

1 EDUCATION AND LABOR CABINET

2 Kentucky Board of Education

3 Department of Education

4 (Amendment)

5 702 KAR 3:320. Finance officer certification requirements.

6 RELATES TO: KRS 160.431, 161.020(1)(b)

7 STATUTORY AUTHORITY: KRS 156.070, 160.431

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 156.070 authorizes the Kentucky Board of

9 Education to promulgate administrative regulations necessary for the efficient management, control, and

10 operation of the schools and programs under its jurisdiction. KRS 160.431(2) requires the Kentucky

11 Board of Education to promulgate administrative regulations identifying and prescribing the criteria and

12 procedures for school finance officer certification and continuing education. This administrative

13 regulation establishes the standards for school finance officer certification and continuing education.

14 Section 1. Definitions. (1) "Break in service" means an end to the employment relationship of the

15 individual as the designated finance officer for a Kentucky school district without a transfer of

16 employment to another Kentucky school district to serve as the designated finance officer.

17 (2) "Finance officer" means a person appointed pursuant to KRS 160.431(1).

18 (3) "Finance officer intern" means any finance officer who has obtained a provisional certificate under

19 Section 3 of this administrative regulation but who has not acquired a full certificate under Section 4 of

20 this administrative regulation.

1 (4) "Mentor" means an individual approved by the department to oversee a finance officer intern through
2 the Kentucky Finance Officer Program.

3 (5) "Interim finance officer" means an individual who is serving as a district finance officer in a
4 temporary capacity.

5 Section 2. Initial Qualifications. An individual shall be eligible to be employed as a finance officer on or
6 after July 1, 2015, if the individual:

7 (1) Is employed on June 30, 2015, as a finance officer in a Kentucky school district and does not have a
8 six (6) month or longer employment break in service as a finance officer in any Kentucky school district
9 after June 30, 2015. A six (6) month or longer break in service as a finance officer in any Kentucky
10 school district after June 30, 2015, shall terminate the individual's qualification for employment as a
11 finance officer under this subsection; or

12 (2) Obtains a provisional or full certificate under Section 3 or 4 of this administrative regulation.

13 Section 3. Provisional Certification. (1) An individual who is seeking to be employed as a finance officer
14 in a Kentucky school district who does not meet the requirements of Section 2(1) of this administrative
15 regulation and who does not possess a full certificate shall secure a provisional certificate by submitting
16 the Provisional Certification Application Form to the department to verify the individual meets the
17 following eligibility requirements:

18 (a) A minimum of ten (10) years' work experience in local school district finance confirmed by the
19 district of employment; or

20 (b) A minimum of a bachelor's degree from any accredited postsecondary institution; and

21 [~~b~~] 1. A minimum of twelve (12) credit hours in accounting coursework from any accredited
22 postsecondary institution; or

23 2. A minimum of four (4) years' work experience primarily in accounting or finance, confirmed by the
24 district of employment; or

1 3. A minimum of two (2) years' work experience in finance in a local school district, confirmed by the
2 district of employment.

3 (2) The department shall issue a provisional certificate to an individual providing proof of the eligibility
4 requirements of subsection (1) of this section and proof of an offer of employment as a finance officer in
5 a Kentucky school district.

6 (3) A finance officer provisional certificate shall be in effect until:

7 (a) The individual obtains full certification;

8 (b) The individual fails to provide to the department the proof of progress toward full certification
9 required by subsection (4) of this section; or

10 (c) Three (3) ~~five (5)~~ years have passed since the provisional certificate's issuance date.

11 (4) The provisional certificate holder shall annually submit proof of progress toward full certification to
12 the department by the anniversary of the issuance date of the provisional certificate. Failure to provide
13 this annual proof of progress or to obtain full certification within three (3) ~~five (5)~~ years of the issuance
14 of a provisional certificate shall result in the loss of the provisional certificate.

15 Section 4. Full Certification. (1) An individual who is eligible for employment as a finance officer under
16 Section 2(2) of this administrative regulation shall apply for full certification prior to the expiration of
17 the provisional certificate by submitting the Full Certification Application Form to the department to
18 verify:

19 (a) Current provisional certification;

20 (b) Completion of the Kentucky Finance Officer Program under Section 5 of this administrative
21 regulation;

22 (c) Fifteen (15) hours of finance officer training from the Finance Officer Curriculum, ~~KDE-FOCP-6~~,
23 provided by a department-approved training provider; and

1 (d) Twelve (12) hours of training in the state-approved school district financial software package
2 provided by a department-approved training provider.

3 (2) A full certificate shall be renewed automatically unless the finance officer fails to meet the biennial
4 continuing education requirements of Section 6 of this administrative regulation.

5 Section 5. Finance Officer Provisional Certification~~[Kentucky Finance Officer Internship Program~~
6 ~~(KFIP)]~~. (1) Within thirty (30) days of employment as a finance officer, [~~provisionally certified finance~~
7 ~~officer shall~~] apply for the provisional certification~~[participation in the KFIP]~~.

8 (2) An assessment committee~~[The KFIP Assessment Committee]~~ shall consist of:

9 (a) The mentor assigned by the department;

10 (b) The employing district's superintendent or designee; ~~[and]~~

11 (c) A department representative; and

12 (3) The mentor and intern shall complete a signed Mentor-Intern Agreement.

13 (4)~~(3)~~ Mentors shall meet the following qualification requirements:

14 (a) Possess full certification under this administrative regulation or meet the requirements of Section
15 2(1) of this administrative regulation;

16 (b) Complete the department's mentor training; and

17 (c) Complete the Mentor Application Form~~[, KDE-FOCP-5]~~.

18 (5)~~(4)~~ Mentors shall:

19 (a) Work with finance officer interns to develop a chronological task plan based on the Finance Officer
20 Curriculum ~~[, KDE-FPCO-6]~~;

21 (b) Continue the mentorship for a period of twelve (12) consecutive months;

22 (c) Document the time spent mentoring and provide a summary of the content on the Curriculum
23 Summary Form~~[form KDE-FOCP-3]~~;

1 (d) Document attendance by the finance officer intern at any mentoring meetings during the internship;
2 and

3 (e) Serve as a mentor for no more than two (2) individuals concurrently.

4 ~~(6)~~~~(5)~~ Mentors shall be eligible to earn, as a mentor, a maximum of twenty (20)~~twenty one (21)~~
5 hours of continuing education~~[, not to exceed one (1) hour per month,]~~ during the mentorship, toward
6 the requirement of KRS 160.431(3) for the mentor training and mentor contact.

7 ~~(7)~~~~(6)~~ Mentors shall be eligible to receive from available funds an annual stipend, not to exceed
8 \$1,500~~[\$1,000]~~ each fiscal year per individual mentored, from the department for the mentorship. A
9 district may also choose to reimburse the mentor for any expenses, including travel, and provide a
10 separate, additional stipend to the mentor. If the ~~[KFP]~~ Assessment Committee requires a finance
11 officer intern to repeat a portion or the entire internship curriculum under subsection (9) of this section,
12 then a mentor shall not be eligible to receive the stipend from the department for additional fiscal years
13 of mentorship required by the ~~[KFP]~~ Assessment Committee. The district may still reimburse and
14 provide a stipend to a mentor of a finance officer intern in any additional fiscal years of internship
15 required by the ~~[KFP]~~ Assessment Committee. A partially completed mentorship may be subject to a
16 reduced stipend approved by the department.

17 ~~(8)~~~~(7)~~ The ~~[KFP]~~ Assessment Committee shall:

18 (a) Assist in the development of the intern's chronological task plan required in subsection (4)(a) of this
19 section;

20 (b) Meet six (6) months after the initiation of the internship to assess progress;

21 (c) Assess whether the finance officer intern completed the internship; and

22 (d) Complete the Assessment Committee Report Form~~[, KDE-FOCP-4]~~.

23 ~~(9)~~~~(8)~~ As part of its assessment, the ~~[KFP]~~ Assessment Committee shall consider:

24 (a) Documentation provided by the mentor, pursuant to subsection (4) of this section;

1 (b) The recommendation of the provisional finance officer's~~[finance officer intern's]~~ superintendent
2 based on actual work performance; and

3 (c) Internal approval~~[The report]~~ by the department of work product submissions and interactions.

4 ~~(10)~~~~(9)~~ Based upon the information obtained pursuant to subsection (7) of this section, the ~~[KFIP]~~
5 Assessment Committee shall do one (1) of the following at the end of the internship:

6 (a) Declare the internship completed;

7 (b) Require the finance officer intern to repeat a portion of the internship curriculum; or

8 (c) Require the finance officer intern to repeat the entire internship curriculum.

9 ~~(11)~~~~(10)~~ The finance officer intern may request a different mentor if the ~~[KFIP]~~ Assessment
10 Committee requires the internship to be repeated.

11 ~~(12)~~~~(11)~~ The mentor may request to be replaced by another mentor if the ~~[KFIP]~~ Assessment
12 Committee requires the internship to be repeated.

13 Section 6. Continuing Education. (1) Fully certified finance officers and those qualified under Section
14 2(1) of this administrative regulation shall meet the continuing education requirements of KRS
15 160.431(3). A break in service for any length of time for any finance officer shall not reduce the
16 continuing education requirements of KRS 160.431(3).

17 (2) ~~(a)~~ Each finance officer shall complete at least eighteen (18)~~twelve (12)]~~ hours of continuing
18 education by June 30 of each fiscal year; and

19 (b) Each finance officer shall complete at least forty-two (42) hours of continuing education in a
20 biennium.

21 (3) The department shall approve continuing education courses offered by providers that:

22 (a) Include the following subject areas:

23 1. Evaluation of financial staff;

- 1 2. Financial system management, including payroll, purchasing, budgeting, general ledger, and financial
- 2 reporting;
- 3 3. Alignment of the financial budget with federal and state law requirements;
- 4 4. Analysis of district financial data and provision of financial reports to the local board of education,
- 5 school councils, and the department;
- 6 5. Comprehension of the district vision for education and the role of district finances in accomplishing
- 7 that vision;
- 8 6. Interpretation, use, and communication of financial data and financial strengths and weaknesses of the
- 9 district to the local board of education, school councils, and the community; ~~or~~
- 10 7. Professional development designed to support any existing district improvement plan; or
- 11 8. Courses offered as Continuing Professional Education (CPE) provided by professional organizations
- 12 (b) Adhere to research-based principles of adult learning;
- 13 (c) Reflect current thinking in the field and promote generally accepted accounting practices;
- 14 (d) Provide for active engagement of participants; and
- 15 (e) Extend participants' learning, financial, and leadership skills.
- 16 (f) Contain course materials instructional in nature and not marketing or sales oriented;
- 17 (4) Continuing education course providers approved by the department shall:
- 18 (a) ~~[Structure a training program so as to improve and maintain the quality and effectiveness of the~~
- 19 ~~financial operations in the public school districts of the Commonwealth;~~
- 20 ~~(b) Ensure that training is intensive and designed specifically for finance officers;~~
- 21 ~~(c) Have an established organizational structure or be an affiliate of this type of organization;~~
- 22 ~~(d) Develop and submit programs to the department for approval at least thirty (30) days prior to the~~
- 23 ~~scheduled delivery of the continuing education program;~~(e)]Maintain the necessary records to:
- 24 1. Evaluate every continuing education course session;

- 1 2. Track attendance; and
- 2 3. Evidence course completion consisting of a document prepared by the course sponsor indicating the
- 3 attendee completed a formal program of learning including the:
- 4 (a) Names of the attendee and program sponsor;
- 5 (b) Program title and field of study;
- 6 (c) Dates attended; and
- 7 (d) Number of hours awarded
- 8 4. Maintain certificate of completion records for a period of five (5) years;
- 9 5. Ensure assigned trainers have skill, knowledge, and experience relevant to the subject matter; and
- 10 6. Disclose the subject areas in which training is to be provided.~~[Award certificates of completion to~~
- 11 ~~continuing education course attendees that provide the name of session, approval number, hours of~~
- 12 ~~continuing education credit awarded, and the name of the sponsor of the training;~~
- 13 ~~(f) Provide evidence that the assigned trainers have knowledge, skill, and experience relevant to the~~
- 14 ~~particular training;~~
- 15 ~~(g) Conduct training as approved; and~~
- 16 ~~(h) Identify in all program promotional literature the following:~~
- 17 1. ~~The two (2) year cycle for which training approval is granted;~~
- 18 2. ~~The subject areas for which training is approved; and~~
- 19 3. ~~The approval number assigned by the department for finance officer continuing education course~~
- 20 ~~eligibility].~~
- 21 Section 7. Revocation and Appeal for Reinstatement of Full Certification. (1)(a) Failure to meet the
- 22 annual requirement of eighteen (18)~~[twelve (12)]~~ hours of continuing education of Section 6(2) of this
- 23 administrative regulation shall result in a temporary suspension of a finance officer's full certification.
- 24 (b) The department shall notify the district superintendent of the temporary suspension.

1 (c) The certificate holder shall complete the required number of hours of continuing education by the
2 end of the biennial period.

3 (d) Three (3) temporary suspensions shall result in revocation of the full certification.

4 (2) Failure to meet the biennial requirement of forty-two (42) hours of continuing education shall result
5 in revocation of the full certification.

6 (3) The certificate holder may appeal to the department for reinstatement of a provisional or full
7 certification which has been revoked under subsections (1) or (2) of this section if:

8 (a) The certificate holder requests reinstatement and provides supporting documentation to the
9 department; and

10 (b) The certificate holder has fulfilled all requirements of the provisional or full certification including
11 the required continuing education for the latest fiscal year.

12 (4) The department shall review and decide regarding reinstatement within thirty (30) days of receipt of
13 the appeal. The department shall reinstate a certificate holder who has met the requirements of
14 subsection (3) of this section.

15 Section 8. Grandfather Status. (1) An individual eligible for grandfather status pursuant to Section 2(1)
16 of this administrative regulation shall submit the Provisional Certification Application Form to the
17 department.

18 (2) An individual with grandfather status may obtain full certification if either:

19 (a) The department approves the individual as a mentor in the Kentucky Finance Officer Program in
20 accordance with the requirements of this administrative regulation; or

21 (b) The individual meets all provisional and full certification requirements, including successful
22 completion of the Kentucky Finance Officer Program.

23 Section 9. Interim Finance Officer

1 (1) Upon written notice of a district’s finance officer’s departure, it shall be the responsibility of the
2 superintendent to ensure the position vacancy is immediately posted and a search for a successor finance
3 officer is undertaken. The search process shall continue until a qualified full-time applicant is hired by
4 the district.

5 (a) During the search for a full-time finance officer, the district superintendent may extend a limited
6 contract to employ an interim finance officer.

7 A limited contract with an interim finance officer shall expire upon the employment of a qualified full-
8 time applicant or June 30 of each fiscal year. If a district superintendent wishes to extend the contract of
9 the interim finance officer beyond the end of the fiscal year, a request must be made to the Office of
10 Finance and Operations, Division of District Support.. The district may retain the former interim finance
11 officer as a consultant as needed.

12 Section 10. Incorporation by Reference. (1) The following material is incorporated by reference:

13 (a) [~~"Provisional Certification Application", FOCP-1, July 2015;~~(b) "~~Full Certification Application",~~
14 FOCP-2, July 2015;(c) "~~Intern Progress Report", FOCP-3, July 2015;~~(d)] "Assessment Committee

15 Report"[,FOCP-4, July 2015; May 2024

16 (e) "~~Mentor Application", FOCP-5, July 2015; and](b) "Curriculum Summary"; May 2024~~

17 (c)[~~(f) "Finance Officer Curriculum"],FOCP-6, July 2015]; May 2024~~

18 (d) "Full Certification Application"; May 2024

19 (e) "Mentor Application"; May 2024

20 (f) "Mentor-Intern Agreement"; May 2024 and

21 (g) "Provisional Certification Application" May 2024.

22 (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the
23 Department of Education, 300 Sower Boulevard, 4th Floor[~~500 Mero Street, First Floor, Capital Plaza~~
24 ~~Tower~~], Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.

This is to certify that the chief state school officer has reviewed and recommended this administrative regulation prior to its adoption by the Kentucky Board of Education, as required by KRS 156.070(5).

(Date)

Robin F. Kinney
Interim Commissioner of Education

(Date)

Sharon Porter Robinson, Chair
Kentucky Board of Education

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on XXXXXXXXXXXX at 10:00 am, in the State Board Room, 5th floor, 300 Sower Boulevard, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing by 5 workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. The public hearing will be audio recorded. Pursuant to KRS 13A.270, a transcript of the public hearing will not be made unless a written request for a transcript is made and payment for the transcript is made by the requestor. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through XXXXXXXXXXXX. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Todd G. Allen, General Counsel, Kentucky Department of Education, 300 Sower Boulevard, 5th Floor, Frankfort, KY 40601, phone 502-564-4474, fax 502-564-9321, email regcomments@education.ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

702 KAR 3:320

Contact Person: Todd G. Allen

Phone: 502-564-4474

Email: todd.allen@education.ky.gov

- (1) Provide a brief summary of:
 - (a) What this administrative regulation does:
 - (b) The necessity of this administrative regulation:
 - (c) How this administrative regulation conforms to the content of the authorizing statutes:
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
 - (a) How the amendment will change this existing administrative regulation:
 - (b) The necessity of the amendment to this administrative regulation:
 - (c) How the amendment conforms to the content of the authorizing statutes:
 - (d) How the amendment will assist in the effective administration of the statutes:

- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
 - (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

- (5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:
 - (a) Initially:
 - (b) On a continuing basis:

- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

- (9) TIERING: Is tiering applied? (Explain why or why not)

FISCAL NOTE

702 KAR 3:320

Contact Person: Todd G. Allen

Phone: 502-564-4474

Email: todd.allen@education.ky.gov

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation?

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year?

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years?

(c) How much will it cost to administer this program for the first year?

(d) How much will it cost to administer this program for subsequent years?

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

(4) Estimate the effect of this administrative regulation on the expenditures and cost savings of regulated entities for the first full year the administrative regulation is to be in effect.

(a) How much cost savings will this administrative regulation generate for the regulated entities for the first year?

(b) How much cost savings will this administrative regulation generate for the regulated entities for subsequent years?

(c) How much will it cost the regulated entities for the first year?

(d) How much will it cost the regulated entities for subsequent years?

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Cost Savings (+/-):

Expenditures (+/-):

Other Explanation:

(5) Explain whether this administrative regulation will have a major economic impact, as defined below. *"Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)]*