

Site-Based Expenditure Reporting Supplementary Resource

*Exclusions and Omissions: What
is "In" or "Out" for Reporting*

Originally published spring 2019

Updated March 2024

Guidance Focus: Exclusions and Omissions from Site-Based Expenditure Reporting

Objectives:

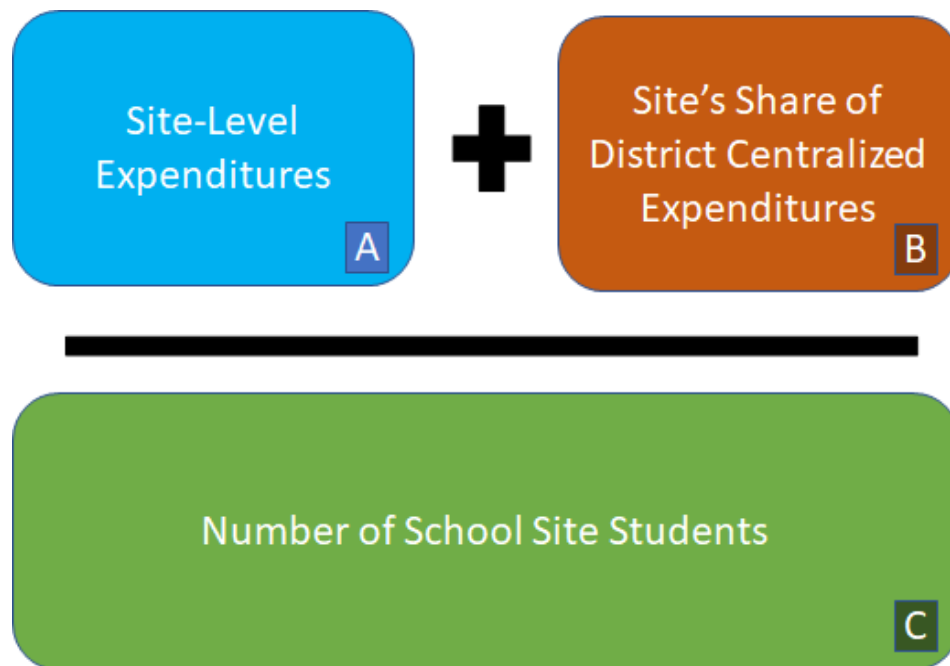
- Distinguish between expenditures that are excluded from the calculation of site-level expenditures and expenditures that are omitted from reporting entirely.
- Understand the intent behind exclusions and omissions.
- Know where and how exclusions are to be reported.
- Be able to identify exclusions and omissions in your district's accounting.
- Discuss some frequently asked questions about exclusions and how to handle these in reporting.

Special Note – School-Level Finance Survey

- Beginning in FY 2024, all reporting entities are responsible for two site-based financial reports: SBER and SLFS
- This Supplementary Resources relates to SBER only. Please see the annual Site-Based Financial Reporting guidance document on ISBE's [webpage](#) for more information about SLFS.

Formula: Calculating Total Per-Pupil Expenditures for Each School

Per-pupil expenditures reported for each school shall be composed of:



Importantly, per ESSA, Sections A and B must be disaggregated by source of funds – federal vs. state/local (with state and local combined).

Guidance Focus: Exclusions and Omissions from Site-Based Expenditure Reporting

Sites	Student FTE Enrollment	Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures			Exclusions	Total Expenditures
		Federal	Local	Subtotal	Federal	Local	Subtotal	Federal	Local	Total		
PK Ctr	50	\$500	\$8,020	\$8,520	\$660	\$3,514	\$4,175	\$1,160	\$11,534	\$12,695		
ES1	300	\$344	\$5,148	\$5,493	\$529	\$2,781	\$3,310	\$874	\$7,929	\$8,803		
Charter ES	250	\$634	\$7,563	\$8,197	\$127	\$986	\$1,113	\$761	\$8,549	\$9,310		
MS1	250	\$320	\$5,356	\$5,676	\$361	\$3,499	\$3,861	\$681	\$8,855	\$9,536		
HS1	320	\$458	\$6,910	\$7,368	\$371	\$2,919	\$3,290	\$829	\$9,829	\$10,658		
LEA	1,170	\$439	\$6,313	\$6,752	\$370	\$2,620	\$2,990	\$809	\$8,933	\$9,742	\$2,330,361	\$13,728,071

C

A / C

B / C

(A+B) / C

D

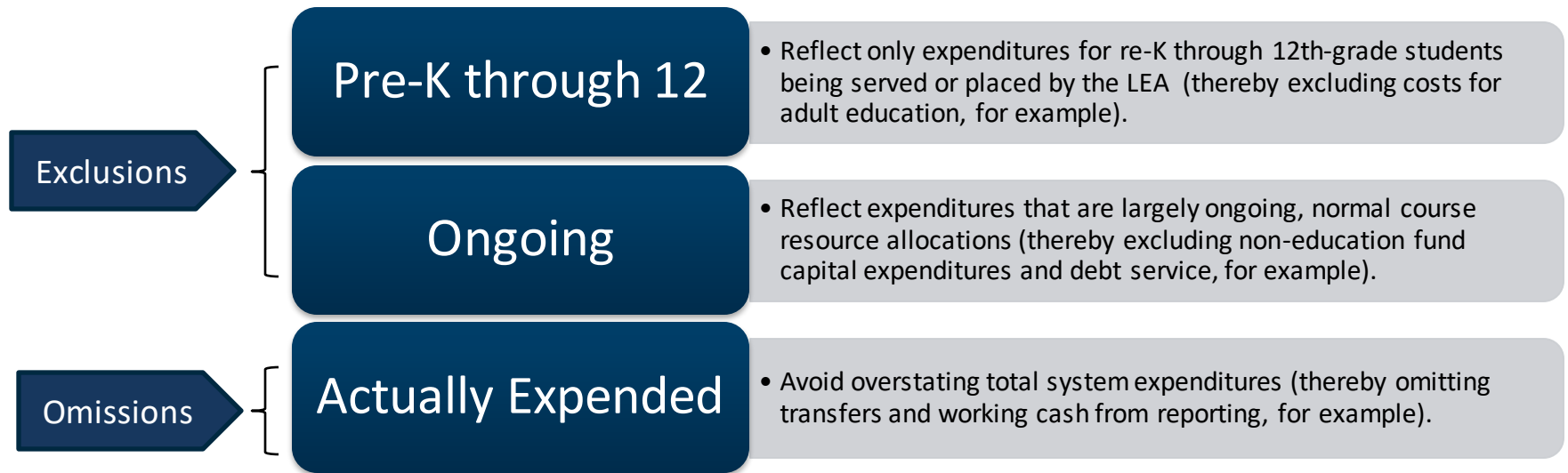
Illinois Report Card visualizations are limited to these data and contextual data. LEAs may also optionally submit narratives and notation of allocation methodologies.

From the Guidance: Exclusions and Omissions

All district expenditures, including, but not limited to, personnel costs, transportation, security, administration, and those that are funded privately, should be included in the numerator within either (A) site-level expenditures or (B) the site's proportional share of the district's centralized expenditures. Certain expenditures should be excluded from the per-pupil expenditures reported and will instead be reported as a lump sum in the category of "exclusions. Certain other accounts, such as those related to transfers or working cash, should be omitted entirely from reporting.

Why are Some Expenditures Excluded and other Omitted from Reporting?

The intent behind these exclusions and omissions is to reflect expenses that are:



Exclusions from Per-Pupil Calculations

1. **Fund 30:** Bond and Interest Fund (Debt Service Fund)
2. **Fund 60:** Site and Construction/Capital Improvements Fund
3. **Fund 90:** Fire Prevention and Safety Fund
4. **Function 1300:** Adult/Continuing Education Programs
5. **Function 3000:** Community Services
6. **Functions 4130, 4230, and 4330:** Payments to Other Governmental Agencies for Adult/Continuing Education Programs
7. **Function 5000:** Debt Services
8. **Object 500:** Capital Outlay except for those in Fund 10 (Education), which should be included
9. **County Juvenile Detention Center Expenditures:** The costs incurred by any school district to administer or outsource services for a county juvenile detention center within its geographic boundaries shall be excluded for site-based expenditure reporting
10. **Legacy Pension Obligations**

Omissions from Site-Based Expenditure Reporting

- 1. Fund 70: Working Cash Fund** -- Transfers and working cash are not expenditures and therefore should be omitted. Once the working cash and/or transferred dollars are expended, they become subject to Site-Based Expenditure Reporting.
- 2. Function 1115: Tuition Payments to Charter Schools** -- District-authorized charter school expenditures will most likely be reported in the charter school's site-based expenditure section. This tuition payment to charters should be omitted to avoid overstating total system expenditures. See the annual guidance document for more details.
- 3. Function 1999: Student Activity Fund Expenditures** -- These expenditures are not directed by the LEA and therefore should be omitted from reporting.
- 4. Reimbursable Expenditures (in some cases):** Reimbursable expenditures should be omitted only in cases in which the reimbursement comes from or goes to an LEA that is reporting the expenditure as part of its own Site-Based Expenditure Reporting. In these cases, if both LEAs were to report the expenditure, total system expenditures would be overstated. See the annual guidance document for more information and examples.
- 5. Expenditures Paid On Behalf of LEA:** Payments that are not paid by the LEA but are rather paid by outside entities on behalf of the LEA (such as Teachers' Retirement System payments made by the state of Illinois on behalf of LEAs) should be omitted from Site-Based Expenditure Reporting.

Identifying Exclusions and Omissions

- LEA accounting may differ from the ISBE Part 100 Chart of Accounts; in this case, ***LEAs should exclude or omit expenditures meeting the intent of exclusions and omissions*** on the previous slides.
 - For example, if adult/continuing education programs are accounted for in a different function than Function 1300, expenditures for these programs should still be excluded.

Frequently Asked Questions Regarding Exclusions and Omissions

Frequently Asked Questions

Q) Are expenditures for students educated outside the district included?

- A) Students educated outside the district, and their associated expenditures, are *included* in the *Home* LEA's reporting.
- For more details about how to include these students, plus the options available to each district, see www.isbe.net/site-based.

Frequently Asked Questions

Q) Are expenditures for students in transitioning programming included?

- A) Students through age 21 (up until the age of 22) should be included in reporting. ISBE recognizes that some of these students are served by transition programming designed to transition out of the K-12 education system. Expenditures supporting students through age 21 should be included. Community services and adult education expenditures, however, should be excluded.

Frequently Asked Questions

Q) Does an after-school program need to be included in this reporting?

- A) After-school programs for which the district incurs costs (regardless of funding source) for its current students need to be *included* in Site-Based Expenditure Reporting. Certain after-school programs may not be for current students (like adult education) and/or may not be in direct service to students' education (like some day care programs). If the program primarily serves the interests of parents or the community, its expenditures will likely be *excluded*, per the guidance on adult/continuing education programs and community services.

Frequently Asked Questions

Q) Why are tuition payments to charter schools omitted?

- A) Districts should exclude their payments to district-authorized charter schools because they will be reporting actual charter school expenditures as part of their district data table. If a district were to report both, the dollars would be double-counted. For more details about reporting district-authorized charter schools, refer to "LEAs with Charter Schools within the LEA" in the annual SBER Guidance at www.isbe.net/site-based.

Frequently Asked Questions

Q) Can you provide an example of a reimbursable expenditure that should be omitted?

- A) Reimbursable expenditures need to be reported by the LEA *incurring* the expenditure, except in the case where there is a *reimbursement from an entity that is reporting the cost* as part of Site-Based Expenditure Reporting (in which case it must be omitted).
 - *Example 1:* District A provides transportation services for District B. District B reimburses District A for this service. District A may omit this expenditure; District B must include this expenditure.
 - *Example 2:* Several of District X's smaller schools share staff and/or athletic programs with neighboring school districts. The costs are incurred by the district that hires the person or has the athletic program – in this case, District X. District X may treat the portion of athletic program expenses that are reimbursed by other LEAs as an omission. The reimbursing LEAs must include the payment to District X in their reporting.

Frequently Asked Questions

Q) What about ESSER reimbursements?

- A) The source of funding for a reimbursement does not impact whether the reimbursement is counted as an exclusion. General exclusion rules still apply to Elementary and Secondary School Emergency Relief (ESSER) reimbursements. Refer to the guidance for additional details regarding ESSER-funded expenditures.

Frequently Asked Questions

Q) Will the list of excluded expenditures continue to change, or are these pretty well set in stone?

- A) ISBE is committed to reviewing our guidance. As we and our districts continue to learn from implementation, the exclusion list may remain steady from year to year in an effort to ensure longitudinally useful data, but there may be changes to reflect newly learned best practices.

Best Practices

1. Use location codes if you are not already doing so to allocate as many expenses as possible/appropriate to sites.
2. Ensure personnel are assigned to the proper location code for payroll.
3. Consider including a “source of funds” coding in your accounting.
4. Ensure items excluded from site-level per-pupil expenditures or omitted from reporting are easily identifiable.

For Further Information

- See resources available at www.isbe.net/site-based.
- Send questions to site-based@isbe.net.

ISBE thanks Afton Partners for their contributions to the original version of this guidance.