

May 20, 2009

TO: School District Administrators
FROM: Division of Administration and Finance
SUBJECT: Accounting for 2009-10 through 2012-13

Pursuant to Education Code 42605 and 41010, LEAs will be required to account for all revenues and expenditures related to the funding from the 39 Tier 3 categorical programs as unrestricted. The California Department of Education (CDE) has announced that use of the original **restricted** program resource code or a locally defined **restricted** program resource code is not appropriate. The CDE understands that LEAs will continue to utilize funds, in one or more of the 39 Tier 3 programs, for its original intended use. Therefore, CDE has advised LEAs to account for the program revenues and expenditures as unrestricted, in a locally defined unrestricted resource code in the range of 0001-0999. The local defined unrestricted resource codes must be rolled up to Resource 0000 when reporting unaudited actual financial data to the CDE.

With consultation of District CBOs, we have established Resource Code 0500 for those Districts choosing to track Tier 3 categorical programs. We recommend Districts utilize a T-4 code equal to the original restricted resource code used in 2008-09. For example:

Revenue

Original Account Coding (2008-09): 01-7156-0-8590.00-0000-0000-000-00-000-0000
New Account Coding (2009-10): 01-0500-0-8590.00-0000-0000-000-00-000-7156

Expenditure

Original Account Coding (2008-09): 01-7156-0-4100.00-1110-1000-000-00-000-0000
New Account Coding (2009-10): 01-0500-0-4100.00-1110-1000-000-00-000-7156

If you have any questions, please contact your Fiscal Advisor.

MAF:kb