

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

July 1, 2024

TO: County Superintendents and Chief Business Officials

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

SUBJECT: Reimbursements to County Superintendents of Schools

The 2024-25 Budget Act appropriates funds to the Fiscal Crisis and Management Assistance Team (FCMAT) to administer reimbursements to county superintendents for costs incurred when conducting fiscal oversight activities. All reimbursements must be approved by both the Department of Finance (DOF) and the superintendent of public instruction (SPI).

California Education Code specifies six categories of reimbursements. The table titled “Reimbursement Categories for Fiscal Oversight Expense Claims” attached to this memo outlines these categories. It also includes information on reimbursement rates, allowable actions and relevant statutes.

Attached is a Reimbursement Request Form along with detailed instructions that outline the supporting documentation requirements. Reimbursement claims, along with their supporting documentation, should be submitted to FCMAT on a quarterly basis. All claims for the prior fiscal year must be submitted no later than July 15 of the following fiscal year.

FCMAT will review reimbursement claim forms for completeness and approve those that meet the established criteria and priorities outlined in the attached table. Once approved, claims will be forwarded to the SPI, which will then submit them to the DOF for final approval. Upon receiving this final approval, the Kern County Superintendent of Schools will issue a warrant to the county superintendent. Due to limited annual funding and designated allocation amounts for each category, claims are processed on a first-come, first-served basis.

Reimbursement request forms, required documentation, and details on the reimbursable categories for county superintendent claims are available online at www.fcmat.org. For additional information or assistance, please call 1-661-636-4611 or email contact@fcmat.org.

Reimbursement Categories for Fiscal Oversight Expense Claims

Category	Education Code	Circumstance	Allowable Action(s)	SPI Approval Required	% of Costs Paid by County Superintendent	Maximum Reimbursement Rate
1	1241.5(b) and (c)	Extraordinary Audit (Assembly Bill 139)	Conduct an audit for fraud, misappropriation of funds, or other illegal practices.	No	100%	100%
2	42127.3(b)(4)	Disapproved Budget by SPI (following BRC or waiver)	Employ additional assistance or expertise to validate the district's financial information.	Yes	25%	100%
3	42127.3(b)(6)	Disapproved Budget by SPI (following BRC or waiver)	Employ a CPA firm to investigate the district's financial problems.	Yes	25%	100%
4	42127.6(a)(1)(A)	Qualified Certification	Assign a fiscal expert to advise the district on its financial problems.	No ¹	100%	25%*
5	42127.6(a)(1)(B)	Lack of Going Concern Designation	Employ additional assistance or expertise, including a CPA firm, to help the county superintendent conduct a study of the district's financial and budgetary conditions, including a review of its internal controls.	Yes	25%	100%
6	42127.6(e)(1)	Lack of Going Concern Designation or Negative Certification	Develop a budget revision for the district.	No ²	25%	100%
	42127.6(e)(2)		Stay or rescind any action that is with the district's ability to meet its obligations for the current or subsequent fiscal year.			
	42127.6(e)(3)		Develop a multiyear financial recovery plan for the district.			
	42127.6(e)(4)		Develop a budget for the subsequent fiscal year for the district.			
	42127.6(e)(5)		Appoint a fiscal advisor to act on behalf of the county superintendent.			

¹If the county superintendent enters into a contract, it will be subject to SPI approval.

²Any actions by the county superintendent shall be made in consultation with the SPI.

*Reimbursement of incurred costs is limited to 25% pursuant to the annual state budget act.

Acronyms/Terms Used

SPI — California Superintendent of Public Instruction.

BRC — Budget review committee.

CPA — Certified public accountant.

REIMBURSEMENT REQUEST FORM INSTRUCTIONS

1. Assemble **two sets** of the following items:

- Reimbursement Request Form, each with an original signature.
- A narrative or memorandum providing a description of the circumstances that led to the county superintendent's involvement. Include any relevant correspondence between the county office of education and the school district.
- Documentation of payment for all costs subject to reimbursement.
- Documentation of superintendent of public instruction (SPI) approval, if required.
- Documentation of employment and payment for short-term analytical assistance or expertise hired to validate financial information (subject to SPI approval per Education Code (EC) 42127.3(b)(4)).
- Documentation of any contract and payment by the county superintendent for a certified public accountant (CPA) firm hired to investigate financial problems (subject to SPI approval per EC 42127.3(b)(6)).
- Documentation of any contract and payment by the county superintendent for additional assistance or expertise, including the hiring of a CPA firm, to help the county superintendent in conducting a study of the financial and budgetary conditions of the school district, including a review of its internal controls (subject to SPI approval per EC 42127.6(a)(1)(B)).
- Documentation that the appointment of a fiscal advisor to act on the county superintendent's behalf was done in consultation with the SPI (as required by EC 42127.6(e)).
- A signed contract entered into by the county superintendent, the audit report, and the actual costs billed to the county office for Assembly Bill 139 extraordinary audits. Backup documentation including the rate of pay, number of days, hours worked, details of expenses, and proof of payment must also be submitted.

2. Send all items to:

Fiscal Crisis and Management Assistance Team
1300 17th St. – City Centre
Bakersfield, CA 93301-4533

All claims for the prior fiscal year must be submitted no later than July 15 of the subsequent fiscal year.

COUNTY OFFICE OF EDUCATION REIMBURSEMENT REQUEST FORM

Fiscal Year: _____ **Claim Period:** 7/1-9/30 10/1-12/31 1/1-3/31 4/1-6/30
County Office: _____ **Contact Name:** _____
District: _____ **Phone Number:** _____
Address: _____ **Email:** _____

Costs were incurred because of (check every applicable category):

- 1. Extraordinary Audit — EC 1241.5(b) and (c)
- 2. Disapproved Budget by SPI (following BRC or BRC waiver) — EC 42127.3(b)(4)
- 3. Disapproved Budget by SPI (following BRC or BRC waiver) — EC 42127.3(b)(6)
- 4. Qualified Certification — EC 42127.6(a)(1)(A)
- 5. Qualified Certification — EC 42127.6(a)(1)(B)
- 6. Negative Certification — EC 42127.6(e)(1)–(5)

Object Code	Description	Total Oversight Cost	25% Reimbursement Amount for Disapproved Budgets or Qualified or Negative Certifications	100% Reimbursement Amount for AB 139 Extraordinary Audits
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	Professional/Consulting Services and Operating Expenses			
	Other Expenditures			
TOTAL	Attach detail for each expenditure (i.e., employee salaries, employee benefits, payments for consultant services), including the number of hours and rate of pay.			

Certification: I certify that the expenditures reported above 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 Assembly Bill 139 audit reports are included, if applicable.

Signature: _____ **Date:** _____
Printed Name: _____
Title: _____