**Year-End Accounting Procedures for EPA Funds**

I. Background

The Education Protection Account (EPA) provides local educational agencies (LEAs) with general purpose state aid funding pursuant to Proposition 30, The Schools and Local Public Safety Protection Act of 2012, approved by the voters on November 6, 2012. The EPA funding is a component of an LEA's computational revenue.

Proposition 30 provides that all K-14 local agencies have the sole authority to determine how the funds received from the EPA are spent, but with these provisions:

• The spending plan must be approved by the governing board during a public meeting.

• EPA funds cannot be used for the salaries or benefits of administrators or any other administrative costs.

II. Purpose

The District has developed a key internal control to ensure that expenditures charged to EPA comply with regulatory requirements. This control procedure is executed during the year-end closing period.

III. Year-End Procedure

To ensure that administrative salaries are not charged to EPA funds, the Finance Department has installed a key control into its year end accounting procedures. The Finance Department will post all EPA expenses into the EPA account during the year end closing period, between July 1- September 30. All expenses posted to EPA account will be screened for administrative salary costs before actual posting to ensure that administrative salaries or costs will not be posted.

The journal entry will be reviewed and approved by the Director of Fiscal Services.