

EDUCATION AND LABOR CABINET
Board of Education
Department of Education
(Amendment)

702 KAR 3:320. Finance officer certification requirements.

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

STATUTORY AUTHORITY: KRS 156.070, 160.431

NECESSITY, FUNCTION, AND CONFORMITY: KRS 156.070 authorizes the Kentucky Board of Education to promulgate administrative regulations necessary for the efficient management, control, and operation of the schools and programs under its jurisdiction. KRS 160.431(2) requires the Kentucky Board of Education to promulgate administrative regulations identifying and prescribing the criteria and procedures for school finance officer certification and continuing education. This administrative regulation establishes the standards for school finance officer certification and continuing education.

Section 1. Definitions.

- (1) "Break in service" means an end to the employment relationship of the individual as the designated finance officer for a Kentucky school district without a transfer of employment to another Kentucky school district to serve as the designated finance officer.
- (2) "Finance officer" means a person appointed pursuant to KRS 160.431(1).
- (3) "Finance officer intern" means any finance officer who has obtained a provisional certificate under Section 3 of this administrative regulation but who has not acquired a full certificate under Section 4 of this administrative regulation.
- (4) "Interim finance officer" means an individual who is serving as a district finance officer in a temporary capacity.
- (5) "Mentor" means an individual approved by the department to oversee a finance officer intern through the Kentucky Finance Officer Program.

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

- (1) Is employed on June 30, 2015, as a finance officer in a Kentucky school district and does not have a six (6) month or longer employment break in service as a finance officer in any Kentucky school district after June 30, 2015. A six (6) month or longer break in service as a finance officer in any Kentucky school district after June 30, 2015, shall terminate the individual's qualification for employment as a finance officer under this subsection; or
- (2) Obtains a provisional or full certificate under Section 3 or 4 of this administrative regulation.

Section 3. Provisional Certification.

- (1) An individual who is seeking to be employed as a finance officer in a Kentucky school district who does not meet the requirements of Section 2(1) of this administrative regulation and who does not possess a full certificate shall secure a provisional certificate by submitting the Provisional Certification Application Form to the department to verify the individual meets the following eligibility requirements:
 - (a) A minimum of ten (10) years' work experience in local school district finance confirmed by the district of employment; or
 - (b) A minimum of a bachelor's degree from any accredited postsecondary institution;and

1. A minimum of twelve (12) credit hours in accounting coursework from any accredited postsecondary institution;
 2. A minimum of four (4) years' work experience primarily in accounting or finance, confirmed by the district of employment; or
 3. A minimum of two (2) years' work experience in finance in a local school district, confirmed by the district of employment.
- (2) The department shall issue a provisional certificate to an individual providing proof of the eligibility requirements of subsection (1) of this section and proof of an offer of employment as a finance officer in a Kentucky school district.
- (3) A finance officer provisional certificate shall be in effect until:
- (a) The individual obtains full certification;
 - (b) The individual fails to provide to the department the proof of progress toward full certification required by subsection (4) of this section; or
 - (c) Three (3) years have passed since the provisional certificate's issuance date.
- (4) The provisional certificate holder shall annually submit proof of progress toward full certification to the department by the anniversary of the issuance date of the provisional certificate. Failure to provide this annual proof of progress or to obtain full certification within three (3) years of the issuance of a provisional certificate shall result in the loss of the provisional certificate.

Section 4. Full Certification.

- (1) An individual who is eligible for employment as a finance officer under Section 2(2) of this administrative regulation shall apply for full certification prior to the expiration of the provisional certificate by submitting the Full Certification Application Form to the department to verify:
- (a) Current provisional certification;
 - (b) Completion of the Kentucky Finance Officer Program under Section 5 of this administrative regulation;
 - (c) Fifteen (15) hours of finance officer training from the Finance Officer Curriculum, provided by a department-approved training provider; and
 - (d) Twelve (12) hours of training in the state-approved school district financial software package provided by a department-approved training provider.
- (2) A full certificate shall be renewed automatically unless the finance officer fails to meet the biennial continuing education requirements of Section 6 of this administrative regulation.

Section 5. Finance Officer Provisional Certification.

- (1) Within thirty (30) days of employment as a finance officer, apply for the provisional certification.
- (2) An assessment committee shall consist of:
- (a) The mentor assigned by the department;
 - (b) The employing district's superintendent or designee; and
 - (c) A department representative; and
- (3) The mentor and intern shall complete a signed Mentor-Intern Agreement.
- (4) Mentors shall meet the following qualification requirements:
- (a) Possess full certification under this administrative regulation or meet the requirements of Section 2(1) of this administrative regulation;
 - (b) Complete the department's mentor training; and
 - (c) Complete the Mentor Application Form.
- (5) Mentors shall:
- (a) Work with finance officer interns to develop a chronological task plan based on the Finance Officer Curriculum;
 - (b) Continue the mentorship for a period of twelve (12) consecutive months;

- (c) Document the time spent mentoring and provide a summary of the content on the Curriculum Summary Form;
 - (d) Document attendance by the finance officer intern at any mentoring meetings during the internship; and
 - (e) Serve as a mentor for no more than two (2) individuals concurrently.
- (6) Mentors shall be eligible to earn, as a mentor, a maximum of twenty (20) hours of continuing education during the mentorship, toward the requirement of KRS 160.431(3) for the mentor training and mentor contact.
- (7) Mentors shall be eligible to receive from available funds an annual stipend, not to exceed \$1,500 each fiscal year per individual mentored, from the department for the mentorship. A district may also choose to reimburse the mentor for any expenses, including travel, and provide a separate, additional stipend to the mentor. If the Assessment Committee requires a finance officer intern to repeat a portion or the entire internship curriculum under subsection (9) of this section, then a mentor shall not be eligible to receive the stipend from the department for additional fiscal years of mentorship required by the Assessment Committee. The district may still reimburse and provide a stipend to a mentor of a finance officer intern in any additional fiscal years of internship required by the Assessment Committee. A partially completed mentorship may be subject to a reduced stipend approved by the department.
- (8) The Assessment Committee shall:
- (a) Assist in the development of the intern's chronological task plan required in subsection (4)(a) of this section;
 - (b) Meet six (6) months after the initiation of the internship to assess progress;
 - (c) Assess whether the finance officer intern completed the internship; and
 - (d) Complete the Assessment Committee Report Form.
- (9) As part of its assessment, the Assessment Committee shall consider:
- (a) Documentation provided by the mentor, pursuant to subsection (5) of this section;
 - (b) The recommendation of the provisional finance officer's superintendent based on actual work performance; and
 - (c) Internal approval by the department of work product submissions and interactions.
- (10) Based upon the information obtained pursuant to subsection (7) of this section, the Assessment Committee shall do one (1) of the following at the end of the internship:
- (a) Declare the internship completed;
 - (b) Require the finance officer intern to repeat a portion of the internship curriculum;
- or
- (c) Require the finance officer intern to repeat the entire internship curriculum.
- (11) The finance officer intern may request a different mentor if the Assessment Committee requires the internship to be repeated.
- (12) The mentor may request to be replaced by another mentor if the Assessment Committee requires the internship to be repeated.

Section 6. Continuing Education.

- (1) Fully certified finance officers and those qualified under Section 2(1) of this administrative regulation shall meet the continuing education requirements of KRS 160.431(3). A break in service for any length of time for any finance officer shall not reduce the continuing education requirements of KRS 160.431(3).
- (2)
- (a) Each finance officer shall complete at least eighteen (18) hours of continuing education by June 30 of each fiscal year; and
 - (b) Each finance officer shall complete at least forty-two (42) hours of continuing education in a biennium.
- (3) The department shall approve continuing education courses offered by providers that:

- (a) Include the following subject areas:
 1. Evaluation of financial staff;
 2. Financial system management, including payroll, purchasing, budgeting, general ledger, and financial reporting;
 3. Alignment of the financial budget with federal and state law requirements;
 4. Analysis of district financial data and provision of financial reports to the local board of education, school councils, and the department;
 5. Comprehension of the district vision for education and the role of district finances in accomplishing that vision;
 6. Interpretation, use, and communication of financial data and financial strengths and weaknesses of the district to the local board of education, school councils, and the community;
 7. Professional development designed to support any existing district improvement plan; or
 8. Courses offered as Continuing Professional Education (CPE) provided by professional organizations;
- (b) Adhere to research-based principles of adult learning;
- (c) Reflect current thinking in the field and promote generally accepted accounting practices;
- (d) Provide for active engagement of participants;
- (e) Extend participants' learning, financial, and leadership skills; and
- (f) Contain course materials instructional in nature and not marketing or sales oriented.
- (4) Continuing education course providers approved by the department shall maintain the necessary records to:
 - (a) Evaluate every continuing education course session;
 - (b) Track attendance;
 - (c) Evidence course completion consisting of a document prepared by the course sponsor indicating the attendee completed a formal program of learning including the:
 1. Names of the attendee and program sponsor;
 2. Program title and field of study;
 3. Dates attended; and
 4. Number of hours awarded.
 - (d) Maintain certificate of completion records for a period of five (5) years;
 - (e) Ensure assigned trainers have skill, knowledge, and experience relevant to the subject matter; and
 - (f) Disclose the subject areas in which training is to be provided.

Section 7. Revocation and Appeal for Reinstatement of Full Certification.

- (1)
 - (a) Failure to meet the annual requirement of eighteen (18) hours of continuing education of Section 6(2) of this administrative regulation shall result in a temporary suspension of a finance officer's full certification.
 - (b) The department shall notify the district superintendent of the temporary suspension.
 - (c) The certificate holder shall complete the required number of hours of continuing education by the end of the biennial period.
 - (d) Three (3) temporary suspensions shall result in revocation of the full certification.
- (2) Failure to meet the biennial requirement of forty-two (42) hours of continuing education shall result in revocation of the full certification.
- (3) The certificate holder may appeal to the department for reinstatement of a provisional or full certification which has been revoked under subsections (1) or (2) of this section if:
 - (a) The certificate holder requests reinstatement and provides supporting documentation to the department; and

- (b) The certificate holder has fulfilled all requirements of the provisional or full certification including the required continuing education for the latest fiscal year.
- (4) The department shall review and decide regarding reinstatement within thirty (30) days of receipt of the appeal. The department shall reinstate a certificate holder who has met the requirements of subsection (3) of this section.

Section 8. Grandfather Status.

- (1) An individual eligible for grandfather status pursuant to Section 2(1) of this administrative regulation shall submit the Provisional Certification Application Form to the department.
- (2) An individual with grandfather status may obtain full certification if either:
 - (a) The department approves the individual as a mentor in the Kentucky Finance Officer Program in accordance with the requirements of this administrative regulation;
 - or
 - (b) The individual meets all provisional and full certification requirements, including successful completion of the Kentucky Finance Officer Program.

Section 9. Interim Finance Officer.

- (1) Upon written notice of a district's finance officer's departure, it shall be the responsibility of the superintendent to ensure the position vacancy is immediately posted and a search for a successor finance officer is undertaken.
- (2)
 - (a) The search process shall continue until a qualified full-time applicant is hired by the district.
 - (b) During the search for a full-time finance officer, the district superintendent may extend a limited contract to employ an interim finance officer.
 - 1. A limited contract with an interim finance officer shall expire upon the employment of a qualified full-time applicant or June 30 of each fiscal year.
 - 2. If a district superintendent wishes to extend the contract of the interim finance officer beyond the end of the fiscal year, a request must be made to the Office of Finance and Operations, Division of District Support and;
 - 3. The district may retain the former interim finance officer as a consultant as needed.

Section 10. Incorporation by Reference.

- (1) The following material is incorporated by reference:
 - (a) "Assessment Committee Report", May 2024;
 - (b) "Curriculum Summary", May 2024;
 - (c) "Finance Officer Curriculum", May 2024;
 - (d) "Full Certification Application", May 2024;
 - (e) "Mentor Application", May 2024;
 - (f) "Mentor-Intern Agreement", May 2024; and
 - (g) "Provisional Certification Application", May 2024.
- (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Education, 300 Sower Boulevard, 4th Floor, 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).

ROBIN F. KINNEY, Interim Commissioner of Education
SHARON PORTER ROBINSON, Chair

APPROVED BY AGENCY: June 13, 2024

FILED WITH LRC: June 13, 2024 at 12:25 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this proposed administrative regulation shall be held August 28, 2024 at 10:00 a.m., in the State Board Room, Fifth Floor, 300 Sower Boulevard, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing by five 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. A transcript of the public hearing will not be made unless a written request for a transcript is made. 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 August 31, 2024. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

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