

- 1.) information is necessary to calculate the social security and Medicare portions of FICA. This is most easily accomplished by sorting the information into two columns for each calendar year and totaling the columns.
- 2.) The amounts determined in 2.) above need to be accumulated and multiplied by the Title 1 percentage calculated on the current year *Schedule of Expenditures Allocated by Resource Type* to determine the Title 1 proportionate share of salaries. The amounts determined in 2.) above then need to be accumulated and multiplied by the “all other federal programs” rate to determine the all other federal programs proportionate share of salaries. The all other federal programs rate is the sum of the percentages calculated on the current year *Schedule of Expenditures Allocated by Resource Type* for all federal programs excluding Title 1.
- 3.) The reimbursement amounts will also need to be calculated at the school level to enable the reimbursements to be recorded in the individual school’s Fund 15. The social security, Medicare and TPAF rates are then applied to the salary amounts determined in steps two and three above to calculate the social security, Medicare and TPAF reimbursements due to the Department of Education for each school-based budget school. Note that the 2010-11 estimated TPAF rate of 7.05% has been used for illustration purposes in the sample schedule accessible using the link on page II-20.3. Districts should not use the estimated rate to complete the TPAF and FICA Reimbursement form. Districts must use the actual rate which will be available after the release of this Audit Program. When the actual 2010-11 TPAF rate is known, the sample schedule will be updated to reflect the actual TPAF rate. The actual TPAF rate, released on July 6, 2011, is 6.99%. The illustrative schedule has been revised July 2011 accordingly.

The federal program salaries calculated for each school in steps one through four will then be entered onto the worksheet entitled *SBB TPAF and FICA Calculation to Comply with N.J.S.A. 18A:66-90* in the applicable column and should be included in the salary amounts reported on the reimbursement form entitled, *Reimbursement to State of New Jersey – N.J.S.A. 18A:66-90*. The district should retain the worksheet and the individual school calculations as supporting documentation of the school-based budget salaries included in the amounts reported on the reimbursement form. The district’s public school accountant will need to verify these calculations prior to signing off on the reimbursement form.

Districts charge the TPAF and Social Security employer contributions related to salaries charged to federal grants to that grant budget as employee benefits (20-xxx-200-200) using an estimated rate. Throughout the year, districts debit employee benefits and credit Intergovernmental Accounts Payable – State (20-411) using that estimated rate. When the actual combined TPAF/Social Security rate is known, the accumulated expenditures and payable to the State are adjusted. The June 30 financial statement will report the amount due to the State as a liability.

SBB TPAF and FICA Calculation to Comply with *N.J.S.A. 18A:66-90*

To display the total SBB TPAF, and FICA Calculation illustration, click on the following link:

[TPAFforms10-11forSBB.xls](#)