

# DEPARTMENT OF EDUCATION

## OFFICE OF THE SECRETARY

Statutory Authority: 14 Delaware Code, Sections 122, 1508, and 1509 (14 Del.C. §§122, 1508 & 1509)

14 DE Admin. Code 735

### PROPOSED

### PUBLIC NOTICE

#### 735 Standardized Financial Reporting and Transparency

#### A. TYPE OF REGULATORY ACTION REQUIRED

Amendment to Existing Regulation

#### B. SYNOPSIS OF SUBJECT MATTER OF THE REGULATION

Pursuant to 14 Del.C. §§122, 1508 and 1509, the Delaware Department of Education (“Department”) developed amendments to 14 DE Admin. Code 735 Standardized Financial Reporting and Transparency. The Department reviewed this regulation in compliance with 29 Del.C. §10407 which requires regulations to be reviewed on a recurring basis every four years. The Department made minor changes to the regulation as well as amended to comply with the Delaware Administrative Code Drafting and Style Manual.

Persons wishing to present their views regarding this matter may do so in writing by submitting them to the Department of Education, Office of the Secretary, Attn: Regulation Review, 401 Federal Street, Suite 2, Dover, Delaware 19901 or through the Department's online submission form at <https://education.delaware.gov/community/delaware-education-laws-and-regulations/provide-public-comment/> by the close of business (4:30 p.m. EST) on or before September 2, 2025. Any person who wishes to receive a copy of the proposed regulation may obtain a copy from the Department at the Office of the Secretary on the second floor of the Townsend Building, 401 Federal Street, Dover, Delaware.

#### C. IMPACT CRITERIA

1. Will the amended regulation help improve student achievement as measured against state achievement standards? No.
2. Will the amended regulation help ensure that all students receive an equitable education? Yes.
3. Will the amended regulation help to ensure that all students' health and safety are adequately protected? No.
4. Will the amended regulation help to ensure that all students' legal rights are respected? No.
5. Will the amended regulation preserve the necessary authority and flexibility of decision making at the local board and school level? Yes.
6. Will the amended regulation place unnecessary reporting or administrative requirements or mandates upon decision makers at the local board and school levels? No.
7. Will the decision-making authority and accountability for addressing the subject to be regulated be placed in the same entity? No.
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? Yes.
9. Is there a less burdensome method for addressing the purpose of the regulation? No.
10. What is the cost to the State and to the local school boards of compliance with the regulation? Not applicable.

#### 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 practices of the school districts and charter schools pursuant to 14 Del.C. §§1508 and 1509.

13 DE Reg. 933 (01/01/10)

23 DE Reg. 563 (01/01/20)

##### 2.0 Definitions

The following words and terms, when used in this regulation, have the following meanings:

**“Charter School”** means a non-home based full-time public school that is operated in an approved physical plant under a charter granted by, or transferred to, the Delaware Department of Education or other authorizing body for the personal physical attendance of all students.

**“District”** means a reorganized school district or vocational technical school district established pursuant to 14 Del.C. Ch. 10.

**“First State Financials”** or **“FSF”** means the State of Delaware’s system for managing financial transactions.

**“Open Checkbook”** means the State of Delaware’s official online checkbook that provides the ability to view payment information by state agency, expenditure category, or vendor and includes information on credit card transactions of state employees.

**“PHRST”** means the State of Delaware’s payroll and human resources system.

[13 DE Reg. 933 \(01/01/10\)](#)

[23 DE Reg. 563 \(01/01/20\)](#)

### 3.0 Standardized Financial Report

Standardized financial reports shall provide a summary of the ~~District’s or Charter School’s~~ district’s or charter school’s financial data provided in a format approved by the Delaware Department of Education that ~~includes, but is not limited to, the District’s or Charter School’s~~ includes 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~~ charter schools shall indicate on the reports whether the most current expenditure and revenue budgets are preliminary, ~~amended~~ amended, or have been finalized by its approving entity.

[13 DE Reg. 933 \(01/01/10\)](#)

[23 DE Reg. 563 \(01/01/20\)](#)

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

4.1 Each ~~District and Charter School~~ district and charter school shall be required to use the following:

4.1.1 FSF or successor thereof of that system for all financial transaction transactions maintained in that system;

4.1.2 PHRST or successor of that system for payroll purposes; and

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

[13 DE Reg. 933 \(01/01/10\)](#)

[23 DE Reg. 563 \(01/01/20\)](#)

### 5.0 Reporting Requirements and Timelines

5.1 Each ~~District and Charter School~~ district and charter school, no later than ~~fifteen (15)~~ 15 working days after the most recent ~~District or Charter School~~ district and charter school board meeting, shall post the most current standardized financial report on its website. Provided further, the ~~District or Charter School~~ district and charter school shall post the final ~~Standardized Financial Report~~ standardized financial report for the past school year, no later than September 4<sup>th</sup> 1 of each year.

5.2 Each ~~District and Charter School~~ district and charter school shall provide a link on its website to the Open Checkbook, which includes state employee credit card transactions.

5.3 Each ~~District and Charter School~~ district and charter school shall provide a link on its website to the Delaware Report Card, which includes additional financial reporting data.

[11 DE Reg. 918 \(01/01/08\)](#)

[13 DE Reg. 933 \(01/01/10\)](#)

[23 DE Reg. 563 \(01/01/20\)](#)

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