

## Financial Accounting and Interoperability Standards for Software Used by School Districts

Section 2.06 of House Bill No. 1705 amended Subchapter I, Chapter 39, Education Code by adding Section 39.205 that Requires DIR, in cooperation with the commissioner of education, to adopt performance and interoperability standards for software used by school districts for financial accounting or attendance reporting.

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Pursuant to [House Bill 1705](#), the Texas Education Agency (TEA) has developed the following interagency standards for a district financial and student management system as required by the state of Texas.

### *Section 1 – Purpose*

The purpose of these standards is to provide a foundation for selecting software capable of streamlining state, district, and school operations. While some packages may combine business and student management functionality, including attendance, many Local Education Agencies (LEAs) manage these operations with separate financial and student information applications.

### *Section 2 – Agency Responsibilities*

In developing and procuring electronic information resource systems, participating agencies shall conform to these standards whenever possible and practicable. Conformance to these standards is not intended to require a participating agency to make significant custom modifications to the agency's information system or to incur significant expense, but rather to guide new development, procurement, and modification of existing systems. Information gathered or shared by agencies through the implementation of these standards or subsequent interagency systems may not be used to enforce Title 8 of the United States Code [Aliens and Nationality]. These standards should apply to projects with a start date of September 1, 2011 or later. These standards should not be considered in isolation from other applicable data and security standards. Participating agencies should closely consider individual agency infrastructure, applications, and information security capabilities such that they conform to base standards.

### *Section 3 – General Standards*

These general standards apply to all modules and functionality of the financial and attendance systems. If any functionality is supplied by additional applications, these shall be fully operational, ideally sharing a common database, or at minimum, capable of communicating data via established interoperability standards.

1. The system shall adhere to all state and federal laws applicable to technology standards and the management of public information, including:
  - The Educational Rights and Privacy Act of 1974 (FERPA)
  - The Insurance Portability and Accountability Act of 1996 (HIPAA)
  - The Americans with Disabilities Act (ADA) Section 508
  - The Texas Education Code
  - The Texas Administrative Code
  - Student Attendance Accounting Handbook for the State of Texas
  - 1997 Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity by the Office of Management and Budget (OMB)
2. The system shall use robust standard technologies, including a relational Open Database Connectivity (ODBC)-compliant database and code base compatible with widely available operating systems and query tools.

3. The system shall operate on broadband network services using widely-used browsers.
4. The system shall protect data by providing role-based secure access to accommodate different types of users and to prohibit users from viewing data for which they lack authorization.
5. The system shall provide auditing capabilities that track changes to data, including the date and time, user name associated with the change, and nature of the change.
6. The system shall be flexible and customizable to accommodate the varying needs of LEAs as well as changing local, state, and federal reporting requirements.
7. The system shall support data integrity and compliance by providing edits at points of data entry.
8. The system shall support streamlined entry, use, and reporting of data, including fully integrated modules with single sign-on, availability of data throughout system to avoid duplicate entry, flexible site configuration and year-end processing, and the capacity to import/export data to external systems.
9. The system shall support data entry by multiple methods, including batch entry and direct entry via the user interface, including attendance data entry via the gradebook interface.
10. The system shall support standards through business rules but permit configuration and overrides when permitted by law and directed by local needs.
11. The system shall provide reporting access to all data through report or query capabilities.
12. The system shall be scalable to all LEAs regardless of student enrollment.

#### ***Section 4 – Financial System Standards***

For governments to achieve their objective of accountability it is essential that they provide financial information that is both relevant and reliable to reasonably informed users. The Financial Accountability System Resource Guide (FASRG) describes the rules for financial accounting for Charter Schools, Education Service Centers and School Districts (Texas Administrative Code (TAC) §109.41). This document summarizes basic transactional accounting standards using the standard chart of accounts as prescribed in TEA Financial Accounting and Reporting (Module 1) for areas listed below, plus specific features for selected areas.

##### **General**

1. The system shall provide access to historical records for multiple fiscal and calendar years.
2. The system shall comply with and support financial transaction requirements for budgeting, accounting and reporting as described in the Financial Accountability System Resource Guide (<http://www.tea.state.tx.us/index4.aspx?id=1222>).
3. The system shall adhere to Generally Accepted Accounting Principles (GAAP).
4. The system shall comply with State and Federal grant accounting, management, and compliance rules.

##### **Accounts Receivable**

1. The system shall generate invoices.
2. The system shall generate customer statements.
3. The system shall generate aging reports.

4. The system shall generate receipts.

**Accounts Payable**

1. The system shall enable 1099 Reporting.
2. The system shall support Positive Pay.
3. The system shall support electronic and ACH vendor payments.

**General Ledger**

1. The system shall support standard TEA chart of accounts transactional posting and optional user defined fields.
2. The system shall generate working trial balances.
3. The system shall include financial reporting capabilities.
4. The system shall include financial statement capabilities.
5. The system shall enable calendar year and project year accounting.
6. The system shall have multiple accounting period capabilities.
7. The system shall have check and electronic transactional options.

**Purchasing**

1. The system shall enable contract management.
2. The system shall support next year requisitions.
3. The system shall support work flow with email notifications.

**Warehouse**

1. The system shall support multiple warehouse inventory.
2. The system shall generate shipping orders.
3. The system shall support average cost calculations for inventory.
4. The system shall generate back orders.
5. The system shall support end of year processing.
6. The system shall support re-order reporting.

**Asset Inventory, Management, and Reporting**

1. The system shall calculate depreciation.
2. The system shall enable inventory of assets.
3. The system shall enable the capitalization of assets.
4. The system shall enable asset tracking.

**Human Resources**

1. The system shall support position control management, to include:
  - Current position control
  - Scenario testing
2. The system shall maintain employee service records.
3. The system shall support employee self-service, to include:
  - Update of employee information and approval workflow
  - IRS Form W2
  - Leave balances
  - Salary and wage statements

**Payroll**

1. The system shall enable time and effort system integration, including third-party systems.
2. The system shall generate state and federal employment, salary and wage, and withholding-related reporting.
3. The system shall generate paperless salary and wage statements.
4. The system shall support automatic deposit.
5. The system shall support substitute management by employee.
6. The system shall support multiple pay rates.
7. The system shall support accruals based on assigned duties.
8. The system shall support payroll liability check automation.
9. The system shall support multiple pay frequencies.

**Budgeting**

1. The system shall support Budget to Actual revenue and expenditure analytics, monitoring and reporting.
2. The system shall support multiple scenario analysis.

**Reconciliations**

1. The system shall support general and subsidiary ledger reconciliations.
2. The system shall support payroll reconciliations.
3. The system shall support bank statement reconciliations.

**Transportation / Route Tracking****Court Filing****Requisition****Competitive Procurement Management**

## Section 5 – Attendance System Standards

A student information system (SIS) is a software application, usually comprised of multiple modules, used by education organizations to manage student data. A student information system provides the capability to track and report on attendance, demographics, grades and graduation, discipline, health, schedules, and other student data. Attendance is managed in one module of a student information system (system), but must be informed by data in other modules, such as those that maintain demographics, discipline, grades, and parent communication. Effective and accurate attendance management and reporting requires most modules that comprise a student information system, and software standards below are described accordingly.

### State and Federal Reporting

Student data are used for calculating school funding, measuring progress toward goals, and making educational policy decisions. The accuracy and reliability of student information reporting rests on the adherence of system functionality to current state and federal law.

1. Data entered and stored within the system shall be aggregated and organized efficiently for school, district, state, and federal reports, including those required for:
  - Public Education Information Management System (PEIMS)
  - Foundation School Program (FSP) and other funding programs
  - Student health-related reports, including the annual immunization status and health screenings
  - State and federal discipline reporting, including the Civil Rights Data Collection (CRDC), Individuals with Disabilities Act (IDEA) reports, the Consolidated State Performance Report (CSPR), and the Gun Free Schools and Communities Act (GFSCA) report
2. The system shall map local codes to state codes for all reported data and facilitate the transmission of PEIMS data in a manner consistent with PEIMS data standards (<http://ritter.tea.state.tx.us/peims/standards/wedspre/index.html>).
3. The system shall securely transfer student permanent records and transcripts to and from other academic institutions electronically, consistent with TReX (Texas Records Exchange) data standards (<http://www.tea.state.tx.us/index4.aspx?id=3412>).

### Attendance

The system attendance module must combine student demographic data and organization calendars and schedules to create a repository for maintaining historical and current attendance data. At its core, the system must capture and report data according to the process and procedures detailed in the [Student Attendance Accounting Handbook \(SAAH\)](#).

1. The system shall track and report all LEA- and state-required attendance information, including excessive absences and tardies, discipline-related absences, contact hour reporting.
2. The system shall support attendance recording by multiple methods, including batch entry, direct entry via the user interface, and entry via the gradebook interface.
3. The system shall support security roles for attendance entry restrictions and overrides that result in the flexibility to enter multiple records for a student in addition to a single attendance code for daily reporting for each student.

## Student and Staff Demographics

Fully integrated and available demographic data is the foundation of accurate attendance reporting.

The system shall maintain demographic information for each student and staff member and make that information available to all system modules and reports.

1. The system shall support multiple identification numbers, including:
  - PEIMS ID/State ID
  - Social security number
  - Educator ID
  - Local LEA ID
2. The system must provide mechanisms to manage duplicate demographic records and related issues, such as potential duplicate enrollment.

## Registration and Enrollment

The system shall support processing a student's entry and withdrawal from an institution in accordance to [Texas Education Code § 25.001](#). This process makes student data appropriately available within an LEA for attendance tracking, scheduling, grading, and related functions.

1. The system shall track student enrollment and withdrawal status, and link the status to Average Daily Attendance (ADA) and membership and special population calculations.
2. The system shall provide mechanisms for managing transfers, student promotion, and graduation.

## Scheduling

Master schedule and student scheduling provide the means to assign students to a baseline that makes student attendance tracking possible.

1. The system shall create a master schedule based on LEA standards and policies, course requests, course stacking and balancing needs, and available teachers, rooms, and planning periods.
2. The system shall support a variety of scheduling models and course terms, including:
  - Scheduling for different school levels
  - Block scheduling
  - Multi-track school schedules
  - Year-round school schedules
  - Semester, full year, quarter, six weeks and summer terms
  - Seven-day weeks and night school
  - Virtual and online school schedules
3. The system shall provide automated student and manual scheduling options that conform to the same rules.

## Grading/Transcripts/Graduation Plan

Grade entry and calculation is a fundamental aspect of the system, and recording attendance within the system gradebook supports accurate and timely attendance reporting.

1. The system shall track and report all LEA- and state-required grade information, including both assignment and term grades and progress reports.

2. The system shall support multiple grading scales and configurations, including alphabetic, numeric, and standards-based grades.
3. The system shall calculate and report grades, class rank, course credit, and grade point average (GPA) based on formulas designated by the LEA and within the boundaries of state and federal requirements.
4. The system shall track students on multiple graduation plans as defined by the LEA within the boundaries of state requirements.
5. The system shall withhold course credit based on defined attendance policies for absences and tardies.
6. The system shall provide official and unofficial student transcripts with the unweighted college 4-point calculation for each student on the transcript along with the cumulative GPA and rank.

### Assessment

Student assessment results are used for planning and other purposes by many LEA staff members. Access to this data is crucial to ensure that student needs are met.

1. The system shall import student assessment results and allow the manual entry of data, including state-mandated and benchmark test data, and data related to assessments for special populations and programs.
2. The system shall permit the setup and entry of data for new assessments.

### Discipline

Discipline incidents, suspensions, and student removals must be reflected accurately in attendance reporting in order to preserve the integrity of school funding. Accurate attendance reporting is dependent on discipline records that provide complete and correct data to the system attendance module.

1. The system shall track and report disciplinary incidents and related information, including date/time, all students and other persons involved, security officer involvement, actions, and reasons.
2. The system shall support both a local LEA code of conduct and the state code of conduct, including those related to Texas student discipline, law and order in public schools.
3. The system shall accurately report attendance for student removals suspensions, including students assigned to a Disciplinary Alternative Education Program (DAEP) or Juvenile Justice Alternative Education Program (JJAEP), and track course completion for students who have been removed from an instructional setting for disciplinary reasons.

### Historical Data

Historical Data is essential to track the progress of students through the educational system so the system must provide access to historical records for multiple fiscal and calendar years.

1. The system shall retain student records from previous years, including registration and enrollment, attendance, grades, basic demographic data, special program data, at-risk student status including Education Code Section 29.081 criteria, immunizations and related health data, state test scores, and yearly GPA, credits, and graduation data.
2. The system shall archive student data and records for online access for a minimum of five years.

## Health

Student health is a major factor in attendance reporting. Aspects of student health, such as screenings and clinic visits, may be tracked and reported from a system module or a third-party application. In either case, health data must be integrated with attendance data as needed to maintain accurate records of excused and unexcused absences.

1. The system shall track and report data for required health screenings as well as LEA- and campus-specific health screenings.
2. The system shall maintain an individual health record for each student that includes:
  - Records of injuries, illnesses, immunizations, and medication
  - Vital signs and BMI
  - Results of screenings
  - Insurance and health provider information
  - Clinic visits
  - Medical history

## Special Programs

Tracking and reporting special programs data adds a layer of complexity to attendance reporting. Special programs data must be aggregated with attendance data to produce accurate attendance reporting.

1. The system shall track status, entry and exit dates, and referral, placement, and services information for each student in all special programs, including:
  - Special education
  - Prekindergarten
  - Bilingual and English as a Second Language (ESL)
  - Gifted and Talented (G/T)
  - Career and Technical Education (CTE)
  - Pregnancy Related Services (PRS)
2. The system shall track status for students in special populations, including:
  - Limited English Proficient (LEP)
  - Students considered homeless
  - Students considered neglected
  - Students considered homebound
  - Students with a Section 504 Plan
  - Students with a Crisis Code
  - Migrant students
  - At-risk students including Education Code Section 29.081 criteria

## Parent/Student Portal

Whether a module of the system or a separate application, the parent/student portal is used by schools to communicate attendance data to parents and guardians and must present that data accurately, with as close as possible to real-time capability.

1. The system shall provide an online portal where parents and guardians view school-related information about their students, including attendance, grades, and assignments.
2. The system shall provide multiple language capability, at minimum in English and Spanish for interfaces and reporting used by parents and the community, including grade reports, and attendance and discipline letters.

### Technical Standards

The system shall meet these minimum technical standards.

1. The system may be hosted locally, hosted remotely, or delivered as Software as a Service(Saas).
2. A deliverable solution built on commercial software and technology that satisfies most completely the functional and non-functional requirements.
3. This solution must support an environment of concurrent users performing typical day-to-day functions including student registration, attendance entry, student scheduling, and grade entry.
4. The vendor must provide implementation support to include startup and migration of LEA data for at least five (5) school years years prior to the current school year.
5. The vendor must provide production support for that solution, specifically, support for value-added components of the commercial product.
6. The vendor must provide customer assistance/support for the solution, including basic help desk support for simple user questions concerning the base solution and for any questions concerning added components.
7. The vendor must provide a training model, including user documentation, to educate customers to use the proposed solution
8. The vendor must provide maintenance and security support (not including user account provisioning) for the solution, including:
  - The incorporation or merger of any revisions of the technology
  - The merger of other vendor-developed, added value components created separately as part of the solution
9. The vendor must provide project management and reporting.
10. The vendor must provide solution modification, enhancement, testing and performance tuning, including, but not limited to requests for specific enhancements to reporting capabilities and / or the incorporation of additional data for existing or new reporting needs.