



Dave Yost
Auditor of State

From: Auditor of State's Center for Audit Excellence
To: All IPA Firms
Subject: Straight A Funding FY15
Date: August 6, 2015

As noted in the attached IPA correspondence sent out on June 19, 2014, Straight A funding to schools began in fiscal year 2014. We also trained on this funding during the 2014 Fall IPA conference.

For fiscal year 2014, this state grant was advanced funded, however, we communicated during the training in fiscal year 2015 the Ohio Department of Education planned to change this funding to a reimbursement basis.

ODE has informed us they did not change the grant to a reimbursement basis for FY 15. Due to the schools' fiscal needs, the Straight A program remained advanced funded for FY 15. Therefore, schools should calculate their receivables accordingly. For Non-reimbursable Grants, the receivable is booked for the total grant award less any amounts received as of fiscal year end.

If you have any questions, please contact the Center for Audit Excellence.



Dave Yost
Auditor of State

From: Auditor of State's Audit Administration
To: All IPA Firms
Subject: Straight A Fund Accounting Guidance
Date: June 19, 2014

During fiscal year 2014, the Straight A Fund (466) was created. This fund accounts for grant monies received through the Straight A Program. These grant monies are restricted for projects that will provide for advancement in student achievement, achieve spending reductions in the five-year forecast or allow a greater share of resources to be utilized in the classroom. This fund should be classified as either a special revenue fund or a capital projects fund, depending on the nature of the award. This fund does not need Auditor of State approval to be established.

School districts that applied for the Straight A grant as a consortium will have a lead applicant. The lead applicant will be reporting a Straight A Fund and will either be distributing the grant monies to the participating school districts, or spending the dollars on-behalf-of the participating school districts. These distributions will be recorded within the lead applicant's Straight A 466 special revenue/capital projects Fund. In order to distinguish the activity related to the participating school districts, the lead applicant can record the disbursements related to the participating schools as a Pass through Payment (7600) or Money Spent on Behalf on Another Government (7700), as appropriate. If ODE's final expenditure reporting system won't accept 7000s functions, the shared services functions (3400s) can be used. However, these amounts should be reflected as intergovernmental expenditures on the lead applicant's financial statements. The presentation for any payments to a non-governmental entity will need to be determined on a case-by-case basis.

Each participating school district should have its own Straight A Grant Fund. School districts participating in a consortium where a lead applicant will be reporting an on-behalf-of grant should be following the guidance of Auditor of State Bulletin 2000-008. This guidance includes recording the cash value benefit of the program received under the agreement as memorandum receipts and disbursements in the fiscal year on-behalf-of disbursements are made. The memorandum entries should be made in the fiscal year the on-behalf-of disbursements are made regardless of the grant year. Participating schools should also be budgeting for these on-behalf-of disbursements as described in Auditor of State Bulletin 2000-008.

Due to the unique arrangements related to these consortium awards, the corresponding contracts for each award will need evaluated. The above guidance will serve as a starting

point in determining the appropriate accounting treatment; however, modifications may need to be made to accommodate each situation.

If you have any questions, please contact Tracie McCreary, TLMccreary@ohioauditor.gov, or Marnie Carlisle, MACarlisle@ohioauditor.gov.