

Rule Impact Statement 210:25-5-4
"Accounting" [AMENDED]

a. **What is the purpose of the proposed rule change?**

This is the proposed permanent version of an emergency rule currently in effect. The administrative rule that addresses accounting guidelines for public schools is being amended to add submission and review windows for required reports of school finance data. Existing statute and rule provisions require school district and charter accounting systems to operate in compliance with the Oklahoma Cost Accounting System (OCAS), which includes specific reporting codes for different categories of revenues and expenditures. The new proposed subsection codifies due dates for the initial reporting of end-of-year revenues and expenditures for each fiscal year, to ensure any potential issues can be identified and corrected prior to the final certification of the data.

Under the new provisions, public school districts and charter schools have from July 1 through September 1 of each calendar year to submit the year-end financial report for the fiscal year that ended on June 30. Then, from September 1 through September 30, schools will have the opportunity to review and correct the previous fiscal year's revenue and expenditure data. By September 30, the school district superintendent or head of charter school must certify the data as finalized.

From October 1 to December 1, a school that can demonstrate good cause may appeal to the Oklahoma State Department of Education (OSDE) in writing for additional changes to the revenue and expenditure data. "Good cause" is defined for this purpose to mean that a miscalculation was made, or that relevant data was omitted from previously certified submissions. If a school is determined to have demonstrated good cause under these criteria upon review of the appeal by the OSDE, the changes to the data identified by the appeal will be authorized. This submission and review process for public school finance data will help schools verify they have reported their revenues and expenditures accurately, avoiding any statutory penalties that would have been associated with certifying inaccurate data.

b. **What classes of persons will be affected by the proposed rule change and what classes of persons will bear the costs of the proposed rule change?**

The rule change will affect public school districts and charter schools, and the OSDE Office of Financial Accounting.

c. **What classes of persons will benefit from the proposed rule change?**

The rule change will benefit public school districts and charter schools, by creating a dedicated period for schools to review their submitted year-end finance data and ensure the data is not certified as finalized while containing inaccuracies or other compliance issues.

d. **What is the probable economic impact of the proposed rule upon affected classes of persons or political subdivisions?**

The agency does not anticipate any economic impact upon political subdivisions or affected classes as a result of implementation of the proposed rule change at this time.

- e. **What is the probable cost to the agency to implement and enforce the proposed rule change?**

The agency does not anticipate any cost to the agency to implement and enforce as a result of the proposed change in the rule at this time. Additional record keeping, if any, will be performed by existing staff.

- f. **What is the economic impact on any political subdivision to implement the proposed rule change?**

The agency does not anticipate any economic impact on any political subdivision to implement the proposed rule change at this time.

- g. **Will implementing the rule change have an adverse effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act?**

The agency does not anticipate any adverse economic impact on small business as a result of the proposed rule change at this time.

- h. **Are there any other methods which are less costly, nonregulatory, or less intrusive to achieve the purpose of the proposed rule change?**

No.

- i. **Will the rule change impact the public health, safety, and environment, and is the change designed to reduce significant risks to the public health, safety, and environment? If so, explain nature of risk and to what extent the proposed rule change will reduce the risk.**

The agency does not anticipate any impact on public health, safety, or environment as a result of implementation of the proposed rule at this time.

- j. **What detrimental effect will there be on the public health, safety, and environment if the rule change is not implemented?**

The agency does not anticipate any detrimental effect on public health, safety, or environment as a result of failure to implement the proposed rule at this time.

- k. **Date Prepared:** December 4, 2020