



JOY HOFMEISTER

STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT OF EDUCATION

TO: The Honorable Members of the State Board of Education

FROM: Joy Hofmeister

DATE: October 24, 2019

SUBJECT: Request for Approval to use FY2020 General Fund for Capital Expenditures

State Board of Education approval is being requested for the following school district to use; five percent (5%) and/or \$50,000 of the district's FY2020 General Fund for Capital Expenditures pursuant to 70 O.S. § 1-117 and OAC 210:25-5-4.

The below district has voted in excess of eighty-five (85%) bonded indebtedness within the preceding three (3) school years and has the maximum five (5) building fund mills. District meets the qualifications to request the State Board of Education for approval to use; 5% and/or \$50,000 of the FY2020 General Fund to be used for Capital Expenditures.

<u>District</u>	<u>County</u>	<u>Request</u>	<u>Congressional District</u>
I016 Marietta	43 Love	5% & 50,000	4

ki
Attachments



Oklahoma State Board Authorization Request Form

for use of Five Percent (5%) and/or Fifty Thousand (\$50,000) of
District's General Fund for Capital Expenditures per O.S. 70 § 1-117

Submit completed form by email <State.Aid@sde.ok.gov>, fax (405) 522-3559 or mail to:
Oklahoma State Department of Education, State Aid Section, 2500 N Lincoln Blvd, Rm 427, OKC, OK 73105-4599

Date of Request:	September 9, 2019	Fiscal Year of Request:	FY20
County Number:	43	County Name:	Love
District Number:	I-016	District Name:	Marietta
Person requesting authorization:	Brandi Naylor		
Title:	Superintendent	Contact number:	580-276-9444
Requesting:	<input checked="" type="checkbox"/> Five Percent (5%) <input checked="" type="checkbox"/> Fifty Thousand (\$50,000)		

Type of Capital Expenditure:

- ☐ Purchase of Land or Existing Building
- ☐ Purchased of Real Property
- ☒ Ground or site improvement for construction purposes
- ☐ Additions to Buildings
- ☒ Remodeling (structural involving roof or load-bearing walls)
- ☒ Architects & Engineers (professional services, salaries & expenses, except for those covered by bond issue)
- ☒ Heat & Air (initial installation or extension of existing buildings systems)
- ☐ Destroyed building replacement
- ☐ Installments and Lease payments on property including interest, which has a terminal date and results in the acquisition of property.

Provide a detailed description of the anticipated capital expenditures, detailing purchases, construction, improvements, professional service, etc. that is to be paid with the requested District General Funds if qualified:

Marietta Public School will utilize General Funds to construct a STEM/Admin building containing two state-of-the-art STEM labs as well as housing central office staff. Our STEM program is a priority and is growing including being awarded over \$65,000 in grants for equipment last year. Our current science lab facility does not have the space or storage for this new equipment or to facilitate successful STEM labs.

Central admin office is currently located in a remodeled house on the back edge of campus that will become a facility for our Tri-County Special Education Cooperative. Funds may also be needed to convert current admin facility to ADA compliance & safety for Tri-County students.

See attached for more information.

I certify that all General Revenue Funds requested and expended for the above referenced capital expenditure, will comply with O.S. 70 § 1-117.

Authorized Signature: Brandi Naylor
Date: 9/9/19

For State Department of Education Office Use Only

	Circle	Initials	Date
Bonded within the preceding 3 school years	YES NO	Financial Acct. reviewed _____	Submit to Board _____
Valuation/ADA Per Capita < 60% of state average	YES NO	State Aid reviewed _____	



Marietta Public Schools

Superintendent's Office

800 S. 4th Ave.

Marietta, OK 73448

Phone 580-276-9444

Fax 580-276-4037

To: State Board of Education

From: Brandi Naylor, Superintendent

RE: General Fund Capital Expenditure Request Justification

Date: September 3rd, 2019

I am starting my 2nd year as Superintendent of the Marietta District after having served the previous seven years as the Middle School Principal. The bond that I inherited passed just two weeks after I was hired as Superintendent. This \$1.2 million bond was an all athletic bond however this was not a frivolous, all-athletic bond. The first component of the bond was for new football bleachers. Our old concrete home bleachers were declared structurally unsound and we were not allowed to use them for the 2018 football season. The construction on our beautiful new bleacher system is almost complete and are truly a source of pride for our community.

The bond also included a softball locker room/hitting facility combo that was requested for safety reasons as our current set up has our softball players crossing the highway in order to access a locker room. The third component of the bond is a remodel of our old football field house turned storage facility to convert it to a track field house. This need is due to the number of students we have participating in our state champion track and cross country programs. Sharing of a single field house for all boys and girls who participate in football, softball, track & cross country was no longer safe or feasible for our district.

Also, at our football field, we currently take gate money in a drive up fashion at the road. This leaves our gate workers with several thousand dollars on hand in an unsecure location with potential for both injury & financial loss. The ticket booth and fencing would address this need. Constructing a ticket booth with perimeter fencing would create additional cost for parking lot restructuring, grading and landscaping, etc. We had hoped for left-over funds from the bond to complete this portion, however our bond projects cost more than anticipated.

We also found out last Fall that our Tri-County Special Education Cooperative would be losing their building located at Greenville Public School just five miles from our campus. Losing this building would mean our most severe special education students would now have to be bused to the Fox campus over an hour away taking away from their instructional time.

We are a Continuous Strategic Improvement School partnered with the K20 center and through this amazing collaborative work and our increased enrollment the need for



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STEM labs was made evident. We have a fantastic STEM teacher who is growing this program in leaps and bounds including securing over \$65,000 in grant funding specifically for equipping the STEM program last year. We have adopted the Project Lead the Way curriculum and are looking forward to serving our students with two new state-of-the-art STEM labs.

Our collaboration with community members, school personnel and our architect led us to design a STEM/Admin building that would serve dual purpose by both meeting the STEM lab needs and providing a building for our central administration as well as teacher training space. Central administration is currently housed in a residential home on the back side of campus that was renovated many years ago for this purpose. Due to the nature of the life skills curriculum offered to our Tri-County special education students, the house that is currently our central administration office will serve their needs perfectly thus eliminating the need to bus them to the Fox campus an hour away. This STEM/Admin building was estimated to cost \$650,000 which is to be paid from our building fund.

In order to attract larger contractors & potentially save money we were advised to bid the three building projects (softball locker room, track fieldhouse remodel & STEM/Admin building) together. We did attract six large contractors however the \$1.4 million low bid was approximately \$164,000 more than estimated (approximately \$90,000 over for the bond projects & \$74,000 over for the STEM/Admin building). The bid was approved and the current plan is to pay the additional amount out of our building fund taking our building fund balance potentially to under \$200,000.

By allowing us to use general funds to supplement the STEM/Admin construction and having some flexibility for any unforeseen construction issues, it would allow our district to have a more comfortable building fund balance and allow us to be more secure for any emergency repairs our district may need.

Our district finances have been well managed and we have carried over very near the maximum of 18% in our general fund for the last three years. My first year as superintendent we carried over approximately \$500,000 more in the general fund than the previous year which is about \$90,000 more than allowed leaving us a year to spend down the balance before facing penalty. We are fully staffed in both certified and support positions and gave the \$1220 raise to certified staff as well as a 2% raise for our support staff. Each year our teachers are allowed \$200 each to spend on instructional supplies and receive yearly \$1500 professional development stipends raising their pay above the minimum. Support personnel can earn \$500 stipends for their continuing education as well. Our district also pays the full retirement benefit for our staff. We also provide all school supplies for all students in grades PK – 8th as a service to our community. Last year we added an ELL teacher for MS/HS and this year we added a district instructional coach to better support our teachers as well as an additional janitor



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to maintain our upcoming new buildings. We have purchased NWEA software to be used as an assessment tool so we can better identify and serve our struggling learners.

My goal is to maintain a healthy general fund balance so that we can continue to offer these vital instructional services, however I am ever aware of balancing this with providing quality instructional services for our students. I do not want to keep the maximum carry over amount to the detriment of instructional services or the safety of our staff and students.

Our future is bright! Instructional services are at the forefront of our CSI plan and we have mapped out important goals we will budget for and complete in order to boost student success. We are working on a facilities assessment & demographic study with the help of the OSSBA to determine the needs for our next bond which we plan to call in the summer of 2020. Right now our growing enrollment points to the need for additional classroom space with a possible new junior high/high school in the works. Using this data & hopefully securing bond funding for new classroom space will be a huge step in helping us attain our vision for the successful future of Marietta Public Schools.

I fully understand the concern that allowing this expenditure could be viewed as cutting into funding for instructional services. I hope I have shown that our district is fully funding instruction and now has an opportunity to solve additional functionality/safety problems while maintaining healthy fund balances and other key services.

Thank you for your consideration in this matter.

Marietta Public School
Detailed Explanation of Projects & Cost Breakdown

Bond Fund Beginning Balance					\$ 586,194.61
	Initial Cost Estimate	Low Bid	Difference	Bond Fund Balance Remaining	Overage to be paid from Building Fund
Construction of Softball Facility & Remodal of Track Field House	\$ 568,004.00	\$ 676,289.00	\$ (108,285.00)	\$ -	(\$90,094)

Building Fund Beginning Balance					\$ 1,195,394.53
	Initial Cost Estimate	Low Bid	Difference	Building Fund Balance if general fund expenditure not allowed	Building Fund Balance if General Fund Expenditure is Allowed
Construction of STEM/Admin Building	\$ 650,000.00	\$ 723,710.00	\$ (73,710.00)	\$ 471,684.53	\$ 821,684.53
FY 19 reserves & Other FY 20 Encumbrances	\$ 99,544.99		\$ 99,544.99	\$ 372,139.54	\$ 722,139.54
Bond Project Overage			\$ 90,094.39	\$ 282,045.15	\$ 632,045.15
Ticket Booth & Other Safety Measures	\$ 100,000.00			N/A	\$ 532,045.15
Other Unforseen Overages related to construction projects 10% of total bid	\$ 140,000.00			\$ 142,045.15	\$ 392,045.15

General Fund Carry Over Beginning Balance					\$ 2,583,603.81
	Initial Cost Estimate			General Fund Carry Over Remaining Balance if Allowed	
Construction of STEM/Admin Building	\$ 350,000.00			\$ 2,233,603.81	
Total projected Capital Expenditures from General Fund if approved	\$ 350,000.00				

Marietta Capital Expenditure Request

Brandi Naylor <bnaylor@mariettaisd.org>

Mon 9/9/2019 3:07 PM

To: SDE State Aid <State.Aid@sde.ok.gov>

 1 attachments (958 KB)

MariettaCapitalExpenditureRequest.pdf;

See attached for my 2nd (revised) Capital Expenditure Request. I plan on attending the meeting to answer any questions they may have, but let me know if you need other information.

Brandi Naylor

Superintendent

Marietta Public Schools

bnaylor@mariettaisd.org

(580) 276-9444



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County: 43 LOVE
District: I016 MARIETTA

Oklahoma State Department of Education
2019-- OCAS -- District Check Report

2019 REVENUES								2019 EXPENDITURES			Function 5200 (informational)	Total Balance
Fund	Source 5111-5113	Source 5120-5190	5600 Source - 5600 Function (informational)	Source 5800	Source 6110-6140	Source 6200	Plus New Revenue	Minus Warrants	Minus Encumbrances			
11	0.00	0.00	0.00	0.00	2,004,830.48	0.00	8,535,465.59	7,928,193.09	266,613.87	0.00	2,345,489.11	
12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	0.00	0.00	0.00	0.00	1,132,271.87	0.00	666,174.58	277,326.80	324,195.31	0.00	1,196,924.34	
22	0.00	25.00	0.00	0.00	175,841.96	0.00	534,291.20	483,906.37	24,852.78	25.00	201,399.01	
24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	1,205,000.00	0.00	0.00	0.00	48,199.92	0.00	0.00	398,057.58	263,297.53	0.00	591,844.81	
41	1,356.25	0.00	0.00	0.00	499,317.47	0.00	608,228.59	781,405.00	0.00	0.00	327,497.31	
50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
60	0.00	43,330.00	0.00	0.00	161,386.56	0.00	438,902.21	463,612.18	0.00	43,330.00	180,006.59	
80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,206,356.25		43,355.00	0.00	0.00	4,021,848.26	0.00	10,783,062.17	10,332,501.02	878,959.49	43,355.00	4,843,161.17	

County:
District:

Oklahoma State Department of Education
2019-- OCAS -- District Check Report

2018 REVENUES								2018 EXPENDITURES			
		Source - 5600 Function (informational)	Source 5800	Source 6110-6140	Source 6200	Plus New Revenue	Minus Warrants	Minus Encumbrances	Function 5200 (informational)	Total Balance	
Fund	Source 5111-5113	Source 5120-5190									
11	0.00	500.00	0.00	0.00	1,862,522.87	0.00	7,383,051.89	6,963,625.81	443,563.76	21,786.00	1,838,885.19
12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	0.00	0.00	0.00	0.00	1,141,371.46	0.00	201,441.83	169,579.42	41,162.00	0.00	1,132,071.87
22	0.00	21,811.00	0.00	0.00	151,730.14	0.00	466,352.54	464,051.72	500.00	25.00	175,341.96
24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	0.00	0.00	0.00	0.00	1,207,042.99	0.00	2,361.36	703,357.09	503,685.90	0.00	2,361.36
41	0.00	0.00	0.00	0.00	428,911.51	0.00	647,288.46	576,882.50	0.00	0.00	499,317.47
50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	0.00	39,540.00	0.00	0.00	169,050.40	0.00	423,899.72	471,740.96	0.00	40,040.00	160,749.16
80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	61,851.00	0.00	0.00	4,960,629.37	0.00	9,124,395.80	9,349,237.50	988,911.66	61,851.00	3,808,727.01



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Title 70. Schools						

Oklahoma Statutes Citationized

Title 70. Schools

Chapter 1 - School Code of 1971

Article Article I - Scope, Organization, and Definitions

Section 1-117 - Definition of General Fund of School District - Capital Expenditures - Noncapital Expenditures

Cite as: O.S. §, __ __

A. The general fund of any school district is hereby defined as a current expense fund and shall consist of all revenue or monies that can legally be expended within a certain specified fiscal year, but shall not be considered as including any money derived from a special building fund levy made in accordance with the provisions of Section 10 of Article X of the Oklahoma Constitution, nor shall it include any monies derived from the sale of bonds issued under the provisions of Section 26 of Article X of the Oklahoma Constitution. All monies derived from the proceeds of the school levies made pursuant to the provisions of Section 9 of Article X of the Oklahoma Constitution shall be placed in the general fund provided by this section. Expenditures from the general fund shall be noncapital in nature. All monies derived from state-dedicated revenue, state-appropriated revenue unless otherwise provided for by law, and county sources shall be placed in the general fund provided for by this section. Except as provided for in subsections K and L of this section, a district shall not be authorized to make capital expenditures as defined by this section from the general fund.

B. For purposes of this section, state-dedicated revenue shall be any registration or license fees, taxes, or penalties collected at the state level and distributed to common school districts. County sources shall be all funds collected by the county and distributed to common school districts but shall not include any funds derived from the building fund levy made in accordance with the provisions of Section 10 of Article X of the Oklahoma Constitution or funds derived from the sinking fund levy made in accordance with the provisions of Section 26 of Article X of the Oklahoma Constitution.

C. For the purposes of this section, a capital expenditure shall be an expenditure which results in the acquisition of fixed assets or additions to fixed assets. Capital expenditures shall include, but shall not be limited to, purchases of land or existing buildings, purchases of real property, improvements of grounds and sites for construction purposes, all expenditures for construction of buildings unless authorized by the State Board of Education or the State Board of Career and Technology Education upon application to the appropriate state board pursuant to subsection F of this section, additions to buildings, remodeling of buildings if such remodeling involves changes to roof structures or load-bearing walls, professional services, salaries and expenses of architects and engineers hired or assigned to capital projects except for such services, salaries and expenses as are applicable in preparation for a bond issue, expenditures for the initial installation and extension of service systems and built-in heat or air equipment to existing buildings, expenditures for the replacement of a building which has been destroyed, installments and lease payments on property, including interest, that have a terminal date and result in the acquisition of property, and expenditures for preliminary studies made prior to the time that authority to proceed with a construction project is given if authority is received within the same fiscal year that the expenditure was made.

D. Noncapital expenditures shall include, but shall not be limited to expenditures for maintenance, repair and replacement of property and equipment, initial or additional purchases of furniture and equipment, direct expenses for maintenance of plant, including grounds, salaries for maintenance of plant, including salaries for the upkeep of grounds, and repair and replacement of building structures which do not add to existing facilities and which do not involve changes in roof structures or load-bearing walls and which are not classified as a capital expenditure by this section.

E. The State Board of Education shall adopt and amend regulations regarding the classification, definition and financial administration of funds, accounts and expenditures in accordance with the requirements of this section.

F. A school district shall be authorized to make capital expenditures from the general fund to defray the cost of rebuilding a school building only if a school building or facility has been destroyed by a fire or natural disaster, such as flood, tornado or other act of God, or by an act of a public enemy of the United States or this state and monies received by the district through insurance coverage, federal reimbursement, contributions and allocation from the State Board of Education from the State Public Common School Building Equalization Fund are insufficient to rebuild the facility. Capital expenditures from the general fund pursuant to this subsection shall be

limited to an amount necessary to defray the cost of rebuilding the facility which exceeds monies received by the school district through insurance, federal reimbursement, contributions and state allocations.

G. Schools which receive gifts or donations or state-appropriated monies for the purpose of capital expenditures or projects shall place such monies in the building fund, as provided by Section 1-118 of this title, and not in the general fund. School districts which receive gifts, grants, or donations of monies for noncapital expenditures may place the monies in the general fund, and such monies shall not be required to be used during the year in which the money was received but may accumulate from year to year and shall not be considered a part of the general fund collections when calculating the general fund carryover as provided for in subsection G of Section 18-200.1 of this title.

H. School districts which receive monies from rental, sale, or lease of buildings, impact aid monies, or grants, gifts or donations for capital purposes, whether from state, federal, or other sources, may place such monies in the building fund authorized by Section 1-118 of this title or the general fund authorized by this section.

I. Any construction of a building included as a capital expenditure from the general fund of a school district which is authorized and has had a contractual agreement concerning such construction executed prior to July 1, 1991, may be proceeded with and completed as authorized prior to July 1, 1991, as a capital expenditure from such general fund.

J. School districts receiving revenues authorized by Section 9B of Article X of the Oklahoma Constitution shall be authorized to make capital expenditures from the general revenue fund no greater than the amount levied by the incentive millage.

K. Upon the approval of the State Board of Education, a school district shall be authorized to make capital expenditures as defined in this section from its general fund if:

1. A bond issue has been rejected at an election by the school district electors voting on that question within the current school year, as certified by the secretary of the county election board; or
2. The school district has voted indebtedness at any time within the preceding three (3) school years through the issuance of bonds or through approval by voters of issuance of new bonds for more than eighty-five percent (85%) of the maximum allowable pursuant to the provisions of Section 26 of Article X of the Oklahoma Constitution as shown on the school district budget filed with the State Board of Equalization for the current school year and certifications by the Attorney General prior to April 1 of the current school year. The State Board of Education shall establish the rules to administer the provisions of this subsection which shall include, but not be limited to, specification of a maximum amount of general fund monies to be used for capital expenditures, the purposes for which such funds may be expended and the period of time in which such funds shall be encumbered.

L. Other provisions of this section notwithstanding, a school district shall be authorized to make capital expenditures from the general fund if the total assessed property valuation per average daily attendance is less than sixty percent (60%) of the state average total assessed property valuation per average daily attendance and if, for each year in which general fund revenue is used for capital expenditures, the district has voted the five-mill building fund levy authorized in Section 10 of Article X of the Oklahoma Constitution and has voted indebtedness through the issuance of new bonds for at least eighty-five percent (85%) within the last three (3) years of the maximum allowable pursuant to the provisions of Section 26 of Article X of the Oklahoma Constitution as shown on the school district budget filed with the State Board of Equalization for the current school year and certifications by the Attorney General prior to April 1 of the school year. Provided, the maximum amount of general fund revenue used for capital expenditures pursuant to this subsection shall not exceed five percent (5%) of the total yearly revenue to the general fund. Said fund may not be used for capital expenditures for more than five (5) consecutive years and may only be utilized for remodeling or construction of classroom facilities and such ancillary facilities to said classrooms as may be necessary. Provided, further, the State Superintendent of Public Instruction shall certify in writing, prior to the expenditure of the funds for which provision is made in this subsection, that such expenditures are in compliance with the provisions of this subsection.

Historical Data

Laws 1971, HB 1155, c. 281, § 1-117, emerg. eff. July 2, 1971; Amended by Laws 1989, 1st Extr. Sess., HB 1017, c. 2, § 114, emerg. eff. April 25, 1990; Amended by Laws 1991, HB 1189, c. 209, § 2, emerg. eff. July 1, 1991; Amended by Laws 1992, SB 986, c. 324, § 6, emerg. eff. July 1, 1992; Amended by Laws 1995, SB 53, c. 153, § 2, emerg. eff. May 2, 1995; Amended by Laws 2001, HB 1214, c. 33, § 65, emerg. eff. July 1, 2001 ([superseded document available](#)); Amended by Laws 2002, HB 2314, c. 89, § 1, emerg. eff. July 1, 2002 ([superseded document available](#)); Amended by Laws 2003, HB 1572, c. 173, § 1, emerg. eff. July 1, 2003 ([superseded document available](#)); Amended by Laws 2009, HB 1592, c. 250, § 1, emerg. eff. July 1, 2009 ([superseded document available](#)).

Office of Administrative Rules
Oklahoma Administrative Code and Register
[ONLINE LINK](#)

Title 210 – State Department of Education
Chapter 25 – Finance
Subchapter 5 – Budgeting and Business Management

210:25-5-4. Accounting

(a) The financial structure of an Oklahoma public school district consists of various classifications as referenced in Oklahoma Administrative Code (OAC) 210:25-7-1, (Oklahoma Cost Accounting System [OCAS]). School District accounting systems shall be organized and operated on a basis that assures legal compliance by the recording and summarizing of financial transactions within funds, each of which is completely independent of any other. Each fund shall account for and continually maintain the identity of its revenues and expenditures. Financial transactions for purposes of this regulation and as referenced in 70 O.S. 2001, § 5-135.2 shall be defined as a detailed reporting of revenue within the Source of Revenue dimension. Revenue shall be reported to the bold codes within each of the following broad categories: District Source of Revenue, Intermediate Source of Revenue, State Source of Revenue, and Federal Source of Revenue. Expenditures shall be reported by the bold codes within the Function dimension as follows: Instruction, Support Services-Students, Support Services-Instructional Staff, Support Services-General Administration, Support Services-School Administration, Support Services-Central, Operation and Maintenance of Plant Services, Student Transportation Services, Child Nutrition Programs Operations, Community Services Operations and Facilities Acquisition and Construction Services. Additional dimensions for Revenue and Expenditures are coded to provide classification by Fiscal Year, Fund, Project Reporting, Object, Program, Subject, Job Classification, and Operational Unit, where applicable.

(b) The year-end financial report recording and summarizing all revenue and expenditure financial transactions will be completed and certified on the due date.

(c) The school district must inform the Financial Accounting Section of the State Department of Education of any changes made at the district level to any of the financial transactions already submitted to the State Department of Education. Further, none of the data submitted by Law can be changed or altered by either the school district or the Financial Accounting Section after December 15 of each year.

(d) As referenced in 70 O.S. 2001, § 5-135.2 (B), the State Department of Education shall reduce the monthly payment of a district's State Aid funds if the district is not operating pursuant to said system. Not operating pursuant to said system shall be defined as a district not:

- (1) accurately recording and reporting all revenue and expenditures by applicable OCAS bold code dimensions;
- (2) submitting OCAS financial records via the Web-based system of all recorded and reported revenue and expenditures by applicable OCAS bold code dimensions to the State Department of Education;
- (3) ascertaining that current and accurate applicable OCAS codes are being utilized as updated and maintained by the State Department of Education;
- (4) complying with regulations as outlined in OAC 210:25-3-7 (Financial information processing), OAC 210:25-5-10 (The encumbrance clerk), OAC 210:25-5-11 (The school district treasurer), or OAC 210:25-5-13 (School activity fund);
- (5) reconciling all recorded and reported revenue and expenditures by applicable OCAS bold code dimensions by balancing data with bank receipts and statements, purchase orders, warrant registers, investment ledgers, and all balance sheet accounts; and

(e) For appropriated funds, all indebtedness should be encumbered (have a purchase order issued and be recorded) on the day the obligation is incurred, rather than when it becomes due, and supporting documentation should be provided for all indebtedness.

(f) Upon the approval of the State Board of Education, school districts may make capital expenditures up to a maximum amount of \$50,000 (fifty thousand dollars) during the current fiscal year within the General Fund pursuant to 70 O.S. 2001, § 1-117, if the school district meets the established criteria as outlined in the Statutes. School districts shall be voting the maximum five (5) building fund mills. General Fund monies authorized by the State Board of Education for expenditures must be expended within the current fiscal year. Any such funds encumbered as of June 30th of the current fiscal year, but not expended by November 15th of the subsequent fiscal year, shall lapse and return to the original purpose of such funds.

(g) A school district shall be authorized to utilize general fund monies for capital expenditures, in addition to the amount specified in subsection (c), pursuant to the provisions of 70 O.S. 2001, § 1-117.

(h) Inventory cards or data processing records shall be kept on all equipment and removable fixtures, showing purchase order number when known, date of purchase (when known, if not known an estimated date shall be used), amount of purchase (if known, if not known present value must be estimated) a description of the item, the serial number (when applicable) and the location of the item. New purchases shall be included in the records on the same day in which they are physically received by the district. Disposed equipment must be removed from the records on the disposal date and a detailed description of the circumstances which results in the disposal recorded. Disposed equipment should not be included in the records of future years.

[Source: Amended at 9 Ok Reg 3101, eff 6-11-92 (emergency); Amended at 10 Ok Reg 1141, eff 3-9-93 (emergency); Amended at 11 Ok Reg 1997, eff 5-26-94; Amended at 12 Ok Reg 3620, eff 7-31-95 (emergency); Amended at 13 Ok Reg 1353, eff 5-13-96; Amended at 14 Ok Reg 3347, eff 5-5-97 (emergency); Amended at 15 Ok Reg 2293, eff 6-11-98; Amended at 17 Ok Reg 23, eff 9-10-99 (emergency); Amended at 17 Ok Reg 1092, eff 5-11-00; Amended at 17 Ok Reg 2909, eff 7-13-00; Amended at 20 Ok Reg 822, eff 5-15-03; Amended at 21 Ok Reg 234, eff 8-21-03 (emergency); Amended at 21 Ok Reg 1280, eff 5-27-04; Amended at 22 Ok Reg 1849, eff 6-25-05; Amended at 32 Ok Reg 919, eff 8-27-15]