Date:          July 15, 2021                                  Ref No: 21-35-23
To:            Business Officers, BAR
From:          John Ginther, Director of Accounting and Business Services
RE:            ctcLink Project and Support Funding Changes

At the June, 2021 State Board meeting, the State Board adopted a resolution that broadened the base for collecting support payments for ctcLink. This broadening is effective with the 2021-22 fiscal year, and will collect 2.5% of all Running Start revenue and 3.0% of International Contract revenue from colleges.

In addition to the Running Start and International Contract revenue to support the ctcLink support activities, the State Board also affirmed the assessment $9.1M from the colleges to handle the shortfall in revenue for the ctcLink implementation costs.

Both these items and cost allocation methods were recommended by WACTC before State Board action.

The State Board Staff have been researching different methods for the efficient collection of these revenues. The methodology that will be implemented is for colleges to calculate and remit amounts based on the specific guidance/coding provided in this memo. As with the remittance for the Innovation Account, these should be done monthly. Because these revenues tend to be focused in specific months, it is possible that individual colleges may not have a remittance every month.

### Running Start and International Contract Student Contributions

#### Revenue Coding

Based on the above decision by WACTC and the State Board of Trustees we are creating the following new Source Revenue/Revenue accounts to enable a clear distinction of revenue sources please use the following Source of Revenue for these students:

- **Running Start**:
  - Legacy – Source of Revenue 0547 – Running Start
  - ctcLink – Revenue Account 4021067 – Running Start
- **International Contract**:
  - Legacy – Source of Revenue 0545 – Intl Contract
  - ctcLink – Revenue Account 4021065 – Intl Contract

#### Remittance Coding

To allow our system to not duplicate expenditures and revenue please the following coding when remitting funds to the State Board:

- **Running Start & International Contract**:
  - Legacy – SubObject NX
  - ctcLink – Expenditure Account 5020015
- **State Board**:  

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Each district will be assessed a share of the $9.1M revenue shortfall using a formula based on each district’s share of all student headcount and FTE, each weighted 50% in the calculation. The State Board will send an invoice to each college for its share of the shortfall before the end of July.

**Remittance Coding**

To allow our system to not duplicate expenditures and revenue please the following coding when remitting funds to the State Board:

- **College:**
  - Legacy – SubObject NX
  - ctcLink – Expenditure Account 5020015

- **State Board:**
  - Legacy – Negative Expenditure SubObject SX
  - ctcLink – Revenue Account 4020120 (equivalent to SObj SX)

**ctcLink Maintenance Costs**

The quarterly billing for ctcLink IT maintenance costs will continue with no changes until such a time as WACTC and the Board agree on another method of paying for those costs. An estimated quarterly billing document will be available shortly.