?
- How do you compare to districts across the state?
- As a BOCES, how do you compare to other BOCES?
- As a charter school, or a school within the Charter School Institute, how do you compare to other charter schools?

### **Start Having Conversations**

Your Superintendent and finance staff may want to consider discussing what your FY2015-16 data is going to look like when it is used in 2017.

- Determine what expenditures are appropriate for your district to code at the unique school site level
- The basis for the first public website view in 2017 is your FY2015-16 financial data - the time to start having conversations is now
- A little work and preparation up front will help you in the long run

3-17-2017

### **The Big Picture**

- Expenditure Reporting: Considerations
- Start having conversations about Financial Transparency



## Chart of Accounts

- The Financial Policies and Procedures (FPP) Handbook and the [Standard Chart of Accounts](#) must be followed: CRS 22-44-204

## BOCES

- BOCES are required to comply with the Financial Transparency Act. This includes:
  - Using the standard website templates
  - Website homepage shows the financial transparency icon or the words “Financial Transparency” as an easy website link to the required website template
- BOCES with individual schools must post financial information, including salary and benefit information tied to those individual schools on the BOCES website
- BOCES without individual schools are required to post BOCES level financial information on their websites

## Charter Schools

- Charter Schools are required to comply with the Financial Transparency Act. This includes:
  - Using the standard website templates
  - Charter School homepage shows the financial transparency icon or the words “financial transparency” as an easy website link to the required website template
  - Charter Schools are required to either (1) post their financial data file on the charter’s financial transparency webpage or (2) provide a link to the district’s financial transparency webpage which will include the required financial information for all Charter schools in the district.
  - Charter Schools are required to provide their district with financial information, so the Charter School is incorporated into the District’s public website view
  - Charter Schools are encouraged to work with their district to determine the best ways to meet the requirements of the Act

## The Big Picture

- Chart of Accounts
- BOCES Requirements
- Charter School Requirements



**The Big Picture**

- Website Requirements: large and medium districts

**Website Requirements Matrix:**

**Large and Medium Size Districts not defined as Small/Rural**

<b>Local Education Provider (LEP): CRS 22-44-303(2)</b>	
	<b>LEP Type</b>
<b>Financial Transparency Data Posting Requirements</b>	Large and Medium School Districts <b>NOT</b> defined as Small/Rural
Required Website Template: July 1, 2015, 2016, 2017	<b>x</b>
Website Navigation: Use of Financial Transparency Icon or words "Financial Transparency" on District homepage	<b>x</b>
Posting of data file which contains district level, AND individual school level financial information on District website	<b>x</b>
Posting all other required financial transparency information (EG annual audit, budget) on District website, using the required Financial Transparency website templates: 2015, 2016, 2017	<b>x</b>
Required: x	



### The Big Picture

- Website Requirements: small/rural districts without charter schools

**Website Requirements Matrix:**  
**Districts Defined as Small/Rural *without* Charter Schools**

Local Education Provider (LEP): CRS 22-44-303(2)	LEP Type
<b>Financial Transparency Data Posting Requirements</b>	School Districts defined as Small/Rural <i>without</i> Charter Schools
Required Website Template: July 1, 2015, 2016, 2017	<b>x</b>
Website Navigation: Use of Financial Transparency Icon or words "Financial Transparency" on District homepage	<b>x</b>
Posting of data file which only contains district level financial information on District website	<b>x</b>
Posting all other required financial transparency information (EG annual audit, budget) on District website, using the required Financial Transparency website templates: 2015, 2016, 2017	<b>x</b>
Required: x	



### The Big Picture

- Website Requirements: small/rural districts with charter schools

**Website Requirements Matrix:**  
**Districts Defined as Small/Rural *with* Charter Schools**

<b>Local Education Provider (LEP): CRS 22-44-303(2)</b>	
	<b>LEP Type</b>
<b>Financial Transparency Data Posting Requirements</b>	School Districts defined as Small/Rural <i>with</i> Charter Schools
Required Website Template: July 1, 2015, 2016, 2017	<b>x</b>
Website Navigation: Use of Financial Transparency Icon or words "Financial Transparency" on District homepage	<b>x</b>
Posting of data file which contains district level, AND financial information tied to individual charter schools on District website	<b>x</b>
Posting all other required financial transparency information (EG annual audit, budget) on LEP website, using the required Financial Transparency website templates: 2015, 2016, 2017	<b>x</b>
Required: x	



### The Big Picture

- Website Requirements: BOCES without individual schools

### Website Requirements Matrix: BOCES without Individual Schools

Local Education Provider (LEP): CRS 22-44-303(2)	LEP Type
<b>Financial Transparency Data Posting Requirements</b>	BOCES without individual schools
Required Website Template: July 1, 2015, 2016, 2017	<b>x</b>
Website Navigation: Use of Financial Transparency Icon or words "Financial Transparency" on BOCES homepage	<b>x</b>
Posting of data file which only contains BOCES level financial information on BOCES website	<b>x</b>
Posting all other required financial transparency information (EG annual audit, budget) on BOCES website, using the required Financial Transparency website templates: 2015, 2016, 2017	<b>x</b>
Required: x	



### The Big Picture

- Website Requirements: BOCES with individual schools

### Website Requirements Matrix: BOCES with Individual Schools

Local Education Provider (LEP): CRS 22-44-303(2)	LEP Type
<b>Financial Transparency Data Posting Requirements</b>	BOCES with individual schools
Required Website Template: July 1, 2015, 2016, 2017	<b>x</b>
Website Navigation: Use of Financial Transparency Icon or words "Financial Transparency" on LEP homepage	<b>x</b>
Posting of data file which contains district/BOCES level, AND individual school level financial information on LEP website	<b>x</b>
Posting all other required financial transparency information (EG annual audit, budget) on LEP website, using the required Financial Transparency website templates: 2015, 2016, 2017	<b>x</b>
Required: x	



**The Big Picture**

- Website Requirements: Charter Schools

**Website Requirements Matrix:**

**Charter Schools**

<b>Local Education Provider (LEP): CRS 22-44-303(2)</b>	
	<b>LEP Type</b>
<b>Financial Transparency Data Posting Requirements</b>	Charter Schools
Required Website Template: July 1, 2015, 2016, 2017	<b>x</b>
Website Navigation: Use of Financial Transparency Icon or words "Financial Transparency" on Charter School homepage	<b>x</b>
Posting required financial transparency information (EG annual audit, budget) on website, using the required Financial Transparency website templates: 2015, 2016, 2017	<b>x</b>
Submission of financial data to school district - to be incorporated into district's complete financial file	<b>x</b>
Required: x	



**The Big Picture**

- Website Requirements: Charter School Institute (CSI)

**Website Requirements Matrix:  
Charter School Institute**

<b>Local Education Provider (LEP): CRS 22-44-303(2)</b>	
	<b>LEP Type</b>
<b>Financial Transparency Data Posting Requirements</b>	Charter School Institute
Required Website Template: July 1, 2015, 2016, 2017	<b>x</b>
Website Navigation: Use of Financial Transparency Icon or words "Financial Transparency" on CSI homepage	<b>x</b>
Posting of data file which contains Charter School level, and CSI administration level financial information on CSI website	<b>x</b>
Posting all other required financial transparency information (EG annual audit, budget) on CSI website, using the required Financial Transparency website templates: 2015, 2016, 2017	<b>x</b>

Required: x



### The Big Picture

- Website Requirements: Charter Schools within the Charter School Institute (CSI)

**Website Requirements Matrix:  
Charter Schools within Charter School Institute**

<b>Local Education Provider (LEP): CRS 22-44-303(2)</b>	
	<b>LEP Type</b>
<b>Financial Transparency Data Posting Requirements</b>	Charter Schools within Charter School Institute
Required Website Template: July 1, 2015, 2016, 2017	<b>x</b>
Website Navigation: Use of Financial Transparency Icon or words "Financial Transparency" on Charter School homepage	<b>x</b>
Posting all other required financial transparency information (EG annual audit, budget) on Charter School website, using the required Financial Transparency website templates: 2015, 2016, 2017	<b>x</b>

Required: x



**The Big Picture**

- Website Requirements: Charter School Collaboratives and Charter School Networks

**Website Requirements Matrix:  
Charter School Collaboratives and Charter School Networks**

<b>Local Education Provider (LEP): CRS 22-44-303(2)</b>	
	<b>LEP Type</b>
<b>Financial Transparency Data Posting Requirements</b>	Charter School Collaborative and/or Charter School Networks
Required Website Template: July 1, 2015, 2016, 2017	<b>x</b>
Website Navigation: Use of Financial Transparency Icon or words "Financial Transparency" on LEP homepage	<b>x</b>
Posting of data file which contains administration level, AND individual school level financial information on LEP website	<b>x</b>
Posting all other required financial transparency information (EG annual audit, budget) on LEP website, using the required Financial Transparency website templates: 2015, 2016, 2017	<b>x</b>
Required: x	



## The Big Picture

- Public Website View – Request for Proposals

### Public Website View - Request for Proposal (RFP)

#### Considerations

CDE has issued an RFP to contract with a software vendor for the creation of a Public Website View. The vendor will be chosen summer, 2015. The following RFP components have been requested:

- Website view will translate expenditures for each of the major categories specified in the Chart of Accounts
- The format of the website view will be readable and understandable by a layperson
- Presentation of data on the website view will ensure the greatest degree of clarity and comparability among school sites, school districts, the state charter school institute and BOCES
- Every LEP will have the ability to provide a narrative on their website view. This narrative will give LEPs the ability to explain aspects about the LEP that may not be immediately clear to the public when the website view goes live. Common narrative topics might include:
  - Relationship between Districts and Charter Schools
  - Purchased services
  - Age of facilities
  - Capital leases
  - Contracting for custodial services
  - Contracting for transportation services
  - Contracting for food service
  - Acquisition of property
  - Deferred maintenance