



Bulletin

2009-13B

TO: Local Municipal and School District Accounting and Finance Officials

FROM: Gerard D. Perry, Director of Accounts

DATE: May, 2009

SUBJECT: Certain Accounting Entries and Required Supporting Form for Chapter 70 Aid Reduction and Stimulus Funding

This *Bulletin* addresses accounting entries and a required supporting form regarding the anticipated reduction in the FY09 Chapter 70 state aid allotments for cities, towns, and regional school districts and use of federal stimulus funds to offset the reduction. This matter was anticipated in the May 14, 2009 joint [Bureau of Accounts/Department of Elementary and Secondary Education](#) memo to local municipal and school officials.

Accounting entries will transfer eligible spending from the General Fund to the Special Revenue Fund – Federal American Recovery and Reinvestment Act (A.R.R.A.) Grant Fund on June 30, 2009. The entries will offset the General Fund aid reduction, revert the expenditure and create neither a positive nor negative affect on the jurisdiction's bottom line.

The supporting form attached to the Bulletin is required submission with both the jurisdiction's June 30, 2009 Balance Sheet and the FY2010 Pro Forma/Tax Rate Recapitulation form, where applicable.

If you have any questions on the accounting entries, please contact Ellis FitzPatrick of the Bureau of Accounts at 617-626-2378.

If you have any questions on the supporting form, please contact your Bureau of Accounts field representative.

If you have any questions on the May 14, 2009 memo regarding grant eligibility, please contact Jeff Wulfson of the Department of Elementary and Secondary Education at 781-338-6500.

The city, town or regional school district receives notice of a \$300,000 reduction in Chapter 70 state revenue and an award of a \$300,000 federal stimulus grant. The jurisdiction is instructed to transfer \$300,000 of General Fund school expenditures to the Federal American Recovery and Reinvestment Act (A.R.R.A.) Grant Fund as of June 30th. The General Fund revenue reduction is offset by the General Fund unspent appropriation in the closing entries.

General Fund

1. Expenditure entries equal to the federal grant received are reversed as of June 30th.

001-1040	Cash – Unrestricted	300,000	
001-3930	Expenditures		300,000

To record the expenditure reversal

Subsidiary ledger entry for this journal entry would be:

001-300-5000	Subsidiary Appropriation Control	300,000	
001-300-5320	Tuition		300,000

Special Revenue - Federal A.R.R.A. Grant Fund

1. The federal stimulus grant is received.

278-1040	Cash – Unrestricted	300,000	
278-3910	Revenue		300,000

To record receipt of the federal stimulus grant

Subsidiary ledger entry for this journal entry would be:

278-300-4000	Revenue Control	300,000	
278-300-4580	Other Federal Revenue – Through the State		300,000

2. Expenditures are charged to the grant as of June 30th.

278-3930	Expenditures	300,000	
278-1040	Cash – Unrestricted		300,000

To record expenditures to the grant

Subsidiary ledger entry for this journal entry would be:

278-300-5320	Tuition	300,000	
278-300-5000	Subsidiary Appropriation Control		300,000

ACCOUNTING OFFICER'S LETTER

City/Town/District

I have examined the general ledger for the city/town/district and the entries made regarding the offset to Chapter 70 aid with A.R.R.A. funds are consistent with Bureau of Accounts and Department of Elementary and Secondary Education guidance.

Journal entries were made as of June 30, 2009 and created a budgetary reversion that exactly offset the revenue deficit created by the Chapter 70 aid reduction. I understand that the grant did not allow additional spending authority.

The full amount of the grant was expended by June 30, 2009. There was no carry-over into FY2010. No A.R.R.A. surplus in this matter closed to any fund balance.

Accounting Officer

Date