**Finance Newsletter July/August 2025**

**Buy American – New Requirements and Temporary Accommodation Process**

Effective **July 1, 2025,** schools must ensure that non-domestic food purchases do not exceed 10% of their total annual commercial food costs, in accordance with [7 CFR 210.21(d)(5)(ii)(A)](https://nam11.safelinks.protection.outlook.com/?url=https%3A%2F%2Flinks-2.govdelivery.com%2FCL0%2Fhttps%3A%252F%252Fwww.ecfr.gov%252Fcurrent%252Ftitle-7%252Fsubtitle-B%252Fchapter-II%252Fsubchapter-A%252Fpart-210%252Fsubpart-E%252Fsection-210.21%253Futm_medium%3Demail%2526utm_source%3Dgovdelivery%2F2%2F01010197cb026c7d-d7343232-d2ed-48b7-8231-e36de8a383a0-000000%2Fq2ZFUnkhHEYfo-77xW7u3r4Afj7l4QzW-BitjhXe7VY%3D412&data=05%7C02%7Cjackie.chism%40education.ky.gov%7C6787fffc0fca433a6aa308ddb9600746%7C9360c11f90e64706ad0025fcdc9e2ed1%7C0%7C0%7C638870544600751529%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=REt9Y9Z2oq5yNxCCPlM65PhDwzoMEsw%2F%2BWRJWpNCV%2FQ%3D&reserved=0)and [7 CFR 220.16(d)(5)(ii)(A).](https://nam11.safelinks.protection.outlook.com/?url=https%3A%2F%2Flinks-2.govdelivery.com%2FCL0%2Fhttps%3A%252F%252Fwww.ecfr.gov%252Fcurrent%252Ftitle-7%252Fsubtitle-B%252Fchapter-II%252Fsubchapter-A%252Fpart-220%252Fsection-220.16%253Futm_medium%3Demail%2526utm_source%3Dgovdelivery%2F1%2F01010197cb026c7d-d7343232-d2ed-48b7-8231-e36de8a383a0-000000%2FJ1ltISh5icWGev0-2LzL7Yb1M9WQROPqEiBrfhHPFyo%3D412&data=05%7C02%7Cjackie.chism%40education.ky.gov%7C6787fffc0fca433a6aa308ddb9600746%7C9360c11f90e64706ad0025fcdc9e2ed1%7C0%7C0%7C638870544600768658%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=FeLR3gSTiPoklixrQSF%2FL78a%2F1G%2FBMu2zs8TpXhsKas%3D&reserved=0)

State agencies may grant temporary accommodations to school food authorities (SFAs) that are unable to meet this requirement, as outlined in guidance SP09-2025.

**Available Guidance and Resources (on SponsorNet):**

* Training: Need help understanding the Buy American rule and non-domestic purchase limits? Check out SCN’s new training, [Buy American July, 2025.](https://nam11.safelinks.protection.outlook.com/?url=https%3A%2F%2Flinks-2.govdelivery.com%2FCL0%2Fhttps%3A%252F%252F360.articulate.com%252Freview%252Fcontent%252F59c463f1-0ec2-4495-8673-c52997d9c21e%252Freview%253Futm_medium%3Demail%2526utm_source%3Dgovdelivery%2F1%2F01010197cb026c7d-d7343232-d2ed-48b7-8231-e36de8a383a0-000000%2FN-o-zvyscwkRm1LsoH3Jykvj5RwTK3YCi00Eq8qbzBY%3D412&data=05%7C02%7Cjackie.chism%40education.ky.gov%7C6787fffc0fca433a6aa308ddb9600746%7C9360c11f90e64706ad0025fcdc9e2ed1%7C0%7C0%7C638870544600785717%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=BJ4ixdvhz%2Fvcmxe%2BhG2sNz4kUJkvYtnOjGZTV%2FpK%2FAw%3D&reserved=0)

Forms and tools included in the Buy American July 2025 PowerPoint presentation:

* Buy American Exemptions Tracking Form
* Buy American Justification Form
* Procurement Quick Reference Series: Buy American Provision

**Requesting Temporary Accommodation**

* SFAs seeking to exceed the 10% cap on non-domestic food purchases for SY 2025–2026, should refer to the [Buy American Accommodation Request form.](https://nam11.safelinks.protection.outlook.com/?url=https%3A%2F%2Flinks-2.govdelivery.com%2FCL0%2Fhttps%3A%252F%252Fdocs.google.com%252Fforms%252Fd%252Fe%252F1FAIpQLSfPe8c4jxiBRLZgUf2DEcselyXStl51duwfjkWUS80qHOaeOQ%252Fviewform%253Futm_medium%3Demail%2526utm_source%3Dgovdelivery%2F2%2F01010197cb026c7d-d7343232-d2ed-48b7-8231-e36de8a383a0-000000%2FYrDOlsX79sHbUKqSRfTEdovFqCeTDyI4GfZIhzb2NOk%3D412&data=05%7C02%7Cjackie.chism%40education.ky.gov%7C6787fffc0fca433a6aa308ddb9600746%7C9360c11f90e64706ad0025fcdc9e2ed1%7C0%7C0%7C638870544600821735%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=%2F%2B%2Bur3hXEVufhpxLENeC3TQ0TkRvCkKwfJ8Rld%2FDZhs%3D&reserved=0) An SFA may submit a request if:
	+ The Buy American Exceptions Tracking Form (using SY 2024–2025 data) shows non-domestic purchases exceed 10%, or;
	+ The SFA does not currently track domestic vs. non-domestic expenditures.

For any questions regarding excess balance, Buy American requirements, access to SponsorNet or anything else food service related, please email Katie Embree.

**Food Service Fund Excess Balance**

Federal regulations require that School Food Authorities (SFAs) maintain net cash resources at or below three months’ average expenditures in the food service fund. Net cash resources are defined as current assets (excluding inventories) minus current liabilities at the end of the fiscal year.

Historically, the Division of School and Community Nutrition (SCN) has required all sponsors with excess balances to submit a spend-down plan. However, due to increased funding during the COVID-19 pandemic, many sponsors have accumulated higher fund balances.

To reduce administrative burden for School Year 2025–2026, SCN will only require sponsors with a six-month or greater balance to submit a spend-down plan.

Important: All SFAs are still responsible for monitoring their fund balances to ensure compliance with the three-month limit. This policy change only affects the requirement to submit a plan—not the requirement to maintain compliant balances.

For questions, please email Katie Embree.

**FY2025 Unaudited AFR and Balance Sheet Reports**

The FY2025 AFR and Balance Sheet reports need to be submitted via the [SEEK District Data Submission](https://opsupport.education.ky.gov/webforms/Main.aspx) site no later than **July 25th**. Directions for processing fiscal year end close as well as entering adjustments can be found in the document, [Fiscal YE Processing in Enterprise ERP BGL2](https://www.education.ky.gov/districts/Documents/Fiscal%20YE%20Processing%20in%20Enterprise%20ERP%20BGL2.pdf). Instructions for generating the AFR and Balance Sheet reports are found in [EERP Annual Financial Report Guide STW GL2](https://www.education.ky.gov/districts/Pages/MUNIS-Guides.aspx?Title=Table+Viewer+Webpart&View=General+Ledger+Year+End&utm_medium=email&utm_source=govdelivery).

The [Unaudited AFR Submission Guide 2025](https://www.education.ky.gov/districts/Documents/Unaudited%20AFR%20Submission%20Guide%202025.pdf) has been posted to the Enterprise ERP (Munis) Support and Guides webpage. The document includes guidance related to notes and errors received during the submission process. Also included is information related to pending status.

Questions and concerns regarding the AFR and Balance Sheet submission process should be emailed to finance.reports@education.ky.gov.

## **On-Behalf Payments**

The following is a snapshot of important information located on the Kentucky Department of Education (KDE) [On Behalf Payments webpage](https://nam11.safelinks.protection.outlook.com/?url=https%3A%2F%2Flinks-2.govdelivery.com%2FCL0%2Fhttps%3A%252F%252Fwww.education.ky.gov%252Fdistricts%252FFinRept%252FPages%252FOn-Behalf-Payments-Information.aspx%253Futm_medium%3Demail%2526utm_source%3Dgovdelivery%2F1%2F01010197cb026c7d-d7343232-d2ed-48b7-8231-e36de8a383a0-000000%2F5ARurZEUbZI1Y8EGFfVhIByQi7RsC-St-bqHrppnJ30%3D412&data=05%7C02%7Cjackie.chism%40education.ky.gov%7C6787fffc0fca433a6aa308ddb9600746%7C9360c11f90e64706ad0025fcdc9e2ed1%7C0%7C0%7C638870544600907695%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=zFT2BhvX8MiIk6UOGtmOiyYV6JLKkPr4YI2vDyGJM%2BA%3D&reserved=0):

* The **On Behalf Payments Summary Report** is provided as a courtesy to the districts. The report is a listing of the districts’ combined on-behalf payments paid by the Kentucky Department of Education (KDE), Teachers’ Retirement System (TRS), and School Facilities Construction Commission (SFCC). The report contains payroll related on-behalf payment totals for health benefits, federal reimbursement, TRS, technology and debt service. The report will be posted to the website by mid-July and will be updated as information becomes available.
* The **On Behalf Payment Instructions** provides directives for properly recording the payroll related health benefits, federal reimbursement, TRS, technology, and debt service on behalf payments in Enterprise ERP.
* The **Health Benefits** **on Behalf Payments:** These totals are derived from the Health Benefits bill that is provided by the Kentucky Personnel Cabinet, Department of Employee Insurance. These totals are posted quarterly.
* The **Federal Reimbursement of Health Benefits** **on Behalf Payments:** These totals are derived from the NIC Payment Engine, which is now a wholly owned subsidiary of Tyler Technologies. These totals are posted quarterly. **NOTE**: The 4th quarter totals will be posted by mid-July.
* The **Debt Service on Behalf Payments** consists of the debt service payments paid by the SFCC. These totals are posted annually.
* The **Teachers’ Retirement System on Behalf Payments:** These totals are derived from the "Schedule of Employer Allocations" in the "GASB 68 Auditor's Report as of June 30, 20\*\* (Schedule A)" and the "GASB 75 Auditor's Report as of June 30, 20\*\* (Appendix A)" as found on the [Kentucky Teachers Retirement System](https://nam11.safelinks.protection.outlook.com/?url=https%3A%2F%2Flinks-2.govdelivery.com%2FCL0%2Fhttps%3A%252F%252Ftrs.ky.gov%252Fadministration%252Ffinancial-reports-information%252F%253Futm_medium%3Demail%2526utm_source%3Dgovdelivery%2F1%2F01010197cb026c7d-d7343232-d2ed-48b7-8231-e36de8a383a0-000000%2FkeE8TVMXS5G9f2ZIvwebmJ6C480tcw5dnsvrI6oOdos%3D412&data=05%7C02%7Cjackie.chism%40education.ky.gov%7C6787fffc0fca433a6aa308ddb9600746%7C9360c11f90e64706ad0025fcdc9e2ed1%7C0%7C0%7C638870544600924103%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=%2BIbYueDlq53rrYpSVIl7JrxEKX6qMXrJMMYayk17%2BrM%3D&reserved=0) **NOTE:** The fiscal year for these reports follow the fiscal year of the financial audits.
* The **Technology on Behalf Payments:** These totals are provided by Office of Knowledge, Information and Data Services (KIDS) that consists of the Kentucky Educational Network (KEN) Services, AT&T Firewall Services, MUNIS Financial Management and McAfee Virus Protection software and services payments paid KDE on behalf of local school districts. These payments are posted quarterly. **NOTE**: The 4th quarter totals are expected to be posted by mid-July.

**NOTE:** Please forward questions about the individual category on behalf payments noted above, to the contact for that category located on the [On Behalf Payments webpage](https://nam11.safelinks.protection.outlook.com/?url=https%3A%2F%2Flinks-2.govdelivery.com%2FCL0%2Fhttps%3A%252F%252Fwww.education.ky.gov%252Fdistricts%252FFinRept%252FPages%252FOn-Behalf-Payments-Information.aspx%253Futm_medium%3Demail%2526utm_source%3Dgovdelivery%2F2%2F01010197cb026c7d-d7343232-d2ed-48b7-8231-e36de8a383a0-000000%2F6nW7HnWj9smdg8eAExxO11BlOSACflYPVYiEjE4nams%3D412&data=05%7C02%7Cjackie.chism%40education.ky.gov%7C6787fffc0fca433a6aa308ddb9600746%7C9360c11f90e64706ad0025fcdc9e2ed1%7C0%7C0%7C638870544600947915%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=xZlP7OF%2FXTsWK%2FHIup8LOTTM7VJnoBn3cCLuqfiIF1g%3D&reserved=0).

**NOTE:** Please forward questions regarding the reconciling of your on behalf payments to Kelli Young at (502) 564-3846, ext. 4417, or email Kelli Young.

**FY2026 Indirect Cost Rates**

The FY2026 indirect cost rates for all districts were approved at the June Kentucky Board of Education (KBE) meeting. All rates are posted at the bottom of the [Chart of Accounts-Indirect Cost Rates](https://www.education.ky.gov/districts/FinRept/Pages/Fund%20Balances%2C%20Revenues%20and%20Expenditures%2C%20Chart%20of%20Accounts%2C%20Indirect%20Cost%20Rates%20and%20Key%20Financial%20Indicators.aspx)  webpage on the Kentucky Department of Education's website.

The rates now reflect a three-year rolling average for both the non-restricted rate and restricted rate. Feel free to reach out to Sheila Miller via email at sheila.miller@education.ky.gov if you have any questions.

**Superintendent’s Compensation Survey**

The window for the Superintendent’s Compensation Survey opens July 1, 2025, through August 31, 2025.  If you have not submitted this information, KDE will not accept your PSD/CSD or salary table in September. All districts are required to submit this on an annual basis. Please email at Ann.Culbertson@education.ky.gov or (502) 564-3846 ext. 4438 if you have any questions.

**Transportation Forms Due**

The following transportation forms are due by **July 30, 2025** and should be submitted to the Kentucky Department of Education (KDE) through [SEEK District Data Submission](https://opsupport.education.ky.gov/webforms/). Please refer to [Transportation SEEK Submission Forms](https://education.ky.gov/districts/SEEK/Pages/SEEK-Submittal.aspx) for helpful advice.

1. Certification of Transportation Mileage
2. Transportation Adjustment End of Year form
3. Vocational Transportation (VT-2 form)

Report problems accessing the web-based forms to your district technology staff to ensure permissions are set up correctly.

If you have any questions, please reach out to Ann Culbertson at (502) 564-3846 ext. 4438, or email Ann.Culbertson@education.ky.gov.

**FY 2025 Financial Audit Contract Information**

On June 12, 2025, the State Committee for School District Audits (SCSDA) approved the FY 2024-2025 audit contracts. If you would like a copy of your district signed contract, please contact a representative of the DFMB, and one will be made available to you.

|  |  |  |
| --- | --- | --- |
| **DUE DATE** | **RESPONSIBLE PARTY** | **REQUIRED INFORMATION** |
| July 25 | District | Unaudited Annual Financial Report (AFR) and Balance Sheet (electronic reports) to KDE |
| October 1  | Auditor | Audit Extension Request to KDE  |
| November 15 | Auditor | Audit Reports:* One signed paper copy to school district
* Electronic copy to KDE
 |
| November 15 | District | * Audited AFR and Balance Sheet, which includes the Statement of Certification verification section, (electronic reports through the SEEK program) to KDE.
* Copy of Audited AFR and Balance Sheet to Auditor.
* FY 2024-2025 Audit Findings and Management Letter Comments Spreadsheet, if applicable.
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For more information, please contact Kim Carter at (502) 564-3846 x4440, or email [Kim Carter](file:///C%3A/Users/cbuell/AppData/Local/Microsoft/Windows/Temporary%20Internet%20Files/Content.Outlook/4R9UKDTJ/kimberly.carter%40education.ky.gov)
or Kelli Young at (502) 564-3846 x4417,or email Kelli Young.

### Statutory Authority of the State Committee for School District Audits and Meeting Dates

[KRS 156.265](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTEsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMTA3MDcuNDI5MDA5MDEiLCJ1cmwiOiJodHRwczovL2FwcHMubGVnaXNsYXR1cmUua3kuZ292L2xhdy9zdGF0dXRlcy9zdGF0dXRlLmFzcHg_aWQ9MzE1OSJ9.JKz2whbojwuQ1wyc96ch3PMZx3q0b0f7cHoQsEQOKpk/s/947322037/br/108965810552-l)  authorizes the State Committee for School District Audits (SCSDA) to conduct audits of the financial records of local boards of education.

The audits shall be performed by a certified public accountant (CPA), approved by the SCSDA, and conducted according to current auditing standards. Increases or decreases in the scope of the audit are addressed in the Supplemental Agreements section of the audit contract.

The SCSDA requires all local school boards to have an annual audit of the fiscal records and accounts under the board's control. The SCSDA shall notify the local board of education of approval or disapproval of the executed contract in accordance with the timeframe set forth in the “Annual Cycle for Local School District Audits.”

Please refer to the FY2025 Audit Contract located on the [Audit Contract Information webpage](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTIsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMTA3MDcuNDI5MDA5MDEiLCJ1cmwiOiJodHRwOi8vZWR1Y2F0aW9uLmt5Lmdvdi9kaXN0cmljdHMvRmluUmVwdC9QYWdlcy9EaXN0cmljdC1GaW5hbmNpYWwtQXVkaXQtQ29udHJhY3RzLmFzcHgifQ.jqu2uqtiouXLq6zvtpxOEblGFs7-a0Yja5_-MSaUPH8/s/947322037/br/108965810552-l) and the Kentucky Revised Statues and Kentucky Administrative Regulations referenced within the contract to learn more about the SCSDA’s authority and role.

The SCSDA’s fiscal year 2024-2025 meeting dates are:  September 11, 2025 (in-person), October 9, 2025, March 12, 2026, March 19, 2026, and June 11, 2026, at 9:00 a.m. at the Auditor of Public Accounts (APA), located at 209 St. Clair Street, Frankfort, KY 40601. The meeting will be held virtually, unless otherwise noted.

For more information, contact Kim Carter at (502) 564-3846, ext. 4440, or email Kim Carter; Marshall Smith at (502) 564-3846, ext. 4463, or email Marshall Smith; Kelli Young at (502) 564-3846, ext. 4417, or email Kelli Young.

**Procurement Training Opportunities**

The KDE is currently offering procurement training. These training sessions are open to any district staff member who would benefit.  They are approximately 2-hour virtual sessions and will occur monthly as needed. Notifications will be forwarded when a session is scheduled.

### Finance Officer Spotlight

Joey Cucchiara is the director of finance for Campbell County schools in northern Kentucky, where he has served for nearly three years. In this role, he is responsible for all aspects of financial operations, including grant management, payroll, procurement, surplus, financial reporting, and long-term fiscal planning.

Cucchiara holds a bachelor’s degree in business administration and management from Northern Kentucky University and brings a strong foundation in both private and public sector finance. He has devoted much of his time to advancing capital projects, improving vendor and banking systems, and analyzing complex funding structures, such as PILOT agreements and SEEK formula allocations.

Cucchiara is deeply committed to the success of the students and staff of Campbell County schools. He approaches his work with a focus on transparency and efficiency. Outside of his professional responsibilities, he enjoys spending time with his wife of ten years, and their two daughters. Together, they enjoy beach vacations, working outdoors on their small farm, and volunteering at their church. Joey values faith, family, and community, and he brings those principles into every facet of his leadership.