



FINANCIAL AND ADMINISTRATIVE SERVICES

Federal Fiscal Management

November 9, 2015

Missouri Department of Elementary
and Secondary Education

COMMUNICATION FROM DESE

- ❑ Administrative Memos

<http://dese.mo.gov/administrative-memos>

- ❑ NCLB – Federal Program Listserv

<http://dese.mo.gov/quality-schools/federal-programs/listserve>

- ❑ IDEA – Special Education ListServ (SELS)

<http://dese.mo.gov/special-education-listserv>

SPECIAL EDUCATION & NCLB

FY16 FINANCE DUE DATES

Title	Services Year	Due Date
FY16 Part B & NCLB Budget Applications	2015-16	July 1, 2015
FY15 Part B & NCLB Final Expenditure Reports	2014-15	Sept. 30, 2015
Last day to Obligate Title I.A Excess Carryover	2015-16	Sept. 30, 2015
FY15 ECSE Expenditure Report	2014-15	Oct. 30, 2015
Public Placement Fund Application	2014-15	Oct. 31, 2015
High Need Fund Application	2014-15	Nov. 30, 2015
Request to Release Prop Share Carryover Funds	2015-16	March 1, 2016
FY16 Part B & NCLB Budget Application Amendments	2015-16	April 30, 2016



TIERED MONITORING

TIERED MONITORING

- The Department utilizes a web-based application called the Tiered Monitoring System in order to complete the Tiered Monitoring Process
- The Tiered Monitoring System is located on the DESE Web-Applications page
- Users must have the appropriate authority to access the system
- The Tiered Monitoring System fulfills both state and federal monitoring requirements

TIERED MONITORING OBJECTIVES

- Monitoring for all federal programs is found in this one system
- Tiered Monitoring System Objectives:
 - Reduce the time in districts/LEA conducting on-site reviews
 - Improve quality and efficiency of on-site reviews
 - Increase the number of districts/LEAs given formal review
 - Improve the quality of the district/LEA compliance
 - Establish processes to target technical assistance and training needs

TIERED MONITORING CYCLE

- Districts/LEAs are sorted into three Cohorts (groups)
- Levels of the Tiered Monitoring Cycle
 - Annual Risk Assessment
 - Desk Audit/Application Review
 - Tier 1: Self-Assessment/Desk Monitoring
 - Tier 2: On-site Monitoring
 - Tier 3: Training and Preparation
- Cohorts will move through the Tier Levels from year to year

TIER LEVEL	2015-16	2016-17	2017-18
Annual Risk Assessment	All Cohorts	All Cohorts	All Cohorts
Desk Audit & Application Review	All Cohorts	All Cohorts	All Cohorts
Tier 1: Self-Assessment/Desk Monitoring	Cohort 2	Cohort 3	Cohort 1
Tier 2: On-site Monitoring	Cohort 1	Cohort 2	Cohort 3
Tier 3: Training & Preparation	Cohort 3	Cohort 1	Cohort 2

RISK ASSESSMENT

- RISK ASSESSMENT
 - All Cohorts will go through this level of review every year
 - Risk Factors Include:
 - Audit Findings
 - Prior Experience/Performance
 - Late Reporting
 - New Personnel
 - Prior Monitoring Findings
 - Overpayments/Refunds
 - Allocation Amount
 - Financial Distress
 - Data Submission Errors
 - Lapsed Funds/Carryover Amounts
 - Indications of Fraud & Abuse
 - Impending School Closures
 - Based on the results of the risk Assessment, districts/LEAs are categorized as high, moderate, or low risk and are subject to further monitoring, regardless of Cohort assignment or level of monitoring.

DESK AUDIT & APPLICATION REVIEW

- DESK AUDIT AND APPLICATION REVIEW
 - All Cohorts will go through this level of review every year
 - The Department will review the following for each district/LEA:
 - ePeGS Budget Application & Revisions
 - ePeGS Payment Requests
 - ePeGS Final Expenditure Report & Revisions
 - Cash Management Plans
 - A133 Audit Findings

TIERED MONITORING (TIER I)

- TIER I: SELF-ASSESSMENT/DESK MONITORING
 - The applicable Cohort for the fiscal year will go through this level of review (Cohort 2 for 2015-16)
 - Districts/LEAs within Cohort 2 will complete a Self-Assessment (questionnaire) within the Tiered Monitoring System in regard to the previous school year
 - Must complete and submit within a specified timeframe
 - The district/LEA is not required to submit documentation unless there are any questionable, incomplete, or incorrect responses
 - A Corrective Action Plan (CAP) will be issued for any non-compliance findings;
 - District/LEA must respond to issued CAP(s) within specified timeframe

TIERED MONITORING (TIER II)

- TIER II: ON-SITE MONITORING
 - The applicable Cohort for the fiscal year will go through this level of review (Cohort 1 for 2015-16)
 - Only the districts/LEAs within Cohort 1 who are determined high risk will be selected for On-site Monitoring
 - Districts/LEAs will be required to upload documentation from the previous school year into the Tiered Monitoring System prior to the On-site review
 - DESE staff will answer monitoring questions
 - A Corrective Action Plan (CAP) will be issued for any non-compliance findings
 - District must respond to the CAP within 30 calendar days

TIERED MONITORING (TIER III)

- TIER III: TRAINING AND PREPARATION
 - The applicable Cohort for the fiscal year will go through this level of review (Cohort 3 for 2015-16)
 - Districts/LEAs within Cohort 3 will have an opportunity to:
 - Attend Regional Trainings
 - Review district/LEA policies, procedures, and practices
 - Implement and assess any changes deemed necessary
 - Districts/LEAs may be required to attend trainings based on Risk Assessment regardless of Cohort
 - Districts/LEAs will not be required to answer any questions within the Tiered Monitoring System

SPECIAL EDUCATION FINANCE

TOP MONITORING FINDINGS

<http://dese.mo.gov/financial-admin-services/special-education-finance/fiscal-monitoring>

- Federal expenditures not tracked separately in general ledger
- Special Education program expenditures are not coded to special education function codes
- MOE calculation is not accurate
- Obligations made prior to Budget Application submission
- Cash Management Improvement Act compliance
- Charging expenditures to incorrect grant cycle
- No Time and Effort documentation on file for federally paid employees (or incorrectly completed)
- Procurement Policy not followed
- No inventory listing/tracking of equipment

ESEA/NCLB FINANCE

TOP MONITORING FINDINGS

<http://dese.mo.gov/financial-admin-services/eseanclb-finance/fiscal-monitoring>

- Program expenditures not tracked separately in general ledger
- NCLB program expenditures are not coded to appropriate function codes
- Allowable Use of Funds
 - According to approved plan/budget
 - Supplement/Supplant Requirement
- Charging expenditures to incorrect grant cycle
- No Time and Effort documentation on file for federally paid employees (or incorrectly completed)
- Procurement Policy not followed
- No inventory listing/tracking of equipment



MAINTENANCE OF EFFORT

SPED MAINTENANCE OF EFFORT

The amount of state and local funds spent on special education.

ELIGIBILITY REQUIREMENT	COMPLIANCE REQUIREMENT
BUDGET APPLICATION	FINAL EXPENDITURE REPORT
<p>Budget the same amount or more from state and/or local funds as expended from the most recent year in which data is available in order to receive grant. This shows the INTENT to maintain effort.</p>	<p>Expend the same amount or more from state and/or local funds as expended in the year compliance was last met in order not to have pay penalty. This shows effort was maintained.</p>

METHODS FOR MEETING SPED MOE

LEAs can meet Special Education MOE for eligibility and compliance by one of the following methods:

- Total Local Funds Only
- Per Child Local Funds Only
- Total Combination of State and Local Funds
- Per Child Combination of State and Local Funds

SPED MOE CONSIDERATIONS

Impacts to MOE:

- Federal Medicaid revenue put back into the special education program can negatively impact MOE.
- Other Federal grants used for special education expenditures (i.e. Collaborative grant)
- Fluctuations in ECSE federal revenue.
- Unnecessarily inflating MOE by charging items to special education program that aren't program specific (i.e. prorated regular transportation, administration salaries, etc).

ESEA MAINTENANCE OF EFFORT

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.

NCLB MOE in ePeGS

Funding Application: NCLB Maintenance of Effort - Worksheet

Number

Name

Select District

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

Year: 2013-2014 ▼

[Calculate MOE Met/Not Met](#) Calculation Successful 5/6/2014 by PKAISER

[MOE Not Met Report](#)

[Print](#)

	2011-2012	2012-2013	Difference 2012-2013 vs. 2011-2012	Percent 2012-2013 is of 2011-2012
1. Enrollment	619.00	614.00	-5.00	99.19%
2. Average Daily Attendance (ADA)	581.25	571.13	-10.12	98.26%
3. Average Daily Membership (ADM)	615.07	610.00	-5.00	99.18%
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)	5,055,548.58	4,327,414.71	-728,133.87	86.00%
5. Per-Pupil Expenditures (Enrollment) for MOE purposes (Line 4/Line 1)	8,167.28	7,047.91	-1,119.38	86.00%
6. Per-Pupil Expenditures (ADA) for MOE purposes (Line 4/Line 2)	8,697.72	7,576.93	-1,120.78	87.00%
7. Per-Pupil Expenditures (ADM) for MOE purposes (Line 4/Line 3)	8,219.47	7,094.12	-1,125.35	86.00%

Revenues for education from State and local sources from:

8. Local sources	3,471,919.94	3,136,838.38	-335,081.56	90.00%
% of Total	66.93%	64.85%		
9. State sources	1,715,670.42	1,700,477.06	-15,193.36	99.00%
% of Total	33.07%	35.15%		
10. Total Revenues (Line 8 + Line 9)	5,187,590.36	4,837,315.44	-350,274.92	93.00%

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.

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.



RESOURCES



WEB PAGES

ESEA/NCLB Finance:

<http://dese.mo.gov/financial-admin-services/eseanclb-finance>

- **ESEA/NCLB Finance**
 - **News and Updates**
 - **9/30 Report Instruction**
 - **Allocations**
 - **Census Data**
 - **Fiscal Monitoring**
 - **General Federal Guidance**
 - **NCLB Fiscal Requirements**
 - **Payment Requests and FERs**
 - **Small Rural School Achievement**

WEB PAGES

Special Education Finance:

<http://dese.mo.gov/financial-admin-services/special-education-finance>

Special Education Finance

- **News and Updates**
- **Cooperatives**
- **Early Childhood Special Ed.**
- **Fiscal Monitoring**
- **Local Tax Effort**
- **Other Available Funding**
- **Part B Entitlement**
- **SELs Messages**
- **Presentations**

RESOURCES

- ❑ General Federal Guidance

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

- ❑ DESE Accounting Manual (School Finance)

<http://dese.mo.gov/financial-admin-services/school-finance/accounting-manual>

- ❑ Individuals with Disabilities Education Act (IDEA) Regulations

<http://www2.ed.gov/legislation/FedRegister/finrule/2006-3/081406a.pdf>

- ❑ MO State Plan for Special Education

<http://dese.mo.gov/governmental-affairs/dese-administrative-rules/incorporated-reference-materials/IDEAPartB-2014>

- ❑ NCLB Consolidated Federal Programs Administrative Manual

<http://dese.mo.gov/divimprove/fedprog/documents/qs-fc-admin-manual-June-2012.pdf>

PAT KAISER
DIRECTOR
ESEA/NCLB FINANCE

pat.kaiser@dese.mo.gov
573-751-8643

ANGIE NICKELL
DIRECTOR
SPECIAL EDUCATION FINANCE

angie.nickell@dese.mo.gov
573-751-4385