



To the Administrator Addressed

Commissioner Mike Morath

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DATE:	July 22, 2021
SUBJECT:	Notification of the Release of Adopted FASRG Version 17
CATEGORY:	Informational Update
NEXT STEPS:	Share with appropriate staff

The Texas Education Agency has published adopted version 17 of the [Financial Accountability System Resource Guide \(FASRG\)](#). This letter is to inform local education agencies (LEAs) of that adoption.

Adopted by reference in 19 Texas Administrative Code §§[109.41](#) and [109.5001](#), the FASRG describes the rules of financial accounting for school districts, charter schools, and education service centers.

Significant updates included in FASRG version 17 are disclosed in the table below.

FASRG Version 17 Adopted Updates Table

Module/Section	Type of Update	Description of Update
FAR Appendix A, A.2 Fund Codes Module 3, 3.2 Net Asset Account Codes	Added	New fund codes 266, 277, 278, 281, and 282 added to account for federal Elementary Secondary School Emergency Relief (ESSER) stimulus funds granted to LEAs.
FAR Appendix A, A.2 Fund Codes Module 3, 3.2 Net Asset Account Codes	Added	New fund codes 269 and 345 added to account for federal Small, Rural School Achievement Program funds granted to LEAs.
Module 1, Financial Accounting and Reporting FAR Appendices A through I	Amended	The term agency funds is replaced with the term custodial funds , in accordance with Governmental Accounting Standards Board Statement (GASB) 84 .
FAR Appendix H, Campus Activity Funds	Added	New Appendix H added to discuss campus activity funds.
FAR Appendix A, A.4.6 Object Codes Module 3, 3.4.5 Expense Object Codes	Amended	Allowable costs for object codes 6411 and 6412, Travel, Training, and Subsistence, now include virtual and in-person trainings, conferences, and seminars.

FAR Appendix A, A.4.6 Object Codes Module 3, 3.4.5 Expense Object Codes	Amended	Eligible costs coded to object code 6499 must exclude costs for professional development fees. LEAs will need to use other object codes designated to code expenditure and expenses for professional development.
FAR Appendix A, A.8.4 Program Intent Codes (PICs) Module 3, 3.8.4 PICs	Amended	Costs for PIC 25 now include salaries for paraprofessional and teacher aides required for smaller class size. In addition, the definition for supplemental staff now includes paraprofessional and teacher aides.
FAR Appendix A, A.3 Function Codes	Deleted	Function code 98 is unavailable for use by LEAs to code funds.
Module 5, Purchasing	Amended	Incorporated current statutes, laws, and rules enacted by the 86 th Texas Legislature, and removed outdated references.

For a complete list of the changes made to the FASRG, please view the [Change Document](#).

Next Steps

LEAs must incorporate applicable changes adopted in FASRG version 17 into their daily financial accounting practices. All statutes, laws, rules, and authoritative guidance that LEAs must adhere to are not in the FASRG; however, each LEA must ensure that it is knowledgeable and compliant with all applicable regulations and authoritative guidance.

Questions

For questions regarding the FASRG, please contact the Division of Financial Compliance by phone at (512) 463-9095 or email financialaccountability@tea.texas.gov.

Sincerely,

David Marx, CPA
Director, Financial Compliance