# PRE-K PROVIDER RECONCILIATION TRAINING DOCUMENT



Revised July 2023

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# When to Submit Your Reconciliation:

## Email Notification

Bright from the Start will send you an email reminder approximately two weeks prior to the reconciliation due date. Please log onto PANDA by visiting www.decal.ga.gov/panda. Complete and submit prior to your submission deadline.

# Entering your Reconciliation Online:

Note: The system does not recognize any special characters such as dollar symbols, commas, or apostrophes.

## How to Complete the Reconciliation Report

The reconciliation form lists the total amount received in Pre-K funds and the amounts paid out by spending category. Only one reconciliation form is submitted per company. Providers with more than one site will combine the information and submit one form. To begin entering your reconciliation, log onto PANDA using your login ID and password. After you are logged in click the **Reconciliation** button listed among the menu items on the left side of the screen.

### Read Me Files and Online Forms

Before you can begin entering reconciliation data you must first open, read, and acknowledge each of the Read Me Files listed **except** 'Payment History Report.' To complete this section of the process:

1. Click on the **'Recon Memo for Private Providers/ LSS'** button. A separate window will open displaying the document. After reading the document, you will then acknowledge that you read it by scrolling back to the top of the page and clicking the **'Agree'** button. After acknowledging the document, the window will close automatically and return to the original screen.
2. Click the **'Recon Instructions'** button. A separate window will open displaying the document. After reading the document, you will then acknowledge that you read it by scrolling back to the top of the page and clicking the 'Agree' button. After acknowledging the document, the window will close automatically and return to the original screen.

Nonprofit organizations will have an additional Read Me File, **'Recon Financial Report Notice Letter**,' to acknowledge. If your organization is listed with Bright from the Start as a nonprofit organization, you will acknowledge this file using the same steps needed to acknowledge the previous files.

Once the Read Me Files have been acknowledged, a check mark will appear in the boxes located to the right of each file. Now PANDA will display an additional button to the right of the Read Me Files button, located near the top of the page. Click the **'Online Forms'** button then click the **'Recon Report'** button. Finally click the **'Edit'** button to begin entering your recon figures.

The following instructions include information from the 2022-2023 School Year Pre-K Providers' Operating Guidelines (20.0). ***Pre-K funds can only be used to cover costs of Georgia's Pre-K Program and the Pre-K program's prorated share of other allowable expenses incurred through normal operation of the facility. Funds are to be used only for ordinary and necessary expenses, directly benefiting or resulting from Pre-K program operations. Only these allowable and verifiable expenditures should be recorded on the reconciliation report.***

*Generally Accepted Accounting Principles (GAAP) referred to in the guidelines (20.1) provide authoritative guidance that must be followed for identifying the appropriate basis for allocating shared costs. The basis of allocating cost should be similar to the unit of measure for incurring the costs or consuming the expensed item.*

*An example of a shared costs would be determining Pre-K's portion rent/mortgage expense:*
*Total space 24,000sq. ft*
*Pre-K's portion of square footage is 6,000sq. ft*
*Monthly rent $6,000*
*Pre-K's portion of the monthly rent expense = 6,000/24,000=25%*
*25%\*$6,000= $1,500*

*Another example would be determining Pre-K's portion of the director's salary:*
*Yearly salary $60,000/12 months =$5,000 per month*
*Pre-K operates on a 10-month basis =$5000\*10 = $50,000*
*20 Pre-K students/100 total students enrolled at the center= 20%*
*$50,000\*20%= $10,000 in salary would be able to be allocated to Pre-K*

*example, director's salary would be better allocated based on number of children enrolled rather than square footage used. The above allocations are examples and providers are not required to use the examples given as there are many variables to consider when determining the correct allocation. The provider must maintain the source documentation used to support the allocation used (e.g., enrollment documentation, square footage support).*

Expenses involving related parties must also be charged in accordance with GAAP. Related parties are one or more entities subject to the significant influence over the operating and financial policies of another entity. Providers involved in related party transactions with their centers should survey the surrounding business area and provide support that financial charges to the Pre-K program are within the range of same or similar arms-length transactions for their area. An example of a related party transaction occurs when the owner of the facility is paid rent by the Pre-K program.

Providers must submit reconciliation reports electronically via PANDA. Documentation and records of all financial transactions must be available in order to prepare for an Agreed upon Procedures (AUP) review. An AUP review, referenced in the guidelines (20.3), requires clear verification for all costs charged to Georgia's Pre-K.

**IMPORTANT:**

➢ When entering data into PANDA, do not use any special characters such as dollar symbols, commas, nor apostrophes.

➢ Only expenses paid with **Georgia's Pre-K funds** should be entered on the Pre-K reconciliation report.

➢ There is a COMMENT BOX at the end of the reconciliation report. Examples of comments could include expenditures not reflected in the report and/or any additional financial information you would like to share.

The directions below are designed to assist in completing the reconciliation report and to assist in maintaining the appropriate documentation of expenditures. The examples of documentation are intended to provide guidance and are not intended to be a complete listing. Documentation is not to be submitted with the Pre-K reconciliation but should be stored for recordkeeping.

*Pre-K / 2022-2023*

**Pre-K Grant Agreement and Roster Payments Reconciliation:**

| Instructions | Examples of supporting documentation |
|---|---|
| **Line 1- Total Start-Up Payments:** The amount received in the school year grant agreement for start-up purchases of supplies and materials is PRE-POPULATED. | |
| **Line 2- Total Start-**Up Purchases: Enter the amount expended for start-up purchases of supplies and materials for the new/expansion classroom for the school year. | Paid invoices, receipts, canceled checks, bank card statements and payment documentation, etc. |
| **Line 3- Start-Up Balance:** The amount received in excess of total expenditures should be returned (unless amount paid is for the subsequent fiscal year). | This amount should be returned to Bright from the Start. |
| **Line 4- Instructional Supplies and Materials:** Enter the amount expended for supplies and materials not purchased with refurbishment funds and not included in Total Start-Up purchases. This total should include, at a minimum, $1,000 per classroom including Start-Up classrooms. This amount should include technology listed on Georgia's Pre-K Program Basic Equipment, Materials, and Supplies Inventory list. Examples include digital cameras, desktops/laptops/notebook computers, tablets, and printers. | Paid invoices, receipts, canceled checks, bank card statements and payment documentation, etc. |
| **Line 5- Instructional Other:** Field trips, music, dance instruction, character education, storyteller, etc.)**:** Enter amount expended for instructional costs not included in Instructional Supplies and Materials. | Paid invoices, receipts, canceled checks, executed contracts, etc. |
| **Line 6- Stationary Playground Equipment:** Enter amount expended for playground equipment and cycle tracks. Your Pre-K specialist must provide prior authorization for these expenses. This amount should not include non-stationary outdoor equipment such as tricycles or balls. It also should not include playground maintenance materials such as mulch. These expenditures would be reported in Other Non-Instructional Costs. | Paid invoices, receipts, canceled checks, etc. |
| **Line 7- Approved Technology:** Enter amount expended for technology your Pre-K specialist approved for | Paid invoices, receipts, canceled checks, etc. |

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| purchase. This amount should not include technology listed on Georgia's Pre-K Program Basic Equipment, Materials, and Supplies Inventory list. Examples include digital cameras, desktops/laptops/notebook computers, tablets, and printers. These expenditures would be reported in Instructional Supplies and Materials (Line 4). | |
| **Line 8- Unreimbursed Food Expense:** Enter amount expended for unreimbursed food used for the Pre-K program. Costs should be net of reimbursements and/or revenue collected. Costs should also be net of food costs included in tuition or parent fees. Net expenditures are then allocated to determine Pre-K's portion of expenses. | Paid invoices, receipts, canceled checks, etc. Food charges are typically billed by invoice. Food charged to Georgia's Pre-K Program must be allocated correctly. Food charged to the Georgia's Pre-K must also be net of food costs charged in tuition or parent fees. |
| **Line 9- Lead Teacher Base Salary:** Enter amount expended for lead teacher base salaries (which is based on the teacher's verified credentials). Please review your payment advice each month to ensure that payments for lead teacher base salaries correspond to the appropriate lead teacher credentials. | Completed time records, payroll records, canceled checks, direct deposit detail, bank statements, etc. |
| **Line 10- Lead Teacher Supplemental Salary (CYE Salary):** Enter amount expended for lead teacher supplemental salaries (which is based on Creditable Years of Experience). Please review your payment advice each month to ensure that payments for lead teacher supplemental salaries correspond to the appropriate lead teacher Creditable Years of Experience. | Completed time records, payroll records, canceled checks, direct deposit detail, bank statements, etc. |
| **Line 11- Lead Teacher Benefits:** Enter amount expended for lead teacher benefits and fringe benefits (employer portion of taxes and any other fringe benefit provided). | |
| **Line 12- Substitute-Lead Teacher Salary:** Enter amount expended for substitutes for the lead teacher(s). Keep complete time records for staff who serve as a substitute but also have other job duties. | Completed time records, payroll records. |
| **Line 13- Assistant Teacher Salary:** Enter amount expended for assistant teacher salaries. | Completed time records, payroll records. |
| **Line 14- Assistant Teacher Benefits:** Enter amount expended for assistant teacher benefits and fringe benefits (employer portion of taxes). | |
| **Line 15- Substitute-Assistant Teacher Salary:** Enter amount expended for substitutes for the assistant teacher(s). Keep complete time records for staff who serve as a substitute but also have other job duties. | Completed time records, payroll records. |

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| **Line 16- Other Employees:** Enter amount expended for other employees associated with the Pre-K program (e.g., cooks, bus drivers, etc., or other staff that provide a direct benefit to Pre-K students that is not Instructional). | Completed time records, contracts, payments, appropriate allocation methodology, etc. |
| **Line 17- Transportation:** Enter amount expended to transport Category One Pre-K students to and from the program on a daily basis. Do not include field trips or other types of transportation costs on this line. | Time records for drivers, fuel and repair costs for the bus or van, log of students transported, etc. |
| **Line 18- Other Operating Costs:** Enter amount expended for operating costs, direct and indirect (e.g., rent, utilities, liability insurance, playground mulch, uniforms, medical costs, etc.) associated with the Pre-K program not included in the above categories (only Pre-K related, allowable, verifiable, documented, appropriately allocated costs are acceptable). | Paid invoices, receipts, executed contracts, canceled checks, bank statements, etc. Rent and utilities are typically billed by invoice or agreement. The agreement must be in place at the time the charges are made. In addition, the charges must be appropriately allocated and paid according to the agreement. The documentation must be available for review. |
| **Line 19- Total Direct Costs:** PANDA calculates sum of lines 4-18. | |
| **Line 20- Director's Salary:** Enter amount for Director's salary and benefits (or other staff that provides administrative services for the Pre-K program). | Completed time records and appropriate allocation methods necessary to support allowable costs. |
| **Line 21- Office Supplies:** Enter amount expended for supplies used for the administration of the Pre-K program. | Paid invoices, receipts, canceled checks, etc. |
| **Line 22- Bookkeeping/Clerical:** Enter amount expended for services associated with record keeping (e.g., accounting). | Completed time records, payroll records, executed contracts, invoices, etc. |
| **Line 23- Royalties:** Enter amount expended for royalties. The allocation is based on the percentage of Pre-K revenue to total revenue. This provides the percentage to be applied to total royalty. | Revenue source documents, executed contract detailing royalty calculations and distributions. |
| **Line 24- Total Administrative Costs:** PANDA calculates sum of lines 20-23. The Pre-K provider may use no more than 6% of Pre-K funds for administrative expenses. However, when completing the reconciliation report, the provider should enter the total amount of Pre-K funds expended for administrative costs even if the total amount exceeds 6%. Administrative expenses beyond 6% may result in funds due back to DECAL. | |
| **Line 25- Special Allotment/Refurbishment:** Enter any special allotment or refurbishment expenses received for the Pre-K program school year. (If applicable) | |

**Totals:**
A.  Total Pre-K Revenue for 2023 (auto field): The sum of monthly payments from Bright from the Start is PRE-POPULATED
B.  Total expenditures (auto field): The sum is calculated by the system automatically.
C.  Balance (auto field):  Calculation of the difference between A-B.
D.  Amount Due to DECAL: This line consists of unmet Georgia's Pre-K expenditure requirements and unaccounted for Pre-K revenue. This balance should be remitted to Bright from the Start at the following address:

<div align="center">

**Bright from the Start**
**Georgia Department of Early Care and Learning**
**Attn:  Pre-K Repayment**
**2 Martin Luther King Jr. Drive, SE**
**Suite 754, East Tower**
**Atlanta, GA  30334**

*In the memo section of the check/money order, please include:*
*Pre-K/ 2023*

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Overall, providers should be prepared to show documentation to support all costs charged to Georgia's Pre-K Program.  These documents may vary by organization but should include original source documents like canceled checks, payroll records, executed agreements, bank statements, paid invoices, and time sheets that support amounts charged.  Furthermore, only the portion of expenses that are related to Pre-K should be charged to Pre-K.  All methods for allocation along with supporting documentation should be maintained by providers.

The intent of this document is to assist in completing the reconciliation report and prepare for a possible Agreed upon Procedures (AUP) review.  During this review, the Pre-K reconciliation report is tested for accuracy.  A provider selected for this review must support costs charged to the Pre-K program with records that will allow a third party to recalculate costs charged.  Every element of that calculation must be verifiable.

DECAL is committed to fiscal responsibility.  Our agency must assure the citizens of the State of Georgia those funds are spent in accordance with program policies.  Please remember the importance of accurate records and complete documentation for the reconciliation requirement and your Grant Agreement with this agency.  Prior to submitting your reconciliation, you will be required to agree to the following statement:

> I certify that the statements I have made to Bright from the Start are true and accurate to the best of my knowledge.  I understand that any false, fraudulent, or fictitious statement or representation made to Bright from the Start is punishable by law and could result in a felony charge and/or civil penalties of up to $11,000 plus damages for each false claim made, pursuant to O.C.G.A. *§* 16-10-20 and 23-3-121.

If you have questions or concerns regarding the reconciliation report or AUP review process, email: **panda.recon@decal.ga.gov**.

**Saving and Submitting the Original Reconciliation Report**

If you do not complete the process and must stop entering your information for some reason, click the **'Save'** button at the top of the page. The **'Save'** option will only save the information entered thus far. It WILL NOT submit your recon package. Once you are ready to complete your package:

1. Log back on to PANDA using your user ID and password.
2. Click on the **'Recon'** button on the list of options on the left side of the screen.
3. Click the **'Online Forms'** button at the top of the screen.
4. Go to the **'Recon Report'** by clicking on that icon to view the incomplete package. 0.
   Then finally click the **'Edit'** button to complete your original recon report.

To submit the reconciliation report, click the **Submit** button. Clicking the **'Submit'** button submits your recon package to Bright from the Start and automatically saves the package onto the PANDA system.

**NOTICE: Once you click the 'Submit' button no further changes can be made to the recon package. You will only be able to view the information. All changes must be made through the submission of an amended package.**

**Submitting Amendments to the Reconciliation Report**

Because the system automatically saves the original recon report after submission, submitting amendments are identical to submitting the original recon packet. Once you are ready to submit an amendment:

1. Log onto PANDA using your user ID and password.
2. Click on the **'Recon'** button on the list of options on the left side of the screen.
3. Click the **'Online Forms'** button at the top of the screen.
4. Go to the **'Recon Report'** by clicking on that icon to view the incomplete package.
5. Then click the **'Amend'** button at the top of the screen.
1. Then finally click the **'Edit'** button to complete your amended recon report.
2. To submit the reconciliation report, click the **Submit** button **before** saving.

Once you click the **'Edit'** button, look at the Package Version located under your company's information. It will display **'Amendment 1'**. Now you can begin entering any changes that are required.

The save and submit instructions are also applicable to amended recon packages. To save or submit an amended recon package, follow the instructions located in the 'Saving and Submitting the Original Reconciliation Report' section of the instructions. Once an amendment is submitted to Bright from the Start it cannot be revised. Any adjustments that are necessary must be completed through the submission of an additional amendment.

**Managing PANDA User Accounts**

**PANDA Provider User Roles**

Each PANDA user is assigned a user role. User roles control the data that users can view and the tasks that users can perform. Users can also be assigned multiple roles, but this should be done with caution.

There are four provider user roles:

- Each provider is initially assigned one account with the **Provider Management** (ProviderMgmt) role. This user is the main person associated with your company and its sites. This person can log into PANDA and perform all tasks that providers are authorized to perform.

- The user assigned the **Provider Management** (ProviderMgmt) role can set up PANDA accounts for provider employees to allow them to perform limited tasks. Users assigned the **Provider Application Maintenance** (ProvAppMtn) role can enter application data and view the status of the provider's application. They cannot add other users or edit your Company Profile. Users assigned the **Provider Roster** (ProvRoster) role can enter roster data. Users assigned the **Provider Finance** (ProvFinance) role can view and print payment advices, as well as complete and submit reconciliation reports.

**Adding New Provider-Level Users**

Providers can set up additional users. These users will be able to work with your company data in the **Role** criteria by using the drop-down feature to select **ProviderMgmt**, **ProvAppMtn**, **ProvRoster,** or **ProvFinance** options.

1. From the main menu select **System Administration**. The **User Search** screen displays.

2. Click the **Add** button. The **Add User** screen displays.



3. Enter the new user's first and last names.

4. In the **Login ID** field, enter the name that the user will use to log into PANDA.

5. In the **Email** field, enter the new user's email address.

6. Click the drop-down feature by the **Role** Criteria to select the appropriate role for the user **ProvAppMtn**, **ProviderMgmt**, **ProvRoster,** or **ProvFinance** options.

**Reminder**

**Provider Management** (ProviderMgmt) role. This user is the main person associated with your company and its sites. This person can log into PANDA and perform all tasks that providers are authorized to perform. The user assigned the **Provider Management** (ProviderMgmt) role can set up PANDA accounts for provider employees to allow them to perform limited tasks.

**Provider Application Maintenance** (ProvAppMtn) can enter application data and view the status of the provider's application. This role cannot add other users or edit your Company Profile.

**Provider Roster** (ProvRoster) role can enter roster data.

**Provider Finance** (ProvFinance) role can view and print payment advices and complete and submit reconciliation reports.

7. To add the new user, click the **Save** button. PANDA displays a message that states that the user was saved. The user can now log into PANDA (using *initpass* as their initial password) and perform the tasks permitted by their user role.
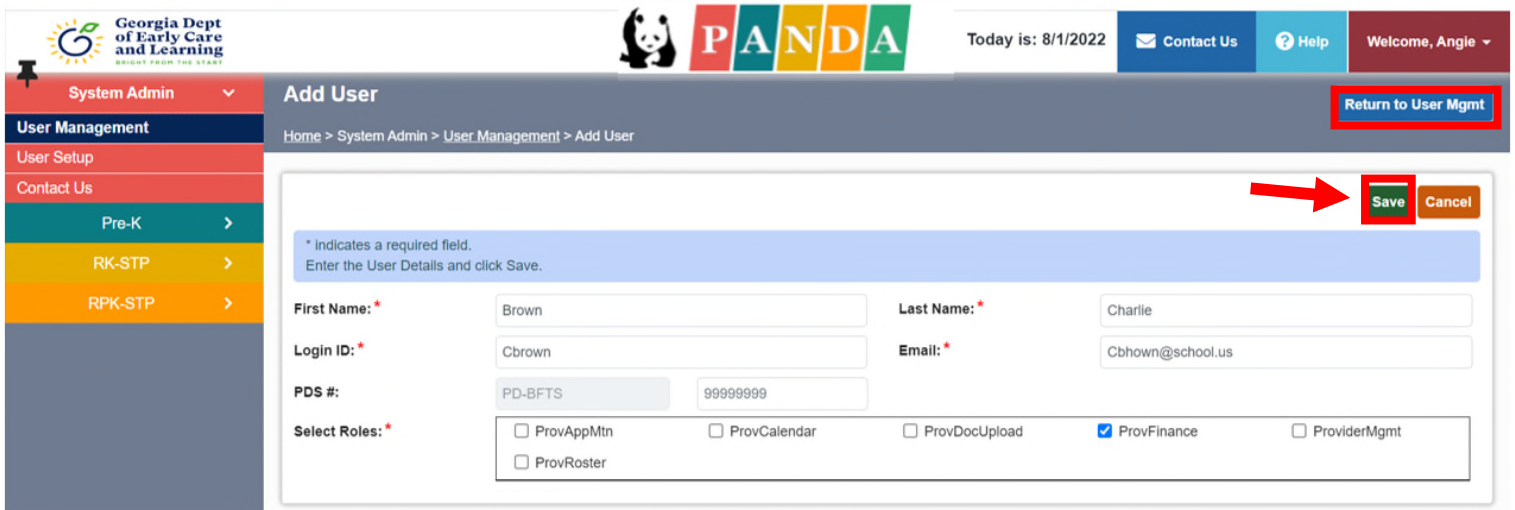


8. Click the **Return to User Mgmt.** button. The **User Search** screen displays.

9. Click the **Search** button. PANDA lists the new user in the search results.

**Editing User Accounts**

1. To edit a user account, click the highlighted blue Select button under user's last name option on the User Search screen. The User Details screen displays in view-only mode.



2. You can perform the following tasks:
   - To terminate the user's access to PANDA, click the **Inactive** button.
   - To activate an inactive user, click the **Active** button.
   - To reset the user's password to the default initial password, click the **Reset Password** button. PANDA will prompt the user to select a new password at the next login.
   - To change the user's name, login ID, email address, or role, click the **Edit** button, make your changes, and then click the **Save** button. PANDA updates the user information.