

DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

Statutory Authority: 14 Delaware Code, Section 122(b)(11) (14 **Del.C.** §122(b)(11))
14 **DE Admin. Code** 735

FINAL

REGULATORY IMPLEMENTING ORDER

735 Standardized Financial Reporting and Transparency

I. SUMMARY OF THE EVIDENCE AND INFORMATION SUBMITTED

Pursuant to 14 **Del.C.** §122(b)(11), the Secretary of Education intends to amend 14 **DE Admin. Code** 735 Standardized Financial Reporting and Transparency. The Department has reviewed the regulation in order to comply with 29 **Del.C.** §10407 which requires regulations to be reviewed on a recurring basis every four years and updated the regulation to align with current practice and to further clarify and update terminology.

Notice of the proposed regulation was published in the *News Journal* and *Delaware State News* on November 1, 2019, in the form hereto attached as *Exhibit "A"*. No comments were received.

II. FINDINGS OF FACTS

The Secretary finds that it is appropriate to amend 14 **DE Admin. Code** 735 Standardized Financial Reporting and Transparency in order to comply with 29 **Del.C.** §10407 which requires regulations to be reviewed on a recurring basis every four years and updated the regulation to align with current practice and to further clarify and update terminology.

III. DECISION TO AMEND THE REGULATION

For the foregoing reasons, the Secretary concludes that it is appropriate to amend 14 **DE Admin. Code** 735 Standardized Financial Reporting and Transparency. Therefore, pursuant to 14 **Del.C.** §122, 14 **DE Admin. Code** 735 Standardized Financial Reporting and Transparency attached hereto as *Exhibit "B"* is hereby amended. Pursuant to the provision of 14 **Del.C.** §122(e), 14 **DE Admin. Code** 735 Standardized Financial Reporting and Transparency hereby amended shall be in effect for a period of five years from the effective date of this order as set forth in Section V. below.

IV. TEXT AND CITATION

The text of 14 **DE Admin. Code** 735 Standardized Financial Reporting and Transparency amended hereby shall be in the form attached hereto as *Exhibit "B"*, and said regulation shall be cited as 14 **DE Admin. Code** 735 Standardized Financial Reporting and Transparency in the *Administrative Code of Regulations* for the Department of Education.

V. EFFECTIVE DATE OF ORDER

The actions hereinabove referred to were taken by the Secretary pursuant to 14 **Del.C.** §122 on December 16, 2019. The effective date of this Order shall be ten (10) days from the date this Order is published in the *Delaware Register of Regulations*.

IT IS SO ORDERED the 16th day of December 2019.

Department of Education

Susan S. Bunting, Ed.D., Secretary of Education

Approved this 16th day of December 2019

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~~ 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 Department of Education or other authorizing body for the personal physical attendance of all students.

~~"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~~ means a reorganized school district or vocational technical school district established pursuant to Chapter 10 of Title 14 of the ~~Delaware Code~~ 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" shall mean~~ means the State of Delaware's payroll and human resources 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.~~

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

3.0 Standardized Financial Report

~~Standardized Financial Report~~ financial reports shall ~~mean the~~ provide a summary of the District's or Charter School's financial ~~documentation~~ data 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~~ reports whether the most current expenditure and revenue budgets are preliminary, amended or have been finalized by its approving entity.

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

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~~ FSF 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.

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

5.0 Reporting Requirements and Timelines

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

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

5.3 Each District and Charter ~~school~~ School shall provide a link on its website to the Delaware ~~Educational Statistics 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) (Final)