



OKLAHOMA STATE DEPARTMENT OF
EDUCATION
— CHAMPION EXCELLENCE —

Charter School Training

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Oklahoma Statute 70 § 3-136 Item 6

A charter school, to the extent possible, shall be subject to the same reporting requirements, financial audits, audit procedures, and audit requirements as a school district. The State Department of Education or State Auditor and Inspector may conduct financial, program, or compliance audits. A charter school shall use the Oklahoma Cost Accounting System to report financial transactions to the sponsoring school district.



Financial Officers or Staff

Superintendent/CEO of a Charter School

Treasurer

Deputy Treasurer (optional)

Encumbrance Clerk

Board Minute Clerk

Deputy Minute Clerk (optional)



Financial Officers Must Have Surety Bonds

Superintendent/CEO of a Charter School

Treasurer

Deputy Treasurer (optional)

Encumbrance Clerk

Board Minute Clerk

Deputy Minute Clerk (optional)



Financial Accounting

Encumbrance Clerks and Treasurers are to receive training on the school finance laws of Oklahoma, accounting, ethics, and the duties and responsibilities of their positions.

Requirement: Newly employed encumbrance clerk and treasurer, twelve (12) hours of the above training must be completed within nine (9) months of employment. Also the same individuals, twelve (12) hours of continuing education must be completed every three years. [70 O.S. § 5-190]



FINANCIAL SOFTWARE

- There are 8 Oklahoma Cost Accounting Vendors approved by the Oklahoma State Board of Education.
- No other Software Vendors can be used for your financial accounting system.
- The approved vendor list is on the Financial Accounting Website



Financial Reporting Is Required by LAW

Oklahoma State Statutes

Title 70 § 5-135.2

Charter School must report financial Transactions to the State Department of Education through the single sign on system.



Oklahoma Cost Accounting System (OCAS)

- What is OCAS?

OCAS is an accounting system unique to Oklahoma however is also part of the larger accounting system instituted by the United States Department of Education (USDE)/National Center for Education Statistics (NCES); each state has developed its own system that adheres to national standards.

- Why use OCAS?

IT'S THE LAW!!!!

- Oklahoma State Statute 70 §5-135.2
- Oklahoma Administrative Code Title 210:25



Oklahoma Cost Accounting System

Permits local education agencies (LEAs) to accumulate expenditures and revenue to meet a variety of specialized management and reporting requirements, regardless of whether they are district, state, or federal with the following categories:

Expenditures (27)

FY	Fund	Project Reporting	Function	Object	Program	Subject	Job Class	Oper'l Unit
XX	XX	XXX	XXXX	XXX	XXX	XXXX	XXX	XXX

Revenue (17)

FY	Fund	Project Reporting	Source of Revenue	Program	Oper'l Unit
XX	XX	XXX	XXXX	XXX	XXX



Oklahoma Cost Accounting System (OCAS)

- Each year the Financial Accounting office receives the financial transactions for the preceding fiscal year from over 550 Oklahoma school districts, charter & virtual schools, and interlocal cooperatives. The data received becomes part of an information network accessed daily by any party interested in the use of public education funds.
- OCAS data is used to meet federal program compliance for Maintenance of Effort for Special Education and NCLB, Indirect Cost, and Excess Cost.
- OCAS data is used to meet state compliance for Administrative Cost.



Oklahoma Cost Accounting System (OCAS)

- OCAS data is also used by:

US Department of Education

National Center for Education Statistics

US Census Bureau

Governors Office

Legislature

State Auditor and Inspector's Office

Professional Organizations

General Public



Penalty for Late OCAS Submission

70 O.S. § 5-135.2, Paragraph B

Reduction in Monthly State Aid payment

First Month	1%
Second Month	2%
Third Month	3%
Fourth Month	4%
Each Subsequent Month	5%

Penalty may be waived by the State Board of Education.



AUDITS

Districts who have expended 750,000 or more in federal money are what is referred to as an “A” audit. These audits must be completed, presented to the local board of education and submitted to Financial Accounting no later than March 30.

Districts who have expended less than 750,000 in federal money are what is referred to as an “B” audit. These audits must be completed, presented to the local board of education and submitted to Financial Accounting no later than April 30.



AUDITS

Regardless of which type of audit is performed, the audit must be submitted to Financial Accounting thirty days after it has been presented to the local board of education.

70 O.S. § 22-108

“Thirty (30) days after the audit presentation to the local board of education, forward one copy of the audit report to the SDE”



AUDIT

Federal Law

Uniform Grants Guidance 200.500-520

Oklahoma State Statute

Title 70 §22.101-112

Oklahoma State Department of Education Regulation

OAC 210:25-5-5



AUDITORS

Approved Auditors is listed on the Financial Accounting Website.

www.sde.ok.gov/sde/financial-accounting

or the State Auditor and Inspector's Website.

https://www.sai.ok.gov/publications_forms/school_auditors.php?action=showform&formdiv=96



FEDERAL AND STATE COMPLIANCE

- Maintenance of Effort for ESSA
- Maintenance of Effort for Special Education
- Excess Cost for Special Education
- Administrative Cost Cap
- General Fund Balance



ESSA Maintenance of Effort

An LEA receiving funds under a covered program may receive its full allocation of funds only if the SEA finds that either the combined fiscal effort per student or the aggregate expenditures of State and local funds with respect to the provision of free public education in the LEA for the preceding fiscal year was not less than 90 percent of the combined fiscal effort per student or the aggregate expenditures for the second preceding fiscal year.



Special Education Maintenance of Effort

“Funds provided to an LEA under Part B of the Act must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year.” 34 CFR 300.203(b) OSDE to ensure that the LEA spent (for that purpose) at least the same total or per capita amount of local funds only or the combination of state and local funds.



EXCESS COST

Equitable expenditures for regular
and special education.



INDIRECT COST

Revenue received for
program management.



FINANCIAL REPORTING TIMELINES

- **August 1** – All claims for reimbursement against any federal program section for preceding fiscal year must be received. Unclaimed funds will become carryover in the new fiscal year.
- **September 1** – District's final Revenue and Expenditures for preceding fiscal year must be submitted to Financial Accounting via the web-based Oklahoma Cost Accounting System (OCAS) reporting system.
- **October 1** – District must submit one copy of either the Estimate of Needs or the Budget (for those districts on the School District Budget Act) to Financial Accounting and the County Excise Board.



Administrative Costs Definition

70 O.S. § 18-124

D. For purposes of this section, “administrative services” means costs associated with:

1. Staff for the board of education;
2. The secretary/clerk for the board of education;
3. Staff relations;
4. Negotiations staff;
5. Immediate staff of the superintendent, elementary superintendent or any assistant superintendent;
6. Any superintendent, elementary superintendent, or assistant superintendent;



Administrative Costs Definition (Continued)

7. Any employee of a school district employed as a director, coordinator, supervisor, or who has responsibility for administrative functions of a school district; and
8. Any consultant hired by the school district.



Penalty For Exceeding Administrative Cost

A. Any school district with an average daily attendance(ADA) of **more than one thousand five hundred (1,500) students** for the preceding year which expends for administrative services in the 2005-06 school year or any school year thereafter, less expenditures for legal services, more than **five percent (5%)** of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the **five percent (5%)** withheld the following year from the Foundation and Salary Incentive Aid for the school district.



Penalty For Exceeding Administrative Cost

B. Any school district with an average daily attendance (ADA) of **more than five hundred (500) students but not more than one thousand five hundred (1,500) students** for the preceding year which expends for administrative services in the 2005-06 school year or any school year thereafter, less expenditures for legal services, more than **seven percent (7%)** of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the **seven percent (7%)** withheld the following year from the Foundation and Salary Incentive Aid for the school district.



Penalty For Exceeding Administrative Cost

C. Any school district with an average daily attendance (ADA) of **five hundred (500) or fewer students** for the preceding year which expends for administrative services in the 2005-06 school year or any school year thereafter, less expenditures for legal services, more **than eight percent (8%)** of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the **eight percent (8%)** withheld the following year from the Foundation and Salary Incentive Aid for the school district.



FINANCIAL REPORTING TIMELINES

- **March 31** – Districts who are identified as having expended \$750,000 or more in federal awards must have their audit submitted to Financial Accounting.
- **April 30** – Districts who are identified as having expended less than \$750,000 in federal awards must have their audit submitted to Financial Accounting.
- **June 30** – Audit contract between the district and the independent auditor must be submitted to Financial Accounting.



Publications Available

Accountability at a Glance – Single Sign-On Site

Coding Obstacles Districts Encounter Daily (CODED) – Financial Accounting

OCAS Manual – Financial Accounting

School Laws of Oklahoma

SDE Permanent Rules (Chapter 25 Finance)

Technical Assistance Document – State Aid Website



Financial Accounting/OCAS/Audits

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