

## Procedure 755 Special Education

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Special education budgets are complex and are of great interest to the public, both locally and statewide. *Education Code* Section 56205(b)(1) requires that a special education budget shall identify particular elements. Identification of the following elements is facilitated by the standardized account code structure (SACS):

1. Apportionment received by the local educational agency (LEA) in accordance with the allocation plan adopted by the Special Education Local Plan Area (SELPA). (The apportionment is tracked in SACS in the resource field in combination with the revenue code in the object field.)
2. Administrative costs of the plan. (These costs are tracked in the function field.)
3. Costs of special education services to pupils with severe disabilities and low-incidence disabilities. (This population is identified by the goal field.)
4. Costs of special education services to pupils with nonsevere disabilities. (This population is identified by the goal field.)
5. Costs of supplemental aids and services provided to meet the individual needs of pupils placed in regular education classrooms and environments. (Costs of these aids and services are tracked in the function field.)
6. Costs of regionalized operations and services and direct instructional support by program specialists in accordance with Part 30, Chapter 7.2, Article 6, of the *Education Code*, Program Specialists and Administration of Regionalized Operations and Services. (These costs are tracked in the goal field for regionalized operations and in the function field for instructional services.)
7. Use of property taxes allocated to the SELPA pursuant to *Education Code* Section 2572. (Property taxes allocated to the SELPA are tracked in the resource field and identified by a revenue code in the object field.)

### Maintenance of Effort

Funds provided under Part B of the federal Individuals with Disabilities Education Act (IDEA) are subject to a maintenance of effort (MOE) requirement. This is stipulated in Title 20, Section 1413 of the *United States Code*; Title 34, Section 300.203 of the *Code of Federal Regulations*; and *Education Code* Section 56205.

The MOE requirement is that Part B IDEA funds shall not be used, except in specified situations, to reduce the LEA's level of expenditures for the education of children with disabilities, from state and local funds or from local funds only, below the prior year's level. This test must be met on either an aggregate or a per capita basis.

### Special Education Local Plan Area (SELPA)

All school districts and county offices of education are required to be members of one or more consortia formed in geographical regions of sufficient size and scope to provide for the special education service needs of all the children residing within the region boundaries. Each region, known as a Special Education Local Plan Area or SELPA, develops a local plan describing how it will provide special education services.

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There are various types of SELPA structures. They include:

- Multidistrict SELPAs
- Multidistrict/county office SELPAs
- Single-district SELPAs
- Multidistrict/multicounty SELPAs
- Countywide SELPAs with joint powers agencies

Each SELPA has an Administrative Unit, a member LEA that receives funds on behalf of the SELPA, distributes those funds to member LEAs in accordance with the local plan, and is responsible for seeing that every eligible child receives appropriate services.

### SELPA Administrative Unit (AU) Pass-Through Activities

The AU typically has certain financial transactions relating to its receipt and pass-through of revenues to other member LEAs that most other LEAs do not have. If these transactions were included in the AU's general fund, they could impair meaningful comparison of LEA data by making the AU's per-pupil revenues appear distorted in comparison to those of otherwise-similar LEAs. Accordingly, AUs that receive special education pass-through revenues and that have administrative involvement in allocating and distributing those revenues to other member LEAs are required to use the Special Education Pass-Through Fund (Fund 10 in SACS), rather than their general fund, for special education pass-through transactions.

By definition, most AUs do have administrative involvement<sup>1</sup> in the pass-through of special education revenues and should use Fund 10. A rare exception is an AU that serves purely as a cash conduit in receiving special education revenues and relaying them directly to a joint powers agency (JPA), where the JPA then performs all other AU services including allocation of the funds to member LEAs. AUs that serve purely as cash conduits, and AUs of single-district SELPAs that receive no pass-through revenues for any other LEAs, do not use Fund 10. A JPA that receives and passes through revenues to other member LEAs as described in this paragraph uses Fund 10 and the entries in this procedure.

Fund 10 is used only for pass-through revenues. Special education pass-through revenues are those revenues received by the AU on behalf of the SELPA for distribution to other member LEAs in accordance with the local plan. Such revenues typically include state special education apportionments, federal local assistance under the Individuals with Disabilities Education Act,

<sup>1</sup> "Administrative involvement" is defined in Governmental Accounting Standards Board (GASB) Statement 24 and in Procedure 750 of this manual. When a recipient agency has either administrative or direct financial involvement in a pass-through grant, the pass-through transactions must be reported by the recipient agency in a governmental fund, proprietary fund, or trust fund.

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the portion of a COE's local property taxes restricted to special education, federal preschool funding, and state mental health funding.

Special education revenues that are not passed through to other member LEAs, but instead are retained for use by the AU in accordance with the local plan, are not accounted for in Fund 10. These revenues and the related expenditures are operational in nature and are accounted for in the AU's own general fund.

Interfund transfers are not used in Fund 10. Reallocation of balances between the general fund and Fund 10 is done by adjusting current year revenue transactions.

Ending fund balances may exist in Fund 10 because the amount of pass-through revenue received may not match the amount passed through to other member LEAs due to various local factors such as agreements for reserves to be maintained by the SELPA AU or timing differences relating to when amounts are passed through.

### Recording Special Education Transactions

For state reporting, LEAs use the goal field to report direct special education costs for different objectives, such as the costs of providing services to infants or to severely disabled students from ages five through twenty-two. The costs are further broken down by the type of instructional service provided, such as special education instruction in separate classes, using the function field.

Shown below are discussions of how certain special education transactions are accounted for. Later in this section, examples of transactions are given to illustrate the accounting entries.

1. Salaries of certificated employees providing other specialized instructional services are recorded in Function 1190, Special Education: Other Specialized Instructional Services, with Object 1100, Certificated Teachers' Salaries.
2. Salaries of instructional aides are recorded in the special education instructional functions 1100–1199, except 1180, with Object 2100, Classified Instructional Salaries. If a classified employee provides other support services, that cost should be coded to a support function with Object 2200, Classified Support Salaries.
3. Administrative costs of the SELPA AU are recorded either in Function 2100, Instructional Supervision and Administration, or Function 2200, Administrative Unit of Multidistrict SELPA. Activities of the AU of a single-district SELPA are reported under Function 2100, while activities of the AU of a multidistrict SELPA are reported under Function 2200. A school district or county superintendent of schools may be the AU.
4. Salaries of a program specialist providing regionalized services as defined by *Education Code* Section 56836.23 are recorded in Goal 5060, Regionalized Program Specialist, with

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Function 2100, Instructional Supervision and Administration, and Object 1900, Other Certificated Salaries.

Salaries of a program specialist not providing regionalized services but instead working locally with students as a support to teachers are recorded in Function 2100, Instructional Supervision and Administration, with the appropriate special education goal, and Object 1900, Other Certificated Salaries.

5. Apportionments for regionalized operations and services and the direct instructional support of program specialists are made directly to the AU. These apportionments are recorded by the AU using Object 8311, Other State Apportionments—Current Year (or Object 8319, Other State Apportionments—Prior Year).

The AU, by agreement, may transfer these apportionments to a member agency. It can transfer them in one of two ways: by transferring to the other LEA the responsibility for providing regionalized services, or by contracting with the other LEA to provide the services while retaining the responsibility for providing the services.

### *Method 1—Transferring to Another LEA the Responsibility for Providing Regionalized Services*

An AU transferring to another LEA the responsibility for providing regionalized services records the receipt of the apportionments in Fund 10 using Object 8311 or Object 8319. The AU records the transfer as a transfer of apportionments in Fund 10 using Function 9200, Transfers Between Agencies, with a transfer of apportionments object, such as Object 7221, Transfers of Apportionments to Districts or Charter Schools; Object 7222, Transfers of Apportionments to County Offices; or Object 7223, Transfers of Apportionments to JPAs.

The LEA receiving the apportionment under this arrangement records the revenues in Resource 6500, Special Education, in the appropriate special education goals, with a transfer of apportionments object, such as Object 8791, Transfers of Apportionments from Districts or Charter Schools; or Object 8792, Transfers of Apportionments from County Offices. The expenditures are recorded in the same goals as the revenues, in Function 2100, Instructional Supervision and Administration, and in the appropriate object (e.g., Object 1300, Certificated Supervisors' and Administrators' Salaries).

See Example 8 later in this procedure for an illustration of how to code this type of transaction.

### *Method 2—Contracting with Another LEA to Provide Regionalized Services while Retaining the Responsibility for Providing the Services*

An AU contracting with another LEA to provide regionalized services while retaining the responsibility for providing the services records the receipt of the apportionments in the

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general fund using Object 8311 or Object 8319. The AU records the payments to the other LEA as payments for contracted services, also in the general fund. The AU records these payments in Object 5100, Subagreements for Services, still in Resource 6500 with a special education goal (e.g., Goal 5xxx) and an appropriate expenditure function.

The LEA providing the services under the contract does not record the revenues and expenditures in the special education resource or in a special education goal but in Resource 9010, Other Restricted Local (or a locally defined resource), and Goal 7110, Nonagency—Educational (use of this goal in this revenue transaction is optional; otherwise, use Goal 0000), with Object 8677, Interagency Services Between LEAs. It records expenditures in Goal 7110, Nonagency—Educational (whether or not Goal 7110 was used for the revenue), Function 2100, Instructional Supervision and Administration, and the appropriate objects for salaries, benefits, and supplies.

See Example 11 later in this procedure for an illustration of how to code this type of transaction.

6. Apportionments for other than regionalized services may be allocated to districts and county offices of education in accordance with the allocation plan adopted pursuant to *Education Code* Section 56836.05 unless the allocation plan specifies that funds will be apportioned to the AU (*Education Code* Section 56195.7).

### *Method 1—Special Education Apportionment Allocated to the Administrative Unit (AU):*

If the SELPA has opted for the apportionments to be made to the AU, the AU records the receipt of apportionment and the transfer of funds to the members basically in the same manner as recording the transfer of apportionments for program specialists and regionalized services, where the AU also transfers to the member LEA the responsibility for providing regionalized services, as discussed in item 5, Method 1.

The member LEA records the receipt of these moneys from the AU and the expenditures basically in the same manner as discussed in that part of item 5, Method 1.

See Example 8 later in this procedure for an illustration of how to code this type of transaction.

### *Method 2—Special Education Apportionment Allocated to Districts and County Superintendents of Schools:*

If the SELPA has opted for special education apportionments (other than for regionalized services) to be made directly to the member agencies, each district or county office records the apportionment as Resource 6500, Special Education; an appropriate special education goal, such as Goal 5001, Special Education—Unspecified; and Object 8311, Other State Apportionments—Current Year.

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7. A district, county office, or JPA billing for and receiving payment for special education excess costs or deficits records the revenue received as Object 8710, Tuition, with the appropriate special education resource and an appropriate special education goal.

The LEA paying the excess costs or deficits records the payment with an appropriate resource, a special education goal, Function 9200, Transfers Between Agencies, and Object 7141, Other Tuition, Excess Costs, and/or Deficit Payments to Districts or Charter Schools; Object 7142, Other Tuition, Excess Costs, and/or Deficit Payments to County Offices; or Object 7143, Other Tuition, Excess Costs, and/or Deficit Payments to JPAs.

8. A district or county office receiving the federal Individuals with Disabilities Education Act (IDEA) basic local assistance revenue records the revenue in Resource 3310, IDEA Basic Local Assistance Entitlement, Part B, with a special education goal, in Object 8181, Special Education—Entitlement, and records the expenditures in Resource 3310, with the appropriate special education goals, functions, and objects.
9. A district or county office that receives a federal IDEA grant-in-aid for approved special projects records the revenue as Object 8182, Special Education—Discretionary Grants, with the appropriate resource and the appropriate special education goal.
10. Any AU receiving federal IDEA money of either the local assistance entitlement or a discretionary grant that is to be distributed to a district or county office records the revenue to be passed to member LEAs in Fund 10 as Object 8287, Pass-Through Revenues from Federal Sources, with the appropriate resource and Goal 5001, Special Education—Unspecified.

The AU distributes these funds, using the appropriate resource, the appropriate special education goal, Function 9200, Transfers Between Agencies, and Object 7211, Transfers of Pass-Through Revenues to Districts or Charter Schools; Object 7212, Transfers of Pass-Through Revenues to County Offices; or Object 7213, Transfers of Pass-Through Revenues to JPAs.

See Example 9 later in this procedure for an illustration of how to code this type of transaction.

The following are examples of recording revenues received and expenditures incurred to educate special education students. The illustration of which codes to use for these transactions has been simplified. Only one side of the accounting entry is shown; in actual entries, the debit(s) must equal the credit(s).

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### Sample Journal Entries

#### Example 1: Splitting an Employee's Costs Between Functions.

A teaching assistant is hired to work half a day in a separate class for severely disabled children and half a day assisting a severely disabled student who has been mainstreamed into a regular education class.

Because the teaching assistant is working solely with severely disabled students, his salary has one goal. However, his work is split between two functions.

Fund	Resource	Project Year	Goal	Function	Object	School
01	6500	0	5750	1110	2100	000
01	6500	0	5750	1130	2100	000

- **Fund 01** is the General Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not required in this example.
- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled.
- **Function 1110**, Special Education: Separate Classes, captures the costs of running a separate class for severely disabled students; and **Function 1130**, Special Education: Supplemental Aids and Services in Regular Classrooms, captures the costs of providing a teaching assistant for a student who attends a regular education class.
- **Object 2100** is Classified Instructional Salaries.
- **School** is not required.

#### Example 2: Splitting an Employee's Salary Between Goals.

An adaptive physical education teacher is hired to provide physical education classes for special education students attending regular education classes on several campuses and for students attending special education separate classes. Some of the students are categorized as severely disabled, others as nonseverely disabled. The teacher's salary is split between two goals because two populations of students are served.

Fund	Resource	Project Year	Goal	Function	Object	School
01	6500	0	5750	1190	1100	000
01	6500	0	5770	1190	1100	000

- **Fund 01** is the General Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not required in this example.

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- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled, and **Goal 5770** is Special Education, Ages 5–22 Nonseverely Disabled. (The salary may be coded instead to one goal during the year and split between the goals at year-end when the ratio of service to severely and nonseverely disabled students is documented.)
- **Function 1190** is Special Education: Other Specialized Instructional Services. This function includes pullout services that may be provided to students who are normally found in separate classes or regular education classes.
- **Object 1100** is Certificated Teachers’ Salaries.
- **School** is not required.

### Example 3: Costs for Special Education Students in Regular Education Classrooms.

A student who has a low-incidence disability has been placed in a juvenile court school. His individualized education program (IEP) necessitates the presence of an interpreter and the services of a resource specialist. The following services are being provided by different resources and for different populations. The cost of the teacher in the juvenile court school is chargeable to regular education; the costs of the interpreter and the resource specialist are chargeable to special education.

The cost of the juvenile court school teacher is coded as follows:

Fund	Resource	Project Year	Goal	Function	Object	School
01	0000	0	3600	1000	1100	000

- **Fund 01** is the County School Service Fund.
- **Resource 0000** is Unrestricted.
- **Project Year** is not required in this example.
- **Goal 3600**, Juvenile Courts, identifies the costs of educating juvenile court school students.
- **Function 1000** is Instruction. General education teachers are coded to the general population they are contracted to teach. A special education student who attends a regular education class is considered a part of the general education class.
- **Object 1100** is Certificated Teachers’ Salaries.
- **School** is not required.

The cost of the interpreter assigned to the student who has an IEP and has been placed in the juvenile court classroom is coded as follows:

Fund	Resource	Project Year	Goal	Function	Object	School
01	6500	0	5750	1130	2100	000



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- **Fund 01** is the County School Service Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled. (Students with a low-incidence disability are classified as severely disabled. The LEA may have locally defined goals to separate low-incidence disabilities from other severe disabilities if management needs to identify these costs locally.)
- **Function 1130** is Special Education: Supplemental Aids and Services in Regular Classrooms.
- **Object 2100** is Classified Instructional Salaries. (The LEA may have locally defined objects if it is important to track the costs of interpreters separately from those of classroom assistants.)
- **School** is not required.

The cost of the resource specialist who works with this student on a pullout basis is coded as follows:

Fund	Resource	Project Year	Goal	Function	Object	School
01	6500	0	5750	1120	1100	000

- **Fund 01** is the County School Service Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled. (Students with a low-incidence disability are classified as severely disabled students. The LEA may have locally defined goals to separate low-incidence disabilities from other severe disabilities if management needs to identify these costs locally.)
- **Function 1120** is Special Education: Resource Specialist Instruction. This is a resource specialist who works directly with the students in an instructional setting.
- **Object 1100** is Certificated Teachers’ Salaries.
- **School** is not required.

### Example 4: Costs for Special Education Students in a Regional Occupational Center/Program (ROCP).

Some special education students are in transition, going from the special education K–12 program into the adult workforce. The students have been placed in an ROCP class, where they receive training at a fast-food business supplemented with ROCP classes. The cost of the ROCP instructor is coded as follows:

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<b>Fund</b>	<b>Resource</b>	<b>Project Year</b>	<b>Goal</b>	<b>Function</b>	<b>Object</b>	<b>School</b>
01	6360	0	6000	1000	1100	000

- **Fund 01** is the school district’s General Fund.
- **Resource 6360** is Pupils with Disabilities Attending ROCP.
- **Project Year** is not applicable in this example.
- **Goal 6000** is Regional Occupational Center/Program.
- **Function 1000** is Instruction.
- **Object 1100** is Certificated Teachers’ Salaries.
- **School** is not required.

The cost of a teaching assistant assigned to the special education students to enable them to participate in the ROCP class is coded as follows:

<b>Fund</b>	<b>Resource</b>	<b>Project Year</b>	<b>Goal</b>	<b>Function</b>	<b>Object</b>	<b>School</b>
01	6500	0	5770	1130	2100	000

- **Fund 01** is the school district’s General Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5770** is Special Education, Ages 5–22 Nonseverely Disabled.
- **Function 1130** is Special Education: Supplemental Aids and Services in Regular Classrooms.
- **Object 2100** is Classified Instructional Salaries.
- **School** is not required.

**Example 5: Costs of Instruction Provided on a Pullout Basis.**

An orientation and mobility (O & M) specialist is hired to teach students how to travel safely and independently around the school and in the community. He or she works with blind students who attend regular classes at the elementary and high schools. This service is provided on a pullout basis. The O & M specialist has a teaching credential and is trained to teach special education students.

<b>Fund</b>	<b>Resource</b>	<b>Project Year</b>	<b>Goal</b>	<b>Function</b>	<b>Object</b>	<b>School</b>
01	6500	0	5750	1190	1100	000

- **Fund 01** is the General Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.

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- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled, which includes students with a low-incidence disability.
- **Function 1190** is Special Education: Other Specialized Instructional Services. This function includes pullout services that may be provided to students who are normally found in separate classes or regular education classes.
- **Object 1100** is Certificated Teachers’ Salaries.
- **School** is not required.

### Example 6: Costs of Pupil Services.

A counselor is hired to provide special education students with behavior management services, a systematic implementation of procedures designed to promote lasting, positive changes in the students’ behavior, resulting in greater access to a variety of community settings, social contacts, and public events, and placement in the least restrictive environment. The counselor is a licensed professional with a certificate for school service. The salary is coded as follows:

Fund	Resource	Project Year	Goal	Function	Object	School
01	6500	0	5750	3110	1200	000

- **Fund 01** is the General Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled.
- **Function 3110** is Guidance and Counseling Services.
- **Object 1200** is Certificated Pupil Support Salaries.
- **School** is not required.

The students receiving this behavior modification training are enrolled in a separate class for severely emotionally disabled students or autistic students. This class is taught by a special education teacher who works with the counselor to apply the behavior modification procedures in the classroom. The cost of the teacher is coded as follows:

Fund	Resource	Project Year	Goal	Function	Object	School
01	6500	0	5750	1110	1100	000

- **Fund 01** is the General Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled.
- **Function 1110** is Special Education: Separate Classes.

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- **Object 1100** is Certificated Teachers' Salaries.
- **School** is not required.

### Example 7: Costs Related to Federal Resources.

- (a) Funds from the Individuals with Disabilities Education Act (IDEA) basic local assistance entitlement were used to pay a classified assistant to work with students who are in transition from K–12 special education into gainful employment in local businesses.

Fund	Resource	Project Year	Goal	Function	Object	School
01	3310	0	5750	1190	2100	000

- **Fund 01** is the school district's General Fund.
- **Resource 3310** is Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Section 611.
- **Project Year** is not applicable in this example.
- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled.
- **Function 1190** is Special Education: Other Specialized Instructional Services. The student has been transferred from a regular or separate classroom to a work site or other setting.
- **Object 2100** is Classified Instructional Salaries.
- **School** is not required.

- (b) An LEA uses IDEA basic local assistance entitlement funds to purchase assistive technology for a student who will use the computer to communicate with teachers and peers in a regular education classroom.

Fund	Resource	Project Year	Goal	Function	Object	School
01	3310	0	5750	1130	6400	000

- **Fund 01** is the General Fund.
- **Resource 3310** is Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Section 611.
- **Project Year** is not applicable in this example.
- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled.
- **Function 1130** is Special Education: Supplemental Aids and Services in Regular Classrooms. The equipment is an aid to the student in a regular classroom.
- **Object 6400** is Equipment.
- **School** is not required.

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### Example 8: A County Office, as the AU, Receives the State Apportionment and Transfers It to Member LEAs.

The local plan provides that \$10,000 will be used by the AU and \$90,000 will be passed through.

- (a) As the AU, the county office records the receipt of the state apportionment of \$100,000.

#### \$10,000 for the AU's own operations:

Fund	Resource	Project Year	Goal	Function	Object	School
01	6500	0	5001	0000	8311	000

- **Fund 01** is the County School Service Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function** is not necessary for revenue.
- **Object 8311** is Other State Apportionments—Current Year.
- **School** is not required.

#### \$90,000 for pass-through to other member LEAs:

Fund	Resource	Project Year	Goal	Function	Object	School
10	6500	0	5001	0000	8311	000

- **Fund 10** is the Special Education Pass-Through Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function** is not necessary for revenue.
- **Object 8311** is Other State Apportionments—Current Year.
- **School** is not required.

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(b) The AU distributes the apportionment of \$90,000 to the other member LEAs, which in this case includes another county office.

<b>Fund</b>	<b>Resource</b>	<b>Project Year</b>	<b>Goal</b>	<b>Function</b>	<b>Object</b>	<b>School</b>
10	6500	0	5001	9200	7221	000
10	6500	0	5001	9200	7222	000
10	6500	0	5001	9200	7223	000

- **Fund 10** is the Special Education Pass-Through Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function 9200** is Transfers Between Agencies.
- **Object 7221** is Transfers of Apportionments to Districts or Charter Schools; **Object 7222** is Transfers of Apportionments to County Offices; and **Object 7223** is Transfers of Apportionments to JPAs.
- **School** is not required.

(c) The member LEA (in this case, a school district) makes the following entry to record receipt of apportionment from the AU (in this case, a county office).

<b>Fund</b>	<b>Resource</b>	<b>Project Year</b>	<b>Goal</b>	<b>Function</b>	<b>Object</b>	<b>School</b>
01	6500	0	5001	0000	8792	000

- **Fund 01** is the school district’s General Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function** is not required for revenue.
- **Object 8792** is Transfers of Apportionments from County Offices. In this case, the AU is a county office of education.
- **School** is not required.

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### Example 9: A County Office, as the AU, Receives the Federal IDEA Grant and Transfers It to Member LEAs.

The local plan provides that \$20,000 will be used by the AU and \$60,000 will be passed through.

- (a) As the AU, the county office records the receipt of the federal grant of \$80,000.

#### \$20,000 for the AU's own operations:

Fund	Resource	Project Year	Goal	Function	Object	School
01	3310	0	5001	0000	8181	000

- **Fund 01** is the County School Service Fund.
- **Resource 3310** is Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Section 611.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function** is not necessary for revenue.
- **Object 8181** is Special Education—Entitlement.
- **School** is not required.

#### \$60,000 for pass-through to other member LEAs:

Fund	Resource	Project Year	Goal	Function	Object	School
10	3310	0	5001	0000	8287	000

- **Fund 10** is the Special Education Pass-Through Fund.
- **Resource 3310** is Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Section 611.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function** is not necessary for revenue.
- **Object 8287** is Pass-Through Revenues from Federal Sources.
- **School** is not required.

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(b) The AU distributes the federal grant of \$60,000 to the other member LEAs, which in this case includes another county office.

Fund	Resource	Project Year	Goal	Function	Object	School
10	3310	0	5001	9200	7211	000
10	3310	0	5001	9200	7212	000
10	3310	0	5001	9200	7213	000

- **Fund 10** is the Special Education Pass-Through Fund.
- **Resource 3310** is Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Section 611.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function 9200** is Transfers Between Agencies.
- **Object 7211** is Transfers of Pass-Through Revenues to Districts or Charter Schools; **Object 7212** is Transfers of Pass-Through Revenues to County Offices; and **Object 7213** is Transfers of Pass-Through Revenues to JPAs.
- **School** is not required.

(c) The member LEA (in this case, a school district) makes the following entry to record receipt of the federal grant from the AU (in this case, a county office).

Fund	Resource	Project Year	Goal	Function	Object	School
01	3310	0	5001	0000	8181	000

- **Fund 01** is the school district's General Fund.
- **Resource 3310** is Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Section 611.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function** is not required for revenue.
- **Object 8181** is Special Education—Entitlement.
- **School** is not required.

### Example 10: A County Office, as the AU, Receives State Revenue Other Than the State Apportionment and Transfers It to Member LEAs.

The local plan provides that \$5,000 will be used by the AU and \$45,000 will be passed through.



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(a) As the AU, the county office records the receipt of the state revenue of \$50,000 (in this case, the state revenue is Special Education–Mental Health Services).

**\$5,000 for the AU’s own operations:**

<b>Fund</b>	<b>Resource</b>	<b>Project Year</b>	<b>Goal</b>	<b>Function</b>	<b>Object</b>	<b>School</b>
01	6512	0	5001	0000	8590	000

- **Fund 01** is the County School Service Fund.
- **Resource 6512** is Special Education: Mental Health Services.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function** is not necessary for revenue.
- **Object 8590** is All Other State Revenue.
- **School** is not required.

**\$45,000 for pass-through to other member LEAs:**

<b>Fund</b>	<b>Resource</b>	<b>Project Year</b>	<b>Goal</b>	<b>Function</b>	<b>Object</b>	<b>School</b>
10	6512	0	5001	0000	8587	000

- **Fund 10** is the Special Education Pass-Through Fund.
- **Resource 6512** is Special Education: Mental Health Services.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function** is not necessary for revenue.
- **Object 8587** is Pass-Through Revenues from State Sources.
- **School** is not required.

(b) The AU distributes the state revenue of \$45,000 to the other member LEAs, which in this case includes another county office.

<b>Fund</b>	<b>Resource</b>	<b>Project Year</b>	<b>Goal</b>	<b>Function</b>	<b>Object</b>	<b>School</b>
10	6512	0	5001	9200	7211	000
10	6512	0	5001	9200	7212	000
10	6512	0	5001	9200	7213	000

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- **Fund 10** is the Special Education Pass-Through Fund.
- **Resource 6512** is Special Education: Mental Health Services.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function 9200** is Transfers Between Agencies.
- **Object 7211** is Transfers of Pass-Through Revenues to Districts or Charter Schools; **Object 7212** is Transfers of Pass-Through Revenues to County Offices; and **Object 7213** is Transfers of Pass-Through Revenues to JPAs.
- **School** is not required.

(c) The member LEA (in this case, a school district) makes the following entry to record receipt of state revenue from the AU (in this case, a county office).

<b>Fund</b>	<b>Resource</b>	<b>Project Year</b>	<b>Goal</b>	<b>Function</b>	<b>Object</b>	<b>School</b>
01	6512	0	5001	0000	8590	000

- **Fund 01** is the school district’s General Fund.
- **Resource 6512** is Special Education: Mental Health Services.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified. A special education goal is required for special education revenue (but not for other revenues).
- **Function** is not required for revenue.
- **Object 8590** is All Other State Revenue.
- **School** is not required.

**Example 11: A County Office, as the AU, Receives the Apportionment for Regionalized Services and Then Contracts with a Member District to Provide Regionalized Services.**

(a) The county office, as the AU, records payment on a contract with a district to provide regionalized services (in this case, to coordinate curriculum development).

<b>Fund</b>	<b>Resource</b>	<b>Project Year</b>	<b>Goal</b>	<b>Function</b>	<b>Object</b>	<b>School</b>
01	6500	0	5050	2130	5100	000

- **Fund 01** is the County School Service Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5050** is Regionalized Services.
- **Function 2130** is Curriculum Development.

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- **Object 5100** is Subagreements for Services.
- **School** is not required.

(b) The district records the interagency revenue from the AU.

Fund	Resource	Project Year	Goal	Function	Object	School
01	9010	0	7110	0000	8677	000

- **Fund 01** is the General Fund.
- **Resource 9010** is Other Restricted Local (in this case, a contract with another LEA).
- **Project Year** is not applicable in this example.
- **Goal 7110** is Nonagency—Educational. (Use of this goal for a revenue transaction is optional; it will enable the LEA to match contract revenue with the contract expenditures.)
- **Function** is not required for revenue.
- **Object 8677** is Interagency Services between LEAs.
- **School** is not required.

(c) As part of this contract, the district pays a program specialist who provides regionalized services to members of the SELPA.

Fund	Resource	Project Year	Goal	Function	Object	School
01	9010	0	7110	2100	1900	000

- **Fund 01** is the General Fund.
- **Resource 9010** is Other Restricted Local.
- **Project Year** is not applicable in this example.
- **Goal 7110** is Nonagency—Educational.
- **Function 2100** is Instructional Supervision and Administration.
- **Object 1900** is Other Certificated Salaries.
- **School** is not required.

### Example 12: A County Office, as the AU, Receives Interest Earned on Special Education Balances.

The AU receives a total of \$200 interest (\$50 on the special education balances maintained in the general fund, and \$150 on the special education balances maintained in the special education pass-through fund).

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- (a) Where there is a local agreement that the AU will distribute interest earned on balances in the pass-through fund to the member LEAs, the interest is posted between the general fund and the special education pass-through fund.

**Interest of \$50 earned on the general fund balance:**

Fund	Resource	Project Year	Goal	Function	Object	School
01	0000	0	0000	0000	8660	000

- **Fund 01** is the County School Service Fund.
- **Resource 0000** is Unrestricted.
- **Project Year** is not applicable in this example.
- **Goal** is not required for revenue except for special education revenues.
- **Function** is not necessary for revenue.
- **Object 8660** is Interest.
- **School** is not required.

**Interest of \$150 earned on the special education pass-through fund balance:**

Fund	Resource	Project Year	Goal	Function	Object	School
10	0000	0	0000	0000	8660	000

- **Fund 10** is the Special Education Pass-Through Fund.
- **Resource 0000** is Unrestricted.
- **Project Year** is not applicable in this example.
- **Goal** is not required for revenue except for special education revenues.
- **Function** is not necessary for revenue.
- **Object 8660** is Interest.
- **School** is not required.

**The AU distributes the \$150 interest earned to other member LEAs, which in this case includes another county office.**

Fund	Resource	Project Year	Goal	Function	Object	School
10	0000	0	0000	9200	7281	000
10	0000	0	0000	9200	7282	000
10	0000	0	0000	9200	7283	000

- **Fund 10** is the Special Education Pass-Through Fund.
- **Resource 0000** is Unrestricted.

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- **Project Year** is not applicable in this example.
- **Goal** is not required for revenue except for special education revenues.
- **Function 9200** is Transfers Between Agencies.
- **Object 7281** is All Other Transfers to Districts or Charter Schools; **Object 7282** is All Other Transfers to County Offices; and **Object 7283** is All Other Transfers to JPAs.
- **School** is not required.

A member LEA (in this case, a school district) receives interest from the AU (in this case, a county office).

Fund	Resource	Project Year	Goal	Function	Object	School
01	0000	0	0000	0000	8782	000

- **Fund 01** is the school district's General Fund.
- **Resource 0000** is Unrestricted.
- **Project Year** is not applicable in this example.
- **Goal** is not required for revenue except for special education revenues.
- **Function** is not required for revenue.
- **Object 8782** is All Other Transfers from County Offices. In this case, the AU is a county office of education.
- **School** is not required.

(b) Where there is a local agreement that the AU will not distribute interest earned on balances in the pass-through fund to member LEAs, the entire \$200 is posted to the general fund for the AU's operational purposes.

Fund	Resource	Project Year	Goal	Function	Object	School
01	0000	0	0000	0000	8660	000

- **Fund 01** is the County School Service Fund.
- **Resource 0000** is Unrestricted.
- **Project Year** is not applicable in this example.
- **Goal** is not required for revenue except for special education revenues.
- **Function** is not required for revenue.
- **Object 8660** is Interest.
- **School** is not required.

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### Example 13: A School District, a Member of a SELPA, Makes Payments to Another Entity for a Special Education Student's Education.

- (a) The district makes payments of tuition to a State Special School using unrestricted resources.<sup>2</sup>

Fund	Resource	Project Year	Goal	Function	Object	School
01	0000	0	5001	9200	7130	000

- **Fund 01** is the General Fund.
- **Resource 0000** is Unrestricted.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified.
- **Function 9200** is Transfers Between Agencies.
- **Object 7130** is State Special Schools.
- **School** is not required.

- (b) The district makes payments to a nonpublic school for a severely disabled student's education.

Fund	Resource	Project Year	Goal	Function	Object	School
01	6500	0	5750	1180	5100	000

- **Fund 01** is the General Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled.
- **Function 1180** is Special Education: Nonpublic Agencies/Schools.
- **Object 5100** is Subagreements for Services.
- **School** is not required.

- (c) A school district pays tuition to the county office of education for district students served in a special education program operated by the county office.

- (1) The school district pays tuition to the county office. In this example, the district uses special education funds to pay the tuition.

<sup>2</sup> Instead, Resource 6500, Special Education, could be used to record this payment.

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Fund	Resource	Project Year	Goal	Function	Object	School
01	6500	0	5750	9200	7142	000

- **Fund 01** is the district’s General Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable for this example.
- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled.
- **Function 9200** is Transfers Between Agencies.
- **Object 7142** is Other Tuition, Excess Costs, and/or Deficit Payments to County Offices.
- **School** is not required.

(2) The county office of education receives the tuition revenue from the district.

Fund	Resource	Project Year	Goal	Function	Object	School
01	6500	0	5750	0000	8710	000

- **Fund 01** is the County School Service Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable for this example.
- **Goal 5750** is Special Education, Ages 5–22 Severely Disabled.
- **Function** is not required for revenue or balance sheet accounts.
- **Object 8710** is Tuition.
- **School** is not required.

**Example 14: Identifying Administrative Costs**

(a) The AU of a multidistrict SELPA pays its director.

Fund	Resource	Project Year	Goal	Function	Object	School
01	6500	0	5001	2200	1300	000

- **Fund 01** is the General Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified.
- **Function 2200** is Administrative Unit of a Multidistrict SELPA.
- **Object 1300** is Certificated Supervisors’ and Administrators’ Salaries.
- **School** is not required.

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(b) A district charges its special education programs its indirect cost rate.

<b>Fund</b>	<b>Resource</b>	<b>Project Year</b>	<b>Goal</b>	<b>Function</b>	<b>Object</b>	<b>School</b>
01	6500	0	5001	7210	7310	000

- **Fund 01** is the General Fund.
- **Resource 6500** is Special Education.
- **Project Year** is not applicable in this example.
- **Goal 5001** is Special Education—Unspecified.
- **Function 7210** is Indirect Cost Transfers.
- **Object 7310** is Transfers of Indirect Costs.
- **School** is not required.