



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

From: NYSED Offices of State Aid and Educational Management Services

RE: District and BOCES Accounting for Smart Schools Bond Act (SSBA)

Date: August 2017

### **Summary and Basics**

In order to account for funds spent and reimbursement received under the Smart Schools Bond Act, NYSED and OSC have agreed on an approach to account for those funds and implement the SSBA requirement that expenditure of the funds must not generate State Aid. 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 SSBA purchases and reimbursements in the event of audit or other requests to provide this information.

### **BOCES**

Although BOCES may not receive SSBA funds directly, they allocate component district expenditures for aid on technology-related Co-Sers, a portion of which may now be supported in part by SSBA funds received by the districts. The key principle to follow regarding SSBA expenditures and revenue is that the SSBA dollars may not be used, accounted for or reported in any manner that generates BOCES Aid. Regarding SSBA funds expended / received by districts and used to support the hardware/infrastructure portion of technology services purchased from BOCES: 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 SSBA revenue is supporting their BOCES purchases. Components should inform the BOCES of the amount of technology expenditures they expect to be reimbursed by SSBA 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 CoSers established to record components' cross-contracted services.

## SCHOOL DISTRICTS

Expenditures of SSBA funds should be recorded in the Capital Fund. School districts should separately identify these expenditures using existing Schedule G3 Capital Projects Fund codes. Districts should create new account codes by adding 'SSBA' or a specific 4-digit code to the end of the expenditure's account code to distinguish SSBA from the rest of the Capital Fund's account code.

*Expenditures supported by SSBA funds must be excluded from all ST-3 General Fund expenditure accounts used to calculate Instructional Materials Aids (Instructional Computer Hardware Aid, Library Materials Aid, etc.)*

SSBA revenues should be reported in the ST-3 Capital Fund at the new H3297 item 4b (State Sources – Smart Schools Bond Act). As Smart Schools is a reimbursement program, the liability is not created and should not be reported on the ST-3 until the district has actually spent their approved expenditures.

Additional financial information related to the Smart Schools Program can be found at [http://www.p12.nysed.gov/mgtserv/smart\\_schools/](http://www.p12.nysed.gov/mgtserv/smart_schools/).

### **Contact information:**

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