



STATE OF NEW JERSEY

DEPARTMENT OF EDUCATION

A Memo from the New Jersey Department of Education

Date: May 5, 2021
To: Chief School Administrators, Charter School and Renaissance School Project Leads
From: Scott Henry, Director
Office of Fiscal Policy and Planning
Division of Finance

Families First Coronavirus Response Act (FFCRA)

On or about April 28, 2021, the State of New Jersey Department of Treasury made an electronic payment to certain school districts and charter schools participating in the Special Education Medicaid Initiative (SEMI) program that had submitted claims which were reimbursed during calendar year 2020. This additional reimbursement is separate from the regular reimbursement payments received for submitted SEMI claims. This letter provides accounting, reporting, and budget guidance to those districts and charter schools relative to the recently received payments.

This SEMI reimbursement is provided by the federal Families First Coronavirus Response Act (FFCRA) funding and is directly related to local education agency (LEA) costs incurred during prior fiscal years. *N.J.A.C. 6A:23A-13.3 (d) 5* provides that a district board of education may, at any time and without Commissioner approval, choose to appropriate unbudgeted or underbudgeted federal revenue. Charter schools may appropriate the funding as determined by their board of trustees.

Key steps/actions

The Department, in accordance with generally accepted governmental accounting principles, is requiring revenue recognition in the financial statements and schedules to occur for the year ending June 30, 2021. Below is the journal entry to recognize revenue on the modified accrual basis of accounting:

Dr. Cash #101

Cr. FFCRA /SEMI Revenue #10-4210

Note: The title of revenue line 541, account 10-4210, was changed to "FFCRA/SEMI and ARRA/SEMI Revenue" in the budget software in April 2021, in anticipation of funds being provided to districts.

Amounts not appropriated for use during 2020-2021 are to be reported in the June 30, 2021 financial statements and schedules as "Assigned Fund Balance FFCRA /SEMI Designated for Subsequent Year's Expenditures." Also, at June 30, 2021 that same amount may be presented as a decrease to unassigned general fund balance by inclusion on Line (C5) of the audited excess surplus calculation identified as "Assigned Fund Balance – FFCRA /SEMI Designated for Subsequent Year's Expenditures" and reported on Audsum Line 90081. Note the amount included on Audsum line 90081 at June 30, 2021 will preload into the first column of the 2022-2023 Recapitulation of Balances on line 8 – Ending Balance 6/30/2021.

Please be aware FFCRA /SEMI funding amounts that are not appropriated for 2020-2021 and also not appropriated for 2021-2022 will not be considered an allowable adjustment to the calculation of audited excess surplus at June 30, 2022.

Please note that FFCRA /SEMI funds must be reported separately in the Schedule of Expenditures of Federal Awards identified using the prefix FFCRA /SEMI and the CFDA number 93.778. The additional allocation is not specifically identified by quarter, so use of the period 01/01/2020 – 12/31/2020 is acceptable.

Contact information

Please contact Jacqueline Grama of the Department of Education's Office of School Finance at jacqueline.grama@doe.nj.gov with questions regarding accounting for the FFCRA -SEMI funds.

- c: Members, State Board of Education
- Angelica Allen-McMillan, Ed.D., Acting Commissioner of Education
- NJDOE Staff
- Statewide Parent Advocacy Network
- Garden State Coalition of Schools
- NJ LEE Group