

School Finance

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PAYMENT CALCULATIONS

July Payments

Proposition C

The payment was based on the 2017-18 weighted average daily attendance (WADA) used in the June Proposition C payment. The August Proposition C payment will use the 2018-19 WADA.

Classroom Trust Fund

The payment was calculated using the 2018-19 average daily attendance data (ADA) if the ADA was greater than zero; otherwise, the 2017-18 ADA was used. Adjustments will be made in future months to reflect districts' 2018-19 data submissions.

Transportation

The payment was based on the June 2019 Transportation payment data and the FY20 Transportation allocation. The August and September payments will also use the June 2019 Transportation payment data.

NEW STAFF CHANGES & CONTACTING SCHOOL FINANCE

New Staff Changes & Contacting School Finance

Sharon Bax started with Financial and Administrative Services this month as a School Finance Consultant. Taylor Doerhoff has moved to a different section within DESE and we wish her well in her new endeavor. We asked that you always call our main number of 573-751-0357 or email the email addresses as follows. The updated contact list for staff assignments are below:

Name	Title
David Tramel (573) 751-0357	Coordinator, Financial and Administrative Services David.Tramel@dese.mo.gov
Tammy Lehmen (573) 751 0357	Director, School Finance Tammy.Lehmen@dese.mo.gov Contact for districts in counties 048 & Kansas City Charters 055-079 & 347-347
Debra Clink (573) 751-0357	Student Transportation Manager Debra.Clink@dese.mo.gov Contact for districts in counties 080-115 & St. Louis Charters
Sharon Bax (573) 751-0357	School Finance Consultant Sharon.Bax@dese.mo.gov Contact for districts in counties 001-047 & 049-054

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.	
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

ANNUAL SECRETARY OF THE BOARD REPORT (ASBR) AND RELATED TOPICS

2018-19 Annual Secretary of the Board Report (ASBR) Updates

The 2018-19 Annual Secretary of the Board Report (ASBR) program is available by logging into the DESE Web Applications at <https://apps.dese.mo.gov/weblogin/login.aspx>.

This is the first year that the new coding components will be collected and this will result in challenges for districts, as well as, school finance staff. Due to the high number of emails and phone calls we may not be able to reply as quickly as in the past. Please know we will reply as soon as possible.

A few reminders for working the ASBR system:

- Check your email often. If problems are noted that requires the ASBR system to become unavailable, notification will be sent.
- Check the ASBR message board. Known issues will be noted on that page.
- To obtain detailed information regarding the navigation of the ASBR, access to the ASBR, printing options, the file transfer process, etc. select the ASBR Help Document on the left hand navigational menu.
- Edits can be viewed by selecting the Edits link located on the top portion of the header row. The user will have to select the Edits button and then select the Run Edits button to view the edits.
- All edit errors will be located at the top of the Edit listing. If there are no edit errors the submit button will be enabled. If the district has edit errors generating on the Edits page the submit button will not appear until all errors have been resolved.
- To submit the ASBR, select Edits, select Run Edits, if there are no edit errors generating and the user has submit authority the submit button will appear on the top of the Edits page.
- Save often when entering data in the ASBR system.

If the user doesn't have access to the ASBR on the DESE Web Applications menu please contact the district's user manager or complete the login request form at <http://dese.mo.gov/dsm/websystemuserid.htm>.

The 2018-19 Annual Secretary of the Board Report (ASBR) must be submitted by the due date of midnight, August 15, 2019, or the September Basic Formula payment will be held until October. Continued delay in submitting the ASBR will result in continued holding of the payment.

PDC Expenditure Requirements Modification Enacted August 28, 2018

Section 160.530.1, RSMo, requires districts to spend one percent (1%) of the Basic Formula monies (based on Line 17B of the district's June basic formula calculation) for professional development committee expenditures. A minimum of seventy-five percent (75%) of one percent (1%) of the current year's Basic Formula current apportionment must be spent in the year received for purposes determined by the Professional Development Committee and identified in the professional development plan in relation to a school improvement plan. This is completely separate from professional development that may be required by other programs such as title or special education programs. Expenditures should be recorded to Function Code 2214. Any portion of the other twenty-five percent (25%) of the one percent (1%) not expended during the year must be shown as a part of the restricted fund balance on June 30.

Effective August 28, 2018, HB 1606 modified 160.530.1, RSMo, to allow "that in any fiscal year ending with fiscal year 2024 in which the amount appropriated and expended to the public schools under section 163.161 for the transportation of pupils is less than twenty-five percent of the allowable costs of providing pupil transportation under said section, a school district may, by majority vote of its board, allocate an amount less than one percent of the moneys received pursuant to section 163.031, exclusive of categorical add-ons, to the professional development committee of the district but in no instance shall the district allocate less than one-half of one percent of the moneys received pursuant to section 163.031, exclusive of categorical add-ons, to the professional development committee of the district."

Function Code 2214 may **only** be used to code those expenditures made to meet the requirement of Section 160.530, RSMo, described above. Any instructional staff professional development required by other programs or expenditures made that do not meet the requirement of Section 160.530, RSMo, should be coded to Function Code 2213. If improper coding has occurred the district should make adjusting entries and amend the Annual Secretary of the Board Report (ASBR) as necessary.

PDC – 1% Allocation Requirement

The PDC 1% allocation requirement for the 2018-19 school year is available on the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports>.

Transfers – 7%, 5%, and Transportation

The final \$162,326 or 7% x SAT x WADA transfer, the Designated Levy or 5% x SAT x WADA transfer, and transportation transfer are available on the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports>. These are the final calculations for the 2018-19 year.

2018-19 Audit Confirmation Report

The 2018-19 Revenue Audit Confirmation Report provides a summary of all the payments made to the district during the 2018-19 year and is available on the district's Payment Transmittal or at the web site listed below. The totals on the report should correspond to the district's records for each type of revenue received from DESE. Amounts received at times other than the regularly scheduled monthly payments (off-line payments) are not included on the audit confirmation. If an Annual Secretary of the Board Report (ASBR) revenue edit is generated and the difference is due to an "off-line" payment, describe the payment and the amount in the Remarks section of the ASBR. A remark may also be necessary if an edit is generated because the district refunded monies to the state.

To print a copy of the Audit Confirmation Report, go to public applications on the DESE Web Applications website located at <https://k12apps.dese.mo.gov/webLogin/login.aspx> and follow the steps listed:

1. Select "Public Applications" on the login page
2. Select "School Finance" on the page titled user applications
3. You will be directed to a District Select Page
4. Select the district for the audit confirmation you wish to retrieve and hit the select button
5. Select "Reports" on the next page
6. You will be directed to School Finance – Reports page
7. Make sure the year that is showing is the "2018-2019" year and the month is "June"
8. Select the Audit Confirmation link under the section titled Annual Financial Reports
9. Report will open in a new window

The Audit Confirmation can also be accessed from the Payment Transmittal page. When the deposit date or deposit amount has been selected on the Payment Transmittal page there will be an option at the top of the detail page to select the Audit Confirmation report by selecting the hyperlink in the statement “All payments received to date for this fiscal year can be viewed on the [Audit Confirmation](#) report”.

If the report does not open make sure you do not have a pop-up blocker turned on (select to have the pop-up blocker allow pop-ups on this site). Also, make sure you are using Microsoft Internet Explorer.

TAX RATES AND RELATED TOPICS

Setting 2019-20 Tax Levies

The district should have received the 2019 State Auditor’s Office forms for computing the 2019 tax rate ceiling for operations and the debt service maximum levy. These forms should be completed as soon as possible and forwarded through the appropriate channels. Establishing the tax rate ceiling is fundamental in determining the actual adjusted tax levy and the placement of the levy by fund. A tax rate calculator is available on the State Auditor’s web page at www.auditor.mo.gov.

A District Tax Reduction Worksheet (more commonly referred to as the Prop C Rollback Worksheet) is available on the web at <http://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>. For those districts completing the Prop C Rollback Worksheet, data for Line 1b (if applicable) may be found on Proposition C Compliance letter which was made available in May. Districts who received voter approval for a full waiver of the Proposition C rollback do not need to complete the Prop C Rollback Worksheet.

The data for Line 2a of the Prop C Rollback Worksheet and the data for Line 14 of the State Auditor’s Office tax rate ceiling form can be found on the Proposition C Compliance letter which was made available in May or on the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports> and selecting Estimated State Assessed Revenues.

To access the Proposition C Compliance letter, go to public applications on the DESE web applications website located at <https://apps.dese.mo.gov/weblogin/login.aspx> and follow the steps listed:

1. Log in to Web Applications with your userid and password
2. Select “Prop C Compliance” on the page titled user applications
3. Select “District Letter” on the left hand navigational menu
4. Select “Prop C Letter” on the next page

Estimate of Required Local Taxes Form

The **Estimate of Required Local Taxes** form is available in an Excel file version for districts to enter the appropriate information and print to send to the county(ies) in which the district is located. This Excel file is available at <http://dese.mo.gov/financial-admin-services/school-finance/calculation-tools> for use in filing the district’s 2019 tax levies by fund with your county(ies). One form is to be sent to each county clerk in which the school district has assessed valuation. In addition to the summary information filed on the form, the unadjusted and adjusted levies by fund are reported.

The unadjusted levy for operations is defined as the tax rate ceiling for operations minus any voluntary rollback for operations. The tax rate for operations may be placed in the Incidental, Teachers and/or Capital Projects Funds at the discretion of the district. The unadjusted levy for the Debt Service Fund is defined as the State Auditor’s calculated tax rate for debt service minus any voluntary rollback (the actual rate levied). The unadjusted and adjusted tax rates for the Debt Service Fund and the Capital Projects Fund are always the same because there is no rollback for Proposition C allowed in these funds.

The adjusted levy for operations is defined as the unadjusted levy for school purposes minus the Proposition C rollback in the Incidental and/or Teachers Fund, as appropriate, plus the Capital Projects Fund levy, if applicable. The total adjusted tax levy equals the adjusted levy for operations plus the adjusted levy for the Debt Service Fund. A district that does not have a Proposition C rollback (i.e., a district with a voter approved full waiver) will set the unadjusted and adjusted levies the same for each fund. Please pay particular attention to the asterisk footnotes on the form.

The information reported to the county(ies) on the **Estimate of Required Local Taxes** should be the same as that reported by the district on Screen 6 of the 2019-20 August Core Data Collection Cycle. If adjustments are made to the levies during the year, please ensure that the appropriate corrections are made with the county, State Auditor’s Office and DESE on Screen 6 of Core Data. Direct questions regarding the completion of the **Estimate of Required Local Taxes** Excel file form to the School Finance Section at (573) 751-0357.

OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

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**. There is no longer any need to file for an extension of the audit deadline.
- 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.

June 2019 Cycle Attendance

The June 2019 Cycle Attendance Report is available on the web for district review. To access this report log on to the DESE Web Applications website located at <https://apps.dese.mo.gov/weblogin/login.aspx> and then select Data Collection. Once in the Data Collection system, change the year to 2018-19 and select the Reports option on the left hand side of the page. Select Summary Reports, and then select the desired report (for Attendance Hours Report, select the 2018-19 year, click on Attendance Hours, and then click Get Report to view all buildings). The Attendance Hours Report shows the 2018-19 district attendance hours by grade by building and the average daily attendance for the building and the district. School Finance will contact districts when data quality concerns are noted.

September Membership Comparison

September Membership reports are available on the web. Log on to the DESE Web Applications Page located at <https://apps.dese.mo.gov/weblogin/login.aspx> and then select Data Collection. Once in the Data Collection system, change the year to 2018-19 and select the Reports option on the left hand side of the page. Select Summary Reports. Two September Membership reports are listed for review. One report, the September Membership Comparison Report (SAR070R), compares September membership as reported by the district for the year selected and the prior year. The other report, September Membership Report (SAR080R), displays only the data for the year selected.

If there is a shift in membership numbers between the 2018 year and the 2019 year, the data indicators may have been reported incorrectly. The September 2019 membership data by county will be reported to each county to be used in various county payments to school districts during the 2019-20 year. The accuracy of the payments is dependent on the accuracy of the membership data. A January Membership report is also available.

Please review the membership data. If reporting errors are found, update the September 2018 membership via MOSIS. Remember, if a change is made to September membership, a corresponding change to enrollment may be necessary.

SCHOOL GOVERNANCE

Residency Issues

It is approaching that time of year when students will be registering for school and the district will be dealing with residency issues. It would be advisable, especially for districts with new administrators, to review the district's residency policy and enrollment forms. Additional information on residency, such as an enrollment checklist and residency waiver, can be found on the school governance website at <http://dese.mo.gov/financial-admin-services/school-governance/residency>. If you have questions regarding residency call School Financial and Administrative Services at (573) 751-0357.

Playground Safety

The National Program for Playground Safety provides information to help insure safe playgrounds for schools across the nation. The NPPS website can be found as a link on the school governance web page under school safety or go directly to <http://www.uni.edu/playground>.

MSPMA Annual State Conference

The annual state conference of the Missouri School Plant Managers Association will be held on September 22 – 24, 2019, at the Hilton Branson Convention Center. Please provide the conference information to the person in your district in charge of facilities. Additional information about the conference can be obtained by calling Mr. Charley Branham, Executive Director, at (636) 775-9101. Registration and conference information is also available at <http://www.mspma.com/annual-conference.html>.

STUDENT TRANSPORTATION

New Federal Entry Level Driver Training (ELDT) Key Information – Effective February 7, 2020

Following is a link to a document, which details key points regarding the new Federal Entry Level Driver Training, which is effective February 7, 2020, for your transportation department and any other entry level employees who are obtaining their CDL or making changes to their CDL (<https://dese.mo.gov/sites/default/files/sf-EntryLevelDriverTraining-2019.pdf>).

School Bus Inspections

All Missouri school buses are required to be inspected as follows:

- Within 60 days prior to operating the vehicle during the school year at an official inspection station
- Spring Missouri State Highway Patrol inspection
- School bus drivers are required to perform a daily pretrip inspection.

Annual School Bus Driver Training Required

Missouri law requires that each school bus driver receive at least 8 hours of annual training. This includes regular route drivers, sub drivers, activity and field trip drivers, and school district staff members such as coaches and teachers who drive school buses. Training records should include who attended the training, when the training was provided, and the contents of the training.

“Ride-Along” Programs for Bus Drivers’ and Staff’s Children

DESE periodically reviews concerns relating to so-called “ride-along” programs that allow school bus drivers and other staff to bring their young children on school buses while driving their transportation routes, driving activity and field trips, or acting as chaperons and sponsors.

School buses are licensed pursuant to Sections 301.010 and 302.010, RSMo, solely to transport pupils to and from school or elsewhere for educational purposes. They are not licensed to carry the preschool-age children of the drivers and other staff or any children not enrolled in a school district program.

The current status of Missouri’s governmental tort immunity law makes transportation services an area of critical concern for school districts. Specifically, Section 537.600.1(1), RSMo, provides that governmental tort immunity is expressly waived for:

Injuries directly resulting from the negligent acts or omissions by public employees arising out of the operation of motor vehicles or motorized vehicles within the course of their employment.

This means that public school employees may NOT have tort immunity protection when they are operating motor vehicles. Added to this is the possible distraction of drivers having one or more of their own young children to care for while supervising students on the bus. The Missouri State Highway Patrol has expressed similar safety concerns about driver distraction. DESE recommends that any ride-along program be reviewed with the district’s liability insurance carrier.

School Finance

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



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