



**FPP: Chart of Accounts Discussion Item:
Coding of Mill Levy Funding Provided to Charter Schools**

1. Question or Issue:

Now that districts are required to distribute Mill Levy Funding to its charter schools under §22-32-108.5, C.R.S., a request has been received to discuss the proper accounting to ensure all districts are recording the transfer to their respective charter schools consistently and correctly. Currently, the options available are to use the source code 5711 transfer treatment or the object code 0594 flow-thru treatment.

2. Any Prior FPP Action:

None noted.

3. Discussion Points/Department Recommendation or Observations (if any)::

Issues noted with these options are, these are really not services purchased and source code 5711 is also used to record equalization between the district and its charter schools. Therefore, the Mill Levy allocations will get commingled with other funding and not be as transparent as possibly intended by the statute.

Limited options are available in the current chart of accounts structure to address this concern. If source code 5711 is not used, the only other allocation code series available is source code 56xx. Would this be the best use of this coding at this time?

The flow-thru coding (object code 0594) is used when the district allows the charter school to engage in activities for which the district remains responsible. Possible change to the description to include other than "purchases services" in the object code name. Could include "funding made available from districts to its charter schools" as well. Additional, possibly create a statewide local grant code to track the Mill Levy portion provided to charter schools for future reporting.

Recommend a sub-committee formed to discuss these and other available options.

4. FPP Action, Decision Made:

5. Further Action/Research Needed/Table for Future Meeting:

6. Effective Date:

