

# DEPARTMENT OF EDUCATION

## OFFICE OF THE SECRETARY

Statutory Authority: 14 Delaware Code, Section 122(b) (14 Del.C. §122(b))  
14 DE Admin. Code 735

### PROPOSED

#### Education Impact Analysis Pursuant To 14 Del.C. Section 122(D)

#### 735 Standardized Financial Reporting

##### A. Type of Regulatory Action Required

Amendment to Existing Regulation

##### B. Synopsis of Subject Matter of the Regulation

The Secretary of Education intends to amend 14 DE Admin. Code 735 Standardized Financial Reporting to be in alignment with the additional requirements of House Substitute No. 1 to House Bill No. 119 of the 145th General Assembly. The Department solicited comments from the district business managers and charter directors and made changes based on their feedback.

Persons wishing to present their views regarding this matter may do so in writing by the close of business on or before December 2, 2009 to Susan Haberstroh, Education Associate, Regulation Review, Department of Education, at 401 Federal Street, Suite 2, Dover, Delaware 19901. A copy of this regulation is available from the above address or may be viewed at the Department of Education business office.

##### C. Impact Criteria

1. Will the amended regulation help improve student achievement as measured against state achievement standards? This regulation has been revised to ensure uniformity and transparency on the financial documents of districts and charter schools and does not specifically address student achievement as measured against state achievement standards.

2. Will the amended regulation help ensure that all students receive an equitable education? This regulation has been revised to ensure uniformity and transparency on the financial documents of districts and charter schools and does not specifically address students receiving an equitable education.

3. Will the amended regulation help to ensure that all students' health and safety are adequately protected? This regulation has been revised to ensure uniformity and transparency on the financial documents of districts and charter schools and does not specifically address student health or safety.

4. Will the amended regulation help to ensure that all students' legal rights are respected? This regulation has been revised to ensure uniformity and transparency on the financial documents of districts and charter schools and does not specifically address student legal rights.

5. Will the amended regulation preserve the necessary authority and flexibility of decision making at the local board and school level? The amended regulation maintains the necessary authority and flexibility of decision making at the local board and school level.

6. Will the amended regulation place unnecessary reporting or administrative requirements or mandates upon decision makers at the local board and school levels? The amended regulation should not place unnecessary reporting or administrative requirements or mandates upon decision makers at the local board and school levels.

7. Will the decision making authority and accountability for addressing the subject to be regulated be placed in the same entity? The amended regulation does not change where decision making decisions are made.

8. Will the amended regulation be consistent with and not an impediment to the implementation of other state educational policies, in particular to state educational policies addressing achievement in the core academic subjects of mathematics, science, language arts and social studies? The amended regulation is not an impediment to other state educational policies.

9. Is there a less burdensome method for addressing the purpose of the regulation? The Department has asked for feedback from the business managers and charter directors and believes there is not a less burdensome

method for compliance with the legislation.

10. What is the cost to the State and to the local school boards of compliance with the regulation? There are no specific costs identified with compliance with the regulation.

## **735 Standardized Financial Reporting and Transparency**

### **1.0 Purpose**

The purpose of this regulation is to outline the criteria and process for the required standardized financial reporting pursuant to 14 **Del.C.** §122 (b)(11); and the uniformity and transparency in the financial recording and bookkeeping practices of the school districts and charter schools pursuant to 14 **Del.C.**, §§1508 and 1509.

### **2.0 Definitions**

**"Charter School"** shall mean a charter school board established pursuant to Chapter 5 of Title 14 of the **Delaware Code**.

**"Delaware Educational Statistics Report"** shall mean the annual reports maintained by the Delaware Department of Education related to financial and pupil information.

**"Delaware Financial Management System or (DFMS)"** shall mean the State of Delaware's system for managing financial transactions.

**"District"** shall mean a reorganized school district or vocational technical school district established pursuant to Chapter 10 of Title 14 of the **Delaware Code**.

**"PHRST"** shall mean the State of Delaware's payroll system.

**"State of Delaware Online Checkbook"** shall mean the State of Delaware's official online checkbook. The online checkbook provides the ability to view payment information by state agency, expenditure category, or vendor. The data are updated on a quarterly basis.

### **3.0 Standardized Financial Report**

Standardized Financial Report shall mean the summary of the District's or Charter School's financial documentation provided in a format approved by the Department of Education that includes, but is not limited to, the District's or Charter School's most current expenditure and revenue budgets. This documentation shall include encumbrances, expenditures, and remaining balances by category as prescribed in the approved format. Districts and Charter Schools shall indicate on the Standardized Financial Report whether the most current expenditure and revenue budgets are preliminary, amended or have been finalized by its approving entity.

### **4.0 Uniformity and Transparency in Financial Recording and Bookkeeping Practices**

4.1 Each District and Charter School shall be required to use the following:

4.1.1 Delaware Financial Management System or successor thereof for all financial transaction maintained in that system;

4.1.2 PHRST for payroll purposes; and

4.1.3 All other financial reporting formats or templates as provided by the Department of Education.

### **45.0 Reporting Requirements and Timelines**

45.1 ~~Effective February 1, 2008, e~~Each District and Charter school, no later than ~~five (5)~~ fifteen (15) working days after the most recent District or Charter School board meeting, shall post the most current Standardized Financial Report on its website. Provided further, the District or Charter School shall provide the ~~preliminary or final~~ Standardized Financial Report for the ~~current~~ past school year, no later than ~~January~~ September 1<sup>st</sup> of each year.

5.2 Each District and Charter school shall provide a link on its website to the State of Delaware Online Checkbook.

5.3 Each District and Charter school shall provide a link on its website to the Delaware Educational Statistic Report.

**11 DE Reg. 918 (01/01/08)**

**13 DE Reg. 572 (11/01/09) (Prop.)**