Do we have the money?

Yes…? No…?

TRUTH:

We won't know until ~Sept 2017.

Hypothetical Section Budget

All Funding Sources	$ 10
All Direct Expenses	$ 8
Indirect Expenses	$ 0.5
Remaining Funds	$ 1.5

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It appears that we have $1.5 in money for something else, but…

Hypothetical Section Budget

Beginning Balance (BB)	????????
All Funding Sources	$ 10
All Direct Expenses	$ 8
Indirect Expenses	$ 0.5?
Remaining Funds	$ 1.5 +/- BB

Appears that we have $1.5 in money for something else, but…

…we don't know the "Beginning Balance" (BB) and we are still working on the real indirect expense.

Beginning Balance Unknown - WHY?

- The "Beginning Balance" is the "Ending Balance" from the previous year.
- We cannot be certain we have an accurate "Beginning Balance" because of the past practice of improperly closing out the previous years.
- Even if FY15 was closed properly, we still need to know that FY14 closed properly.

Beginning Balance Unknown - WHY?

- Our internal auditors found very serious problems with year end closeout. (see http://schoolboard.utah.gov/wp-content/uploads/Report201506.pdf)
- For last year's close we already used about $1 mill to clean up errors that have been identified so far.
- We don't know what else we will find when the managerial accountants do their work.

Indirect Costs Unknown - WHY?

- Our internal auditors found significant problems with the indirect cost calculation, especially in terms of fairness between USOE and USOR (http://schoolboard.utah.gov/wp-content/uploads/Report201405.pdf)
- We have been awaiting review by outside managerial accountants (now happening)
- We need the Feds to approve our indirect cost plan – currently provisionally approved.

Going Forward

- Managerial accountants must verify past years
- Must fix current accounting practices
- Must close out year properly (we only just started closing out monthly!!!)
- Must get indirect costs correct

ALL of these things are starting to happen, but they haven't happened yet.
This means we don't know the status of funds for the sections and all the office until ~ ***Sept 2017****.*