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Career Education Finance

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Career Education Finance

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Presentation Topics

- Federal Perkins Funding
- ePeGS
- State Career Education Funding
- Miscellaneous Career Education
- Questions



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Perkins Grant—FY2014 Set Asides

➤ State Administration (5%)	\$1,046,991
➤ State Leadership (10%)	\$2,093,982
➤ Local Programs (85%)	\$17,798,847
➤ Total	\$20,939,820



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Perkins Grant—Split of Funds

- The Perkins Act requires the eligible agency to describe in its State Plan the split of funds between secondary and postsecondary and also provide the rationale for this split of funds.
- The Department made the decision to utilize enrollment numbers to determine the split of funds.
- As a result, there is a 72/28 funding split between secondary programs and postsecondary programs.



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Perkins Grant—Secondary Formula Allocation

- The State uses the Census Bureau's estimate of the number of individuals ages 5 through 17 who reside in each school district. This number becomes the numerator.
- The State then determines the total number of individuals ages 5 to 17 for all school districts. This number becomes the denominator.
- The resulting percent is multiplied times thirty percent (30%) of the total secondary allocation for the fiscal year.



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Perkins Grant—Secondary Formula Allocation

- The State uses the Census Bureau's estimate of the relative number of children in poverty ages 5 through 17 who reside in each school district. This number becomes the numerator.
- The State then determines the total number of children in poverty ages 5 to 17 for all school districts. This number becomes the denominator.
- The resulting percent is multiplied times seventy percent (70%) of the total secondary allocation for the fiscal year.



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Perkins Grant—Postsecondary Formula Allocation

- The State uses the number of individuals enrolled in approved career education programs who are Federal Pell Grant recipients and recipients of assistance from the Bureau of Indian Affairs for each institution. This number becomes the numerator.
- The State then determines the total number of Federal Pell Grant recipients and recipients of assistance from the Bureau of Indian Affairs for all institutions. This number becomes the denominator.
- The resulting percent is multiplied times the total postsecondary allocation for the fiscal year.



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Perkins Grant—On-Site Financial Review

- Perkins grant separated from other funding sources
- Payment requests comply with CMIA
- Expenditures are documented and allowable
- Funds supplement and not supplant
- Obligations/expenditures incurred in a timely manner
- Time and effort records
- Equipment – locatable and inventoried



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Perkins Grant—Finance Worksheet

- Records Management
- Allowable Costs
- Time and Effort Reporting
- Equipment
- Miscellaneous



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Perkins Grant—Records Management

- Perkins grant is separated from other funding sources
- Perkins expenditures can be traced back to a source document
- Perkins financial records show the school district/PS institution spent the Federal funds within 3 days of receipt as required by the Cash Management Improvement Act (CMIA)



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Perkins Grant—Records Management

- Perkins funds may not be co-mingled with other funds so that they lose their identity. Expenditures must be traceable to the source of funding. However, programs can be co-funded to maximize the available funds.
- Expenditure tracking – establish a separate account for the Perkins grant or assign an accounting code to the Perkins grant identifying the line items of the Perkins approved budget.
- Program administration (5%) – must be tracked separately utilizing a Perkins account or code



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Perkins Grant—Records Management

- EDGAR indicates the requirements for records related to grant funds and the standards for financial management.
- Part 76.730 states that records should show the amount of funds under the grant and how the funds were used. The records should also be able to facilitate an effective audit.
- Part 80.20 states that fiscal control and accounting procedures should permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the grant. The records must also adequately identify the source and application of the Federal funds.



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Perkins Grant—Allowable Costs

- Perkins funds are spent according to the approved plan, budget, and final expenditure report (FER)
- Perkins funds are obligated and expended during the period of availability
- Perkins funds are expended for allowable activities
- Perkins funds are used to supplement and not supplant non-Federal funds
- Perkins funds used for program administration do not exceed 5% of the total Perkins expenditures



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Perkins Grant—Allowable Costs

- Amounts reported on the budget and FER must be accurate and supported by documentation maintained by the subgrantee
- Expenditures must be appropriately budgeted and approved by the Department (especially equipment)
- Amounts reported on the FER must agree with actual expenditures
- Professional development (minimum of 5%)
- Program administration (maximum of 5%)



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Perkins Grant—Allowable Costs

- A subgrantee may use grant funds only for obligations it makes during the grant period.
- EDGAR Part 76.708 states that a subgrantee of the State may not obligate funds until the later of:
 - The date that the State may begin to obligate funds (July1)
 - The date that the subgrantee submits its application to the State in substantially approvable form



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Perkins Grant—Allowable Costs

- Supplanting is presumed to have occurred when:
 - The LEA used Federal funds to provide services which were provided with non-Federal funds in the prior year
 - The LEA used Federal funds to provide services that the LEA was required to make available under other Federal, State or local laws



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Perkins Grant—Allowable Costs

- Section 135 of the Perkins Act (Local Uses of Funds)
- Approved Perkins Plan and Budget
- OMB Circular A-21 (community colleges and universities)
- OMB Circular A-87 (secondary school districts)
- List of Allowable/Unallowable Costs
- Contact Finance Section



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Perkins Grant—Time and Effort Reporting

- Employees paid from Perkins secondary funds prepare monthly Personnel Activity Reports (PARs) to support charges to the grant or prepare Semi-Annual Time Certifications that state they worked solely on career and technical programs as required per OMB A-87
- Employees paid from Perkins postsecondary funds prepare Time and Effort Reports as required per OMB A-21
- Job descriptions of employees paid from Perkins funds are on file



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Perkins Grant—Time and Effort Reporting

- OMB Circular A-87 states 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 must be prepared at least semi-annually and must be signed after-the-fact by the employee or supervisory official having firsthand knowledge of the work performed by the employee.
- Employees who are paid 100% from Perkins funds or are paid a portion from Perkins funds and work on one cost objective.



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Perkins Grant—Time and Effort Reporting

- OMB Circular A-87 states where employees work on multiple cost objectives, a distribution of their salaries must be supported by Personnel Activity Reports (PARs).
- The PAR must:
 - reflect an after-the-fact distribution of the actual activity of the employee
 - account for the total activity for which the employee was compensated
 - be prepared monthly
 - be signed after-the-fact by the employee
 - be reviewed quarterly to ensure the percentages reflect how the employee was actually paid
- Employees who are paid a portion from Perkins funds and work on multiple cost objectives.



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Perkins Grant—Time and Effort Reporting

- OMB Circular A-21 states that distribution of salaries will be supported by after-the-fact activity reports.
- The activity reports must:
 - reflect the distribution of activity expended by the employee
 - reflect an after-the-fact reporting of the percentage distribution of activity of the employee
 - be signed by the employee, principal investigator, or responsible official using suitable means of verification that the work was performed
 - be prepared each academic term for professional staff and monthly for all other employees



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Perkins Grant—Time and Effort Reporting

- Stipends and extra-duty pay must be supported by a signed written agreement between the employee and the school district/PS institution.
- The written agreement must:
 - indicate the extra work to be performed, the date(s) of performance, and the amount to be paid to the employee
 - be signed by the employee and the school district/PS institution to show the acceptance of the terms
- In addition, the employee must prepare time and effort documentation as required by OMB A-21 or A-87



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Perkins Grant--Equipment

- Equipment purchases are consistent with the budget and approved by the Department
- Perkins equipment records are maintained and up-to-date
- Perkins equipment is located on-site and used for its intended purpose
- Controls/safeguards are in place to prevent loss, damage or theft to Perkins equipment
- Physical inventory of Perkins equipment is taken and results reconciled with the equipment records at least once every two years



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Perkins Grant--Equipment

- Equipment is defined as tangible personal property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit.
- Subgrantees must complete the Capital Outlay page in ePeGS.



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Perkins Grant--Equipment

- EDGAR Parts 74.34 and 80.32 state equipment records must be maintained that include:
 - Description of the equipment
 - Serial number, model number, or other ID number
 - Funding source of the equipment
 - Acquisition date and cost
 - Percentage of Federal participation
 - Location, use, and condition of the equipment
 - Ultimate disposition data, including the date of disposal and sale price of the equipment
- EDGAR Parts 74.34 and 80.32 also state a physical inventory of the equipment must be taken and documented at least once every two years.



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Perkins Grant—Miscellaneous

- Consortium requirements in Sections 131 and 132 of the Perkins Act have been met
- Postsecondary Pell Grant data are collected and reported accurately



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Perkins Act—Miscellaneous

- Sections 131 (Secondary) and 132 (Postsecondary) of the Perkins Act state that funds allocated to a consortium formed to meet the requirements of this section shall be used only for purposes and programs that are mutually beneficial to all members of the consortium and can be used only for programs authorized under this title.
- Such funds may not be reallocated to individual members of the consortium for purposes or programs benefiting only one member of the consortium.



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Perkins Grant—Miscellaneous

- Fiscal agent should meet with all of the consortium members and determine the common needs of the consortium prior to submitting the plan and budget. This “needs assessment” should be documented to provide verification that the consortium members met and discussed these issues.
- Fiscal agent should develop a written agreement with each consortium member which indicates the amount of their Perkins funds and how the funds may be expended or how the funds will be utilized by the consortium. The agreement should also indicate, if applicable, the documentation that needs to be provided to the fiscal agent for the reimbursement of any expenditures. In addition, the agreement should be signed by the fiscal agent and each consortium member to show the acceptance of the terms.



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ePeGS—Payment Request

- New format implemented for all LEAs in FY2014
- Same concept as Final Expenditure Report (FER)
- Payment requests must reflect actual cumulative expenditures by both object code and function code
- Formula used to calculate the payment request amount is: **Actual cumulative program year expenditures to date – Amount paid to date**
- Funds must be budgeted in a cell before a payment can be requested
- Expenditure cells will be grayed out where \$0.00 has been budgeted
- Same due date—payment requests must be submitted by the 1st day of the month
- Same certification statement on payment request (CMIA requirement)



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ePeGS—Salaries and Benefits Page

- New page in ePeGS that will replace the current Supporting Data page—will be available for FY2015
- Enter data on FTEs, salaries, benefits, stipends/extra-duty pay, and substitute pay
- Include explanation of new FTEs, changes in FTEs or salaries, and stipends/extra-duty pay
- Same concept as Capital Outlay page—system will total amounts and populate data on the Budget grid



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ePeGS—Budget Revisions

- Deadline of April 30
- Budgets are estimates—do not have to agree exactly to how funds are spent
- Review budget and actual expenditures frequently—must ensure good fiscal management
- Some budget revisions are not necessary—10% variance



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ePeGS—Final Expenditure Report (FER)

- Due on or before September 30
- Must enter actual expenditures—budget amounts are shown
- Must have a budget amount before an expenditure can be reported
- 10% variance—based on total amount budgeted—then compares to program costs subtotal
- May serve as the final payment request



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State Career Education—FY2014 Set Asides

➤ Formula Funding	\$26,929,443
➤ Grant Funding	\$19,209,250
➤ Special Projects Funding	\$389,000
➤ Support Services Funding	\$2,160,000
➤ Leadership Funding	\$1,381,335
➤ Appropriation Total	\$50,069,028



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State Career Education—EIF

- Effectiveness Index Formula (EIF) is an incentive-based funding system based on two components: placement and enrollment
- The formula uses placement data to calculate 90% of the EIF allocation and enrollment data for the remaining 10%
- Data must be submitted through MOSIS
- Questions on data, please contact Mike Griggs or Connie O'Brien in the Office of Data Systems Management



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State Career Education—EIF

- EIF allocations consist of:
 - Base funding (\$5,000,000 area career centers and \$1,000,000 comprehensive high schools)
 - Surplus funding (unspent funds from various programs and grants at the end of the fiscal year)
 - Only area career centers receive the surplus funding



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State Career Education—Secondary Salary Reimbursement

- The last few years each school district/PS institution has received the maximum approved salary reimbursement amount that was established in FY2002.
- At this time, if a school district/PS institution cuts an instructor or closes a program, there would be no impact on the salary reimbursement. The school district/PS institution would still receive the maximum approved salary reimbursement amount. However, in the future, there will probably be changes in how career education funding is distributed, so staff cuts or program closures could potentially result in less funding down the road.



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State Career Education—Adult/Postsecondary Salary Reimbursement

- The Department recently implemented a new Adult/Postsecondary Reporting System which replaced the FV-1/VECS forms
- Salary reimbursement amounts and calculations were not changed
- Data must be submitted through MOSIS
- Questions on data, please contact Mike Griggs or Connie O'Brien in the Office of Data Systems Management



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State Career Education—Other Funding

- Grant Funding
 - Enhancement Grant
 - 50/50 Equipment Grant
 - Technology and Engineering Education Grant
 - Family and Consumer Sciences Grant
 - High Schools That Work Grant
- Support Services Funding
 - Displace Homemaker (Tuition)
 - Career Education Coordinators
 - Career Education Student Services



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State Career Education—Budget and Reimbursement Forms

- FV-4—Budget Application
 - Used to report budget request
 - School enters description, quantity, and estimated unit/total cost
 - Must be signed by the school administrator
- FV-2—Reimbursement Request
 - Used to report actual expenditures
 - School enters the date purchased, vendor, description, expenditure amount, and check number
 - Must be signed by the school administrator



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State Career Education--Codes

- Program Type codes
 - Codes used to identify the various career education programs
 - Included on all career education forms (FV-2 and FV-4)
 - List of program type codes located on DESE website at:
[http://www.dese.mo.gov/divcareered/voc payment state ment.html](http://www.dese.mo.gov/divcareered/voc_payment_state ment.html)



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Miscellaneous—Perkins Financial Management Webpage

- Finance Worksheet
- List of Allowable and Unallowable Costs
- Allocations
- TAV Information
- Time and Effort Forms
- Guidelines and Program Memorandums
- Perkins Financial Management webpage located at:
http://www.dese.mo.gov/divcareered/perkins_iv_finance.htm



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Miscellaneous—Tiered Monitoring (Perkins)

- Cohort Model—LEAs are separated in 3 different cohorts
- Desk audit—review of Perkins plans and budgets (all LEAs for FY2014)
- Desk monitoring—review of Perkins self-assessment (Cohort 3 for FY2014)
- On-site monitoring—review of documentation on-site using the Perkins Finance Worksheet (Cohort 2 for FY2014)
- Access Perkins self-assessment and upload documents through Web Applications—called Tiered Monitoring



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Miscellaneous—Contact Information

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QUESTIONS???

