



NEW SUPERINTENDENT FALL MEETING

Financial and Administrative Services
ESEA/NCLB Finance

October 21, 2014

Missouri Department of Elementary
and Secondary Education

TOPICS



- Communication from DESE
- NCLB Federal Finance Calendar
- Tiered Monitoring
- Maintenance of Effort (MOE)

Communication from DESE

- Administrative Memos

<http://dese.mo.gov/am/fas/index.html>

- NCLB – Federal Program Listserv

<http://dese.mo.gov/divimprove/fedprog/FedProListservArchives.htm>



Tiered Monitoring System

Tiered Monitoring Timeline

Task	2013-14	2014-15	2015-16
Desk Audit	Cohorts 1,2,3	Cohorts 1,2,3	Cohorts 1,2,3
Desk Monitoring (Tiered Monitoring System)	Cohort 3	Cohort 1	Cohort 2
On-site /telephone (Tiered Monitoring System)	Cohort 2 On-site and telephone	Cohort 3 On-site and telephone	Cohort 1 On-site and telephone
Clean-up	Cohort 1	Cohort 2	Cohort 3

Evidence of Implementation

ESEA Finance General provisions apply to Title I.A, I.C, I.D, II.A, III LEP & Immigrant, VI.B, SRSA, Title I SI(a) and SIG, as applicable.

Financial Management



- a. ESEA grants are separated from other funding sources.

- b. ESEA expenditures can be traced back to a source document.

Accounting Records

- ❑ Use Accounting Codes in the Missouri Financial Accounting Manual
- ❑ These codes include Fund Code, Function Code, Object Code, Operational Code, and Source of Funds Code.
- ❑ Source of Funds/Project Code should be used to identify individual federal programs
- ❑ Program person should work closely with the finance person to make sure the accounting system is set up appropriately.

Accounting Code Overview

Section: C - Accounting Codes

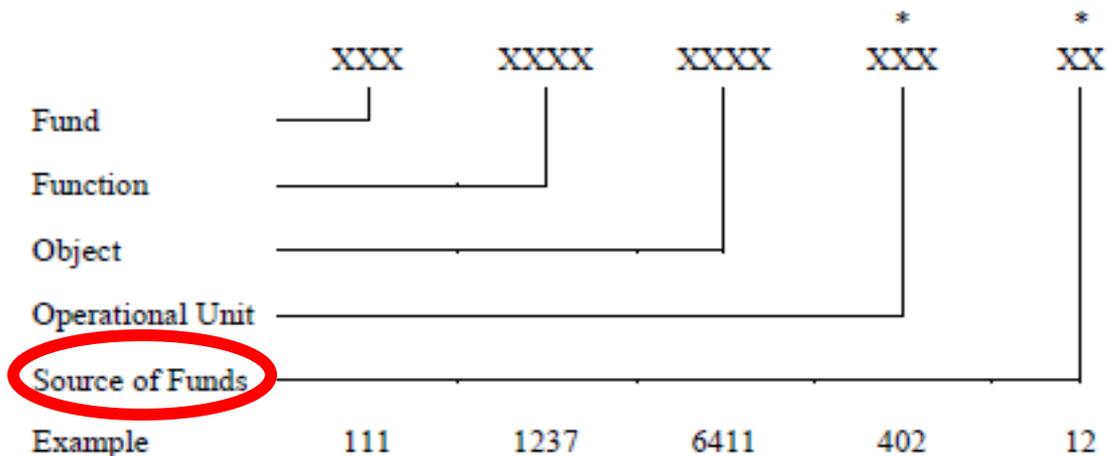
Subject: Accounting Code Overview

Code Structure

The overall account code structure is designed to standardize account coding across all LEAs. It creates a common language for use in controlling, recording, accumulating and reporting the activities of the school districts.

This accounting code structure is designed to satisfy many uses by segmenting the code into several dimensions. Each dimension has a set of descriptors that permits the retrieval of information in whole or in part to answer commonly asked questions. In addition, revenues and expenditures can be aggregated using one or more dimensions of the account code.

The code ranges of the basic system are illustrated below:



* Optional Use

Source Documentation

- ❑ Accounting records must be supported by source documentation such as cancelled checks, paid bills, payrolls, time and attendance records, contract and sub-award documents.
- ❑ Electronic copies are okay.
- ❑ Proper authorization – Example: Make sure that time and effort logs are signed by the staff.
- ❑ Must retain for at least 3 years from the end of the grant. The statute of limitations is 5 years.

Cash Management

- ❑ The Cash Management Improvement Act (CMIA) requires LEAs/Districts to demonstrate when receiving federal funds that they have either already spent the funds or will spend the funds within three business days of receipt of funds
- ❑ Payment requests may only include amounts already expended and/or amounts that will be expended within three business days of receipt of funds.
- ❑ Violating CMIA requires interest to be calculated and funds returned.

Internal Controls

- LEA staff duties between accounts receivable and accounts payable are segregated and/or double check to ensure controls over fraud and abuse.
- Supporting documents (purchase orders, invoices, etc) are reviewed prior to the check being issued/approved.

Procurement

- LEAs procurement policy applies towards goods and services
- Does policy have sufficient controls to ensure fair and competitive procurement that addresses small purchases, sealed bids, and non-competitive purchases?
- Do contracts supported with federal funds contain the critical elements: remedies for breach/penalties, termination for cause, compliance with federal statutes, reporting requirements and copyrights?
- Ensure vendors are not on Excluded Parties List.

Period of Availability/Obligations

ESEA funds are obligated and expended during the period of availability.

- a. There were no obligations/ expenditures prior to the submission of a substantially approved application.
- b. There were no obligations/ expenditures after the funding/ award period.

Grant Cycle / Obligation Period / FER Reporting Period

Grant Cycle	Obligation Period	FER Reporting Period
July 1, 2014 to June 30, 2015	Date of Substantially Approved Application to June 30, 2015	July 1, 2014 to September 30, 2015
Period during which funds may be obligated and expended.	Obligations occur during the grant cycle, but <u>only after a substantially approved budget application has been submitted.</u>	Expenditures for obligations made <u>during the obligation period</u> may be reported up until September 30.

When is an Obligation Made?

IF THE OBLIGATION IS FOR--	THEN THE OBLIGATION IS MADE--
Acquisition of real or personal property	On the date the school district makes a binding written commitment to acquire the property
Rental of real or personal property	When the school district uses the property
Personal services by an employee of the school district	When the services are performed
Personal services by a contractor who is not an employee of the school district	On the date the school district makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date the school district makes a binding written commitment to obtain the work
Public utility services	When the school district receives the services
Travel	When the travel is taken

EDGAR §76.707

Allowable Costs/Use of Funds

- ESEA funds are spent according to the approved plan, budget and Final Expenditure Report (FER).
- LEA has accounting records to support expenditures on the FER.
- ESEA funds are expended for allowable activities.

ESEA Supplement-Not-Supplant

Requirement: An LEA shall use Federal funds received under NCLB programs only to supplement the funds that would, **in the absence of such Federal funds**, be made available from non-Federal sources for the activities authorized under the individual programs, and not to supplant such funds.

ESEA Supplement-Not-Supplant

KEY Question: What would have happened in the absence of federal funds?

LEA cannot use federal funds to pay for services, staff, programs, or materials that would otherwise be paid with state or local funds.

Time and Effort

- Employees who work solely on a single cost objective prepare semi-annual time certifications.
- Employees who work on multiple cost objectives, including those funded through Admin Pool prepare monthly time sheets.
- Employees who work on multiple cost objectives but have fixed schedules prepare substitute system semi-annual time certifications.
- Stipends and extra-duty pay are supported by a signed written agreement between the employee and the district that indicates the extra work to be performed, the date(s), and the amount to be paid.
- Job descriptions of employees paid from ESEA funds are on file.
- Staff paid entirely or in part with ESEA funds are coded to an acceptable course and program code in Core Data/MOSIS.

Equipment – acquisition cost of \$1,000 or more

- ❑ Purchases are consistent with the approved application.
- ❑ Records are maintained and up-to-date.
- ❑ Maintains inventory list with ALL required components.
- ❑ Used for its intended purpose.
- ❑ Controls/safeguards are in place to prevent loss, damage or theft.
- ❑ Used to supplement and not supplant non-federal funds
- ❑ Physical inventory conducted at least once every two years.

Capital Outlay – non-equipment

- ❑ Purchases are consistent with the approved application.
- ❑ Used for its intended purpose.
- ❑ Complies with Davis-Bacon (wage requirements).
- ❑ Expenditures followed district bidding/procurement requirements.

Other ESEA Grant Requirements

- Address corrective action plans for audit findings in two most recent years.
- LEA expends or protects sufficient project funds for equitable services to eligible nonpublic schools.

Title I.A Provisions

- a. Each eligible district receives the allocated amount of funds indicated on Step 4 of the BOA and current building level budgets and expenditures correspond to the BOA.
- b. Targeted Assistance school services are used only by participating students.
- c. One percent expended for Parent Involvement (LEAs with over \$500,000 allocation)
- d. Carryover provision and records supporting 9/30 Report.
- e. Comparability of Services written guidance (LEAs with overlapping grade spans)

Title I

Breakdown of Allocations – Step 4

Allocations to Served Attendance Centers

Attendance Center	Grade Span	School Improvement Status	Approved Schoolwide Plan	Title I Status	Total Percent Economic Deprivation	Total Allocated to Attendance Center	\$ Per Pupil	Public Low Income	Public Allocation	Contribute to SW Pool	Nonpublic Low Income	Nonpublic Allocation
0 NORTH PARK ELEM.	K-02	SIL2	<input checked="" type="checkbox"/>	Served	63.76%	222727.66	\$1,048.03	206.52	\$216,439.47	<input type="checkbox"/>	6.00	\$6,288.19
0 GRATZ BROWN ELEM.	03-05	SIL2	<input checked="" type="checkbox"/>	Served	63.40%	379387.41	\$1,048.03	357.00	\$374,147.25	<input type="checkbox"/>	5.00	\$5,240.16
0 SOUTH PARK ELEM.	PK-02	SIL2	<input checked="" type="checkbox"/>	Served	61.25%	178919.93	\$1,048.03	164.72	\$172,631.74	<input type="checkbox"/>	6.00	\$6,288.19
Total Allocated to all Attendance Centers						\$781,035.00	Totals:	728.24	\$763,218.46		17.00	\$17,816.54
Difference (Total Distribution Amount for Attendance Centers - Total Allocated)						\$0.00						

Maintenance of Effort (MOE)

LEA's combined fiscal effort per student or the aggregate expenditures of the LEA from **state and local funds** for free public education for the preceding year is not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding year.

The Annual Secretary of the Board (ASBR) report captures the data needed to calculate NCLB MOE in ePeGS.

[Calculate MOE Met/Not Met](#) Calculation Successful 2/4/2009 1:27:11 PM by JHARVEY

[MOE Not Met Report](#)

- ▶ ePeGS Homepage
- ▶ Planning Tool
- ▼ Funding Application Menu
 - ▶ Current Funds Available
 - ▶ Career Education
 - ▶ School Improvement
 - ▶ Special Education
 - ▶ Teacher Quality & Urban Education
 - ▶ Awaiting Approval
 - ▶ **NCLB MOE** ←
- ▶ Report Menu
- ▶ Core Assurances
- ▶ Maintenance
- ▶ Help Documents
- ▶ DESE Web Application Menu

		2006-2007	2007-2008	Difference 2007-2008 vs 2006-2007	Percent 2007-2008 is of 2006-2007
1.	Enrollment	11,513.00	11,532.00	19.00	100.17%
2.	Average Daily Attendance (ADA)	10,658.59	10,541.17	-117.42	98.90%
3.	Average Daily Membership (ADM)	11,431.49	11,429.27	-2.00	99.98%
Expenditures for administration, instruction, attendance & health services, transportation services, operation, and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities:					
4.	Adjusted Expenditures (for MOE purposes)	<u>78,160,049.56</u>	<u>82,031,565.33</u>	3,871,515.77	104.95%
5.	Per-Pupil Expenditures (Enrollment) for MOE purposes (Line 4/Line 1)	6,788.85	7,113.39	324.53	104.78%
6.	Per-Pupil Expenditures (ADA) for MOE purposes (Line 4/Line 2)	7,333.06	7,782.02	448.96	106.12%
7.	Per-Pupil Expenditures (ADM) for MOE purposes (Line 4/Line 3)	6,837.26	7,177.32	340.07	104.97%
Revenues for education from state and local sources from:					
8.	Local sources	52,925,087.58	53,321,272.71	396,185.13	100.75%
	% of Total	57.91%	55.24%		
9.	State sources	38,474,330.37	43,209,924.45	4,735,594.08	112.31%
	% of Total	42.09%	44.76%		
10.	Total Revenues (Line 8 + Line 9)	91,399,417.95	96,531,197.16	5,131,779.21	105.61%

Desec Comment:

Waiver of Fiscal Requirement

Maintenance of Effort – USED Secretary may waive the requirements if it is determined that a waiver would be equitable due to exceptional and uncontrollable circumstances, such as a natural disaster; or a precipitous decline in the financial resources of the LEA.

If the LEA wishes to request a waiver, they would notify the Department and submit documentation to substantiate their request.

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