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State Superintendent of Public Instruction

**CALIFORNIA DEPARTMENT OF EDUCATION**
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July 17, 2002

To: County and District Superintendents
County and District Chief Business Officials
Charter School Administrators

Subject: 2001-02 Unaudited Actual Financial Reporting

This letter has two purposes: 1) a reminder of year-end financial reporting due dates and processes, and 2) a notification of increased focus on statutory due dates. Please be sure to communicate the information in this letter to the school districts and joint powers agencies in your county.

Due Dates

The due date for submitting your county office of education (COE) year-end financial reports [J-400/580 or standardized account code structure (SACS)] to the state is September 15. The due date for school districts and joint powers agencies (JPAs) to submit their year-end financial reports (J-200/380, J-600/780, or SACS) to their county office for review is also September 15. The due date for county offices to submit their districts' and JPAs' data to the state is October 15.

Salary Sanctions

Over the last few years, an increasing number of local educational agencies (LEAs) have filed their reports many weeks, and even months, after the due date. This delay has resulted in significant consequences, such as: delayed distribution of complete financial reporting software to LEAs, delayed release of approved indirect cost rates, delayed release of financial information needed for the School Accountability Report Card, and late mandated reports to the Legislature. Therefore, to ensure that the financial reporting process is completed in a timely manner, please be advised that this year the State Superintendent of Public Instruction will impose the provisions of *Education Code* Section 42129 by directing the withholding of superintendent salaries for those LEAs whose reports have not been received in our office by November 20.

*Education Code* Section 42129 allows the Superintendent of Public Instruction, when certain reports are more than 14 days late, to direct county auditors to withhold the payment of any stipend, expenses, or salaries to district or county superintendents or members of governing

boards as appropriate, until the delinquent reports have been received by the state. We have been as flexible as possible in imposing this penalty, but at this time we have no choice but to enforce greater compliance with these statutory timelines.

While we understand the many constraints placed upon LEAs and the often valid reasons for not being able to meet the due dates, we urge you to make every possible effort to send us the reports in a timely manner. Toward that end, please know that county offices may forward to us any completed and reviewed district information that you have. You do not have to wait until all district submissions are in and reviewed before forwarding that information to us. In fact, we would prefer to receive the information as soon as possible on a flow basis, so that we can get it processed as quickly as possible.

Mailing Address

**Please note that our office is scheduled to move on September 20. Therefore, we have two different addresses for you to use, depending on when you submit your data.**

| If mailed **before September 20**, send to: | If mailed on or **after September 20**, send to: |
|---|---|
| California Department of Education<br>School Fiscal Services Division<br>Office of Financial Accountability and Information Services<br>560 J Street, Suite 170<br>Sacramento, CA 95814 | California Department of Education<br>School Fiscal Services Division<br>Office of Financial Accountability and Information Services<br>1430 N Street, Suite 3800<br>Sacramento, CA 95814 |

Electronic Transfer of Data

To make your data submission easier and quicker, we encourage you to use our electronic transfer (eTransfer) process to transmit your 2001-02 unaudited actual SACS data to the California Department of Education (CDE). (Unfortunately, this process is not available for J-200 or J-380 filers.)

Using this application, COEs may electronically transfer and certify unaudited actual SACS data for districts, joint powers agencies, and the county to our office via the Internet. For further information about eTransfer, please visit our Web site: http://www.cde.ca.gov/sfsdiv/sacsetransfer/sacse_login.asp. If you would like to take advantage of this opportunity, please complete the *Request for SACS2002 eTransfer Access* form, which was provided with the SACS unaudited actual financial reporting software, and which is also located on the eTransfer Web site, and mail it to us by Friday, August 30, 2002.

First-Time SACS Filers

We are very aware of the additional workload first-time SACS users may be experiencing in both closing their books and reporting expenditures using the SACS software. If you are not

going to be able to meet the November 20 timeline, or if you would like additional assistance, please let us know as soon as possible.

Charter School Reporting

Due to the recent court decision in the CANEC vs. CDE lawsuit, charter schools are not required to submit 2001-02 unaudited actual financial data to the CDE. However, they can still choose to do so through their authorizing LEA. For more information on charter school reporting, see our June 24, 2002 letter, which is posted on our Web site: http://www.cde.ca.gov/fiscal/financial/corresp.htm. Whether charter financial information is submitted or not, however, it is important that your county submits the *Charter School Reporting Status* form to let us know if financial information for the charter schools in your county is included and, if so, where it is reported. The *Charter School Reporting Status* form was provided along with the SACS year-end financial reporting software. However, if you cannot locate the form, please call the phone number provided below and we will be happy to provide you with another.

Other Reminders

- Before submitting your data we recommend that you look on our web site for known software problems and their workarounds and/or fixes:

  → J-200 users go to: http://www.cde.ca.gov/fiscal/software/j200/2002.htm
  → SACS users go to: http://www.cde.ca.gov/fiscal/software/sacs2002all.htm

- We will follow the process outlined below to make the best use of both our resources and to give you the information you need to ensure that we receive the reports as soon as possible.

  → In mid-October, we will send you a letter and provide a listing of reports received and not received from your county as of October 16. (Please note that this notification will not reflect information about the accuracy of the reports; as we review the reports, we will be contacting your office if we find errors or exceptions.)

  → In early November, we will send a letter to both county and district superintendents advising that if the late reports are not received by November 20, we will direct the withholding of the county superintendent's salary, unless we are advised by the county superintendent that the late reports are the fault of the school district, in which case we will direct the withholding of the district superintendent's salary.

I sincerely regret that these more stringent actions have become necessary, and thank you in advance for your continued cooperation. If you have any questions, or if we can be of assistance, please contact our Office of Financial Accountability and Information Services at (916) 322-1770 or by e-mail at sacsinfo@cde.ca.gov.