

# School Finance

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## PAYMENT CALCULATIONS

### December Foundation Payment Calculations

The December Basic Formula payment, including Classroom Trust Fund, was calculated using the most current data available for each district. The SAT was adjusted to 6,354.578141134. It is important that the district compare DESE’s calculations with those generated by the district. Please call or email School Finance at (573) 751-0357 ([finadmgo@desemo.gov](mailto:finadmgo@desemo.gov)) with questions or concerns about the district’s calculations.

### New ASBR Listserv

An ASBR listserv has been created in order to send pertinent ASBR and coding guidance to those who wish to receive it. To sign up for the listserv go to <https://desemo.gov/financial-admin-services/school-finance/annual-secretary-board-report-asbr-listserv> and follow the instructions for subscribing. Please forward this information to all staff who would be interested in signing up for this new listserv.

### Estimated Regular Term Average Daily Attendance (ADA)

The calculated Threshold percentages to be used in the Weighted Average Daily Attendance (WADA) calculation for FY19 and FY20 declined from prior years. This decline may cause districts’ FY20 WADA to increase over prior year’s calculations due to greater weighting of one or all of the weighting categories. The change in Threshold percentages are as follows:

| Year              | Free & Reduced Lunch (FRL) | Special Education (IEP) | Limited English Proficiency (LEP) |
|-------------------|----------------------------|-------------------------|-----------------------------------|
| FY 2017 & FY 2018 | 36.12%                     | 12.16%                  | 1.94%                             |
| FY 2019 & FY 2020 | 31.42%                     | 12.06%                  | 2.50%                             |

Also, if your district will be claiming prekindergarten students for state aid it will be necessary to estimate an ADA including those prekindergarten students in order to get paid on those students in the current year.

To help determine if it would be advantageous for your district to estimate ADA for FY20 please see the Estimated ADA page located under School Finance in the web application system. Also, a tool has been developed to compare current year information for your district to the district’s first or second preceding year WADA. This tool can be found on the School Finance website under Calculation Tools at <https://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>. There is a sheet in the tool labeled “Instructions” that provides instructions on estimating ADA and logic related to estimated regular term ADA.

If your district determines it is appropriate to estimate an ADA for FY20 please email your district’s finance contact the following:

- The regular term ADA you wish to estimate separated by PK and K-12.
- The enrollment used as the base on your estimate.
- The attendance percentage used to develop the estimate.
- Any other logic applied to determine the estimate provided.

Once the email is received, the information provided will be reviewed to determine if the estimate appears reasonable. If the estimate appears reasonable then your district’s school finance contact will enter the estimate on the Estimated ADA Screen. Please monitor your estimated ADA throughout the year to ensure overestimating does not occur. This estimate may be adjusted at any time during the year by sending a revised estimate which includes the detailed information outlined above.

Revisions to the 2019-20 estimated ADA may be made through **May 15, 2020**. Contact School Finance staff if you have questions about estimating ADA.

### 2019-20 ACH Dates

The 2019-20 Automated Clearinghouse (ACH) transfer dates are located on the School Finance Website under Financial Reports. Below is also a list of those dates:

| ACH Deposit Dates  |                   |
|--|-------------------|
| Payment transmittals will be available the business day prior to the ACH date. |                   |
| FY 2020  |                   |
| July 22, 2019  | August 21, 2019   |
| September 20, 2019   | October 21, 2019  |
| November 21, 2019  | December 20, 2019 |
| January 21, 2020   | February 21, 2020 |
| March 20, 2020   | April 21, 2020    |
| May 21, 2020   | June 22, 2020     |

## AUDIT REPORTS

### Fiscal Year 2019 Audit Submissions via Tiered Monitoring System

The following guidelines are provided for the Fiscal Year 2019 Audit Submissions:

- Audits, copies of signed board minutes approving the audit, and management letters should be submitted to DESE via the Tiered Monitoring System. The documents should be in Adobe searchable pdf format, version 11.0 or lower. The file description should easily identify the document, such as audit, management letter, or signed board minutes.
- The audit report should be uploaded as “Audit Documents (required fiscal audit)” and the board minutes, management letter and any corrective action plans would be “Audit Documents (supporting docs)” in the file upload dialog box for the 2019-20 fiscal year. The file upload box will also require adding the contact information for the auditor before the audit report can be uploaded. (Use the [global document repository \(uploads\)](#) link under “Utilities” on the right side of the screen to upload the documents.)
- The deadline for submitting audits is **December 31, 2019**.

- Copies of signed board minutes and management letters may be submitted after the December 31 deadline. These documents should include all required signatures, which is a change from current practice.
- The school, not the auditor, is responsible for ensuring that the audit, board minutes, and management letter are submitted to DESE in compliance with the provisions of the audit rule. With the change of audit submission via the Tiered Monitoring System, the auditor should not have access to this system and, therefore, not be able to upload the audit documents.
- To minimize the need for subsequent audit corrections, schools are strongly encouraged to complete the following checklist prior to submitting the audit:
  - The pages of the audit have been compared to the Table of Contents and no pages are missing or out of order. Audits with missing pages may be rejected as incomplete.
  - The audit includes the auditor's signature and the date of the audit report. Audit reports that are not signed and dated may be considered a draft, not a final report. Draft reports cannot be accepted in satisfaction of the audit requirement.
  - The ending debt balances in the audit report (reported in the financial statements and/or Notes to the Financial Statements) agree to the balances reported in Part IV, Long and Short Term Debt, of the Annual Secretary of the Board Report (ASBR). Any differences should be reconciled.
  - The audit includes the updated version of the Schedule of Selected Statistics, which can be found at <http://dese.mo.gov/financial-admin-services/school-audits>.
  - The data reported on the Schedule of Selected Statistics agrees to the corresponding data on the ASBR and MOSIS/Core Data. If changes to the ASBR and/or MOSIS/Core Data are needed as a result of the review, please revise and resubmit corrections as soon as possible and notify your auditor of any changes.
  - Submit/upload corrective action plans for federal and state findings in a separate document from the audit report.
  - The audit submission includes the district's Single Audit, if applicable. There is no provision in the rule allowing the Single Audit portion of the audit to be submitted at a later date.

### Publication of the Audit

Per 165.121, RSMo, within thirty days of the receipt of the audit report the school board shall cause a summary of the report to be prepared which shall include, together with any other matter the board deems appropriate, the following:

- 1) A summary statement of fund balances and receipts and disbursements by major classifications of each fund and all funds;
- 2) A summary statement of the scope of the audit examination;
- 3) The auditor's opinion on the financial statements included in the audit report.

Immediately upon the completion of the summary, the school board shall cause it to be published once in a newspaper within the county in which all or a part of the district is located which has general circulation within the district or, if there is none, then the board shall cause the summary to be posted in at least five public places within the district. The publication shall contain information as to where the audit report is available for inspection and examination. The report shall be kept available for such purposes thereafter.

### Federal Audit Report Filing Requirements

In addition to the state's audit requirements described in 5 CSR 30-4.020, schools must comply with the following federal audit requirements:

- Districts/charter schools that have a Single Audit are required to submit a data collection form and reporting package to the Federal Audit Clearinghouse (FAC) at the U.S. Bureau of Census within the earlier of 30 days from the receipt of the audit report or nine months after the end of the audit period (March 31 of the subsequent fiscal year). The reporting package consists of the complete audit (financial statements and auditor's reports) and, as necessary, a summary schedule of prior audit findings and a corrective action plan for current year audit findings. Reports should be submitted to the [FAC](#).
- Districts/charter schools that expend less than \$750,000 in total federal funds are not required to send a copy of the audit report to the Federal Audit Clearinghouse.

- A copy of the reporting package should also be sent to pass-through entities, including the Department, if the Schedule of Findings and Questioned Costs includes audit findings or a summary schedule of prior audit findings relating to federal awards provided by the pass-through entity.
- More information regarding the federal audit report filing requirements can be located at the [FAC FAQ](#) website.

## CODING REMINDERS

### Source and Project Code Combinations

When coding expenditures it is important to verify that the source code matches the revenue source paying for the expenditure. Expenditures tied to federal project codes should have a federal source code of 4. Expenditures tied to state revenue project codes should have a state source code of 3. Expenditures tied to county revenue should have a county source code of 2. Expenditures tied to local revenues should have a source code of 1. Examples are shown below for Special Education and Title project codes.

| <b>Special Education</b> |                     |  |
|--------------------------|---------------------|--|
| <b>Source Code</b>       | <b>Project Code</b> | <b>Name</b>  |
| 1, 2, 3                  | 12210               | Special Education (paid with state or local funds)                 |
| 1, 2, 3                  | 12810               | Early Childhood Special Education (paid with state or local funds) |
| 4                        | 43700               | Assistive Technology Reimbursement                                 |
| 4                        | 43703               | Special Education High Need Fund - Federal                         |
| 4                        | 44100               | IDEA Entitlement Funds, Part B IDEA                                |
| 4                        | 44199               | Prior Year IDEA Entitlement Funds, Part B IDEA                     |
| 4                        | 44200               | IDEA - 611 ECSE Portion  |
| 4                        | 44201               | IDEA - 619 Preschool Grant   |
| 4                        | 44203               | IDEA – 611 ECSE (K-12)   |
| 4                        | 44204               | IDEA – 619 ECSE (K)  |
| 4                        | 44298               | Prior Year IDEA – 611 ECSE   |
| 4                        | 44299               | Prior Year IDEA – 619 ECSE   |

| <b>Title Project Codes</b> |                     |  |
|----------------------------|---------------------|--|
| <b>Source Code</b>         | <b>Project Code</b> | <b>Name</b>  |
| 4                          | 45100               | Title I  |
| 4                          | 45101               | School Improvement Grant (g) (SIG)                 |
| 4                          | 45102               | Title I School Improvement (a)                     |
| 4                          | 45103               | Title I.D - LEA                                    |
| 4                          | 45104               | Title I.D - State Agency                           |
| 4                          | 45200               | Title I.C  |
| 4                          | 46100               | Title IV.A Student Support and Academic Enrichment |
| 4                          | 46200               | Title III LEP                                      |
| 4                          | 46201               | Title III Immigrant                                |
| 4                          | 46300               | Homeless Education                                 |
| 4                          | 46500               | Title II.A   |
| 4                          | 46501               | Math and Science Partnerships                      |
| 4                          | 49200               | Title V.B, SRSA                                    |
| 4                          | 49201               | Title V.B, Rural Low-Income School                 |

## OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

### No Opening Date Earlier than Fourteen Calendar Days Prior to the First Monday in September

Starting in FY 2020-21 Section 171.031.2, RSMo, directs that a district may not set their opening date earlier than fourteen calendar days prior to the first Monday in September. For FY 20-21 the first day of school cannot occur prior to August 24, 2020. Guidance regarding this new reporting can be found on the School Finance Topics & Procedures webpage <https://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures>.

### Lengthening or Shortening the School Year and the Impact on Funding

If a district or charter school changes the length of their school year there is no impact on funding because it does not change the Average Daily Attendance (ADA). The ADA is calculated by taking the actual attendance hours of the students divided by the possible attendance hours of a student (the calendar). This will result in no more than a 1.0 ADA for a student who had perfect attendance.

ADA is only increased due to the following reasons:

- Enrollment increase
- Better attendance rate
- Qualified remedial hours
- Summer School ADA

### Inclement Weather

Districts must comply with Section 163.021.1, RSMo, which requires compliance with the minimum term to be eligible for state aid. Additionally, Section 171.033.3, RSMo, states "in school year 2019-20 and subsequent years, a school district may be exempt from the requirement to make up school lost or cancelled due to inclement weather in the school district when the school district has made up the thirty-six hours required under subsection 2 of this section and half the number of additional lost or cancelled hours up to forty-eight, resulting in no more than sixty total make-up hours required by this section".

"Inclement weather", for purposes of this section, shall be defined as ice, snow, extreme cold, excessive heat, flooding, or a tornado.

Reminder: Days that are forgiven due to inclement weather will not have an adverse impact on the average daily attendance (ADA) calculation. This will create a situation which will have an effect on both components (both the total attendance hours and the hours-in-session) of the ADA calculation and, therefore, will not have a negative impact on the ADA.

The above information regarding inclement weather and a short FAQ are available at <https://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures> under the Inclement Weather link.

### Mid-Year Fund Balance Reporting

The mid-year fund balance reporting will occur as a part of the February Core Data cycle on Core Data Screen 35. Each district will be required to report the following information as of December 31, 2019:

- Incidental and Teachers Funds' Unrestricted Ending Fund Balance as of December 31.
- Tax Anticipation borrowing in the Incidental or Teachers Funds between July 1 and December 31.
- Transfers from the General Fund to the Capital Projects or Debt Service Funds between July 1 and December 31.

### Changing Depository Banks

Districts/charter schools changing banks or bank accounts must first be registered in the State of Missouri new procurement system MissouriBUYS. All banking changes will now be completed in MissouriBUYS. MissouriBUYS weblink is <https://MissouriBUYS.mo.gov>. Reminder: when depositories are changed, the first payment issued after the change could be in the form of a paper check. If you have issues in using MissouriBUYS, please contact MissouriBUYS team via email at [WebProcure.Support@perfect.com](mailto:WebProcure.Support@perfect.com) or by phone at (866) 889-8533.

### Missouri Accountability Portal (MAP) – Debt Reporting

Section 37.850, RSMo, requires school districts to report all bonded indebtedness and requires charter schools to report all debt. This information shall be supplied to Office of Administration (OA) for display on the State’s Accountability Portal.

If a school district issues new bonds or a charter school enters into debt obligations, the new debts are required to be entered onto the portal within seven days of issuing a bond or incurring an obligation or debt per section 37.850, RSMo.

A user link for the portal is available on the main page <http://mapyourtaxes.mo.gov/MAP/Bonds/HomePage.aspx>. In order to submit information, an entity will need to visit the portal website and obtain a secure user name and password. The user name and password can be created by selecting “create account” on the right hand side of the screen. Once credentials are granted, a user may enter the site to enter or update bond or debt information.

Most of the required fields on the reporting tool are self-explanatory; however, there have been questions regarding a couple of the fields. The description of the revenue stream is generally something such as revenue generated from a levy that was established, Classroom Trust Fund revenue, or local revenue. This list is not an all inclusive list but provides a general idea as to what would seem to be an appropriate response. The description of the project would be a description as to what the project was, for example, a building project.

If you have questions regarding accessing the portal website, please contact OA at (573) 751-2971 or [MAPBonds@oa.mo.gov](mailto:MAPBonds@oa.mo.gov). For questions regarding what debt should be entered on the portal please do not hesitate to contact School Finance at 573-751-0357.

## STUDENT TRANSPORTATION

### 2019-20 State Transportation Aid Calculation

The fiscal year 2019-20 state transportation aid calculation is available through the School Finance website. Select Monthly Financial Reports. Input County-District number. The Payment Transmittal is then displayed. Click on the revenue name “Transportation” on the Payment Transmittal to access the transportation aid calculation. The link to School Finance Monthly Financial Reports is <http://dese.mo.gov/financial-admin-services/school-finance/financial-reports>.

This is the third live state transportation calculation made for the current year. The calculation is based on 2019-20 school year data submitted by the district on the state transportation aid documents included in Part IV of the Annual Secretary of the Board Report (Application for State Transportation Aid, School Bus and Facility Depreciation Schedules).

The percent of reduction to the calculated entitlement computed for the December 2019 calculation follows. This reduction percentage represents the amount the entitlement exceeded the appropriation and will fluctuate from month to month as revisions are made to individual school district data. The percent of reduction and the A and B factors are also reflected on each district’s Summary Transportation Report.

The percentage reduction and the A and B factors are as follows:

|               | <u>Reduction Factor</u> | <u>A Factor</u> | <u>B Factor</u> |
|---------------|-------------------------|-----------------|-----------------|
| December 2019 | 67.191680%              | 3.882750        | -1.396084       |

## Drug and Alcohol Clearinghouse – Effective January 6, 2020

The following information is from the DOT website:

The Clearinghouse is a secure online database that will give employers, the FMCSA, State Driver Licensing Agencies (SDLAs), and State law enforcement personnel real-time information about commercial driver's license (CDL) and commercial learner's permit (CLP) holders' drug and alcohol program violations. An act of Congress directed the Secretary of Transportation to establish the Clearinghouse.

The Clearinghouse will enable employers to identify drivers who commit a drug and alcohol program violation while working for one employer, but who fail to subsequently inform another employer (as required by current regulations).

The Clearinghouse will also require the following:

- Employers will be required to query the Clearinghouse for current and prospective employees' drug and alcohol violations before permitting those employees to operate a CMV on public roads.
- Employers will be required to annually query the Clearinghouse for each driver they currently employ.

## Transportation Calculation Excel Spreadsheet Website Link

A Microsoft Office Excel spreadsheet of the transportation aid calculation is located on the school transportation website under Transportation Aid Calculator. Districts may download the program and enter the ridership, mileage, expenditure and revenue data and the program will calculate the district's transportation aid based on that data. The district may then save the program on its computer for future use. The proration percentage and the state constant A and B factors should always be updated with the most recent actual data and/or projected numbers, in order for the calculation to be as accurate as possible.

### **School Finance**

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<http://dese.mo.gov/divadm/finance/>

