

Financial Accountability System Resource Guide v. 19

Change Document

Note: This Change Document highlights changes to the text of update 19 of the Financial Accountability System Resource Guide (FASRG). Changes to the FASRG text are in **bold**. Deletions to the FASRG text are in ~~striketrough~~. Additional plain text from the FASRG is included to better understand the context of the changes. The changes are organized by in order by module number.

Note: CFDA numbers are now known as Assistance Listing numbers (ALN). All relevant references and citations have been updated in all FASRG modules.

Note: Extra spaces have been removed, and various grammar, style, and spelling changes have been made.

Note: References to Texas Student Data System Public Education Information Management System (TSDS PEIMS) and Texas Education Standards (TEDS) have been updated and made consistent in Modules 1, 2, 3, and 4, and the FAR Appendices.

Note: In Module 3, most references to “school district” and “district” have been changed to “charter school” or “nonprofit charter school,” as applicable.

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Type of Change	Changes to FASRG v. 19
Revision (Module 1)	<p style="text-align: center;">Financial Accountability System Resource Guide, Update 19</p> <p style="text-align: center;">Module 1: Financial Accounting and Reporting</p> <p style="text-align: center;">Texas Education Agency 2024</p>
Revision (Module 1)	<p style="text-align: center;">Notes on Using This Module</p> <p>The term Texas Student Data System Public Education Information Management System (TSDS PEIMS) is used throughout the module to refer to the PEIMS data reported through the TSDS.</p>
Revision (Module 1)	<p>1.1.3 Budget Requirements</p> <p>Your district’s adopted budget must be itemized in detail according to the classification and purpose of expenditure, at least at the fund and function level, using the accounting code structure specified in 1.4.2.1 Account Code Structure Minimum Requirements and Appendix A: Accounting Code Structure and Codes. In addition, your district’s adopted budget must be on a 12-month basis.</p> <p>Your district’s budget must be adopted before expenditures can be made, and this adoption must be prior to setting of the tax rate for the budget year.¹ You must file the adopted budget, as necessarily amended, with the TEA through the TSDS PEIMS in the manner specified in the Texas Data Standards (TEDS).</p>
Revision (Module 1)	<p>1.3.1.3 Requirements Related to Special Education SSAs</p> <p>The TEC, Chapter 29,² contains the statutes related to special education SSAs, and the commissioner of education has adopted rules concerning special education services.³</p> <p>³ 19 TAC Chapter 89, Subchapter AA</p>

¹ [TEC, §44.006, Effect of Adopted Budget and Amendments](#)

² [TEC, Chapter 29, Special Education Program](#)

³ [19 TAC Chapter 89, Subchapter AA](#)

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Revision (Module 1)	<p>1.1.7 Investment of Public Funds</p> <p>Investment Training</p> <p>The Public Funds Investment Act, Chapter 2256 of the Texas Government Code, requires the treasurer, chief financial officer (CFO), and investment officer of a school district to attend 10 hours of training within 12 months of taking office or assuming duties and eight hours of renewal training every two years thereafter. The Government Code, §2256.008(a-1), exempts the treasurer, CFO, and investment officer of a school district from the requirement to attend eight hours of renewal investment training every two years if the district:</p> <ul style="list-style-type: none"> • does not invest district funds, or • only deposits those funds in: <ul style="list-style-type: none"> ○ interest-bearing accounts, or ○ authorized certificates of deposit. <p>Note: Depositing district funds into a pool such as Lonestar, Texpool, or TexStar, would not allow a claim of the exemption from eight hours of renewal investment training.</p> <p>For more information, see the following:</p> <ul style="list-style-type: none"> • TexPool Investment Policy: Texas Local Government Investment Pool • Banks to Bonds: A Practical Path to Sound School District Investing • Public Funds Investment Act Training Exemption
Revision (Module 1)	<p>1.3.1 Shared Services Agreements</p> <p>In Texas, the most common types of SSAs relate to special education services, adult education services, and activities funded by the Every Student Succeeds Act (ESSA).</p>
Revision (Module 1)	<p>1.5.2.4 TSDS PEIMS Reporting</p> <p>Your district must submit the following financial information annually through the TSDS PEIMS, as specified in the TEDS:</p> <ul style="list-style-type: none"> • budget data for the current fiscal year (PEIMS Fall Submission) • actual audited financial data for the prior year (PEIMS Midyear Submission)

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	<p>Your district must also submit all student, staff, organization, and attendance data specified in the TEDs. For more information on the TEDs, see the Texas Education Data Standards.</p> <p>Actual financial data reported through a PEIMS submission must be reported on a 12-month basis.</p> <p>PEIMS submissions are required four times a year: Fall, Midyear, Summer, and Extended Year. Some districts also are required to submit extended year data. All districts are required to submit data in the Fall, Midyear, and Summer Submissions. Based on the programs offered at a district, the district may also be required to report data in the PEIMS Extended Year Submission.</p> <p>The following list describes which information is required in each of the four submissions:</p> <ul style="list-style-type: none"> • Fall submission includes organization and campus data, SSA data, campus-related data, <i>current fiscal year budget data</i>, staff data, and student data. The student data include identification and demographic information, enrollment information, special program information, leaver, and dropout and graduated student information. • Midyear submission includes organization and campus data, SSA data, and <i>actual audited financial data for the preceding fiscal year</i>. • Summer submission includes organization and campus data; student data such as identification and demographic information, attendance, course completion, discipline, restraint, and year-end status information • Extended year submission includes Optional Extended Year Program (OEYP) data, extended school year (ESY) services data, [and] bilingual/English as a Second Language summer school, and Additional Days School Year (ADSY) program data. <p>A link to current year due dates for each submission is available at https://tealprod.tea.state.tx.us/TWEDS/98/0/0/0/DataSubmission.</p>
Revision (Module 1 FAR Appendices)	<h2 style="text-align: center;">Financial Accountability System Resource Guide, Update 19</h2> <h3 style="text-align: center;">Financial Accounting and Reporting Appendices</h3> <p style="text-align: center;">Texas Education Agency 2024</p>
Revision (Module 1)	<h2 style="text-align: center;">A.1 Accounting Code Structure and Definition</h2>

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FAR Appendices)	<p>Fund Code</p> <p>A required three-digit code used for all financial transactions to identify the fund group and specific fund. The first digit identifies the fund group, and the second and third digits identify the fund. The fund code is also used to designate the long-term account groups for recording long-term debt and capital assets.</p> <p>Example:</p> <p style="padding-left: 40px;">Code 211 applies to a special revenue fund. The “2” denotes the special revenue fund group, and the “11” denotes the fund for the Every Student Succeeds Act (ESSA), Title I, Part A—Improving Basic Programs.</p>
Revision (Module 1 FAR Appendices)	<p>A.2 Fund Codes</p> <p>The \mathcal{R} by a fund code indicates that, if the fund applies to your district, the fund is required for the following reporting purposes:</p> <ul style="list-style-type: none"> • Texas Student Data System Public Education Information Management System (PEIMS), • annual financial and compliance report (AFR), or • the TSDS PEIMS and the AFR.
Revision (Module 1 FAR Appendices)	<p>A.2 Fund Codes</p> <p style="padding-left: 40px;">200, 300, 400 SPECIAL REVENUE FUNDS</p> <p>Special revenue funds are governmental funds used to account for revenue sources that are legally restricted to specific purposes. These sources do not include expendable trusts and major capital projects. These funds utilize the modified accrual basis of accounting.</p>

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	<p>Every Student Succeeds Act (ESSA) was signed into law in 2015, replaced The No Child Left Behind Act of 2001 (NCLB Act), and reauthorized the longstanding Elementary and Secondary Education Act (ESEA). Title programs with fund codes are authorized under ESSA.</p>	
Revision (Module 1 FAR Appendices)	<p>A.2 Fund Codes</p> <p style="text-align: center;"><i>R</i>206</p>	<p>McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B—Education for Homeless Children and Youth (Title I, Part A, and Every Student Succeeds Act, Title IX, Part A)</p>
Revision (Module 1 FAR Appendices)	<p>A.2 Fund Codes</p> <p style="text-align: center;"><i>R</i>211</p>	<p>Title I, Part A—Improving Basic Programs Operated by Local Education Agencies, and Title I, Part D, Subpart 2—LEA programs with locally operated correctional facilities</p> <p>This code is used to account for funds to help LEAs improve teaching and learning in high-poverty schools in particular for children failing, or most at-risk of failing, to meet challenging State academic standards. (To provide opportunities for children to acquire the knowledge and skills to meet the state’s student performance standards.) (ALN 84.010A)</p> <p>This code is also used for Title I, Part D, Subpart 2—LEA programs with locally operated correctional facilities, and Title I—School Improvement Program (SIP).</p>
Revision (Module 1 FAR Appendices)	<p>A.2 Fund Codes</p> <p style="text-align: center;"><i>R</i>212</p> <p style="text-align: center;"><i>R</i>218</p>	<p>Title I, Part C—Education of Migratory Children</p> <p>This code is used to account for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fishermen. (ALN 84.011)</p> <p>Title IV, Part F, Subpart 4—Jacob K. Javits Gifted and Talented Students Education Act</p>

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	<p>This code is used to account for funds granted to carry out programs to meet the educational needs of gifted and talented students, including training of personnel in education for gifted and talented students and using gifted and talented services, materials, and methods for all students. (ALN 84.206A)</p>
Revision (Module 1 FAR Appendices)	<p>A.2 Fund Codes</p> <p style="padding-left: 40px;">℞255 Title II, Part A—Teacher and Principal Training and Recruiting</p>
Revision (Module 1 FAR Appendices)	<p>A.2 Fund Codes</p> <p style="padding-left: 40px;">℞269 Title V, Part B, Subpart 1—The Small, Rural School Achievement Program This code is used to account for funds awarded directly to rural districts from the US Department of Education to enable those districts to carry out authorized activities under specified Federal programs. (ALN 84.358A)</p> <p style="padding-left: 40px;">℞270 Title V, Part B, Subpart 2—Rural and Low Income School Grant Program This code is used to account for funds allocated to enable your district to address the unique needs of rural school districts. (ALN 84.358B)</p>
Revision (Module 1 FAR Appendices)	<p>A.2 Fund Codes</p> <p style="padding-left: 40px;">℞276 Title I School Improvement Program (SIP) Academy Grant</p> <p style="padding-left: 40px;">Every Student Succeeds Act of 2015 (ESSA), which reauthorized Elementary and Secondary Education Act (ESEA), replaced the No Child Left Behind Act of 2001 (NCLB Act). ESSA authorizes funds to help TEA and districts address the needs of campuses in improvement, corrective action, and restructuring in order to improve student achievement.</p>

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Revision (Module 1 FAR Appendices)	<p>A.2 Fund Codes</p> <p style="padding-left: 40px;">℞300 Shared Services Arrangements—Title I, Part A—Improving Basic Programs Operated by Local Educational Agencies.</p> <p style="padding-left: 40px;">℞301 Shared Services Arrangements—Title I, Part C—Education of Migratory Children</p> <p style="padding-left: 40px;">℞307 Shared Services Arrangements—Title IV, Part F, Subpart 4—Jacob K. Javits Gifted and Talented Students Education Act</p> <p style="padding-left: 40px;">℞345 Shared Services Arrangements—Title V, Part B, Subpart 1—The Small, Rural School Achievement Program</p> <p style="padding-left: 40px;">℞347 Shared Services Arrangements—Title V, Part B, Subpart 2—Rural and Low Income School Program</p>
Revision (Module 1 FAR Appendices)	<p>A.2 Fund Codes</p> <p style="padding-left: 40px;">℞410 State Instructional Materials Fund</p> <p style="padding-left: 80px;">This code is used to account for funds awarded to your district under the instructional materials allotment. Instructional materials include textbooks, software, supplemental materials, media storage devices, online services, open-source materials, and other means of conveying information electronically.</p>
Revision (Module 1 FAR Appendices)	<p>A.3 Function Codes</p> <p>The ℞ by a function code indicates that if the function applies to your district, the function is required for the following reporting purposes:</p> <ul style="list-style-type: none"> • the TSDS PEIMS, • the AFR, or

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	<ul style="list-style-type: none"> the TSDS PEIMS and the AFR. 							
Revision (Module 1 FAR Appendices)	<h3 style="color: #4f81bd;">A.3 Function Codes</h3> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 20px;"> <thead> <tr> <th style="width: 50%;">Function Code 12—Costs to Include:</th> <th style="width: 50%;">Function Code 12—Costs to Exclude (correct function code appears in parentheses):</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> selecting, preparing, maintaining, and making available to the instructional staff equipment, films, transparencies, tapes, television programs, software, media storage devices, other media, and similar materials planning, programming, writing, and presenting educational programs or program segments for broadcast books, films, videocassettes, media storage devices, and other media that are maintained by a resource center or library </td> <td></td> </tr> </tbody> </table>		Function Code 12—Costs to Include:	Function Code 12—Costs to Exclude (correct function code appears in parentheses):	<ul style="list-style-type: none"> selecting, preparing, maintaining, and making available to the instructional staff equipment, films, transparencies, tapes, television programs, software, media storage devices, other media, and similar materials planning, programming, writing, and presenting educational programs or program segments for broadcast books, films, videocassettes, media storage devices, and other media that are maintained by a resource center or library 			
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Revision (Module 1 FAR Appendices)	<h3 style="color: #4f81bd;">A.4.1 Asset Object Codes</h3> <table style="width: 100%; margin-top: 20px;"> <tr> <td style="width: 15%; text-align: center;">\mathcal{R}1551</td> <td style="width: 85%;">Right to Use Lease Assets—Buildings</td> </tr> <tr> <td style="text-align: center;">\mathcal{R}1552</td> <td>Right to Use Lease Assets—Vehicles</td> </tr> <tr> <td style="text-align: center;">\mathcal{R}1559</td> <td>Right to Use Lease Assets—Furniture and Equipment</td> </tr> </table>		\mathcal{R} 1551	Right to Use Lease Assets—Buildings	\mathcal{R} 1552	Right to Use Lease Assets—Vehicles	\mathcal{R} 1559	Right to Use Lease Assets—Furniture and Equipment
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Deletion (Module 1 FAR Appendices)	<p><i>A.4.5 Revenue Object Codes</i></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 5px;">Object Code 5812— Revenue to Include:</td> <td style="padding: 5px;">Object Code 5812— Revenue to Exclude:</td> </tr> <tr> <td style="padding: 5px;"> <ul style="list-style-type: none"> • [High School Allotment] </td> <td style="padding: 5px;"></td> </tr> </table>	Object Code 5812— Revenue to Include:	Object Code 5812— Revenue to Exclude:	<ul style="list-style-type: none"> • [High School Allotment] 	
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Revision (Module 1 FAR Appendices)	<p><i>A.4.5 Revenue Object Codes</i></p> <p style="margin-left: 40px;">5950 SHARED SERVICES ARRANGEMENTS—FEDERAL REVENUES</p> <p style="margin-left: 40px;">Federal revenues from shared services arrangements are federal funds received from either:</p> <ul style="list-style-type: none"> • a member district by a fiscal agent or • a fiscal agent by a member district. <p style="margin-left: 40px;">For purposes of these revenue object codes, federal revenues are defined as federal funds granted through an application where the entire grant is funded by the federal government, even though a state government may distribute the funds. Examples of federal funds included in these revenue object codes are:</p> <ul style="list-style-type: none"> • Federally funded Adult Basic Education programs • Title I, Part A—Improving Basic Programs • Title I, Part C—Education of Migratory Children 				
Revision (Module 1)	<i>A.4.6 Expenditure and Expense Object Codes</i>				

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FAR Appendices)	<table border="1" style="margin-left: 20px;"> <tr> <td colspan="2" style="text-align: center;">Summary of Expenditure or Expense Object Codes</td> </tr> <tr> <td style="text-align: center;">6260</td> <td style="text-align: center;">Rentals—Short Term and Non-Capitalized</td> </tr> </table>	Summary of Expenditure or Expense Object Codes		6260	Rentals—Short Term and Non-Capitalized
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Revision (Module 1 FAR Appendices)	<p><i>A.4.6 Expenditure and Expense Object Codes</i></p> <p style="margin-left: 40px;">℞6149 Employee Benefits—Other</p>				
Revision (Module 1 FAR Appendices)	<p><i>A.4.6 Expenditure and Expense Object Codes</i></p> <p style="margin-left: 40px;">℞6259 Utilities</p> <p style="margin-left: 80px;">This code is used to classify expenditures or expenses, including fees, for utilities. This includes the following:</p> <ul style="list-style-type: none"> • water, wastewater treatment, and sanitation (garbage disposal) • telephone and telecommunication services, including but not limited to, cell phones, pagers, internet connections, and faxes 				
Revision (Module 1 FAR Appendices)	<p><i>A.4.6 Expenditure and Expense Object Codes</i></p> <p style="margin-left: 40px;">℞6419 Travel, Training, and Subsistence—Nonemployees</p>				
Revision (Module 1 FAR Appendices)	<p>A.6.2.1 Compliance Monitoring—Organization Codes</p> <p>In the TSDS PEIMS data collection process, the TSDS PEIMS applies a formula to allocate costs recorded in organization code 999 (Undistributed).</p>				
Revision (Module 1 FAR Appendices)	<p><i>A.8 Program Intent Codes</i></p>				

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	<p>Your district must monitor expenditures to ensure that the limit on indirect costs is observed and must take necessary steps to meet this requirement. The United States Department of Education (USDE) has given TEA authority to issue indirect cost rates for independent school districts (districts), open-enrollment charter schools, and certain other government entities. For additional guidance in the areas of direct and indirect costs, your district may refer to the Indirect Cost Rates webpage on the TEA website. TEA policy provides maximum flexibility to school districts by averaging costs up to three years.</p> <p>In addition, TEA will combine the general fund with the ESSER fund codes 266, 281, 282, and 283 for testing compliance with FSP special allotment program spending. While your district uses unallocated amounts in compliance calculations, TEA uses allocated amounts in their calculations for compliance purposes. From a budgeting perspective, your district can budget to meet the minimum spending requirements using unallocated. Therefore, when TEA uses allocated amounts, your district would meet the spending requirements.</p> <p>As the TEA reviews state special program expenditures, your district will have the opportunity to address any issues that may arise. Your district must consider the implications of some federal requirements (for example, maintenance of effort) when determining local policies on the minimum level of coding expenditures.</p>																					
Revision (Module 1 FAR Appendices)	<h3 style="color: #4F81BD;">A.8 Program Intent Codes</h3> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Code No.</th> <th style="width: 40%;">Name</th> <th style="width: 50%;">Description</th> </tr> </thead> <tbody> <tr> <td colspan="3">Basic Services</td> </tr> <tr> <td>11</td> <td>Basic Education Services</td> <td>Costs to provide basic instruction</td> </tr> <tr> <td>26</td> <td>Nondisciplinary Alternative Education Programs (AEP)—Basic Services</td> <td>Costs for programs to serve students at risk of dropping out</td> </tr> <tr> <td>28</td> <td>Disciplinary Alternative Education Program (DAEP)—DAEP Basic Services</td> <td>Costs incurred to provide general, or basic, education services to students who are moved from the regular classroom into a DAEP</td> </tr> <tr> <td colspan="3">Enhanced Services</td> </tr> <tr> <td>21</td> <td>Gifted and Talented</td> <td>Costs to assess students and provide instruction</td> </tr> </tbody> </table>	Code No.	Name	Description	Basic Services			11	Basic Education Services	Costs to provide basic instruction	26	Nondisciplinary Alternative Education Programs (AEP)—Basic Services	Costs for programs to serve students at risk of dropping out	28	Disciplinary Alternative Education Program (DAEP)—DAEP Basic Services	Costs incurred to provide general, or basic, education services to students who are moved from the regular classroom into a DAEP	Enhanced Services			21	Gifted and Talented	Costs to assess students and provide instruction
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	22	Career and Technical	Costs to evaluate and prepare students for gainful employment and to provide advanced technical training, homemaking, apprenticeship, and job training
	23	Services to Students with Disabilities (Special Education)	Costs of special education such as homebound, hospital class, speech therapy, resource room, self-contained classroom, residential care, etc.
	24	Accelerated Instruction— Supplemental Services	Costs of supplemental education [for students at risk of dropping out of school] required to improve student academic performance through allowable supplemental programs and services provided for the intended population defined in the authorizing statutes, the TEC, §29.081, and the TEC, §48.104
	25	Bilingual Education and Special Language Programs	Costs to help students transition to the English language for academic instruction
	26	Nondisciplinary Alternative Education Programs (AEP)— Supplemental Services	Costs of supplemental education services targeted at dropout prevention and recovery of students defined in the authorizing statutes, the TEC, §29.081 , and the TEC, §48.104
	29	Disciplinary Alternative Education Program—DAEP State Compensatory Education Supplemental Costs	Supplemental costs for PIC 28 SCE costs incurred to supplement the general, or basic, education services provided to students who are moved from the regular classroom into a DAEP
	30	Title I, Part A, Schoolwide Activities Related to State Compensatory Education and Other Costs on Campuses with a Current Schoolwide Status	For Title I, Part A, schoolwide activities related to SCE and other costs on campuses with a current Title I, Part A schoolwide status. Note: ESSA allows for schools in which less than 40 percent of the students are from low-income families to apply for a waiver to be eligible to operate a schoolwide program.

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	33	Services to Prekindergarten (pre-K) Students –Special Education	Costs incurred to evaluate, place, and provide educational and/or other services to pre-K students that require special education services
	36	Early Education Allotment	Costs incurred for programs and services designed to improve student performance in reading and mathematics in pre-K through third grade, including programs and services designed to assist a school district in achieving the goals set in a school district’s early childhood literacy and mathematics proficiency plans adopted under the TEC, §11.185
	37	Dyslexia or Related Disorders – Screening, Evaluation, and Identifications	<p>Costs incurred to screen for, evaluate, or identify dyslexia or a related disorder and for regular education aids and services (e.g., instructional accommodations) provided under a 504 accommodation plan for each student that a school district serves who has been identified as having dyslexia or a related disorder.</p> <p>Costs coded to this PIC will not be included in the calculation for Individuals with Disabilities Education Act, Part B (IDEA-B) maintenance of effort.</p>
	38	College, Career, and Military Readiness	Costs incurred to improve college, career, and military readiness outcomes as described by the TEC, §48.110(f) . At least 55 percent of the funds allocated must be used in grades eight through 12.
	43	Dyslexia or Related Disorders – Special Education	Costs incurred for each student that a school district serves who generates the state dyslexia allotment under the TEC, §48.103 , based on identification as a student with dyslexia or a

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			<p>related disorder, and who also receives special education and related services.</p> <p>Costs coded to this PIC will be included in the calculation for IDEA-B maintenance of effort.</p>				
	71–89	Reserved for use by Education Service Centers	Costs for bus driver training and driver education provided by ESCs				
	Other Services						
	91	Athletics and Related Activities	Costs for participation in competitive athletic activities and certain support activities not including band				
	99	Undistributed	Costs not easily identified with other codes used here, such as certain substitute teachers, teacher on-behalf payments, salaries for band, etc.				
Revision (Module 1 FAR Appendices)	<p><i>A.8.4 Program Intent Codes—Compliance Monitoring</i></p> <p>The TSDS PEIMS applies a formula to allocate costs recorded in program intent code 99, Undistributed, according to instructional FTEs (as reported in the TSDS PEIMS) assigned to PICs for basic and enhanced services. The formula-based allocation is used for state and federal compliance monitoring purposes, such as monitoring indirect costs and maintenance of effort.</p> <p>TEA uses allocated cost information in the TSDS PEIMS to monitor compliance with indirect cost requirements. This information includes costs assigned to specific PICs and costs that are allocated by the formula to specific PICs. For additional guidance in the areas of direct and indirect costs, you may refer to the Indirect Cost Rates webpage on the TEA website.</p>						
Revision (Module 1 FAR Appendices)	<p><i>A.8.4 Program Intent Codes—Compliance Monitoring</i></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Program Intent Code 11—Costs to Include:</td> <td style="text-align: center;">Program Intent Code 11—Costs to Exclude (with Correct Program Intent Code):</td> </tr> <tr> <td style="text-align: center;">Costs incurred related to:</td> <td style="text-align: center;">Costs incurred related to:</td> </tr> </table>			Program Intent Code 11—Costs to Include:	Program Intent Code 11—Costs to Exclude (with Correct Program Intent Code):	Costs incurred related to:	Costs incurred related to:
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	<ul style="list-style-type: none"> • Basic services for education or instruction (pre-K–12) prescribed by Texas law, including a regular education program for limited English proficiency students • Pre-K funded from basic education allotment during one-half of a full day program (ages below five) • Pre-K funded from High Quality Pre-K Grant (ages below five) • District or campus improvement plan • Honors and college preparatory courses • Advanced placement courses not designated as part of a gifted and talented program • Adult basic and secondary education services • Section 504 students • Physical education (PE) classes when athletic activities take place, but PE or PE equivalent credit is issued • Foreign language courses • TEKS for foundation curriculum and electives in enrichment 	<ul style="list-style-type: none"> • Gifted and talented services (PIC 21) • Advanced placement services designated as part of a gifted and talented program (PIC 21) • Additional salaries and related expenditures or expenses associated with band, UIL speech, debate, science competition, class sponsors, student organizations, social clubs, (for example, National Honor Society [NHS], Beta Club, Letterman’s Club) (PIC 99) • Additional salaries and related expenditures or expenses associated with serving as coaches, athletic directors, drill team sponsors, cheerleader sponsors, pep squad sponsors, or other organized activity to support athletics (for example, additional days employed, reduction of class load, length of day, etc.) (PIC 91) • Day care and parenting classes for student teen parents (PIC 24) • Basic services for DAEPs (PIC 28) 	

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Type of Change	Changes to FASRG v. 19		
		<p>curriculum as needed for high school graduation</p> <ul style="list-style-type: none"> • In-school suspension programs • Services for an elective AEP for students not at risk of dropping out of school 	<ul style="list-style-type: none"> • Services for alternative education programs (nondisciplinary) that do not represent costs for providing services to students at risk of dropping out of school, as defined under the TEC, §29.081 (PIC 26) • Costs for nondisciplinary alternative education programs (PIC 26) • AEP costs (Basic and Supplemental) • Title I, Part A, schoolwide activities related to State Compensatory Education (SCE) on campuses with a current schoolwide status (PIC 30) • SCE costs incurred to provide supplemental services in support of a Title I, Part A, targeted assistance program. (PIC 24) • Services to pre-K students– Special Education (ages below five) (PIC 33) • Services to pre-K students– SCE (ages below five) (PIC 24)

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Type of Change	Changes to FASRG v. 19						
			<ul style="list-style-type: none"> Services to pre-K students– Bilingual Education (ages below five) (PIC 25) 				
Revision (Module 1 FAR Appendices)	<p><i>A.8.4 Program Intent Codes—Compliance Monitoring</i></p> <p style="text-align: center;"><i>R22</i></p> <p style="text-align: center;">Career and Technical</p> <p>This code is used for the costs incurred to evaluate and place students and to provide Career and Technical Education programs that offer a sequence of courses that provide students with coherent and rigorous content. CTE content is aligned with challenging academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current or emerging professions. This may include apprenticeship and job training activities.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 50%;">Program Intent Code 22—Costs to Include:</th> <th style="width: 50%;">Program Intent Code 22—Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p>Costs incurred related to:</p> <ul style="list-style-type: none"> Employment preparation services Apprenticeship and job training activities All career and technical education courses in programs that follow the state approved Career and Technical Education programs of study Career and technical education supervisor or director </td> <td style="vertical-align: top;"> <p>Costs incurred relating to:</p> <ul style="list-style-type: none"> Vocational adjustment classes (VAC) (PIC 23) Quasi-vocational classes in middle school and junior high (PIC 11) Career and technical education courses that do not meet the state guidelines (PIC 11) All DAEP-related activities (PICs 28 and 29) </td> </tr> </tbody> </table>	Program Intent Code 22—Costs to Include:	Program Intent Code 22—Costs to Exclude (with Correct Program Intent Code):	<p>Costs incurred related to:</p> <ul style="list-style-type: none"> Employment preparation services Apprenticeship and job training activities All career and technical education courses in programs that follow the state approved Career and Technical Education programs of study Career and technical education supervisor or director 	<p>Costs incurred relating to:</p> <ul style="list-style-type: none"> Vocational adjustment classes (VAC) (PIC 23) Quasi-vocational classes in middle school and junior high (PIC 11) Career and technical education courses that do not meet the state guidelines (PIC 11) All DAEP-related activities (PICs 28 and 29) 	
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Type of Change	Changes to FASRG v. 19	
	<ul style="list-style-type: none"> Career and technical education counselors Programs that follow the state-approved Career and Technical Education programs of study 	
Revision (Module 1 FAR Appendices)	<p><i>A.8.4 Program Intent Codes—Compliance Monitoring</i></p> <p style="text-align: center;"><i>R24</i></p> <p style="text-align: center;">Accelerated Instruction—Supplemental Services</p> <p>The TEC, §29.081, defines compensatory education as programs and or services designed to supplement the regular education program for students who meet one or more of the statutory or locally defined criterion for being at risk of dropping out of school and requires LEAs to use student performance data from the state’s legislatively mandated assessment instrument, known as the State of Texas Assessments of Academic Readiness (STAAR/EOC) tests and any other achievement tests administered under the TEC, Subchapter B, Chapter 39, to design and implement appropriate compensatory, intensive, or accelerated instructional services for students in the district's schools that enable students to perform at grade level at the conclusion of the next regular school term.</p> <p>Accelerated instruction seeks to reduce the disparity between students at risk of dropping out of school and all other district students in:</p> <ul style="list-style-type: none"> performance on assessment instruments administered under statutory requirements,⁴ or rates of high school completion. <p>State Compensatory Education (SCE) expenditures are attributable to program intent code 24, Accelerated Instruction, only when:</p> <ul style="list-style-type: none"> the expenditures are allowable and supplemental to the basic, or regular, education program; 	

⁴ [TEC, Chapter 39, Subchapter B](#)

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Type of Change	Changes to FASRG v. 19				
	<ul style="list-style-type: none"> students served meet statutory at-risk criteria;⁵ and services are specifically designed to enable at-risk students to perform at grade level at the end of the next regular school term. <p>Accordingly, all programs and services must first meet a need or set of needs identified in comprehensive needs assessment, be described in the campus or district improvement plan, and comply with statutory requirements⁶ to:</p> <ul style="list-style-type: none"> evaluate the program’s effectiveness and hold an annual public hearing to consider the program evaluation results. <table border="1" style="width: 100%; margin-top: 20px; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 50%; padding: 5px;">Program Intent Code 24—Costs to Include:</th> <th style="width: 50%; padding: 5px;">Program Intent Code 24—Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"> <p>Costs incurred related to:</p> <ul style="list-style-type: none"> Intensive or accelerated instructional education programs and activities Concentrated instruction Smaller class size for learning enhancement (conducted after staffing ratio requirement is accomplished) Salary for supplemental staff members and instructional staff paraprofessionals Staff development activities for the instructional staff that add </td> <td style="padding: 5px;"> <p>Costs incurred related to:</p> <ul style="list-style-type: none"> Basic education program (PIC 11) Any activities for nondisciplinary alternative education program services (PIC 26) DAEP-related activities (PICs 28 and 29) Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) </td> </tr> </tbody> </table>	Program Intent Code 24—Costs to Include:	Program Intent Code 24—Costs to Exclude (with Correct Program Intent Code):	<p>Costs incurred related to:</p> <ul style="list-style-type: none"> Intensive or accelerated instructional education programs and activities Concentrated instruction Smaller class size for learning enhancement (conducted after staffing ratio requirement is accomplished) Salary for supplemental staff members and instructional staff paraprofessionals Staff development activities for the instructional staff that add 	<p>Costs incurred related to:</p> <ul style="list-style-type: none"> Basic education program (PIC 11) Any activities for nondisciplinary alternative education program services (PIC 26) DAEP-related activities (PICs 28 and 29) Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30)
Program Intent Code 24—Costs to Include:	Program Intent Code 24—Costs to Exclude (with Correct Program Intent Code):				
<p>Costs incurred related to:</p> <ul style="list-style-type: none"> Intensive or accelerated instructional education programs and activities Concentrated instruction Smaller class size for learning enhancement (conducted after staffing ratio requirement is accomplished) Salary for supplemental staff members and instructional staff paraprofessionals Staff development activities for the instructional staff that add 	<p>Costs incurred related to:</p> <ul style="list-style-type: none"> Basic education program (PIC 11) Any activities for nondisciplinary alternative education program services (PIC 26) DAEP-related activities (PICs 28 and 29) Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) 				

⁵ [TEC, §29.081](#)

⁶ [TEC, §29.081](#)

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Type of Change	Changes to FASRG v. 19			
		<p>new competencies specific to the instructional needs of students at risk of dropping out of school</p> <ul style="list-style-type: none"> • Day care and parenting classes⁷ <ul style="list-style-type: none"> ○ day care for students' children on the campus or at a day care facility in close proximity to the campus ○ transportation for children of students to and from the campus or day care facility • Extending the instructional day, week, or year • Implementing new or additional individual and small group tutorials • Implementing new or additional individual and small group project-based learning • Specialized computer-assisted and blended instruction • Instructional and specialized instructional materials, 	<ul style="list-style-type: none"> • In-school suspension programs (PIC 11) • Administrative positions (PIC 99) 	

⁷ [TEC, Section 48.104\(i-1\)\(2\)](#)

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Type of Change	Changes to FASRG v. 19			
		<p>equipment, and supplies required for quality instruction</p> <ul style="list-style-type: none"> • State assessment remediation, including intervention for end-of-course exams • Dropout recovery, prevention, and intervention services for middle and high school students • Individualized instruction programs • Extended year, week, day, or intersession programs • Supplemental teachers • Supplemental LEP programs and services • Mentoring programs • Residential placement programs • Costs associated with placing students in a juvenile justice alternative education program • Modified curriculum services • School social workers employed for the SCE program • SCE program and student evaluation 		

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Type of Change	Changes to FASRG v. 19			
		<ul style="list-style-type: none"> • Supplemental programs and services for students who have dyslexia or a related disorder • Accelerated instruction <ul style="list-style-type: none"> ○ targeted supplemental (foundation subject) instruction ○ extended day, week, and year instruction ○ tutoring ○ transportation for extended day and year programs ○ professional development designed to provide instructors the knowledge and skills to deliver accelerated instruction ○ the purchase of supplemental instructional materials, equipment for the provision of accelerated services • Accelerated reading instruction program • High quality and ongoing professional development designed to provide instructors the knowledge and skills to 		

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Type of Change	Changes to FASRG v. 19		
		<p style="text-align: center;">deliver instruction to the intended population</p> <ul style="list-style-type: none"> • Providing effective, timely additional assistance to the intended population, including measures to ensure that students’ difficulties are identified on a timely basis and to provide enough information on which to base effective assistance 	
Revision (Module 1 FAR Appendices)	<p><i>A.8.4 Program Intent Codes—Compliance Monitoring</i></p> <p style="text-align: center;">R26</p> <p style="text-align: center;">Nondisciplinary Alternative Education Programs—Basic and Supplemental Services</p> <p>SCE costs may be incurred to provide basic and supplemental services to students who:</p> <ul style="list-style-type: none"> • meet the statutory criteria for being at risk of dropping out of school⁸ and • are separated from the regular classroom into a nondisciplinary alternative education program (AEP). <p>An AEP may include a private or public community-based dropout recovery education program that provides alternative education programs for students at risk of dropping out of school.</p> <p>SCE expenditures are attributable to the program intent code 26, Nondisciplinary AEP Programs, only when students served meet statutory criteria.⁹</p> <p>All services must meet a need or set of needs identified in the comprehensive needs assessment, be described in the campus or district improvement plan,² and comply with statutory requirements¹⁰ to:</p> <ul style="list-style-type: none"> • evaluate the program’s effectiveness and 		

⁸ [TEC, §29.081](#)
⁹ [TEC, §29.081](#)
¹⁰ [TEC, §29.081](#)

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Type of Change	Changes to FASRG v. 19					
	<ul style="list-style-type: none"> hold an annual public hearing to consider the program evaluation results. 					
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Program Intent Code 26—Costs to Include:</th> <th style="text-align: center;">Program Intent Code 26—Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p>PIC 26 costs may include SCE basic and supplemental expenditures such as:</p> <ul style="list-style-type: none"> Supplemental programs and services, specifically serving students who meet statutory at-risk criteria¹¹ Tutoring in foundation curriculum studies, such as English language arts, mathematics, science, and social studies Educational and social emotional resources to provide programs to build skills related to managing emotions, establishing, and maintaining positive relationships, and making responsible decisions Salaries for teachers and paraprofessionals Counseling services Security and safety </td> <td style="vertical-align: top;"> <p>PIC 26 costs may not include SCE expenditures related to:</p> <ul style="list-style-type: none"> Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) Supplemental services in support of Title I, Part A, targeted assistance programs. (PIC 24) Services provided under Title I, Part A, schoolwide campuses (PIC 30) Day care and parenting classes (PIC 24) In-school suspension programs (PIC 11) Administrative positions (PIC 99) </td> </tr> </tbody> </table>	Program Intent Code 26—Costs to Include:	Program Intent Code 26—Costs to Exclude (with Correct Program Intent Code):	<p>PIC 26 costs may include SCE basic and supplemental expenditures such as:</p> <ul style="list-style-type: none"> Supplemental programs and services, specifically serving students who meet statutory at-risk criteria¹¹ Tutoring in foundation curriculum studies, such as English language arts, mathematics, science, and social studies Educational and social emotional resources to provide programs to build skills related to managing emotions, establishing, and maintaining positive relationships, and making responsible decisions Salaries for teachers and paraprofessionals Counseling services Security and safety 	<p>PIC 26 costs may not include SCE expenditures related to:</p> <ul style="list-style-type: none"> Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) Supplemental services in support of Title I, Part A, targeted assistance programs. (PIC 24) Services provided under Title I, Part A, schoolwide campuses (PIC 30) Day care and parenting classes (PIC 24) In-school suspension programs (PIC 11) Administrative positions (PIC 99) 	
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¹¹ [TEC, §29.081](#)

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Type of Change	Changes to FASRG v. 19			
		<ul style="list-style-type: none"> • Mentoring programs • Specialized computer-assisted and blended instruction • Credit recovery instructional programs • Project-based learning instructional programs • Staff development for instructional staff members that adds new competencies specific to the instructional needs of students at risk of dropping out of school • Supplemental programs and services for students who have dyslexia or a related disorder • Accelerated reading instruction program • Private or public community-based dropout recovery education program¹² 		
Revision (Module 1 FAR Appendices)	<p><i>A.8.4 Program Intent Codes—Compliance Monitoring</i></p> <p style="text-align: center;"><i>R28</i></p> <p style="text-align: center;">Disciplinary Alternative Education Program (DAEP)—DAEP Basic Services</p> <p>SCE costs may be incurred to provide general, or basic, education services to students who are moved from the regular classroom into a DAEP. All services must be described in the campus or district improvement plan, meet a</p>			

¹² [TEC, §29.081\(e\)](#)

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Type of Change	Changes to FASRG v. 19				
	<p>defined need or set of needs identified in the comprehensive needs assessment (CNA), and must comply with requirements¹³ for an:</p> <ul style="list-style-type: none"> • evaluation of program effectiveness and • annual public hearing to consider the program evaluation results. <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 50%; text-align: left;">Program Intent Code 28—Costs to Include:</th> <th style="width: 50%; text-align: left;">Program Intent Code 28—Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p>Basic DAEP SCE costs related to:</p> <ul style="list-style-type: none"> • DAEP basic education program costs • English language arts, mathematics, science, and social studies • Educational and social emotional resources to provide programs to build skills related to managing emotions, establishing, and maintaining positive relationships and making responsible decisions • Salaries for classroom teachers and paraprofessionals • Counseling services • Security and safety • Mentoring programs </td> <td style="vertical-align: top;"> <p>Costs incurred related to:</p> <ul style="list-style-type: none"> • Supplemental DAEP services (PIC 29) • Administrative positions (PIC 99) • Nondisciplinary AEP costs, basic or supplemental (PIC 26) • Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) • Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24) • Day care and parenting classes (PIC 24) </td> </tr> </tbody> </table>	Program Intent Code 28—Costs to Include:	Program Intent Code 28—Costs to Exclude (with Correct Program Intent Code):	<p>Basic DAEP SCE costs related to:</p> <ul style="list-style-type: none"> • DAEP basic education program costs • English language arts, mathematics, science, and social studies • Educational and social emotional resources to provide programs to build skills related to managing emotions, establishing, and maintaining positive relationships and making responsible decisions • Salaries for classroom teachers and paraprofessionals • Counseling services • Security and safety • Mentoring programs 	<p>Costs incurred related to:</p> <ul style="list-style-type: none"> • Supplemental DAEP services (PIC 29) • Administrative positions (PIC 99) • Nondisciplinary AEP costs, basic or supplemental (PIC 26) • Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) • Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24) • Day care and parenting classes (PIC 24)
Program Intent Code 28—Costs to Include:	Program Intent Code 28—Costs to Exclude (with Correct Program Intent Code):				
<p>Basic DAEP SCE costs related to:</p> <ul style="list-style-type: none"> • DAEP basic education program costs • English language arts, mathematics, science, and social studies • Educational and social emotional resources to provide programs to build skills related to managing emotions, establishing, and maintaining positive relationships and making responsible decisions • Salaries for classroom teachers and paraprofessionals • Counseling services • Security and safety • Mentoring programs 	<p>Costs incurred related to:</p> <ul style="list-style-type: none"> • Supplemental DAEP services (PIC 29) • Administrative positions (PIC 99) • Nondisciplinary AEP costs, basic or supplemental (PIC 26) • Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) • Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24) • Day care and parenting classes (PIC 24) 				

¹³ [TEC, §29.081](#)

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Type of Change	Changes to FASRG v. 19			
		<ul style="list-style-type: none"> • Specialized computer-assisted and blended instruction • Credit recovery instructional programs • Project-based learning instructional programs • Staff development for instructional staff members that adds new competencies specific to the instructional needs of students at risk of dropping out of school • Supplemental programs and services for students who have dyslexia or a related disorder • Accelerated reading instruction program 	<ul style="list-style-type: none"> • In-school suspension programs (PIC 11) 	
Revision (Module 1 FAR Appendices)	<p><i>A.8.4 Program Intent Codes—Compliance Monitoring</i></p> <p style="text-align: center;"><i>R29</i></p> <p>Disciplinary Alternative Education Program—DAEP State Compensatory Education Supplemental Costs</p> <p>SCE costs may be incurred to supplement the general, or basic, education services provided to students who are moved from the regular classroom into a DAEP. All services must be described in the comprehensive needs assessment and the campus or district improvement plan, and must comply with requirements¹⁴ for an:</p> <ul style="list-style-type: none"> • evaluation of program effectiveness and • annual public hearing to consider the program evaluation results. 			

¹⁴ [TEC, §29.081](#)

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Type of Change	Changes to FASRG v. 19		
	Program Intent Code 29—Costs to Include:	Program Intent Code 29—Costs to Exclude (with Correct Program Intent Code):	
	<p>SCE supplemental costs related to:</p> <ul style="list-style-type: none"> • Supplemental programs and services for English language arts, reading, mathematics, science, and history • Programs to build skills related to managing emotions, establishing, and maintaining positive relationships and making responsible decisions • Social-emotional learning, and self-discipline instructional programs and activities • Educational and behavioral resources • Counseling services • Parental involvement programs and activities • Mentoring programs • Specialized computer-assisted and blended instruction • Credit recovery instructional programs • Project-based learning instructional programs 	<p>Costs incurred related to:</p> <ul style="list-style-type: none"> • Basic DAEP services (PIC 28) • Nondisciplinary AEP costs, basic or supplemental (PIC 26) • Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) • Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24) • Day care and parenting classes (PIC 24) • In-school suspension programs, (PIC 11) • Administrative positions (PIC 99) 	

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Revision (Module 1 FAR Appendices)	<p><i>A.8.4 Program Intent Codes—Compliance Monitoring</i></p> <p style="text-align: center;">R30</p> <p>Title I, Part A, Schoolwide Activities Related to State Compensatory Education and Other Costs on Campuses with a Current Schoolwide Status</p> <p>Your district may incur SCE costs to support supplemental programs provided by federal funds at a designated Title I, Part A, schoolwide campus. Verification of schoolwide status is reflected in the most current Schedule SC5000 Title I, Part A, Campus Selection of the ESSA Consolidated Federal Grant Application. The elements of a school-wide campus must also be addressed in the campus improvement plan. Most importantly, all students enrolled at a school-wide Title I campus may receive allowable “supplemental” SCE funded services. Though students meeting the state at-risk criteria are still identified through PEIMS, students not meeting the state identification, e.g., students failing only one foundation course, may be served.</p> <p>All funded SCE services must be described in the comprehensive needs assessment and in the campus or district improvement plan. SCE funds must be part of the campus budget, and all SCE expenditures must track back to the general fund. Title I school-wide campuses must continue to receive state and local funds for conducting the regular, or basic, education program. SCE expenditures must enhance, or supplement, the basic educational program and must support programs that are eligible under Title I, Part A (ESSA as amended) to ensure students from low-income families have opportunities to meet challenging state assessments.</p> <p>In addition, SCE expenditures must support the intent and purpose of the SCE program, which is to reduce the disparity between students at risk of dropping out of school and all other district students in:</p> <ul style="list-style-type: none"> • performance on assessment instruments administered under the TEC, Chapter 39, Subchapter B, or • rates of high school completion. <table border="1" style="width: 100%; margin-top: 20px;"> <tr> <td style="width: 50%; padding: 5px;">Program Intent Code 30—Costs to Include:</td> <td style="width: 50%; padding: 5px;">Program Intent Code 30—Costs to Exclude (with Correct Program Intent Code):</td> </tr> <tr> <td style="padding: 5px;">Basic or supplemental SCE expenditures related to:</td> <td style="padding: 5px;">Costs incurred relate to:</td> </tr> </table>		Program Intent Code 30—Costs to Include:	Program Intent Code 30—Costs to Exclude (with Correct Program Intent Code):	Basic or supplemental SCE expenditures related to:	Costs incurred relate to:
Program Intent Code 30—Costs to Include:	Program Intent Code 30—Costs to Exclude (with Correct Program Intent Code):					
Basic or supplemental SCE expenditures related to:	Costs incurred relate to:					

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Type of Change	Changes to FASRG v. 19			
		<ul style="list-style-type: none"> ○ A comprehensive needs assessment of the entire school utilizing academic achievement and growth data, process data, and perception data from school staff, parents, and others in the community. This assessment recognizes the specific academic needs of students and groups of students who are not yet achieving the state’s academic standards. • Schoolwide reform strategies that provide opportunities to meet state academic standards, particularly addressing the needs of low-achieving students, such as: <ul style="list-style-type: none"> ○ accelerated curriculum and enrichment services ○ extended day or year academic services ○ transportation costs for the provision of extended day or year services ○ credit recovery tutoring • Guidance counselors and social workers providing supplemental services 	<ul style="list-style-type: none"> • Basic and supplemental services at AEPs and DAEPs (PICs 26, 28, and 29) • Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24) • SCE supplemental services provided on campuses that are <i>not</i> Title I, Part A schoolwide or targeted assistance, AEP, or DAEP campuses (PIC 24) • Day care and parenting classes (PIC 24) • In-school suspension programs (PIC 11) • Administrative positions (PIC 99) 	

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Type of Change	Changes to FASRG v. 19			
		<ul style="list-style-type: none"> • Programs to build skills related to managing emotions, establishing, and maintaining positive relationships and making responsible decisions • Instruction by supplemental teachers • Supplemental instructional materials, equipment, and software • Instructional coaches providing high quality, school-based professional development pursuant to the TEC, §48.104(j-1)(3) • Increased amount and quality of learning time, and help provide an enriched and accelerated curriculum • High quality and ongoing professional development for instructional staff members that add new competencies specific to the instructional needs of students at risk of dropping out of school • Salaries for instructional staff for the second half of a pre-K program • Provision of effective, timely additional assistance and 		

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Type of Change	Changes to FASRG v. 19						
		<p>activities to students, particularly those most at risk, who have difficulty mastering the proficient or advanced levels of academic achievement standards</p> <ul style="list-style-type: none"> • Development of a schoolwide program in coordination and integration with other federal, state, and local services, resources, and programs 					
Revision (Module 1 FAR Appendices)	<i>A.8.4 Program Intent Codes—Compliance Monitoring</i>						
		<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Program Intent Code 36 Costs to Include:</td> <td style="width: 50%;">Program Intent Code 36 Costs to Exclude (with Correct Program Intent Code):</td> </tr> <tr> <td></td> <td> Costs incurred related to: <ul style="list-style-type: none"> • Expenditures that are for pre-K and are counted toward the 55 percent direct services requirements to students served under SCE funds (PIC 24) </td> </tr> </table>	Program Intent Code 36 Costs to Include:	Program Intent Code 36 Costs to Exclude (with Correct Program Intent Code):		Costs incurred related to: <ul style="list-style-type: none"> • Expenditures that are for pre-K and are counted toward the 55 percent direct services requirements to students served under SCE funds (PIC 24) 	
Program Intent Code 36 Costs to Include:	Program Intent Code 36 Costs to Exclude (with Correct Program Intent Code):						
	Costs incurred related to: <ul style="list-style-type: none"> • Expenditures that are for pre-K and are counted toward the 55 percent direct services requirements to students served under SCE funds (PIC 24) 						
Revision (Module 1 FAR Appendices)	<i>A.8.4 Program Intent Codes—Compliance Monitoring</i>						
	<i>R37</i>	<p>Dyslexia or Related Disorders – Screening, Evaluation, and Identifications</p> <p>This code is used for the costs incurred to screen for, evaluate, or identify dyslexia or a related disorder and for regular education aids and services (e.g., instructional accommodations) provided under a 504 accommodation plan for each student that a school district serves who has been identified as having dyslexia or a related disorder.</p>					

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Type of Change	Changes to FASRG v. 19				
	<p>Costs coded to this PIC will not be included in the calculation for Individuals with Disabilities Education Act, Part B (IDEA-B) maintenance of effort.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 50%; padding: 5px;">Program Intent Code 37 Costs to Include:</th> <th style="width: 50%; padding: 5px;">Program Intent Code 37 Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="padding: 10px; vertical-align: top;"> <ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Tools and instruments used to screen, progress monitor, and/or evaluate for dyslexia and related disorders • Training in the identification of dyslexia for evaluation personnel • Professional development in the science of teaching reading • Regular education aids and services, such as instructional accommodations, provided to a student who has been identified as having dyslexia or a related disorder under a 504 accommodation plan • Personnel costs for the screening, evaluation, and identification of students with dyslexia </td> <td style="padding: 10px; vertical-align: top;"> <ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Services provided to a student who has been identified as having dyslexia or a related disorder and who receives special education and related services (PIC 43) </td> </tr> </tbody> </table>	Program Intent Code 37 Costs to Include:	Program Intent Code 37 Costs to Exclude (with Correct Program Intent Code):	<ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Tools and instruments used to screen, progress monitor, and/or evaluate for dyslexia and related disorders • Training in the identification of dyslexia for evaluation personnel • Professional development in the science of teaching reading • Regular education aids and services, such as instructional accommodations, provided to a student who has been identified as having dyslexia or a related disorder under a 504 accommodation plan • Personnel costs for the screening, evaluation, and identification of students with dyslexia 	<ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Services provided to a student who has been identified as having dyslexia or a related disorder and who receives special education and related services (PIC 43)
Program Intent Code 37 Costs to Include:	Program Intent Code 37 Costs to Exclude (with Correct Program Intent Code):				
<ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Tools and instruments used to screen, progress monitor, and/or evaluate for dyslexia and related disorders • Training in the identification of dyslexia for evaluation personnel • Professional development in the science of teaching reading • Regular education aids and services, such as instructional accommodations, provided to a student who has been identified as having dyslexia or a related disorder under a 504 accommodation plan • Personnel costs for the screening, evaluation, and identification of students with dyslexia 	<ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Services provided to a student who has been identified as having dyslexia or a related disorder and who receives special education and related services (PIC 43) 				

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Type of Change	Changes to FASRG v. 19				
Revision (Module 1 FAR Appendices)	<p><i>A.8.4 Program Intent Codes—Compliance Monitoring</i></p> <p style="text-align: center;">R43</p> <p style="text-align: center;">Dyslexia or Related Disorders – Special Education</p> <p>This code is used for the costs incurred for each student that a school district serves who generates the state dyslexia allotment under the TEC, §48.103, based on identification as a student with dyslexia or a related disorder, and who also receives special education and related services.</p> <p>Costs incurred for dyslexia or dyslexia related disorders coded to this PIC will be included in the calculation for IDEA-B maintenance of effort.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">Program Intent Code 43 Costs to Include:</th> <th style="width: 50%; text-align: left;">Program Intent Code 43 Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Dyslexia instruction by a person with specific training in providing that instruction • Personnel costs for licensed, trained, or certified providers of dyslexia instruction • Evidence-based dyslexia program materials </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Regular education aids and services (such as instructional accommodations) provided under a Section 504 accommodation plan to a student who has been identified as having dyslexia or a related disorder (PIC 37) • Screening for, or evaluation and identification of dyslexia or a related disorder (PIC 37) </td> </tr> </tbody> </table>	Program Intent Code 43 Costs to Include:	Program Intent Code 43 Costs to Exclude (with Correct Program Intent Code):	<ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Dyslexia instruction by a person with specific training in providing that instruction • Personnel costs for licensed, trained, or certified providers of dyslexia instruction • Evidence-based dyslexia program materials 	<ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Regular education aids and services (such as instructional accommodations) provided under a Section 504 accommodation plan to a student who has been identified as having dyslexia or a related disorder (PIC 37) • Screening for, or evaluation and identification of dyslexia or a related disorder (PIC 37)
Program Intent Code 43 Costs to Include:	Program Intent Code 43 Costs to Exclude (with Correct Program Intent Code):				
<ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Dyslexia instruction by a person with specific training in providing that instruction • Personnel costs for licensed, trained, or certified providers of dyslexia instruction • Evidence-based dyslexia program materials 	<ul style="list-style-type: none"> • Costs incurred related to: <ul style="list-style-type: none"> • Regular education aids and services (such as instructional accommodations) provided under a Section 504 accommodation plan to a student who has been identified as having dyslexia or a related disorder (PIC 37) • Screening for, or evaluation and identification of dyslexia or a related disorder (PIC 37) 				

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Type of Change	Changes to FASRG v. 19															
Revision (Module 1 FAR Appendices)	<p><i>C.1.3 Reimbursements</i></p> <p>Assume that an expenditure of \$1,000 for instructional general supplies is recorded in the general fund (199). Subsequent review of purchase orders and the invoice indicate that \$400 of these supplies were applicable to the Title I, Part A—Improving Basic Programs program in the special revenue fund (211). The following entries are required to reimburse the general fund and to appropriately charge expenditures to the special revenue fund.</p> <p>A. Reimburse the general fund for special revenue fund (Title I, Part A—Improving Basic Programs), general supplies, P.O. #01003, invoice date 9/10/20XX.</p>															
Revision (Module 1 FAR Appendices)	<p><i>C.1.4 Interfund Loans</i></p> <p>Assume that the Title I, Part A—Improving Basic Programs program has not been advanced adequate funds for its immediate operations, and funds are forthcoming from the federal government. Expenditures of \$5,000 have been made for the program, and an interfund loan from the general fund is made to allow payment of incurred expenditures. The following entries are made to record the interfund loan and its subsequent repayment.</p> <p>A. Record the interfund loan from the general fund to the Title I, Part A—Improving Basic Programs Fund.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 60%;">Account</th> <th style="width: 20%;">Debit</th> <th style="width: 20%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Due from Special Revenue Fund</td> <td></td> <td></td> </tr> <tr> <td>199-00-1262-00-000-Y-00-0-00</td> <td style="text-align: center;">\$5,000</td> <td></td> </tr> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>199-00-1110-00-000-Y-00-0-00</td> <td></td> <td style="text-align: center;">\$5,000</td> </tr> </tbody> </table> <p>B. Record the interfund loan from general fund to the Title I, Part A—Improving Basic Programs Fund.</p>	Account	Debit	Credit	Due from Special Revenue Fund			199-00-1262-00-000-Y-00-0-00	\$5,000		Cash and Temporary Investments			199-00-1110-00-000-Y-00-0-00		\$5,000
Account	Debit	Credit														
Due from Special Revenue Fund																
199-00-1262-00-000-Y-00-0-00	\$5,000															
Cash and Temporary Investments																
199-00-1110-00-000-Y-00-0-00		\$5,000														

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Type of Change	Changes to FASRG v. 19																																										
Revision (Module 1 FAR Appendices)	<p><i>C.8.1 Federally Financed Grant Funded Through TEA, Example 1</i></p> <p>A. The total grant of \$102,000 is for the 12-month project period beginning July 1, 201X and ending June 30, 201X. The indirect cost is budgeted in the general fund and the remainder of the grant is budgeted in the special revenue fund (Title I, Part A— Improving Basic Programs).</p> <p style="padding-left: 40px;">1. Record the project budget in the special revenue fund.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-left: 40px;"> <thead> <tr> <th style="width: 60%;">Account</th> <th style="width: 20%;">Debit</th> <th style="width: 20%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Estimated Revenues—Federal Revenues</td> <td></td> <td></td> </tr> <tr> <td>Distributed by TEA (Title I, Part A)</td> <td></td> <td></td> </tr> <tr> <td>211-00-5929-00-000-Y-00-0-00</td> <td style="text-align: right;">\$102,000</td> <td></td> </tr> <tr> <td>Estimated Revenues—Federal Revenues</td> <td></td> <td></td> </tr> <tr> <td>Distributed by TEA (Title I, Part A— Indirect Cost)</td> <td></td> <td></td> </tr> <tr> <td>211-00-5929-01-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$2,000</td> </tr> <tr> <td>Appropriations</td> <td></td> <td></td> </tr> <tr> <td>211-XX-(61XX-64XX)-00-XXX-Y-24-0-00</td> <td></td> <td style="text-align: right;">\$100,000</td> </tr> </tbody> </table> <p>B. The project is advanced \$25,000 by TEA. This money has not been earned and is not revenue. Since the indirect cost is based on applicable budgeted expenditures, any amount due to the general fund cannot be determined at this time.</p> <p style="padding-left: 40px;">2. Record receipt of cash advance from TEA.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-left: 40px;"> <thead> <tr> <th style="width: 60%;">Account</th> <th style="width: 20%;">Debit</th> <th style="width: 20%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>211-00-1110-00-000-Y-00-0-00</td> <td style="text-align: right;">\$25,000</td> <td></td> </tr> <tr> <td>Deferred Inflow of Resources (Revenue)</td> <td></td> <td></td> </tr> <tr> <td>211-00-2310-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$25,000</td> </tr> </tbody> </table> <p>C. The first quarterly report is issued showing total expenditures of \$26,000; the cash advance plus \$1,000 of the district funds that are to be reimbursed to the school district were used during the period for the project. The indirect cost was earned on the basis</p>	Account	Debit	Credit	Estimated Revenues—Federal Revenues			Distributed by TEA (Title I , Part A)			211-00-5929-00-000-Y-00-0-00	\$102,000		Estimated Revenues—Federal Revenues			Distributed by TEA (Title I , Part A— Indirect Cost)			211-00-5929-01-000-Y-00-0-00		\$2,000	Appropriations			211-XX-(61XX-64XX)-00-XXX-Y-24-0-00		\$100,000	Account	Debit	Credit	Cash and Temporary Investments			211-00-1110-00-000-Y-00-0-00	\$25,000		Deferred Inflow of Resources (Revenue)			211-00-2310-00-000-Y-00-0-00		\$25,000
Account	Debit	Credit																																									
Estimated Revenues—Federal Revenues																																											
Distributed by TEA (Title I , Part A)																																											
211-00-5929-00-000-Y-00-0-00	\$102,000																																										
Estimated Revenues—Federal Revenues																																											
Distributed by TEA (Title I , Part A— Indirect Cost)																																											
211-00-5929-01-000-Y-00-0-00		\$2,000																																									
Appropriations																																											
211-XX-(61XX-64XX)-00-XXX-Y-24-0-00		\$100,000																																									
Account	Debit	Credit																																									
Cash and Temporary Investments																																											
211-00-1110-00-000-Y-00-0-00	\$25,000																																										
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211-00-2310-00-000-Y-00-0-00		\$25,000																																									

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Type of Change	Changes to FASRG v. 19		
	<p>of the expenditures and is credited as revenue to the general fund. The cash was disbursed at various times to retire project liabilities.</p> <p>3. Record the project expenditures and revenues.</p>		
	Account	Debit	Credit
	Expenditures		
	211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$26,000	
	Deferred Inflow of Resources (Revenue)		
	211-00-2310-00-000-Y-00-0-00	\$25,000	
	Due from TEA		
	211-00-1241-00-000-Y-00-0-00	\$1,520	
	Account Payable		
	211-00-2110-00-000-Y-00-0-00		\$26,000
	Revenues—Federal Revenues Distributed by TEA		
	(Title I, Part A)		
	211-00-5929-00-000-Y-00-0-00		\$26,520
	4. Record the indirect cost revenue.		
	Account	Debit	Credit
	Revenues—Federal Revenues Distributed by TEA		
	(Title I, Part A)		
	211-00-5929-01-000-Y-00-0-00	\$520	
	Due to General Fund		
	199-00-2171-00-000-Y-00-0-00		\$520
	Due from Special Revenue Fund		
	199-00-1262-00-000-Y-00-0-00	\$520	

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Type of Change	Changes to FASRG v. 19		
	Revenues—Federal Revenues Distributed by		
	TEA (Title I, Part A)		
	199-00-5929-00-000-Y-00-0-00		\$520
	5. Record the payment of project liabilities.		
	Account	Debit	Credit
	Accounts Payable		
	211-00-2110-00-000-Y-00-0-00	\$26,000	
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00		\$26,000
	D. On the basis of the first quarterly report, a warrant in the amount of \$27,920 is received from TEA, reimbursing the school district for \$1,520 in earned revenue and advancing \$26,400 for project use during the second quarter.		
	6. Record the receipt of revenue and cash advance from TEA.		
	Account	Debit	Credit
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00	\$27,400	
	Due to General Fund		
	211-00-2171-00-000-Y-00-0-00	\$520	
	Due from TEA		
	211-00-1241-00-000-Y-00-0-00		\$1,520
	Deferred Inflow of Resources (Revenue)		
	211-00-2310-00-000-Y-00-0-00		\$26,400
	Cash and Temporary Investments		
	199-00-1110-00-000-Y-00-0-00	\$520	

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Type of Change	Changes to FASRG v. 19		
	Due from Special Revenue Fund		
	199-00-1262-00-000-Y-00-0-00		\$520
	<p>E. The second quarterly report is issued showing total expenditures of \$21,000 which is \$5,400 less than the amount advanced for the second quarter. The indirect cost of \$420, based on the amount of expenditures, is credited as revenue to the general fund, further reducing deferred inflow of resources (revenues) to \$4,980. Cash was disbursed at various times to retire project liabilities.</p> <p style="padding-left: 40px;">7. Record the project expenditures and revenues.</p>		
	Account	Debit	Credit
	Expenditures		
	211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$21,000	
	Deferred Inflow of Resources (Revenue)		
	211-00-2310-00-000-Y-00-0-00	\$21,420	
	Accounts Payable		
	211-00-2110-00-000-Y-00-0-00		\$21,000
	Revenues—Federal Revenues Distributed by TEA		
	(Title I, Part A)		
	211-00-5929-00-000-Y-00-0-00		\$21,000
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00		\$420
	Cash and Temporary Investments		
	199-00-1110-00-000-Y-00-0-00	\$420	
	Revenues - Federal Revenues Distributed by TEA		
	(Title I, Part A)		
	199-00-5929-00-000-Y-00-0-00		\$420

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Type of Change	Changes to FASRG v. 19																
	<p>8. Record the retirement of project liabilities.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Account</th> <th style="width: 20%;">Debit</th> <th style="width: 20%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Accounts Payable</td> <td></td> <td></td> </tr> <tr> <td>211-00-2110-00-000-Y-00-0-00</td> <td style="text-align: right;">\$21,000</td> <td></td> </tr> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>211-00-1110-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$21,000</td> </tr> </tbody> </table>		Account	Debit	Credit	Accounts Payable			211-00-2110-00-000-Y-00-0-00	\$21,000		Cash and Temporary Investments			211-00-1110-00-000-Y-00-0-00		\$21,000
Account	Debit	Credit															
Accounts Payable																	
211-00-2110-00-000-Y-00-0-00	\$21,000																
Cash and Temporary Investments																	
211-00-1110-00-000-Y-00-0-00		\$21,000															
	<p>F. On the basis of the second quarterly report, a warrant is received from TEA advancing \$18,700 for project use during the third quarter.</p> <p>9. Record receipt of cash advance from TEA.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Account</th> <th style="width: 20%;">Debit</th> <th style="width: 20%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>211-00-1110-00-000-Y-00-0-00</td> <td style="text-align: right;">\$18,700</td> <td></td> </tr> <tr> <td>Deferred Inflow of Resources (Revenue)</td> <td></td> <td></td> </tr> <tr> <td>211-00-2310-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$18,700</td> </tr> </tbody> </table>		Account	Debit	Credit	Cash and Temporary Investments			211-00-1110-00-000-Y-00-0-00	\$18,700		Deferred Inflow of Resources (Revenue)			211-00-2310-00-000-Y-00-0-00		\$18,700
Account	Debit	Credit															
Cash and Temporary Investments																	
211-00-1110-00-000-Y-00-0-00	\$18,700																
Deferred Inflow of Resources (Revenue)																	
211-00-2310-00-000-Y-00-0-00		\$18,700															
	<p>G. The third quarterly report is issued showing total expenditures of \$18,000, which is \$5,680 less than deferred inflow of resources (revenues) during previous quarters. Indirect cost of \$360, based on the amount of expenditures, is credited as revenue to the general fund, further reducing unavailable/deferred inflows of resources (revenues) to \$5,320. Cash was disbursed at various times to retire project liabilities. No additional cash advances are to be made by TEA for this project.</p> <p>10. Record the project expenditures and revenues.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Account</th> <th style="width: 20%;">Debit</th> <th style="width: 20%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Expenditures</td> <td></td> <td></td> </tr> <tr> <td>211-XX-(61XX-64XX)-00-XXX-Y-24-0-00</td> <td style="text-align: right;">\$18,000</td> <td></td> </tr> <tr> <td>Deferred Inflow of Resources (Revenue)</td> <td></td> <td></td> </tr> <tr> <td>211-00-2310-00-000-Y-00-0-00</td> <td style="text-align: right;">\$18,360</td> <td></td> </tr> </tbody> </table>		Account	Debit	Credit	Expenditures			211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$18,000		Deferred Inflow of Resources (Revenue)			211-00-2310-00-000-Y-00-0-00	\$18,360	
Account	Debit	Credit															
Expenditures																	
211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$18,000																
Deferred Inflow of Resources (Revenue)																	
211-00-2310-00-000-Y-00-0-00	\$18,360																

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Type of Change	Changes to FASRG v. 19		
	Accounts Payable		
	211-00-2110-00-000-Y-00-0-00		\$18,000
	Revenues—Federal Revenues Distributed by TEA (Title I Part A)		
	211-00-5929-00-000-Y-00-0-00		\$18,000
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00		\$360
	Cash and Temporary Investments		
	199-00-1110-00-000-Y-00-0-00	\$360	
	Revenues—Federal Revenues Distributed by TEA (Title I, Part A)		
	199-00-5929-00-000-Y-00-0-00		\$360
	11. Record the retirement of project liabilities.		
	Account	Debit	Credit
	Accounts Payable		
	211-00-2110-00-000-Y-00-0-00	\$18,000	
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00		\$18,000
	H. The final completion report is issued showing total expenditures of \$20,000 for the fourth quarter and indirect cost revenue earned of \$400. Since the expenditures and indirect cost exceed revenues deferred from previous quarters by \$15,080, a receivable from TEA is recorded. Cash was disbursed at various times to retire project liabilities.		
	12. Record the project expenditures, revenues, and receivables.		

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Type of Change	Changes to FASRG v. 19		
	Account	Debit	Credit
	Expenditures		
	211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$20,000	
	Deferred Inflow of Resources (Revenue)		
	211-00-2310-00-000-Y-00-0-00	\$5,320	
	Due from TEA		
	211-00-1241-00-000-Y-00-0-00	\$15,080	
	Accounts Payable		
	211-00-2110-00-000-Y-00-0-00		\$20,000
	Revenues—Federal Revenues Distributed by TEA (Title I, Part A)		
	211-00-5929-00-000-Y-00-0-00		\$20,000
	Due to General Fund		
	211-00-2171-00-000-Y-00-0-00		\$400
	Due from Special Revenue Fund		
	199-00-1262-00-000-Y-00-0-00	\$400	
	Revenues—Federal Revenues Distributed by TEA (Title I, Part A)		
	199-00-5929-00-000-Y-00-0-00		\$400
	13. Record the retirement of project liabilities.		
	Account	Debit	Credit
	Accounts Payable		

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Type of Change	Changes to FASRG v. 19																																																					
	211-00-2110-00-000-Y-00-0-00	\$20,000																																																				
	Cash and Temporary Investments																																																					
	211-00-1110-00-000-Y-00-0-00		\$20,000																																																			
	<p>i. A warrant in the amount of \$15,080 is received from TEA, and the project is closed.</p> <p style="padding-left: 40px;">14. Record the receipt of reimbursement from TEA.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-left: 40px;"> <thead> <tr> <th style="width: 40%;">Account</th> <th style="width: 15%;">Debit</th> <th style="width: 15%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>211-00-1110-00-000-Y-00-0-00</td> <td style="text-align: center;">\$14,680</td> <td></td> </tr> <tr> <td>Due to General Fund</td> <td></td> <td></td> </tr> <tr> <td>211-00-2171-00-000-Y-00-0-00</td> <td style="text-align: center;">\$400</td> <td></td> </tr> <tr> <td>Due from TEA</td> <td></td> <td></td> </tr> <tr> <td>211-00-1241-00-000-Y-00-0-00</td> <td></td> <td style="text-align: center;">\$15,080</td> </tr> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>199-00-1110-00-000-Y-00-0-00</td> <td style="text-align: center;">\$400</td> <td></td> </tr> <tr> <td>Due from Special Revenue Fund</td> <td></td> <td></td> </tr> <tr> <td>199-00-1262-00-000-Y-00-0-00</td> <td></td> <td style="text-align: center;">\$400</td> </tr> </tbody> </table> <p style="padding-left: 40px;">15. Close the project.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-left: 40px;"> <thead> <tr> <th style="width: 40%;">Account</th> <th style="width: 15%;">Debit</th> <th style="width: 15%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Appropriations</td> <td></td> <td></td> </tr> <tr> <td>199-XX-(61XX-64XX)-00-XXX-Y-24-0-00</td> <td style="text-align: center;">\$2,000</td> <td></td> </tr> <tr> <td>Estimated Revenues—Federal Revenues</td> <td></td> <td></td> </tr> <tr> <td>Distributed by TEA (Title I, Part A)</td> <td></td> <td></td> </tr> <tr> <td>199-00-5929-00-000-Y-00-0-00</td> <td></td> <td style="text-align: center;">\$2,000</td> </tr> </tbody> </table>			Account	Debit	Credit	Cash and Temporary Investments			211-00-1110-00-000-Y-00-0-00	\$14,680		Due to General Fund			211-00-2171-00-000-Y-00-0-00	\$400		Due from TEA			211-00-1241-00-000-Y-00-0-00		\$15,080	Cash and Temporary Investments			199-00-1110-00-000-Y-00-0-00	\$400		Due from Special Revenue Fund			199-00-1262-00-000-Y-00-0-00		\$400	Account	Debit	Credit	Appropriations			199-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$2,000		Estimated Revenues—Federal Revenues			Distributed by TEA (Title I, Part A)			199-00-5929-00-000-Y-00-0-00		\$2,000
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Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19																										
	Revenues—Federal Revenues Distributed by TEA																										
	(Title I, Part A)																										
	211-00-5929-00-000-Y-00-0-00	\$85,000																									
	Appropriations																										
	211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$100,000																									
	Estimated Revenues—Federal Revenues Distributed by TEA																										
	(Title I, Part A)																										
	211-00-5929-00-000-Y-00-0-00		\$100,000																								
	Expenditures																										
	211-00-(61XX-64XX)-00-XXX-Y-24-0-00		\$85,000																								
Revision (Module 1 FAR Appendices)	<p><i>C.8.2 Closing a Federally Financed Grant Funded Through TEA</i></p> <p>A. The final completion report is issued showing total expenditures of \$20,000 for the fourth quarter and indirect cost revenue earned of \$400. Since expenditures and indirect cost are \$1,000 less than revenues deferred, a payable to TEA is recorded.</p> <p style="padding-left: 40px;">1. Record project expenditures, revenues, and payables.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-left: 40px;"> <thead> <tr> <th style="width: 40%;">Account</th> <th style="width: 30%;">Debit</th> <th style="width: 30%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Deferred Inflows of Resources (Revenue)</td> <td></td> <td></td> </tr> <tr> <td>211-00-2310-00-000-Y-00-0-00</td> <td style="text-align: right;">\$21,400</td> <td></td> </tr> <tr> <td>Expenditures</td> <td></td> <td></td> </tr> <tr> <td>211-XX-(61XX-64XX)-00-XXX-Y-24-0-00</td> <td style="text-align: right;">\$20,000</td> <td></td> </tr> <tr> <td>Accounts Payable</td> <td></td> <td></td> </tr> <tr> <td>211-00-2110-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$20,000</td> </tr> <tr> <td>Revenues—Federal Revenues Distributed by</td> <td></td> <td></td> </tr> </tbody> </table>			Account	Debit	Credit	Deferred Inflows of Resources (Revenue)			211-00-2310-00-000-Y-00-0-00	\$21,400		Expenditures			211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$20,000		Accounts Payable			211-00-2110-00-000-Y-00-0-00		\$20,000	Revenues—Federal Revenues Distributed by		
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Revenues—Federal Revenues Distributed by																											

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19		
	TEA (Title I, Part A)		
	211-00-5929-00-000-Y-00-0-00		\$20,000
	Due to General Fund		
	211-00-2171-00-000-Y-00-0-00		\$400
	Due to TEA		
	211-00-2181-00-000-Y-00-0-00		\$1,000
	Due from Special Revenue Fund		
	199-00-1262-00-000-Y-00-0-00	\$400	
	Revenues—Federal Revenues Distributed by TEA		
	(Title I, Part A)		
	199-00-5929-00-000-Y-00-0-00		\$400
<p>B. Throughout the fourth quarter, project liabilities were being paid. On July 15, 201X, all remaining project liabilities are paid, and the project is closed.</p> <p style="margin-left: 40px;">2. Record the payment of project liabilities.</p>			
	Account	Debit	Credit
	Accounts Payable		
	211-00-2110-00-000-Y-00-0-00	\$20,000	
	Due to General Fund		
	211-00-2171-00-000-Y-00-0-00	\$400	
	Due to TEA		
	211-00-2181-00-000-Y-00-0-00	\$1,000	
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00		\$21,400

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Type of Change	Changes to FASRG v. 19		
	Cash and Temporary Investments		
	199-00-1110-00-000-Y-00-0-00	\$400	
	Due from Special Revenue Fund		
	199-00-1262-00-000-Y-00-0-00		\$400
	3. Close the project.		
	Account	Debit	Credit
	Appropriations		
	199-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$2,000	
	Estimated Revenues—Federal Revenues Distributed		
	by TEA (Title I , Part A)		
	199-00-5929-00-000-Y-00-0-00		\$2,000
	Revenues—Federal Revenues Distributed by TEA		
	(Title I , Part A)		
	211-00-5929-00-000-Y-00-0-00	\$85,000	
	Appropriations		
	211-00-(61XX-64XX)-00-XXX-Y-24-0-00	\$100,000	
	Estimated Revenues—Federal Revenues Distributed		
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	211-00-5929-00-000-Y-00-0-00		\$100,000
	Expenditures		
	211-00-(61XX-64XX)-00-XXX-Y-24-0-00		\$85,000
Revision (Module 1 FAR Appendices)	<p><i>C.9.1 Right to Use Leased Assets</i></p> <p>Note: Before entering into a right to use leased asset agreement as defined by GASB Statement No. 87, ensure this is an allowable expenditure under the grant terms.</p>		

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19
	A school district enters into a lease-purchase (capital lease) agreement for an elementary school computer lab to be used in its Title I , Part A—Improving Basic Programs program.
Revision (Module 1 FAR Appendices)	C.13.1.1 Example 2 B. Record the salary earned from the special revenue fund (Title I , Part A—Improving Basic Programs).
Revision (Module 1 FAR Appendices)	<p style="text-align: center;">F.2 Example Independent School District Annual Financial and Compliance Report</p> <p>AP4 Actual direct program expenditures for state compensatory education programs during the district’s fiscal year. (PICs 24,26,28,29,30) \$ _____</p> <p style="text-align: center;"><u>Section B: Bilingual Education Allotment Programs</u></p> <p>AP5 Did your district expend any bilingual education program state allotment funds during the district’s fiscal year? Yes / No</p> <p>AP6 Does the district have written policies and procedures for its bilingual education allotment program? Yes / No</p> <p>AP7 Total state allotment funds received for bilingual education allotment programs during the district’s fiscal year. \$ _____</p> <p>AP8 Actual direct program expenditures for bilingual education allotment programs during the district’s fiscal year. (PIC 25) \$ _____</p>
Revision (Module 1 FAR Appendices)	<p style="text-align: center;">F.2 Example Independent School District Annual Financial and Compliance Report</p> <p>SF5 Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds and/or substantial doubt about the school district’s ability to continue as a going concern?</p>

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Type of Change	Changes to FASRG v. 19
	<p>SF6 Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?</p> <p>SF7 Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code, and other statutes, laws and rules that were in effect at the school district's fiscal year-end?</p> <p>SF8 Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the school district adopted its budget?</p> <p>SF9 Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end</p> <p>NOTE: This schedule is to be included as part of the annual financial audit report (AFR) data feed submission on the required due date. It is not required to be published as a part of the school district's AFR as an Adobe Acrobat portable document file (pdf).</p>
Revision (Module 2)	<p style="text-align: center;">Financial Accountability System Resource Guide, Update 19</p> <p style="text-align: center;">Module 2: Special Supplement – Charter Schools</p> <p style="text-align: center;">Texas Education Agency 2024</p>
Revision (Module 2)	<p><i>2.2.5.1 Cash and Investments</i></p> <p>According to 19 TAC §100.1045, a charter holder should invest state funds in accordance with Government Code, §§2256.009–2256.016 (also known as the Public Funds Investment Act). State funds invested by a charter holder should be maintained in a discrete charter investment account, separate and distinct from the operating accounts for the charter school and separate and distinct from any investment accounts related to non-charter activities. A charter holder should invest state funds in accordance with any applicable provision or covenant contained in a debt instrument, bond indenture, or similar agreement.</p>

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Type of Change	Changes to FASRG v. 19
	<p>Nothing in 19 TAC §100.1045 authorizes the investment of state or federal grant funds, unless investment of such funds is expressly authorized under the terms of the grant.</p> <p>Investment of state funds should be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of state funds should be governed by the following investment objectives, in order of priority:</p> <ul style="list-style-type: none"> • preservation and safety of principal; • liquidity; and • yield.
Revision (Module 2)	<p><i>2.2.5.2 Capital Assets</i></p> <p>Charter schools should maintain accurate capital asset records that include the following information:</p>
Revision (Module 2)	<p><i>2.2.5.3 Net Assets</i></p> <p>FASB Accounting Standards Codification (ASC) 958-225-45 (Other Presentation Matters) indicates that the reclassification of net assets attributable to the expiration of donor-imposed restrictions should be reported as separate items.</p>
Revision (Module 2)	<p><i>2.2.7.2 On-behalf Payments</i></p> <p>Direct payments made by a paying entity on behalf of another, legally separate entity (employer entity) to a third-party recipient which relate to fringe benefits or salaries (“on-behalf payments”) must be recognized as revenues and expenditures/expenses by the recipient employer entity. As a result, payments (contributions) made by the state (the “paying entity”) to the TRS (the third-party recipient) on behalf of a charter school (an “employer entity”) must be recorded as equal revenues and expenditures/expenses of the school district. This section provides a discussion of on behalf payments and methods for calculating and accounting for them.</p> <p>Overview of Teacher Retirement Contributions and Payments</p> <p>Employees of a charter school that are eligible for teacher retirement have a percentage of their salaries withheld to be paid to the TRS. In addition, the state pays matching funds to the TRS on behalf of the employees. The “matching amount” is not always equal to the deducted</p>

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Type of Change	Changes to FASRG v. 19
	<p>amount. For example, 8.35 percent may be deducted from employee gross pay (7.5 percent for teacher retirement and 1.25 percent for TRS-Care, the TRS health plan for retired employees) and the state may match with 7.5 percent for retirement and 1.25 percent for TRS-Care for a total matching amount of 8.75 percent. For a complete listing of contribution rates, see Reporting Contribution Rates on the TRS website. Charter schools (rather than the state) must pay the matching amounts for charter school employees that are paid from federal funds. Additionally, under certain circumstances, the charter school must pay a portion of the matching amounts for professional employees paid from non-federal sources. The matching amounts that are not paid by charter schools are paid by the state of Texas. These matching amounts paid by the state on behalf of a charter school's employees must be recorded by the school district as on-behalf payment revenues and expenditures. For more information on TRS contributions and reporting requirements, refer to the TRS payroll reporting manual.</p> <p>On-behalf Payments</p> <p>One method for calculating the amount of on-behalf revenue and expenditure/expense is as follows:</p> <ol style="list-style-type: none"> 1. Sum the employee salaries, both from federal and non-federal sources, subject to TRS deductions for the fiscal year. 2. Multiply this sum by the state TRS matching rate (add the retirement rate and the TRS-Care rates). This product is the total TRS matching expenditure paid, regardless of who paid the matching amount. 3. Sum the TRS matching amounts paid by the school district for the fiscal year, including the statutory minimum matching, federal grant matching, private grant, 90-day new employee, and TRS-Care matching. 4. Subtract the sum of the TRS matching amounts paid by the school district (step 3) from the total TRS matching expenditure paid. The remainder is the amount of matching expenditure that must be recorded by the school district as an on-behalf expenditure. 5. Record the expenditure in the accounting records. <p>An example of how to implement this method of calculating the on-behalf expenditure is found in Exhibit 2.2.7.2.A.</p> <hr/> <p style="text-align: center;">Exhibit 2.2.7.2.A Possible Methodology for Calculation and Recording On-behalf Payment Expenditures</p> <hr/>

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Step 1

Sum the salaries subject to TRS deductions for the year.

Assume a charter school has salaries subject to TRS deductions totaling **\$3,000,000** for the fiscal year.

Step 2

Multiply this sum by the state TRS matching rate. (Add the matching retirement rate and the matching TRS-Care rate.)

Assume that the TRS matching rate is **7.58%**. (6.58% for the matching retirement rate and 1% for the matching TRS-Care rate)
** The TRS rate is for example purposes only.*

Step 3

Multiply Part 1 X Part 2

$\$3,000,000 \times 7.58\% = \mathbf{\$227,400}$

Step 4

Sum the TRS matching amounts paid by the charter school for the fiscal year.

Statutory Minimum \$60,950 + Federal Grant \$36,550 + TRS-Care \$2,500 = **\$100,000**
**Matching amounts are for example purposes only.*

Step 5

Subtract the sum of the TRS matching expenditures paid by the charter school (step 3) from the total TRS matching expenditure (step 4).

$\mathbf{\$227,400 - \$100,000 = \$127,400}$
Record the on-behalf expenditure in the accounting records.

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Type of Change	Changes to FASRG v. 19
	End of Exhibit 2.2.7.2.A
Addition (Module 2)	<p>2.2.7.3 <i>Accounting for Leases</i></p> <p>A lease is a contract, or part of a contract, that conveys the right to use the identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration. FASB requires a lessee to recognize a right-of-use asset and a lease liability for the lease term. Accounting for the different types of leases is described below. Note that payments to be made in optional periods should be included in the measurement of the underlying asset only if the lessee is <i>reasonably certain</i>¹⁵ to exercise an option to extend the lease or not to exercise an option to terminate the lease. Similarly, optional payments to purchase the underlying asset should be included in the measurement of lease assets and lease liabilities only if the lessee is reasonably certain to exercise that purchase option.</p> <p>For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term.</p> <p>Lessee Accounting</p> <p>A lessee should classify a lease as a finance lease when the lease meets any of the criteria below at lease commencement. If none of these criteria are met, the lease should be classified as an operating lease.</p> <ul style="list-style-type: none"> • The lease transfers ownership of the underlying asset to the lessee by the end of the lease term. • The lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise. • The lease term is for the major part of the remaining economic life of the underlying asset. However, if the commencement date falls at or near the end of the economic life of the underlying asset, this criterion should not be used for purposes of classifying the lease.

¹⁵ [FASB ASU 2016-02, Leases \(Topic 842\)](#)

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Type of Change	Changes to FASRG v. 19
	<ul style="list-style-type: none"> • The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments equals or exceeds substantially all of the fair value of the underlying asset. • The underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. <p><i>Finance Leases</i></p> <p>A lessee should recognize a right-of-use asset and a lease liability for finance leases, initially measured at the present value of the lease payments, in the statement of financial position. Additionally, a lessee should recognize interest on the lease liability separately from amortization of the right-of-use asset. A lessee should classify repayments of the principal portion of the lease liability within financing activities and payments of interest on the lease liability and variable lease payments within operating activities in the statement of cash flows.</p> <p><i>Operating Leases</i></p> <p>A lessee should recognize a right-of-use asset and a lease liability for operating leases, initially measured at the present value of the lease payments, in the statement of financial position. Additionally, a lessee should recognize a single lease cost, calculated so that the costs of the lease is allocated over the lease term on a generally straight-line basis. A lessee should classify all cash payments within operating activities in the statement of cash flows.</p> <p><i>Lessor Accounting</i></p> <ul style="list-style-type: none"> • A lessor should classify a lease as a sales-type lease when the lease meets any of the criteria below at lease commencement. If none of these criteria are met, the lease should be classified as either a direct financing lease or an operating lease. • The lease transfers ownership of the underlying asset to the lessee by the end of the lease term. • The lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise. • The lease term is for the major part of the remaining economic life of the underlying asset. However, if the commencement date falls at or near the end of the economic life of the underlying asset, this criterion should not be used for purposes of classifying the lease.

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	<ul style="list-style-type: none"> • The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments equals or exceeds substantially all of the fair value of the underlying asset. • The underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. <p>A lessor should recognize lease income for sales-type and direct financing leases in accordance with FASB guidance for each type of lease.</p> <p><i>Sales-Type Leases</i></p> <p>At the commencement date, a lessor should measure the net investment in a sales-type lease to include the lease receivable¹⁶ and the unguaranteed residual asset at the present value of the amount the lessor expects to derive from the underlying asset following the end of the lease term that is not guaranteed by the lessee or any other third party unrelated to the lessor, discounted using the rate implicit in the lease. A lease receivable is a lessor’s right to receive lease payments plus any amount that a lessor expects to derive from the underlying asset following the end of the lease term to the extent that it is guaranteed by the lessee or any other third party unrelated to the lessor, measured on a discounted basis.</p> <p><i>Direct Financing Leases</i></p> <p>At the commencement date, a lessor should measure the net investment in a direct financing lease to include the lease receivable less the amount of any selling profit.</p> <p>⁴ FASB ASU 2016-02, Leases (Topic 842)</p> <p>⁵ FASB Accounting Standards Update (ASU) Leases (Topic 842) No. 2016-02</p>
Revision (Module 2)	<h3 style="color: #4F81BD;">2.3.2 Components of the AFR</h3> <p>22. Schedule of Related Party Transactions (Exhibit B.20) (if applicable), and</p> <p>23. Schedule of Related Party Compensation and Benefits (Exhibit B.21) (if applicable).</p> <p>24. Use of Funds Report (Exhibit B.22)</p>
Revision (Module 2)	<h3 style="color: #4F81BD;">2.3.2 Components of the AFR</h3>

¹⁶ [FASB Accounting Standards Update \(ASU\) Leases \(Topic 842\) No. 2016-02](#)

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Type of Change	Changes to FASRG v. 19
	<p>State Requirements – Reporting on Individual Schools</p> <p>The Statement of Financial Position for Individual Charter School (Exhibit B.7), Statement of Activities for Individual Charter School (Exhibit B.8), Statement of Cash Flows for Individual Charter School (Exhibit B.9), Schedule of Expenses (Exhibit B.10), Schedule of Assets (Exhibit B.11), Budgetary Comparison Schedule (Exhibit B.12), Schedule of Findings and Questioned Costs (Exhibit B.15), Schedule of Real Property Ownership Interest (Exhibit B.19, if applicable), Schedule of Related Party Transactions (Exhibit B.20, if applicable), and Schedule of Related Party Compensation and Benefits (Exhibit B.21, if applicable) must be prepared for each individual charter school operated by the charter holder having a separate six-digit county-district number. These exhibits and the certification of board represent special- purpose statements necessary for TEA’s oversight of charter school financial and programmatic operations. The certificate of board and the exhibits adhere to the requirements of the Texas Education Code and the contract for charter and will be used to ensure compliance with certain statutory, regulatory and contractual requirements, including the TEDS.</p>
Revision (Module 2)	<p>2.4.2 State Compliance</p> <p>In general, there are several law or rule documents that may specifically apply to charter schools. These are:</p> <ul style="list-style-type: none"> • the Texas Education Code (TEC) • the Texas Administrative Code (TAC) • TEA Financial Accountability System Resource Guide (FASRG) • TEA Student Attendance Accounting Handbook (SAAH) • Texas Education Data Standards (TEDS)
Revision (Module 2)	<p>2.3.3.2 Management Companies</p> <p>According to 19 TAC §100.1153, the charter holder is required to separately disclose in the annual audit any member of the governing body of the charter holder or a charter school and any officer or employee of a charter school, who has a substantial interest in a management company. If a person is prohibited by this section from serving as a member of the governing body of a charter holder, as a member of the governing body of a charter school, or as an officer or employee of a charter school, the charter holder should remove the individual from such position immediately.</p>
Revision (Module 2)	<p>2.4.2.2 Conflicts of Interest</p> <p>As discussed in the TEC, §12.1054, if a charter school is rated acceptable or higher, then a charter school employee may serve as a member of the governing body of the charter holder or the charter school if the employees do not constitute a quorum of the governing body or any</p>

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Change Document

Type of Change	Changes to FASRG v. 19
	<p>committee of the governing body. However, all individuals serving on the governing body should comply with Local Government Code, §§171.003-171.007.</p>
Revision (Module 2)	<p>2.4.2.5 Texas Grant Management Standards</p> <p>The Texas Grant Management Standards (TxGMS) replaces the Uniform Grant Management Standards (UGMS) and provide a standardized set of financial management procedures for grantor agencies in Texas. State agencies are required to adhere to these standards when administering grants and other financial assistance agreements with cities, counties, and other political subdivisions of the state.</p> <p>Chapter 783 of the Government Code excludes school districts; however, to further consistency and accountability, some state agencies have applied these standards by rule or contract to all their subrecipients.</p> <p>If a charter school receives state grants directly or federal block grants from a state agency other than TEA, the auditor must check the grant requirements of that agency, since some require a state single audit for that specific grant, i.e., the charter school may agree voluntarily to a state single audit as a condition of receiving the grant.</p> <p>The Texas Grant Management Standards are found on the Comptroller of Public Accounts website.</p>
Revision (Module 2)	<p>2.5 Budgeting</p> <p>In addition to the requirements discussed in the section noted above, the governing body of the charter school must formally adopt the charter school’s budget prior to the start of the fiscal year and before the expenditure of funds. The adopted budget must include all expenses and must be prepared in a manner consistent with the account code structure used by the charter school. The accounting code structure is illustrated in the FASRG, Module 3, Exhibit 3.1. In addition to the budget’s initial adoption, the governing body of the charter school must also formally adopt amendments to the charter school’s budget.</p> <p>The nonprofit charter school’s adopted budget must be itemized in detail according to the classification and purpose of expenditure, at least at the fund and function level, using the accounting code structure specified in Module 3, Exhibit 3.1. In addition, the charter school’s adopted budget must be on a 12-month basis. The adopted budget, as necessarily amended, must be filed with TEA through the TSDS PEIMS in the manner specified in the TEDS.</p> <p>The minutes to the meetings of the governing body of the charter school must be used to record adoption of and amendments to the budget.</p>

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Type of Change	Changes to FASRG v. 19
Revision (Module 2)	<h3 style="color: #4F81BD;">2.6.1 Real Property Held in Trust</h3> <p>Additionally, a charter school may not sell real property to a trustee until the charter school receives from the trustee a copy of the trust agreement identifying the person who will be the true owner of the property. The trustee should identify the person who will be the true owner of the property to the charter school.</p>
Revision (Module 2)	<h3 style="color: #4F81BD;">2.6.5 Conflict of Interest Statements</h3> <p>Local Government Code, Chapter 176, provides information regarding conflict of interest statements to be filed by vendors and certain charter school employees.</p>
Revision (Module 2)	<h3 style="color: #4F81BD;">2.7 Accountability</h3> <p>According to 19 TAC §100.1023, the commissioner of education should temporarily withhold state funds, suspend the authority of an open-enrollment charter school to operate, impose a sanction under the TEC, Chapter 39, Subchapter E, and/or take any other reasonable action the commissioner determines necessary, if the commissioner determines that a charter holder:</p> <ul style="list-style-type: none"> • committed a material violation of the school's charter; • failed to satisfy generally accepted accounting standards of fiscal management; or • failed to comply with this subchapter or another applicable rule or law.
Revision (Module 2)	<h3 style="color: #4F81BD;">Appendix A: List of Acronyms</h3> <p>TRS – Teacher Retirement System</p> <p>TxGMS – Texas Grant Management Standards</p> <p>UGMS – Uniform Grant Management Standards</p>

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19
Revision (Module 2)	<p style="text-align: center;">Appendix B: Sample Financial and Compliance Report</p> <p style="text-align: center;">Exhibit B.21.a – Sample Schedule of Related Party Compensation and Benefits for Individual Charter School 1</p> <p style="text-align: center;">Exhibit B.21.b – Sample Schedule of Related Party Compensation and Benefits for Individual Charter School 2</p> <p style="text-align: center;">Exhibit B.22.a – Sample Use of Funds Report for Individual Charter School 1</p> <p style="text-align: center;">Exhibit B.22.b – Sample Use of Funds Report for Individual Charter School 2</p>
Revision (Module 2)	<p style="text-align: center;">Appendix B: Sample Financial and Compliance Report</p> <hr/> <p style="text-align: center;">Exhibit B.2 Sample Independent Auditor’s Report</p> <hr/> <p style="text-align: center;">JONES AND JONES, CPAs Office Box 99 Anywhere, TX 79999</p> <p style="text-align: center;">Independent Auditor's Report</p> <p>Board of Directors Anywhere Charter Holder 10 Main Street Anywhere, TX 79999</p> <p>Members of the Board of Directors:</p> <p>Report on the Audit of Financial Statements</p> <p>Opinion</p>

Financial Accountability System Resource Guide v. 19

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Type of Change	Changes to FASRG v. 19
	<p>We have audited the accompanying consolidated financial statements of Anywhere Charter Holder, which comprise the consolidated financial statements as of August 31, 20BB and 20AA, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.</p> <p>In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Anywhere Charter Holder as of August 31 20BB and 20AA, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.</p> <p><i>Basis for Opinion</i></p> <p>We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the <i>Auditor’s Responsibilities for the Audit of the Financial Statements</i> section of our report. We are required to be independent of Anywhere Charter Holder and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p> <p><i>Responsibilities of Management for the Financial Statements</i></p> <p>Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Anywhere Charter Holder’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.</p> <p><i>Auditor’s Responsibilities for the Audit of the Financial Statements</i></p> <p>Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they influence the judgment made by a reasonable user based on the financial statements.</p> <p>In performing an audit in accordance with GAAS and Government Auditing Standards, we:</p> <ul style="list-style-type: none"> • Exercise professional judgment and maintain professional skepticism throughout the audit.

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19																
	<ul style="list-style-type: none"> Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Anywhere Charter Holder’s internal control. Accordingly, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Anywhere Charter Holder’s ability to continue as a going concern for a reasonable period of time. <p>We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.</p> <p><i>Supplementary Information</i></p> <p>Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole.</p>																
Revision (Module 2)	<h2 style="color: #0056b3; margin: 0;">Appendix B: Sample Financial and Compliance Report</h2> <hr/> <p>Exhibit B.4 Sample Statement of Activities</p> <hr/> <div style="text-align: center; margin: 10px 0;"> <p>Anywhere Charter Holder Statement of Activities For the Years Ended August 31, 20BB and 20AA</p> <table style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black; padding: 5px;">Without Donor Restrictions</th> <th style="text-align: left; border-bottom: 1px solid black; padding: 5px;">With Donor Restrictions</th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black; padding: 5px;">Totals</th> </tr> <tr> <th style="text-align: left; padding: 5px;"></th> <th style="text-align: left; padding: 5px;"></th> <th style="text-align: center; padding: 5px;">20BB</th> <th style="text-align: center; padding: 5px;">20AA</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Revenues</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding: 5px;"> Local support:</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> </div>	Without Donor Restrictions	With Donor Restrictions	Totals				20BB	20AA	Revenues				Local support:			
Without Donor Restrictions	With Donor Restrictions	Totals															
		20BB	20AA														
Revenues																	
Local support:																	

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19			
Contributions	\$ xx,xxx		\$ xx,xxx	\$ xx,xxx
Fund-raising activities	xx,xxx		xx,xxx	xx,xxx
Interest and other income	xxx		xxx	xxx
Total local support	xx,xxx		xx,xxx	xx,xxx
State program revenues:				
Foundation School Program		xxx,xxx	xxx,xxx	xxx,xxx
Other State Aid		x,xxx	x,xxx	x,xxx
Total state program revenues		xxx,xxx	xxx,xxx	xxx,xxx
Federal program revenues:				
Title I Part A		xx,xxx	xx,xxx	xx,xxx
Title X		x,xxx	x,xxx	x,xxx
Child Nutrition		xx,xxx	xx,xxx	xx,xxx
Total federal program revenues		xx,xxx	xx,xxx	xx,xxx
Net assets released from restrictions:				
Restrictions satisfied by payments	xxx,xxx	(xxx,xxx)	-	-
Total Revenues	\$ x,xxx,xxx	\$ x,xxx	\$ x,xxx,xxx	\$ x,xxx,xxx
Expenses				
Program Services:				
Instruction and Instructional-Related Services	\$ xxx,xxx		\$ xxx,xxx	\$ xxx,xxx
Instructional and School Leadership	xxx,xxx		xxx,xxx	xxx,xxx
Support Services:				
Administrative Support Services	xx,xxx		xx,xxx	xx,xxx
Ancillary Services	xx,xxx		xx,xxx	xx,xxx
Support Services–Non-Student Based	xx,xxx		xx,xxx	xx,xxx
Support Services–Student (Pupil)	xx,xxx		xx,xxx	xx,xxx
Fund Raising	xx,xxx		xx,xxx	xx,xxx
Total Expenses	\$ x,xxx,xxx	-	\$ x,xxx,xxx	\$ x,xxx,xxx
Change in Net Assets	xx,xxx	x,xxx	xx,xxx	x,xxx
Net Assets, beginning of year	x,xxx	-	x,xxx	-

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19	
	Anywhere Charter School Statement of Financial Position As of August 31, 20BB and 20AA	
	<u>20BB</u>	<u>20AA</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ x,xxx	\$ x,xxx
Accounts receivable	xxx	x,xxx
Prepaid expenses	xxx	xxx
Total current assets	<u>x,xxx</u>	<u>x,xxx</u>
Fixed Assets		
Right of Use Assets: Finance Leases	xx,xxx	xx,xxx
Right of Use Assets: Operating Leases	xx,xxx	xx,xxx
Property and Equipment		
Land	xxx,xxx	xxx,xxx
Buildings and Improvements	x,xxx,xxx	x,xxx,xxx
Vehicles	xxx,xxx	xxx,xxx
Furniture and Equipment	xx,xxx	xx,xxx
Fixed Assets- Charter School Defined	x,xxx	x,xxx
Library Books and Media	xx,xxx	xx,xxx
Construction in Progress	xx,xxx	xx,xxx
Property and Equipment, gross	<u>x,xxx,xxx</u>	<u>x,xxx,xxx</u>
Less: Accumulated depreciation	<u>xxx,xxx</u>	<u>xxx,xxx</u>
Property and Equipment, net	<u>x,xxx,xxx</u>	<u>x,xxx,xxx</u>
Total Fixed Assets	<u>x,xxx,xxx</u>	<u>x,xxx,xxx</u>
Other Assets		

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19		
	Noncurrent restricted Cash & Equiv.	xx,xxx	xx,xxx
	Other Noncurrent Assets	xx,xxx	xx,xxx
	Total Long-term Assets	xx,xxx	xx,xxx
	Total Assets	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>
	Liabilities and Net Assets		
	Current Liabilities		
	Accounts payable	\$ xx,xxx	\$ xx,xxx
	Finance Lease Liability: Current Year	xx,xxx	xx,xxx
	Operating Lease Liability: Current Year	xx,xxx	xx,xxx
	Accrued liabilities	xx,xxx	xx,xxx
	Deferred revenue	x,xxx	-
	Current portion of long-term debt	xx,xxx	xx,xxx
	Total current liabilities	<u>xxx,xxx</u>	<u>xxx,xxx</u>
	Long-Term Liabilities		
	Bonds Payable: Long-term	xx,xxx	xx,xxx
	Notes Payable: Long-term	xx,xxx	xx,xxx
	Other Long-term Debt Payable	x,xxx	x,xxx
	Finance Lease Liability: Long-term	xx,xxx	xx,xxx
	Operating Lease Liability: Long-term	x,xxx	x,xxx
	Total Long-term Liabilities	<u>x,xxx,xxx</u>	<u>x,xxx,xxx</u>
	Total Liabilities	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>
	Net Assets		
	Without Donor Restrictions	xx,xxx	xx,xxx
	With Donor Restrictions	x,xxx	-
	Total Net Assets	<u>\$ xx,xxx</u>	<u>\$ xx,xxx</u>
	Total Liabilities and Net Assets	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19	
Exhibit B.7.b	Sample Statement of Financial Position for Individual Charter School 2	
	<p>Anywhere Charter Academy Statement of Financial Position As of August 31, 20BB and 20AA</p>	
	<u>20BB</u>	<u>20AA</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ x,xxx	\$ x,xxx
Accounts receivable	xxx	x,xxx
Prepaid expenses	xxx	xxx
Total current assets	<u>x,xxx</u>	<u>x,xxx</u>
Fixed Assets		
Right of Use Assets: Finance Leases	xx,xxx	xx,xxx
Right of Use Assets: Operating Leases	xx,xxx	xx,xxx
Property and Equipment		
Land	xxx,xxx	xxx,xxx
Buildings and Improvements	x,xxx,xxx	x,xxx,xxx
Vehicles	xxx,xxx	xxx,xxx
Furniture and Equipment	xx,xxx	xx,xxx
Fixed Assets- Charter School Defined	x,xxx	x,xxx
Library Books and Media	xx,xxx	xx,xxx
Construction in Progress	xx,xxx	xx,xxx
Property and Equipment, gross	<u>x,xxx,xxx</u>	<u>x,xxx,xxx</u>

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19		
	Less: Accumulated depreciation	xxx,xxx	xxx,xxx
	Property and Equipment, net	<u>x,xxx,xxx</u>	<u>x,xxx,xxx</u>
	Total Fixed Assets	x,xxx,xxx	x,xxx,xxx
	Other Assets		
	Noncurrent restricted Cash & Equiv.	xx,xxx	xx,xxx
	Other Noncurrent Assets	xx,xxx	xx,xxx
	Total Long-term Assets	xx,xxx	xx,xxx
	Total Assets	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>
	Liabilities and Net Assets		
	Current Liabilities		
	Accounts payable	\$ xx,xxx	\$ xx,xxx
	Finance Lease Liability: Current Year	xx,xxx	xx,xxx
	Operating Lease Liability: Current Year	xx,xxx	xx,xxx
	Accrued liabilities	xx,xxx	xx,xxx
	Deferred revenue	x,xxx	-
	Current portion of long-term debt	xx,xxx	xx,xxx
	Total current liabilities	<u>xxx,xxx</u>	<u>xxx,xxx</u>
	Long-Term Liabilities		
	Bonds Payable: Long-term	xx,xxx	xx,xxx
	Notes Payable: Long-term	xx,xxx	xx,xxx
	Other Long-term Debt Payable	x,xxx	x,xxx
	Finance Lease Liability: Long-term	xx,xxx	xx,xxx
	Operating Lease Liability: Long-term	x,xxx	x,xxx
	Total Long-term Liabilities	<u>x,xxx,xxx</u>	<u>x,xxx,xxx</u>
	Total Liabilities	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>
	Net Assets		

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Type of Change	Changes to FASRG v. 19																																										
	Without Donor Restrictions	xx,xxx	xx,xxx																																								
	With Donor Restrictions	x,xxx	-																																								
	Total Net Assets	<u>\$ xx,xxx</u>	<u>\$ xx,xxx</u>																																								
	Total Liabilities and Net Assets	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>																																								
Revision (Module 2)	<h3 style="color: #0056b3;">Appendix B: Sample Financial and Compliance Report</h3>																																										
	Exhibit B.11.a Sample Schedule of Assets for Individual Charter School 1																																										
	<p>Anywhere Charter School Schedule of Assets For the Year Ended August 31, 20BB</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th colspan="3" style="text-align: center; border-bottom: 1px solid black;">Ownership Interest</th> </tr> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">Local</th> <th style="text-align: center; border-bottom: 1px solid black;">State</th> <th style="text-align: center; border-bottom: 1px solid black;">Federal</th> </tr> </thead> <tbody> <tr> <td>1110 Cash</td> <td></td> <td style="text-align: center;">\$ x,xxx</td> <td></td> </tr> <tr> <td>1120 Investments</td> <td></td> <td style="text-align: center;">xxx,xxx</td> <td></td> </tr> <tr> <td>1510 Land and Improvements</td> <td></td> <td style="text-align: center;">xxx,xxx</td> <td></td> </tr> <tr> <td>1520 Buildings and Improvements</td> <td></td> <td style="text-align: center;">xxx,xxx</td> <td></td> </tr> <tr> <td>1531 Vehicles</td> <td></td> <td style="text-align: center;">xxx,xxx</td> <td style="text-align: center;">\$ xx,xxx</td> </tr> <tr> <td>1539 Furniture and Equipment</td> <td style="text-align: center;">\$ xx,xxx</td> <td></td> <td style="text-align: center;">xx,xxx</td> </tr> <tr> <td>1551 Right of Use Assets: Financing Lease for Buildings</td> <td></td> <td style="text-align: center;">xxx,xxx</td> <td></td> </tr> <tr> <td>1552 Right of Use Assets: Financing Lease for Vehicles</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				Ownership Interest				Local	State	Federal	1110 Cash		\$ x,xxx		1120 Investments		xxx,xxx		1510 Land and Improvements		xxx,xxx		1520 Buildings and Improvements		xxx,xxx		1531 Vehicles		xxx,xxx	\$ xx,xxx	1539 Furniture and Equipment	\$ xx,xxx		xx,xxx	1551 Right of Use Assets: Financing Lease for Buildings		xxx,xxx		1552 Right of Use Assets: Financing Lease for Vehicles			
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Type of Change	Changes to FASRG v. 19																																						
	1553 Right of Use Assets: Financing Lease for Furniture & Equipment 1554 Right of Use Assets: Operating Lease for Buildings 1555 Right of Use Assets: Operating Lease for Vehicles 1559 Right of Use Assets: Operating Leases for Furniture & Equipment 1580 Construction in Progress Total	 <u>xxx,xxx</u> <u>xxx,xxx</u> <u>\$ xx,xxx</u>	 <u>xxx,xxx</u> <u>\$ xxx,xxx</u> <u>\$ xx,xxx</u>																																				
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Type of Change	Changes to FASRG v. 19
	<p>1553 Right of Use Assets: Financing Lease for Furniture & Equipment</p> <p>1554 Right of Use Assets: Operating Lease for Buildings</p> <p>1555 Right of Use Assets: Operating Lease for Vehicles</p> <p>1559 Right of Use Assets: Operating Leases for Furniture & Equipment xxx,xxx</p> <p>1580 Construction in Progress xxx,xxx</p> <p>Total \$ xx,xxx \$ xxx,xxx \$ xx,xxx</p>
Revision (Module 2)	<h3 style="text-align: center;">Appendix B: Sample Financial and Compliance Report</h3> <hr/> <p>Exhibit B.16 Sample Schedule of Prior Audit Findings</p> <hr/> <p style="text-align: center;">Anywhere Charter Holder Schedule of Prior Audit Findings For the Year Ended August 31, 20BB</p> <p>Finding 20AA-1</p> <p><i>Criteria</i></p> <p>Paragraph K, Records Retention and Management, of the applicable Contract for Charter states</p> <p style="padding-left: 40px;">“Charter holder shall implement a records management system that conforms to the system required of charter schools under the Local Government Records Act, Section 201.001, et seq., Local Government Code, and rules adopted thereunder; provided, however, that records subject to audit shall be retained and available for audit for a period of not less than five (5) years from the latter of the date of termination or renewal of the charter.”</p>
Revision (Module 2)	<h3 style="text-align: center;">Appendix B: Sample Financial and Compliance Report</h3> <hr/> <p>Exhibit B.17 Sample Schedule of Expenditure of Federal Awards</p> <hr/>

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19			
	Anywhere Charter Holder Schedule of Expenditure of Federal Awards For the Year Ended August 31, 20BB			
	Grantor/Program Title	Federal ALN Number	Pass Through Entity Identifying Number	Federal Expenditures
	United States Department of Education			
	Passed through State Department of Education:			
	Title I Part A	84.010	xxxxxx	xxx,xxx
	Title X	84.206	xxxxxx	x,xxx
	Total State Department of Education			xxx,xxx
	United States Department of Agriculture			
	Passed through State Department of Education:			
	National School Lunch	10.555	n/a	xx,xxx
	School Breakfast Program	10.553	n/a	xx,xxx
	Total State Department of Education			xx,xxx
	Total Expenditures of Federal Awards			\$ xxx,xxx
Addition (Module 2)	<h3 style="color: #0056b3;">Appendix B: Sample Financial and Compliance Report</h3> <h2 style="color: #0056b3;">Other</h2>			

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Type of Change	Changes to FASRG v. 19	
	Exhibit B.22.a Sample Use of Funds Report for Individual Charter School 1	
	Anywhere Charter School Use of Funds Report - Select State Allotment Programs For the Year Ended August 31, 20AA	
	<u>Data Codes</u>	<u>Responses</u>
	<u>Section A: Compensatory Education Programs</u>	
AP1	Did the charter school expend any state compensatory education program state allotment funds during the charter school's fiscal year?	Yes / No
AP2	Does the charter school have written policies and procedures for its state compensatory education program?	Yes / No
AP3	Total state allotment funds received for state compensatory education programs during the charter school's fiscal year.	\$ _____
AP4	Actual direct program expenditures for state compensatory education programs during the charter school's fiscal year. (PICs 24,26,28,29,30)	\$ _____
	<u>Section B: Bilingual Education Allotment Programs</u>	
AP5	Did the charter school expend any bilingual education program state allotment funds during the district's fiscal year?	Yes / No
AP6	Does the charter school have written policies and procedures for its bilingual education allotment program?	Yes / No
AP7	Total state allotment funds received for bilingual education allotment programs during the charter school's fiscal year.	\$ _____

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	AP8	Actual direct program expenditures for bilingual education allotment programs during the charter school’s fiscal year. (PIC 25)	\$ _____
	Exhibit B.22.b Sample Use of Funds Report for Individual Charter School 2		
	Anywhere Charter Academy Use of Funds Report - Select State Allotment Programs For the Year Ended August 31, 20BB		
	Data Codes		Responses
	<u>Section A: Compensatory Education Programs</u>		
	AP1	Did the charter school expend any state compensatory education program state allotment funds during the charter school’s fiscal year?	Yes / No
	AP2	Does the charter school have written policies and procedures for its state compensatory education program?	Yes / No
	AP3	Total state allotment funds received for state compensatory education programs during the charter school’s fiscal year.	\$ _____
	AP4	Actual direct program expenditures for state compensatory education programs during the charter school’s fiscal year. (PICs 24,26,28,29,30)	\$ _____
	<u>Section B: Bilingual Education Allotment Programs</u>		
	AP5	Did the charter school expend any bilingual education program state allotment funds during the district’s fiscal year?	Yes / No

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	AP6	Does the charter school have written policies and procedures for its bilingual education allotment program?	Yes / No
	AP7	Total state allotment funds received for bilingual education allotment programs during the charter school’s fiscal year.	\$ _____
	AP8	Actual direct program expenditures for bilingual education allotment programs during the charter school’s fiscal year. (PIC 25)	\$ _____
Revision (Module 3)	<h3 style="text-align: center;">Financial Accountability System Resource Guide, Update 19</h3> <h4 style="text-align: center;">Module 3: Special Supplement—Nonprofit Charter School Chart of Accounts</h4> <p style="text-align: center;">Texas Education Agency 2024</p>		
Revision (Module 3)	<h3 style="text-align: center;">Overview of Account Codes</h3> <p>Sections 12.104 and 12.111 of the Texas Education Code (TEC) require nonprofit charter school fiscal accounting systems to be compatible with the Texas Education Data Standards (TEDS) (as adapted for nonprofit charter school accounting in this special supplement).</p>		
Revision (Module 3)	<h3 style="text-align: center;">3.1 Net Assets Account Codes</h3> <p>Fund Code</p> <p>A required three-digit code used for all financial transactions to identify the fund group and specific fund. The first digit identifies the fund group, and the second and third digits identify the fund. The fund code is also used to designate the long-term account groups for recording long-term debt and capital assets.</p>		

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	<p>Example:</p> <p>Code 211 applies to a special revenue fund. The “2” denotes the special revenue fund group, and the “11” denotes the fund for the Every Student Succeeds Act (ESSA), Title I, Part A—Improving Basic Programs.</p>												
Revision (Module 3)	<h3 style="color: #4F81BD;">3.2 Net Assets Account Codes</h3> <p>200, 300, 400 NET ASSETS WITH DONOR RESTRICTIONS GROUP</p> <p>Net Assets With Donor Restrictions group and individual classes are used to account for the proceeds of specific revenue sources that are legally and with donor restrictions to expenses for specified purposes.</p> <p>Every Student Succeeds Act (ESSA) was signed into law in 2015, replaced The No Child Left Behind Act of 2001 (NCLB Act), and reauthorized the longstanding Elementary and Secondary Education Act (ESEA). Title programs with fund codes are authorized under ESSA.</p>												
Revision (Module 3)	<h3 style="color: #4F81BD;">3.2 Net Assets Account Codes</h3> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; vertical-align: top;">\mathcal{R}206</td> <td style="vertical-align: top;">McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B—Education for Homeless Children and Youth (Title I, Part A, and Every Student Succeeds Act, Title IX, Part A)</td> </tr> <tr> <td style="vertical-align: top;">\mathcal{R}212</td> <td style="vertical-align: top;">Title I, Part C—Education of Migratory Children</td> </tr> <tr> <td style="vertical-align: top;">\mathcal{R}218</td> <td style="vertical-align: top;">Title IV, Part F, Subpart 4—Jacob K. Javits Gifted and Talented Students Education Act of 2001</td> </tr> <tr> <td style="vertical-align: top;">\mathcal{R}255</td> <td style="vertical-align: top;">Title II, Part A—Teacher and Principal Training and Recruiting</td> </tr> <tr> <td style="vertical-align: top;">\mathcal{R} 269</td> <td style="vertical-align: top;">Title V, Part B, Subpart 1—The Small, Rural School Achievement Program</td> </tr> <tr> <td style="vertical-align: top;">\mathcal{R} 270</td> <td style="vertical-align: top;">Title V, Part B, Subpart 2—Rural and Low-Income School Grant Program</td> </tr> </table>	\mathcal{R} 206	McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B—Education for Homeless Children and Youth (Title I , Part A, and Every Student Succeeds Act, Title IX, Part A)	\mathcal{R} 212	Title I , Part C—Education of Migratory Children	\mathcal{R} 218	Title IV , Part F, Subpart 4—Jacob K. Javits Gifted and Talented Students Education Act of 2001	\mathcal{R} 255	Title II , Part A—Teacher and Principal Training and Recruiting	\mathcal{R} 269	Title V , Part B, Subpart 1—The Small, Rural School Achievement Program	\mathcal{R} 270	Title V , Part B, Subpart 2—Rural and Low-Income School Grant Program
\mathcal{R} 206	McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B—Education for Homeless Children and Youth (Title I , Part A, and Every Student Succeeds Act, Title IX, Part A)												
\mathcal{R} 212	Title I , Part C—Education of Migratory Children												
\mathcal{R} 218	Title IV , Part F, Subpart 4—Jacob K. Javits Gifted and Talented Students Education Act of 2001												
\mathcal{R} 255	Title II , Part A—Teacher and Principal Training and Recruiting												
\mathcal{R} 269	Title V , Part B, Subpart 1—The Small, Rural School Achievement Program												
\mathcal{R} 270	Title V , Part B, Subpart 2—Rural and Low-Income School Grant Program												

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Type of Change	Changes to FASRG v. 19
Revision (Module 3)	<h3 style="color: #4F81BD;">3.2 Net Assets Account Codes</h3> <p style="margin-left: 40px;">\mathcal{R}211 Title I: Part A—Improving Basic Programs Operated by Local Education Agencies, and Part D; Subpart 2—LEA programs with locally operated correctional facilities</p> <p style="margin-left: 40px;">This fund classification is used to account for funds to provide opportunities for children to acquire the knowledge and skills to meet the state’s student performance standards. (ALN 84.010A)</p> <p style="margin-left: 40px;">This code is also used for Title I, Part D, Subpart 2—LEA programs with locally operated correctional facilities, and Title I—School Improvement Program.</p>
Revision (Module 3)	<h3 style="color: #4F81BD;">3.2 Net Assets Account Codes</h3> <p style="margin-left: 40px;">\mathcal{R} 276 Title I School Improvement Program (SIP) Academy Grant</p> <p style="margin-left: 40px;"><u>Every Student Succeeds Act of 2015 (ESSA)</u>, which reauthorized <u>Elementary and Secondary Education Act (ESEA)</u>, replaced the No Child Left Behind Act of 2001 (NCLB Act)¹⁷ and authorizes funds to help TEA and LEAs address the needs of campuses in improvement, corrective action, and restructuring in order to improve student achievement. In addition, a portion of School Improvement Program funds¹⁸ must be used to leverage change and improve technical assistance¹⁹ provided through TEA’s and charter schools’ targeting activities toward measurable outcomes as required by the U.S. Department of Education.</p>
Revision (Module 3)	<h3 style="color: #4F81BD;">3.2 Net Assets Account Codes</h3>

¹⁷ [NCLB Act, Title I, §1003\(g\)](#)

¹⁸ [NCLB Act, Title I, §1003\(a\)](#)

¹⁹ [NCLB Act, Title I, §1116 and §1117](#)

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Type of Change	Changes to FASRG v. 19
	<p style="text-align: center;">℞410 State Instructional Materials Fund</p> <p>This fund classification is used to account for funds awarded to nonprofit charter school under the instructional materials allotment. Instructional materials include textbooks, software, supplemental materials, media storage devices, online services, open-source materials, and other means of conveying information electronically.</p>
Revision (Module 3)	<h3 style="color: #4F81BD;">3.2 Net Assets Account Codes</h3> <p style="text-align: center;">℞422 Matching Funds for Library Purchases</p> <p>This fund classification code is used to account for matching funds your charter school receives for expenditures for books and other school library materials that are catalogued and circulated from a central source in each school building.</p>
Revision (Module 3)	<h3 style="color: #4F81BD;">3.3 Function Codes</h3> <p>Note: “Costs” means “expenditures” or “expenses” in this module. The terms “district improvement plan” and “campus improvement plan” are used throughout this module to refer to instructional plans required by open-enrollment charter schools.</p>
Revision (Module 3)	<h3 style="color: #4F81BD;">3.3 Function Codes</h3> <p>Nonprofit charter schools are encouraged to also use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent, organization, or both. However, nonprofit charters should weigh the benefits to charter school management against the effort required to allocate costs before allocating costs that are not required to be allocated.</p> <p>If a nonprofit charter school does not use specific program intent codes for costs that do not require them, it must use program intent code 99 (Undistributed) for those costs. If a nonprofit charter school does not use specific organization codes for costs that do not require them, it must use organization code 999 (Undistributed) or organization code 998 (Unallocated, Local Option) for those costs.</p>

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Type of Change	Changes to FASRG v. 19
Revision (Module 3) (Function 12 chart, Costs to Include column)	<h3 style="color: #4F81BD;">3.3 Function Codes</h3> <ul style="list-style-type: none"> • selecting, preparing, maintaining, and making available to the instructional staff equipment, films, transparencies, tapes, television programs, software, media storage devices, other media, and similar materials • books, films, videocassettes, media storage devices, and other media that are maintained by a resource center or library
Revision (Module 3) (Function 34 chart, Costs to Exclude column)	<h3 style="color: #4F81BD;">3.3 Function Codes</h3> <ul style="list-style-type: none"> • financing costs and interest on school bus loans and right-of-use leases (function code 71)
Revision (Module 3) (Function 71 chart, Costs to Include column)	<h3 style="color: #4F81BD;">3.3 Function Codes</h3> <ul style="list-style-type: none"> • interest on: <ul style="list-style-type: none"> ○ bonds • right-of-use finance leases
Revision (Module 3)	<h3 style="color: #4F81BD;">3.4.1 Asset Object Codes</h3> <p style="text-align: center;">℞1230 Allowance for Uncollectible Receivables (Credit)</p> <p>This code is used to record a credit against receivables and contributions receivable.</p>
Deletion (Module 3)	<h3 style="color: #4F81BD;">3.4.1 Asset Object Codes</h3> <p>1500 LAND, BUILDINGS, AND EQUIPMENT</p> <p>[Capital assets of governmental fund types and expendable trust funds are recorded in the general capital asset account group, and capital assets of proprietary fund types and similar trust funds are recorded in those fund types.]</p>

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Type of Change	Changes to FASRG v. 19
Revision (Module 3)	<p>3.4.1 Asset Object Codes</p> <p style="padding-left: 40px;">1550–1559 Right-of-Use Assets</p> <p style="padding-left: 80px;">The codes in this series are used to record long-term (one year or more) right-of-use lease assets as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Update on Leases (Topic 842). A lease is a contract, or part of a contract, that conveys the right to use the identified property, plant, or equipment for a period of time in exchange for consideration. See FASRG 2.2.7.3 Accounting for Leases, for guidance on the classification and accounting for different types of leases.</p> <p style="padding-left: 40px;">℞1551 Right-of-Use Lease Assets – Financing Lease for Buildings</p> <p style="padding-left: 40px;">℞1552 Right-of-Use Lease Assets – Financing Lease for Vehicles</p> <p style="padding-left: 40px;">℞1553 Right-of-Use Lease Assets – Financing Lease for Furniture and Equipment</p> <p style="padding-left: 40px;">℞1554 Right-of-Use Lease Assets – Operating Lease for Buildings</p> <p style="padding-left: 40px;">℞1555 Right-of-Use Lease Assets – Operating Lease for Vehicles</p> <p style="padding-left: 40px;">℞1559 Right-of-Use Lease Assets – Operating Lease for Furniture and Equipment</p>
Revision (Module 3)	<p>3.4.1 Asset Object Codes</p> <p style="padding-left: 40px;">℞1576 Accumulated Depreciation—Right-of-Use Lease Assets</p>
Revision (Module 3)	<p>3.4.1 Asset Object Codes</p> <p style="padding-left: 40px;">℞1580 Construction in Progress</p> <p style="padding-left: 80px;">This code is used to record expenses or expenditures as they are incurred. The appropriate fund is debited with the value of construction that has been accepted by your charter school and for which a contractor has been or will be</p>

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	<p>paid. When construction is complete, this account is credited, and the appropriate asset account is debited for the cost of the asset.</p>
Revision (Module 3)	<p>3.4.2 Liability Object Codes</p> <p>2130 RIGHT-OF-USE LEASE PAYABLES—CURRENT YEAR</p> <p> ℞2130 Right-of-Use Finance Lease Payable—Current Year This code is used to record amounts due as a result of a right-of-use finance lease agreement.</p> <p> ℞2131 Right-of-Use Operating Lease Payable—Current Year This code is used to record amounts due as a result of a right-of-use operating lease agreement.</p> <p> 2140 INTEREST PAYABLE These codes are used to credit accounts as interest becomes currently payable. The corresponding entries are debits to the respective interest expense accounts (series 6520, Interest Expenditures or Expenses).</p> <p> ℞2142 Loan Interest Payable</p> <p> ℞2143 Right-of-Use Finance Lease Interest Payable</p> <p> ℞2144 Right-of-Use Operating Lease Interest Payable</p>
Revision (Module 3)	<p>3.4.2 Liability Object Codes</p> <p> 2530 OTHER LONG-TERM DEBT PAYABLE</p> <p> ℞2531 Right-of-Use Finance Lease Payable—Long-Term</p>

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	<p>This code is used to record an amount due in future accounting periods as the result of a right-of-use finance lease agreement. The amount recorded initially for a finance lease is the present value of the future lease payments.</p> <p style="padding-left: 40px;">R2532 Vested Vacation Benefits Payable</p> <p>This code is used to record vested vacation benefits. As the benefits accumulate, this account is credited for amounts that will not be liquidated during the current fiscal year upon the retirement or resignation of personnel.</p> <p style="padding-left: 40px;">R2533 Right-of-Use Operating Lease Payable—Long-Term</p> <p>This code is used to record an amount due in future accounting periods as the result of a right-of-use operating lease agreement. The amount recorded initially for an operating lease is the present value of the future lease payments.</p>
Revision (Module 3)	<p>3.4.4 Revenue Object Codes</p> <p style="padding-left: 40px;">5720 Local Revenues Realized as a Result of Services Rendered to Other Schools</p> <p style="padding-left: 40px;">5727–5728 Local Revenues Resulting from Services Rendered to Other Schools—Locally Defined</p>
Revision (Module 3)	<p>3.4.4 Revenue Object Codes</p>

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Type of Change	Changes to FASRG v. 19	
	<p>Object Code 5812 Revenue to Include:</p> <ul style="list-style-type: none"> • Foundation School Fund Chapter 48 revenues • Optional Extended Year • State Supplemental Visually Impaired or Regional Day School for the Deaf • Public Education Grant 	<p>Object Code 5812 Revenue to Exclude:</p> <ul style="list-style-type: none"> • state instructional materials allotment (object code 5829) • ASF revenues (object code 5811) • federal revenue passed through a state agency (object code 5939)
Revision (Module 3)	3.4.4 Revenue Object Codes	
	<p>Object Code 5829 Revenue to Include:</p> <ul style="list-style-type: none"> • state instructional materials allotment • facilities grant • revenues realized from TEA for programs not specified above 	<p>Object Code 5829 Revenue to Exclude:</p> <ul style="list-style-type: none"> • federal revenue passed through a state agency (object code 5939) • Available School Fund revenues (object code 5811) • the portion of a Chapter 49 receipt received from a Chapter 49 district that corresponds to the reduction in state aid of a Chapter 48 district (object code 5812) • Foundation School Fund Chapter 48 revenues (object code 5812)

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Type of Change	Changes to FASRG v. 19		
			<ul style="list-style-type: none"> • Optional Extended Year (object code 5812) • State Supplemental Visually Impaired or Regional Day School for the Deaf (object code 5812) • Public Education Grant (object code 5812)
Revision (Module 3)	<p>3.4.4 Revenue Object Codes</p> <p>℞5831 Teacher Retirement or TRS Care—On-Behalf Payments</p> <p style="text-align: center;">This code is used to classify revenues from on-behalf payments of matching teacher retirement paid for active members of the charter school. A charter school contributes matching funds for personnel funded from federal sources and, if applicable, statutory minimum funds for qualifying personnel. The charter school also provides certain employer contributions for the retired teachers’ health insurance plan (TRS Care). The state provides all other matching funds on behalf of members. The amount that the state provides in excess of charter school contributions is recorded here. An equal expenditure amount should be recorded using code 6144, Teacher Retirement—On-Behalf Payments.</p>		
Revision (Module 3)	<p>3.4.4 Revenue Object Codes</p> <p>5832-5835 Reserved for Future State Definition</p> <p style="text-align: center;">These codes are reserved for future state designation and are not to be used by nonprofit charter schools.</p>		
Deletion (Module 3)	<p>3.4.4 Revenue Object Codes</p> <p>℞5921 School Breakfast Program</p> <p style="text-align: center;">This code is used to classify revenues realized as the result of the federally funded breakfast program administered by the Texas Department of Agriculture. (ALN 10.553)</p>		

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	<p>[For school districts that use the enterprise fund to account for the school breakfast program, school breakfast program funds must be recorded in the nonoperating revenue object code 7952, School Breakfast Program.]</p>
Addition (Module 3)	<p>3.4.5 Expense Object Codes</p> <p>℞6144 Teacher Retirement or TRS Care—On-Behalf Payments</p> <p>This code is used to classify expenditures or expenses from on-behalf payments of matching teacher retirement paid for active members of the charter school. A charter school contributes matching funds for personnel funded from federal sources and, if applicable, statutory minimum funds for qualifying personnel. The charter school also provides certain employer contributions for the retired teachers’ health insurance plan (TRS Care). The state provides all other matching funds on behalf of members. The amount that the state provides in excess of charter school contributions are recorded here. An equal revenue amount should be recorded using code 5831, Teacher Retirement or TRS Care—On-Behalf Payments.</p>
Revision (Module 3)	<p>3.4.5 Expense Object Codes</p> <p>℞6149 Employee Benefits—Other</p> <p>This code is used to classify expenditures or expenses made to provide personnel with other employee benefits not detailed above. This excludes employee contributions but includes any benefit amounts transferred to an internal service fund.</p> <p>Note: Any local option codes that your charter school uses must be converted to object code 6149 for PEIMS reporting.</p>
Revision (Module 3)	<p>3.4.5 Expense Object Codes</p> <p>℞6239 Education Service Center Services</p> <p>This code is used to classify all contracted services provided by a regional education service center, such as the following:</p>

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	<ul style="list-style-type: none"> • data processing services • accounting services • media services • special education services • CTE services • staff development • curriculum development • drug training • grant writing services <p>This does not include supplies (which should be charged to the appropriate supply account) purchased under a purchasing agreement with an education service center, but does include a fee assessed for providing the service.</p>
Revision (Module 3)	<p>3.4.5 Expense Object Codes</p> <p style="margin-left: 40px;">\mathcal{R}6522 Right-of-Use Lease Interest</p> <p style="margin-left: 80px;">This code is used to classify expenditures or expenses to pay interest on right-of-use leases.</p>
Revision (Module 3)	<p>3.4.5 Expense Object Codes</p> <p style="margin-left: 40px;">\mathcal{R}6259 Utilities</p> <p style="margin-left: 80px;">This code is used to classify expenditures or expenses, including fees, for utilities. This includes the following:</p> <ul style="list-style-type: none"> • water, wastewater treatment, and sanitation (garbage disposal) • telephone and telecommunication services, including but not limited to cellular telephones, pagers, internet connections, facsimiles, etc. • electricity • natural gas, propane, coal, and any other fuel used for heating and cooling buildings

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Type of Change	Changes to FASRG v. 19
	<p>Note: Any local option codes that a nonprofit charter school uses must be converted to object code 6259 for PEIMS reporting.</p> <p>All expenditures or expenses coded to object code 6259 must be coded to either function code 51, Facilities Maintenance and Operations, or 81, Facilities Acquisition and Construction. A charter school may code a cellular telephone or pager to the function code of its user.</p>
Revision (Module 3)	<p>3.4.5 Expense Object Codes</p> <p style="padding-left: 40px;">\mathcal{R}6344 USDA Commodities</p> <p>This code is used to classify the costs of commodities. Expenses in this code should agree with the revenue realized in code 5923, USDA Commodities.</p> <p>USDA Commodities must be used for items such as the following:</p>
Revision (Module 3)	<p>3.4.5 Expense Object Codes</p> <p style="padding-left: 40px;">6410 Travel, Subsistence, and Stipends</p> <p>This expenditure object code is used to classify travel, subsistence, and stipends for employees and nonemployees.</p>
Revision (Module 3)	<p>3.4.5 Expense Object Codes</p> <p style="padding-left: 40px;">\mathcal{R} 6419 Travel, Training, and Subsistence—Nonemployees</p>
Revision (Module 3)	<p>3.4.6 Gains/Net Assets Released from Restrictions</p> <p style="padding-left: 40px;">7000 GAINS/NET ASSETS RELEASED FROM RESTRICTIONS</p> <p style="padding-left: 40px;">7911–7949 OTHER RESOURCES</p>

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Type of Change	Changes to FASRG v. 19
	<p>Other resources include sale of bonds, sale of real and personal property, proceeds from right-of-use leases, etc. These amounts are classified separately from:</p> <ul style="list-style-type: none"> • revenues on the statement, and • revenues and expenditures.
Revision (Module 3)	<p>3.4.6 Gains/Net Assets Released from Restrictions</p> <p style="padding-left: 40px;">R7916 Premium or Discount on Issuance of Bonds</p> <p style="padding-left: 40px;">This code is used to classify the premium or discount on the issuance of bonds.</p> <p style="padding-left: 40px;">This code should not be used for the premium or discount on the issuance of bonds for a nonprofit charter schools because the discount or premium is reported in the balance sheet as a direct deduction from or addition to the face amount of the note.</p>
Revision (Module 3)	<p>3.4.7 Losses/Net Assets Released from Restrictions</p> <p>8000 LOSSES/NET ASSETS RELEASED FROM TEMPORARY RESTRICTIONS</p>
Revision (Module 3)	<p>3.6.2.1 Compliance Monitoring—Organization Codes</p> <p>¹ 19 TAC §109.3003, Indirect Cost Rates[.]</p>
Revision (Module 3)	<p>3.8 Program Intent Codes</p> <p>A nonprofit charter school must monitor expenditures to ensure that the limit on indirect costs is observed and must take necessary steps to meet this requirement. The United States Department of Education (USDE) has given TEA authority to issue indirect cost rates for independent school districts (districts), open-enrollment charter schools, and certain other government entities. For additional guidance in the areas of direct and indirect costs, it may refer to the Indirect Cost Rates webpage on the TEA website. TEA policy provides maximum flexibility to nonprofit charter schools by averaging costs up to three years.</p>

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Revision (Module 3)	3.8 Program Intent Codes	
	Code No.	Description
	Basic Services	
	11	Basic Education Services Costs to provide basic instruction
	26	Nondisciplinary Alternative Education Programs (AEP)—Basic Services Costs for programs to serve students at risk of dropping out
	28	Disciplinary Alternative Education Program (DAEP)—DAEP Basic Services Costs incurred to provide general, or basic, education services to students who are moved from the regular classroom into a DAEP
	Enhanced Services	
	21	Gifted and Talented Costs to assess students and provide instruction
	22	Career and Technical Costs to evaluate and prepare students for gainful employment and to provide advanced technical training, homemaking, apprenticeship, and job training
	23	Services to Students with Disabilities (Special Education) Costs of special education such as homebound, hospital class, speech therapy, resource room, self-contained classroom, residential care, etc.
	24	Accelerated Instruction— Supplemental Services Costs of supplemental education required to improve student academic performance through allowable supplemental programs and services provided for the intended population defined in the authorizing statutes, the TEC, §29.081, and the TEC, §48.104
	25	Bilingual Education and Special Language Programs Costs to help students transition to the English language for academic instruction

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	26	Nondisciplinary Alternative Education Programs (AEP)— Supplemental Services	Costs of supplemental education services targeted at dropout prevention and recovery of students defined in the authorizing statutes, the TEC, §29.081, and the TEC, §48.104
	29	Disciplinary Alternative Education Program—DAEP State Compensatory Education Supplemental Costs	Supplemental costs for PIC 28 SCE costs incurred to supplement the general, or basic, education services provided to students who are moved from the regular classroom into a DAEP
	30	Title I, Part A, Schoolwide Activities Related to State Compensatory Education and Other Costs on Campuses with a Current Schoolwide Status	For Title I, Part A, schoolwide activities related to SCE and other costs on campuses with a current Title I, Part A schoolwide status. Note: ESSA allows for schools in which less than 40 percent of the students are from low-income families to apply for a waiver to be eligible to operate a schoolwide program.
	33	Services to Prekindergarten ([P]pre-K) Students – Special Education	Costs incurred to evaluate, place, and provide educational and/or other services to pre-K students that require special education services
	36	Early Education Allotment	Costs incurred for programs and services designed to improve student performance in reading and mathematics in pre-K through third grade, including programs and services designed to assist a charter school in achieving the goals set in a charter school’s early childhood literacy and mathematics proficiency plans
	37	Dyslexia or Related Disorders – Screening, Evaluation, and Identifications	Costs incurred to screen for, evaluate, or identify dyslexia or a related disorder and for regular education aids and services (e.g., instructional accommodations) provided under a 504 accommodation plan to each student who

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			<p>has been identified as having dyslexia or a related disorder.</p> <p>Costs coded to this PIC will not be included in the calculation for Individuals with Disabilities Education Act, Part B (IDEA-B) maintenance of effort.</p>
	38	College, Career, and Military Readiness	Costs incurred to improve college, career, and military readiness outcomes
	43	Dyslexia or Related Disorders – Special Education	<p>Costs incurred for each student that a charter school serves who generates the state dyslexia allotment under the TEC, §48.103, based on identification as a student with dyslexia or a related disorder, and who also receives special education and related services.</p> <p>Costs coded to this PIC will be included in the calculation for IDEA-B maintenance of effort.</p>
	Other Services		
	91	Athletics and Related Activities	Costs for participation in competitive athletic activities and certain support activities not including band
	99	Undistributed	Costs not easily identified with other codes used here, such as certain substitute teachers, teacher on-behalf payments, salaries for band, etc.
Revision (Module 3)	<p>3.8.1 Program Intent Codes (PIC)—Basic Services and Enhanced Services</p> <p><i>Enhanced services</i> are services to students who receive more than basic services, such as special education, bilingual/English as a second language (ESL) instruction, or gifted and talented education.</p> <p>The terms “district improvement plan” and “campus improvement plan” are used throughout this module to refer to instructional plans required by open-enrollment charter schools.</p>		

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Revision (Module 3)	<p>3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</p> <p>The TSDS PEIMS applies a formula to allocate costs recorded in program intent code 99, Undistributed, according to instructional FTEs (as reported in the TSDS PEIMS) assigned to PICs for basic and enhanced services. The formula-based allocation is used for state and federal compliance monitoring purposes, such as monitoring indirect costs and maintenance of effort.</p> <p>TEA uses allocated cost information in the TSDS PEIMS to monitor compliance with indirect cost requirements. This information includes costs assigned to specific PICs. For additional guidance in the areas of direct and indirect costs, refer to the Indirect Cost Rates webpage on the TEA website.</p>				
Revision (Module 3)	<p>3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</p> <p>Basic educational services costs include evaluating, placing, and providing educational services to students in honors, college preparatory, and advanced placement courses.</p>				
Revision (Module 3)	<p>3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Program Intent Code 11 Costs to Include:</th> <th style="width: 50%; text-align: center;">Program Intent Code 11 Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p>Costs incurred related to:</p> <ul style="list-style-type: none"> • Basic services for education or instruction (pre-K–12) prescribed by Texas law, including a regular education program for limited English proficiency students • Pre-K funded from basic education allotment during </td> <td style="vertical-align: top;"> <p>Costs incurred related to:</p> <ul style="list-style-type: none"> • Gifted and talented services (PIC 21) • Advanced placement services designated as part of a gifted and talented program (PIC 21) • Additional salaries and related expenditures or expenses associated with band, UIL speech, debate, science </td> </tr> </tbody> </table>	Program Intent Code 11 Costs to Include:	Program Intent Code 11 Costs to Exclude (with Correct Program Intent Code):	<p>Costs incurred related to:</p> <ul style="list-style-type: none"> • Basic services for education or instruction (pre-K–12) prescribed by Texas law, including a regular education program for limited English proficiency students • Pre-K funded from basic education allotment during 	<p>Costs incurred related to:</p> <ul style="list-style-type: none"> • Gifted and talented services (PIC 21) • Advanced placement services designated as part of a gifted and talented program (PIC 21) • Additional salaries and related expenditures or expenses associated with band, UIL speech, debate, science
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	<p>one-half of full-day program (ages below five)</p> <ul style="list-style-type: none"> • Pre-K funded from High Quality Pre-K Grant (ages below five) • District or campus improvement plan • Honors and college preparatory courses • Advanced placement courses not designated as part of a gifted and talented program • Adult basic and secondary education services • Section 504 students • Physical education (P.E.) classes when athletic activities take place, but P.E. or P.E. equivalent credit is issued • Foreign language courses • TEKS for foundation curriculum and electives in enrichment curriculum as needed for high school graduation • In-school suspension programs • Services for an elective AEP for students not at risk of dropping out of school 	<p>competition, class sponsors, student organizations, social clubs, (for example, NHS, Beta Club, Letterman’s Club) (PIC 99)</p> <ul style="list-style-type: none"> • Additional salaries and related expenditures or expenses associated with serving as coaches, athletic directors, drill team sponsors, cheerleader sponsors, pep squad sponsors, or other organized activity to support athletics (for example, additional days employed, reduction of class load, length of day, etc.) (PIC 91) • Day care and parenting classes for student teen parents (PIC 24) • Basic services for DAEPs (PIC 28) • Costs for nondisciplinary alternative education programs (PIC 26) • AEP costs (Basic and Supplemental) • Title I, Part A, Schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) 	

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Type of Change	Changes to FASRG v. 19						
			<ul style="list-style-type: none"> SCE costs incurred to provide supplemental services in support of a Title I, Part A, targeted assistance program. (PIC 24) Services to pre-K students—special education (ages below five) (PIC 33) Services to pre-K students—SCE (ages below five) (PIC 24) Services to pre-K students—Bilingual Education (ages below five) (PIC 25) 				
Revision (Module 3)	<h3 style="color: #4f81bd;">3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</h3> <p style="margin-left: 40px;"><i>R</i>22 Career and Technical</p> <p style="margin-left: 40px;">This code is used for the costs incurred to evaluate and place students and to provide CTE programs that offer sequence of courses that provide students with coherent and rigorous content. CTE content is aligned with challenging academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current or emerging professions. This may include apprenticeship and job training activities.</p> <table border="1" style="margin-left: 40px; width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">Program Intent Code 22 Costs to Include:</td> <td style="width: 50%; padding: 5px;">Program Intent Code 22 Costs to Exclude (with Correct Program Intent Code):</td> </tr> <tr> <td style="padding: 5px;">Costs incurred related to:</td> <td style="padding: 5px;">Costs incurred relating to:</td> </tr> </table>			Program Intent Code 22 Costs to Include:	Program Intent Code 22 Costs to Exclude (with Correct Program Intent Code):	Costs incurred related to:	Costs incurred relating to:
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Costs incurred related to:	Costs incurred relating to:						

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	<ul style="list-style-type: none"> • Employment preparation services • Apprenticeship and job training activities • All CTE courses in programs that follow the state-approved Career and Technical Education Programs of Study • CTE supervisor or director • CTE counselors • Programs that follow the state-approved Career and Technical Education Programs of Study 	<ul style="list-style-type: none"> • Vocational adjustment classes (VAC) (PIC 23) • Quasi-vocational classes in middle school and junior high (PIC 11) • CTE courses that do not meet the state guidelines (PIC 11) • All DAEP-related activities (PICs 28 and 29)
Revision (Module 3)	<h3 style="color: #4F81BD;">3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</h3> <p style="margin-left: 40px;"><i>R</i>24 Accelerated Instruction—Supplemental Services</p> <p style="margin-left: 40px;">The TEC, §29.081, defines compensatory education as programs and or services designed to supplement the regular education program for students who meet one or more of the statutory or locally defined criterion for being at risk of dropping out of school and requires LEAs to use student performance data from the state’s legislatively mandated assessment instrument, known as the State of Texas Assessments of Academic Readiness (STAAR/EOC) tests and any other achievement tests administered under the TEC, Subchapter B, Chapter 39, to design and implement appropriate compensatory, intensive, or accelerated instructional services for students in the district’s schools that enable students to perform at grade level at the conclusion of the next regular school term.</p> <p style="margin-left: 40px;">Accelerated instruction seeks to reduce the disparity between students at risk of dropping out of school and all other charter school students in:</p>	

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	<ul style="list-style-type: none"> performance on assessment instruments administered under statutory requirements,²⁰ or rates of high school completion. <p>State Compensatory Education (SCE) expenditures are attributable to PIC 24, Accelerated Instruction, only when:</p> <ul style="list-style-type: none"> the expenditures are allowable and supplemental to the basic, or regular, education program; students served meet statutory at-risk criteria;²¹ and services are specifically designed to enable at-risk students to perform at grade level at the end of the next regular school term. <p>Accordingly, all programs and services must first meet a need or set of needs identified in comprehensive needs assessment, be described in the campus or district improvement plan and comply with statutory requirements²² to:</p> <ul style="list-style-type: none"> evaluate the program’s effectiveness and hold an annual public hearing to consider the program evaluation results. <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; width: 80%;"> <thead> <tr style="background-color: #cccccc;"> <th style="padding: 5px;">Program Intent Code 24 Costs to Include:</th> <th style="padding: 5px;">Program Intent Code 24 Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"> Costs incurred related to: <ul style="list-style-type: none"> Intensive or accelerated instructional education programs and activities Concentrated instruction Smaller class size for learning enhancement (conducted after staffing ratio requirement is accomplished) </td> <td style="padding: 5px;"> Costs incurred related to: <ul style="list-style-type: none"> Basic education program (PIC 11) Any activities for nondisciplinary alternative education program services (PIC 26) DAEP-related activities (PICs 28 and 29) </td> </tr> </tbody> </table>	Program Intent Code 24 Costs to Include:	Program Intent Code 24 Costs to Exclude (with Correct Program Intent Code):	Costs incurred related to: <ul style="list-style-type: none"> Intensive or accelerated instructional education programs and activities Concentrated instruction Smaller class size for learning enhancement (conducted after staffing ratio requirement is accomplished) 	Costs incurred related to: <ul style="list-style-type: none"> Basic education program (PIC 11) Any activities for nondisciplinary alternative education program services (PIC 26) DAEP-related activities (PICs 28 and 29)
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²⁰ [TEC, Chapter 39, Subchapter B, Assessment of Academic Skills](#)

²¹ [TEC, §29.081, Compensatory, Intensive, and Accelerated Instruction](#)

²² [TEC, §29.081, Compensatory, Intensive, and Accelerated Instruction](#)

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Type of Change	Changes to FASRG v. 19			
		<ul style="list-style-type: none"> • Salary for supplemental staff members and instructional staff paraprofessionals • Staff development activities for the instructional staff that add new competencies specific to the instructional needs of students at risk of dropping out of school • Day care and parenting classes²³ <ul style="list-style-type: none"> ○ day care for students' children on the campus or at a day care facility in close proximity to the campus ○ transportation for children of students to and from the campus or day care facility • Extending the instructional day, week, or year • Implementing new or additional individual and small-group tutorials • Implementing new or additional individual and small-group project-based learning 	<ul style="list-style-type: none"> • Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) • In-school suspension programs (PIC 11) • Administrative positions (PIC 99) 	

²³ [TEC, Section 48.104\(j-1\)\(2\)](#)

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Type of Change	Changes to FASRG v. 19			
		<ul style="list-style-type: none"> • Specialized computer-assisted and blended instruction • Instructional and specialized instructional materials, equipment, and supplies required for quality instruction • State assessment remediation, including intervention for end-of-course exams • Dropout recovery, prevention, and intervention services for middle and high school students • Individualized instruction programs • Extended year, week, day, or intersession programs • Supplemental teachers • Supplemental limited English proficient (LEP) programs • Mentoring programs • Residential placement programs • Costs associated with placing students in a juvenile justice alternative education program • Modified curriculum services 		

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		<ul style="list-style-type: none"> • School social workers employed for the SCE program • SCE program and student evaluation • Supplemental programs and services for students who have dyslexia or a related disorder • Accelerated instruction <ul style="list-style-type: none"> ○ targeted supplemental (foundation subject) instruction ○ extended day, week, and year instruction ○ tutoring ○ transportation for extended day and year programs ○ professional development designed to provide instructors the knowledge and skills to deliver accelerated instruction ○ the purchase of supplemental instructional materials, equipment for the provision of accelerated services • Accelerated reading instruction program 		

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Type of Change	Changes to FASRG v. 19		
	<p>²² TEC, Section 48.104(j-1)(2)</p>	<ul style="list-style-type: none"> • Expenditures that are for pre-K and are counted toward the 55 percent direct services requirements to students served under SCE funds • High quality and ongoing professional development designed to provide instructors the knowledge and skills to deliver instruction to the intended population • Providing effective, timely additional assistance to the intended population, including measures to ensure that students' difficulties are identified on a timely basis and to provide enough information on which to base effective assistance 	
<p>Revision (Module 3)</p>	<p>3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</p> <p style="padding-left: 40px;"><i>R</i>26 Nondisciplinary Alternative Education Programs—Basic and Supplemental Services</p> <p style="padding-left: 40px;">SCE costs may be incurred to provide basic and supplemental services to students who:</p> <ul style="list-style-type: none"> • meet the statutory criteria for being at risk of dropping out of school²⁴ and • are separated from the regular classroom into a nondisciplinary AEP. 		

²⁴ [TEC, §29.081, Compensatory, Intensive, and Accelerated Instruction](#)

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Type of Change	Changes to FASRG v. 19				
	<p>An AEP may include a private or public community-based dropout recovery education program that provides alternative education programs for students at risk of dropping out of school.</p> <p>SCE expenditures are attributable to PIC 26, Nondisciplinary AEP Programs, only when students served meet statutory criteria.²⁵</p> <p>All services must meet a need or set of needs identified in the comprehensive needs assessment, be described in the campus or district improvement plan,² and comply with statutory requirements²⁶ to:</p> <ul style="list-style-type: none"> • evaluate the program’s effectiveness and • hold an annual public hearing to consider the program evaluation results. <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 50%; text-align: left;">Program Intent Code 26 Costs to Include:</th> <th style="width: 50%; text-align: left;">Program Intent Code 26 Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p>PIC 26 costs may include SCE basic and supplemental expenditures, such as:</p> <ul style="list-style-type: none"> • Supplemental instructional programs and services, specifically serving students who meet statutory at-risk criteria²⁷ • Tutoring in foundation curriculum subjects, such as English language arts, mathematics, science, and social studies </td> <td style="vertical-align: top;"> <p>PIC 26 costs may not include SCE expenditures related to:</p> <ul style="list-style-type: none"> • Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) • Supplemental services in support of Title I, Part A, targeted assistance programs. (PIC 24) • Services provided under Title I, Part A, school-wide campuses (PIC 30) </td> </tr> </tbody> </table>	Program Intent Code 26 Costs to Include:	Program Intent Code 26 Costs to Exclude (with Correct Program Intent Code):	<p>PIC 26 costs may include SCE basic and supplemental expenditures, such as:</p> <ul style="list-style-type: none"> • Supplemental instructional programs and services, specifically serving students who meet statutory at-risk criteria²⁷ • Tutoring in foundation curriculum subjects, such as English language arts, mathematics, science, and social studies 	<p>PIC 26 costs may not include SCE expenditures related to:</p> <ul style="list-style-type: none"> • Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) • Supplemental services in support of Title I, Part A, targeted assistance programs. (PIC 24) • Services provided under Title I, Part A, school-wide campuses (PIC 30)
Program Intent Code 26 Costs to Include:	Program Intent Code 26 Costs to Exclude (with Correct Program Intent Code):				
<p>PIC 26 costs may include SCE basic and supplemental expenditures, such as:</p> <ul style="list-style-type: none"> • Supplemental instructional programs and services, specifically serving students who meet statutory at-risk criteria²⁷ • Tutoring in foundation curriculum subjects, such as English language arts, mathematics, science, and social studies 	<p>PIC 26 costs may not include SCE expenditures related to:</p> <ul style="list-style-type: none"> • Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) • Supplemental services in support of Title I, Part A, targeted assistance programs. (PIC 24) • Services provided under Title I, Part A, school-wide campuses (PIC 30) 				

²⁵ [TEC, §29.081, Compensatory, Intensive, and Accelerated Instruction](#)

²⁶ [TEC, §29.081, Compensatory, Intensive, and Accelerated Instruction](#)

²⁷ [TEC, §29.081, Compensatory, Intensive, and Accelerated Instruction](#)

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Type of Change	Changes to FASRG v. 19			
		<ul style="list-style-type: none"> • Educational and social emotional resources to provide programs to build skills related to managing emotions, establishing, and maintaining positive relationships, and making responsible decisions • Salaries for teachers and paraprofessionals • Counseling services • Security and safety • Mentoring programs • Specialized computer-assisted and blended instruction • Credit recovery instructional programs • Project-based learning instructional programs • Staff development for instructional staff members that adds new competencies specific to the instructional needs of students at risk of dropping out of school • Supplemental programs and services for students who have dyslexia or a related disorder 	<ul style="list-style-type: none"> • Day care and parenting classes (PIC 24) • In-school suspension programs (PIC 11) • Administrative positions (PIC 99) 	

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		<ul style="list-style-type: none"> Accelerated reading instruction program Private or public community-based dropout recovery education program²⁸ 					
Revision (Module 3)	<h3 style="color: #4f81bd;">3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</h3> <p style="margin-left: 40px;"><i>R</i>28 Disciplinary Alternative Education Program (DAEP)—DAEP Basic Services</p> <p>SCE costs may be incurred to provide general, or basic, education services to students who are moved from the regular classroom into a DAEP. All services must be described in the campus or district improvement plan, meet a defined need or set of needs identified in the comprehensive needs assessment (CNA), and must comply with requirements²⁹ for an:</p> <ul style="list-style-type: none"> evaluation of program effectiveness and annual public hearing to consider the program evaluation results. <table border="1" style="width: 100%; margin-top: 10px; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 50%;">Program Intent Code 28 Costs to Include:</th> <th style="width: 50%;">Program Intent Code 28 Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> Basic DAEP SCE costs related to: <ul style="list-style-type: none"> DAEP basic education program costs English language arts, mathematics, science, and social studies </td> <td style="vertical-align: top;"> Costs incurred related to: <ul style="list-style-type: none"> Supplemental DAEP services (PIC 29) Administrative positions (PIC 99) </td> </tr> </tbody> </table>			Program Intent Code 28 Costs to Include:	Program Intent Code 28 Costs to Exclude (with Correct Program Intent Code):	Basic DAEP SCE costs related to: <ul style="list-style-type: none"> DAEP basic education program costs English language arts, mathematics, science, and social studies 	Costs incurred related to: <ul style="list-style-type: none"> Supplemental DAEP services (PIC 29) Administrative positions (PIC 99)
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²⁸ [TEC, §29.081\(e\)](#)

²⁹ [TEC, §29.081](#)

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Type of Change	Changes to FASRG v. 19			
		<ul style="list-style-type: none"> • Educational and social emotional resources to provide programs to build skills related to managing emotions, establishing, and maintaining positive relationships and making responsible decisions • Salaries for classroom teachers • Counseling services • Security and safety • Mentoring programs • Specialized computer-assisted and blended instruction • Credit recovery instructional programs • Project-based learning instructional programs • Staff development for instructional staff members that adds new competencies specific to the instructional needs of students at risk of dropping out of school • Supplemental programs and services for students who have dyslexia or a related disorder • Accelerated reading instruction program 	<ul style="list-style-type: none"> • Nondisciplinary AEP costs, basic or supplemental (PIC 26) • Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) • Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24) • Day care and parenting classes (PIC 24) • In-school suspension programs (PIC 11) 	

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	<p>²⁸ TEC, §29.081</p>					
Revision (Module 3)	<h3 style="margin: 0;">3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</h3> <p style="margin: 10px 0 0 20px;"><i>R</i>29 Disciplinary Alternative Education Program—DAEP State Compensatory Education Supplemental Costs</p> <p style="margin: 0 0 0 20px;">SCE costs may be incurred to supplement the general, or basic, education services provided to students who are moved from the regular classroom into a DAEP. All services must be described in the comprehensive needs assessment and the campus or district improvement plan, and must comply with requirements³⁰ for an:</p> <ul style="list-style-type: none"> • evaluation of program effectiveness and • annual public hearing to consider the program evaluation results. <table border="1" style="width: 100%; margin: 10px 0 0 20px; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 50%;">Program Intent Code 29 Costs to Include:</th> <th style="width: 50%;">Program Intent Code 29 Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p style="margin: 0;">SCE supplemental costs related to:</p> <ul style="list-style-type: none"> • Supplemental programs and services for English language arts, reading, mathematics, science, and history • Programs to build skills related to managing emotions, establishing, and maintaining positive relationships and making responsible decisions </td> <td style="vertical-align: top;"> <p style="margin: 0;">Costs incurred related to:</p> <ul style="list-style-type: none"> • Basic DAEP services (PIC 28) • Nondisciplinary AEP costs, basic or supplemental (PIC 26) • Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) • Supplemental services in support of Title I, Part A, </td> </tr> </tbody> </table>		Program Intent Code 29 Costs to Include:	Program Intent Code 29 Costs to Exclude (with Correct Program Intent Code):	<p style="margin: 0;">SCE supplemental costs related to:</p> <ul style="list-style-type: none"> • Supplemental programs and services for English language arts, reading, mathematics, science, and history • Programs to build skills related to managing emotions, establishing, and maintaining positive relationships and making responsible decisions 	<p style="margin: 0;">Costs incurred related to:</p> <ul style="list-style-type: none"> • Basic DAEP services (PIC 28) • Nondisciplinary AEP costs, basic or supplemental (PIC 26) • Title I, Part A, schoolwide activities related to State Compensatory Education on campuses with a current schoolwide status (PIC 30) • Supplemental services in support of Title I, Part A,
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³⁰ [TEC, §29.081, Compensatory, Intensive, and Accelerated Instruction](#)

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	<ul style="list-style-type: none"> • Social-emotional learning, and self-discipline instructional programs and activities • Educational and behavioral resources • Counseling services • Parental involvement programs and activities • Mentoring programs • Specialized computer-assisted and blended instruction • Credit recovery instructional programs • Project-based learning instructional programs 	<ul style="list-style-type: none"> targeted assistance programs (PIC 24) • Day care and parenting classes (PIC 24) • In-school suspension programs, (PIC 11) • Administrative positions (PIC 99) 	
Revision (Module 3)	<p>3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</p> <p style="text-align: center;"><i>R</i>30</p> <p>Title I, Part A, Schoolwide Activities Related to State Compensatory Education and Other Costs on Campuses with a Current Schoolwide Status</p> <p>A charter school may incur SCE costs to support supplemental programs provided by federal funds at a designated Title I, Part A, schoolwide campus. Verification of schoolwide status is reflected in the most current Schedule SC5000 Title I, Part A, Campus Selection of the ESSA Consolidated Federal Grant Application. The elements of a schoolwide campus must also be addressed in the campus improvement plan. Most importantly, all students enrolled at a schoolwide Title I campus may receive allowable “supplemental” SCE funded services. Though students meeting the state at-risk criteria are still identified through PEIMS, students not meeting the state identification, i.e., students failing only one foundation course, may be served.</p>		

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	<p>All funded SCE services must be described in the comprehensive needs assessment and in the campus or district improvement plan. SCE funds must be part of the campus budget, and all SCE expenditures must track back to the general fund. Title I schoolwide campuses must continue to receive state and local funds for conducting the regular, or basic, education program. SCE expenditures must enhance, or supplement, the basic educational program and must support programs that are eligible under Title I, Part A (ESSA as amended) to ensure students from low-income families have opportunities to meet challenging state assessments.</p> <p>In addition, SCE expenditures must support the intent and purpose of the SCE program, which is to reduce the disparity between students at risk of dropping out of school and all other charter school students in:</p> <ul style="list-style-type: none"> • performance on assessment instruments administered under the TEC, Chapter 39, Subchapter B, or • rates of high school completion. <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 50%; padding: 5px;">Program Intent Code 30 Costs to Include:</th> <th style="width: 50%; padding: 5px;">Program Intent Code 30 Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"> Basic or supplemental SCE expenditures related to: <ul style="list-style-type: none"> • A comprehensive needs assessment of the entire school utilizing academic achievement and growth data, press data, and perception data from school staff, parents, and others in the community. This assessment recognizes the specific academic needs of students and groups of students who are not yet achieving the State’s academic standards. • Schoolwide reform strategies that provide opportunities to </td> <td style="padding: 5px;"> Costs incurred relate to: <ul style="list-style-type: none"> • Basic and supplemental services at AEPs and DAEPs (PICs 26, 28, and 29) • Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24) • SCE supplemental services provided on campuses that are <i>not</i> Title [±], Part A schoolwide or targeted assistance, AEP, or DAEP campuses (PIC 24) </td> </tr> </tbody> </table>	Program Intent Code 30 Costs to Include:	Program Intent Code 30 Costs to Exclude (with Correct Program Intent Code):	Basic or supplemental SCE expenditures related to: <ul style="list-style-type: none"> • A comprehensive needs assessment of the entire school utilizing academic achievement and growth data, press data, and perception data from school staff, parents, and others in the community. This assessment recognizes the specific academic needs of students and groups of students who are not yet achieving the State’s academic standards. • Schoolwide reform strategies that provide opportunities to 	Costs incurred relate to: <ul style="list-style-type: none"> • Basic and supplemental services at AEPs and DAEPs (PICs 26, 28, and 29) • Supplemental services in support of Title I, Part A, targeted assistance programs (PIC 24) • SCE supplemental services provided on campuses that are <i>not</i> Title [±], Part A schoolwide or targeted assistance, AEP, or DAEP campuses (PIC 24)
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Type of Change	Changes to FASRG v. 19			
		<p>meet state academic standards, particularly addressing the needs of low-achieving students, such as:</p> <ul style="list-style-type: none"> ○ accelerated curriculum and enrichment services ○ extended day or year academic services ○ transportation costs for the provision of extended day or year services ○ credit recovery tutoring <ul style="list-style-type: none"> ● Guidance counselors and social workers providing supplemental services ● Programs to build skills related to managing emotions, establishing, and maintaining positive relationships and making responsible decisions ● Instruction by supplemental teachers ● Supplemental instructional materials, equipment, and software ● Instructional coaches providing high quality, school-based professional development pursuant to the TEC, §48.104(j-1)(3) 	<ul style="list-style-type: none"> ● Day care and parenting classes (PIC 24) ● In-school suspension programs (PIC 11) ● Administrative positions (PIC 99) 	

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		<ul style="list-style-type: none"> • Increased amount and quality of learning time, and help provide an enriched and accelerated curriculum • High quality and ongoing professional development for instructional staff members that add new competencies specific to the instructional needs of students at risk of dropping out of school • Salaries for instructional staff for the second half of a pre-K program • Provision of effective, timely additional assistance and activities to students, particularly those most at risk, who have difficulty mastering the proficient or advanced levels of academic achievement standards • Development of a schoolwide program in coordination and integration with other federal, state, and local services, resources, and programs 		
Revision (Module 3) (Program Intent Code 36 table, Costs to	<p>3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</p> <ul style="list-style-type: none"> • Expenditures that are for pre-K and are counted toward the 55 percent direct services requirements to students served under SCE funds (PIC 24) 			

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Type of Change	Changes to FASRG v. 19				
Exclude row)					
Revision (Module 3)	<p style="color: #4F81BD; margin: 0;">3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</p> <p style="margin: 10px 0 0 20px;"><i>R</i>37 Dyslexia or Related Disorders – Screening, Evaluation, and Identification</p> <p style="margin: 0 0 0 20px;">This code is used for the costs incurred to screen for, evaluate, or identify dyslexia or a related disorder and for regular education aids and services (e.g., instructional accommodations) provided under a 504 accommodation plan.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0 0 20px;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 50%; text-align: center;">Program Intent Code 37 Costs to Include:</th> <th style="width: 50%; text-align: center;">Program Intent Code 37 Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p style="margin: 0;">Costs incurred related to:</p> <ul style="list-style-type: none"> Tools and instruments used to screen, progress monitor, and/or evaluate for dyslexia and related disorders Training in the identification of dyslexia for evaluation personnel Professional development in the science of teaching reading Regular education aids and services, such as instructional accommodations, provided to a student who has been identified as having dyslexia or a related disorder under a 504 accommodation plan Personnel costs for the screening, evaluation, and </td> <td style="vertical-align: top;"> <p style="margin: 0;">Costs incurred related to:</p> <ul style="list-style-type: none"> Services provided to a student who has been identified as having dyslexia or a related disorder and who receives special education and related services (PIC 43) </td> </tr> </tbody> </table>	Program Intent Code 37 Costs to Include:	Program Intent Code 37 Costs to Exclude (with Correct Program Intent Code):	<p style="margin: 0;">Costs incurred related to:</p> <ul style="list-style-type: none"> Tools and instruments used to screen, progress monitor, and/or evaluate for dyslexia and related disorders Training in the identification of dyslexia for evaluation personnel Professional development in the science of teaching reading Regular education aids and services, such as instructional accommodations, provided to a student who has been identified as having dyslexia or a related disorder under a 504 accommodation plan Personnel costs for the screening, evaluation, and 	<p style="margin: 0;">Costs incurred related to:</p> <ul style="list-style-type: none"> Services provided to a student who has been identified as having dyslexia or a related disorder and who receives special education and related services (PIC 43)
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Type of Change	Changes to FASRG v. 19					
		<table border="1" style="margin: auto;"> <tr> <td style="padding: 5px;">identification of students with dyslexia</td> <td style="width: 20%;"></td> </tr> </table>	identification of students with dyslexia			
identification of students with dyslexia						
Revision (Module 3)	<h3 style="color: #4f81bd;">3.8.4 Program Intent Codes (PIC)—Compliance Monitoring</h3> <p style="margin-left: 40px;"><i>R</i>43 Dyslexia or Related Disorders – Special Education</p> <p style="margin-left: 40px;">This code is used for the costs incurred for each student that a charter school serves who generates the state dyslexia allotment under the TEC, §48.103, based on identification as a student with dyslexia or a related disorder, and also receives special education and related services.</p> <p style="margin-left: 40px;">Costs incurred for dyslexia or dyslexia-related disorders coded to this PIC will be included in the calculation for IDEA-B maintenance of effort.</p> <table border="1" style="width: 100%; margin-left: 40px;"> <thead> <tr> <th style="width: 50%; text-align: left;">Program Intent Code 43 Costs to Include:</th> <th style="width: 50%; text-align: left;">Program Intent Code 43 Costs to Exclude (with Correct Program Intent Code):</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p>Costs incurred related to:</p> <ul style="list-style-type: none"> Dyslexia instruction by a person with specific training in providing that instruction Personnel costs for licensed, trained, or certified providers of dyslexia instruction Evidence-based dyslexia program materials and/or curriculum </td> <td style="vertical-align: top;"> <p>Costs incurred related to:</p> <ul style="list-style-type: none"> Regular education aids and services (such as instructional accommodations) provided under a Section 504 accommodation plan to a student who has been identified as having dyslexia or a related disorder (PIC 37) Screening for, or evaluation and identification of dyslexia or a related disorder (PIC 37) </td> </tr> </tbody> </table>		Program Intent Code 43 Costs to Include:	Program Intent Code 43 Costs to Exclude (with Correct Program Intent Code):	<p>Costs incurred related to:</p> <ul style="list-style-type: none"> Dyslexia instruction by a person with specific training in providing that instruction Personnel costs for licensed, trained, or certified providers of dyslexia instruction Evidence-based dyslexia program materials and/or curriculum 	<p>Costs incurred related to:</p> <ul style="list-style-type: none"> Regular education aids and services (such as instructional accommodations) provided under a Section 504 accommodation plan to a student who has been identified as having dyslexia or a related disorder (PIC 37) Screening for, or evaluation and identification of dyslexia or a related disorder (PIC 37)
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Revision (Module 3)	<p><i>C.1.3 Reimbursements</i></p> <p>Assume that an expenditure of \$1,000 for instructional general supplies is recorded in the General Fund (199). Subsequent review of purchase orders and the invoice indicate that \$400 of these supplies were applicable to the Title I, Part A—Improving Basic Programs program in the Special Revenue Fund (211). The following entries are required to reimburse the General Fund and to appropriately charge expenditures to the Special Revenue Fund:</p> <p>A. Reimburse the General Fund for Special Revenue Fund - Title I, Part A—Improving Basic Programs, general supplies, P. O. #01003, invoice date 9/10/20XX.</p>															
Revision (Module 3)	<p><i>C.1.4 Interfund Loans</i></p> <p>Assume that the Title I, Part A—Improving Basic Programs program has not been advanced adequate funds for its immediate operations, and funds are forthcoming from the federal government. Expenditures of \$5,000 have been made for the program, and an interfund loan from the General Fund is made to allow payment of incurred expenditures. The following entries are made to record the interfund loan and its subsequent repayment:</p> <p>A. Record the interfund loan from the General Fund to the Title I, Part A—Improving Basic Programs Fund.</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Account</th> <th style="text-align: center;">Debit</th> <th style="text-align: center;">Credit</th> </tr> </thead> <tbody> <tr> <td>Due from Special Revenue Fund</td> <td></td> <td></td> </tr> <tr> <td>199-00-1262-00-000-Y-00-0-00</td> <td style="text-align: center;">\$5,000</td> <td></td> </tr> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>199-00-1110-00-000-Y-00-0-00</td> <td></td> <td style="text-align: center;">\$5,000</td> </tr> </tbody> </table> <p>B. Record the interfund loan from the General Fund to the Title I, Part A—Improving Basic Programs Fund.</p>	Account	Debit	Credit	Due from Special Revenue Fund			199-00-1262-00-000-Y-00-0-00	\$5,000		Cash and Temporary Investments			199-00-1110-00-000-Y-00-0-00		\$5,000
Account	Debit	Credit														
Due from Special Revenue Fund																
199-00-1262-00-000-Y-00-0-00	\$5,000															
Cash and Temporary Investments																
199-00-1110-00-000-Y-00-0-00		\$5,000														
Revision (Module 3)	<p><i>C.3.1 Federally Financed Grant Funded Through TEA</i></p> <p>The nonprofit charter school is approved to operate a federally financed grant funded through TEA. For purposes of this illustration, the approved indirect cost rate is two percent and the grant does not have expenditures budgeted for stipends, food, debt service, tuition for higher education, or capital outlay. Thus, the indirect cost rate is applicable to all budgeted expenditures. Also, this illustration is intended to show examples of accounting for a grant that is partly financed by advances and partly financed by reimbursement.</p>															

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<p>A. The total grant of \$102,000 is for the 12-month project period beginning July 1, 202X and ending June 30, 202Y. Indirect cost is budgeted in the General Fund and the remainder of the grant is budgeted in the Special Revenue Fund (Title I, Part A—Improving Basic Programs).</p> <p style="padding-left: 40px;">1. Record the project budget in the Special Revenue Fund.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-left: 40px;"> <thead> <tr> <th style="width: 60%;">Account</th> <th style="width: 20%;">Debit</th> <th style="width: 20%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Estimated Revenues - Federal Revenues</td> <td></td> <td></td> </tr> <tr> <td>Distributed by TEA (Title I, Part A)</td> <td></td> <td></td> </tr> <tr> <td>211-00-5929-00-000-Y-00-0-00</td> <td style="text-align: center;">\$102,000</td> <td></td> </tr> <tr> <td>Estimated Revenues - Federal Revenues</td> <td></td> <td></td> </tr> <tr> <td>Distributed by TEA (Title I, Part A—Indirect Cost)</td> <td></td> <td></td> </tr> <tr> <td>211-00-5929-01-000-Y-00-0-00</td> <td></td> <td style="text-align: center;">\$2,000</td> </tr> <tr> <td>Appropriations</td> <td></td> <td></td> </tr> <tr> <td>211-XX-(61XX-64XX)-00-XXX-Y-24-0-00</td> <td></td> <td style="text-align: center;">\$100,000</td> </tr> </tbody> </table> <p>B. The project is advanced \$25,000 by TEA. This money has not been earned and is not revenue. Since <u>the</u> indirect cost is based on applicable budgeted expenditures, any amount due to the General Fund cannot be determined at this time.</p> <p style="padding-left: 40px;">2. Record the receipt of the cash advance from TEA.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-left: 40px;"> <thead> <tr> <th style="width: 60%;">Account</th> <th style="width: 20%;">Debit</th> <th style="width: 20%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>211-00-1110-00-000-Y-00-0-00</td> <td style="text-align: center;">\$25,000</td> <td></td> </tr> <tr> <td>Deferred Inflow of Resources (Revenue)</td> <td></td> <td></td> </tr> <tr> <td>211-00-2310-00-000-Y-00-0-00</td> <td></td> <td style="text-align: center;">\$25,000</td> </tr> </tbody> </table> <p>C. The first quarterly report is issued showing total expenditures of \$26,000; the cash advance plus \$1,000 of charter school funds that are to be reimbursed to the charter school were used during the period for the project. Indirect cost was earned on the basis of the expenditures, and is credited as revenue to the General Fund. Cash was disbursed at various times to retire project</p>	Account	Debit	Credit	Estimated Revenues - Federal Revenues			Distributed by TEA (Title I, Part A)			211-00-5929-00-000-Y-00-0-00	\$102,000		Estimated Revenues - Federal Revenues			Distributed by TEA (Title I, Part A—Indirect Cost)			211-00-5929-01-000-Y-00-0-00		\$2,000	Appropriations			211-XX-(61XX-64XX)-00-XXX-Y-24-0-00		\$100,000	Account	Debit	Credit	Cash and Temporary Investments			211-00-1110-00-000-Y-00-0-00	\$25,000		Deferred Inflow of Resources (Revenue)			211-00-2310-00-000-Y-00-0-00		\$25,000			
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211-00-2310-00-000-Y-00-0-00		\$25,000																																											

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Type of Change	Changes to FASRG v. 19		
	liabilities.		
	3. Record the project expenditures and revenues.		
	Account	Debit	Credit
	Expenditures		
	211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$26,000	
	Deferred Inflow of Resources (Revenue)		
	211-00-2310-00-000-Y-00-0-00	\$25,000	
	Due from TEA		
	211-00-1241-00-000-Y-00-0-00	\$1,520	
	Account Payable		
	211-00-2110-00-000-Y-00-0-00		\$26,000
	Revenues - Federal Revenues Distributed by TEA		
	(Title I, Part A)		
	211-00-5929-00-000-Y-00-0-00		\$26,520
	4. Record the indirect cost revenue.		
	Account	Debit	Credit
	Revenues - Federal Revenues Distributed by TEA		
	(Title I, Part A)		
	211-00-5929-01-000-Y-00-0-00	\$520	
	Due to General Fund		
	199-00-2171-00-000-Y-00-0-00		\$520
	Due from Special Revenue Fund		
	199-00-1262-00-000-Y-00-0-00	\$520	
	Revenues - Federal Revenues Distributed by		

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Type of Change	Changes to FASRG v. 19		
	TEA (Title I, Part A)		
	199-00-5929-00-000-Y-00-0-00		\$520
	5. Record <u>the</u> payment of the project liabilities.		
	Account	Debit	Credit
	Accounts Payable		
	211-00-2110-00-000-Y-00-0-00	\$26,000	
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00		\$26,000
	D. On the basis of the first quarterly report, a warrant in the amount of \$27,920 is received from TEA, reimbursing the charter school for \$1,520 in earned revenue and advancing \$26,400 for project use during the second quarter.		
	6. Record the receipt of the revenue and cash advance from TEA.		
	Account	Debit	Credit
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00	\$27,400	
	Due to General Fund		
	211-00-2171-00-000-Y-00-0-00	\$520	
	Due from TEA		
	211-00-1241-00-000-Y-00-0-00		\$1,520
	Deferred Inflow of Resources (Revenue)		
	211-00-2310-00-000-Y-00-0-00		\$26,400
	Cash and Temporary Investments		
	199-00-1110-00-000-Y-00-0-00	\$520	
	Due from Special Revenue Fund		

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	199-00-1262-00-000-Y-00-0-00		\$520																																													
	<p>E. The second quarterly report is issued showing total expenditures of \$21,000, which is \$5,400 less than the amount advanced for the second quarter. Indirect cost of \$420, based on the amount of expenditures, is credited as revenue to the General Fund, further reducing deferred inflow of resources (revenues) to \$4,980. Cash was disbursed at various times to retire project liabilities.</p> <p style="padding-left: 40px;">7. Record the project expenditures and revenues.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-left: 40px;"> <thead> <tr> <th style="width: 60%;">Account</th> <th style="width: 20%;">Debit</th> <th style="width: 20%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Expenditures</td> <td></td> <td></td> </tr> <tr> <td>211-XX-(61XX-64XX)-00-XXX-Y-24-0-00</td> <td style="text-align: right;">\$21,000</td> <td></td> </tr> <tr> <td>Deferred Inflow of Resources (Revenue)</td> <td></td> <td></td> </tr> <tr> <td>211-00-2310-00-000-Y-00-0-00</td> <td style="text-align: right;">\$21,420</td> <td></td> </tr> <tr> <td>Accounts Payable</td> <td></td> <td></td> </tr> <tr> <td>211-00-2110-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$21,000</td> </tr> <tr> <td>Revenues - Federal Revenues Distributed by TEA (Title I, Part A)</td> <td></td> <td></td> </tr> <tr> <td>211-00-5929-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$21,000</td> </tr> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>211-00-1110-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$420</td> </tr> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>199-00-1110-00-000-Y-00-0-00</td> <td style="text-align: right;">\$420</td> <td></td> </tr> <tr> <td>Revenues - Federal Revenues Distributed by TEA (Title I, Part A)</td> <td></td> <td></td> </tr> <tr> <td>199-00-5929-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$420</td> </tr> </tbody> </table> <p style="padding-left: 40px;">8. Record the retirement of project liabilities.</p>			Account	Debit	Credit	Expenditures			211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$21,000		Deferred Inflow of Resources (Revenue)			211-00-2310-00-000-Y-00-0-00	\$21,420		Accounts Payable			211-00-2110-00-000-Y-00-0-00		\$21,000	Revenues - Federal Revenues Distributed by TEA (Title I, Part A)			211-00-5929-00-000-Y-00-0-00		\$21,000	Cash and Temporary Investments			211-00-1110-00-000-Y-00-0-00		\$420	Cash and Temporary Investments			199-00-1110-00-000-Y-00-0-00	\$420		Revenues - Federal Revenues Distributed by TEA (Title I, Part A)			199-00-5929-00-000-Y-00-0-00		\$420
Account	Debit	Credit																																														
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211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$21,000																																															
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199-00-5929-00-000-Y-00-0-00		\$420																																														

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Type of Change	Changes to FASRG v. 19		
	Account	Debit	Credit
	Accounts Payable		
	211-00-2110-00-000-Y-00-0-00	\$21,000	
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00		\$21,000
	<p>F. On the basis of the second quarterly report, a warrant is received from TEA advancing \$18,700 for project use during the third quarter.</p> <p style="padding-left: 40px;">9. Record the receipt of the cash advance from TEA.</p>		
	Account	Debit	Credit
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00	\$18,700	
	Deferred Inflow of Resources (Revenue)		
	211-00-2310-00-000-Y-00-0-00		\$18,700
	<p>G. The third quarterly report is issued showing total expenditures of \$18,000, which is \$5,680 less than deferred inflow of resources (revenues) during previous quarters. Indirect cost of \$360, based on the amount of expenditures, is credited as revenue to the General Fund, further reducing unavailable/deferred inflows of resources (revenues) to \$5,320. Cash was disbursed at various times to retire project liabilities. No additional cash advances are to be made by TEA for this project.</p> <p style="padding-left: 40px;">10. Record the project expenditures and revenues.</p>		
	Account	Debit	Credit
	Expenditures		
	211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$18,000	
	Deferred Inflow of Resources (Revenue)		
	211-00-2310-00-000-Y-00-0-00	\$18,360	
	Accounts Payable		

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Type of Change	Changes to FASRG v. 19		
	211-00-2110-00-000-Y-00-0-00		\$18,000
	Revenues - Federal Revenues Distributed by TEA		
	(Title I Part A)		
	211-00-5929-00-000-Y-00-0-00		\$18,000
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00		\$360
	Cash and Temporary Investments		
	199-00-1110-00-000-Y-00-0-00	\$360	
	Revenues - Federal Revenues Distributed by TEA		
	(Title I, Part A)		
	199-00-5929-00-000-Y-00-0-00		\$360
	11. Record the retirement of the project liabilities.		
	Account	Debit	Credit
	Accounts Payable		
	211-00-2110-00-000-Y-00-0-00	\$18,000	
	Cash and Temporary Investments		
	211-00-1110-00-000-Y-00-0-00		\$18,000
	H. The final completion report is issued showing total expenditures of \$20,000 for the fourth quarter and indirect cost revenue earned of \$400. Since expenditures and indirect cost exceed revenues deferred from previous quarters by \$15,080, a receivable from TEA is recorded. Cash was disbursed at various times to retire project liabilities.		
	12. Record the project expenditures, revenues, and receivables.		
	Account	Debit	Credit

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19		
	Expenditures		
	211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$20,000	
	Deferred Inflow of Resources (Revenue)		
	211-00-2310-00-000-Y-00-0-00	\$5,320	
	Due from TEA		
	211-00-1241-00-000-Y-00-0-00	\$15,080	
	Accounts Payable		
	211-00-2110-00-000-Y-00-0-00		\$20,000
	Revenues - Federal Revenues Distributed by TEA (Title I, Part A)		
	211-00-5929-00-000-Y-00-0-00		\$20,000
	Due to General Fund		
	211-00-2171-00-000-Y-00-0-00		\$400
	Due from Special Revenue Fund		
	199-00-1262-00-000-Y-00-0-00	\$400	
	Revenues - Federal Revenues Distributed by TEA (Title I, Part A)		
	199-00-5929-00-000-Y-00-0-00		\$400
	13. Record the retirement of the project liabilities.		
	Account	Debit	Credit
	Accounts Payable		
	211-00-2110-00-000-Y-00-0-00	\$20,000	
	Cash and Temporary Investments		

Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19																																																											
	211-00-1110-00-000-Y-00-0-00		\$20,000																																																									
	<p>I. A warrant in the amount of \$15,080 is received from TEA, and the project is closed.</p> <p style="padding-left: 40px;">14. Record the receipt of the reimbursement from TEA.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-left: 40px;"> <thead> <tr> <th style="width: 40%;">Account</th> <th style="width: 15%;">Debit</th> <th style="width: 15%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>211-00-1110-00-000-Y-00-0-00</td> <td style="text-align: right;">\$14,680</td> <td></td> </tr> <tr> <td>Due to General Fund</td> <td></td> <td></td> </tr> <tr> <td>211-00-2171-00-000-Y-00-0-00</td> <td style="text-align: right;">\$400</td> <td></td> </tr> <tr> <td>Due from TEA</td> <td></td> <td></td> </tr> <tr> <td>211-00-1241-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$15,080</td> </tr> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>199-00-1110-00-000-Y-00-0-00</td> <td style="text-align: right;">\$400</td> <td></td> </tr> <tr> <td>Due from Special Revenue Fund</td> <td></td> <td></td> </tr> <tr> <td>199-00-1262-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$400</td> </tr> </tbody> </table> <p style="padding-left: 40px;">15. Close the project.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-left: 40px;"> <thead> <tr> <th style="width: 40%;">Account</th> <th style="width: 15%;">Debit</th> <th style="width: 15%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Appropriations</td> <td></td> <td></td> </tr> <tr> <td>199-XX-(61XX-64XX)-00-XXX-Y-24-0-00</td> <td style="text-align: right;">\$2,000</td> <td></td> </tr> <tr> <td>Estimated Revenues - Federal Revenues</td> <td></td> <td></td> </tr> <tr> <td>Distributed by TEA (Title I, Part A)</td> <td></td> <td></td> </tr> <tr> <td>199-00-5929-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$2,000</td> </tr> <tr> <td>Revenues - Federal Revenues Distributed by TEA</td> <td></td> <td></td> </tr> <tr> <td>(Title I, Part A)</td> <td></td> <td></td> </tr> </tbody> </table>			Account	Debit	Credit	Cash and Temporary Investments			211-00-1110-00-000-Y-00-0-00	\$14,680		Due to General Fund			211-00-2171-00-000-Y-00-0-00	\$400		Due from TEA			211-00-1241-00-000-Y-00-0-00		\$15,080	Cash and Temporary Investments			199-00-1110-00-000-Y-00-0-00	\$400		Due from Special Revenue Fund			199-00-1262-00-000-Y-00-0-00		\$400	Account	Debit	Credit	Appropriations			199-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$2,000		Estimated Revenues - Federal Revenues			Distributed by TEA (Title I , Part A)			199-00-5929-00-000-Y-00-0-00		\$2,000	Revenues - Federal Revenues Distributed by TEA			(Title I , Part A)		
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Financial Accountability System Resource Guide v. 19 Change Document

Type of Change	Changes to FASRG v. 19																										
	211-00-5929-00-000-Y-00-0-00	\$85,000																									
	Appropriations																										
	211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$100,000																									
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	211-00-(61XX-64XX)-00-XXX-Y-24-0-00		\$85,000																								
	Revision (Module 3)	<p style="color: #4f81bd; margin: 0;">C.3.2 Closing a Federally Financed Grant Funded Through TEA</p> <p style="margin: 0;">The purpose of this example is to show the entries necessary to close a federally[-]funded project where the nonprofit charter school has a liability to the granting agency as a result of cash advances exceeding earned revenue. The project illustrated in this example is the same project as previously illustrated, except that a grant total of \$86,000 was advanced, exceeding total revenues earned by \$1,000.</p> <p style="margin: 0;">A. The final completion report is issued showing total expenditures of \$20,000 for the fourth quarter and indirect cost revenue earned of \$400. Since expenditures and indirect cost are \$1,000 less than revenues deferred, a payable to TEA is recorded.</p> <p style="margin: 0; padding-left: 20px;">1. Record the project expenditures, revenues and payables.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 60%;">Account</th> <th style="width: 20%;">Debit</th> <th style="width: 20%;">Credit</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Deferred Inflows of Resources (Revenue)</td> <td></td> <td></td> </tr> <tr> <td style="padding: 2px;">211-00-2310-00-000-Y-00-0-00</td> <td style="text-align: right; padding: 2px;">\$21,400</td> <td></td> </tr> <tr> <td style="padding: 2px;">Expenditures</td> <td></td> <td></td> </tr> <tr> <td style="padding: 2px;">211-XX-(61XX-64XX)-00-XXX-Y-24-0-00</td> <td style="text-align: right; padding: 2px;">\$20,000</td> <td></td> </tr> <tr> <td style="padding: 2px;">Accounts Payable</td> <td></td> <td></td> </tr> <tr> <td style="padding: 2px;">211-00-2110-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right; padding: 2px;">\$20,000</td> </tr> <tr> <td style="padding: 2px;">Revenues - Federal Revenues Distributed by TEA (Title I, Part A)</td> <td></td> <td></td> </tr> </tbody> </table>			Account	Debit	Credit	Deferred Inflows of Resources (Revenue)			211-00-2310-00-000-Y-00-0-00	\$21,400		Expenditures			211-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$20,000		Accounts Payable			211-00-2110-00-000-Y-00-0-00		\$20,000	Revenues - Federal Revenues Distributed by TEA (Title I, Part A)	
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	211-00-2181-00-000-Y-00-0-00		\$1,000																																	
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	<p>B. Throughout the fourth quarter, project liabilities were being paid. On July 15, 202X all remaining project liabilities are paid and the project is closed.</p> <p style="padding-left: 40px;">2. Record the payment of the project liabilities.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Account</th> <th style="width: 10%;">Debit</th> <th style="width: 10%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Accounts Payable</td> <td></td> <td></td> </tr> <tr> <td>211-00-2110-00-000-Y-00-0-00</td> <td style="text-align: center;">\$20,000</td> <td></td> </tr> <tr> <td>Due to General Fund</td> <td></td> <td></td> </tr> <tr> <td>211-00-2171-00-000-Y-00-0-00</td> <td style="text-align: center;">\$400</td> <td></td> </tr> <tr> <td>Due to TEA</td> <td></td> <td></td> </tr> <tr> <td>211-00-2181-00-000-Y-00-0-00</td> <td style="text-align: center;">\$1,000</td> <td></td> </tr> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>211-00-1110-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$21,400</td> </tr> <tr> <td>Cash and Temporary Investments</td> <td></td> <td></td> </tr> <tr> <td>199-00-1110-00-000-Y-00-0-00</td> <td style="text-align: center;">\$400</td> <td></td> </tr> </tbody> </table>			Account	Debit	Credit	Accounts Payable			211-00-2110-00-000-Y-00-0-00	\$20,000		Due to General Fund			211-00-2171-00-000-Y-00-0-00	\$400		Due to TEA			211-00-2181-00-000-Y-00-0-00	\$1,000		Cash and Temporary Investments			211-00-1110-00-000-Y-00-0-00		\$21,400	Cash and Temporary Investments			199-00-1110-00-000-Y-00-0-00	\$400	
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Type of Change	Changes to FASRG v. 19			
	Due from Special Revenue Fund			
	199-00-1262-00-000-Y-00-0-00		\$400	
	3. Close the project.			
	Account	Debit	Credit	
	Appropriations			
	199-XX-(61XX-64XX)-00-XXX-Y-24-0-00	\$2,000		
	Estimated Revenues - Federal Revenues Distributed by TEA (Title I , Part A)			
	199-00-5929-00-000-Y-00-0-00		\$2,000	
	Revenues - Federal Revenues Distributed by TEA (Title I , Part A)			
	211-00-5929-00-000-Y-00-0-00	\$85,000		
	Appropriations			
	211-00-(61XX-64XX)-00-XXX-Y-24-0-00	\$100,000		
	Estimated Revenues - Federal Revenues Distributed by TEA (Title I , Part A)			
	211-00-5929-00-000-Y-00-0-00		\$100,000	
	Expenditures			
	211-00-(61XX-64XX)-00-XXX-Y-24-0-00		\$85,000	
	Revision (Module 3)	<p><i>C.4.1.1 Gift from a Private Benefactor</i></p> <p>In the following example, a charter school has accepted a cash gift of \$1,000 from a private benefactor to be used at the discretion of the governing board for general operations.</p>		

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Type of Change	Changes to FASRG v. 19																																						
Revision (Module 3)	<p style="font-size: 1.2em; color: #4a7ebb; margin: 0;">C.5 Accounting for Catastrophic Gains and Losses</p> <p style="margin: 10px 0 0 20px;">A classroom is destroyed by fire, and a gain will be realized from the resulting repair.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 70%;">Description</th> <th style="width: 30%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Insurance Recovery</td> <td style="text-align: right;">\$20,000</td> </tr> <tr> <td>Cost of Building Repair</td> <td style="text-align: right;">17,000</td> </tr> <tr> <td>Cost of Equipment Repair</td> <td style="text-align: right;">2,000</td> </tr> </tbody> </table> <p style="margin: 10px 0 0 20px;">A. Record the damage to the classroom building and equipment and the loss.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 50%;">Account</th> <th style="width: 25%;">Debit</th> <th style="width: 25%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Asset – Buildings and Improvements</td> <td></td> <td></td> </tr> <tr> <td>420-00-1520-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$17,000</td> </tr> <tr> <td>Asset – Furniture and Equipment</td> <td></td> <td></td> </tr> <tr> <td>420-00-1539-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$2,000</td> </tr> <tr> <td>Losses/Net Assets Released from Restrictions – Extraordinary (Unusual or Infrequent) Items</td> <td></td> <td></td> </tr> <tr> <td>420-00-8913-00-000-Y-00-0-00</td> <td style="text-align: right;">\$19,000</td> <td></td> </tr> </tbody> </table> <p style="margin: 10px 0 0 20px;">B. Record the receipt of insurance proceeds and the gain.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 50%;">Account</th> <th style="width: 25%;">Debit</th> <th style="width: 25%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Cash and Cash Equivalents</td> <td></td> <td></td> </tr> <tr> <td>420-00-1110-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$20,000</td> </tr> </tbody> </table>	Description	Amount	Insurance Recovery	\$20,000	Cost of Building Repair	17,000	Cost of Equipment Repair	2,000	Account	Debit	Credit	Asset – Buildings and Improvements			420-00-1520-00-000-Y-00-0-00		\$17,000	Asset – Furniture and Equipment			420-00-1539-00-000-Y-00-0-00		\$2,000	Losses/Net Assets Released from Restrictions – Extraordinary (Unusual or Infrequent) Items			420-00-8913-00-000-Y-00-0-00	\$19,000		Account	Debit	Credit	Cash and Cash Equivalents			420-00-1110-00-000-Y-00-0-00		\$20,000
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	<p>C. Record the repairs to the building and equipment assets and the payment for the repairs of the classroom building and equipment.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Account</th> <th style="width: 25%;">Debit</th> <th style="width: 25%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Asset – Buildings and Improvements</td> <td></td> <td></td> </tr> <tr> <td>420-00-1520-00-000-Y-00-0-00</td> <td style="text-align: right;">\$17,000</td> <td></td> </tr> <tr> <td>Asset – Furniture and Equipment</td> <td></td> <td></td> </tr> <tr> <td>420-00-1539-00-000-Y-00-0-00</td> <td style="text-align: right;">\$2,000</td> <td></td> </tr> <tr> <td>Cash and Cash Equivalents</td> <td></td> <td></td> </tr> <tr> <td>420-00-1110-00-000-Y-00-0-00</td> <td></td> <td style="text-align: right;">\$19,000</td> </tr> </tbody> </table> <p>Note 1: Entry A shown above is net of accumulated depreciation.</p> <p>Note 2: If repairs occur in two different fiscal years, the associated repair expenditures, insurance proceeds, and additions to the capital assets should be recorded in the appropriate fiscal year. Deferred expenditure and revenue accounts should not be utilized.</p>			Account	Debit	Credit	Asset – Buildings and Improvements			420-00-1520-00-000-Y-00-0-00	\$17,000		Asset – Furniture and Equipment			420-00-1539-00-000-Y-00-0-00	\$2,000		Cash and Cash Equivalents			420-00-1110-00-000-Y-00-0-00		\$19,000
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Cash and Cash Equivalents																								
420-00-1110-00-000-Y-00-0-00		\$19,000																						
Revision (Module 3)	<h3 style="color: #4F81BD;">Glossary</h3> <p>NET PENSION LIABILITY. The total pension liability less the amount of the pension plan’s fiduciary net position (unfunded accrued liability). For cost-sharing plans, the net pension liability is equal to its proportionate share of the total net pension liability for all participating employers, calculated based on the school’s proportionate share of total estimated long-term employer contributions. If the plan’s valuation has not been performed as of the end of the pension plan’s fiscal year, the total pension liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation. Liabilities associated with different pension plans may be displayed in the aggregate and should be displayed separately from aggregated pension assets. The school should recognize a liability in the governmental fund financial statements for 1) defined contribution plan contributions that are due and payable pursuant to legal or contractual requirements; and 2) defined benefit plan benefit payments that are due and payable and in excess of available resources in the pension trust.</p>																							

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Type of Change	Changes to FASRG v. 19
Revision (Module 3)	<p>Glossary</p> <p>POPULAR ANNUAL FINANCIAL REPORTING (PAFR). Supplementary financial reporting designed to meet the special needs of interested parties and intended to present a governmental entity’s financial position, accomplishments, and activities for a given year in an easy-to-read format for those without a traditional financial background.</p>
Deletion (Module 3)	<p>Glossary</p> <p>[PROPRIETARY FUNDS. A fund that tracks a district’s activities that are operated like private businesses, charging customers a fee in return for goods or services. There are two different types of proprietary funds: Enterprise Fund and Internal Service Fund. Proprietary Funds focus on the determination of operating income, changes in revenues, expenses, and changes in fund net position (or cost recovery), financial position (net position), and cash flows.]</p> <p>[SPECIAL FUNDING SITUATIONS. Term used in connection with pensions. A situation in which a governmental entity is legally responsible for contributions to pension or other post_employment benefit plans that cover the employees of another governmental entity or entities. For example, a state government may be legally responsible for the annual “employer” contributions to a pension plan that covers employees of school districts within the state. [SGAS 27 and SGAS 45]]</p>
Revision (Module 4)	<p>Financial Accountability System Resource Guide, Update 19</p> <p>Module 4: Auditing</p> <p>Texas Education Agency 2024</p>
Revision (Module 4)	<p>4.2.5 Programs Supported by State or Federal Funds</p> <p>At times, school districts may operate programs which are supported in part or in whole by state and/or federal funds.</p>

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Type of Change	Changes to FASRG v. 19
Revision (Module 4)	<p>4.2.7 Audit Procedures on the TSDS PEIMS Fiscal Data</p> <p>The 74th Texas Legislature, 1995, enacted an additional fiscal audit requirement relating to the accuracy of fiscal data reported through the TSDS PEIMS through the TEC, §44.008(b). Audit procedures are to be applied to fiscal data to be reported for the fiscal year-end of the audit. Audit procedures are to be adequate to detect material errors in a school district’s data to be reported through the TSDS PEIMS for the fiscal year under audit. Audit procedures may be applied to the prior fiscal year’s data in connection with planning activities of the audit engagement. An example of PEIMS audit procedures applied on a test basis include:</p> <ul style="list-style-type: none"> • analytical procedures of the TSDS PEIMS data expected to be reported in the ActualExtension • analytical procedures of the TSDS PEIMS data expected to be reported in the ActualExtension for the year of audit and data that was reported in the prior year • analytical procedures of summary detail district wide for fund, function, object, organization, or program intent, such as negative expenditure amounts • administrative controls over database administration, such as posting of annual audit adjustments to general ledger detail • review of the process used by the school district to generate PEIMS summarized fiscal data and review of the data for material errors in control totals, so that it may be submitted intact to the regional education service center for the TSDS PEIMS submissions (reviews to take place during audit fieldwork)
Revision (Module 4)	<p>4.2.8 State Single Audit (TxGMS)</p> <p>The Texas Grant Management Standards (TxGMS) were established to provide a standardized set of financial management procedures for grantor agencies in Texas. State agencies are required to adhere to these standards when administering grants and other financial assistance agreements with cities, counties, and other political subdivisions of the state.</p> <p>The Government Code, Chapter 783, excludes districts; however, to further consistency and accountability, some state agencies have applied these standards by rule or contract to all their subrecipients.</p> <p>If a school district receives state grants directly or federal block grants from a state agency other than TEA, the auditor must check the grant requirements of that agency because some require a state single audit for that specific grant. For example, the school district may agree voluntarily to a state single audit as a condition of receiving the grant.</p> <p>The Texas Grant Management Standards are found at https://comptroller.texas.gov/purchasing/grant-management/.</p>

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Type of Change	Changes to FASRG v. 19
Revision (Module 4)	<p>4.3.1 Request for Qualifications</p> <p>The Government Finance Officers Association has issued guidance that identifies and discusses issues to be considered when soliciting audit proposals. This information can be found at Audit Procurement.</p>
Revision (Module 4)	<p>4.6.2.1 Communicate with the District Concerning Engagement Details and Auditor/District Responsibilities</p> <p>AU Section 300, Planning an Audit, also provides guidance.</p>
Revision (Module 4)	<p>4.6.2.2 Identify the Engagement’s Reporting Objectives</p> <ul style="list-style-type: none"> • The annual comprehensive financial report (ACFR), which includes all funds and account groups of the reporting entity.
Deletion (Module 4)	<p>4.6.2.3 Verify Auditor’s Independence and Identify the Auditor’s Role as Principal Auditor, Component Unit Auditor, or Joint Auditor</p> <p><i>Independence</i></p> <p>Auditors for Texas school district financial statements are required to be independent. In order to determine independence, auditors should follow Rule 101—Independence of the AICPA Code of Professional Conduct, along with its Interpretations and Ethics Rulings. Auditors must also meet the independence requirements of chapter 3 of GAS. As a result of the Sarbanes-Oxley Act and Public Company Accounting Oversight Board (PCAOB) standards, there was more interest in internal controls and auditors’ responsibilities for reporting control deficiencies. [SAS No. 115, Communicating Internal Control Related Matters Identified in an Audit, requires auditors to report deficiencies in writing. The expectation is that there will be more findings regarding internal control due to the new term significant deficiencies (rather than reportable conditions) and the new definition of material weaknesses. The requirements prevent the auditor from being part of the district’s internal control; however, another CPA firm can be part of a client’s internal control. One problem is that for small districts who have previously had the auditor involved in the drafting of the entity’s financial statements, SAS No. 115 considers it to be a strong indication of material weakness in internal control if the district has ineffective controls over the preparation of the financial statements to the extent that there are no controls or the controls would be ineffective in preventing or detecting material misstatements. The AICPA’s Auditing Standards Board (ASB) suggests that district personnel could be trained to be more knowledgeable, or the district could utilize an outsourced firm to prepare financial statements that are then audited by the auditor.]]</p>

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Type of Change	Changes to FASRG v. 19
Revision (Module 4) (change to part of Exhibit 1, Revenues row)	<p><i>4.6.4 Performance of Substantive Procedures</i></p> <ul style="list-style-type: none"> Review propriety of accounting treatment of state revenues under the TEC, Chapter 48 TEC, Chapter 48, §§ 48.102, 48.104, 48.1041, 48.106, 48.110
Revision (Module 4)	<p><i>4.6.5 Compliance with Laws and Regulations</i></p> <p>In a school district audit, the auditor is also required to test compliance with laws and regulations. The following exhibit lists the major state compliance requirements that are to be tested by auditors, along with suggested audit procedures. Auditors should refer to the Financial Accounting and Reporting and Financial Accounting and Reporting Appendices modules of FASRG as well as other references for information regarding these requirements.</p> <p>This includes an annual audit to test compliance with the spending requirements for the FSP special allotment programs. These programs are structured on an annual basis, and the FSP allotments are paid annually. Therefore, the focus of compliance testing during the annual financial audit for the FSP special allotment programs should be on data for that one-year time period.</p>
Revision (Module 4) (change to part of Exhibit 2)	<p><i>4.6.5 Compliance with Laws and Regulations</i></p> <ul style="list-style-type: none"> Determine whether the school district spent 55 percent of the FSP allotment for direct costs related to compensatory education, special education programs, bilingual education or special language programs, career and technical education programs, and college, career, and military readiness outcomes bonus; and 100 percent for direct costs related to students with dyslexia or related disorder programs, and early education programs. LEAs should adopt a policy regarding the use of funds to support their gifted and talented program.
Addition (Module 4) (change to part of Exhibit 2)	<p><i>4.6.5 Compliance with Laws and Regulations</i></p> <ul style="list-style-type: none"> To test compliance of the FSP special allotment programs' spending requirements, the LEA's unallocated amounts must be used in the calculation.
Revision (Module 4)	<p><i>4.6.5 Compliance with Laws and Regulations</i></p>

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Type of Change	Changes to FASRG v. 19			
(change to part of Exhibit 2)	<ul style="list-style-type: none"> Review expenditures for contracts in the amount of \$50,000 or greater, and for purchase orders to an individual vendor in the amount of 50,000 or greater, to determine whether competitive procurement procedures were performed. Determine that competitive procurement procedures were applied to purchase of insurance for aggregate contracts valued at \$50,000 or greater. 			
Addition (Module 4) (addition to the end of Exhibit 2)	<p><i>4.6.5 Compliance with Laws and Regulations</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; vertical-align: top; padding: 5px;">Refunds for Homestead Exemptions</td> <td style="width: 50%; vertical-align: top; padding: 5px;"> <ul style="list-style-type: none"> Effective for audits completed for 2022-2023, determine if the school district reported the amount of homestead exemption refunds in the summer tax survey to TEA. Ensure that the school district was provided state aid in an amount equal to the amount of all tax refunds provided under the Tax Code, §26.1115(c). Ensure that the total amount of maintenance and operations taxes collected by the school district includes the amount of taxes refunded under the Tax Code, §26.1115(c). </td> <td style="width: 25%; vertical-align: top; padding: 5px;">Texas Education Code</td> </tr> </table>	Refunds for Homestead Exemptions	<ul style="list-style-type: none"> Effective for audits completed for 2022-2023, determine if the school district reported the amount of homestead exemption refunds in the summer tax survey to TEA. Ensure that the school district was provided state aid in an amount equal to the amount of all tax refunds provided under the Tax Code, §26.1115(c). Ensure that the total amount of maintenance and operations taxes collected by the school district includes the amount of taxes refunded under the Tax Code, §26.1115(c). 	Texas Education Code
Refunds for Homestead Exemptions	<ul style="list-style-type: none"> Effective for audits completed for 2022-2023, determine if the school district reported the amount of homestead exemption refunds in the summer tax survey to TEA. Ensure that the school district was provided state aid in an amount equal to the amount of all tax refunds provided under the Tax Code, §26.1115(c). Ensure that the total amount of maintenance and operations taxes collected by the school district includes the amount of taxes refunded under the Tax Code, §26.1115(c). 	Texas Education Code		
Revision (Module 4)	<p>4.6.6.3 Going-Concern Considerations</p> <p><u>AU-C Section 570, The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern</u>, provides examples of auditing procedures that may identify such conditions and events as follows:</p> <ul style="list-style-type: none"> analytical procedures 			

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Type of Change	Changes to FASRG v. 19
	<ul style="list-style-type: none"> • review of subsequent events • review of compliance with the terms of debt, grant, and loan agreements • reading of minutes of board meetings • inquiry of the school district’s legal counsel about litigation, claims, and assessments <p style="text-align: center;">confirmation with related and third parties on the existence, terms, and adequacy of financial arrangements</p>
Revision (Module 4)	<p><i>4.6.7 Management Communications</i></p> <p>SAS No. 115 <i>SAS No. 115, Communicating Internal Control Related Matters Identified in an Audit</i>, supersedes SAS No. 112. <i>SAS No. 115</i> was issued in order to align terminology with SSAE No. 15, which aligned terminology with <i>PCAOB Auditing Standard No. 5</i>. <i>SAS No. 115</i> through professional standard <i>AU-C Section 265, Communicating Internal Control Related Matters Identified in an Audit</i>, states that the objective of the auditor is to appropriately communicate to those charged with governance and management deficiencies in internal control that the auditor has identified during the audit and that, in the auditor's professional judgment, are of sufficient importance to merit their respective attentions.</p> <p><i>AU-C Section 265</i> contains the following revised definitions:</p> <p>Deficiency in internal control—This exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.</p> <p>Material weakness—A deficiency, or combination of deficiencies, in internal control that creates a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis.</p> <p>Significant deficiency—A deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.</p> <p><i>AU-C Section 265</i> lists the following indicators of material weaknesses in internal control:</p> <ul style="list-style-type: none"> • fraud on the part of senior management, whether or not material; • restatement of previously issued financial statements to reflect the correction of a material misstatement due to error or fraud;

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	<ul style="list-style-type: none"> • identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate that the misstatement would not have been detected by the entity’s internal control; or • ineffective oversight of the entity’s financial reporting and internal control by those charged with governance. <p>The auditor should communicate in writing to those charged with governance on a timely basis significant deficiencies and material weaknesses identified during the audit, including those that were remediated during the audit. The auditor also should communicate to district management at an appropriate level of responsibility, on a timely basis. The auditor should communicate:</p> <ul style="list-style-type: none"> • in writing, significant deficiencies and material weaknesses that the auditor has communicated or intends to communicate to those charged with governance, unless it would be inappropriate to communicate directly to management in the circumstances. • in writing or orally, other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in the auditor's professional judgment, are of sufficient importance to merit management's attention. If other deficiencies in internal control are communicated orally, the auditor should document the communication. <p>The communication preferably should be made by the report release date, but no later than 60 days following the report release date. The auditor should not issue a written communication stating that no significant deficiencies were identified during the audit. Although management may have made a conscious decision to accept the level of risk for cost or other considerations, the auditor is responsible for communicating significant deficiencies or material weaknesses regardless of management decisions.</p> <p>If auditors issue a management letter, the management letter should be referred to in the reports.</p> <p>Management may wish to or may be required by a regulator to prepare a written response to the auditor's communication regarding significant deficiencies or material weaknesses identified during the audit. Certain identified significant deficiencies or material weaknesses in internal control may call into question the integrity or competence of management. For example, there may be evidence of fraud or intentional noncompliance with laws and regulations by management or management may exhibit an inability to oversee the preparation of adequate financial statements, which may raise doubt about management's competence. Accordingly, it may not be appropriate to communicate such deficiencies directly to management.</p>
Revision (Module 4)	4.7 Federal Single Audit
Revision (Module 4)	4.7.2.5 Other Planning Considerations

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	<p>The following are other planning considerations:</p> <ul style="list-style-type: none"> • Identification of FFA programs—The school district is responsible for identifying all FFA programs and preparing the Schedule of Expenditures of Federal Awards required by the Single Audit Act. This schedule should include all FFA programs administered by the recipient and pass-through amounts to other entities. • Internal control—The auditor should consider the internal control used in administering FFA and identify potential issues that could affect the nature, timing, and extent of audit work to be performed. The auditor should perform procedures to obtain an understanding of internal control over compliance for federal programs sufficient to support a low assessed level of control risk for major programs.
Revision (Module 4)	<p>4.7.2.5 Other Planning Considerations</p> <ul style="list-style-type: none"> • Audit finding detail—Audit findings should be presented in sufficient detail for the auditee to prepare a corrective action plan and take corrective action and for federal agencies and pass-through entities to arrive at a management decision. The following specific information should be included, as applicable, in audit findings:
Revision (Module 4)	<p>4.7.3.4 General Compliance Requirements</p> <ul style="list-style-type: none"> • Procurement and suspension and debarment—Grantees should use the same policies and procedures used for procurements from non-federal funds. Also, districts are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.
Revision (Module 4)	<h3 style="color: #4F81BD;">Appendix 1—Sample Request for Qualifications</h3> <p><i>I. BACKGROUND INFORMATION</i></p> <p>Auditing requirements for Texas' public school districts are contained in the Texas Education Agency (TEA) Financial Accountability System Resource Guide (FASRG), which is the authoritative document, adopted by reference as a rule of the State Board of Education, through 19 Texas Administrative Code (TAC)[,] §109.41.</p> <p>Example Independent School District (“the district”) has an enrollment of 54,007 in grades pre-kindergarten through 12 on 62 campuses. The 20XX–20XX budgeted expenditures for the General, Food Service, and Debt Service Funds is \$325,455,464. The school district</p>

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	expended FFA for several programs, including, but not limited to, the National School Lunch Program, Title I Part A—Improving Basic Programs, Title I Part C—Education of Migratory Children, and Title VI —Innovative Education Program, IDEA—Part B Formula.
Deletion (Module 4)	<p><i>[Appendix 5-6—Sample Successor in Interest to the Former County Education District Confirmation</i></p> <ul style="list-style-type: none"> • The Successor in Interest has been transitioned to each school district at this time and is no longer relevant.]
Revision (Module 4)	<p><i>Appendix 5-6—Sample TEA Confirmation</i></p> <p><i>Appendix 5-7—Sample Lease Pool Purchase Obligation Confirmation</i></p> <p><i>Appendix 5-8—Sample Nepotism Representation</i></p> <p><i>Appendix 5-8.A—Nepotistic Relationships</i></p>
Revision (Module 4)	<p>Appendix 6—List of Acronyms</p> <p>TxGMS—The Texas Grant Management Standards</p> <p>[ESEA—Elementary and Secondary Education Act]</p>
Revision (Module 5)	<p>Financial Accountability System Resource Guide, Update 19</p> <p>Module 5: Purchasing</p>

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	<p>Texas Education Agency 2024</p>
Revision (Module 5)	<p>5.2.5 Impermissible Practices</p> <p>A board member who is convicted of a violation of this provision is considered to have committed official misconduct. For four years after the date of final conviction, the removed person is ineligible to be appointed or elected to public office in Texas, be employed by or act as an agent for the state or a political subdivision, and receive any compensation through a contract with the state or a political subdivision.</p>
Revision (Module 5)	<p>5.10 Purchases of Services</p> <p>Purchase of certain services made under this process could be defined as the following:</p> <ul style="list-style-type: none"> • Governmental entity. An expertise or service that is only available through a governmental entity to which an interlocal agreement does not exist, whether local, state, or federal, where the district must comply with certain legal requirements. If the total amount of the contract with the governmental entity will be valued greater than the current legal threshold annually, the district is advised to secure a formal interlocal agreement. Review 5.17 Interlocal Agreements for more information. • Student Independent Educational Evaluation (IEE). Based on the Code of Federal Regulations, 34 CFR §300.502, a parent of a student has the right to an independent educational evaluation at public expense if the parent disagrees with an evaluation obtained by the public agency, subject to the conditions in paragraphs (b)(2) through (4) of 34 CFR §300.502. The choice of provider may be determined by the parent and the district should honor the request. • Professional organization. An employee of the school district pays to obtain a membership into an exclusive professional organization, registration fees related to school business, or fees associated with UIL or other school related competitions. If the total amount of the services provided by a single organization will be valued greater than the current legal threshold annually, the district may consider having administration provide a letter of justification as to why this organization is the district’s choice over other organizations, if applicable. • Assembly, seminar, or workshop. A school or department hosts a uniquely designed or copyrighted assembly, seminar, or workshop that is performed by an individual who does not qualify as an employee of a governmental entity (see above) and is trained in a specific discipline or area of expertise. The school or department must pay a fee to host the event. If the total amount of the event or series of identical events will be valued greater than the current legal threshold annually, the district will be required to follow the TEC, §44.031. • Conference attendance. An employee of the school district attends a conference, assembly, seminar, workshop, or training session related to school business or job skills in a specific or unique discipline in an area of expertise, and must pay a fee to host or attend. If

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	<p>the total amount of the conference attendance by district staff at a conference or multiple conferences provided by a single organization will be valued greater than the current legal threshold annually, the district may consider having administration provide a letter of justification as to why this organization’s conference(s) is the district’s choice over other conferences, if applicable.</p> <ul style="list-style-type: none"> • Newspaper Advertising. The purchasing of advertising from newspapers of general circulation in the geographic boundaries of the school district for the purpose of communicating with the general public of information concerning the district that is legally mandated, such as elections and procurement opportunities, when paid directly to the publisher. • Subscriptions. Subscription fees to professional publications needed in the performance of duties or educational requirements. • Field trips. Field or student trips to specific locales or onetime, limited events. • Venue—Student. A facility’s location makes it prohibitive to go to another less conducive location based on proximity to the school or facility. (Examples include swim facilities and golf courses.) If the total amount of the venue by students at a specific facility or location will be valued greater than the current legal threshold annually, the district will be required to follow the TEC, §44.031. • Venue—Extracurricular. Based on availability or schedule, a rental property, facility, or location is chosen when other locations are unavailable or are not conducive to the needs of the school district. (An example would be a facility for graduation ceremonies and the ability to meet the size of venue). If the total amount of the facility or location will be valued greater than the current legal threshold annually, the district may consider having administration provide a letter of justification as to why this facility of location is the district’s only choice over another facility or location. • Travel. When students and/or employees travel outside their district, travel costs, such as airline fares, rental vehicles, lodging, and per diem, that cannot be competitively bid due to locations or dates. Note that travel such as charter buses that can be competitively solicited should not be considered exempt unless the source cannot be secured due to lack of availability.
Revision (Module 5)	<h2 style="color: #0056b3;">5.20 Cooperative Purchasing Programs</h2> <p><i>Best Practice Comment</i></p> <p>The school district should consider creating procedures based on the following best practice:</p> <ul style="list-style-type: none"> • Districts are not required to participate in a cooperative purchasing program. The rules above apply only in the event a school district chooses to participate in a cooperative purchasing program as defined above. In such case, it is recommended that the district adopt rules and procedures to govern purchases by this method. • Districts should establish guidelines about when quotes from multiple vendors will be required to ensure the best value for the district.

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Addition (Module 5)	<p>5.20.1 Best Value When Using a Cooperative</p> <p>A district should consider establishing guidelines for the use of cooperative entities, especially when the purchase should have a level of competition due to the anticipated cost.</p> <p>These procedures only apply to procurements of products or services through a cooperative that the district has a current interlocal agreement with and is not available through an existing district contract. Standard quote practices of attempting to receive more than one quote allows for the district to determine if the purchase is in the best value for the district.</p> <p>Many cooperative contracts are awarded based on an assumption that the governmental entity only is purchasing a quantity of one, there is a limited scope, or there is a discount from a suggested retail price. Most often, the awarded vendor will provide better pricing once they know the actual quantities or scope. To ensure the district is getting the best value from the vendor, the end user is required to receive a quote(s) from vendor(s) that include:</p> <ul style="list-style-type: none"> • the item or service being provided • the quantity to be ordered if an item • the price for the item or service • a reference to the cooperative and awarded contract number <p>Districts using Child Nutrition Program (CNP) funds to procure services through a cooperative or to pay membership fees to join a cooperative should adhere to the guidance provided by the Texas Department of Agriculture in its Administrator’s Reference Manual (ARM).</p>
Revision (Module 5)	<p>5.35 Single or Sole Source</p> <p>A school district may choose to not follow the requirements of the TEC, §44.031, if it is determined by the district an item to be purchased will exceed \$50,000 as defined in §44.031, and is available from only one source, including:</p>
Revision (Module 6)	<p>Financial Accountability System Resource Guide, Update 19</p> <p>Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System</p>

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Type of Change	Changes to FASRG v. 19
	Texas Education Agency 2024
Revision (Module 6)	<p>Notes on Using This Module</p> <p>The term Texas Student Data System Public Education Information Management System (TSDS PEIMS) is used throughout the module to refer to the PEIMS data reported through the TSDS.</p>
Addition (Module 6)	<p>Notes on Using This Module</p> <p>The term “campus improvement plan” is used throughout the module to refer to campus improvement plans required for school districts, or instructional plans required by open-enrollment charter schools.</p>
Revision (Module 6)	<p>6.1 Introduction</p> <p>Over the last four decades, state compensatory education (SCE) has experienced many changes that have affected the delivery of educational programs to educationally disadvantaged students.</p>
Revision (Module 6)	<p>6.1 Introduction</p> <p>The TEC, §29.081, defines compensatory education as programs and or services designed to supplement the regular education program for students who meet one or more of the statutory or locally defined criterion for being at risk of dropping out of school and for students that have taken an end-of-course (EOC) assessment under the TEC, §39.023(c), and have not performed satisfactorily on the assessment.</p>
Revision (Module 6)	<p>6.1 Introduction</p>

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	<p>The TEC, §29.081, requires LEAs to use student performance data from the state’s legislatively mandated assessment instrument known as the State of Texas Assessments of Academic Readiness (STAAR) tests and any other achievement tests administered under the TEC, Subchapter B, Chapter 39, to design and implement appropriate compensatory, intensive, or accelerated instructional services for students in the district's schools that enable the students to be performing at grade level at the conclusion of the next regular school term.</p>
Revision (Module 6)	<h2 style="color: #0056b3;">6.1 Introduction</h2> <p>The following is a summary of the changes to the SCE program as a result of HB 3.</p> <ul style="list-style-type: none"> • Increases overall allotment from 0.20 to a range of 0.225 to 0.275. <ul style="list-style-type: none"> ○ Students who are designated as educationally disadvantaged are now eligible to receive supplemental services paid for with compensatory education funds. ○ To the Administrator Addressed: House Bill 3 (HB 3) Implementation: SCE Program (July 12, 2019) ○ Establishes a new allotment methodology. <ul style="list-style-type: none"> ○ The methodology accounts for severe economic disadvantage in a student’s neighborhood based on the census block in which the student resides and the index category of the census block. • Changes in spending requirements.
Revision (Module 6)	<h2 style="color: #0056b3;">6.1 Introduction</h2> <p>During the 87th Texas Legislature, 2021, HB 572, HB 4545, and HB 1525 impacted the SCE program. The requirements made by HB 4545 of the 87th Legislature were modified and updated with the passage of HB 1416 in the 88th Legislature.</p>
Revision (Module 6)	<h2 style="color: #0056b3;">6.1 Introduction</h2> <p>The following is a summary of the impact to the SCE program as a result of HB 1416.</p>

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	<ul style="list-style-type: none"> • Texas law requires all students who do not achieve approaches or higher on STAAR grades three through eight or EOC assessments be provided instruction. The requirements were modified by HB 4545 of the 87th Legislature and recently updated with the passage of HB 1416 in the 88th Legislature. <ul style="list-style-type: none"> ○ LEAs may use SCE funds described in the TEC, §48.104, to fund supplemental programs and services listed in HB 1416, such as targeted supplemental instruction, extended day and year instruction, tutoring, and supplemental transportation. SCE funds may also be used for professional development designed to provide instructors the knowledge and skills to deliver accelerated instruction and for the purchase of supplemental instructional materials for the intended population defined in the TEC, §29.081, and the TEC, §48.104.
Deletion (Module 6)	<h3 style="color: #0056b3;">6.1 Introduction</h3> <p>[The following is a summary of the impact to the SCE program as a result of HB 1697.</p> <ul style="list-style-type: none"> • Allows students to repeat or retake a course of grade at the behest of a parent, as defined in the TEC, §29.081(d-1). <ul style="list-style-type: none"> ○ A student who was in prekindergarten or kindergarten and did not advance to the next grade level solely at the request of his or her parent is not considered an at-risk student based on the specific allowance granted in the TEC, §29.081(d-1). ○ A student who was enrolled in grades one through eight during the 2020-2021 school year and did not advance to the next grade level solely at the request of the parent or guardian meets the at-risk criterion listed in the TEC, §29.081(d)(1)(B). ○ A student who was enrolled in a course for high school credit during the 2020-2021 school year is not identified as an at-risk student if the student retakes a course only at the request of the student's parent.]
Revision (Module 6)	<h3 style="color: #0056b3;">6.1 Introduction</h3> <p>The following is a summary of the changes to the SCE program as a result of HB 1525 and specified in the TEC, §48.104(j-1).</p> <ul style="list-style-type: none"> ○ Adds changes to spending requirements. <ul style="list-style-type: none"> ○ Establishes a new allotment methodology for the accounting of homeless students in that the basic allotment is multiplied by the highest weight provided under the TEC, §48.104(e-1). ○ Adds expenses related to reducing the dropout rate to the allowable use of SCE funds under the TEC, §48.104(j-1).

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	<ul style="list-style-type: none"> ▪ Duties performed by an attendance officer employed to support educationally disadvantaged students and to reduce the dropout rate as defined in the TEC, §48.104(j-1)(4)(A). The job description for the attendance officer should provide sufficient information to describe major responsibilities and essential functions in which decreasing the drop-out rate is the primary duty of this position. As with any SCE-funded position, all the attendance officer’s duties and responsibilities should be reflected in the district and/or campus improvement plan and meet a defined need or set of needs identified in the comprehensive needs assessment (CNA), with the help of required stakeholders. Measurable outcomes tied to this specific position’s job duties and responsibilities should be reflected in the LEA’s annual SCE evaluation as referenced in the TEC, §29.081(b-3). ▪ Programs that build skills related to managing emotions, establishing, and maintaining positive relationships, and making responsible decisions as defined in the TEC, §48.104(j-1)(4)(B). Before providing any program or service, an LEA must conduct adequate planning and research to determine the most suitable option for serving its students. As with all other services provided with SCE funds, the LEA must conduct a needs assessment, with the help of required stakeholders, to assist in the selection of a proven, evidence-based, student-oriented program, such as one that will assist students in managing their own emotions, forming, and maintaining healthy relationships, making good decisions, and coping with everyday social and academic challenges. The success of this program in meeting the established goals should be reflected in the annual SCE evaluation as referenced in the TEC, §29.081(b-3). Note: Allowable services noted in rule do not equate to diagnostic and therapeutic services. ▪ Services provided by an instructional coach employed to improve student learning for the intended population defined in the TEC, §29.081, and the TEC, §48.104. An SCE-funded instructional coach is someone who supports teachers by providing evidence-based practices in the classrooms through professional development training and modeling. It is not a supervisory position and does not include the required annual evaluation of colleagues. There are two primary goals of this coaching: improved instructional practice and improved student achievement. As with any SCE-funded position, all duties and responsibilities are supplemental, are reflected in the district and/or campus improvement plan, and meet defined needs identified in the comprehensive needs assessment (CNA), developed with the assistance of required stakeholders. SCE-funded positions must meet established educational goals. The effectiveness of SCE-funded positions must be reflected in the LEA's annual SCE evaluation as defined in the TEC, §29.081(b-3). Also see the TEC, §48.104(j-1)(3).
Revision (Module 6)	<p><i>6.1.2.2 Compensatory Education Objectives</i></p> <p>The purpose of the SCE program is to supplement the regular or basic education program with compensatory, intensive, or accelerated instruction. LEAs are required to offer additional accelerated instruction to each student who meets one or more statutory or locally defined</p>

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	<p>eligibility criteria in order to reduce any disparity in performance on assessment instruments administered under the TEC, Chapter 39, Subchapter B³¹, or disparity in the rates of high school completion between students at risk of dropping out of school and all other LEA students.</p>
Revision (Module 6)	<p>6.1.2.2 Compensatory Education Objectives</p> <p>Supplemental instructional services that are offered to at-risk students and educationally disadvantaged students should provide additional opportunities to be successful in school. Services provided should:</p> <ul style="list-style-type: none"> • be comprehensive and specific to meet the individualized needs of the intended population defined in the authorizing statutes, the TEC, §29.081, and the TEC, §48.104; • be coordinated among LEA staff, partner organizations, and parents/guardians, as appropriate; • supplement programs and services provided for the intended population defined in the authorizing statutes, the TEC, §29.081, and the TEC, §48.104, by providing additional time and or resources; and • support personal and social development through supplemental academic, developmental, and counseling services that are designed to keep the student in school, promote to the next grade level, and graduate from high school.
Revision (Module 6)	<p>6.2.1 State Compensatory Education Statutes, Laws, and Regulations</p> <p>The TEC and other state statutes and regulations contain the legal requirements for SCE. SCE is defined in law as programs and or services designed to supplement the regular education program for students identified as at risk of dropping out of school and educationally disadvantaged students. The SCE program’s desired result is to provide challenging and meaningful instructional programs and services that will close the achievement gap between students at risk of dropping out of school and their peers. Statutes, laws, regulations, and correspondence related to the SCE program are outlined below.</p> <p>State Statutory Requirements</p> <p>The TEC, Chapters 11, 28, 29, and 48, establish statutory requirements related to LEA’s SCE program implementation and compliance. These requirements include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • The TEC, §§11.251–11.253, relates to the district improvement plan and the campus improvement plan requirements.

³¹ [TEC, Chapter 39, Subchapter B](#)

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Type of Change	Changes to FASRG v. 19
	<ul style="list-style-type: none"> • The TEC, §28.0217, relates to satisfactory performance on state assessment instruments and providing accelerated instruction to certain students. • The TEC, §29.081, defines the purpose of the SCE program and the statutory criteria for determining whether a student is at risk of dropping out of high school. • The TEC, §29.089, allows school districts and charter schools to fund student mentoring programs with state compensatory education funds.
Revision (Module 6)	<h3 style="color: #4F81BD;">6.2.2 District and Campus Improvement Programs</h3> <p>The TEC, §29.081, requires LEAs to create a SCE program and describe the SCE program in the district improvement plan (DIP) and the campus improvement plan (CIP).³²</p> <p>Each LEA must develop and maintain a DIP³³ and a CIP³⁴ for each campus, and open-enrollment charter schools must have an instructional plan. If the LEA is comprised of only one campus, then the district and campus plans may be one plan under the TEC, §11.252(c).</p> <p>The TEC, §29.081, also requires LEAs to use student performance data from the state’s legislatively mandated assessment instrument known as the State of Texas Assessments of Academic Readiness (STAAR) tests and any other achievement tests administered under the TEC, Chapter 39, Subchapter B,³⁵ to develop the plans for providing accelerated or intensive instruction to at-risk students.</p> <p>Each DIP and CIP should contain objectives that are:</p> <ul style="list-style-type: none"> • specific, • measurable, • attainable, • relevant (oriented toward achieving the stated goals of the program), and • time-bound.

³² [TEC, §11.252\(a\)\(3\)\(H\)](#) and [TEC, §11.253\(d\)\(1-10\)](#)

³³ [TEC, §11.252](#)

³⁴ [TEC, §11.253](#)

³⁵ [TEC, Chapter 39, Subchapter B](#)

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	<p>The DIP and CIP are the primary records supporting expenditures attributed to the SCE program. The plans serve as a record describing how the how the program is being implemented and monitored.</p> <p>The LEA’s annual review and revision of the DIP and CIP are not only required, but crucial in creating an effective SCE program. The planning process allows LEAs to focus resources on the strategies and goals that will most likely impact the achievement of the intended population defined in the authorizing statutes, the TEC, §29.081, and the TEC, §48.104.</p> <p>Plans for evaluating and monitoring improvement efforts are a critical component of the DIP. LEAs must annually evaluate the outcomes and the plan’s implementation to determine whether the academic achievement of all the intended population defined in authorizing statutes, the TEC, §29.081, and the TEC, §48.104, improved; whether the goals and objectives contained in the plan were achieved; and if the plan is still appropriate.³⁶ Inferences about the effectiveness of strategies and interventions can only be accurately made if it has been determined with a reasonable degree of certainty that strategies have been implemented as designed and that the strategies are meeting the needs of the at-risk and educationally disadvantaged students. For more information on evaluation, see 6.2.7 Evaluation of State Compensatory Education Programs.</p>
Revision (Module 6)	<p><i>6.2.2.1 State Criteria for Identification of Students at Risk of Dropping Out of School</i></p> <p>2. If the student is in grade 7, 8, 9, 10, 11, or 12 did not maintain an average equivalent to 70 on a scale of 100 in two or more subjects in the foundation curriculum during a semester in the preceding or current school year or is not maintaining such an average in two or more subjects in the foundation curriculum in the current semester.</p> <p>Students should be identified in a manner that allows those students reasonable and timely access to compensatory services in order to pass foundation subjects during the semester in which the student experiences a failing average.</p> <p>The courses that are part of the foundation curriculum are as stated in the TEC, §28.002³⁷: “(1) a foundation curriculum that includes: (A) English language arts; (B) mathematics; (C) science; and (D) social studies.” The level of the course does not affect if it is a foundation course, so advanced foundation courses are included. Please note that “enrichment curriculum” is not included in this definition.</p>

³⁶ [TEC, §29.081\(c\)](#)

³⁷ [TEC, §28.002](#)

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	A common scenario is disclosed below, and it involves a student that is currently in the ninth grade.
Revision (Module 6)	<p><i>6.2.2.1 State Criteria for Identification of Students at Risk of Dropping Out of School</i></p> <p>3. Did not perform satisfactorily on an assessment instrument administered to the student under the TEC, Subchapter B, Chapter 39, and who has not in the previous or current school year subsequently performed on that instrument or another appropriate instrument at a level equal to at least 110 percent of the level of satisfactory performance on that instrument.</p> <p>If a student does not perform satisfactorily on one or more of the STAAR® subject areas, the student meets the criteria to be identified as being at risk of dropping out of school. When the student passes the next assessment at the 110 percent passing rate, the student no longer meets this criterion.</p> <p>Common Scenario: If a student fails the state third grade reading assessment, re-takes the test, and passes at a score below the 110 percent required for satisfactory performance, the student remains classified at risk of dropping out of school and therefore is eligible for supplementary services.</p> <p>If there is not another scheduled test, in the same subject, to determine proficiency at the 110 percent passing rate, the LEA may offer the student another equivalent type test to confirm proficiency at the 110 percent passing rate and exit the student from at risk status for this criterion. The LEA should retain documentation of the assessments used as well as the assessment results and calculations.</p> <p>Beginning with the 2022–23 school year, Reading Language Arts (RLA) assessments will assess both reading and writing (grades three through eight English, grades three through five Spanish, and English I and II End-of-Course) and will include new question types and an extended constructed response, or essay, at every grade level. Therefore, if the student has not performed satisfactorily on the previous writing portion of the state assessment, the student must perform at 110 percent of the passing rate on the current RLA test to be removed from the at-risk list.</p>
Revision (Module 6)	<p><i>6.2.2.1 State Criteria for Identification of Students at Risk of Dropping Out of School</i></p> <p>4. If the student is in prekindergarten (pre-K), kindergarten, or grade one, two, or three, did not perform satisfactorily on a readiness test or assessment instrument administered during the current school year.</p>

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	<p>Readiness test results should be used for programming only during the year in which the test was administered. LEAs must maintain documentation regarding the appropriateness of the instrument(s) and the level of satisfactory performance. Districts should administer a readiness test or assessment instrument as early in the year as possible to identify those students who are eligible for services under the SCE program. It is recommended that students who enroll during the school year be assessed within 30 days after enrolling.</p> <p>The purpose of a readiness test is to evaluate a child’s knowledge and skill level at the beginning of the school year (in this case pre-K through third grade) to identify areas that may need supplemental assistance and formulate a plan to help the student succeed in the coming year. The tests or assessment instruments provide educators with tools to support later school success by identifying each child’s strengths and areas for growth. The results should be used to determine the instruction and interventions students need to improve their readiness to succeed in school.</p>
Revision (Module 6)	<p><i>6.2.2.1 State Criteria for Identification of Students at Risk of Dropping Out of School</i></p> <p>6. Has been placed in an alternative education program in accordance with the TEC, §37.006,³⁸ during the preceding or current school year.</p> <p>Any student who has been placed in a Disciplinary Alternative Education Program (DAEP) during the current or prior year for reasons specified in the TEC, §37.006, is identified as an at-risk student. The DAEP can be on a regular campus. If the DAEP is located at a regular campus, then the program must be identified and described in the regular campus’ campus improvement plan. If the DAEP is located on a separate campus, the DAEP must have its own campus improvement plan. Students placed in the DAEP for infractions other than those listed in the TEC, §37.006, qualify for services if they are locally identified. See 6.2.2.2 Local Criteria for Identification of Students at Risk of Dropping Out of School for more information. Some LEAs contract with local governments to run a DAEP located in the same facility as the local JJAEP. In these cases, districts may use SCE funds only for the DAEP portion of the contract.</p>
Revision (Module 6)	<p><i>6.2.2.1 State Criteria for Identification of Students at Risk of Dropping Out of School</i></p>

³⁸ [TEC, §37.006](#)

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	<p>7. Has been expelled in accordance with the TEC, §37.007,³⁹ during the preceding or current school year.</p> <p>Any student who has been expelled from school during the preceding or current school year for reasons specified in the TEC, §37.007, meets this definition.</p>
Revision (Module 6)	<p><i>6.2.2.1 State Criteria for Identification of Students at Risk of Dropping Out of School</i></p> <p>10. Is an emergent bilingual student as defined by the TEC, §29.052.</p> <p>Any student who meets the definition of an emergent bilingual student in the TEC, §29.052,⁴⁰ remains at risk under this criterion until that student no longer meets the definition. Students being monitored for whether they meet the definition under the TEC, §29.052, are not identified as being at risk of dropping out of school.</p> <p>SCE funds may not be used to fund the bilingual education program because it is a state mandated program under the TEC, §29.051.⁴¹ However, SCE funds may supplement this program. The LEA must ensure supplemental strategies are allowable, reflected in the campus improvement plan and meet a defined need or set of needs addressed in the comprehensive needs assessment (CNA) prior to delivering services. All students served with SCE, including those eligible for bilingual education, must meet statutory or local criteria for being at risk of dropping out of school.</p> <p>11. Is in the custody or care of the Department of Family and Protective Services (DFPS) or has, during the current school year, been referred to the department by a school official, officer of the juvenile court, or law enforcement official.</p> <p>Students who have been in the custody or care of, or have been referred to, the Department of Family and Protective Services (DFPS) during the current school year, regardless of the source of referral, are considered at risk. Students who have been referred to DFPS by the school, juvenile court, or law enforcement during the current or previous school year are also considered at risk, regardless of whether that referral resulted in DFPS custody.</p>

³⁹ [TEC, §37.007](#)

⁴⁰ [TEC, §29.052](#)

⁴¹ [TEC, §29.051](#)

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	<p>12. Is homeless.</p> <p>Every LEA must identify students experiencing homelessness within their district yearly. This process must be done regularly and in a way that is auditable. LEAs must follow federal rules concerning the education of homeless students. These requirements are detailed in the McKinney-Vento Act.</p>
Revision (Module 6)	<p><i>6.2.2.1 State Criteria for Identification of Students at Risk of Dropping Out of School</i></p> <p>15. Enrolled in a school district or open-enrollment charter school, or a campus of a school district or open-enrollment charter school, that is designated as a dropout recovery school under the TEC, §39.0548.</p> <p>Under the TEC, §48.104(l)(2) (formerly under the TEC, §42.152), SCE program may also supplement the local accelerated reading program, dyslexia program and or the school district’s mentoring services program. The TEC, §48.104(l)(2),⁴² allows charges to the SCE allotment that meet the criteria in the TEC, §29.081(d) or (g)⁴³, for programs that serve students that:</p> <ul style="list-style-type: none"> • are enrolled in an accelerated reading program under the TEC, §28.006(g);⁴⁴ • are enrolled in a program for treatment of students who have dyslexia, or a related disorder as required by the TEC, §38.003;⁴⁵ or • to fund the LEA’s student mentoring services program under the TEC, §29.089.⁴⁶ <p>Thus, only the portion of SCE funds used to supplement the accelerated reading program, the dyslexia program, and the LEA’s mentoring services program funding for the intended population as defined in the authorizing statutes, the TEC, §29.081, and the TEC, §48.104, may be charged to SCE. Any other funds used to supplement the aforementioned programs for students who meet neither state or local criteria would have to be funded with local funds or another fund source. When a district locally identifies an entire group of students, e.g., students who have dyslexia, who are required to be served under state or federal law, SCE funds can only be used to supplement the program, not fully fund the program.</p>

⁴² [TEC, §48.104](#)

⁴³ [TEC, §29.081\(d\)\(g\)](#)

⁴⁴ [TEC, §28.006\(g\)](#)

⁴⁵ [TEC, §38.003](#)

⁴⁶ [TEC, §29.089](#)

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Revision (Module 6)	<p><i>6.2.2.2 Local Criteria for Identification of Students at Risk of Dropping Out of School</i></p> <p>School districts and open-enrollment charter schools must maintain current records that accurately identify and document which students meet statutory criteria for being at risk of dropping out of school and be able to provide accurate up-to-date reports on the status and program participation of students by campus. Documentation must be useful as auditable. Maintain records of students served and their eligibility and approved local board minutes in SCE administrative procedures and district and campus improvement plans.</p>
Revision (Module 6)	<p><i>6.2.2.3 Local Criteria for Identification of Students at Risk of Dropping Out of School</i></p> <ul style="list-style-type: none"> • the methodologies involving calculation of 110 percent satisfactory performance on all assessment instruments, in accordance with the TEC, §29.081(d)(1)(C);
Revision (Module 6)	<p><i>6.2.2.3 Local Criteria for Identification of Students at Risk of Dropping Out of School</i></p> <p>Utilizing both local policies and procedures during program planning and decision-making ensures that the campus staff are consistent in their decisions and in compliance with program rules, and have student success in their focus.</p>
Revision (Module 6)	<p><i>6.2.3.1 Electronic Report Submission Due Date</i></p> <p>The CIP(s) must be submitted to TEA on or before the date that falls 150 days after the final PEIMS midyear submission resubmission date. (The 150th day after the last day permissible to send data for the PEIMS data midyear submission resubmission.)</p> <p>Typically, the last day for the FINAL PEIMS midyear submission resubmission occurs in mid- to late-February; therefore, the 150th day typically falls mid- to late-July.</p>
Revision (Module 6)	<p><i>6.2.3.3 PEIMS Reporting Requirements</i></p>

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	<p>Students at risk of dropping out of school must be reported through the PEIMS Fall Submission and must meet the state criteria during the fall resubmission.</p> <p>When coding at-risk students in the TSDS PEIMS, LEAs must use at-risk indicator code E0919.⁴⁷ At-risk indicator code E0919 indicates whether a student is currently identified as at risk of not meeting standards or dropping out of school using state-defined criteria, the TEC, §29.081.⁴⁸ Local criteria are not included in this indicator code.</p> <p>LEAs are responsible for the quality of data reported by each campus.</p> <p>Back-up documentation must be maintained for all students who are reported to in the TSDS PEIMS as being at risk of dropping out of school.</p>
Revision (Module 6)	<h3 style="color: #4F81BD;">6.2.4 Funding of Compensatory Education Programs under the Foundation School Program</h3> <p>SCE funds are authorized biennially by the legislature to reduce any disparity in performance on assessment instruments administered under the TEC, Chapter 39, Subchapter B,⁴⁹ or disparity in the rates of high school completion between students at risk of dropping out of school and all other LEA students. The TEC, §29.081, requires LEAs to use student performance data from the state’s legislatively mandated assessment instrument known as the STAAR tests and any other achievement tests administered under the TEC, Chapter 39, Subchapter B, including norm-referenced tests approved by the State Board of Education (SBOE) to provide compensatory, intensive, or accelerated instruction to students who have not performed satisfactorily or who are at risk of dropping out of school. At least 55 percent of the SCE allotment must be expended during the school year for which it was allotted for compliant SCE programs and/or services and direct costs.</p>
Revision (Module 6)	<h4 style="color: #4F81BD;"><i>6.2.4.2 Alternative Method for Receiving the Compensatory Education Allotment</i></h4>

⁴⁷ [2021–2022 TEA Data Standards](#)

⁴⁸ [TEC, §29.081](#)

⁴⁹ [TEC, Chapter 39, Subchapter B](#)

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	<p>LEAs must retain the qualification information for each child for audit purposes. TEA will conduct an audit of data submitted every five years or on an alternative schedule adopted at the discretion of the commissioner. See 19 TAC §61.1027,⁵⁰ for additional information.</p>
Revision (Module 6)	<p><i>6.2.4.3 Budgeting and Expenditure of SCE Funds</i></p> <p>Each LEA that is required to provide accelerated instruction under the TEC, §29.081(b-1)⁵¹ shall separately budget sufficient funds, including funds under the TEC, §48.104,⁵² for that purpose. An LEA may not budget funds received under the TEC, §48.104 for any other purpose until it adopts a budget to support additional accelerated instruction under the TEC, §29.081(b-1).</p> <p>Under the TEC, §48.104(k), SCE funds must be used to fund supplemental programs and services designed to eliminate any disparity in performance on assessment instruments administered under the TEC, Chapter 39, Subchapter B, or disparity in the rates of high school completion between students who are educationally disadvantaged and students who are not educationally disadvantaged, and students at risk of dropping out of school, as defined by the TEC, §29.081, and all other students.</p> <p>Expenditures of SCE funds must:</p> <ul style="list-style-type: none"> • support the intent and purpose of the program, • be allowable under statute and guidance, and • be directly related to specific allowable interventions identified in the appropriate district and campus improvement plans.
Revision (Module 6)	<p><i>6.2.4.4 Allowable Costs</i></p> <p>The TEC, §29.081, requires LEAs to use student performance data from the state’s legislatively mandated assessment instrument known as the State of Texas Assessments of Academic Readiness (STAAR) tests and any other achievement tests administered under the TEC, Subchapter B, Chapter 39, to design and implement appropriate compensatory, intensive, or accelerated instructional services for students in the district’s schools that enable the students to be performing at grade level at the conclusion of the next regular school term.</p> <p>As with any SCE-funded service, program, or position, details are reflected in the district and/or campus improvement plan and meet a defined need or set of needs (for serving the identified the intended population defined in the authorizing statutes, TEC, §29.081, and TEC,</p>

⁵⁰ [19 TAC §61.1027](#)

⁵¹ [TEC, §29.081](#)

⁵² [TEC, §48.104](#)

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	<p>§48.104 in the comprehensive needs assessment (CNA). Measurable outcomes tied to specific SCE objectives should be reflected in the LEA's annual SCE evaluation as referenced in the TEC, §29.081(b-3).</p> <p>Under the TEC, §48.104(k), Error! Bookmark not defined. SCE funds must be used to fund supplemental programs and services designed to eliminate any disparity in performance on assessment instruments administered under the TEC, Chapter 39, Subchapter B, or disparity in the rates of high school completion between students who are educationally disadvantaged and students who are not educationally disadvantaged, and students at risk of dropping out of school, as defined by the TEC, §29.081, and all other students.</p> <p>Fifty-five percent (55%) of the annual SCE allotment (direct funds) must be expended during the school year for which it was allotted for compliant compensatory programs and or services. No more than 45 percent (45%) of the Foundation School Program (FSP) SCE allotment may be spent on non-direct costs.</p>
Revision (Module 6)	<p><i>6.2.4.4 Allowable Costs</i></p> <p>The direct program funds also may be used to the costs of providing:</p> <ul style="list-style-type: none"> • childcare services or assistance with childcare expenses for students at risk of dropping out of school (see Notes on Childcare); or • services provided through a life skills program in accordance with the TEC, §29.085(b)(1) and (3)-(7); or • an instructional coach to raise student achievement at a campus in which educationally disadvantaged students are enrolled; or • the expenses related to reducing the dropout rate and increasing the rate of high school completion including expenses related to: <ul style="list-style-type: none"> ○ duties performed by attendance officers to support educationally disadvantaged students; <u>or</u> ○ programs that build skills related to managing emotions, establishing and maintaining positive relationships, and making responsible decisions. <p>Programs specifically designed to serve students at risk of dropping out of school, as defined by the TEC, §29.081, and the TEC, §48.104, are considered to be programs supplemental to the regular education program, and a school district may use its compensatory education allotment for such a program.</p> <p>In addition, SCE program funds may also supplement the accelerated reading program, dyslexia or related disorder program, and the LEA's mentoring services program. The TEC, §48.104(l)(2) (formally under §42.152), allows charges to the SCE allotment to supplement programs for students that meet the criteria in the TEC, §29.081(d) or (g) for programs that serve students that:</p> <ul style="list-style-type: none"> • are enrolled in an accelerated reading program under the TEC, §28.006(g);

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	<ul style="list-style-type: none"> • are enrolled in a program for treatment of students who have dyslexia or a related disorder as required by the TEC, §38.003; or • to fund the LEA’s mentoring services program under the TEC, §29.089. <p>LEAs should consider the following questions when determining if a cost is allowable for the SCE program. Are SCE-funded supplemental services and programs:</p> <ul style="list-style-type: none"> • offered to the intended population defined in the authorizing statutes, TEC, §29.081, and TEC, §48.104? • supplemental to other federal and state programs, and the regular education program that are offered to all students? • addressing the purpose and intent of the SCE program? • documented to reflect effective interventions determined and noted in the comprehensive needs assessment? • described in the CIP to include a clearly demonstrative and legitimate purpose? • documented to reflect effective interventions determined and noted in the comprehensive needs assessment? • established to further the goals of the SCE program? • confirmed to ensure a reasonable number of students benefit from this program or service? • evaluated to measure a positive impact on student achievement? • verified to ensure costs are reasonable and necessary to carry out the intent and purpose of SCE? • disclosed in the DIP and or CIP before SCE funds prior to expenditure? <p>LEAs that receive SCE program funding pursuant to the TEC, §48.104, are responsible for</p> <ul style="list-style-type: none"> • obtaining the appropriate data from families of potentially eligible students, • verifying that information, and • retaining the records in accordance with records retention requirements. <p>In addition, an LEA evaluates the effectiveness of accelerated instruction programs under the TEC, §29.081(c)⁵³, and annually hold a public hearing to consider the results.</p>
Addition (Module 6)	<p><i>6.2.4.4 Allowable Costs</i></p> <p>Notes on childcare</p> <p>SCE funds may be used to support or establish campus-based childcare programs serving the needs of student parents enrolled in an LEA. These funds may be used either to directly provide childcare services or to contract for the provision of childcare services. Please note, as</p>

⁵³ [TEC, §29.081\(c\)](#)

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	<p>stated in the TEC, §48.104(a), pregnant students generate SCE funds, and an SCE-funded program for student parents must be separate from the daycare arrangement for the LEA’s staff and community.</p> <p>As defined by the TEC, §29.085(b)(1) and (3)-(7), SCE funds may fund the following services:</p> <ul style="list-style-type: none"> • individual counseling, peer counseling, and self-help programs; • day care for the students' children on the campus or at a day care facility in close proximity to the campus; • transportation for children of students to and from the campus or day care facility; • instruction related to knowledge and skills in child development; and • assistance to students in the program in obtaining available services from government agencies or community service organizations, including prenatal and postnatal health and nutrition programs. <p>All administrative costs, duties and positions are not attributable to the 55 percent direct cost as described in statute. Expenditures attributable to the 45 percent are not recorded in financial accounting records under Program Intent Codes (PIC) 24, 26, 28, and 30.</p>
Revision (Module 6)	<p><i>6.2.4.5 Supplement, Not Supplant</i></p> <p>All students are entitled to receive instructional services under a regular education program setting, instructional strategies that involve modification of the regular education program do not represent supplemental direct costs, unless incremental costs to the regular education program are demonstrated. Supplemental direct costs represent incremental costs, meaning that additional costs are involved above costs necessary to provide the regular education program. Standard staff and fiscal resource allocations must be documented for different grade levels for regular education, which are necessary to substantiate the attribution of supplemental resources for incremental staff and fiscal costs benefiting the intended population defined in the authorizing statutes that are documented in campus improvement plans.</p>
Revision (Module 6)	<p><i>6.2.4.5 Supplement, Not Supplant</i></p> <p>Supplemental costs can include items that are designed specifically to reduce any disparity in performance on assessment instruments administered under the TEC, Chapter 39, Subchapter B,⁵⁴ or disparity in the rates of high school completion between students at risk of dropping out of school and all other LEA students⁵⁵ such as, but are not limited to:</p>

⁵⁴ [TEC, Chapter 39, Subchapter B](#)

⁵⁵ [TEC, §29.081](#), and [TEC, §48.104](#)

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	<ul style="list-style-type: none"> • accelerated instruction for students that have taken an EOC assessment as required by the TEC, §39.023(c), and has not performed satisfactorily; • supplemental accelerated instruction for students who did not pass the state assessment as required by HB 4545; • required accelerated instruction program(s) evaluation(s) to assess the impacts or effectiveness of programs; • student evaluation or assessment of progress in meeting the goals of the program in reducing any disparity in performance on assessment instruments administered under the TEC, Chapter 39, Subchapter B, or disparity in the rates of high school completion between students at risk of dropping out of school and educationally disadvantaged students, and all other students in the school district; • instructional materials, equipment, and supplies that are both reasonable and necessary to implement a quality supplemental program; • specialized staff development to train personnel in intervention who are working with the intended population defined in the authorizing statutes; • salary and related expenses for supplemental instruction of students at risk of dropping out of school; • individualized and small group instruction; • class size reduction (Note: SCE funds cannot be used to meet state or federally mandated rules or LEA staffing ratio); • accelerated instruction (such as accelerated reading⁵⁶, math, science, or social studies program); • supplemental services for dyslexia or a related disorder program (TEC, §38.003); • LEA’s mentoring services program (TEC, §29.089); • tutorials for the intended population defined in the authorizing statutes, the TEC, §29.081, and the TEC, §48.104; • computer-assisted instruction; • STAAR remediation; • extended day instructional sessions, including instructional sessions for pre-K; and • extended school day, school week, or school year calendar program. <p>All costs must be both reasonable and necessary to achieve the intent and purpose of the SCE program. Professional development and training expenses must be reasonable and necessary and training must be related and beneficial to the SCE program. Therefore, training must be aligned with the needs of at-risk students as indicated in the DIP and CIP, and the comprehensive needs assessment.</p>
Revision (Module 6)	<i>6.2.4.6 Use of the Compensatory Education Allotment for Student Mentoring Services Programs</i>

⁵⁶ [TEC, §28.006\(g\)](#)

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	<p>The TEC, §29.089, states that each school district may provide a mentoring services program to students at risk of dropping out of school, as defined by the TEC, §29.081. The TEC, §48.104(l)(2) (formerly under the TEC, §42.152), allows SCE funds to be used to fund an LEA's mentoring services program that was established in accordance with this citation.</p>
Revision (Module 6)	<p><i>6.2.4.6 Use of the Compensatory Education Allotment for Mentoring Services Programs</i></p> <p>The analysis and the results of the assessment should provide the foundation that is critical in designing a program that can be integrated into raising the academic success of students at risk of dropping out of school.</p>
Revision (Module 6)	<p><i>6.2.4.7 Use of the Compensatory Education Allotment for Class Size Reductions</i></p> <p>In meeting the costs of providing a compensatory, intensive, or accelerated instruction program under the TEC, §29.081,⁵⁷ school districts may use the SCE allotment to fund costs supplementary to the regular education program to create smaller class sizes for intended population defined in the authorizing statutes.⁵⁸ SCE-funded staff is supplementary and SCE funds cannot be used to meet an LEA's staffing ratio. Section(s) are created after enough staff is hired to meet the district and staff guidelines. If class size reduction is noted as a SCE-funded strategy, the percentage of students (who do not meet the state eligibility criteria) that may benefit from this strategy under the local eligibility criteria is limited to 10 percent of the number of students who met the state eligibility criteria and were served in the SCE program in the preceding year under the TEC, §29.081(g). See 6.2.2.2 Local Criteria for Identification of Students at Risk of Dropping Out of School.</p> <p>The SCE allotment must not be used to achieve the FSP student to teacher ratio requirement of 22:1. This rule also applies when these funds are used to upgrade the educational program on a Title I, Part A schoolwide campus. Using SCE funds to meet an LEA's staffing ratio requirement, any federal or state mandate, or local board policy is considered a supplant, not a supplement.</p>
Revision (Module 6)	<p><i>6.2.4.7 Use of the Compensatory Education Allotment for Class Size Reductions</i></p>

⁵⁷ [TEC, §29.081](#)

⁵⁸ [TEC, §48.104\(k\)\(1\)\(B\)](#)

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	<p>The comprehensive needs assessment for small enrollment school districts and charter schools may often establish class size reduction as a primary strategy for SCE program and reflect this strategy in the campus improvement plans (for school districts) or the campus instructional plans (for charter schools). Often, class sizes for all grade levels are notably smaller than an average of 22 students per teacher for regular education. This characteristic is the result of maintaining separate classrooms for all grade levels for academic programs (not including physical education). If a school district or charter school had fewer than 500 students enrolled during the entire school year, then the fiscal transactions for regular education (for regular education campus settings) may be allocated between Program Intent Codes 11 and 24, based upon the percentage of students at risk of dropping out of school on each campus to the total enrollment for each campus. A calculation of supplemental FTEs or fiscal resources in reference to a documented standard for regular education is not required in all school districts and charter schools covered by this special provision. Supplemental FTEs and fiscal resource amounts attributed to use of the SCE allotment will be disclosed in the district improvement plan or corresponding campus improvement plan consistent with the methodology described above for allocating costs between Program Intent Codes 11 and 24.</p>
Revision (Module 6)	<p><i>6.2.4.8 Use of the Compensatory Education Allotment for Alternative Education Programs</i></p> <p>Under the TEC, §48.104(k)(1)(B), a program specifically designed to serve students at risk of dropping out of school, as defined by the TEC, §29.081, is considered to be a program supplemental to the regular education program and a school district may use its SCE allotment for such a program. Therefore, the costs of:</p> <ul style="list-style-type: none"> • an alternative education program (AEP), established under the TEC, §29.081(e); • a disciplinary alternative education program (DAEP) established under the TEC, §37.008; and • the costs associated with placing students in a juvenile justice alternative education program (JJAEP) established under the TEC, §37.011, Error! Bookmark not defined. <p>as a program specifically designed to serve students at risk of dropping out of school, directly targeting students meeting state and local criteria in the TEC, §29.081, are eligible to be charged to the SCE allotment. The alternative education programs must be thoroughly established and described in the comprehensive needs assessment and in the CIP of the school district. All administrative duties and positions are not attributable to the 55 percent direct cost as described in statute. Expenditures attributable to the 45 percent are not recorded in financial accounting records under Program Intent Codes (PIC) 24, 26, 28, and 30. Students placed due to disciplinary action taken by an LEA for student behavior that violates rules of student conduct other than what is cited in the TEC, §37.006, may be served if locally defined. See 6.2.2.2. Local Criteria for Identification of Students at Risk of Dropping Out of School.</p>

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Revision (Module 6)	<p><i>6.2.4.9 Use of the Compensatory Education Allotment in Support of the Title I, Part A Program</i></p> <p>Title I, Part A (Title I) of the, Every Student Succeeds Act (ESSA), supports reforms and innovations to improve educational opportunities for low achieving students. Title I is designed to provide all children a significant opportunity to receive a fair, equitable, and high-quality education, and to close educational achievement gaps. Title I helps State educational agencies (SEAs), LEAs, and schools meet the educational needs of low-achieving students in schools with high concentrations of students from low-income. For LEAs, Title I funds deliver needed resources to provide the personnel, instruction, and interventions to help close achievement gaps.</p> <p>Direct SCE funds⁵⁹ may be used to support a program eligible under Title I of the Elementary and Secondary Education Act of 1965, as provided by Pub. L. No. 103-382 and its subsequent amendments, and by federal regulations implementing that act.</p> <p>When SCE funds are used to support a Title I program, funds must:</p> <ul style="list-style-type: none"> • be part of the campus budget, • be tracked back to the general fund, • follow all generally accepted accounting principles, • incorporate instructional strategies that evidence-based research has shown are effective with teaching low achieving students, and • be used to support supplemental programs implemented to ensure that students, particularly those who are low achieving, demonstrate proficient and advanced levels of achievement on state academic achievement standards and be proficient on state assessments. <p>SCE funds do not become Title I funds. The SCE program is a state mandated program, and SCE funds used to support a Title I program must be included in the campus budget and all SCE expenditures must be coded to the correct SCE fund code, align with the purpose of the SCE program, and follow all generally accepted accounting principles. SCE expenditures used to support a Title I program must also be supplemental to the costs of the regular education program and must not replace required or allowable federal expenditures. Specifically, all expenditures must be supplemental in nature and directly related to increasing the academic achievement of at-risk and educationally disadvantaged students in Title I schools. SCE funds are also used to support effective, evidence-based educational strategies that close the achievement gap and enable the students to meet the state's challenging academic standards.</p> <p>SCE funds used to support the Title I educational program:</p> <ul style="list-style-type: none"> • meet guidelines required by the ESSA, e.g., all SCE funded paraprofessionals serving on a Title I campus must also meet required Title I guidelines

⁵⁹ [TEC, §48.104](#)

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	<ul style="list-style-type: none"> • be used to incorporate instructional strategies that evidence-based research has shown are effective with teaching low achieving students. <p>The analysis and evaluation of SCE-funded programs and services is required; it allows for adjustments in learning to be made and to ensure learning outcomes are achieved. Furthermore, satisfactory justification must be provided to document that the expenses requested are both reasonable in cost and necessary to accomplish the objectives of the project, service, or program. Together, both programs can be used to support their most struggling learners perform at grade level, pass the state assessment, and graduate.</p>
Revision (Module 6)	<h3 style="color: #4F81BD;">6.2.5 State Compensatory Education Planning Cycle</h3> <p>To begin the SCE planning cycle school districts must use student performance data resulting from the basic skills and assessment instruments and achievement tests administered under the TEC, Chapter 39, Subchapter B, to design and implement appropriate compensatory, intensive, or accelerated instructional services for</p> <ul style="list-style-type: none"> • students enrolled in the school district who has taken an EOC assessment instrument administered under the TEC, §39.023(c) and has not performed satisfactorily on the assessment, or • the intended population defined in the authorizing statutes the TEC, §29.081, and the TEC, §48.104.
Revision (Module 6)	<h3 style="color: #4F81BD;">6.2.5 State Compensatory Education Planning Cycle</h3> <p>Each LEA must maintain accurate and current records of students that were served in intensive instructional programs in order to attribute supplemental costs appropriately for the intended population defined in the authorizing statute, the TEC, §29.081, and local criteria approved by the board of trustees.</p>
Revision (Module 6)	<h3 style="color: #4F81BD;">6.2.6 State Compensatory Education Programs and Resources</h3> <p>As LEAs design state compensatory education programs and or services, they must ensure that the school district DIPs and CIPs identify the resources that will be used to implement the programs. Resources may include, but are not limited to:</p> <ul style="list-style-type: none"> • specialized supplemental materials for reading or mathematics programs; • specialized software; • supplemental staff and equipment; • tutorials;

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	<ul style="list-style-type: none"> • class size reduction (Note: SCE funds cannot be used to meet the LEA’s staffing ratio or state or federally mandated rules, e.g., cannot be used to achieve the Foundation School Program (FSP) student to teacher ratio requirement of 22:1 noted in the TEC, §25.112); • computer-assisted instruction • specialized staff development to train personnel who are working with students at risk of dropping out of school and/or educationally disadvantaged students (For more information, see the section labeled <i>Notes on training.</i>); • STAAR remediation; • individualized instruction; • extended day (instructional) sessions, including instructional sessions, for pre-K; • accelerated instruction; and • extended day, week, or year instructional services. <p>In addition to the state compensatory education allotment, LEAs may also identify other state or local funds to help support the designated state compensatory education programs and or services. Annually evaluating and monitoring the implementation of the SCE program and progress towards accomplishing program goals should be considered when approving SCE expenditures.</p> <p>Notes on training</p> <p>SCE-funded professional development and training expenses must be reasonable and necessary and training must be related and beneficial to the SCE program with the primary goal of closing the achievement gap. Therefore, training must be aligned with the needs of the intended population defined in the authorizing statutes and be based on documented focus in the needs assessment and the essential actions established in the campus improvement plans. LEAs should ensure that training is not a “one time” event but an ongoing process that will be reviewed for effectiveness and evaluated after completion to determine if the intended results were achieved. Policies regarding staff attendance at staff development trainings should be established and integrated.</p>
Revision (Module 6)	<p><i>6.2.6.1 SCE Expenditures and Program Support Documentation</i></p> <p>Each LEA must maintain SCE support documentation that contains the following information to substantiate the cost of all supplemental SCE programs and or services:</p> <ol style="list-style-type: none"> 1. State the name of the program or service. 2. State the purpose, goal, and objective.

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	<ol style="list-style-type: none"> 3. State the amount that will be expended to support this program and the source of funds for the amounts expended. 4. Indicate the number of students that will be served. 5. Indicate the number of staff members involved. 6. Specify how the program supplements the regular education program. What documentation will the school district and each campus maintain to verify that this training is supplemental to the at-risk program and not the campus' entire educational program? 7. Specify how the program will reduce the dropout rate. 8. Specify how the program will increase the achievement of students identified as being at risk of dropping out of school. TEC, §29.081(d) 9. Specify how evaluations will be conducted to measure the impact of the program on student performance. Specify how services and programs will be periodically evaluated for effectiveness. TEC, §11.252(a)(8) and §11.253(d)(7) 10. Indicate the evidence-based research used to support the effectiveness of the staff development training to deliver supplemental instruction. 11. What data will the campus use to evaluate the success of the new program as it relates to increased student achievement in the areas in need of improvement? (results of evaluation) TEC, §29.081(c) Will evaluation results be used to modify and improve the program? 12. How will the campus monitor the implementation of the training in classrooms? Who will be responsible for mentoring and monitoring the implementation? What is the timeline for implementation? 13. Indicate how the cost of SCE-funded expenditures are reasonable and necessary. 14. Identify the page number(s) of the DIP and CIP that describes the planned strategies, activities, services, and/or functions used to implemented the support of this program. TEC, §11.251(b)
Revision (Module 6)	<h3 style="color: #4F81BD;">6.2.7 Evaluation of State Compensatory Education Programs</h3> <p>LEAs are required to annually evaluate⁶⁰ and document the effectiveness of their designated SCE program</p> <ol style="list-style-type: none"> 1. in reducing any disparity in the performance on assessment instruments administered under the TEC, Chapter 39, Subchapter B; 2. in reducing any disparity in the rates of high school completion between students at risk of dropping out of school and all other district students; 3. in reducing any disparity in the rates of high school completion between educationally disadvantaged students and all other district students; 4. by annually holding a public hearing to discuss the results of the LEAs evaluation of the accelerated instruction programs and services; and 5. by including the results of this evaluation in the LEA's DIP and CIP.

⁶⁰ [TEC, §29.081](#)

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Revision (Module 6)	<p><i>6.2.7.1 SCE Program Evaluation Design</i></p> <p>The LEA’s decisions about the process design for a SCE program evaluation should represent a reasonable cost and benefit balance. A program evaluation requires carefully obtaining information to make decisions about programs. More rigorous evaluations of strategies, programs, and services, and assessments of the programmatic impacts to academic success and reducing the number of at-risk student factors are needed in certain LEAs. For example, your LEA’s program evaluation may include an evaluative question that asks:</p> <ul style="list-style-type: none"> • What delivered programs and services proved most effective, and how does the LEA plan to maintain or build upon that success? <p>This evaluation question may be difficult but can be answered by identifying any specific examples of how past increases or improvements in services for student groups, including low-income students, English language learners, homeless youth, and foster youth have led to improved performance on assessment instruments for these students or a reduction in the drop-out rate. Furthermore, your LEA should document the</p> <ul style="list-style-type: none"> • planned services, • actual services, • planned expenditures, and • actual expenditures for this SCE program or service to complete the answer to the original questions, “what delivered programs and services proved most effective and how does the school district plan to maintain or build upon that success?” <p>When designing your school district’s SCE program evaluation, your school district may want to ask some of the following questions:</p> <ul style="list-style-type: none"> • What is the purpose of the evaluation? • What do we as an LEA want to be able to conclude as a result of the evaluation? • What data needs to be collected? • What kinds of information are needed to make the decisions our LEA needs to make? (Its inputs, activities, and outputs) • From what sources should the information be collected? For example, assessment instruments, students, teachers, counselors, other district staff members, third-party entities, etc.? • How can the information be collected in an accurate and reasonable manner? • When is the information needed? • What method(s) of information collection will be used? • What resources are available to collect the information? • What staff resources are needed? • What are the desired outcomes? • Are the conclusions that have been obtained from the program evaluation accurate and documented?

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	<ul style="list-style-type: none"> • Will our recommendations about the program allow our district to continue to meet the requirements outlined in the TEC, §29.081 and §48.104, and the needs of our stakeholders? <p>There are several types of program evaluation models that your school district may use, and if your LEA decides to use a specific type of program evaluation model, such as the goals-based evaluation format, that is at the sole discretion of the LEA. When designing SCE program evaluations, your LEA may want to consider the following:</p> <ul style="list-style-type: none"> • On what basis does the LEA decide that programs or services are needed for applicable students? • How will the goals and objectives be established? • Will the program goals be achieved according to the established timelines specified in the DIP, CIP, or instructional plan? • What is required of the LEA to deliver the programs and services? • Does staff have adequate resources to achieve the goals? • What is required of the students that participate in the SCE programs? • How will priorities be changed to place more focus on achieving the goals, if needed? • How should timelines be changed, if needed? • What are the strengths and weaknesses of the program? • What are the program concerns or complaints expressed by stakeholders? • Is our LEA offering the right programs and services to bring about the desired outcomes of the SCE program?
Revision (Module 6)	<p><i>6.2.7.2 Formative and Summative Evaluations</i></p> <p>Specifically, formative evaluations:</p> <ul style="list-style-type: none"> • occur during the student’s participation in the compensatory, intensive, or accelerated instructional services or programs, or the student’s participation in programs for at-risk students, and • are conducted during the learning process in order to modify programs and services, e.g., teaching and learning activities, to improve student learning and achievement. The purpose is to monitor student learning and provide ongoing and useful feedback to staff and students.
Revision (Module 6)	<p><i>6.2.7.2 Formative and Summative Evaluations</i></p> <p>Summative Evaluations</p>

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	<p>Summative assessments evaluate student learning, knowledge, proficiency, or success at the conclusion of an instructional period. An example of a summative evaluation is, has the student achieved the desired program outcome?</p> <p>Summative evaluations evaluate the student’s progress at the completion of the SCE programs or services that the student received by comparing it against SCE program goals. Specifically, summative evaluations:</p> <ul style="list-style-type: none"> • occur after the student’s participation in the compensatory, intensive, or accelerated instructional services or programs, or the student’s participation in programs for at-risk students, • spotlight areas of strength and gaps in curriculum and instruction, especially for student subgroups, e.g., the intended population defined in the authorizing statutes, TEC, §29.081, and TEC, §48.104, and • provide cumulative snapshots to evaluate and report on student learning. 														
Revision (Module 6)	<h3 style="color: #4F81BD;">6.2.8 Evaluation of State Compensatory Education Programs</h3> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4F81BD; color: white;"> <th style="text-align: center;">PIC Number</th> <th style="text-align: center;">Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">11</td> <td>Basic Educational Services (used only by LEAs with less than 500 enrolled students; see 6.2.4.7 Use of Compensatory Educational Allotment for Class Size Reductions)</td> </tr> <tr> <td style="text-align: center;">24</td> <td>Accelerated Education</td> </tr> <tr> <td style="text-align: center;">26</td> <td>Non-disciplinary Alternative Education Programs – AEP Services</td> </tr> <tr> <td style="text-align: center;">28</td> <td>Disciplinary Alternative Education Programs – DAEP Basic Services</td> </tr> <tr> <td style="text-align: center;">29</td> <td>Disciplinary Alternative Education Programs – DAEP State Compensatory Education Supplemental Costs</td> </tr> <tr> <td style="text-align: center;">30</td> <td>Title I, Part A, School-wide Activities Related to State Compensatory Education on Campuses with a Current Title I, Part A Schoolwide Status</td> </tr> </tbody> </table> <p>Consideration of other fiscal data will apply to costs recorded under object codes 66XX, Capital Outlay, under PICs 24, 26, 28, 29, and 30. Activities reflected in expenditures attributable to SCE are those activities that supplement the regular education program services provided to students at risk of dropping out of school and are compliant with the program.</p>	PIC Number	Program	11	Basic Educational Services (used only by LEAs with less than 500 enrolled students; see 6.2.4.7 Use of Compensatory Educational Allotment for Class Size Reductions)	24	Accelerated Education	26	Non-disciplinary Alternative Education Programs – AEP Services	28	Disciplinary Alternative Education Programs – DAEP Basic Services	29	Disciplinary Alternative Education Programs – DAEP State Compensatory Education Supplemental Costs	30	Title I, Part A, School-wide Activities Related to State Compensatory Education on Campuses with a Current Title I, Part A Schoolwide Status
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30	Title I, Part A, School-wide Activities Related to State Compensatory Education on Campuses with a Current Title I, Part A Schoolwide Status														

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Revision (Module 6)	<p style="color: #4F81BD; font-size: 1.2em; margin: 0;">6.2.10 Analysis of Staff Data for Supplement and Supplant Compliance</p> <p>If an LEA's DIP and CIPs or charter school instructional plans primarily rely upon smaller class sizes, then staffing patterns may show a correlation between the number of instructional units, teachers and teacher aides, and the proportion of students at risk of dropping out of school per campus. An analysis of staffing patterns is necessary when examining the allocation of resources in most LEAs, whenever instructional salaries are recorded under PICs 24, 26, 28, and 29.</p> <p>Split funded SCE program teachers' salaries and an entire salary of a teacher that is assigned to the SCE program may be recorded to PIC 24, Accelerated Education, as applicable.</p> <p>Please note that SCE are supplemental funds cannot be used to meet the LEA's staffing ratio. Sections are created after enough staff is hired to meet the district and state guidelines.</p>
Revision (Module 6)	<p style="color: #4F81BD; font-size: 1.2em; margin: 0;">6.3.1 Financial Accounting for Foundation School Program Compensatory Education Programs</p> <p>Section(s) are created after enough (required) staff are hired to meet the district and state guidelines. Standard staff and fiscal resource allocations must be documented for different grade levels for regular education, which are necessary to substantiate the attribution of supplemental resources for incremental staff and fiscal costs benefiting students at risk of dropping out of education that are documented in campus improvement plans and meet defined needs identified in the comprehensive needs assessment (CNA).</p> <p>Expenditures attributable to the SCE program are recorded in financial accounting records under PICs 24, 26, 28, 29, and 30.</p>
Revision (Module 6)	<p style="color: #4F81BD; font-size: 1.2em; margin: 0;"><i>6.3.1.2 Function Codes</i></p>

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	A function represents a general operational area in an LEA , and group-related activities. Most LEAs use all of the functions in the process of educating students or organizing the resources to educate students. For example, in order to provide the appropriate atmosphere for learning, LEAs offer guidance and counseling services, teach students, provide staff development to teachers, and provide library and media resources.						
Revision (Module 6)	<p><i>6.3.1.2 Function Codes</i></p> <p>Compensatory education activities are for the purpose of supplementing the regular education program for the intended population defined in the authorizing statutes.</p>						
Revision (Module 6)	<p><i>6.3.1.3 Object Codes</i></p> <p>It should be noted that supplemental services, supplies and or equipment charged to the SCE allotment need to be reflected in the district and/or campus improvement plan and meet a defined need or set of needs (for serving the identified the intended population defined in the authorizing statutes, TEC, §29.081, and TEC, §48.104) in the comprehensive needs assessment (CNA). Measurable outcomes tied to specific SCE objectives should be reflected in the LEA’s annual SCE evaluation as references in the TEC, §29.081(b-3).</p>						
Revision (Module 6)	<p><i>6.3.1.4 Organization Codes</i></p> <p>A majority of supplemental direct costs for SCE programs involve instructional expenditures for campuses providing programs and services to the targeted SCE population in grades pre-K through 12.</p>						
Revision (Module 6)	<p><i>6.3.1.5 Object Codes</i></p> <p>In the case of SCE, state law restricts expenditures for direct costs to those costs that are supplemental to the regular education program. Consideration of other fiscal data will apply to costs recorded under object codes 66XX, Capital Outlay, under PICs 24, 26, 28, 29, and 30 need to be aligned with the LEA’s DIP and CIPs.</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>PIC Number</th> <th>Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">11</td> <td>Basic Educational Services (used only by LEAs with less than 500 enrolled students; see 6.2.4.7 Use of Compensatory Educational Allotment for Class Size Reductions)</td> </tr> <tr> <td style="text-align: center;">24</td> <td>Accelerated Education</td> </tr> </tbody> </table>	PIC Number	Program	11	Basic Educational Services (used only by LEAs with less than 500 enrolled students; see 6.2.4.7 Use of Compensatory Educational Allotment for Class Size Reductions)	24	Accelerated Education
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24	Accelerated Education						

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Type of Change	Changes to FASRG v. 19	
	26	Non-disciplinary Alternative Education Programs – AEP Services
	28	Disciplinary Alternative Education Programs – DAEP Basic Services
	29	Disciplinary Alternative Education Programs – DAEP State Compensatory Education Supplemental Costs
	30	Title I, Part A, School-wide Activities Related to State Compensatory Education on Campuses with a Current Title I, Part A Schoolwide Status
	<p>For more guidance on PIC, see FASRG Module 1.</p>	
Revision (Module 6)	<p>6.3.1.6 Carryover Amounts</p> <p>At least 55 percent (55%) of the SCE allotment is to be spent on direct costs each year. If a disproportionate amount of the allotment is received at the end of the year, carryover amounts may result if expenditures are less than 55 percent of the SCE allotment for the school year. In this instance, carryover amounts are to be budgeted in the first or second subsequent fiscal year. In calculating the carryover amount, the portion would be how much the LEA was short in meeting the 55 percent requirement, based on comparing the actual expenditures to the state allotment reflected on the LEA’s near final summary of finances (SOF).</p>	
Revision (Module 6)	<p>6.3.2 School District Support for Charges to Compensatory Education</p> <p>The primary and most important paper trail is provided by the LEA’s DIP and CIP. SCE expenditure support documentation includes, but is not limited to:</p> <ul style="list-style-type: none"> • teacher schedules • campus staffing formulas • job descriptions • time and effort • student case counts <p>LEAs may use other types of documentation to support teacher salaries unless they are split funded with federal programs. If a teacher’s salary is split funded with state funds, LEAs are encouraged to use alternative documentation to support the teacher’s salary. Please note that SCE are supplemental funds cannot be used to meet the LEA’s staffing ratio.</p>	

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Type of Change	Changes to FASRG v. 19
Revision (Module 6)	<p>6.3.2.1 Use of Local Criteria</p> <p>As with all other aspects of a SCE program, the LEA must document the need for the specific supplemental services or instruction in its comprehensive needs assessment. Once a need has been identified in the CIP and board approved, the LEA may provide the specific supplemental services or instruction to students identified at risk of dropping out of school pursuant to local criteria. In accordance with the TEC, §48.104,⁶¹ the LEA must use its SCE allotment to fund supplemental programs and services designed to eliminate any disparity in performance on assessment instruments administered under the TEC, Chapter 39, Subchapter B, or disparity in the rates of high school completion between students at risk of dropping out of school, as defined by the TEC, §29.081, and all other students. Locally identifying an entire group of students, e.g., 504 students, required to be served by state or federal law, is not permitted. The school district may not use its compensatory education allotment to supplant other funds.</p> <p>As with all other compensatory, intensive, and accelerated instructional services, the LEA must support its expenditure of compensatory education funds for the specific supplemental services and instruction by including an adequate description of the need or set of needs noted in the comprehensive needs assessment and of said services in the CIP(s).</p> <p>Measurable outcomes tied to serving locally identified at-risk should be reflected in the LEA’s annual SCE evaluation as referenced in the TEC, §29.081(b-3). Consistent with the TEC, §48.104(k), a school district may only use its compensatory education allotment to provide the specific supplemental services or instruction in proportion to the number of at-risk students identified pursuant to local criteria as compared to the number of at-risk students identified in accordance with the TEC, §29.081(d).</p>
Revision (Module 6)	<p>6.4 Risk Assessment Processes and Identification of Schools Requiring a Local Audit</p> <p>LEAs that are notified of a requirement to submit supporting documentation must submit a set of documents for the risk assessment and analysis of each LEA’s SCE program:</p> <ol style="list-style-type: none"> 1. CIP from LEAs

⁶¹ [TEC, §48.104](#)

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Type of Change	Changes to FASRG v. 19	
Revision (Module 6)	<h2 style="margin: 0;">6.4.1 Risk Assessment Threshold</h2> <p style="margin: 10px 0 0 20px;">The risk assessment will be conducted by TEA staff for all school districts and charter schools.</p>	
Revision (Module 6)	<h2 style="margin: 0;">6.4.2 Risk Assessment Indicators</h2>	
	<p>Exhibit 6.4.2.A SCE Risk Assessment Indicators</p>	
	Primary Indicators	
	Indicator	Standard
	Time Period	
	[School FIRST district rating level for most recent ended school year]	Above standard achievement
	Most recent rating]	
	Percent of SCE allocation actual expenditures reported in PEIMS in the General Fund for SCE-related costs	Equal to or greater than 55 percent of annual SCE allocation
	District academic rating	Rating exceeds (equivalent of academically unacceptable)
	Annual financial and compliance report	Filed within 30 days of due date
	Students that dropped out of school	Five or fewer at-risk students or less than 1 percent of at-risk students
	STAAR performance	Overall increase among at risk population

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Type of Change	Changes to FASRG v. 19		
	End of Course (EOC) performance	Overall increase among at risk population	Three-year annual trend
	Other Indicators		
	At risk student ratio	Exceeds statewide ratio	Most recent reporting period
	District student/teacher ratio	Less than statewide standard	Most recent school year
	Attendance percentage	Less than statewide percentage	Most recent school year
	End of Exhibit 6.4.2.A		
	<p>An on-site review or desk review may be conducted as follows:</p> <ul style="list-style-type: none"> • when one or more critical indicator is not met; • when the percent of at-risk students exceeds the statewide average, and two or more “other indicators” also exceed the statewide average; • when TEA identifies significant data quality issues related to data submitted through the TSDS PEIMS; • when TEA identifies noncompliance during an audit, investigative, or monitoring activities of other state and/or federal programs; • when the LEA did not maintain required campus improvement plans or waivers for plans or alternative approved planning documentation for the previous school year in accordance with this section; or • if the LEA did not maintain a local evaluation of the state compensatory education strategies, activities, and programs for the previous school year in accordance with this section. 		
Revision (Module 6)	<h3 style="color: #4F81BD;">6.4.3 Timeline for Risk Assessment</h3> <p>The risk assessment processes described in this section are clearly outlined. Evidence of high risk associated with data quality issues may result in notification at any time that such evidence is disclosed by TEA staff. Therefore, a school district or charter school should be able to anticipate receiving notification from the TEA to obtain an on-site review or desk review. Thus, a school district or charter school should appropriately factor in this requirement during the budgetary development processes for the next fiscal year, as soon as the school district or charter school is able to reasonably anticipate the probability of this requirement.</p>		

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Type of Change	Changes to FASRG v. 19
Revision (Module 6)	<h2 style="color: #0056b3;">6.5 School District Sanctions and Interventions</h2> <p>As authorized in the TEC, §48.104(m),⁶² the Financial Compliance Division may conduct on-site monitoring of a school district’s or charter school’s expenditures of its state compensatory education allotment if one or more of the following criteria are observed for two or more consecutive school years:</p> <ul style="list-style-type: none"> • if TEA identifies noncompliance during correspondence or on-site monitoring of the school district’s or charter school’s expenditures of its state compensatory education allotment; • if the data and reports submitted to TEA disclosed significant deficiencies or noncompliance and the school district or charter school failed to adequately address the significant deficiencies or noncompliance; • if the LEA did not maintain campus improvement plans or the charter school did not submit equivalent plans in accordance with this section; • if the LEA did not maintain local evaluations of SCE strategies, activities, and programs, in accordance with this section; • if the LEA did not maintain equivalent plans in accordance with this section; • if the LEA did not maintain SCE policies and procedures; or • if the LEA did not maintain local evaluations of SCE strategies, activities and programs, in accordance with this section.
Addition (Module 6)	<h2 style="color: #0056b3;">Acronyms</h2> <p>CNA – Comprehensive Needs Assessment</p> <p>CEP – Community Eligibility Provision</p> <p>EOC – STAAR End of Course Exam</p> <p>FASRG – Financial Accounting System Resource Guide</p> <p>SW – Title I Schoolwide Program</p>

⁶² [TEC, §48.104\(m\)](#)

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Type of Change	Changes to FASRG v. 19
	TA – Title I Targeted Assistance Program