



**To:** School District, BOCES State Aid Designees and RIC Leaders

**From:** NYSED Offices of State Aid, Educational Design and Technology and Educational Management Services

**RE:** **Accounting for Microsoft settlement funds, also known as School Technology Voucher Program Funds (STVP)**

**Date:** June 2014

### **Summary and Basics**

In order to account for funds spent and reimbursement received under the Microsoft settlement, NYSED and OSC have agreed on an approach to account for those funds and implement the STVP requirement that expenditure of the funds must not generate State Aid. This guidance supersedes any STVP accounting/reporting information disseminated previously. Accounting requirements and requirements for State Aid reporting are addressed separately below for BOCES and school districts.

BOCES and school districts must maintain detailed documentation of STVP purchases and reimbursements in the event of audit or other requests to provide this information.

### **BOCES**

BOCES may potentially play two roles with respect to these funds. They are eligible to receive STVP funds directly in their role as providers of instruction. They also allocate component district expenses for aid on technology-related Co-Sers, expenses that may now be supported in part by STVP funds received by the districts. The text below will provide general guidance for both situations, but the key principle to follow regarding STVP expense and revenue is that the **STVP dollars may not be used, accounted for or reported in a manner that generates BOCES Aid.**

#### ***Accounting for STVP funds spent/received directly by the BOCES***

Amounts expended and revenue received from the Microsoft Settlement / NYS School Technology Voucher Program (STVP) should be recorded in the General Fund, in the SA-111 Schedule 4 service account(s) for which the equipment/services were purchased. The expenditures should be recorded in the appropriate object code (equipment, contract, etc.) within the service account(s) for which the expense was made. The revenue also should be recorded in the Schedule 4 service account, as A2770 – Miscellaneous Revenue. (NOTE:

STVP expenditures / revenue already accounted for in the Special Aid Fund may, but need not, be moved to the General Fund; however, all subsequent STVP expenditures should be recorded in the General Fund.)

***Reporting STVP expenditures / revenue in SAMS to ensure no BOCES Aid is generated***

STVP funds expended / received directly by the BOCES

Adherence to the accounting requirements provided above should ensure that these funds are excluded from the calculation of aidable BOCES expense for allocation to components: STVP SA-111 Schedule 4 expense for any Co-ser / account will be included in the total expense reported for that Co-ser, and STVP revenue should be deducted from aidable expense for allocation to components via the standard A2770 deduct that is part of that calculation.

STVP funds expended / received by districts and used to support the purchase of BOCES technology services

BOCES should follow the standard annual practice of asking component districts whether/which purchases, including purchases of cross-contracted services, are being supported by any aid or grants other than BOCES Aid. In conjunction with this process, BOCES should specifically ask components whether/how much STVP revenue is supporting their BOCES purchases. Components should inform the BOCES of the amount of technology expenditures they expect to be reimbursed by STVP funds, by Co-Ser, for both the current year and the projected year. This information should be reported by the BOCES in SAMS in the Misc Rev Ded Cmp data area by district, by Co-Ser, including Co-Sers established to record components' cross-contracted services.

## **SCHOOL DISTRICTS**

***Accounting for STVP funds spent/received by school districts***

Expenditures and revenues for STVP funds should be recorded in the General Fund. A2707 is the new General Fund revenue account the Comptroller has established for reporting all reimbursements received under the Microsoft Settlement STVP program during each fiscal year.

No new expense code has been established to segregate STVP expenditures from other General Fund expenses. However, a new Schedule A5 will be included in the 2013-14 school years ST-3 and in subsequent years during which STVP funds could be expended. Districts will report all STVP program expenditures in Part I of this schedule. Districts that made purchases under this program should complete this schedule *after* completing their other ST-3 reporting. Districts are encouraged to view Schedule A5 when the blank ST-3 is posted on the State Aid home page in June (<https://stateaid.nysed.gov>)

**Reporting STVP expenditures to ensure they do not generate instructional materials aid**

Expenditures supported by STVP funds must be excluded from ST-3 expenditure accounts used to calculate Textbook, Software, Hardware and Library Materials Aids. Part II of the new ST-3 Schedule A5 will display amounts the district reported in these General Fund instructional materials accounts, and will require the district to enter the portion of those amounts, if any, supported by STVP revenue. The total expense in these accounts less the STVP-supported portion will constitute the actual expense as it is used to calculate aid on the Instructional Materials Aids output report.

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