



MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

General Session

**2014 Bookkeeper
Training**

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Sponsored by:
Division of Financial and Administrative Services

PANEL MEMBERS

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Topics

- ❑ Cash Management Improvement Act (CMIA)
- ❑ OMB Circular A-87 Time and Effort Reporting Guidelines
- ❑ Period of Availability
- ❑ Separate Tracking of Federal Funds
- ❑ Inventory / Equipment
- ❑ Procurement
- ❑ OMB Supercircular



Cash Management Improvement Act

- ❑ 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.



OMB Circular A-87

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 employee or 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;• Unallowable activity & a direct or indirect cost activity; or• One Federal award with multiple cost objectives.	Personnel Activity Report (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 & coincide with one or more pay periods; and• Must be signed after-the-fact by the employee.• At least quarterly, the actual time reflected on the PAR must be compared to the payroll charges, and if differences exist, then payroll adjustments must be made.

OMB Circular A-87

Time and Effort Reporting Guidelines

Cost Objective	Criteria	Documentation Required
Multiple Cost Objectives with 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 Personnel Activity Report

Grant Cycle vs. Obligation Period vs. FER Reporting Period

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 <u>only after a substantially approved budget application has been submitted.</u>	Expenditures for obligations made <u>during the obligation period (date of substantially approved application – June 30)</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



Separate Tracking



All Federal funds MUST be tracked separately from other funding sources.

EDGAR 76.730

- Records shall be kept that fully show the amount of Federal funds received and how the funds are expended.

EDGAR 80.20

- A grantee shall use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds.

MO Financial Accounting Manual

- Federal funds generally require separate identification and reporting within the LEA's audit report.



Inventory Control (EDGAR 80.32)

All capital outlay purchased with federal monies costing **\$1000 or more per unit/set** is subject to inventory management and control requirements:

- ❑ Items shall be inventoried with all required components.
- ❑ A physical inventory of items must be taken and the results reconciled with the inventory records at least once every two years.
- ❑ Inventory must be current and available for review and audit.
- ❑ Adequate safeguards must be in effect to prevent loss, damage, or theft of the property.

Note: \$5000 according to EDGAR but MO has a lower threshold



Inventory Control (EDGAR 80.32)

Inventory Management Records must be maintained and include:

- ❑ Description of the property
- ❑ Serial number or other identification number
- ❑ Funding source of property
- ❑ Who holds the title, if applicable
- ❑ Acquisition date
- ❑ Cost of the equipment
- ❑ Percentage of federal participation
- ❑ Location, use and condition of the property
- ❑ Any ultimate disposition data including the date of disposal and sale price of the property



Procurement Procedures (EDGAR 80.36)

- ❑ LEAs must maintain written procurement policies and procedures
- ❑ Maintain records sufficient to detail the significant history of procurements
- ❑ Must not restrict competition
- ❑ Review all proposed purchases to avoid unnecessary or duplicative items

Methods of Procurement to be Followed:

Procurement by small purchase procedures

Procurement by sealed bids (formal advertising)

Procurement by competitive proposals

Procurement by noncompetitive proposals



OMB Supercircular

- Effective for new grants issued after December 26, 2014
- Department of Education will be coming out with guidance
- New EDGAR this summer, 2014
- Link to the Federal Register:

<http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>

- For those that want to just hit the highlights:

<https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards#h-265>

