

## Parental Leave Accounting Guidelines for Local Education Agencies

### Revenues, Expenditures, and Budget Amendments

1. Parental leave revenues shall be posted to Fund 141 General Purpose Schools. Revenues received for parental leave expenditures incurred in a different fund shall then be moved to that other fund.
2. Use revenue code 46596 Paid Parental Leave.
3. In Fund 141, LEAs may use their discretion in spending parental leave revenue.
4. In Fund 142 School Federal Projects, parental leave salaries and benefits shall be journaled, dollar for dollar, from the original grant/sub-fund to sub-fund 995 Parental Leave.
5. Revenues and expenditures posted to sub-fund 995 Parental Leave shall result in a zero balance.
6. LEAs shall amend their budgets to account for the parental leave funds following local policies and procedures.
7. LEAs will be monitored to ensure that funds are managed appropriately and that supplanting has not occurred.

### Federal Reimbursement Requests

1. The LEA must properly adjust for any federal grant revenues received for salaries and benefits initially charged to a federal grant but have since been moved to sub-fund 995 Parental Leave. Moving the expenditures from a federal grant to sub-fund 995 will reduce expenditures in the federal grant. A subsequent reimbursement request will reflect the adjusted (reduced) expenditures. This will, in effect, reconcile the grant revenues requested to the grant expenditures incurred.
2. It is recommended that the LEA not include parental leave salary and benefit expenditures when making federal reimbursement requests.

### Example Scenarios

1. **XYZ County School System paid \$49,500 to six employees for parental leave from July through September 20XX. One teacher was paid \$9,500 (salaries and benefits) from Fund 142, Title I, Part A, and the other five employees were paid from Fund 141. In turn, the state reimbursed the LEA a lump sum of \$49,500.**

**Note: The LEA did not request reimbursement from Title I for the cost of that one teacher's parental leave salary and benefits.**

#### Revenues

- Credit \$49,500 to 141 46596.
- Based on the LEA's processes for managing transfers between funds, move \$9,500 of the revenue from Fund 141 to Fund 142. For example, the LEA may follow one of these scenarios:

a. Example Journal Entries:

Account	Debit	Credit
141 46596	\$9,500	
141 11140		\$9,500
142 995 11140	\$9,500	
142 995 46596		\$9,500

- b. Issue a check for \$9,500 from account 141 46596 to Fund 142.  
Post the check to 142 995 46596.

Expenditures

- Fund 141: The LEA may spend the \$40,000 reimbursed at its discretion. See the example in the budget amendment section below.
- Fund 142: The \$ 9,500 salary and benefit expenditures in Title I should be journaled, dollar for dollar, to sub-fund 995 Parental Leave.

a. Example Journal Entry Moving Expenditures out of Title I:

Account	Debit	Credit
142 101 11140	\$9,500	
142 101 71100 116		\$7,500
142 101 71100 201		\$420
142 101 71100 204		\$510
142 101 71100 206		\$15
142 101 71100 207		\$930
142 101 71100 208		\$27
142 101 71100 212		\$98

b. Example Journal Entry Moving Expenditures into sub-fund 995:

Account	Debit	Credit
142 995 71100 116	\$7,500	
142 995 71100 201	\$420	
142 995 71100 204	\$510	
142 995 71100 206	\$15	
142 995 71100 207	\$930	
142 995 71100 208	\$27	
142 995 71100 212	\$98	
142 995 11140		\$9,500

## Budget Amendments

- Fund 141 General Purpose Schools
  - a. Example 1: The LEA budgeted the parental leave funds for instructional supplies and materials because they already have adequate funds for salaries and benefits.

### Example Budget Amendment

Account	Debit	Credit
141 46596	\$40,000	
141 71000 429		\$40,000

- b. Example 2: The LEA decided not to budget for additional expenditures, choosing instead to increase its fund balance.

### Example Budget Amendment

Account	Debit	Credit
141 46596	\$40,000	
141 39000		\$40,000

- Fund 142 School Federal Projects
  - a. Title I: Example 1: In consultation with the individual school whose budget was affected, the federal programs director decided to revise the Title I budget and move those funds to instructional supplies and materials. After the state approves the budget revision, the LEA will amend the budget locally, following its policies and procedures for federal budget amendments.
  - b. Title I: Example 2: In consultation with the individual school, the federal programs director decided that a budget revision was unnecessary.
  - c. Sub-fund 995 Parental Leave: The LEA will amend the budget locally, following their policies and procedures for federal budget amendments.

### Example Budget Amendment

Account	Debit	Credit
142 995 46596	\$9,500	
142 995 71100 116		\$7,500
142 995 71100 201		\$420
142 995 71100 204		\$510
142 995 71100 206		\$15
142 995 71100 207		\$930
142 995 71100 208		\$27
142 995 71100 212		\$98

2. **XYZ County School System paid one Title I teacher for leave after her child's birth from May 11 through May 23, 20XX. The LEA requested and received \$3,500 in reimbursement from Title I for the cost of that teacher's leave (salary and benefits) in the same fiscal year. The LEA subsequently claimed parental leave reimbursement from the state, did not accrue the revenue, and did not receive the payment from the state until September of the next fiscal year.**

#### Revenues

- Credit the \$3,500 of parental leave revenue to 141 46596.
- Based on the LEA's processes for managing transfers between funds, move the \$3,500 in revenue from Fund 141 to Fund 142, sub-fund 995 Parental Leave. Refer to the revenue guidelines in Example Scenario 1.

#### Expenditures

- The LEA will move \$3,500 in current-year expenditures from Title I to sub-fund 995, matching the expenditures incurred for parental leave in the prior fiscal year. The adjusted (reduced) expenditures in Title I will be reported in a subsequent reimbursement request, which will, in effect, reconcile the grant revenues requested to the expenditures incurred. Refer to the journal entries in Example Scenario 1.

#### Budget Amendments

- Fund 142 School Federal Projects
    - a. Title I: Example 1: In consultation with the individual school whose budget was affected, the federal programs director decided to revise the Title I budget and move the freed-up funds from salaries to instructional supplies and materials. After the state approves the budget revision, the LEA will amend the budget locally, following its policies and procedures for federal budget amendments.
    - b. Title I: Example 2: In consultation with the individual school, the federal programs director decided that a budget revision was unnecessary.
    - c. Sub-fund 995 Parental Leave: The LEA will amend its budget locally, following its policies and procedures for federal budget amendments. This amendment will reflect the expenditures that were moved from Title I.
3. **XYZ County School System paid one teacher from the VPK grant for parental leave days taken August 5 through September 30, 20XX. The LEA did not request reimbursement from the VPK grant but requested and received a \$12,000 reimbursement from state parental leave funds.**

#### Revenues

- Credit \$12,000 to 141 46596.

- Do not post the revenue to the VPK grant.

#### Expenditures

The LEA will move (journal entry) the parental leave salary and benefit expenditures out of the VPK grant so that they can be covered by non-grant funds in the General Purpose budget.

#### Budget Amendment

The LEA will amend its General Purpose budget for the additional revenue and expenditures.

- XYZ County School System paid \$49,500 to six employees for parental leave taken from April through June 20XX. One teacher was paid \$9,500 (salaries and benefits) from Fund 142, IDEA Part B, and the other five employees were paid \$40,000 from Fund 141. The LEA requested reimbursement of \$49,500 for the parental leave taken. It is year-end and the LEA wants to accrue the revenue on its general ledger because it anticipates receiving the payment from the state in August 20XX.**

**Note: The LEA did not request reimbursement for the \$9,500 of salary paid from IDEA, Part B, knowing the parental leave would be reimbursed from state funds. Therefore, they will move the salary expenditures from IDEA, Part B, to Parental Leave sub-fund 995.**

#### Revenues

- In Fund 141, accrue the parental leave state funds not received by June 30, 20xx.

##### Example Journal Entry

Account	Debit	Credit
141 11430	\$49,500	
141 46596		\$49,500

- Accrue the appropriate amount of revenue to Fund 142, moving it from Fund 141.

##### Example Journal Entry

Account	Debit	Credit
141 46596	\$9,500	
141 21500		\$9,500
142 995 11440	\$9,500	
142 995 46596		\$9,500

#### Expenditures

- Move the parental leave salary expenditures from IDEA, Part B, to the Parental Leave sub-fund 995 as of June 30, 20XX. Refer to the journal entries in Example Scenario 1, adjusting for the proper IDEA, Part B sub-fund number.