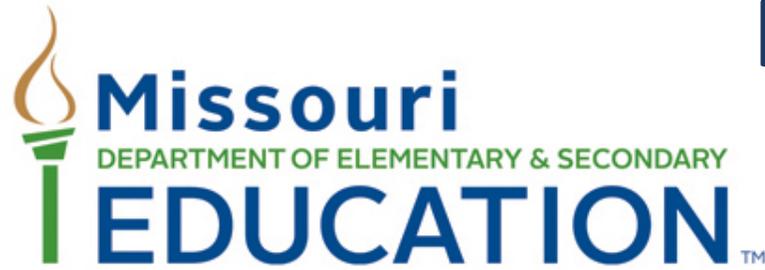


SPECIAL EDUCATION FINANCE PRESENTS:



NEW DIRECTORS FINANCE ACADEMY

Paying Other Expenses with Federal Funds

AUGUST 2020





PROCUREMENT



PROCUREMENT REQUIREMENTS

- Follow district policy on bidding.
- Expenditures are based on cumulative amounts by vendor throughout the fiscal year.
- Policy should have thresholds and describe the following types of procurements:
 - Micro Purchases
 - Small Purchases
 - Sealed Bids
 - Competitive Proposals
 - Noncompetitive/Sole Source
- Must maintain bidding documentation.
- Can be more restrictive on amounts, but can't be more than federal thresholds.



MICRO PURCHASES

Districts/LEAs shall identify in the written procurement procedure, a micro purchase threshold of \$10,000 or less.

- No bids or quotations are required, but micro purchases must be distributed equitably among qualified vendors – “SHARE THE LOVE” (i.e. cannot order supplies from Staples only, unless Staples was selected through the bid process).



SMALL PURCHASES

Districts/LEAs shall identify in the written procurement procedure, a small purchase threshold of \$10,001 through \$249,999, and the number of required quotes/bids (i.e. 3 bids) for each purchase.

- Although the Uniform Grant Guidance indicates purchases in this range is a small purchase, DESE recommends setting a much lower threshold.
- The district/LEA must maintain documentation of the quotes/bids even though the item is considered a small purchase.



SEALED BIDS

Districts/LEAs shall identify in the written procurement procedure when bids will be publicly solicited through formal advertising. Publicly solicited bids are appropriate when:

- The purchase is equal to or greater than \$250,000;
- A complete, adequate, and realistic specification or purchase description is available;
- Two or more responsible bidders are willing and able to compete effectively for the project;
- The procurement lends itself to a firm-fixed price contract (where the amount of payment is capped and does not depend on the amount of resources or time expended); and
- The selection of the successful bidder can be made on the basis of lowest cost.



COMPETITIVE PROPOSALS

Districts/LEAs shall identify in the written procurement procedure when competitive proposals will be utilized. This method is used when:

- The purchase is equal to or greater than \$250,000;
- More than one contractor/vendor is submitting an offer;
- Either a firm-fixed price (where the amount of payment is capped and does not depend on the amount of resources or time expended) or cost-reimbursement type contract (where the amount of payment is for all allowed expenses to a set limit plus additional funds to allow for profit) will be awarded;
- Conditions are not appropriate for the use of sealed bids; and
- There are multiple evaluation factors other than just cost.



SOLE SOURCE

Noncompetitive sole source proposals are occasionally permissible but only in limited circumstances.

- This occurs when the item is only available from a single vendor;
- There is an emergency situation; or
- Competition is determined to be inadequate (after soliciting a number of sources).
- Sole source purchases should be well documented as to why the district/LEA was unable to obtain competitive proposals.



DEBARRED/SUSPENDED

Federal funds may not be paid to contractors/vendors on Debarred/Suspended or Excluded Parties List.

- Verify status with federal government at <http://oig.hhs.gov/>.
 - Click on “Exclusions”
 - Click on “Online Searchable Database”
 - Select Search Method (Individual, Multiple Individuals, Single Entity, or Multiple Entity)
 - Enter Search Criteria (Last Name, First Name, or Entity Name)
 - Click on “Search”
 - Print Results and Retain for Records



ACTIVITY

PROCUREMENT

Determine which federal expenditures would have required the district/LEA to obtain 3 bids.



PROCUREMENT ACTIVITY

PROCUREMENT ACTIVITY

SMALL PURCHASES POLICY

If the estimated expenditure is more than \$10,001 but less than \$249,999, the employee authorized to make the purchase must:

- Obtain at least three bids, quotes or offers from providers. The employee may solicit bids, quotes or offers directly from providers and may utilize bids received by fax, telephone, e-mail and catalog comparison or through online submissions to potential providers.

ACTIVITY:

Which federal expenditures would have required the district/LEA to obtain 3 bids?

-
-
-
-
-

MO DISTRICT

JOURNAL LISTING – INDIVIDUAL ACCOUNT

Account 1221-6300-4-44100

JULY 2019 THRU JUNE 2020

TRACE	POSTING	SUPPLIER	MONTH	CHECK	AMOUNT
1234	MOCASE LODGING	TANTARA	08/2019	#123896	\$456.50
1478	MILEAGE	S. WOODS	09/2019	#144789	\$200.12
1489	OCCUPATIONAL THERAPY	ABC THERAPY	10/2019	#147896	\$3,000.00
1597	WIRING/NETWORKS	INFO TECHNOLOGY	10/2019	#148732	\$1,000.00
2321	LASE DUES	LASE	11/2019	#151887	\$3,000.00
3196	ABA	AUTISM CONCEPTS	12/2019	#158965	\$3,723.00
3221	SPEECH THERAPY	WHEELER THERAPY	12/2019	#159892	\$7,600.00
3264	OCCUPATIONAL THERAPY	ABC THERAPY	01/2020	#162798	\$4,500.00
4561	MOCASE CONFERENCE REG	MOCASE	02/2020	#167456	\$500.00
4563	SPED TRACK RENEWAL	TYLER TECHNOLOGIES	03/2020	#172214	\$12,500.00
4581	CONTRACTED TRANSPORT	DURHAM	03/2020	#174539	\$18,500.00
4937	WIRING/NETWORKS	INFO TECHNOLOGY	04/2020	#176946	\$2,500.00
6523	OCCUPATIONAL THERAPY	ABC THERAPY	05/2020	#179478	\$3,000.00
7534	WIRING/NETWORKS	INFO TECHNOLOGY	05/2020	#183753	\$1,000.00
7896	SPEECH THERAPY	WHEELER THERAPY	06/2020	#186198	\$6,500.00
8963	OCCUPATIONAL THERAPY	ABC THERAPY	06/2020	#186491	\$3,000.00



PROCUREMENT ACTIVITY - ANSWERS

PROCUREMENT ACTIVITY

SMALL PURCHASES POLICY

If the estimated expenditure is more than \$10,001 but less than \$249,999, the employee authorized to make the purchase must:

- Obtain at least three bids, quotes or offers from providers. The employee may solicit bids, quotes or offers directly from providers and may utilize bids received by fax, telephone, e-mail and catalog comparison or through online submissions to potential providers.

ACTIVITY:

Which federal expenditures would have required the district/LEA to obtain 3 bids?

- **ABC Therapy \$13,500**
- **Durham \$18,500**
- **Tyler Technologies \$12,500**
- **Wheeler Therapy \$14,100**

MO DISTRICT

JOURNAL LISTING – INDIVIDUAL ACCOUNT

Account 1221-6300-4-44100

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8963	OCCUPATIONAL THERAPY	ABC THERAPY	06/2020	#186491	\$3,000.00





INTERNAL CONTROLS



INTERNAL CONTROLS

- Internal controls safeguard the district/LEA and protect against fraud and abuse
- Written policies and procedures should at a minimum include the following elements:
 - Segregation of Duties or Second Approval Process
 - Approval of Expenditures
 - Journal Entry Correction Approval
 - Supervision/Monitoring of Operations
 - Retention of Records
 - Physical Safeguards
 - IT Security
 - System Controls
 - System Reports



INTERNAL CONTROL ELEMENTS

- Segregation of Duties/Second Approval
 - The duties of approving, processing (receipt/payment), and recordkeeping should be separated or a second approval process be implemented
 - Second approval process entails review and approval by at least two different people (i.e. the superintendent and/or school board)
- Approval of ALL Expenditures
 - Review of all expenditures (and supporting documentation) by special education director prior to issuing payments
 - Multiple signatures should be required on all payment documentation (i.e. different people should be approving vs. issuing payment)
- Journal Correction Entry Approval
 - Second approval should be obtained prior to posting journal entry corrections
 - Approval documentation should be maintained



INTERNAL CONTROL ELEMENTS

- Supervision/Monitoring of Operations
 - To maintain efficiency, effectiveness, and proper use of funds
 - Staff responsible for monitoring operational activities should continually receive training on program changes/updates
 - District/LEA evaluation of the process to ensure efficiency, effectiveness, and proper use of funds
- Retention of Records for 5 years to substantiate transactions
- Physical Safeguards in place (cameras, locks, etc.)
- IT Security (passwords, access logs, etc.)
- System Controls within accounting and payroll systems
- System Reports
 - Ability to query accounting and payroll system data reports for accountability and financial management purposes





SOURCE DOCUMENTATION



SOURCE DOCUMENTATION

- All special education program expenditures must have supporting documentation, also called source documentation
- Source documentation may include:
 - Requisition
 - Purchase Order
 - Receiving Documentation
 - Invoice
 - Payment
- Without source documentation, districts/LEAs cannot prove compliance with IDEA Part B federal grant requirements



REQUISITION

- The REQUISITION is the originating request for a purchase
- Indicates:
 - What is to be purchased
 - Who is it for
 - Why it is needed
- Must be in written format (electronic, email, standard form, handwritten request)
- Must have an indication of approval
- Must be maintained as part of the source documentation



PURCHASE ORDER

- The PURCHASE ORDER obligates funds for a purchase once created
- Must contain specifics:
 - Detail of items purchased
 - Vendor purchased from
 - Funding source being obligated
 - Quantity purchased
 - Purchase Price
 - Approval signature and date
- Must be in written format with unique identifying numbers
- Must be approved by individual other than the person who created, or have a second signature of approval
- Must be maintained as part of the source documentation



Maintain as part of Source Documentation

MISSOURI SCHOOL DISTRICT

1234 Main Street
Jefferson City, Missouri 65101
573-635-1234
573-635-5678

Vendor

TO:
School Specialty
100 Paragon Parkway
Mansfield, OH 44903
888-388-3224

SHIP TO:
Leslie Turpin
Missouri School District
1234 Main Street
Jefferson City, MO 65101

PURCHASE ORDER

Unique Identifier

P.O. NUMBER: 0587932

[The P.O. number must appear on all related correspondence, shipping papers, and invoices]

P.O. DATE	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
-----------	---------------	-------------	--------------	-------

7/22/2018 Leslie Turpin

QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL
5	115324	Multi-use Copy Paper, 8 1/2 x 11", Case	28.99	144.95
ACCOUNT CODE:		01-2329-6411-0000-3-12210		
1	1334628	CRAYOLA WASHABLE MARKERS 8-COLOR, SET OF 200	81.99	81.99
ACCOUNT CODE:		01-1221-6411-4020-3-12210		
1	1512741	INFLATABLE PEA POD XL, 80 IN VINYL, GREEN	104.99	104.99
ACCOUNT CODE:		01-1281-6411-4020-3-12810		

Items being purchased

SUBTOTAL	331.93
SALES TAX	[8.2%]
SHIPPING AND HANDLING	27.21
OTHER	0.00
TOTAL	\$359.14

1. Please send two copies of your invoice.
2. Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
3. Please notify us immediately if you are unable to ship as specified.
4. Send all correspondence to:
Leslie Turpin
1234 Main Street
Jefferson City, Missouri 65101
573-635-1234
573-635-5678

Funding Source

Separate Approval

Angie Nickell 7/22/18

Issued By

Leslie Turpin

Authorized by

7/23/18



RECEIVING DOCUMENTATION

- The RECEIVING DOCUMENTATION indicates:
 - When the purchase was received or when the service was provided
- Examples of receiving documentation:
 - Packing slip
 - Timesheet
 - Attendance certificate
 - Therapy notes/logs
- Must contain a signature with date to indicate verification of receipt of items or service provided
- Must be maintained as part of the source documentation



Maintain as part of Source Documentation



100 Paragon Parkway
Mansfield OH 44903
Toll Free Phone: 888-388-3224
Toll Free Fax: 888-388-6344
www.schoolspecialty.com

**Ship To: MISSOURI SCHOOL DISTRICT
1234 MAIN STREET
JEFFERSON CITY MO 65101**

Packing Slip		Page: 1 of 1
Printed: 7/24/2018		
Order Number:	246416000	
Ship Date:	7/24/2018	
Customer Number:	258188	
Shipment Number:	1047532355	
Customer PO:	587932	
Attn:	Leslie Turpin	

Order Information:

Contact Information:

Our helpful Customer Care resources are available 24/7 at www.schoolspecialty.com/customer-care.
Track your order, report incomplete orders or damages, obtain order documentation and more!

Delivery Information:

- Your order may ship in multiple boxes and may deliver at different times.
- One packing slip is provided per shipment; there is not one included in every carton.

The following items are in this shipment:

Line	Product No	Cust Item No	Description	UOM	Qty Ord	Qty Ship	Qty B/O
1	115324	115324	Multi-use Copy Paper; Case	EA	5	5	✓
2	1334628	1334628	Crayola Wash Marker-8; 200 set	PK	1	1	✓
3	1512741	1512741	Inflatable Pea Pod XL; green	PK	1	1	✓

Signature & Date

7/27/2018 Received.
J. Turpin

Indication
items were
received



INVOICE

- The INVOICE is the request for payment
- Must indicate the funding source paying expenditure
- Must list accounting codes
- Must match the purchase order or explanation of difference (i.e. shipping)
- Must contain an approval signature with date
- Must be maintained as part of the source documentation



INVOICE #26446196

August 1, 2018

359.14

PAYMENT DUE: August 15, 2018

Missouri School District
1234 Main Street
Jefferson City, MO 65101
573-635-1234

School Specialty
100 Paragon Parkway
Mansfield, OH 44903
-388-3224 Toll Free

Funding Source

QUANTITY	DETAILS	UNIT PRICE	LINE TOTAL
5	Multi-Use Copy Paper, 8 1/2 x 11", Case	28.99	144.95
1	Crayola Washable Markers 8-Color, Set of 200	81.99	81.99
1	Inflatable Pee Pod XL, 80 in Vinyl Green	104.99	104.99

Accounting Codes

01-2329-4411-0000-3-12210 \$144.95
 01-1221-4411-4020-3-12210 \$81.99
 01-1221-4411-4020-3-12210 \$104.99

Approval Signature & Date

8/15/18 OK to pay.
J. Sharpin

Matches PO

S & H	27.21
Net Total	\$359.14
Tax	
USD TOTAL	\$359.14

PAYMENT DETAILS

Name of Beneficiary: SCHOOL SPECIALTY
 Name of Bank: First National Bank
 Address of Bank: 456 Main St. Mansfield, OH 4490309876
 Account Number: 1234567
 Routing Number (SWIFT Code): 9876543210
 Payment Reference: #26446196

OTHER INFORMATION

SCHOOL SPECIALTY
 Phone: 888-388-3224
 Facsimile: 888-388-6344
 www.schoolspecialty.com
 cs@schoolspecialty.org

Maintain as part of Source Documentation

PAYMENT

- The PAYMENT is the documentation of the issued check or the electronic payment transmittal
- Must be verified for accuracy against the invoice before mailing
- Must log expenditure in the general ledger at the time payment is issued
 - Funding source and accounting codes must correlate with purchase order and invoice documentation
- Must contain an approval signature and date
- Must be maintained as part of the source documentation



MISSOURI SCHOOL DISTRICT 0986368

VENDOR: SSPEC SCHOOL SPECIALTY
100 PARAGON PARKWAY
MANSFIELD, OH 44903

INVOICE #	INVOICE DATE	PO #	ACCOUNT	INVOICE AMT
26446196	8/1/2015	587932	01-2329-6411-0000-3-12210	144.95
			01-1221-6411-4020-3-12210	81.99
			01-1281-6411-4020-3-12810	104.99
				27.21

Check # 0986368 Check Amount \$359.14 ✓ 8/8/18 ok Check Date: 8/8/2018
annickels

Funding Source & Accounting Codes

Approval Signature & Date

Verified for Accuracy

Maintain as part of Source Documentation



ACTIVITY

PURCHASE ORDER
SOURCE DOCUMENTATION

See how many red flags you can find with the purchase order.



SOURCE DOCUMENTATION ACTIVITY

SOURCE DOCUMENTATION ACTIVITY

MISSOURI SCHOOL DISTRICT

PURCHASE ORDER

1234 Main Street
 Jefferson City, Missouri 65101
 573-635-1234
 573-635-5678

TO:
 School Specialty
 100 Paragon Parkway
 Mansfield, OH 44903
 888-388-3224

SHIP TO:
Leslie Turpin
Missouri School District
 1234 Main Street
 Jefferson City, MO 65101

P. O. NUMBER:
[The P.O. number must appear on all related correspondence, shipping papers, and invoices]

P.O DATE	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS	
6/19/2020	Leslie Turpin				
QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	
5	115324	Multi-use Copy Paper, 8 1/2 x 11", Case	28.99	144.95	
ACCOUNT CODE:		01-2329-6411-0000-4-44100			
1	1334628	CRAYOLA WASHABLE MARKERS 8-COLOR, SET OF 200	81.99	81.99	
ACCOUNT CODE:		01-1221-6411-4020			
1	1512741	INFLATABLE PEA POD XL, 80 IN VINYL, GREEN	104.99	104.99	
ACCOUNT CODE:		01-1281-6411-4020			
1	4326477	Differentiated Literacy Strategies for English Language Learners, Grades K-6	36.95	36.95	
ACCOUNT CODE:		01-2329-6411-0000-4-44100			
1	089399	BIC GREAT ERASE BOLD DRY ERASE MARKERS, FINE TIP, BLACK, PACK OF 12	12.41	12.41	
ACCOUNT CODE:		01-1221-6411-4020			

SUBTOTAL	381.29
SALES TAX	[8.2%]
SHIPPING AND HANDLING	31.26
OTHER	0.00
TOTAL	\$412.55

1. Please send two copies of your invoice.
2. Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
3. Please notify us immediately if you are unable to ship as specified.
4. Send all correspondence to:
 Leslie Turpin
 1234 Main Street
 Jefferson City, Missouri 65101
 573-635-1234
 573-635-5678



Issued by Leslie Turpin
 Authorized by Leslie Turpin



SOURCE DOCUMENTATION ACTIVITY - ANSWERS

SOURCE DOCUMENTATION ACTIVITY

MISSOURI SCHOOL DISTRICT

PURCHASE ORDER

1234 Main Street
 Jefferson City, Missouri 65101
 573-635-1234
 573-635-5678

TO:
 School Specialty
 100 Paragon Parkway
 Mansfield, OH 44903
 888-388-3224

SHIP TO:
Leslie Turpin
Missouri School District
 1234 Main Street
 Jefferson City, MO 65101

P.O. NUMBER:

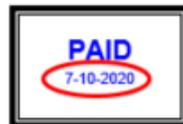
[The P.O. number must appear on all related correspondence, shipping papers, and invoices]

P.O. DATE	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
6/19/2020	Leslie Turpin			
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ACCOUNT CODE:		01-1221-6411-4020		
1	1512741	INFLATABLE PEA POD XL, 80 IN VINYL, GREEN	104.99	104.99
ACCOUNT CODE:		01-1281-6411-4020		
1	Non-sped →	Differentiated Literacy Strategies for English Language Learners, Grades K-6	6.95	36.95
ACCOUNT CODE:		01-2329-6411-0000-4-44100		
1	089399	BIC GREAT ERASE BOLD DRY ERASE MARKERS, FINE TIP, BLACK, PACK OF 12	12.41	12.41
ACCOUNT CODE:		01-1221-6411-4020		

Funding Source of Expenditure?

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 Leslie Turpin
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 573-635-1234
 573-635-5678

SUBTOTAL	381.29
SALES TAX	[8.2%]
SHIPPING AND HANDLING	31.26
OTHER	0.00
TOTAL	\$412.55



Issued by
 Leslie Turpin
 Authorized by
 Leslie Turpin



PROCUREMENT RESOURCES:

Uniform Grant Guidance (UGG)

<https://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>

Fiscal Monitoring Guide

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



INTERNAL CONTROLS RESOURCES:

Uniform Grant Guidance (UGG)

<https://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>

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