

Elementary & Secondary Education (ESEA) Finance Monitoring Guide

Fiscal Year 2019-2020

Division of Financial and Administrative Services
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INTRODUCTION

The purpose of this document is to provide a reference to the fiscal requirements and procedures necessary for responsible financial management of ESEA grant programs. Local Education Agencies (LEAs) should utilize the guide to determine compliance with fiscal requirements as well as a technical assistance tool to prepare for fiscal monitoring.

This guidance document references Public Law 114-95 as Every Student Succeeds Act (ESSA) originally authorized under the Elementary and Secondary Education Act (ESEA) of 1965 (Public Law 89-10), Code of Federal Regulations, Uniform Grant Guidance (UGG), and the Education Department General Administrative Regulations (EDGAR).

The Department implemented the tiered monitoring process in an effort to fulfill both state and federal monitoring requirements. It is used to ensure adequate monitoring of all LEAs with additional opportunities to monitor those LEAs with high-risk characteristics. The tiered process has four components: desk audit and application review, self-assessment/desk monitoring, on-site monitoring and telephone monitoring. All components, with the exception of desk audit and application review, are organized around a three-year timeframe. The process requires that all LEAs are placed within one of the three permanent cohorts.

This process relies on access to a common monitoring tool that is organized to help LEAs improve the quality of their compliance, better organize their documentation, and provide a clear set of documents for other administrators in the LEA and for successive federal program administrators.

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- Desk Audit and Application Review Process
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General Provisions apply to the following ESEA programs:

- Title I.A Improving Basic Programs Operated by Local Educational Agencies
- Title I.C Education of Migratory Children
- Title I.D Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent or At-Risk
- Title II.A Supporting Effective Instruction
- Title III Language Instruction for English Learners and Immigrant Students
- Title IV.A Student Support and Academic Enrichment Grants
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- Title I School Improvement 1003 (a)
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Appendix A Tiered Monitoring Application User Access Guide
Appendix B On-Site Monitoring Upload Process

Additional resources:

Division of Financial and Administrative Services:

<https://dese.mo.gov/financial-admin-services/general-federal-guidance>

ESEA Finance:

<https://dese.mo.gov/financial-admin-services/esea-finance>

Consolidated Federal Programs Administrative Manual:

<https://dese.mo.gov/sites/default/files/qs-fc-admin-manual-ESSA-Jul-2018-Final-Copy.pdf>

TIERED MONITORING CYCLE

ESEA Finance will utilize the tiered monitoring process to review LEAs for fiscal compliance of all ESEA federal funds. Under the tiered monitoring process, LEAs are sorted into three cohorts. LEA cohort assignment may be found on-line at [ESEA Tiered Monitoring](#)

The schedule below specifies the monitoring schedule for each Cohort by school year. As each year is completed, the Cohort moves to the next tier in the cycle.

TIERED MONITORING SCHEDULE

Task	2017-18	2018-2019	2019-2020	2021-22
Annual Risk Assessment	All Cohorts	All Cohorts	All Cohorts	All Cohorts
Desk Review	All Cohorts	All Cohorts	All Cohorts	All Cohorts
Tier I: Desk Monitoring/Self-Assessment	Cohort 1	Cohort 2	Cohort 3	Cohort 1
Tier II: On-Site/Telephone Monitoring	Cohort 3	Cohort 1	Cohort 2	Cohort 3
Tier III: Clean-up	Cohort 2	Cohort 3	Cohort 1	Cohort 2

Each monitoring cycle/tier level in the Tiered Monitoring process is described in further detail in the following section.

TIERED FISCAL MONITORING PROCESS

The Division of Financial and Administrative Services will follow the outlined procedure to implement the tiered monitoring.

Annual Risk Assessment

A risk assessment for all LEAs is performed on annual basis. Risk factors include:

Risk Indicator	Definition
Audit Findings	Any finding from the most recent audit of LEA financial records related to the applicable Federal program
New Personnel	Any personnel new to the LEA in the most recent fiscal year responsible for Federal grants management
Fiscal Monitoring Findings	Fiscal monitoring findings from self-assessment, phone/desk review, or on-site review from the most recent fiscal year
Late Budget	Most recent budget application submitted any date after July 1
Late FER	Most recent FER submitted any date after September 30
Allocation Amount	Most recent fiscal year allocation amount in the top 10% of the Federal grant award
Overpayments	Overpayment of any amount in the most recent fiscal year
Lapsed/Forfeited Funds	Lapsed or forfeited funds of any amount in the most recent fiscal year
Last Fiscal Monitoring	Date of last fiscal monitoring (phone/desk review or on-site review) more than three years ago
LEA Personnel Attend Division Training	LEA personnel responsible for Federal grants management have not attended the Division's Financial Management training in the past three years
Financial Concerns	Identified financial concerns in the prior fiscal year, including but not limited to financial distress, impending school closure, indications of fraud/abuse, Cash Management Plan assignment, late budget/FER approval, and award restrictions
Timely Correction of Findings	LEA has not corrected all fiscal monitoring findings within given timeframe

Based upon the results of the risk assessment, all LEAs are categorized as high, medium, or low risk.

LEAs identified as high risk are subject to one or more of the following:

- On-Site Monitoring
- Desk Monitoring
- Phone Monitoring
- Submission of Additional Documentation
- Required Attendance at Trainings/Technical Assistance

LEAs identified as moderate risk may be subject to one or more of the following:

- Desk Monitoring
- Phone Monitoring
- Submission of Additional Documentation
- Required Attendance at Trainings/Technical Assistance

LEAs identified as low risk may be subject to one or more of the following:

- Desk Monitoring
- Phone Monitoring
- Submission of Additional Documentation
- Required Attendance at Trainings/Technical Assistance

Desk Audit and Application Review Process

The desk audit and application review process consists of the review and approval of budget applications, payment requests, final expenditure reports (FERs), and any other supporting documentation/data. It also includes technical assistance provided over the phone, in manuals, by email, and through trainings.

Self-Assessment/Desk Monitoring Process

The self-assessment/desk monitoring process consists of the completion and submission of a self-assessment by the LEA. The responses are reviewed by the Division and if any concerns arise during the review, LEAs may be required to submit documentation (general ledgers, invoices, policies, procedures, inventories, etc.) for further review. Corrective actions are required if there are areas of concern or compliance findings identified. The desk monitoring process is completed through the Tiered Monitoring System.

On-Site Monitoring Process

The on-site monitoring process may consist of documentation reviewed prior to and/or during the on-site visit. Upon completion of the on-site review, the Division issues a report with any required corrective actions. The on-site monitoring process is completed through the Tiered Monitoring System.

In order to expedite the review process, LEAs will be required to upload the following documentation into the Global Repository within the Tiered Monitoring System prior to the on-site review. Instructions for uploading documentation can be found in **Appendix B** at the back of this guide. **Program year specific documentation pertains to the 2018-2019 year.**

GENERAL PROVISION DOCUMENTATION

Financial Management/Separate Tracking

LEA Federal Award Identification spreadsheet for ESEA programs. Sample template is available at <https://dese.mo.gov/financial-admin-services/general-federal-guidance>

Cash Management

- Supporting documentation for selected payments outlined in monitoring letter
- Written procedures on cash management

Internal Controls

- Internal control procedures

Procurement

- Written procurement procedures which include gratuity and conflict of interest

Period of Availability/Obligations

- Documentation of first obligation
- Documentation of last obligation

Allowable Use of Funds

- Summary by function and object codes that supports expenditures on the FER for each program included in the review
- General ledger/transaction details for each program included in the review
- Written procedures on determining allowability of costs
- Written travel policy

Time and Effort Reporting

- Payroll detail for June
- June Semi-Annual Certifications for staff outlined in monitoring letter
- June Personnel Activity Report (PAR) for staff outlined in monitoring letter
- Supporting documentation and payroll transaction for one staff member from each program included in the review that was paid a stipend or extra duty pay, if applicable
- One job descriptions for each type of federally funded position

Equipment and Real Property

- ESEA equipment inventory records, if applicable
- One page of the physical inventory of ESEA equipment, if applicable

TITLE I DOCUMENTATION

- LEAs written methodology used to allocate state/local funds to each school receiving Title I funds to ensure that the school receives all the state/local funds it would otherwise receive if it were not receiving Title I funds. (Supplement Not Supplant (SNS) methodology test does not apply to single school LEAs and LEAs with only one school per grade span).
- Title I.A building budgets and expenditures

- 9/30 Report documentation, if applicable
- Comparability procedures, if applicable

The on-site monitoring process consists of the review of responses to monitoring questions and the inspection of supporting documentation provided in advance and on-site. LEAs will not be required to complete any questions in the Tiered Monitoring System for this level of monitoring. ESEA Finance staff will complete the compliance questions after reviewing supporting documentation.

After the on-site visit is complete, a report will be generated within the Tiered Monitoring System. The report will indicate if the LEA is in compliance or identify any deficiencies through a Corrective Action Plan (CAP). The LEA must correct deficiencies within a specified time frame, implement procedural changes if applicable, and evaluate those changes the following fiscal year.

FINANCIAL MANAGEMENT/SEPARATE TRACKING

The financial management system of each non-Federal entity must provide for the following:

- Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received.
 - CFDA Title and Number
 - Federal Award Identification Number (FAIN)
 - Fiscal Year of the Award
 - Name of the Federal Agency
 - Name of the Pass-Through Entity
 - Project Code
 - Source Code
- Accurate, current, and complete disclosure of the financial results of each Federal award or program.
- Records that identify adequately the source and application of funds for federally-funded activities.
- Effective control over, and accountability for, all funds, property, and other assets.
- Comparison of expenditures with budget amounts for each Federal award.
- Written procedures to implement the requirements of payment.
(See Cash Management Section.)
- Written procedures for determining the allowability of costs.
(See Allowable/Reasonable/Allocable Costs Section.)
- Grant/contract revenues, expenditures, etc. must be separately identified with project and source codes and must not be comingled with other state, Federal, and local funds.

Reference: 2 CFR Part 200.302

The Missouri Financial Accounting Manual’s purpose is to provide guidelines for the accounting of Revenue, Expenditures, and Balance Sheet items. This is to ensure all school LEAs are using the same structure to allow for Federal and State financial reporting and various calculations to be performed to analyze financial data.



The Missouri Accounting Manual provides detailed descriptions for each element of the code structure at [Accounting Manual | Missouri Department of Elementary and Secondary Education](#). Additional information on ESEA/ESSA Coding Guidance is available at [Fiscal Monitoring | Missouri Department of Elementary and Secondary Education](#).

TRACKING FEDERAL EXPENDITURES

Expenditures paid with federal funds MUST be tracked separately by using a **Project Code**. Tracking ESEA expenditures with function and object codes is not sufficient.

Revenue Code	Project Code	Revenue Code Title
5451	45100	Title I
	45101	School Improvement Grant (g) (SIG)
	45102	Title I School Improvement (a)
	45103	Title I.D - LEA
	45104	Title I.D - State Agency
5452	45200	Title I.C
5461	46100	Title IV.A Student Support and Academic Enrichment
5462	46200	Title III LEP
	46201	Title III Immigrant
5463	46300	Homeless Education
5465	46500	Title II.A
5465	46501	Math and Science Partnerships
5492	49200	Title V.B, SRSA
5492	49201	Title V.B, Rural Low-Income School
	40001	Schoolwide Pool
	40002	Early Learning Blended Pool

The general ledger must clearly define ESEA expenditures. By tracking federal funds separately, the LEA will be able to accurately complete time certifications, equipment inventory, ensure Cash Management compliance, and compute payment requests and FER amounts.

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
<p>LEA has a method for the identification of ESEA grants and includes the following required components:</p> <ul style="list-style-type: none"> • CFDA Title and Number • Federal Award Identification Number (FAIN) • Fiscal Year of the Award • Name of the Federal Agency (USED) • Name of the Pass-Through Entity (DESE) • Project Code • Source Code 	<p>The LEAs financial management system or the Federal Award Identification spreadsheet contains all required components of identification of Federal awards received and expended and may be used to fulfill this requirement.</p> <p>http://dese.mo.gov/financial-admin-services/general-federal-guidance</p>	<p>The LEA must create a Federal Award Identification spreadsheet with the required components.</p>
<p>ESEA grants are separated from other funding source and uses DESE assigned project codes.</p>	<p>Accounting records (financial reports, ledgers, accounts) Chart of accounts/Legend</p>	<p>The LEA must utilize DESE assigned project codes for tracking expenditures paid with ESEA funds.</p>

CASH MANAGEMENT (Written Procedures Required)

The Cash Management Improvement Act (CMIA) was placed in operation to prevent interest earnings on federal funds. Section 31 CFR Part 205 “Rules and Procedures for Efficient Federal-State Funds Transfers” states that methods and procedures for payment must minimize the time elapsing between the transfer of funds from the United States Treasury to the State and ultimately to the pass-through entity. Therefore, **DESE must ensure that payments to the pass-through entity are for reimbursements only.** DESE must monitor payments to assure that they conform to the federal regulations. This applies to both monthly payment requests and final expenditure report (FER) payments. DESE does not allow advance payments.

For example, to consider the funds “spent,” the payroll transactions should be recorded on the pass-through entity’s books **and** the funds delivered to the recipients. Payment requests must only include actual cumulative expenditures up to the payment request submission date.

Interest earned on any federal funds by a pass-through entity is required to be submitted at least annually to the Department of Health and Human Services (through DESE). Up to **\$500** per year on all combined federal programs may be retained by the pass-through entity for administrative expenses. It is the responsibility of the pass-through entity to document administrative expenses claimed as an interest offset.

CALCULATING INTEREST

The interest calculation is the amount of the reimbursement times the annualized federal interest rate for the fiscal year times the number of business days the funds were held until delivery. Federal interest rates are located at <http://www.fms.treas.gov/cmia/index.html> for the applicable July 1-June 30 fiscal year. If the United States Treasury has not established a current rate, use the most recent rate.

Example: ABC School district delivered payroll checks in the amount of \$100,000 on July 29; however, they requested and received reimbursement on June 22. This is in violation of CMIA rules; therefore, the calculation of the interest is:

\$100,000	Reimbursement
X .0000006	Most recent fiscal year daily federal interest rate
X 25	<u>Business days (exclude weekends and banking holidays)</u>
\$1.50	Interest due

Reference: 2 CFR 200.305

OVER-CODING FEDERAL FUNDS

Expenditures coded in the general ledger as being paid with federal revenue must equal the amount of federal funds received. If the LEA has more expenditures on the general ledger, the LEA can’t verify exactly which expenditures were paid with federal funds.

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
LEA has written procedures on cash management that explains the process used for ensuring that Federal funds are requested on a reimbursement basis only.	LEA policies and procedures	The LEA must provide the required written procedure to ensure future compliance.
ESEA financial records show the LEA was paid on reimbursement as required by the Cash Management Improvement Act (CMIA). LEA ensures payment requests did not exceed the expenditures coded in the general ledger.	Review of school payments, Accounting records (financial reports, ledgers, accounts)	The LEA must calculate interest earnings and, if applicable, pay interest from the state and local funding sources to the federal agency (through DESE). The LEA must create a written procedure to ensure future compliance.

INTERNAL CONTROLS

The LEA must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the LEA is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Reference: 2 CFR 200.303

Internal controls safeguard the integrity of the LEAs programs and services. Internal controls are tools and/or procedures to ensure effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

Effective internal control provides reasonable assurance that misstatements, losses, fraud and abuse, and/or non-compliance with applicable laws and regulations will be prevented or detected. Internal control applies to all aspects of a LEAs operation, including programmatic, financial, compliance, etc.

Written policies and procedures explaining Internal Controls should, at minimum, include the following elements:

Segregation of Duties: Ensure duties related to authorization, processing (receipt/disbursement) and record keeping are separated. No one individual should control all key aspects of a transaction or event.

Authorization of Transactions: All transactions are reviewed by the appropriate person and supporting documentation (e.g. purchase orders, invoices, etc.) accompanies transactions being submitted for approval. Multiple signatures should be required on all transactions dealing with disbursements. Transactions should be posted and reconciled in a timely manner.

Supervision/Monitoring of Operations: There should be observation or review of ongoing operational activity to ensure efficiency and effectiveness.

Retention of Records: All documentation should be maintained to substantiate transactions according to established rules.

The federal retention period is three years for all financial and programmatic records. The starting date of retention is the day the final expenditure report is submitted. The retention period for equipment records starts on the date of disposition, replacement or transfer.

Physical Safeguards: Physical safeguards, including the use of cameras, locks, physical barriers, etc. should be in place to protect property, such as merchandise inventory.

IT Security: Establish the use of passwords, access logs, etc. to ensure access is restricted to authorized personnel.

Risk Assessment: Establish a process to identify weaknesses in overall financial management processes, and the organizational structure to determine if the structure is properly designed to reach desired goals and outcomes.

SOURCE DOCUMENTATION

Expenditures must have supporting documentation, also called source documentation. The source documentation indicates the “who, what, when, where, why and how” for an expenditure. Source documentation consists of a purchase requisition, a purchase order, receiving documentation, an invoice, and payment documentation. The following list describes the required source documentation that must be maintained for all expenditures. Without source documentation to support expenditures, LEAs cannot prove compliance with ESEA federal grant requirements.

Requisition: The requisition is the originating request for a purchase. The requisition indicates WHAT the purchase is, WHO it is for, and WHY it is needed. The requisition needs to be in written format (email, standard form, handwritten request) with an indication of approval and maintained as a part of the source documentation.

Purchase Order: The purchase order obligates funds for a purchase. It indicates WHAT the purchase consists of, HOW the purchase is obtained, and WHERE the purchase will be obtained. The purchase order must be specific enough to list the detailed items being purchased, the quantity, the vendor, the purchase price, the funding source being obligated with accounting codes, and the approval signature and date. The purchase order needs to be in written format and contain a unique identifying number for tracking purposes. The individual approving the purchase order should be different than the individual who created the original requisition, or at least have a second signature for approval if these duties can’t be segregated. The purchase order must be maintained as a part of the source documentation.

Receiving Documentation: The receiving documentation indicates WHEN the product has been received or WHEN the service has been provided. Receiving documentation can be a packing slip, timesheet, attendance certificate, etc. A signature with date should be recorded on the receiving documentation indicating verification. The receiving documentation must be maintained as a part of the source documentation.

Invoice: The invoice is the request for payment and verifies the “who, what, when, where, why and how.” The funding source and the accounting codes must be listed on the invoice and match the purchase order, as well as an approval signature with date. The invoice must be maintained as a part of the source documentation.

Payment: The payment is the documentation of the issued check or the electronic payment transmittal. The payment documentation should be verified for accuracy against the invoice before mailing. The expenditure must be logged in the general ledger at the time payment is issued and should correlate with the funding sources and accounting codes indicated on the purchase order and invoice. The payment documentation must be maintained as a part of the source documentation.

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
LEA staff duties between accounts receivable and accounts payable are segregated and/or double checked to ensure controls over fraud and abuse.	Job descriptions, interviews, policies and procedures	The LEA must assign segregated duties and/or create a second approval process/procedure to ensure future compliance with internal controls.
Supporting documents (purchase orders, invoices, etc.) are reviewed, signed and dated prior to the payment being issued.	Interviews, policies and procedures	The LEA must create a process/procedure where supporting documentation is reviewed prior to the approval of payments to ensure future compliance with internal controls.
ESEA expenditures can be traced back to a source document.	Requisitions, purchase orders, invoices, agendas, sign-in sheets	Expenditures must be supported by documentation or return ESEA funds. The LEA must create a process/procedure to ensure future compliance.

PROCUREMENT (Written Procedures Required)

Procurement standards apply to the purchase of supplies, equipment, construction (if approved) and other services funded in whole or in part by Federal grant funds. These standards should be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity and include the following:

- Non-Federal entity must use its own documented procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law.
- Non-Federal entity must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.
 - No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.
 - Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.
 - The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.
- If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state or local government, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest.
- The non-Federal entity must avoid acquisition of unnecessary or duplicative items.
- The non-Federal entity is encouraged to enter into state and local intergovernmental agreements for use of common or shared goods and services.
- The non-Federal entity is encouraged to use Federal excess and surplus property.
- The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects.
- The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.
- The non-Federal entity must maintain records sufficient to detail the history of procurement. The records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- The non-Federal entity must be responsible for the settlement of all contractual and administrative issues arising out of procurements.

Reference 2 CFR Part 200.318

COMPETITION

All procurement transactions must be conducted in a manner providing full and open competition. Situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business.
- Requiring unnecessary experience and excessive bonding.
- Noncompetitive pricing practices between firms or between affiliated companies.
- Noncompetitive contracts to consultants that are on retainer contracts.
- Organizational conflicts of interest.
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered.
- Any arbitrary action in the procurement process.

The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.
- Identify all requirements which the offerors must fulfill and all factors to be used in evaluating bids or proposals.

The non-Federal entity must ensure all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition.

Reference 2 CFR Part 200.319

Methods of Procurement: The LEA must use one of the following methods of procurement (see Procurement Claw below) or be more restrictive with their policies:

Micro-purchases: Procurement by micro-purchase is the acquisition of supplies or services which are up to \$10,000. This purchase may be awarded without soliciting competitive quotations.

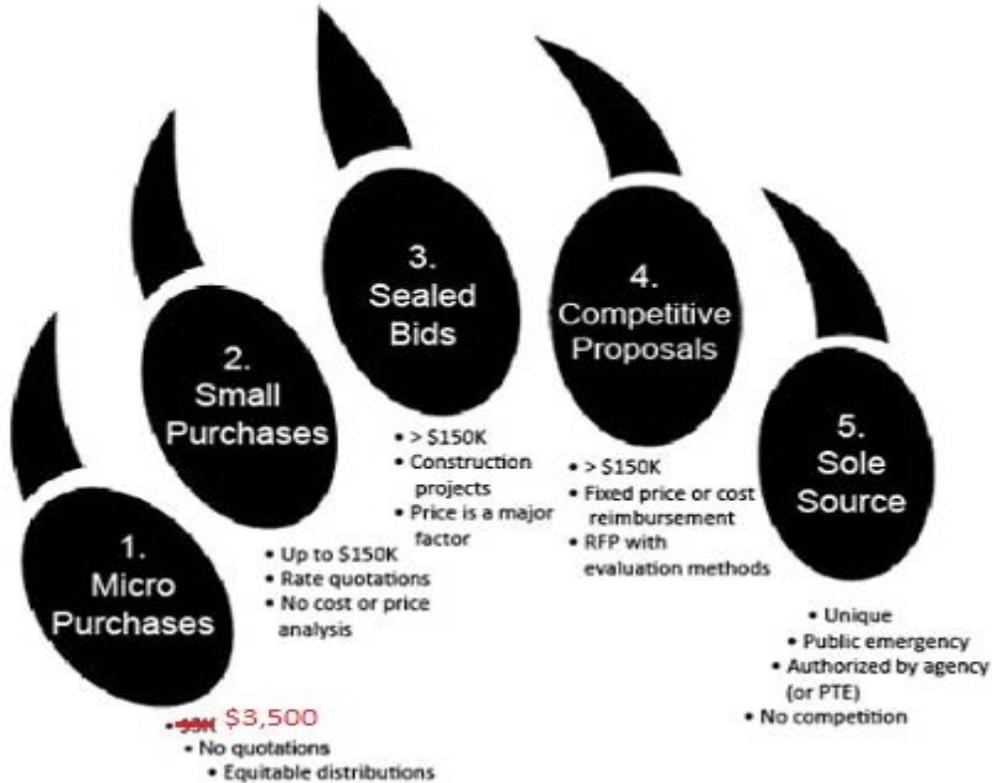
Small purchase procedures: Small purchase procedures are those simple and informal procurements for securing services, supplies or other property that cost between \$10,000 and \$250,000. Price and rate quotations must be obtained from at least two qualified sources.

Sealed bids (formal advertising): Bids are publicly solicited and a firm fixed price contract is awarded. The sealed bid method is preferred for procuring construction.

Competitive proposals: The technique of competitive proposals is normally conducted with more than one source submitting an offer and either a fixed price or cost-reimbursement type of contract is awarded.

Noncompetitive proposals: This is the solicitation of a proposal from only one source and may be used only when one or more of the following applies: The item is available only from a single source; the public emergency for the requirement will not permit a delay; the pass-through entity authorizes noncompetitive proposals in response to a written request; and/or after solicitation of a number of sources, competition is determined inadequate.

Procurement "Claw" (Section 200.320)



June 2018 Update from Federal Government

1. Micro-Purchase Threshold raised up to \$10,000 (200.67)
2. Small Purchases (Simple Acquisitions) Threshold raised to \$10,001 to \$249,999 (200.88)
3. Construction Projects raised to equal or greater than \$250,000
4. Competitive Proposals raised to equal or greater than \$250,000

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
<p>LEA has written procedures on procurement which: Addresses the standards of conduct covering conflicts of interest and governing the actions of employees engaged in the selection, award and administration of contracts:</p> <ul style="list-style-type: none"> ● Address the standards set for situations in which a financial interest is not substantial or a gift is an unsolicited item of nominal value ● Address the disciplinary actions to be applied for violations of such standards by officers, employees, or agents <p>Address applicable procurement methods:</p> <ul style="list-style-type: none"> ● Micro-purchases (up to \$10,000) ● Small purchases (\$10,001 - \$249,999) ● Sealed bids (\$250,000 or more) ● Competitive proposals (\$250,000 or more) ● Non-competitive/sole source <p>Address the process used to avoid acquisition of unnecessary or duplicative items</p> <p>Address the process used for procurement transactions that ensure that all solicitations:</p> <ul style="list-style-type: none"> ● Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured ● Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals 	<p>Discussion with LEA personnel, Accounting records (financial reports, ledgers, accounts), and written procurement procedure</p>	<p>The LEA must create a written procedure to ensure future compliance with procurement requirements.</p>

<p>LEA follows the procurement procedure for all purchases paid with ESEA funds.</p>		<p>The LEA must return the expenditures for goods or services that did not follow the procurement procedure.</p>
<p>Prior to procurement, LEA ensures contractors/vendors were not debarred, suspended, or included on the Excluded Parties List (EPL). This requirement applies to goods and services transactions expected to equal or exceed \$25,000. This requirement does not apply to employees, registrations or material and supplies.</p>	<p>If the transaction equals or exceeds \$25,000, LEAs must go to www.sam.gov or to http://exclusions.oig.hhs.gov/ to verify the status of contractors/vendors with the federal government.</p>	<p>The LEA must create a process/procedure to ensure future compliance by checking the EPL and documenting results.</p>

OBLIGATIONS

Each federal grant has a period for which funds can be obligated and spent. For ESEA programs, the grant cycle runs with the state fiscal year from July 1 to June 30, unless notified otherwise. A LEA may charge to the award only costs resulting from obligations incurred during the funding period. Also, if authorized by the applicable ESEA program, unobligated balances may be carried over and charged for obligations of the subsequent funding period.

IF THE OBLIGATION IS FOR...	THEN THE OBLIGATION IS MADE WHEN...
Acquisition of real or personal property.	On the date on which the LEA makes a binding written commitment to acquire the property. <i>(Including materials/supplies and miscellaneous items such as meeting registrations.)</i>
Personal services by an employee of the State or LEA.	When the services are performed.
Personal services by a contractor who is not an employee of the State or LEA.	On the date on which the LEA makes a binding written commitment to obtain the services.
Performance of work other than personal services.	On the date on which the LEA makes a binding written commitment to obtain the work.
Public utility services.	When the LEA receives the services.
Travel.	When the travel is taken.
Rental or real or personal property. A pre-agreement cost that was properly approved by the State under the cost principles.	When the State or LEA uses the property.

A LEA may begin to obligate funds on the later of the following two dates:

- The date that the State may begin to obligate funds (July 1),
- The date that the applicant submits its application to the State in substantially approvable form.

Reimbursement for obligations is subject to final approval of the application.

In addition, the Department has to follow period of availability requirements as well; therefore, it is important for LEAs to submit payment requests as expenditures occur and the final expenditure report (FER) by the due date to ensure timely payments.

Reference: 34 CFR 74.28 and 76.707-708

PERIOD OF PERFORMANCE

Just as each Federal grant has a period for which funds can be obligated, each Federal grant has a period of performance. Following is an illustration of the grant cycle, obligation period and FER reporting period.

The **grant cycle** runs with the state fiscal year from July 1 to June 30. LEAs may not use current year funds on a prior year obligation if grant cycles are crossed.

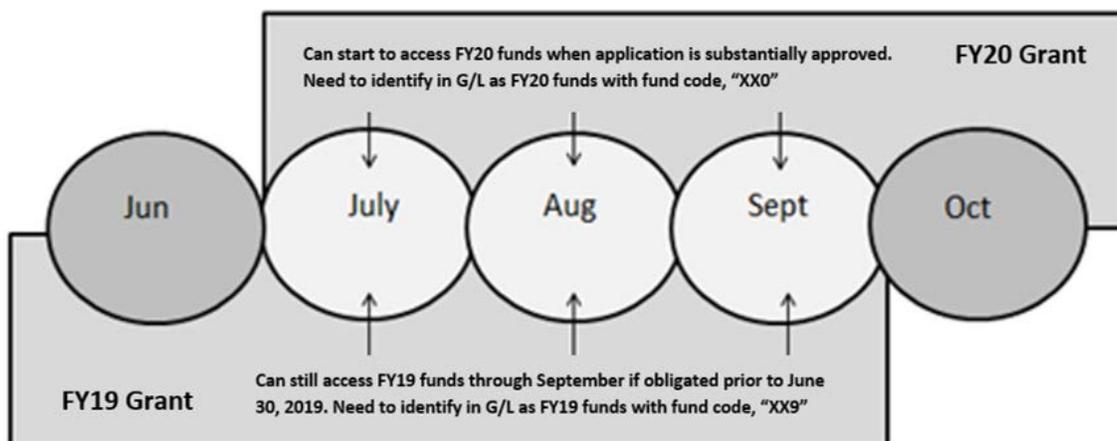
The **obligation period** is the period during the grant cycle in which funds may be obligated. Funds shall not be obligated until the budget application has been submitted. The date the application is submitted is considered the substantially approved date and funds may be obligated from that date until June 30.

The **FER reporting period** is the period during which obligations made during the obligation period are expended and reported. The FER due date has been extended to September 30 to allow LEAs additional time to close their books and report expenditures from obligations made during the obligation period of the grant cycle.

Grant Cycle	Obligation Period	FER Reporting Period
July 1 – June 30	Date of Substantially Approved Application --June 30	July 1 – September 30
Period during which funds may be obligated and expended.	Obligations occur during the grant cycle, but only after a substantially approved budget application has been submitted.	Expenditures for obligations made during the obligation period (date of substantially approved application – June 30) may be reported up until September 30.

The LEA can still access funds through September if obligated prior to June 30. However, the accounting records must identify the fiscal year the funds were obligated.

OVERLAPPING GRANT CYCLES



If a LEA does not obligate or expend all grant funds by the end of the fiscal year (June 30th), it may obligate the remaining funds during a carryover period of one additional fiscal year. Title I.A has a carryover limitation of 15%. The LEA must budget carryover funds in the current year prior to obligation. Carryover funds that have not been obligated by June 30th of the carryover period will be released upon approval of the FER.

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
<p>LEA had no obligations or expenditures prior to the substantially approved application date (July 1 or later).</p> <p>LEA ensures purchase orders were not issued/created prior to substantially approved date (July 1 or later).</p> <p>LEA ensures employee payroll outside of the fiscal year (July 1st through June 30th) is reported on the FER based on the year of the obligation, not when the payment was made.</p>	<p>General ledger, payroll records, contracts, budget application, and purchase order report</p>	<p>The LEA must Journal Voucher/Recode expenditures with other allowable expenditures; <u>or</u> return, from state and local funds, the amount obligated prior to submission date of the Budget Application.</p> <p>The LEA must create a process/procedure to ensure future compliance with obligation of funds.</p>
<p>LEA had no obligations or expenditures after the funding/award period ends (June 30).</p>	<p>General ledger, payroll records, contracts, budget application, and purchase order report</p>	<p>The LEA must Journal Voucher/Recode expenditures with other allowable expenditures; <u>or</u> return, from state and local funds, the amount obligated after the funding period.</p> <p>The LEA must create a process/procedure to ensure future compliance with obligation of funds.</p>

ALLOWABLE USE OF FUNDS (Written Procedures Required)

LEAs assume responsibility for ensuring that federal funds have been expended and accounted for consistent with program regulations and approved applications. Costs generally are categorized as either direct or indirect. All coding of direct and indirect costs should follow the Missouri School Finance Accounting Manual <http://dese.mo.gov/financial-admin-services/school-finance/accounting-manual>.

- **Direct costs** may include salaries, fringe benefits, purchased services, supplies and equipment.
 - Administrative or Clerical Staff [*Reference 200.413(c)*]
 - Direct charging of these costs may be appropriate only if all of the following conditions are met:
 - Such services are integral to a project or activity;
 - Individuals involved can be specifically identified with the project or activity;
 - Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
 - The costs are not also recovered as indirect cost.
 - Example: Job description could be used to meet these conditions along with time and effort documentation.
- **Indirect costs** are those costs which are not readily identified with the activities funded by the Federal grant or contract but are nevertheless incurred for the joint benefit of those activities and other activities and programs of the subgrantee/recipient. Accounting, auditing, payroll, personnel, budgeting, purchasing, and operation/maintenance of plant are examples of services which typically benefit several activities and programs and for which appropriate costs may be attributed to the Federal program by means of an indirect cost allocation plan.
 - The indirect cost rate used in calculating the indirect costs depends on whether the grant is a restricted or unrestricted grant.

Reference: Missouri School Finance Accounting Manual and 2 CFR Part 200.56

Reference: 2 CFR Part 200.413 and 200.414

Allowability: To be allowable under a federal award, costs must meet the following general criteria and must be in a written procedure:

- Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles;
- Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items;
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity;

- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a Federal award as an indirect cost;
- Be determined in accordance with generally accepted accounting principles (GAAP);
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period;
- Be adequately documented; and
- Be net of all applicable credits.

Reference: 2 CFR Part 200.403 and 200.406

Reasonable: A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.
- The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
- Market prices for comparable goods or services for geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal government.
- Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

Reference: 2 CFR Part 200.404

Allocable: A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to the Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- is incurred specifically for the Federal award;
- benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
- is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award.

All activities which benefit from the LEA's indirect cost, including unallowable activities and donated services by the LEA or third parties, will receive an appropriate allocation of indirect costs.

Any cost allocable to a particular Federal award may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the LEA from shifting costs that are allowable under two or more Federal awards in accordance with existing federal statutes, regulations, or the terms and conditions of the Federal awards.

Direct cost allocation principles state that if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

Reference: 2 CFR Part 200.405

UNALLOWABLE COSTS

Alcoholic beverages
Entertainment, including amusement, diversion, and social activities
Recreational field trips
Classroom parties
Goods or services for personal use
Interest costs incurred for the use of a governmental unit's own funds (CMIA)
Promotional items and memorabilia, including models, gifts, and souvenirs
Materials and supplies deemed unnecessary for ESEA program

Reference: 34 CFR 200.407

CONFERENCES/MEETINGS

A conference is defined as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the LEA and is necessary and reasonable for successful performance under the Federal award.

Allowable conference (meeting) costs paid by the non-Federal entity as a sponsor or host of the conference may include:

- Rental of facilities
- Speakers' fees
 - Employees of LEA may not be paid a speaker fee unless specifically permitted by the authorizing statute, regulation and Department
- Costs of meals and refreshments
 - Meal costs are allowed unless specifically not permitted by the authorizing statute, regulation and Department (please contact the appropriate DESE program section for further guidance).
 - If allowed, LEA may need to provide the following documentation
 - Agenda

- List of Attendees
- Meal costs are reasonable and necessary based on the LEA's policies and procedures
- Written justification to demonstrate how it meets the goals and objectives of a Federal grant
- Local transportation
- Other items incidental to such conferences

Unallowable conference (meeting) costs

- Entertainment costs
 - Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable.

Reference: 2 CFR Parts 200.432 and 200.438

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
LEA has written procedures on determining allowability of costs. Procedure must address the process used for determining the allowability of costs in accordance with Subpart E - Cost Principles of the Uniform Grant Guidance and the terms and conditions of the Federal award.	LEA policies and procedures	The LEA must provide the required written procedure. Generally, a cost is allowable if it is necessary, reasonable, allocable and documented.
ESEA funds are spent according to the approved plan, budget and final expenditure report (FER).		
LEA ensures expenditures paid with ESEA funds recorded in the general ledger match the ePeGS FER grid.	FER, Accounting records (financial reports, ledgers, accounts)	The LEA must revise the FER or recode expenditures in the general ledger to match the FER.
ESEA funds are expended for allowable activities.	Accounting records (financial reports, ledgers, accounts)	The LEA must recode an allowable expenditure from another source or return the unallowable expenditure amount.
LEA has written <u>policy</u> on travel that explains the requirements of travel status and reimbursement of travel costs. Policy must address the process used to reimburse expenses of employees on official business (actual cost basis, per diem basis, or mileage basis). Policy must address the process used to determine whether costs for travel, including lodging, subsistence, and incidental expenses, are reasonable and allowable.	LEA board approved policy	The LEA must provide the required written procedure.
ESEA travel expenses are supported by documentation that justifies that participation of the individual is necessary to the Federal award.	Travel documentation justification, conference/meeting agenda	The LEA must create a process/procedure to ensure future compliance with justification for travel.

<p>ESEA food costs at LEA hosted meetings/trainings are supported by documentation that justifies that the food is reasonable in cost, necessary to accomplish program goals and objectives, and an integral part of the program.</p>	<p>Meeting/training agenda, list of attendees, food justification documentation</p>	<p>The LEA must create a process/procedure to ensure future compliance with justification for food costs.</p>
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SUPPLEMENT/SUPLANT REQUIREMENT

Under the federal “supplement, not supplant” requirement, non-Federal entities may use federal funds only to supplement and, to the extent practical, increase the level of funds that would, in the absence of the federal funds, be made available from non-federal sources for the education of participating students. In no case may non-Federal entities use federal program funds to supplant (take the place of) funds from non-federal sources.

TITLE I

ESSA made a change to the way supplement not supplant is tested in Title I. In general terms, this means that Title I funds should add to (supplement) and not replace (supplant) State and local funds. Prior to ESSA, supplement not supplant was typically tested by analyzing an individual Title I cost’s compliance with three presumptions of supplanting; 1) an activity required by federal, state, or local law, 2) an activity that was paid for with State or local funds in the prior year, or 3) the same services for Title I students that State and local funds support for non-Title I students. **Under ESSA, compliance with SNS will no longer be tested through individual Title I costs, so the three presumptions no longer apply.**

Instead, LEAs must demonstrate that the methodology they use to allocate State and local funds to schools provides each Title I school with all of the State and local money it would receive if it did not participate in the Title I program.

NOTE: ESSA made a change to the way supplement not supplant is tested in Title I. This change does not affect how supplement not supplant is tested in other ESEA programs.

Additional information is available at <https://dese.mo.gov/sites/default/files/ffm-FiscalRequirements.pdf>

ESEA TITLE II.A, III, IV.A AND V.B PROGRAMS

LEAs that receive ESEA funds must comply with a supplement not supplant requirement. In general terms, this means that Title funds should add to (supplement) and not replace (supplant) State and local funds.

Supplanting is presumed when:

- An LEA uses Title funds to pay for an activity that is required by federal, state or local law, or
- An LEA uses Title funds to pay for an activity it supported with State or local funds the prior year.

An LEA may be able to overcome a presumption of supplanting if it has written documentation (for example, state or local legislative action, budget information, or other materials) that it does not have the funds necessary to implement the activity and that the activity would not be carried out in the absence of the Title funds.

These presumptions are rebuttable if the LEA can demonstrate that it would not have provided the services in question with non-federal funds had the federal funds not been available. For example, a LEA in the past year had used state or local funds to pay the salaries of certain personnel. The LEA then experiences significant loss of revenue. In the next year that a LEA may be able to demonstrate that the use of current year federal program funds to pay for the salary costs would not be supplanting because, without the federal funds, it would not have the resources needed to maintain these positions. This exception can also be used where the services are mandated by state law, but the state provides no funds for it.

When using this rebuttable exception it is very important that the LEA maintains good fiscal records and documentation from their Management (School Board, Board of Directors, Authorized Representatives, etc.) that will permit an auditor or program monitor to conclude that they have not supplanted.

In particular, a LEA that believes it could not maintain services previously paid with state or local funds had federal program funds not been available should:

Be able to demonstrate a decrease of state and local funds from the prior year, and the maintenance or increase in standard operating costs (salaries, benefits, supplies, etc.) from the prior year;

-OR-

Be able to demonstrate that any increase in state and local funds is less than increases of the standard operating costs, and state/local funds have not been redirected to a new activity;

-AND-

Be able to demonstrate that Management is on record as deciding to eliminate the activity under question unless a new source of funds is made available from non-state and non-local funds (in the absence of state and local funds), and the activities to be funded under a particular federal program are clearly consistent with the purpose of that program.

Federal Programs that have supplement, not supplant requirement (Restricted Rate Programs)

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
ESEA funds are used to supplement and not supplant non-federal funds.	Accounting records (financial reports, ledgers, accounts), Core Data, Job Descriptions. Additional information is on page 4 of the Fiscal Requirements Guide at https://dese.mo.gov/financial-admin-services/esea-finance/esea-fiscal-requirements	The LEA must recode an allowable expenditure from another source or return the unallowable expenditure amount.

TIME AND EFFORT REPORTING

UGG does not require semi-annual certifications or PAR reports as support for compensation expenses. However, the Missouri State Department of Elementary and Secondary Education will continue to require that all LEAs use their current internal control system of semi-annual certifications, PAR reports, or approved substitute systems. Continuing with the current system will ensure compliance with the new OMNI and give the Federal government time to issue implementation guidance for this issue.

Reference: DESE Administrative Memo dated April 2, 2015 – Note: Federal Guidance is no longer referred to as OMNI. It is now referred to as UGG.

<https://dese.mo.gov/sites/default/files/am/documents/FAS-15-003.pdf>

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements noted below and that the total compensation for individual employees:

- Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities.
- Follows an appointment made in accordance with the non-Federal entity's laws or written policies.
- Is determined and supported by appropriate documentation.

DOCUMENTATION OF PERSONNEL

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. Staff included in the consolidated schoolwide pool or Early Learning blended funding is exempt from time and effort documentation. These records must:

- Be supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable and properly allocated.
- Be incorporated into the official records of the non-Federal entity.
- Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities.
- Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy.
- Comply with the established accounting policies and practices of the non-Federal entity.
- Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal

award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases.

- Budget estimates alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes.
- Records may reflect categories of activities as a percentage distribution of total activities.

TIME AND EFFORT DOCUMENTATION FOR LEAS

Records are required for all employees, including teachers, paraprofessionals, administrators, and other staff paid with federal funds to document the time and effort they spend within the program. The portion of the federally paid salary should be reflective of the actual activity, not budgeted, the individual has put forth for that federal program. Time and effort reporting is required when any part of an individual's salary is charged to a federal program or used as match for a federal program.

Semi-Annual Certification: Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications are required to be prepared at least semi-annually. A sample form is located at:

<http://dese.mo.gov/sites/default/files/fas-SemiAnnualTimeCertification.pdf>

Monthly Personnel Activity Report (PAR): Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports (PARs). Salaries and wages of employees used in meeting cost sharing or matching requirements of Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards. A sample form is located at:

<http://dese.mo.gov/sites/default/files/fas-PersonnelActivityReport.xls>

Substitute System for Time and Effort: State educational agencies (SEAs) are authorized to approve LEAs to use a substitute system for time-and-effort reporting in accordance with the following guidelines. In permitting a LEA to use the substitute system, the SEA must obtain from the LEA a management certification certifying that only eligible employees will participate in the substitute system and that the system used to document employee work schedules includes sufficient controls to ensure that the schedules are accurate. Substitute system guidelines include:

- (1) To be eligible to document time and effort under the substitute system, employees must:
 - a. Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports;
 - b. Work on specific activities or cost objectives based on a predetermined schedule; and
 - c. Not work on multiple activities or cost objectives at the exact same time on their schedule.
- (2) Under the substitute system, **in lieu of personnel activity reports**, eligible employees may support a distribution of their salaries and wages through documentation of an

established work schedule that meets the standards under section (3). An acceptable work schedule may be in a style and format already used by an LEA.

(3) Employee schedules must:

- a. Indicate the specific activity or cost objective that the employee worked on for each segment of the employee's schedule;
- b. Account for the total hours for which each employee is compensated during the period reflected on the employee's schedule; and
- c. Be certified at least semiannually and signed by the employee and a supervisory official having firsthand knowledge of the work performed by the employee.

(4) Any revisions to an employee's established schedule that continue for a prolonged period must be documented and certified in accordance with the requirements in section (3). The effective dates of any changes must be clearly indicated in the documentation provided.

(5) Any significant deviations from an employee's established schedule, that require the employee to work on multiple activities or cost objectives at the exact same time, including but not limited to lengthy, unanticipated schedule changes, must be documented by the employee using a personnel activity report that covers the period during which the deviations occurred.

Stipends and Extra-Duty Pay: When a LEA pays for extra work beyond an employee's regular contract, then the LEA must develop beforehand written documentation that indicates the extra work to be performed, the date(s) of performance, and the amount or rate to be paid to the employee. A contract if established must also be signed by the LEA and the employee to show the acceptance of the terms.

In addition, the employee must complete time and effort documentation that supports the extra work beyond the employee's regular contract. This documentation could be a semi-annual time certification or monthly personnel activity reports.

Here is one example of how time and effort could be documented for stipends paid to teachers using ESEA Title IIA funds:

The LEA is using some of its Title IIA funds to pay a stipend to teachers participating in Professional Development activities outside of their contractual day. For instance, an Action Research PLC meets monthly for 3 hours and teachers are paid a stipend at the rate of \$20/hour (as per their contract) to participate. The PLC is facilitated by the LEA's Curriculum Coordinator.

Each time the PLC meets, the participants all sign in. At the bottom of the sign sheet is the following statement: "This is to certify that the above participants spent 100% of their time during this meeting on March 1, 2018 working on Action Research and were paid a stipend for this work with ESEA Title IIA grant funds."

It would then be signed and dated (after the fact) by the Curriculum Coordinator who has firsthand knowledge of the work performed by the participants.

MOSIS/CORE DATA CODING

All federally-funded positions, whether certificated or non-certificated, are to be reported. This includes all assignments approved in the applications, full or part-time, during or outside of school hours. **See Exhibit 15-Reporting Guidelines for ESEA Federal Programs** at <https://dese.mo.gov/sites/default/files/cd-mosis-manual.pdf>.

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
<p>Employees who work solely on a single cost objective and are paid from ESEA funds prepare semi-annual time certifications to support charges to the grant as required.</p> <p>LEA ensures the certifications are completed twice during the school year and signed by either the employee or the supervisor after the funding period listed on the certification form.</p>	<p>Semi-annual time certifications on file associated with payroll detail.</p>	<p>The LEA must complete Semi-Annual Certification forms to support employees who worked solely in the ESEA program and were paid any portion of ESEA funds or return the funds.</p> <p>The LEA must create a process/procedure to ensure future compliance with this requirement.</p>
<p>Employees who work on multiple cost objectives, including those funded through Administration Pool and are paid from ESEA funds and other funds prepare monthly time sheets to support charges to the grant as required.</p>	<p>Payroll detail for Federal Programs. Core Data will be used as a source document.</p>	<p>The LEA must complete Time and Effort Logs/Personnel Activity Reports (PARs) for employees who worked in the ESEA program and on any other program(s) and were paid any portion of ESEA funds or return the unallowable amount.</p> <p>The LEA must create a process/procedure to ensure future compliance with this requirement.</p>
<p>Employees who work on multiple cost objectives, are paid from ESEA funds and other funds, have fixed schedules and SEA approval to use the substitute system prepared certification forms to support charges to the grant as required.</p>	<p>SEA approval of substitute system, fixed work schedule, payroll records.</p>	<p>The LEA must complete Semi-Annual Certification forms/Personnel Activity Reports (PARs) for employees who worked in the ESEA program and on any other program(s) and were paid any portion of ESEA funds or return the unallowable amount.</p> <p>The LEA must create a process/procedure to ensure future compliance with this requirement.</p>

<p>Stipends and extra-duty pay are supported by a signed written agreement between the employee and the LEA that indicates the extra work to be performed, the date(s) of performance, and the amount to be paid to the employee. In addition, the employee prepares time and effort documentation as required for payment.</p>	<p>Signed written agreement; monthly/hourly time sheets or time certification</p>	<p>The LEA must create a process/ procedure to ensure stipends/extra duty work paid with ESEA funds is supported by written agreement.</p>
<p>Job descriptions of employees paid from ESEA funds are on file.</p>	<p>Job descriptions on file</p>	<p>The LEA must create a process/ procedure to ensure future compliance with this requirement.</p>
<p>Staff paid entirely or in part with ESEA funds are coded to an acceptable course and program code in Core Data/MOSIS.</p>	<p>Core Data/MOSIS reports, Core Data Exhibit 15 https://dese.mo.gov/sites/default/files/cd-mosis-manual.pdf</p>	<p>The LEA must create a process/ procedure to accurately code employees who worked in the ESEA program and were paid any portion of ESEA funds to an acceptable course code in MOSIS/Core Data.</p>

**Missouri Department of Elementary & Secondary Education
Time and Effort Reporting Guidelines**

Cost Objective	Criteria	Documentation Required
Single Cost Objective	<ul style="list-style-type: none"> Employee works solely on a single Federal award or cost objective 	Semi-Annual Certification <ul style="list-style-type: none"> Must be prepared at least semi-annually; and Must be signed after-the-fact by the employee or a supervisory official having firsthand knowledge of the work performed by the employee.*
Multiple Cost Objectives	<ul style="list-style-type: none"> More than one Federal award; Federal award & non-Federal award; Indirect cost activity & direct cost activity; Two or more indirect activities that are allocated using different allocation bases; or Unallowable activity & a direct or indirect cost activity. 	Personnel Activity Reports (PAR) <ul style="list-style-type: none"> Reflect an after-the-fact distribution of the actual activity of the employee. Account for the total activity for which each employee is compensated; Be prepared at least monthly and coincide with one or more pay periods; and Must be signed after-the-fact by the employee and a supervisory official having firsthand knowledge of the work performed by the employee.*
Multiple Cost Objectives w/ Fixed Schedule (Substitute System)	<ul style="list-style-type: none"> Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports; Work on specific activities or cost objectives based on a predetermined schedule; and Not work on multiple activities or cost objectives at the exact same time on their schedule. 	Substitute System Certification & Fixed Schedule <ul style="list-style-type: none"> Indicate the specific activity or cost objective that the employee worked on for each segment of the employee's schedule; Account for the total hours for which each employee is compensated during the period reflected on the employee's schedule; and Be certified at least semi-annually & signed by the employee & a supervisory official having firsthand knowledge of the work performed by the employee.
Stipend and Extra Duty Pay	<ul style="list-style-type: none"> Pay for extra work beyond an employee's regular contract 	Written Agreement <ul style="list-style-type: none"> Indicates the extra work to be performed; Date(s) of performance; Amount to be paid to the employee; and Must be signed by the employer & the employee to show the acceptance of the terms. AND Semi-Annual Certification or PAR <ul style="list-style-type: none"> See and follow requirements above

*Signed could be actual signature or approval in an electronic timekeeping system.

SEMI-ANNUAL CERTIFICATION

Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

I, _____, _____, certify that
(Name) (Title)

100% of my time has been spent performing duties associated with _____
(Federal Program)

for the period of _____.

Employee Signature _____

Date _____

Supervisor Signature _____

Date _____

PERSONNEL ACTIVITY REPORT (PAR)

Jane Doe Name _____ Title _____ Teacher _____ January _____ 2014 Year

DIRECT TIME PROGRAM OR COST OBJECTIVE	Month																															TOTAL HOURS
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
Title I	7	6	6	6	7		4	8		6	6			6	4	6	4					8	6	6	6	4		6	6	4	116	
Local funds	1	2	2	2	1					2	2			2	4	2	4						2	2	2	2	4		2	2	4	40
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MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF FINANCIAL AND ADMINISTRATIVE SERVICES

SUBSTITUTE SYSTEM MANAGEMENT CERTIFICATION FORM

LOCAL EDUCATION AGENCY (LEA) NAME	COUNTY-DISTRICT CODE	SCHOOL YEAR
GUIDELINES		
<p>State educational agencies (SEAs) are authorized to approve local educational agencies (LEAs) to use a substitute system for time-and-effort reporting in accordance with the following guidelines. In permitting an LEA to use the substitute system, the SEA must obtain from the LEA a management certification certifying that only eligible employees will participate in the substitute system and that the system used to document employee work schedules includes sufficient controls to ensure that the schedules are accurate.</p> <p><u>System Guidelines</u></p> <p>(1) To be eligible to document time and effort under the substitute system, employees must:</p> <ul style="list-style-type: none"> • Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports; • Work on specific activities or cost objectives based on a predetermined schedule; and • Not work on multiple activities or cost objectives at the exact same time on their schedule. <p>(2) Under the substitute system, in lieu of personnel activity reports, eligible employees may support a distribution of their salaries and wages through documentation of an established work schedule. An acceptable work schedule may be in a style and format already used by the LEA.</p> <p>(3) Employee schedules must:</p> <ul style="list-style-type: none"> • Indicate the specific activity or cost objective that the employee worked on for each segment of the employee's schedule; • Account for the total hours for which each employee is compensated during the period reflected on the employee's schedule; and • Be certified at least semiannually and signed by the employee and a supervisory official having firsthand knowledge of the work performed by the employee. <p>(4) Any revisions to an employee's established schedule that continue for a prolonged period must be documented and certified in accordance with the requirements in section (3). The effective dates of any changes must be clearly indicated in the documentation provided.</p> <p>(5) Any significant deviations from an employee's established schedule, that require the employee to work on multiple activities or cost objectives at the exact same time, including but not limited to lengthy, unanticipated schedule changes, must be documented by the employee using a personnel activity report that covers the period during which the deviations occurred.</p> <p>Submit completed form by email to spedfunding@dese.mo.gov or fax to (573) 526-8898.</p> <p>Questions: Contact the Division of Financial and Administrative Services at (573) 751-0822.</p>		
DISCLOSURE OF KNOWN DEFICIENCIES		
DESCRIBE ANY KNOWN DEFICIENCIES WITH IMPLEMENTING THE SUBSTITUTE SYSTEM, OR THE SUBSTITUTE SYSTEM ITSELF (IF APPLICABLE).		
CERTIFICATION		
I certify that only eligible employees will participate in the substitute system; and that the system used to document employee work schedules includes sufficient controls to ensure accuracy.		
SIGNATURE OF SUPERINTENDENT/AUTHORIZED REPRESENTATIVE	PRINTED NAME	DATE

The Department of Elementary and Secondary Education does not discriminate on the basis of race, color, religion, gender, national origin, age, or disability in its programs and activities. Inquiries related to Department programs and to the location of services, activities, and facilities that are accessible by persons with disabilities may be directed to the Jefferson State Office Building, Office of the General Counsel, Coordinator - Civil Rights Compliance (Title VIII IX/504/ADA/Age Act), 6th Floor, 205 Jefferson Street, P.O. Box 480, Jefferson City, MO 65102-0480; telephone number 573-526-4757 or TTY 800-735-2966; email civilrights@dese.mo.gov.

MO 500-3042 (08/14)

ENCLOSURE D
SUBSTITUTE SYSTEM EMPLOYEE CERTIFICATION FORM

Employee Name _____

Title _____

Certification Period _____

Type of Schedule

Daily

Weekly

Bi-Weekly

Other

Program or Cost Objective	Distribution of Time
TOTAL	100%

I certify that I have performed work consistent with the attached schedule and as distributed in the above percentages during the Certification Period.

Employee Signature

Date

I certify that I have firsthand knowledge that the above employee performed work consistent with the attached schedule and as distributed in the above percentages during the Certification Period.

Supervisor Signature

Date

ENCLOSURE E
SUBSTITUTE SYSTEM FIXED WORK SCHEDULE

WORK SCHEDULE—SAMPLE

Employee Name Jane Doe
Title Instructional Assistant

Monday	Tuesday	Wednesday	Thursday	Friday
8:00-8:30 Consult with staff regarding Title I students/curriculum	8:00-8:30 Consult with staff regarding Title I students/curriculum	8:00-8:30 Consult with staff regarding Title I students/curriculum	8:00-8:30 Consult with staff regarding Title I students/curriculum	8:00-8:30 Consult with staff regarding Title I students/curriculum
8:30-8:45 Break	8:30-8:45 Break	8:30-8:45 Break	8:30-8:45 Break	8:30-8:45 Break
8:45-9:15 Special ed. support	8:45-9:15 Special ed. support	8:45-9:15 Special ed. support	8:45-9:15 Special ed. support	8:45-9:15 Special ed. support
9:15-10:00 Small group reading	9:15-10:00 Small group reading	9:15-10:00 Small group reading	9:15-10:00 Small group reading	9:15-10:00 Small group reading
10:00-10:30 Small group math	10:00-11:00 2 nd grade Title I reading/math	10:00-10:30 Small group math	10:00-11:00 2 nd grade Title I reading/math	10:00-10:30 Small group math
10:30-11:00 2 nd grade Title I reading/math		10:30-11:00 2 nd grade Title I reading/math		10:30-11:00 2 nd grade Title I reading/math
11:00-11:30 Lunch Break	11:00-11:30 Lunch Break	11:00-11:30 Lunch Break	11:00-11:30 Lunch Break	11:00-11:30 Lunch Break
11:30-11:45 Individual special ed. student catch-up	11:30-11:45 Individual special ed. student catch-up	11:30-11:45 Individual special ed. student catch-up	11:30-11:45 Individual special ed. student catch-up	11:30-11:45 Individual special ed. student catch-up
11:45-12:35 Small group math	11:45-12:35 Small group math	11:45-12:35 Small group math	11:45-12:35 Small group math	11:45-12:35 Small group math
12:35-1:05 Small group writing	12:35-1:05 Small group writing	12:35-1:05 Small group writing	12:35-1:05 Small group writing	12:35-1:05 Small group writing
1:05-1:20 Break	1:05-1:20 Break	1:05-1:20 Break	1:05-1:20 Break	1:05-1:20 Break
1:20-1:40 Title I prep	1:20-1:40 Title I prep	1:20-1:40 Title I prep	1:20-1:40 Title I prep	1:20-1:40 Title I prep
1:40-2:30 First grade Title I reading/math	1:40-2:30 First grade Title I reading/math	1:40-2:30 First grade Title I reading/math	1:40-2:30 First grade Title I reading/math	1:40-2:30 First grade Title I reading/math
2:30-3:30 Title I lesson planning and student learning plan follow-up	2:30-3:00 Title I lesson planning	2:30-3:30 Title I lesson planning and student learning plan follow-up	2:30-3:00 Title I lesson planning	2:30-3:30 Title I lesson planning and student learning plan follow-up
	3:00-3:30 Bus duty		3:00-3:30 Bus duty	

EQUIPMENT AND REAL PROPERTY MANAGEMENT

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$1,000.

Reference: 2 CFR Part 200.33

Acquisition cost is defined as the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment means the net invoice price of equipment including the cost of any modifications, attachments, accessories or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included or excluded in the acquisition cost in accordance with the non-Federal entity's regular accounting practices.

Reference: 2 CFR Part 200.2

The following items are subject to the inventory management and control requirements:

- Equipment items with an acquisition cost of \$1,000 or more per unit, and
- Items with an acquisition cost under \$1,000 per unit which is considered attractive or easily pilfered.
 - These "sensitive" items include, but are not limited to:
 - audio-visual equipment
 - digital cameras
 - laptops
 - televisions
 - DVD/Blu-Ray players
 - iPads/tablets
 - cell phones/2-way radios
 - power tools
 - computers
 - computer accessories
- Software
 - Software meeting the following criteria would be considered equipment and paid for out of the Capital Projects Fund:
 - Software license that is bought that costs \$5,000 or more.
 - Internally created software costing \$5,000 or more.
 - Useful life of more than one year.
 - Further guidance is located at <http://dese.mo.gov/sites/default/files/sf-JEquipmentVersusSupply.pdf>.

Note: While the Federal government maintains an acquisition cost of \$5,000 or more per unit for inventory management and control requirements, state regulations are more restrictive at the \$1,000 or more per unit threshold and therefore supersede the Federal government amount.

MANAGEMENT REQUIREMENTS

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum meet the following requirements:

1. Inventory Management Controls
 - a. Equipment Records must be maintained and include:
 - Description of the equipment
 - Serial number or other identification number
 - Funding source of equipment [Including Federal Award Identification Number (FAIN)]
 - Located on Award Allocation Notification or
 - Located on DESE Payment Transmittal
 - Who holds the title, if applicable
 - Acquisition date
 - Cost of the equipment
 - Percentage of Federal participation in the project costs for the Federal award under which the equipment was acquired
 - Location of the equipment
 - Use and condition of the equipment
 - Any ultimate disposition data including the date of disposal and sale price of the equipment.
 - b. A physical inventory of the equipment must be taken and the results reconciled with the equipment records at least once every two years. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft must be investigated. Adequate maintenance procedures must be developed to keep the equipment in good condition.

Reference: 2 CFR Part 200.313

EQUIPMENT TRANSFER

When no longer needed for the original program or project, the LEA may transfer title to the property to the Federal Government or to an eligible third party provided that

- The LEA must be entitled to compensation for its attributable percentage of the current fair market value of the property.
- When original or replacement equipment acquired under a grant is no longer needed for the original project or program, the equipment may be transferred and used in

other projects or programs currently or previously funded by the Federal awarding agency.

- The transfer of such items should be noted on the equipment inventory maintained by the LEA.

When acquiring replacement equipment, the LEA may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

PROPERTY DISPOSITION

When the original or replacement equipment acquired under a Federal award is no longer needed for the original project or program the LEA must dispose of the equipment as follows:

- a. Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency. The disposition of such items should be noted on the equipment inventory maintained by the subrecipient/subgrantee.
- b. Items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from the sale by the Federal percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses. Proper sales procedures must be established to ensure the highest possible return.

Reference: 2 CFR Part 200.313

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
The following items are subject to the inventory management and control requirements: Equipment items with an acquisition cost of \$1,000 or more per unit, and Items with an acquisition cost under \$1,000 per unit which is considered attractive or easily pilfered.		
Equipment purchases are consistent with the budget and approved by DESE.	Accounting records (financial reports, ledgers, accounts); equipment inventory records	The LEA must return the unallowable expenditure amount.
ESEA equipment records are maintained and up-to-date.	Equipment inventory records	The LEA must add equipment purchased with ESEA funds to the master inventory listing as it is purchased and received. The LEA must create a process/procedure to ensure future compliance with equipment management requirements.
A centralized inventory control system accounts for all equipment purchased with federal funds and contains the required elements: Description, Serial number or other identification number, Funding source (including FAIN), Title holder, Acquisition date, Cost, Percentage of federal participation, Location, use and condition of the equipment, and applicable disposition data.	Equipment inventory records	The LEA must create one master inventory listing to include all equipment purchased with federal funds and include all required components The LEA must create a process/procedure to ensure future compliance with equipment management requirements.
Equipment is used for its intended purpose.	Equipment inventory records; on-site physical verification	The LEA must describe use of equipment if not used for the ESEA program or return the unallowable expenditure amount.
Controls/safeguards are in place to prevent loss, damage or theft to ESEA equipment.	Interviews	The LEA must create a process/procedure to ensure future compliance with equipment management requirements.
ESEA funds are used to supplement and not supplant non-federal funds.	Interviews; equipment inventory records, documentation of approval regarding purged items	The LEA must describe use of equipment if not used for the ESEA program or return the unallowable expenditure.

<p>Physical inventory of ESEA equipment is conducted and results documented in the equipment records at least once every two years.</p>	<p>Interviews; equipment inventory records</p>	<p>The LEA must conduct the physical inventory of equipment purchased with ESEA funds and provide supporting evidence.</p> <p>The LEA must create a process/procedure to ensure future compliance with equipment management requirements.</p>
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CAPITAL OUTLAY (NON-EQUIPMENT)

No LEA may use its grant for construction unless specifically permitted by the authorizing statute, regulation and Department.

DAVIS-BACON ACT

Laborers and mechanics employed by contractors or subcontractors to work on approved construction projects financed using federal assistance must be paid wages not less than those established for the local project area by the Secretary of Labor. Prevailing wage rates are located at: <https://www.wdol.gov/> or <https://labor.mo.gov/DLS/PrevailingWage>.

Reference: 40 Stat 1494, Mar.3, 1921, Chap. 411, 40 U.S.C. 576A-276A-5

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
Non-Equipment - vehicles or planning facility projects (minor remodeling).		
Capital Outlay purchases are consistent with the budget and approved by the Department.	Accounting records (financial reports, ledgers, accounts); budget application	The LEA must return the unallowable expenditure amount.
Capital Outlay is used for its intended purpose.	Accounting records (financial reports, ledgers, accounts)	The LEA must describe use of capital outlay if not used for the ESEA program or return as unallowable expenditure amount.
Capital Outlay complies with Davis-Bacon (wage requirements).	Accounting records (financial reports, ledgers, accounts)	LEA must create a process/procedure to ensure future compliance with capital outlay management requirements.
Capital Outlay expenditures follow LEA bidding/procurement requirements.	Accounting records (financial reports, ledgers, accounts)	LEA must create a process/procedure to ensure future compliance with procurement requirements.

SCHOOL AUDIT

All Missouri school districts, including charter schools, are required to be audited annually and to submit a copy of the audit report to the Department of Elementary and Secondary Education. In addition, districts/charter schools that expend more than \$750,000 of federal funds during the fiscal year must have a Single Audit.

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
Audits; corrective action plans for findings in two most recent years have been addressed.	Accounting records (financial reports, ledgers, accounts); LEA response to findings. DESE response to Corrective Action Plan (what actions/documentation must be provided to resolve finding)	The LEA must demonstrate implementation of corrective action plan and process/procedure.

NONPUBLIC SCHOOL SERVICES

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
The district expends or protects the equitable services allocation for eligible nonpublic school staff and/or students. Funds do not go directly to nonpublic schools.	Accounting records (financial reports, ledgers, accounts); contracts	The LEA must return unallowable expenditures.
LEA ensures only nonpublic school teachers of Title I participants receive professional development activities paid with Title I funds.	Accounting records (financial reports, ledgers, accounts); contracts to verify teacher has Title I students.	The districts must return unallowable expenditures.

TITLE I.A PROVISIONS

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
LEA has written methodology to allocate state/local funds to each school receiving Title I funds to ensure that the school receives all the state/local funds it would otherwise receive if it were not receiving Title I funds. (Supplement Not Supplant (SNS) written methodology <u>is not required</u> for LEAs with one school, only Title I schools, or only one school per grade span.	LEA policies and procedures. Additional information is on page 4 of the Fiscal Requirements Guide at https://dese.mo.gov/financial-admin-services/esea-finance/esea-fiscal-requirements	The LEA must create a written methodology to ensure future compliance with Title I.A Supplement Not Supplant (SNS) requirement.
LEA provides evidence each eligible building receives the allocated amount of funds indicated on Step 4 of the BOA and current building level budgets and expenditures correspond to the BOA.	ESEA Consolidated Application - BOA Step 4 and budget and expenditure report for each building	The LEA must create a process/procedure to ensure future compliance with Title I.A ranking and serving requirements.
Title I Targeted assistance school services are used only by participating students and according to regulations and guidelines (students identified through multiple criteria).	Teacher's class schedules, rosters, and shared lesson plans/PD records/Accounting records	The LEA must create a process/procedure to ensure future compliance with Title I.A eligibility requirements.
LEA complies with the carryover provisions of Title I. LEA has accounting records to support expenditures and obligations submitted on the 9/30 Report.	Accounting records (financial reports, ledgers, accounts)	The LEA must create a process/procedure to ensure future compliance with documentation of expenditures and obligations on the 9/30 Report.

COMPARABILITY OF SERVICES

LEAs having multiple attendance areas serving same or similar grade spans must demonstrate compliance with comparability requirements annually. LEAs identified as a single attendance area are waived from the comparability of services requirement.

The purpose of the comparability of services requirement is to ensure that Title I schools receive the same level of services from state and local funds as schools that are not receiving Title I funds (Non-title I buildings).

Demonstrating comparability is a prerequisite for receiving Title I, Part A funds.

A LEA should keep the comparability requirement in mind as it plans for the allocation of instructional staff and resources to schools for the coming school year. This would enable the LEA to minimize the potential for disruption in the middle of a school year, should adjustments need to be made to ensure that Title I schools are comparable to non-Title I schools.

A LEA must develop written procedures for complying with the comparability requirements. The comparability process must enable an LEA to identify, and correct instances in which it has non-comparable schools. An early determination of comparability would allow an LEA to make adjustments with the least amount of disruption.

In November, the Department provides LEAs with comparability reports using October MOSIS/Core Data information in computing pupil/teacher ratios. The study includes teachers that are paid in full or part with local or state funds. The study excludes teachers of supplemental educational programs that meet the intent of Title I. The comparability test has a 10% allowable variance built into the study to accommodate variances in services.

Additional information is available at:

<http://dese.mo.gov/financial-admin-services/federal-financial-management/comparability-services>

EXAMPLE:

Below is a possible timeline an LEA could follow in determining comparability:

January – April

- Engage in district-level budget (State and local funds) discussions concerning staff assignments, and distribution of equipment and materials for the purpose of ensuring compliance with Title I comparability requirements for the upcoming school year.

May – July

- Conduct meetings with appropriate LEA representatives to discuss the requirements for completing the annual comparability calculations.
- Establish participant roles and responsibilities.
- Establish specific timelines for completion of the calculations.
- Decide which calculation methodology to use.

August

- Obtain preliminary information from appropriate LEA staff.
- Identify LEA Title I and non-Title I schools.

September

- Identify date and collection methodologies for gathering data needed to complete calculations.

October

- Collect data.
- Meet with appropriate staff and calculate comparability.
- Make corrections to Title I schools shown not to be comparable.

November

- Reconvene appropriate LEA staff to address any outstanding issues.
- Maintain all required documentation supporting the comparability calculations and any corrections made to ensure that all Title I schools are comparable.

An LEA should keep the comparability requirement in mind as it plans for the allocation of instructional staff and resources to schools for the coming school year. This would enable the LEA to minimize the potential for disruption in the middle of a school year, should adjustments need to be made to ensure that Title I schools are comparable to non-Title I schools.

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
LEAs with over-lapping grade spans have written process/procedure to ensure compliance with Comparability of Services. (ESSA, 1118(c)) Title I Fiscal Issues Guidance, page 17.	Written comparability process/procedure (timeline, measure & process used to determine whether schools are comparable, and how and when the LEA makes adjustments in schools that are not comparable), completed comparability report and supporting documentation.	The LEA must submit written procedures to ensure compliance with Title I.A comparability of services requirement.

TITLE I.A AND I.D NEGLECTED AND DELINQUENT (As applicable)

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
The October caseload data at the institution has been reviewed and verified and agrees with the count submitted on the October annual survey.	There must be documentation on file to support the caseload data reported on the Annual Survey in DESE’s Compliance Plans web application since the count generates Title I funds. See Neglected and Delinquent Annual Survey .	The LEA must submit written procedures to ensure compliance with the Title I.A and I.D annual survey of caseload count requirement.

SCHOOLWIDE POOL PROVISIONS (As applicable)

CONSOLIDATING FEDERAL, STATE, AND LOCAL FUNDS IN A SCHOOLWIDE PROGRAM

By making system changes that knit together services funded from all sources into a comprehensive framework, schools have a better chance of increasing the academic achievement of all students.

By consolidating funds in a schoolwide program, a school can more effectively design and implement a comprehensive plan to upgrade the entire educational program in the school as identified through a comprehensive needs assessment.

When a school consolidates funds in a schoolwide program, those funds lose their individual identity and the school may use the funds to support any activity of the schoolwide program without regard to which program contributed the specific funds used for a particular activity.

USING FEDERAL FUNDS TO SUPPLEMENT SCHOOL REFORM

Despite the flexibilities that schoolwide programs offer LEAs and schools when using Federal funds, schools participating in a schoolwide program may still only use funds to supplement the amount of funds that would be made available for the school from State and local sources in the absence of Federal funds. (ESEA sections 1114(a)(2)(B), 1118(b)). Additional information regarding compliance with this requirement will be issued by the Department at a later date.

Monitoring Statements and Corrective Action Plans		
Requirement	Evidence	CAP
<p>LEA can demonstrate each school receiving Title I funds receives all the state/local funds it would otherwise receive if it were not receiving Title I funds.</p> <p>(Supplement Not Supplant (SNS) written methodology <u>is not required</u> for LEAs with one school, only Title I schools; or only one school per grade span.</p>	<p>Discussion with LEA personnel, Budget and Accounting Records. Additional information is on page 4 of the Fiscal Requirements Guide at https://dese.mo.gov/financial-admin-services/esea-finance/esea-fiscal-requirements</p>	<p>LEA must create a process/procedure to ensure Federal funds supplement those funds the school would otherwise receive from non-Federal sources.</p>
<p>LEA can demonstrate it meets the intent and purpose of each Federal program whose funds it consolidates.</p>	<p>Accounting records (financial reports, ledgers, accounts)</p>	
<p>Schoolwide Pool utilizes project code 40001.</p>	<p>Accounting records (financial reports, ledgers, accounts)</p>	<p>LEA must show evidence that project code 40001 is used to track funds.</p>

APPENDIX A
Tiered Monitoring Application User Access Guide

If the LEA is unable to access the Tiered Monitoring system, contact the User Manager at the district to obtain access to the system.

First, the User Manager will give LEA User or LEA Admin status to each user that will need access to the Tiered Monitoring web application. There **MUST BE** at least one person with Tiered Monitoring LEA Admin status. The Tiered Monitoring Administrator has full access (view, data entry, and authorized representative) to the Tiered Monitoring web application.

Second, the Tiered Monitoring Administrator must assign access rights to other LEA staff with Tiered Monitoring User access using the “Maintain User Security” screen.

This is a 3-step process.

APPENDIX B On-Site Monitoring Upload Process

LEAs in Cohort 3 will use the Tiered Monitoring application’s Global Repository for 2016-2017 to upload documents or web links as evidence of compliance. In order to access the Global Repository, select “change” from the Functions menu on the left, select school year 2016-2017 and “submit”.

From the Utilities menu on the right, select Global document repository and upload a file link. In File Upload:

Document type: from dropdown list, select ESEA Finance On-site/Phone Monitoring.

Document section: from dropdown list, select General Provisions or Title I.A

Required Document: select from dropdown list

Once a document for each section has been uploaded, you may access the required upload files by selecting the section link under “Related to” from the Global Document Repository page.

Federal Monitor - LEA Home >

Global Document Repository

[+ Upload a file]

All documents uploaded by SULLIVAN are listed here; many can also be accessed on the individual Self-Assessment Documents p.

Date uploaded ▲	Description	Document	Related to
10/29/2013 12:49:00 PM	ESEA Finance web page	Elementary and Secondary Education Act (ESEA) Finance On-site/Phone Monitoring	General Provisions
10/29/2013 12:50:00 PM	ESEA Finance web page	Elementary and Secondary Education Act (ESEA) Finance On-site/Phone Monitoring	Title I.A: Improving the Academic Achievement of the Disadvantaged
10/29/2013 12:55:00 PM	test	Elementary and Secondary Education Act (ESEA) Finance On-site/Phone Monitoring	Title I.A: Improving the Academic Achievement of the Disadvantaged

Federal Monitor - LEA Home > Sections >

Upload Files for Section

Document: **Elementary and Secondary Education Act (ESEA) Finance On-site/Phone Monitoring**

Section: **General Provisions**

For School **2012-2013**
Year:

Section **In Progress**
Status:

Documents:

File Description	Required	Files
Submit district chart of accounts with coding for federal programs and building codes.	Y	There are no uploads for this document. upload file
Submit supporting documentation for payments outlined in monitoring letter.	Y	There are no uploads for this document. upload file