

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 46990 Other State Revenues (cost center) through June 30, 2024**. Effective FY25, **as of July 1, 2024, 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 taken from July 2023 through September 2023. 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 46990 (cost center).

- 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 46990 (cost center)	\$9,500	
141 11140		\$9,500
142 995 11140	\$9,500	
142 995 46990		\$9,500

- b. Issue a check for \$9,500 from account 141 46990 (cost center) to Fund 142. Post the check to 142 995 46990.

Expenditures

- Fund 141: The LEA may use their discretion in spending the \$40,000 reimbursed to them. See the example in the budget amendment section below.
- Fund 142: The \$ 9,500 salary and benefit expenditures in Title I shall 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 budgeted for salaries and benefits.

Example Budget Amendment

Account	Debit	Credit
141 46990 (cost center)	\$40,000	
141 71000 429		\$40,000

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

Example Budget Amendment

Account	Debit	Credit
141 46990 (cost center)	\$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 their 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 46990	\$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 for May 11, 2023, through May 23, 2023. The teacher initially used her sick leave days. The LEA restored the teacher's sick leave days, using parental leave days instead. The LEA received, in FY23, \$3,500 in reimbursement from Title I for the cost of that teacher's salary and benefits. The LEA has now, in FY24, received \$3,500 from the state for the parental leave.**

Revenues

- Credit \$3,500 to 141 46990 (cost center).
- Based on the LEA's processes for managing transfers between funds, they will 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, matching those incurred for parental leave in the prior fiscal year, from Title I to sub-fund 995, reducing the expenditures in Title I. 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 grant expenditures incurred. Refer to the journal entries in Example Scenario 1.
- In this example, if current year Title I salary and benefit expenditures do not align with the prior year's expenditures and will not accommodate the dollar-for-dollar journal entry to sub-fund 995, the LEA may move other expenditures in the amount of \$3,500.

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 those funds to instructional supplies and materials. After the state approves the budget revision, the LEA will amend the budget locally, following their 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 ESSER 2.0 grant, which ended on September 30, 2023, for leave after the adoption of his son from May 11, 2023, through May 23, 2023, and July 25, 2023, through August 18, 2023. The teacher initially used his sick leave days. The LEA restored the teacher's sick leave days, utilizing the parental leave days instead.**

The LEA received a \$12,000 reimbursement from ESSER 2.0 for the total cost of the teacher's parental leave salary and benefits. The LEA has since received an additional \$12,000 reimbursement from state funds for the parental leave.

Revenues

- Because the ESSER 2.0 grant has expired, the LEA will post the \$12,000 parental leave reimbursement to Fund 141, in account 46990 (cost center).

Expenditures

The LEA must expend the funds on ESSER 2.0 approvable items, using a cost center to track the expenditures for monitoring/auditing purposes. Because the original source of funds is federal, the LEA shall add any equipment purchased with these funds, as applicable, to the inventory listing for ESSER 2.0.

Budget Amendment

- The LEA's instructional supervisor determined that these funds were needed to purchase instructional supplies for the after-school tutoring program.

Example Budget Amendment

Account	Debit	Credit
141 46990 (cost center)	\$12,000	
141 71100 429 (cost center)		\$12,000

- XYZ County School System paid one teacher from the VPK grant for parental leave days taken August 5, 2023, through September 30, 2023. The LEA did not request reimbursement from the VPK grant but instead received a \$12,000 reimbursement from other state funds.**

Revenues

- Credit \$12,000 to Fund 141, in account 46990 (cost center).
- Do not credit the revenue to the VPK grant.

Expenditures

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

Budget Amendment

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

5. XYZ County School System paid \$49,500 to six employees for parental leave taken from April 20XX 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 a total reimbursement of \$49,500 for parental leave taken as of June, however the payment was not received until July 23, 20XX.

Note: The LEA had already requested the salary as part of an IDEA Part B reimbursement request.

Revenues

- In Fund 141, accrue the reimbursement request that was not received by June 30, 20xx.

Example Journal Entry

Account	Debit	Credit
141 11430	\$49,500	
141 46990 (cost center)		\$49,500

- Accrue the revenue in Fund 142, moving it from Fund 141.

Example Journal Entry

Account	Debit	Credit
141 46990 (cost center)	\$9,500	
141 21500		\$9,500
142 995 11440	\$9,500	
142 995 46990		\$9,500

Expenditures

- a. Example Journal Entry Moving Expenditures out of IDEA Part B and Setting Up a Receivable

Account	Debit	Credit
142 901 11440	\$9,500	
142 901 71200 116		\$7,500
142 901 71200 201		\$420
142 901 71200 204		\$510
142 901 71200 206		\$15
142 901 71200 207		\$930
142 901 71200 208		\$27
142 901 71200 212		\$98

- b. Example Journal Entry Moving Expenditures into Sub-fund 995 and Setting Up a Payable

Account	Debit	Credit
142 995 71200 116	\$7,500	
142 995 71200 201	\$420	
142 995 71200 204	\$510	
142 995 71200 206	\$15	
142 995 71200 207	\$930	
142 995 71200 208	\$27	
142 995 71200 212	\$98	
142 995 21500		\$9,500