


Cliff Notes for Business Officials


NASBO 2014



Jim Gessford, Perry Law Firm
Bryce Wilson, NDE

Perry Law Firm


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MORNING SCHEDULE


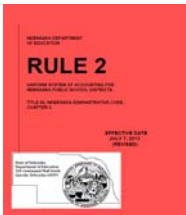
1.	9:00 - 9:30	Borrowing, budgeting, inter-fund transfers, and NDE fiscal rules--Panel: Jim Gessford, Perry Law Firm & Bryce Wilson, NDE
2.	9:30 - 10:00	IRS Bond Audits, Post-Issuance Compliance Policy and Procedures, Underwriter v. Financial Advisor (Rule G-23 & New SEC Municipal Advisor Rules), QCPUF, Technology Bonds and Lease-Purchase Agreements--Panel: Jim Gessford, Perry Law Firm; Mike Rogers, Gilmore Bell Law Firm
	Break	10:00-10:15
3.	10:15 - 11:00	NEW 4-4-2014 IRS Notice on Application of the Windsor Decision and Rev. Rul. 2013-17 to 403(b), 457, flexible benefit and other Qualified Retirement Plans (Notice 2014-19); New rules on taxation of same-sex benefits and New rules on pay stubs (LB560) and criminal background checks (LB907)--Panel: Keith Peters, Cline Williams Law Firm; Greg Perry, Perry Law Firm; Jill Pauley, LPS
4.	11:00 - 11:30	State Auditor Fiscal Rulings and Issues Jim Gessford, Perry Law Firm; Greg Perry, Perry Law Firm

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CLIFF NOTES


Statutes & NDE Fiscal Rules

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AUDITS




§003.05 & §79-1089

Annual school audit must be filed with NDE and Auditor **on or before November 5.**

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AUDITS




§003.05 & §79-1089

All SDs shall also file with NDE **on or before January 31**, the auditor's letter to mgmt, the SDs responses to compliance issues resulting from the audit.

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AUDITS




§004 & §79-1089

Penalty for failure to file is NDE notice to withhold state and local funds.

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AUDITS




LB 470


I hereby notify you to withhold all school money

As the audit report for the 2007/08 school year has not been received as required by State Finance Section 78-102(b), not have the district requested to be heard on the matter, I hereby notify you to withhold all school money beginning in Starting Public Schools with open time in reality you that the audit report for the 2007/08 school year has been received by the Department.


I am also notifying Board Finance & Organization Services to withhold any State aid grant amount in the Tax Equity and Excellence Organization Support Act and audit time as the Department has received the audit report of the 2007/08 school year.

Sincerely,

 MARGARET HANCOCK, Esq.
 Deputy Commissioner of Education

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SUPERINTENDENT TRANSPARENCY ACT




LB 470


- **NDE** withholding of state and local funds also applies.
- Must file contracts or amendments with **NDE** by next succeeding **August 1**.

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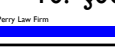
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FUNDS ACCOUNTING



1. §003.03A General Fund.
2. §003.03B Depreciation Fund.
3. §003.03C EE Benefit Fund.
4. §003.03D Contingency Fund.
5. §003.03E Activities Fund.
6. §003.03F School Lunch Fund.
7. §003.03G Bond Fund.
8. §003.03H Special Building Fund.
9. §003.03I QCPUF Fund.
10. §003.03J Cooperative Fund.

Sincerely,

 MARGARET HANCOCK, Esq.
 Deputy Commissioner of Education

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THE BUDGET ACT RULE

§13-510
No expenditure during any FY [] shall be made in excess of the amounts indicated in the adopted budget statement, except per §13-511 (budget amendment), or by state law.

*Violation is Class V misdemeanor.
 §28-106 Maximum — no imprisonment, one hundred dollars fine, Minimum — none

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BUDGET AMENDMENTS

§13-511

- Not reasonably anticipated
- Amendment is necessary
 - *Insufficient revenue to fund*
 - *Additional expenses incurred*
 - *Error or violation of Act*
- Notice and public hearing
- Board approval as revised

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COURT BUDGET RULE


We find **nothing** in statutes that **authorizes** a school board to **transfer money from the general fund to a building fund.**

[School Dist. v. Bd., 166 Neb. 785 \(Neb. 1958\)](#)

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BORROWING




**Tax Anticipation Notes
(TANs), Etc.**

§003.04C refers to §79-1070

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BORROWING


§79-1070(1)

SD may negotiate a **promissory note** with **interest rate** set by board for not more than **two fiscal years** from date of note.*

*No authority for mortgage or deed of trust; must be able to repay in 2 years—i.e., no balloon payment unless can actually repay. ESU borrowing law is §79-1244.

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BORROWING

§79-1070(1)

May Borrow up to **70%** of the unexpended balance of total anticipated receipts (*from funds?*) for **current/following FY**

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BORROWING

§79-1070(1)
 What funds can I use and where do I get the **70%** number?

- What am I borrowing for?
- Is interest tax exempt?
- Fiscal Agent?
- IRS form 8038


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BORROWING

§79-1070(2)
 SD may accept interest-free or low-interest loans from state of feds and negotiate **promissory note** for not more than **twenty years** from date of note.

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BORROWING

§79-1070(2)
 Nebraska Energy Office
 Dollar and Energy Saving Loans
 @ <http://www.neo.ne.gov/loan/index.html>

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BORROWING

§79-1070(2)

Nebraska Energy Office
Dollar and Energy Saving Loans

- Prequalified projects include: a/c, furnace/heat pumps, insulation, lighting, and windows.
- Typical rate for schools is 2.5% for up to \$750,000

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BORROWING

§79-1070(2)

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INTER-FUND TRANSFERS

§13-510


If **unforeseen emergencies** there is temporarily insufficient money in fund to meet adopted budget of expenditures for that fund, board by majority vote, unless otherwise prohibited may transfer money from other funds to such fund.*

*See also NDE Rule §003.04C

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INTER-FUND TRANSFERS




§13-510

A determination of "**emergency**" under the Nebraska Budget Act is a question for a county board and will not be disturbed on appeal unless there has been an abuse of discretion.*

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*Meyer v. Colin, 204 Neb. 96, 281 N.W.2d 737 (1979)
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INTER-FUND TRANSFERS




§13-510

Inter-fund borrowing or transfer


- What conditions?
- What procedures?
- How long to repay?

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*See also NDE Rule §003.04C
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