

**=FINANCIAL POLICIES AND PROCEDURES COMMITTEE MINUTES
June 24th, 2016**

Members Present

Steven Clawson, Denver 1
Cara Golden, Mesa County Valley 51
Donna Villamor, Littleton 6
Karin Slater, Montrose County Re-1J
Mike Thomas, Fowler R-4J
Theresa Larson, Aurora 28J
Eileen Johnston, James Irwin Charter

Amy Lyons, Bayfield 10JT-R
Deb County, Valley Re-1
Janell Wood, Swink 33
Kristine Githara, Cherry Creek 5
Richard Stettler, Ellicott 22
Terry Buswell, Centennial BOCES

Alternates Present

Lana Niehans, Pueblo City Schools 60

Ex-Officio Members Present

Leanne Emm, CDE
Kirk Weber, CDE
Paul Reynolds, CDE
Crystal Dorsey, OSA
Christopher Telli, Colo. Society of CPAs

Jennifer Okes, CDE
Adam Williams, CDE
Yolanda Lucero, CDE
Kathy Shannon, CASB

Members, Ex-Officio Members and Alternates Absent

Kathleen Askelson, Jefferson County R-1
Christy Hamrick, Garfield Re-2
Kara Emmerling, Geona-Hugo C113
Kurt Shugars, Telluride R-1
Lisa Clark, Weld RE-3J
Wendy Everett, Cortez RE-1
Scott Szabo, Colo. Society of CPAs

Anthony Whiteley, St. Vrain Valley Re-1J
Fran Christensen, Falcon 49
Kera Badalamenti, Poudre R-1
Laura Hronik, Colorado Springs 11
Shae Martinez, Mapleton 1
Chloe Flam, Northwest Colorado BOCES

Guests Present

Aaron Thompson, Pueblo City Schools 60
Aimee Hemmer, Adams 12
Allison SliFe, CliftonLarsonAllen
Amber Valencia, Pueblo City Schools 60
Angela Slaven, Mesa County Valley 51
Barb Goldsby, CDE
Becky Samborski, Weld RE-1
Bill Sutter, Boulder Valley RE-2J
Brad Arnold, Cherry Creek 5
Brook Quint, Centennial BOCES
Candelera Franklin, West End RE-2
Carrie Rigneg, BrightBytes
Cassie Walgreen, Charter School Institute
Cheryl Wallace, Rubin Brown LLP
Cindy Squires, San Luis Valley BOCES

Colleen Love, Ridgeway
Conni Salzbrenner, Vilas
Denise Pearson, Kiowa C-2
Eddie Storz, Adams 14
Erich Dorn, Centennial BOCES
Gina Faulkner, OSA
Gina Lanier, Adams 12
Ginger Lusty, Charter School Institute
Hyesun Son, Adams 14
Jan Brummond, Platte Valley Re-7
Jana Schleusner, Douglas County RE-1
Jane Frederick, St. Vrain Valley Re-1J
Jason Hendricks, Jefferson County R-1
Jennifer Macho-Seekins, Durango 9R
Jerene Wilkinson, Monte Vista C-8

Guests Present (continued)

Jim Ventrello, Delta County 50(J)

Joanne Vergust, Fountain 8

Jonathan Levesque, Littleton 6

Justin Petrone, Boulder Valley RE-2J

Kay Bridges, Jefferson County R-1

Kenneth Wieck, Colorado Springs 11

Laurie Darnell, Sheridan #2

Leona Hollend, Monte Vista C-8

Lisa Anderson, Jefferson County R-1

Lisa Bollers, Aurora 28J

Mandy Hydock, Greeley RE-6

Mark Rydberg, Steamboat Springs

Marti Rodriguez, CDE

Melissa Kirchner, Peyton 23JT

Michael Everest, Mapleton 1

Mike Hodgson, Archuleta County 50JT

Mike Lee, Ft Morgan RE-3

Regina Enciso, Pueblo City Schools 60

Rich Allen, BrightBytes

Ron Whitling, Aurora 28J

Samantha Gallagher, Denver 1

Scott Lee, CDE

Sean Conner, Jefferson County R-1

Shanae Larson, Sanford 6J

Sherry Shay, Thompson R2J

Staci Turner, SLV BOCES

Tina Wallace, Northern Colorado Academy of Arts
and Knowledge

Tracy John, Academy #20

Wendy Swanhorst, Swanhorst & Company

MINUTES

FINANCIAL POLICIES AND PROCEDURES COMMITTEE

June 24, 2016

I. Call to Order and Introductions

Jennifer Okes called the meeting to order at 9:30 am.

Those in attendance were asked to introduce themselves and their district.

II. Presentation of Agenda

Steven Clawson, Denver 1, made a motion to approve the agenda.

Donna Villamor, Littleton 6, 2nd the motion. Motion carried.

III. Approval of Prior Meeting Minutes

Kristine Githara, Cherry Creek 5 made a motion to approve the May 6, 2016 meeting minutes.

Steven Clawson, Denver 1, 2nd the motion. Motion carried.

IV. Legislative Updates

a. HB16-1422 Fund Discussion – 1 CCR 301-11 Rulemaking

b. HB16-1354 Fund Discussion 1 CCR 301-11 Rulemaking

As a follow-up from the last meeting, a sub-committee was established to help take a look at the statutes and the requirements of the funds. Pursuant to HB 16-1354 in Colorado Revised Statutes, 22-45-103 (j), the following fund is created for each school district for supplemental capital construction, technology, and maintenance fund. Pursuant to HB 16-1422 in Colorado Revised Statutes, 22-45-103 (k), the following total program reserve fund is created for each school district. CDE will proceed with rulemaking to incorporate these changes into Rule 1 CCR 301-11.

HB 16-1354 allowed for the new override, as discussed at the last meeting the question was what kind of fund should be created? We were recommending being able to create either a special revenue fund or a capital projects fund. The statute is pretty clear that it would allow for both; however you could potentially have ballot language that would be more restricted.

In reviewing these funds it was identified that we are potentially running out of special revenue funds that could be used in the future. Currently fund codes 26 through 29 are used by the district as optional funds. The proposal is to remove Fund Codes 26 through 29 as optional and assign these as state use and allow Fund Codes 06 through 09 as special revenue optional funds for the districts. It is therefore recommended that fund codes 26 and 46 be established to accommodate either a special revenue fund or a capital projects fund, respectively, for use by the Supplemental Capital Construction, Technology, and Maintenance Fund as defined by statute. The use of fund 26 would require funds 26 through 29, currently optional special revenue funds, to be repurposed as funds 06 through 09, which would impact a small number of districts that report activity in funds 26 through 29. These optional funds being used by districts would roll to fund 20 for data pipeline and auditor's integrity report purposes. The 26 through 29 series would be restricted for assignment as specific special revenue funds as created by the state. Alternatively, fund 06 could be established for the Supplemental Capital Construction,

Technology, and Maintenance Fund as defined by statute. Those in attendance suggest that fund code 06 to 09 be assign these as special revenue state use.

Motion made to add fund code 06 and 46 for supplemental capital construction, technology, and maintenance fund.

Kristine Githara, Cherry Creek 5 made a motion to approve the fund code 06 and 46. Steven Clawson, Denver 1, 2nd the motion. Motion carried.

Motion made to add fund code 17 to be designated as a Sub-Fund of the General Fund for the specific use by the Total Program Reserve Fund as defined by statute.

Those in attendance suggest that fund code 17 be monitored for the current activity and that creation of a new fund is revisited at a future date.

HB16-1422: [Link](#)

HB16-1354: [Link](#)

HB16-1422 and HB16-1354 Discussion Item: [Link](#)

c. Charter School Networks

The provision related to Charter School Networks in HB 16-1422 clarifies the audit requirements. Only one audit would be required for the Network along with supplementary information for each of the campuses. We are working on getting formal information to districts. Currently confirmed with the Attorney General's office is that a Charter School Network can only be created after the Charter School has been created. The district would be able to have one agreement with the Charter School Network, instead of with each individual charter school; you would need to clarify this in the agreement. In addition, there will be a follow-up conversations with the US Department of Education to make sure that we are consistent with their guidance and that this would not put any grant funding at risk with them.

d. ASCENT Slots

There was communication that went out a month ago that provided clarification to the districts that applied for ASCENT carry forward. For the School Year 2016-2017, there is a new Postsecondary Code (PS Code = 9) which must be used to identify any student who is utilizing a carry forward ASCENT slots. Districts should use the carry forward slots first, if you are unable to use the carry forward slots these will be reverted to the Department in January of each year. If this does not apply to your district this year, it might apply next year.

ASCENT Slots: [Link](#)

Carry Forward ASCENT Memo: [Link](#)

V. Financial Transparency

a. BrightBytes Presentation

When you first arrive at the public site you will need to look up the school, district or BOCES you are inquiring about. To search you can either use the search box or explore on the map. In the map view, you can toggle to view the types of schools; such as charter school, elementary, middle and high schools. Additionally, once you select a specific district you may choose to display the profile to the specific location or initiate a comparison.

By selecting the profile view basic information will be displayed; the number of schools, the number of students served and address. In the profile view there is an ability to navigate to a specific school within the district. Scrolling down on the profile you will see the narrative of the district, here is where districts would want to include specific information about your district and tell your story. Next you will see the revenue categories received; local, intermediate, state, federal and other. A bar is displayed to indicate the amounts and the portion of the amounts which are restricted or unrestricted by fund. It is also very clear with the indicators if the revenues can be used for instructional purposes. When viewing the district expenditure side we can see how the revenues are utilized. In the expenditures you will see a similar break down to see that the related revenues are being utilized in the three primary ways; the learning environment, operations and the community. Similar to the revenues, the amounts will display the portion of the amounts which are restricted or unrestricted by fund. Additionally displayed for expenditures are how object codes are used; salaries, benefits, services and other. For the learning environment, operations and the community you can drill into further detail related to the program codes of the expenditures such as; instructional, administration and support programs

By selecting the comparison view you can compare up to 4 entities; districts, BOCES or schools. First you would need to select the entities you want to compare. Next you will see basic information of these entities; the number of students served, address and if it is a rural district or school. In the comparison you can also take a look at the revenues and expenditures.

There is an approval process tool that will be used by the business managers at the school districts. When you log-in, you will see the data before it becomes accessible to the public. In the approval tool you will see notifications displayed with the number of days left to approve and the number of approvals needed. In the displayed test environment there are nine total items to approve, five of them have been approved and there is one flag. In opening the data it contains a workflow of three main screens; revenues, expenditures and the narrative. Within the revenue screen approvals, there are a series of review components; the first component is the fund. We are able to verify fund by fund to compare with our district records to ensure that the data is correct. If the data appears correct you would approve, if it appears incorrect you are able to flag the data. In flagging the data you are able to add a note to explain why you believe the data is incorrect. The next component is the sources; local, state, federal and other. If you wanted to learn more on the sources you would be able to click the data methodology page. The final component is by location, seeing each of the funds and sources at a school level. The expenditure screen approvals are set-up similar to the revenue screens; with additional views for programs, object codes and job classifications. The final approval screen is the narrative. The narrative

screen is still in development as we have conversations with the pilot districts to see what this should look like.

Looking at the process for the pilot BrightBytes first acquired the data from the pilot districts then BrightBytes transformed the data and next they loaded the data for the data approval tool. Now in the process, we are at the district review and approval. Next BrightBytes will load for the pilot public site, with the goal of July 1 2016. July 1st 2017 is when we will have the data go live to for the public site.

Three of the pilot districts are Gina Lanier with Aurora Public Schools, Michael Everest with Mapleton Public Schools and Denise Pearson from Kiowa Public Schools. The student count for Aurora is about 41,000, Mapleton is about 9,000 and Kiowa is about 300. This is a good representation of a large, medium and rural school district. These three are with us today for a question and answer segment to talk about their experiences as a pilot district.

Question 1: What is one challenge you experienced through the pilot?

Aurora: From a larger school perspective it has taken a lot of time, at this point I have not completed the approval process. For my verification process I used pivot tables for the groupings. Additionally; working through the school data, knowing which schools to include and exclude has been a challenge like early education centers. I would caution districts not to underestimate the amount of time that it will take to work through the approvals. The file I used for the pilot is the file that was submitted to CDE.

Mapleton: With the pilot schedule we needed to have this complete in May, May is a very busy month for us. So my challenge was actually finding the time to go into the tool. Once I found the time it was not very difficult to verify the financial numbers. I also used the file that was submitted to CDE.

Kiowa: I would echo that it was challenging to find the time to go into the tool. It also was not very difficult to verify the dimensions by running reports from our accounting software. I used a data pull from our accounting software, one problem I had with verifying the data in looking at my program codes and how we crosswalk our data to CDE. In a normal process we would probably use the same file we submit to CDE.

Question 2: What is one thing that was easier than expected in reviewing and approving the data?

Aurora: The set-up of the site was very easy to navigate with the revenues and expenditures. It is set up in a user friendly manner and the information buttons are great.

Mapleton: It is straight forward in what you need to do, I was pleasantly surprised.

Kiowa: I was prepared with my audit and software; it was easy and worked out.

Question 3: What is something you would do different next year to prepare for the full rollout?

Aurora: I will create a template with pivot table so that the data will simply just be refreshed each year. Once the template is built it should not be a big deal.

Mapleton: I will start on the process before May to allow time to review. I will also set-up templates to be able to use them two years from now.

Kiowa: Being a small district it was relatively easy to verify. I will be using the same process I did this year.

Question 4: What is something your peers should know for preparation of the full roll-out?

Aurora: BrightBytes has been very receptive to the sub-committee ideas and some of the changes we have suggested are being rolled out. We hope to see better process and improvements to make it easier for everyone.

Mapleton: One issue I had was items not trying out, so I emailed the BrightBytes support team and the issue was resolved the following day. The BrightBytes support was very responsive.

Kiowa: I think the rural schools will be pleased because it is relatively easy.

BrightBytes is ongoing collecting feedback on the approval tool and working to make it as efficient as possible. We are having ongoing meetings with the sub-committee. We are wrapping up for the summer and anticipate the pilot public website will be available soon. Once the pilot public website is available we will be reaching out to some committee members to gather feedback from them. BrightBytes will also have presentations scheduled at CASE and CASBO.

BrightBytes Contacts:

Rich Allen, rich@brightbytes.net, (415) 340 – 2273 and
Carrie Rigney, carrie@brightbytes.net, (720) 280 - 1645

VI. Mill Levy Revenue Override Revenue Report

The data for the report was submitted by districts in Fund 90 for FY 2014-2015 as part of the Finance December Data Pipeline collection. The report is now published on the website. The legislation for the requirement of the report allows Districts and Charter Schools to review the report, if needed allows them to request addendums to the report. The requested addendums are also published with the report. The total report is 82 pages which includes an Executive Summary, the Mill Levy Override Revenue Report and the Addendums.

Mill Levy Revenue Override Report: [Link](#)

VII. Uniform Grant Guidance

a. Overview of Requirements

Uniform Grant Guidance Presentation: [Link](#)

If you have any questions you may contact:

Robert Hawkins, 303-866-6775, Hawkins_r@cde.state.co.us or

Marti Rodriguez, 303-866-6769, Rodriguez_m@cde.state.co.us

b. CASB Policies

After meeting with CDE, Office of Nutrition Services, Auditors, Chief Financial Officers and districts; we determined that the guidance involves Board Policies. We plan to make sure that our members are complying with the Uniform Grant Guidance but also retaining the flexibility under state law. With the conflict of interest the Uniform Grant Guidance is more restrictive than what is permitted in the state law. Our understanding is that the procurement policies and procedures need to be in place by July 2017.

If you have any questions you may contact Kathy Shannon, kshannon@casb.org

VIII. School District Fiscal Health Analysis

Districts should have received the first round of data for the report; feedback has been received from several districts. We also have sent requests to districts that have missed benchmarks to provide comments to be included in the report. I will be reaching out to Districts we have not received comments from this afternoon. The report is scheduled to be presented to the Legislative Audit Committee on August 22nd.

If you have any questions you may contact:

Crystal L. Dorsey, CPA,

Colorado Office of the State Auditor

Direct: (303) 869-3002, crystal.dorsey@state.co.us

IX. SWAP – State Project Number

Due to an update made to the SWAP federal funding award agreement from the US Department of Education, the use of sub-recipient contracts with the school districts is no longer acceptable. The previous provisions for the use of grant code 5126 is no longer acceptable, as the funding being provided by Colorado Department of Human Services to the school districts and BOCES will no longer be reported as a sub grant arrangement. Given that the Colorado Department of Human Services will continue to need financial data reportable to them similar to the current reporting being provided through the use of a Federal grant code, the proposal is to change the grant code from a Federal grant code to a state grant code, such as 3899. As the SWAP contract will no longer be considered to be a Federal sub award, the SWAP contract will no longer be reported on the school district or BOCES Schedule of Expenditures of Federal Awards. No other changes are being proposed to accommodate this change from a sub-recipient type of award to a state contract award.

Motion made to update the SWAP project from grant code 5126 to be grant code 3899.

Terry Buswell, Centennial BOCES, made a motion to approve the grant code change.
Theresa Larson, Aurora 28J, 2nd the motion. Motion carried.

SWAP Grant Code Change: [Link](#)

X. Central Administrative Overhead Costs

We have been receiving questions on the Central Administrative Overhead Costs. We took a look at Appendix K-2 and recommend the updates listed as attached. We added the bolded codes as part of the Indirect Cost calculation, in which the bolding of these codes do not change the calculation as defined in statute.

Motion made to update Appendix K-2

Donna Villamor, Littleton 6, made a motion to approve the grant code change.
Amy Lyons, Bayfield 10JT-R, 2nd the motion. Motion carried.

Charter School Allocations - Update to Appendix K-2: [Link](#)

XI. FPP Membership

a. Election of New Members

District Membership through August 2020

1. Terry Kimber – Widefield 3
2. Jonathan Levesque - Littleton 6
3. Michal Everest – Mapleton 1
4. Lana Niehans – Pueblo 60
5. Tinneal Gerber – Moffat RE-1

NOTE: a representative was not received at the time of the FPP meeting for the Northwest Region. The week following the FPP meeting a Call for Membership was sent to the districts of the Northwest Region. Tinneal Gerber from Moffat RE-1 was selected as the member mid-July.

BOCES Membership through August 2018

1. Chloe Flam – NW BOCES

Alternates through August 2017

1. Jana Schleuser – Douglas County RE-1
2. Justin Petrone – Boulder Valley RE-2

b. Recognition of Retiring Members

Christine Hamrick	Garfield RE-2
Donna Villamor	Littleton 6
Shae Martinez	Mapleton 1
Fran Christensen	Falcon 49
Kurt Shugars	Telluride R-1
Chloe Flam	NW BOCES

XII. Other Topics of Interest

a. CASBO , <http://www.coloradoasbo.org/i4a/pages/index.cfm?pageid=1>

- Elections at our Spring Conference in April
 - Jean Houston, Director of Risk Management in Academy 20 was reelected to the board
 - 2 new board members
 - Shae Martinez CFO, Mapleton Public Schools
 - Suzi DeYoung CFO, Adams 12 5 Star Schools

- 1 Day Workshop Applying GASB 34: Books to Financial Statements
 - Westminster Marriott South side of US36
 - August 5, 2016
 - \$99 CASBO Members, \$150 Non-Members

- CASBO Fall Conference
 - In Breckenridge October 5-7
 - 3 preconference sessions half or full day
 - Federal Grant Guidance
 - School District Accounting Similar to the ones we ran last year
 - ASBO Meritorious Budget Award how to make your annual budget document compliant with the ASBO program
 - Great breakout sessions and Keynote speakers
 - CDE & BrightBytes as was mentioned
 - BEST Grant Assessment
 - Statements of Work for procurement
 - New Overtime Rules
 - Great networking opportunities
 - The conference program should be coming out in a couple weeks with more details

- ASBO conference in Phoenix September 23-26
 - At the last board meeting, the CASBO board passed a resolution supporting Bill Sutter, Boulder Valley RE-2J as the candidate for the ASBO International Board of Directors
 - Election in 2017 next year to take office in January 2018
 - We will be participating in a 5 state event in Phoenix we hope you can make it.

- Lots of advance notice that the ASBO conference in the fall of 2017 will be in Denver at the Sheraton downtown. We will not have a CASBO fall conference in the fall of 2017 in hopes that people can use their resources to attend the major conference.

b. CASE-DBO, <http://www.co-case.org/?815>

- Last meeting informed of Bylaws change proposal
 - The vote happened and the bylaws changed to add 2 new board seats

- Board elections currently under way
 - Through next Friday, July 1
 - Look in your email from Barb Albright
 - President Elect 1 candidate Glenn Gustafson from D11
 - Treasurer/Secretary 1 candidate Terry Buswell Centennial BOCES
 - 3 board seats & 5 candidates
 - Kristine Githara Manager of Accounting, Cherry Creek
 - Aaron Oberg, Budget Director, Aurora Public Schools
 - Donna Villamor, Director of Finance and Risk Management, Littleton Public Schools
 - Tony Whiteley, Executive Director of Budgeting, St. Vrain School District
 - Cheryl Wangeman, Assistant Superintendent, Lewis Palmer School District

- Summer Conference
 - July 27-29 it is sold out, so hopefully you already registered
 - CDE session with Leanne and BrightBytes
 - CDE session BEST Grant & Cap Construction reassessment
 - Super Session Wednesday afternoon Three part session
 - A state overview and outlook on the budget, school finance and ideas being discussed in the legislature
 - Tracie Rainey from Colorado School Finance Project
 - Engaging Your Community on School Funding
 - Littleton, Boulder Valley & Great Education Colorado
 - Creating Successful Campaign Messaging
 - Local and State issues on the same ballot
 - Colorado Fiscal Institute & Great Education Colorado
 - Great networking opportunities

- Welcoming the new Exec Director, Dr. Lisa Escarsaga, as Bruce Caughey transitions into a well-deserved retirement. DBO is looking forward to working with Lisa in the coming years.

CGFOA, <http://www.cgfoa.org/>

A String of accounting courses will be held over the summer, dates and locations are on the website.

June 28, 2016, Fiscal Health Webcast

XIII. Reminder:

Future Meeting Dates

November 4, 2016	March 3, 2017	April 7, 2017
May 5, 2017	June 23, 2017	

XIV. Adjourn

There being no further business to come before the Committee, meeting adjourned.