

## CHAPTER 25. FINANCE

### SUBCHAPTER 3. FUNDING CRITERIA

#### 210:25-3-4. Personnel

- (a) Teachers who have not yet received their degrees shall be considered ~~as having to possess a degree if all, provided,~~ all requirements have been completed except participation in graduation exercises.
- (b) A teacher who has taught more than one-half ( $1/2$ ) of a day for 120 days or more shall be considered as having had one year of experience. A teacher who has taught the equivalent of 120 days within not more than two contractual years shall be considered as having had one year of experience. Experience shall be counted if the individual was legally employed and paid from funds under the supervision of a school board of education or any school accredited by the State Board of Education. Practice teaching or a practicum in a teacher-training institution shall not be considered as experience. Veterans Agricultural training instructors or any teacher employed full-time by an accredited college or university shall be considered as having one (1) year of teaching experience for each year of service after July 1, 1945, if such teaching experience is approved by the State Board of Education, provided such teacher held a bachelor's degree at the time these services were performed and was eligible to have been issued a teaching certificate. A teacher who has received Workers' Compensation benefits while employed by a public school district or charter school shall be eligible to have the time spent on Workers' Compensation included in the calculation of their cumulative teaching experience, provided all of the following conditions apply:
- (1) The individual held a valid Oklahoma teaching certificate during the time period they received Workers' Compensation benefits;
  - (2) The individual received temporary total disability benefits;
  - (3) The individual was employed by a public school immediately prior to and during the period of absence due to work-related injury or illness;
  - (4) The individual's public school employer certifies in writing the dates during which temporary total disability benefits were paid to the individual; and
  - (5) Service credit for time during which a certified teacher received temporary total disability benefits through the Workers' Compensation system shall be capped at a cumulative maximum of five (5) years.
- (c) Any district identified as contracting with a teacher, or administrator without a valid certificate shall be penalized in state aid. The state aid penalty amount shall be the salary amount paid by the district for the number of days the teacher or administrator taught without a valid certificate in excess of allowable substitute days.
- (d) All teachers must have an official transcript on file with the Professional Standards Section showing the degree completed.
- (e) The timeframe for submitting Initial Personnel Reports shall be open from September 1 through October 1 of each year. No later than October 1, all public school districts must file an accurate Initial Personnel Report with the State Department of Education. The report shall list all personnel in the district and shall list for each person the position code, compensation, degree, certification information, years of qualified experience, number of days employed and other information as deemed necessary. Beginning with the 2004-2005 school year the school district will report to the State Department of Education the salary and benefit information disaggregated as required by law. For each employee not returning from the previous year, a reason for no return code shall be recorded. The Initial Personnel Report must be certified no later than October 15.
- (f) From November 1 through December 15 of each year, a school district superintendent shall have access to the district's Initial Personnel Report. During this period, the superintendent will be permitted to make necessary corrections and updates to the report. Any changes made by a superintendent to the school district's Initial Personnel Report must be submitted no later than December 15. Reports are to be recertified after updates are complete.
- (g) The timeframe for submitting Mid-Year Personnel Reports shall be open from January 1 through February 1 of each year. No later than February 1, all public school districts must file an accurate revised Mid-Year Personnel Report with the State Department of Education. The report shall contain any corrections, departures, and additions that have occurred since the October 1 Initial Personnel Report was filed so that more accurate information is available for state aid calculations, legislative projections and other statistical requirements. State Aid funds shall be withheld from any school district that does not submit the Mid-Year Personnel Report by February 1. Only after the accurate report has been received by the State Department of Education shall the withheld State Aid funds be released to the school district.
- (h) From February 15 through May 15 of each year, a school district superintendent shall have access to the district's Mid-Year Personnel Report. During this period, the superintendent will be permitted to make necessary corrections and updates to the report. Any changes made by a superintendent to the school district's Mid-Year Personnel Report must be submitted no later than May 15. Reports are to be recertified after updates are complete.
- (i) All public school districts must file an accurate End-of-Year Supplemental Personnel Report showing the changes for personnel previously listed as well as all information required on any new employees not previously listed. This report shall contain any corrections or changes to be made to the February 1 Mid-Year Personnel Report. All employees that departed the school district prior to completion of the school year shall be given a "Reason-For-Leaving" code and have salary and days employed adjusted. School districts shall also file the Certified Substitute Teachers Report listing the number of days taught in the school year by all certified substitute teachers. The timeframe for submitting End-of-Year Supplemental Personnel Reports and Certified Substitute

Teachers Reports shall be open from June 1 to July 15 of each year. These two reports shall be filed with the State Department of Education no later than July 15.

(1) A school district shall immediately report to the Oklahoma State Department of Education any employee that resigns or is not re-employed due, in whole or in part, to suspicion of abuse or neglect of a student under the age of eighteen (18) years. Reports shall be made to the Oklahoma State Department of Education through the Awarety Reporting System located on the Oklahoma State Department of Education website as well as the End-of-Year Supplemental Personnel Report described above.

(j) If the district pays a teacher less than the minimum salary required by law, the difference shall be deducted from the next payment of state aid, or a claim shall be filed by the Director of Finance to recover any such overpayment to the school district.

(1) The School Personnel Records Section will notify the school superintendent of all potentially underpaid teachers after the Mid-Year Personnel Reports are filed with the State Department of Education in February. The school superintendent shall notify the School Personnel Records Section of the district's intent to pay the teacher the underpaid amount or to dispute the amount. If disputed, the school superintendent is responsible for providing documentation to the School Personnel Records Section to show the teacher was not underpaid based on the state minimum salary schedule. The State Aid Section shall withhold from state aid the amount underpaid by October 1 in the school year following the year in which the underpayment occurred.

(2) The method for calculating teacher salaries to ensure state minimums are met shall be determined by the School Personnel Records Section.

(k) If a teacher asserts that the school district he or she is employed by and was employed by the previous year, (or if underpayment occurred prior to July 1, 2002, and the teacher filed an action to recover an underpayment in a court of competent jurisdiction before July 1, 2002), has reduced the salary and/or fringe benefit level without a proportionate reduction in hours or duties, the teacher may file a complaint with the State Department of Education's School Personnel Records Section. The complaint must be accompanied by documentation sufficient to justify the allegations in the complaint. The teacher shall also send a copy of the complaint and supporting documentation to the superintendent of the school district. The documentation shall include, but not be limited to, the teacher's salary and benefit amount for each year in question. The superintendent shall be given an opportunity to submit documentation to refute the teacher's claim within 20 calendar days of receipt of the complaint. The School Personnel Records Section shall review all the documentation presented and present the complaint to the State Board of Education for determination of whether the school district willfully reduced the teacher's salary and benefits in violation of the law. If the school district does not provide a response and supporting documentation to the complaint, the complaint shall be upheld. In the event the review of the documents reveals that the complaint is valid, the State Board of Education shall withhold the amount underpaid from the district's state aid as a penalty. Additionally, the same amount shall be withheld and that amount shall be sent to the teacher.

(l) Any superintendent, principal, or teacher shall not be considered as having received their minimum salary unless such salary is paid by school district warrants issued by the board of education or the school district.

(m) Personnel on the staff of the Oklahoma Department of Career and Technology Education shall be approved by the State Board of Education for increment purposes.

(n) Certified personnel teaching in Manpower Skill Centers and other Manpower Development Training Programs approved by the Oklahoma Department of Career and Technology Education shall be considered as teaching in a school approved by the State Board of Education for increment purposes as provided by Oklahoma School Law.

(o) Under the federal *Uniformed Services Employment and Reemployment Rights Act* (USERRA), a teacher who is called to active duty in the uniformed services is entitled to certain continuing benefits of civilian employment, including the accrual of Oklahoma teaching experience for minimum salary schedule purposes during their active duty service. For purposes of this subsection, the term "uniformed services" incorporates the definition at 38 U.S.C. § 4303 and includes the Air Force, Army, Coast Guard, Marine Corps, Navy, and the reserve components of these services, as well as the Air National Guard and Army National Guard. There is a cumulative limit of five (5) years on Oklahoma teaching experience accrued during active duty service while contracted as a public school teacher. Because teachers who are called to active duty while under contract with a school district are entitled to this benefit of employment under federal law, this category of up to five (5) years of service is separate from the up to five (5) years of active duty military service accrued *prior to* service as a teacher that an applicant for Oklahoma teaching certification may be eligible to have applied toward their initial step on the minimum salary schedule under 70 O.S. § 18-114(D). An individual who has been awarded up to five (5) years of credit for active duty service accrued prior to teaching, under 70 O.S. § 18-114(D), may also be eligible for up to five (5) years of credit awarded under this subsection if they are called to active duty while serving as a teacher.

(p) Certified personnel who are employed in the SoonerStart Early Intervention Program, a joint operation of the State Department of Education and the State Department of Health that delivers educational services to children from birth through age two (2) under Part C of the *Individuals with Disabilities Education Act* (IDEA), shall be eligible to accrue Oklahoma teaching experience for services provided through SoonerStart that are substantially equivalent to educational services that the certified individual would provide if employed by a public school. Credit will be awarded based on the guidelines in subsection (b) of this rule, with at least one-half day of SoonerStart service provision for at least one hundred twenty (120) days per year, or at least three hundred sixty (360) hours per calendar year, resulting in one (1) year of Oklahoma teaching experience for salary schedule and retirement system purposes.

## **SUBCHAPTER 5. BUDGETING AND BUSINESS MANAGEMENT**

## PART 1. IMPLEMENTATION

### 210:25-5-4. Accounting

(a) The financial structure of an Oklahoma public school district consists of various classifications as referenced in Oklahoma Administrative Code (OAC) 210:25-7-1, Oklahoma Cost Accounting System (OCAS). School District accounting systems shall be organized and operated on a basis that assures legal compliance by the recording and summarizing of financial transactions within funds, each of which is completely independent of any other. Each fund shall account for and continually maintain the identity of its revenues and expenditures. Financial transactions for purposes of this regulation and, as referenced in 70 O.S. § 5-135.2, shall be defined as a detailed reporting of revenue within the Source of Revenue dimension. Revenue shall be reported to the bold codes within each of the following broad categories: District Source of Revenue, Intermediate Source of Revenue, State Source of Revenue, ~~and~~ Federal Source of Revenue, or External Source of Revenue. Expenditures shall be reported by the bold codes within the Function dimension as follows: Instruction, Support Services-Students, Support Services-Instructional Staff, Support Services-General Administration, Support Services-School Administration, Support Services-Central, Operation and Maintenance of Plant Services, Student Transportation Services, Child Nutrition Programs Operations, Community Services Operations and Facilities Acquisition and Construction Services. Additional dimensions for Revenue and Expenditures are coded to provide classification by Fiscal Year, Fund, Project Reporting, Object, Program, Subject, Job Classification, and Operational Unit, where applicable.

(b) Beginning July 1 but no later than September 1 of each year, every school district and charter school board of education shall prepare and submit to the State Department of Education, through the Oklahoma Cost Accounting System (OCAS), a statement of actual income and expenditures of the district or charter school for the fiscal year that ended the preceding June 30. The year-end financial report recording and summarizing all revenue and expenditure financial transactions ~~will~~ shall be completed and locked on or before September 1 of the applicable year. For purposes of the OCAS system, "locked" means that the data submitted has passed the system's initial edit checks and the district has **finalized** the submission. To assure the validity and accuracy of financial reporting and accounting, between September 1 and November 1 of each year, school districts and charter schools shall have the opportunity to review and make corrections to the data submitted. By November 1, the data submission shall be certified by the district superintendent or head of charter school. If the school district or charter school does not report any inaccuracies by November 1, the State Department of Education ~~will~~ may rely on the data submitted and certified by the school district or charter school to be complete and closed. Nothing in this Section shall preclude the State Department of Education or the State Board of Education from conducting regular or periodic reviews of school district or charter school financial records as authorized by law and ensuring a public school operates pursuant to the OCAS system.

(c) As referenced in 70 O.S. § 5-135.2, the State Department of Education shall reduce the monthly payment of a district's State Aid funds if the district is not operating pursuant to the OCAS system. Upon final determination, including but not limited to the process set forth in Subsection (b), the reduction of monthly payments shall begin with the first day that the school district or charter school was determined to not be operating in compliance with the OCAS system. The reduction may be waived by the State Board of Education if the school district or charter school can demonstrate that failure to operate pursuant to the OCAS system was due to circumstances beyond the control of the district or charter school, and that every effort is being made to operate in compliance with the OCAS system. Not operating pursuant to said system shall be defined as a district not:

- (1) accurately recording and reporting all revenue and expenditures by applicable OCAS bold code dimensions;
- (2) submitting OCAS financial records on time and as required, including as provided in Subsection (b), via the Web-based system of all recorded and reported revenue and expenditures by applicable OCAS bold code dimensions to the State Department of Education;
- (3) ascertaining that current and accurate applicable OCAS codes are being utilized as updated and maintained by the State Department of Education;
- (4) complying with regulations as outlined in OAC 210:25-3-7 (Financial information processing), OAC 210:25-5-10 (The encumbrance clerk), OAC 210:25-5-11 (The school district treasurer), or OAC 210:25-5-13 (School activity fund); and
- (5) reconciling all recorded and reported revenue and expenditures by applicable OCAS bold code dimensions by balancing data with bank receipts and statements, purchase orders, warrant registers, investment ledgers, and all balance sheet accounts; ~~and~~

(d) For appropriated funds, all indebtedness should be encumbered (have a purchase order issued and be recorded) on the day the obligation is incurred, rather than when it becomes due, and supporting documentation should be provided for all indebtedness.

(e) Upon the approval of the State Board of Education, school districts may make capital expenditures up to a maximum amount of \$50,000 (fifty thousand dollars) during the current fiscal year within the General Fund pursuant to 70 O.S. § 1-117, if the school district meets the established criteria as outlined in the Statutes. School districts shall be voting the maximum five (5) building fund mills. General Fund monies authorized by the State Board of Education for expenditures must be expended within the current fiscal year. Any such funds encumbered as of June 30th of the current fiscal year, but not expended by November 15th of the subsequent fiscal year, shall lapse and return to the original purpose of such funds.

(f) A school district shall be authorized to utilize general fund monies for capital expenditures, in addition to the amount specified in subsection (e), pursuant to the provisions of 70 O.S. § 1-117.

(g) Inventory cards or data processing records shall be kept on all equipment and removable fixtures, showing purchase order number when known, date of purchase (when known, if not known an estimated date shall be used), amount of purchase (if known,

if not known present value must be estimated) a description of the item, the serial number (when applicable) and the location of the item. New purchases shall be included in the records on the same day in which they are physically received by the district. Disposed equipment must be removed from the records on the disposal date and a detailed description of the circumstances which results in the disposal recorded. Disposed equipment should not be included in the records of future years.

(h) Beginning with the 2025-26 school year, school districts shall include any financial donations and/or gifts received from an External Source of Revenue on their yearly financial transaction report submitted to the State Department of Education which are valued at the lesser of either a) seventeen thousand dollars (\$17,000), or b) the current annual gift tax exemption amount as determined to be by the IRS.

(i) "External Source of Revenue" means, for purposes of this section, revenue received by any entity that is not part of the federal government of the United States nor part of any state or local governments within the United States.