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TO: School District Treasurers
Educational Service Center Treasurers
Community School Finance Officers
Independent Public Accountants

FROM: Mary Taylor, CPA
Ohio Auditor of State

SUBJECT: 598 Schoolwide Building Program Fund

Background

The purpose of this bulletin is to inform you of the creation of a Schoolwide Building Program Fund. The Schoolwide Building Program Fund allows for the pooling of Federal, State, and local funds to be used to upgrade the overall instructional program of a school building where at least 40 percent of children are from low-income families. The provision for this program was created under the No Child Left Behind Act of 2001.

Schoolwide programs address the educational needs of children living in impoverished communities with comprehensive strategies for improving the whole school (a school building) so every student achieves high levels of academic proficiency. Schoolwide programs have great latitude to determine how to organize their operations and allocate the multiple funding sources available to them. They do not have to identify particular children as eligible for services or separately track Federal dollars. Instead, schoolwide programs can use all allocated funds to increase the amount and quality of learning time.

Accounting Procedures

The Schoolwide Building Program Fund is optional to those school districts that are eligible. In order to use the Schoolwide Building Program Fund, a school district must have an approved consolidated funding application from the Ohio Department of Education. School districts should use fund number 598 from the Uniform School Accounting System for the program. A special cost center should also be used for each eligible building.

The receipts to the Schoolwide Building Program Fund are transfers from federal grants[1] that are typically accounted for in separate federal grant funds. School districts are to initially record the individual federal grant receipts to the appropriate federal grant fund and the portion to be used in the schoolwide building program should be transferred to the Schoolwide Building Program Fund. Similarly, the program also requires school districts to contribute State and local matching funds to the program using transfers. School Districts should appropriate for and record a transfer-out of the contributing grant funds to the Schoolwide Building Program Fund.

Dollars transferred to the Schoolwide Building Program Fund must support the purposes of the grants which contributed to the Schoolwide Building Program Fund and be consistent with the schoolwide building plans. For example, if the school building program plan includes recruiting, hiring and retaining highly qualified teachers and extending high speed internet connections to all classrooms, then Improving Teacher Quality (Title II, Part A) grants (fund 590) and Education Technology (Title II, Part D) grants (fund 599) may contribute to the Schoolwide Building Program Fund. As long as the school maintains records that demonstrate that the schoolwide building program (considered as a whole) addresses the intent and purposes of each of the Federal programs that were consolidated to support the program, the school is not required to maintain separate fiscal accounting records (by program) that identify the specific activities supported by those particular funds. The use of this fund does not change the audit requirement for federal program compliance.

At fiscal year-end, the revenues and expenditures of the Schoolwide Building Program Fund need not be allocated back to the original contributing funds in order to demonstrate compliance with the contributing grant programs; however, the Schoolwide Building Program Fund expenditures should be reported as part of and in the same proportion as the contributing funds on the Schedule of Federal Financial Assistance.

Using the approved consolidated funding application, a school district may establish a requirement that a certain percentage of the amounts transferred to the Schoolwide Building Program Fund be obligated by fiscal year-end. Care should be taken to ensure that the percentage is met. Money not obligated by fiscal year-end shall revert to the original contributing source in proportion to the amounts contributed. For example, if the State and local funds contributed 20 percent and the fund has $100 not obligated at fiscal year-end, then $20 would revert to the State and local funds that provided the funds and $80 would revert to the individual grant funds that originally contributed to the Schoolwide Building Program Fund.

The Schoolwide Building Program Fund should be included on the School District's certificate of estimated resources and the Board of Education must appropriate the expenditures. In addition, the Board of Education must authorize, by resolution, the schoolwide building program, and the transfer of resources from the individual grant funds, including the matching funds, to the Schoolwide Building Program Fund.

[1] For a list of grants that are eligible to participate in the Schoolwide Building Program Fund, please consult the Comprehensive Continuous Improvement Plan documents library at www.ode.state.oh.us.

Questions and Comments

If you have any questions or comments regarding the information presented in this Bulletin, please contact the Local Government Services Section of the Auditor of State's Office at (800) 345-2519.



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