Allocations to your Charter Schools *MUST be recorded as described below* so that CDE can identify these transactions in your Data Pipeline submission file.

This recording requirement is not intended to dictate treatment of charter school allocations on the district financial statements. Proper treatment of charter school allocations on financial statements is the responsibility of the district, often with input from the independent auditor.

Example of How Charter School total **Per Pupil Revenue** Allocations must be recorded

| Fund | Location | SRE | Program | Object/ Source | Job Class | Grant/ Project | Debit | Credit |
|------|----------|-----|---------|----------------|-----------|----------------|-------|--------|
| Rules:  - The amounts debited and credited to 57XX must net to zero. | | | | | | | | |
| Example: | | | | | | | | |
| 10 | 9XX | 00 | 0000 | 5711 | 000 | 0000 | 3,000,000 | |
| 11 | 9XX | 00 | 0000 | 5710 | 000 | 0000 | | 3,000,000 |

**Charter School Administrative Overhead Costs**

A district with enrollment of more than 500 is allowed to withhold up to 5% for Central Administration, based on actual per pupil expenditures in Program 2300, Central Administrative Overhead, identified in the "Chart of Accounts", plus Object Codes 0100 Salaries and 0200 Benefits for Job Code 100 in Programs 2500 and 2800.

A district with enrollment of 500 or less is allowed to withhold up to 15% for Central Administration, based on actual per pupil expenditures in Program 2300, Central Administrative Overhead, identified in the "Chart of Accounts", plus Object Codes 0100 Salaries and 0200 Benefits for Job Code 100 in Programs 2500 and 2800.

Example of district/charter school accounting for PPR allocation with administrative overhead costs withheld:

District    Charter School    District
  FTE        FTE        PPR
10,000       500       $6,000

Charter PPR = $6,000 PPR X 500 FTE = $3,000,000
5% central administrative overhead costs maximum withholding amount   =  $150,000

22-30.5-112(2)(a.4)(I). C.R.S.
Within ninety days after the end of each fiscal year (September 30th), each school district shall provide to each charter school in the district an itemized accounting of all its central administrative overhead costs.

► House Bill 16-1422 added the following provision as well. If the itemized accounting includes services provided to the charter school by school district personnel, the itemized accounting, at the charter school's request, must include a list of the personnel positions and services provided by persons in each position. However, this list of personnel and the services provided does not change the current calculation of central administrative overhead cost as defined by statute. See definition below.

**Actual costs** shall be the amount charged to the charter school. The district cannot charge the charter school the 5% (15% for districts with enrollment under 500) maximum withholding for central administrative overhead costs if they do not have actual expenditures to cover that amount.

**District Actual Expenditures**:

Support Services – general administration Program ~~2300~~23xx (all Program Codes within the 2300 series, regardless if bolded or not)-All Objects = $1,500,000
District per-pupil costs: $1,500,000/10,000 District FTE = $150/pupil
Charter Program per-pupil costs: $150 X 500 Charter FTE = $75,000

Support Services – Business and Central Programs ~~2500~~25xx & ~~2800~~28xx (all Program Codes within the 2500 and 2800 series, regardless if bolded or not)-Objects ~~0100~~01xx & ~~0200~~02xx (all Object Codes within the 100 and 200 series, regardless if bolded or not)-Job Class ~~1001~~xx (all Job Class Codes within the 100 series, regardless if bolded or not) = $1,000,000
District per-pupil costs: $1,000,000/10,000 District FTE = $100/pupil
Charter Program per-pupil costs: $100 X 500 Charter FTE = $50,000

The district is allowed to withhold up to maximum of 5% (15% for districts with enrollment under 500). In this example the allowable withholding based on actual expenditures is $125,000. The net amount payable to the charter school is $2,875,000

The total Per Pupil Revenue must be allocated by the district to the charter school. Administrative overhead costs withheld by the district from the charter school should be accounted for as follows:

**School District**

| Fund | Location | SRE | Program | Object/ Source | Job Class | Grant/ Project | Debit | Credit |
|------|----------|-----|---------|----------------|-----------|----------------|-------|--------|
| *The district has the option of using the program code for this revenue account, i.e. 2300, 2500, 2800 | | | | | | | | |
| Example: | | | | | | | | |
| 10 | 9XX | 00 | 0000 | 5711 | 000 | 0000 | 3,000,000 | |
| 10 | 000 | 00 | 0000* | 1954 | 000 | 0000 | | 125,000 |
| 10 | 000 | 00 | 0000 | 81XX | 000 | 0000 | | 2,875,000 |

**Charter School**

| Fund | Location | SRE | Program | Object/ Source | Job Class | Grant/ Project | Debit | Credit |
|------|----------|-----|---------|----------------|-----------|----------------|-------|--------|
| The allocation to the charter school from the district will net to zero in Data Pipeline | | | | | | | | |

| Example: | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 11 | 9XX | 00 | 0000 | 5710 | 000 | 0000 | | 3,000,000 |
| 11 | 9XX | 00 | 2300 | 0595 | 000 | 0000 | 75,000 | |
| 11 | 9XX | 00 | 2500/2800 | 0595 | 000 | 0000 | 50,000 | |
| 11 | 000 | 00 | 0000 | 81XX | 000 | 0000 | 2,875,000 | |

# APPENDIX K-2

The charter school may contract for additional purchased services: i.e. accounting/payroll, transportation, food services, etc.; with the district. Accounting for these additional services would be as follows:

**Charter School**

| Fund | Location | SRE | Program | Object/ Source | Job Class | Grant/ Project | Debit | Credit |
|---|---|---|---|---|---|---|---|---|
| The allocation to the charter school from the district will net to zero in ADE | | | | | | | | |
| Example: | | | | | | | | |
| 11 | 9XX | 00 | 0000 | 5710 | 000 | 0000 | | 3,000,000 |
| 11 | 9XX | 00 | 2300 | 0595 | 000 | 0000 | 75,000 | |
| 11 | 9XX | 00 | 2500/2800 | 0595 | 000 | 0000 | 50,000 | |
| 11 | 9XX | 00 | 2500 | 0594 | 000 | 0000 | 7,500 | |
| 11 | 9XX | 00 | 2700 | 0594 | 000 | 0000 | 5,000 | |
| 11 | 9XX | 00 | 3100 | 0594 | 000 | 0000 | 10,000 | |
| 11 | 000 | 00 | 0000 | 81XX | 000 | 0000 | 2,852,500 | |