

**STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE
December 7, 2009**

EXPENDITURE REPORT UPDATE

PURPOSE

To add instructions and clarify information requested on the Expenditure Report (Form SAB 50-06).

DISCUSSION

Stakeholders have expressed concern that Form SAB 50-06 does not clearly specify how interest should be reported. Some districts may be reporting interest earned by both the District and the State, while others report only the State's interest. In addition, there is inconsistency in reporting project expenditures due to lack of specific instructions. Some districts report only those expenditures that add up to the State apportionment and required local share, which provides incomplete reporting on the project.

- For tracking purposes, districts are only required to report interest earned on State funds. Reporting both State and District interest could result in an unequal division of project savings, especially if the interest accrual period differs between State and District Funds.
- For accuracy of the audit, expenditures for the entire SFP project must be reported. School districts should not limit expenditure reporting to the amount of State Apportionment and required local share.

To simplify matters, the OPSC proposes adding "Interest on State Funds" to the reporting table on the Form SAB 50-06, and has updated the instructions to clarify both requirements.