



CSIS California School Information Services

August 15, 2018

TO: County Superintendents and Chief Business Officials

FROM: Michael H. Fine, Chief Executive Officer
Fiscal Crisis and Management Assistance Team

SUBJECT: Reimbursements to County Offices of Education

The 2018-19 Budget Act names the Fiscal Crisis and Management Assistance Team (FCMAT) as the entity to administer reimbursements subject to approval by the Department of Finance (DOF) and the Superintendent of Public Instruction (SPI). In total, an appropriation of \$802,000 has been provided to reimburse county offices of education for expenses incurred in carrying out certain financial oversight responsibilities.

The California Department of Education (CDE) has identified seven categories under which county offices may file for reimbursement when performing oversight in accordance with AB 1200, AB 139 and AB 2756. Allowable actions under each category are explained in a separate document titled “Reimbursable Categories for County Office of Education Claims,” with references to applicable Education Code (EC) sections (see below).

1. Audit – Extraordinary Costs – EC 1241.5 (b) & (c)
2. Disapproved Budget by COE – EC 42127 (d)
3. Disapproved Budget by SPI (following BRC or waiver) – EC 42127.3 (b)(4)
4. Disapproved Budget by SPI (following BRC or waiver) – EC 42127.3 (b)(6)
5. Qualified Certification – EC 42127.6 (a)(1)(A)
6. Qualified Certification – EC 42127.6 (a)(1)(B)
7. Negative Certification – EC 42127.6 (e)(5)

	Approval by SPI	% COE must pay	Reimbursement rate
1. EC 1241.5 (b) & (c)	N	100%	100%
2. EC 42127 (d)	N	100%	25%***
3. EC 42127.3 (b)(4)	Y	25%	100%
4. EC 42127.3 (b)(6)	Y	25%	100%
5. EC 42127.6 (a)(1)(A)	N*	100%	25%***
6. EC 42127.6 (a)(1)(B)	Y	25%	100%
7. EC 42127.6 (e)(5)	N**	25%	100%

* If COE enters into contract, it is subject to the approval of the SPI

** Actions taken must be in consultation with SPI

*** Only 25% reimbursement allowed pursuant to language in the Budget Act

County offices of education shall submit two sets of the following items to FCMAT for review, which will then forward the items to the CDE and DOF for reimbursement claim approval:

1. Reimbursement Request Form, each with original signature.
2. Description of the circumstances that led to the COE's involvement in a separate narrative or memorandum.
3. Documentation of payment for all costs subject to reimbursement.
4. Documentation of SPI approval, if required.
5. Documentation of employment and payment for short-term analytical assistance or expertise to validate financial information if the district staff does not have the expertise, or if the hiring of staff is subject to approval of the SPI per EC 42127.3 (b)(4).
6. Documentation of any contract and payment by the COE for a CPA firm to investigate financial problems subject to approval of the SPI per EC 42127.3 (b)(6).
7. Documentation of any contract and payment by the COE for a fiscal expert to advise a district on its financial problems, subject to approval of the SPI per EC 42127.6 (a)(1)(A).
8. Documentation of any contract and payment by the COE for additional assistance or expertise, including CPA firm to assist the COE in conducting financial and budgetary study, subject to approval of the SPI per EC 42127.6 (a)(1)(B).
9. Documentation that the appointment of a fiscal advisor to act on the behalf of the COE was done in consultation with the SPI per EC 42127.6 (e)(5).
10. Claims for AB 139 Extraordinary Audits, examinations or reviews must include a copy of the signed contract entered into by the county office, the audit report, and the actual costs billed to the county. Backup documentation including the rate of pay, number of days, hours worked, details of expenses, and proof of payment must be provided.

A separate document titled "County Office of Education Reimbursement Request Required Documentation" has also been included further specifying these requirements.

Claims for reimbursement should be submitted to FCMAT quarterly. **All claims for the prior fiscal year must be submitted no later than August 15 of the subsequent fiscal year.** FCMAT will review and approve the claims consistent with the criteria and priorities established, and submit to the Department of Finance and Superintendent of Public Instruction for final approval. Since annual funding is limited and specific allocation amounts are designated for the different categories, claims must be considered on a first-come, first-served basis.

Reimbursement request forms and information on the Reimbursable Categories for COE Claims are available online at www.fcmat.org using the link to COE Reimbursement Forms. For further information or assistance, please call 661-636-4611.

**Reimbursable Categories for County Office of Education Claims
Pursuant to AB 1200, AB 139, and AB 2756**

<u>Category</u>	<u>EC Section</u>	<u>Circumstance</u>	<u>Allowable Actions</u>	<u>SPI Approval Needed</u>	<u>% COE Must Pay</u>	<u>Legal Reimburse- ment Rate</u>
1	1241.5 (b) & (c)	Audit--Extraordinary costs (AB 139)	Audit due to fraud, misappropriation of funds, illegal practices, etc.	N	100%	100%
2	42127 (d)	Disapproved Budget by COE	Appoint fiscal advisor to assist in developing revised budget.	N	100%	* 25%
3	42127.3 (b)(4)	Disapproved Budget by SPI (following BRC or waiver)	Employ additional assistance or expertise to validate financial information if district staff does not have the expertise.	Y	25%	100%
4	42127.3 (b)(6)	Disapproved Budget by SPI (following BRC or waiver)	Employ CPA firm to investigate financial problems.	Y	25%	100%
5	42127.6 (a)(1)(A)	Qualified Certification	Assign fiscal expert to advise the district on its financial problems.	N ¹	100%	* 25%
6	42127.6 (a)(1)(B)	Qualified Certification	Employ additional assistance or expertise, including CPA firm, to assist COE in conducting financial and budgetary study, including review of internal controls.	Y	25%	100%
7	42127.6 (e)(5)	Negative Certification	Appoint fiscal advisor to act on behalf of COE.	N ²	25%	100%

¹ If COE enters into contract, it is subject to the approval of the SPI.

² Actions taken must be in consultation with the SPI.

* Only 25% reimbursement allowed pursuant to language in the Budget Act.

August 15, 2018

REIMBURSEMENT REQUEST FORM

Fiscal Year _____
 Claim Period: 7/1-9/30 10/1-12/31 1/1-3/31 4/1-6/30
 (circle one)
 Report Due: No later than 8/15 of following fiscal year

County Office: _____
 Contact Name: _____
 Address: _____

 District: _____

Costs were incurred as a result of (check each category that applies):

1. Audit – Extraordinary Costs – EC 1241.5 (b) & (c) _____
2. Disapproved Budget by COE – EC 42127 (d) _____
3. Disapproved Budget by SPI (following BRC or waiver) – EC 42127.3 (b)(4) _____
4. Disapproved Budget by SPI (following BRC or waiver) – EC 42127.3 (b)(6) _____
5. Qualified Certification – EC 42127.6 (a)(1)(A) _____
6. Qualified Certification – EC 42127.6 (a)(1)(B) _____
7. Negative Certification – EC 42127.6 (e)(5) _____

Please explain the circumstances (on a separate sheet of paper) leading to the county office's involvement and the actual activities performed by the county office, in sufficient detail to determine if reimbursement is appropriate. Attach any relevant correspondence between the county office and the school district. Also attach SPI approval, if required for specific contracts.

A Object	B Description	C Total Cost of COE Oversight	D 25% Reimbursement Amount for Disapproved Budget, Qualified Certification, Negative Certification*	E 100% Reimbursement for AB 139 Extraordinary Costs of Audit*
1300	Certificated Supervisors' and Administrators' Salaries			
1900	Other Certificated Salaries			
2300	Classified Supervisors' and Administrators' Salaries			
2400	Clerical, Technical and Office Staff Salaries			
2900	Other Classified Salaries			
3000	Employee Benefits			
4300	Materials and Supplies			
5200	Travel and Conferences			
5800	Prof'l/Consultg Svcs and Op Exp			
	Other Expenditures			
TOTAL	Attach detail for each expenditure, i.e., employee salaries/benefits or payments for consultant services, including number of hours and rate of pay.			

Certification: I certify that the expenditures reported have been made in accordance with applicable state laws and regulations; full documentation of all expenditure detail and payment is included with this claim; and, copies of AB 139 audit reports are included, if applicable.

Signature _____
 Typed Name _____
 Title _____
 Date _____

Submit two sets of documents with original signature on each claim form to:
 Fiscal Crisis and Management Assistance Team
 Office of Mary C. Barlow – Administrative Agent
 Kern County Superintendent of Schools
 1300 17th Street – City Centre
 Bakersfield, CA 93301-4533

COUNTY OFFICE OF EDUCATION REIMBURSEMENT REQUEST REQUIRED DOCUMENTATION							
Category	1	2	3	4	5	6	7
Circumstances	Audit-Extraordinary Costs (AB 139)	Disapproved Budget by COE	Disapproved Budget by SPI (following BRC or waiver)	Disapproved Budget by SPI (following BRC or waiver)	Qualified Certification	Qualified Certification	Negative Certification
E.C. Section	1241.5(b) & (c) BA Provision 7	42127 (d)	42127.3 (b)(4)	42127.3 (b)(6)	42127.6 (a)(1)(A)	42127.6 (a)(1)(B)	42127.6 (e)(5)
Allowable Actions	Audit due to fraud, misappropriation of funds, illegal practices, etc.	Appoint fiscal advisor to assist in developing revised budget	Employ additional assistance or expertise to validate financial information if district staff does not have the expertise	Employ CPA firm to investigate financial problems	Assign fiscal expert to advise district on its financial problems	Employ additional assistance or expertise, including CPA firm, to assist COE in conducting financial and budgetary study, including review of internal controls	Appoint fiscal advisor to act on behalf of COE
SPI Approval Needed	N	N	Y	Y	N ¹	Y	N ²
2 sets of documents	X	X	X	X	X	X	X
Reimbursement Request Form, each with original signature	X	X	X	X	X	X	X
Description of the circumstances which led to the COE involvement	X	X	X	X	X	X	X
Documentation of payment of all costs subject to reimbursement	X	X	X	X	X	X	X
Documentation of contract and payment entered into by the COE	X						
Documentation of actual costs billed to the county including the rate of pay, number of days, hours worked, and details of expenses	X						
Copy of the audit report	X						
Documentation of employment and payment for short-term analytical assistance or expertise			X				
Documentation of any contract and payment by COE for a CPA firm				X			
Documentation of any contract and payment by COE for a fiscal expert					X		
Documentation of any contract and payment by COE for additional assistance or expertise, including CPA firm						X	
Documentation that appointment of fiscal advisor by COE was done in consultation with the SPI							X

¹ If COE enters into a contract, it is subject to the approval of the SPI

² Actions taken must be in consultation with the SPI