

## MEMORANDUM

TO: The Honorable Members of the State Board of Education

FROM: Janet Barresi, State Superintendent of Public Instruction

DATE: December 19, 2012

SUBJECT: School District in Noncompliance of 70 O.S. § 5-135.2, September 1 Submission Date

Pursuant to 70 O.S. § 5-135.2, not later than September 1 each year, every school district shall transmit a copy of the income and expenditures data according to the Oklahoma Cost Accounting System coding to the State Department of Education. Failure to meet this deadline, as referenced in the Oklahoma Administrative Code 210:25-5-4, is considered “not operating pursuant to the Oklahoma Cost Accounting System” and can result in the reduction of State Aid funds.

Pursuant to 70 O.S. § 5-135.2, part B, states the reduction may be waived by the State Board of Education if the district can demonstrate that failure to operate pursuant to said system was due to circumstances beyond the control of the district and that every effort is being made by the district to operate pursuant to said system as quickly as possible

There were twelve (12) school districts which did not meet the September 1, 2012 deadline.

All twelve (12) school districts were contacted by U. S. Mail and were asked to submit a letter explaining the reason for the delay and the steps to prevent this from reoccurring in the future. Enclosed are letters from the school districts: Allen, Garber, Grandview, Hanna, Justice, Konawa, OKC Charter Harding Fine Arts Academy, Sharon-Mutual, Spavinaw, Taloga, Thackerville, and Waukomis.

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Attachments



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Title 70. Schools

**Oklahoma Statutes Citationized**

**Title 70. Schools**

**Chapter 1 - School Code of 1971**

**Article Article V - School Districts and Boards of Education**

**Section 5-135.2 - Report of Financial Transactions and Costs - Reduction of Monthly Payment of District's State Aid Funds**

Cite as: O.S. §, \_\_ \_\_

A. For the 1991-92 school year, school districts shall report financial transactions for all funds, except for the school activity fund, using the Oklahoma Cost Accounting System, as adopted by the State Board of Education pursuant to Section 5-135 of this title. Costs shall be reported by curricular subject area where applicable. For the 1992-93 school year and in each subsequent school year, school districts shall report financial transactions for all funds using the Oklahoma Cost Accounting System. Costs shall be reported by curricular subject area where applicable.

B. Beginning July 1, 1991, and in each subsequent school year, the State Department of Education shall reduce the monthly payment of a district's State Aid funds if, at the time of such payment, the district is not operating pursuant to the Oklahoma Cost Accounting System. The amount of the reduction shall be one percent (1%) for the first payment, two percent (2%) for the second payment, three percent (3%) for the third payment, four percent (4%) for the fourth payment, and five percent (5%) for each subsequent payment. The reduction may be waived by the State Board of Education if the district can demonstrate that failure to operate pursuant to such system was due to circumstances beyond the control of the district and that every effort is being made by the district to operate pursuant to such system as quickly as possible.

C. No later than September 1 each year, every district board of education shall prepare a statement of actual income and expenditures of the district for the fiscal year that ended on the preceding June 30. The statement of expenditures shall include functional categories as defined in rules adopted by the State Board of Education to implement the Oklahoma Cost Accounting System pursuant to Section 5-135 of this title.

D. No later than September 1 each year, every school district shall transmit a copy of the income and expenditures data required pursuant to subsection C of this section to the State Department of Education. The Department shall post the income and expenditure data on the Internet web site for the Department in a form that is accessible to the public.

**Historical Data**

Added by Laws 1991, HB 1236, c. 280, § 55, emerg. eff. July 1, 1991; Amended by Laws 2000, SB 901, c. 308, § 2, emerg. eff. July 1, 2000 ([superseded document available](#)); Amended by Laws 2005, SB 668, c. 472, § 11, emerg. eff. July 1, 2005 ([superseded document available](#)).

**Citationizer® Summary of Documents Citing This Document**

Cite Name Level

None Found.

**Citationizer: Table of Authority**

Cite Name	Level
Title 70. Schools	
Cite	Name Level
<a href="#">70 O.S. 5-135</a>	<a href="#">System for Initiating, Recording and Paying Contractual Obligations</a> Cited

School Districts that submitted  
Revenue and Expenditure Data after the September 1 deadline

County	District	Congressional District	Submission Date	Penalty	Prior Year Penalty
Pontotoc	Allen	4	September 21, 2012	\$ 3,198.00	No
Garfield	Garber	3	October 8, 2012	\$ 2,361.00	No
Stephens	Grandview	4	September 5, 2012	\$ 573.00	No
McIntosh	Hanna	2	September 5, 2012	\$ 373.00	No
Seminole	Justice	5	October 1, 2012	\$ 2,503.00	No
Seminole	Konawa	5	September 26, 2012	\$ 3,734.00	No
Oklahoma	OKC Charter Harding Fine Arts	5	September 7, 2012	\$ 1,460.00	No
Woodward	Sharon Mutual	3	September 28, 2012	\$ 112.00	No
Mayes	Spavinaw	2	September 5, 2012	\$ 434.00	No
Dewey	Taloga	3	September 27, 2012	\$ 31.00	No
Love	Thackerville	4	September 28, 2012	\$ 1,696.00	No
Garfield	Waukomis	3	September 11, 2012	\$ 808.00	No

*Home of the Mustangs*

# ALLEN PUBLIC SCHOOL



*Ty Harman, Superintendent*

November 16, 2012

Ms. Nancy Hughes  
Financial Accounting Section, Room 420  
Oklahoma State Department of Education  
2500 North Lincoln Boulevard  
Oklahoma City, OK 73105

Fax: 405.588.3271

Dear Ms. Hughes,

Allen Schools received your letter in regard to the late submission of our district's income and expenditure data. The data was originally submitted on August 15, 2012, and we failed to lock the data on the website.


We kindly request that the penalty assessed in the amount of ~~53,198.00~~ be waived by the State Board of Education.

I am new to the Allen School district, my first day at Allen was August 1, 2012. Mr. Lassiter, the former Superintendent, was still employed by the district until August 31, 2012. It was a very busy time for both of us, I was trying to gather all the information and guidance Mr. Lassiter could provide. Mr. Lassiter was trying to provide me with background and information on all areas of concern to Allen Schools. We both failed to remember to lock the data on the deadline.

I have already marked on my calendar for next year the deadline date. I will be sure to verify that the data has been submitted and locked by September 1, 2013. I have also had my secretary note that date on her calendar also.

I hope that you will consider our request for penalty waiver.

Sincerely,

  
Ty Harman

# GARBER PUBLIC SCHOOLS

P.O. Box 539  
Garber, OK 73738  
580-863-2220

*JIM LAMER*  
*Superintendent*

November 1, 2012

Nancy Hughes  
Financial Accounting Section  
Room #420  
State Dept. of Education  
Oklahoma City, OK 73105

Dear State Board of Education,

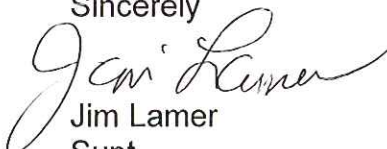
Garber Public Schools submits this letter explanation regarding the district's income and expenditure data for the OSDE not meeting statute.

The district submitted the report prior to September 1; however the OSDE rejected the report due to a coding error in our submission. In our effort to correct coding errors with our accounting software ADPC, they were unable to correct the error as identified by the OSDE. In correspondence with Iona Martin from the OSDE we finally were able to submit the report, unfortunately after the Sept. 1 deadline.

Our accounting procedures have since been corrected and this should eliminate any fortune coding error in the area.

Garber Public School respectfully asks that the \$2,361.00 penalty be waved.

Sincerely

  
Jim Lamer  
Supt.

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STATE DEPT. OF EDUCATION  
STATE AID SECTION

Grandview School  
Rt. 1 Box 105  
Comanche, Ok. 73529  
(580) 439-2467

To: Oklahoma State Board of Education

From: Gary Wade

Subject: OCAS Penalty

Date: 12-11-12

Dear State Board,

Grandview is asking for a waiver on the \$573.00 penalty for late submission of its OCAS data. The district was transitioning to a new auditor and the data was entered but not locked in.

The district in the future will make sure that all audits are done before the submission deadline so that independent confirmation by the auditor and the district can be locked in.

Thank you

*Gary Wade*  
Gary Wade



**HANNA PUBLIC SCHOOL  
P.O. BOX 10  
HANNA, OK 74845  
PHONE: 918 657-2523 FAX 918 657-2424**

October 31, 2012

2500 North Lincoln Boulevard  
Oklahoma City, OK 73105-4599

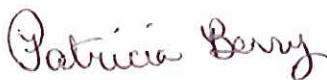
Dear State Board of Education:

Hanna School did not submit the district's income and expenditure data for the OSDE to review until September 5, 2012. I am sending you a copy of the email Amber Graham sent to a lady who works for our vendor ADPC on July 30, 2012. She was told that ADPC would submit the data. Amber resigned her payroll/encumbrance position to accept a special education teaching position at the end of July. We did not hire a replacement for Amber until August 20, 2012.

Amber thought that ADPC had already sent that information to the SDE; however, I learned after Labor Day that the report had not been submitted on time. We immediately contacted ACPC and the report was submitted. I hope that you understand that our ADPC did not follow through as we assumed they would. We are asking that you waive the \$373.00 penalty for this year. I assure you we did not intentionally do this.

I ask that you consider our appeal and appreciate the State Board of Education's willingness to review the circumstances surrounding the failure to submit the income and expenditure data by the September 1, 2012 deadline.

Sincerely,



Patricia Berry  
Hanna School Superintendent

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## Nancy Hughes

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**From:** William Harrison <wharrison@justice.k12.ok.us>  
**Sent:** Monday, November 26, 2012 2:36 AM  
**To:** Nancy Hughes  
**Subject:** OCAS DATA

The reason that the OCAS Data was late being locked in was:

When the OCAS data was sent to the SDE, I had certified it. I did not realize that I had to lock it in. I locked it in as soon as I was notified that it needed to be locked.

If you need more information, please notify me.

Thankyou

William Harrisonh



# Konawa Public School

701 West South Street  
Konawa, OK 74849-9602

Phone: 580-925-3244  
Fax: 580-925-2146  
Email: [Konawa.k12.ok.us](mailto:Konawa.k12.ok.us)

November 7, 2012

Oklahoma State Department of Education  
Nancy Hughes, Executive Director  
Financial Accounting  
2500 North Lincoln Boulevard  
Oklahoma City, OK 73105

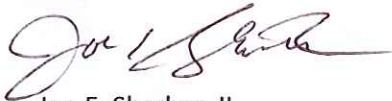
Dear Ms. Hughes,

In response to your letter dated October 26, 2012 I request that the penalties of \$3,734.00 be waived. We had our OCAS data submitted without errors on August 1, 2012. On September 27, 2012 we received correspondence from Ms. Martin regarding irregularities that needed to be corrected and/or explained.

We addressed all of the issues and have taken steps to change our bookkeeping methods to insure that the irregularities will not appear next year. The correction of these issues included our software vendor as well as training for our new Treasurer to insure that our data is correct and completed in a timely manner.

Again, I appreciate your consideration in waiving the penalties.

Respectfully,



Joe E. Sharber, II  
Superintendent

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North Central Accredited



3333 N. Shartel Ave., Oklahoma City, OK 73118-7277  
TEL (405) 702-4322 ♦ FAX (405) 601-0904

November 29, 2012

Ms. Nancy Hughes, Executive Director  
Financial Accounting  
Oklahoma State Board of Education  
2500 North Lincoln Blvd.  
Oklahoma City, OK 73105-4599

Dear Ms. Hughes

Harding Fine Arts Center seeks to appeal the \$1,460.00 penalty assessed for failure to meet the September 1, 2012 reporting deadline for income and expenses data to the OSDE.

The basis for this appeal is that the delayed submission was due to circumstances beyond our control. It is our annual procedure that our accountant Martin Anderson, C.P.A., electronically submits the required data to ADPC, our accounting software company, where they, upon receipt, test it for errors. If they find errors, Mr. Anderson is notified, corrects the errors, and then when the data is correct, ADPC forwards it on to Financial Accounting at the State Department of Education. Until now this was always handled in a timely manner and without any problems.

This year, Mr. Anderson forwarded our Expenditure file to ADPC on August 27<sup>th</sup> and our Treasury file on August 28<sup>th</sup>, allowing time for review and notification. (Attached copies of emails confirm receipt.)

Receiving no notification of errors, Mr. Anderson believed the files were submitted prior to the September 1 deadline. The first time he was made aware that this had not occurred was on September 6<sup>th</sup> when he received a call from Pam Honeysuckle in the OSDE Financial Accounting office indicating she had not received our expenditure file. He then contacted ADPC and was told the file had an error. Upon inquiring as to why ADPC had not called us to correct the error so it could be submitted, we were told that it somehow was overlooked. Our accountant corrected the error that day, resubmitted the file to ADPC and it was forwarded to OSDE Financial Accounting on September 7<sup>th</sup>. (Also please find the attached letter from ADPC acknowledging they sent the expenditure file on September 7<sup>th</sup>.)

ADPC serves over 350 school districts in Oklahoma and it is their policy to not to receive calls from the districts during the days around September 1. Instead, ADPC is to call the district within hours if errors are found. We followed ADPC's policies and procedures but it appears there was a simple human mistake and they failed to contact us in a timely manner.

To prevent this from occurring again, our accountant has received permission to call the owner of the company any time before or on September 1 to receive confirmation the file was sent.

In light of the fact that we were timely and diligent in our submission to our software provider and believed that our expenditure file had, in fact, been submitted in a timely manner, we request abatement of this penalty.

Thank you for your consideration,

A handwritten signature in cursive script that reads "Sharon Rowan". The signature is written in black ink and is positioned above the typed name and title.

Sharon Rowan, Ph.D.  
Superintendent / Principal

*Chris Syms, High School Principal*  
210 S. Maple St.  
Mutual, Oklahoma 73853  
Phone (580) 989-3231

*Dustie Shryock, Elementary Principal*  
201 S. 3rd St.  
Sharon, Oklahoma 73857  
Phone (580) 866-3333

## Sharon-Mutual Schools

*Jeff Thompson, Superintendent*  
210 S. Maple St.  
Mutual, Oklahoma 73853  
Phone (580) 989-3210

**December 11, 2012**

**RE: OCAS Deadline**

**To: State Board of Education**

Sharon-Mutual failed to meet the deadline for OCAS data by the September 1<sup>st</sup> deadline due to clerical over site. We will be more diligent next year when filing this report. We would also like to thank the State Department of Education personnel for helping us complete the report accurately.

Sincerely,



**Jeff Thompson, Superintendent**

**Sharon-Mutual Public Schools**

# SPAVINAW SCHOOL

P.O. Box 108  
100 Lake Avenue  
Spavinaw, Oklahoma 74366  
Phone: (918) 589-2228 Fax: (918) 589-2476

Larry Larmon  
Superintendent

Board of Education  
Loy "Tobe" Sperry-President  
Billy Cagle--Vice President  
Dalton Jones —Clerk

November 2, 2012

Oklahoma State Board Of Education

Spavinaw Public School did not submit the district's income and expenditure data for the OSDE review until 9/5/2012 due to an error in our reporting system. The error could not be corrected at the district, it had to be corrected by our vendor.

Sincerely



Larry Larmon  
Superintendent  
Spavinaw School

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STATE DEPT. OF EDUCATION  
STATE AID SECTION

*Financial Accounting*

# TALOGA PUBLIC SCHOOLS

Box 158 • Phone (580) 328-5577  
Taloga, Oklahoma 73667



"Home of the Panthers"

October 31, 2012

Nancy Hughes  
Financial Accounting Section  
Room #420  
State Department of Education  
2500 North Lincoln Blvd  
Oklahoma City, Oklahoma 73105

Dear Nancy,

The financial data was submitted to the state department on August 30, 2012 by ADPC. However, it was not locked on the state department reporting site by Taloga Public Schools until Sept. 27, 2012. This action was an oversight by the Taloga Public Schools system and preventive steps will be taken to prevent this from reoccurring in the future.

Sincerely,

George Kellner, Superintendent  
Taloga Public Schools

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STATE DEPARTMENT OF EDUCATION

# Thackerville Public Schools

P.O. Box 377  
Thackerville, Oklahoma 73459

580-276-2630  
Superintendent's  
Office

580-276-9655  
Elementary  
School

580-276-3610  
Jr. High / High  
School

November 6, 2012

Dear Ms. Hughes,

I am writing in regards to your October 26, 2012 letter. I have enclosed copies printed from the OCAS System that show where we submitted income and expenditure data previous to the 09/28/2012 date that you referred to in your letter. We do not feel like we were in error in this matter. Please call if you have questions regarding the copies I have sent. Thank You.

Sincerely,



Greg Raper

Superintendent

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NOV 07 2012  
STATE DEPARTMENT OF EDUCATION

# Waukomis Public Schools

209 W. Locust • P.O. Box 729

Waukomis, OK 73773

Fax (580) 758-3834

Administration Offices (580) 758-3247 - Secondary Schools (580) 758-3245 - Elem. School (580) 758-3264

Dale Bledsoe

Matt Cue

Shawn Tennyson

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To Whom it May Concern:

Waukomis Public Schools was late in submitting the OCAS Income and Expenditure Data, but it was not due to lack of effort. We were working extremely hard to make sure we had the codes submitted in a timely matter. During the 2012 physical year, which was my first year at Waukomis, we hired a new financial secretary. Due to this unforeseen change in staff, our new secretary started after the year had began and we still had to begin her training. We were also behind on coding because the previously financial secretary missed a great deal of work because of a brain tumor. To make a long story short, we were late because we making sure our codes were correct and we had lot of issue to correct. I believe we now have the problems corrected. I am asking you to waive the penalty because our students do not deserve to loose money when it is no fault of theirs. Waukomis is working to ensure we are doing everything the right way. Please consider our request and do not penalize us or our students for trying to make a sour situation better for everyone.

Dale Bledsoe



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