

Perkins Consortiums Accounting – Coding Tip, MARCH, 2017

GUIDANCE PROVIDED BY DEPT. OF LEGISLATIVE AUDIT (DLA) - February, 2012

Consortium – the grouping of several schools into one group to enable smaller schools to meet minimum grant requirements. Such grouping is allowed by federal regulations. To also comply with South Dakota statutes, it appears that the cleanest way to accommodate consortiums is to follow SDCL 1-24, the joint power laws, and adopt an “administrative” agreement. Under this method, the following steps would be applicable:

- 1) One school district should be named the fiscal agent.
- 2) Each member school district will report their respective share of the grant in their Schedule of Expenditure of Federal Awards.
- 3) The transactions of the consortium should be accounted for as an agency fund by the fiscal agent (i.e. the Perkins grant is a reimbursement basis grant so the fiscal agent would only record assets and liabilities in an agency fund – agency funds do not report fund balance).
- 4) If equipment is purchased with grant dollars, the school district that benefits from the equipment is responsible for recording the equipment on their books. Since the consortium is not a separate legal entity, the consortium could not be the owner of the equipment.
- 5) Each member school should vote to acknowledge entry into the consortium.
- 6) The consortium will be audited as a part of the audit of the fiscal agent and each member school district will have their individual share audited.

With regard to every existing consortium or one that is newly created, care should be taken to review the federal regulations underlying the consortium in case the regulations take you in a slightly different direction than the preceding guidance.

GUIDANCE PROVIDED BY DEPARTMENT OF EDUCATION – March, 2017

SCHOOL DISTRICT ACTING AS A FISCAL AGENT OF THE PERKINS CONSORTIUM

- a. In accordance with the Perkins Act, allocations cannot be reallocated back to districts in the amount of their original allocation. A member district may have an expenditure that exceeds their original allocation if the item was identified as a high priority need of the consortium and agreed upon by all consortium member districts.
- b. Review, submit and retain copies of all invoices/claims for reimbursement of member districts; and
- c. Maintain an inventory* of all non-consumable supplies and capitalized equipment purchased by the consortium.

- d. Member districts may not dispose of any equipment purchased by the consortium without the approval of the fiscal agent. See the SD DOE Perkins Inventory Policy for more information on inventory tracking, property record elements and disposition procedures.

**The inventory kept by the fiscal agent must be a complete listing of ALL non-consumable supplies, and capitalized equipment, purchased by the consortium, the funding source of this equipment, location and age. This inventory must be current and available for any auditor or program review. If none of the member districts need a piece of equipment – the fiscal agent must then check with SD DOE Division of Career & Technical Education (DCTE) for redistribution to another Perkins-eligible entity or approval to surplus and dispose of it.*

- e. As stated in the DLA 2012 guidance, the fiscal agent can use an agency fund to receipt and pay member school districts. The only portion of the Perkins Grant reflected in the fiscal agent’s general or capital outlay fund revenue and expenditures would be the district’s expenditures of the grant based upon the consortium budget.

SAMPLE GL ENTRIES FOR FISCAL AGENT

Reimbursement for claim:

Fund 70	Debit	101	XX	
	Credit	415		XX

Reimbursement to Member Districts

Fund 70	Debit	415	XX	
	Credit	101		XX

CONSORTIUM MEMBER DISTRICTS

- a. As expenditures are incurred, a claim and copies of the invoices must be provided to the fiscal agent for reimbursement.
- b. Equipment claimed must be added to the district’s capital assets and identified as an asset of the consortium. If the equipment was not purchased solely using Perkins Grant funds, be sure to note in the property record the proportion of federal and non-federal funds.
- c. The general or capital outlay fund revenue and expenditures for each member district should reflect only the district’s expenditures and revenues for that fiscal year.

SAMPLE GL ENTRIES FOR MEMBER DISTRICTS

Reimbursement for claim:

Fund 10 or 21	Debit	101	XX	
	Credit	4161		XX

If reimbursed for capital equipment (noting on equipment listing – consortium owned)

Fund 90	Debit	205	XX	
	Credit	706		XX