



DIVISION OF FINANCIAL AND ADMINISTRATIVE SERVICES

Special Education Finance

IDEA Fiscal Requirements Training

January 2016

Missouri Department
of Elementary and Secondary Education

TOPICS

- Introduction
- Tiered Monitoring
- Special Education Funding Sources
- Coding Special Education Expenditures
- Obligation of Funds
- Period of Availability
- Cash Management and Overcoding
- Allowable Use of Funds
- Source Documentation
- Internal Controls
- Maintenance of Effort
- Time and Effort



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)
- Cohorts will move through the Tier Levels from year to year
- Levels of the Tier 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

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 IDEA Part B Budget Application & Revisions
 - ePeGS IDEA Part B Payment Requests
 - ePeGS IDEA Part B Final Expenditure Report & Revisions
 - Cash Management Plans
 - A133 Audit Findings for IDEA Part B



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 (up to 25 districts/LEAs)
 - 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
 - Review the Special Education Fiscal Monitoring Guide
 - 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



TOP MONITORING FINDINGS

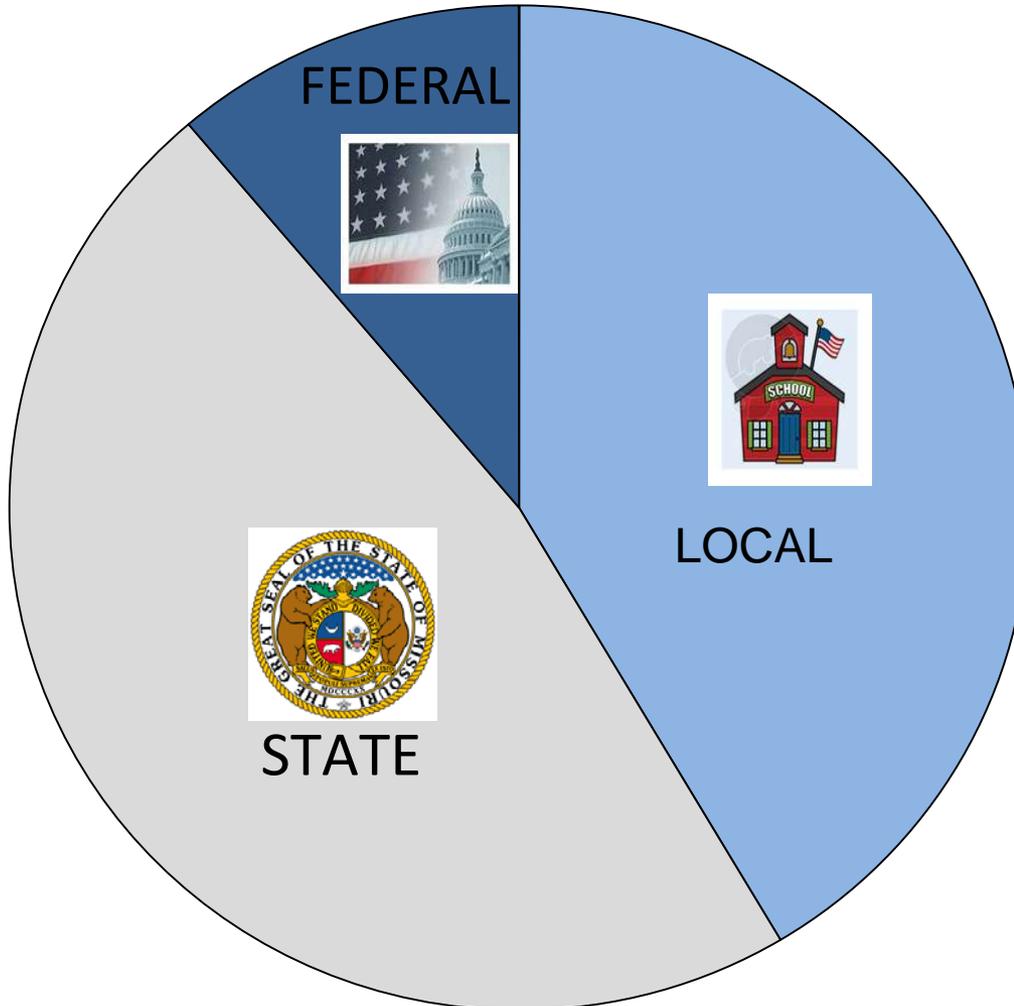
- Federal expenditures not tracked separately in general ledger
- Special Education program expenditures are not coded to special education function codes
- MOE calculation is not accurate
- Obligations made prior to Budget Application submission
- CMIA compliance
- Charging expenditures to incorrect 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



SPED FUNDING SOURCES



SPECIAL EDUCATION FUNDING



- Local Funding
- State Funding
- Federal Funding



FUNDING SOURCES - REVENUE CODES

Revenue Codes distinguish the funding source type:



Local: 51xx, 52xx, 58xx



State: 53xx



Federal: 54xx



LOCAL FUNDING



LOCAL Sources may include (51, 52, 58):

Description	Revenue Code
Current Taxes	5111
Proposition C	5113
City Sales Tax	5117
Food Service Program	5150-5164
Other – From Local Sources	5190
Other County Revenue	5237
Tuition from other Districts	5810



STATE FUNDING



STATE Sources may include (53):

Description	Revenue Code
Basic Formula – State Monies	5311
Transportation State Aid	5312
Early Childhood Special Education – State	5314
Public Placement Fund	5369
High Need Fund - State	5381



FEDERAL FUNDING



FEDERAL Sources may include (54):

Description	Revenue Code
IDEA Part B (611) Entitlement	5441
IDEA Grants (NOT Entitlement) Statewide Collaborative, SWIS, SET, HNF, etc	5437
Non-IDEA Special Education Grants	5438
Early Childhood Special Education – Federal	5442
Medicaid	5412



DETERMINING FUNDING SOURCES

- Annual Secretary of the Board Report (ASBR)
FY cumulative account of ALL revenues
- Payment Transmittals
Monthly, YTD account of revenues PAID BY DESE
- Audit Confirmation
FY cumulative account of revenues PAID BY DESE



ASBR

de

Message Board

General Summary

Summary

Restricted Balance

Transfer From and To Funds

Detail

Adjusted Expenditure

Calculation

Grant Match Transfer

II Revenues

Local Revenues

County Revenues

State Revenues

Federal Revenues

Other Revenues

III-A Expenditures Program by Fund

Instruction

Support Service

Non-Instruction/Support

III-B Expenditures Program by

Object

Part II Local Revenue Detail

Revenue Code	Description	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total All Funds
5111	Current Taxes	63,829,377.64	50,407,312.24	16,356,638.84	0.00	130,593,328.72
5112	Delinquent Taxes	1,012,287.98	799,423.70	259,404.52	0.00	2,071,116.20
5113	School District Trust Fund (Prop C)	0.00	22,511,942.97			22,511,942.97
5114	Financial Institution Tax	246,521.39	0.00	35,297.42	0.00	281,818.81
5115	M&M Surtax	0.00	0.00	0.00	8,666,242.89	8,666,242.89
5116	In Lieu of Tax	425,641.18	0.00	38,225.11	0.00	463,866.29
5117	City Sales Tax	0.00	0.00	0.00	0.00	0.00
5121	Tuition From Individuals (K - 12)	0.00	0.00			0.00
5122	Summer School Tuition (K - 12)	0.00	0.00			0.00
5123	Tuition - Post Secondary	0.00	0.00			0.00

ASBR STEPS

- Go to DESE Web Applications
- Select Annual Secretary of the Board link
- Select Year
- Select Revenues Section



PAYMENT TRANSMITTAL

Payment Year: 2015-2016 **Month:** August

Deposit Date: 8/21/2015 **Check/EFT Number:** EF08191501845

Deposit Amount: \$4,415,033.23

For questions regarding payments please see the [Payment Contact List](#)

All payments received to date for this fiscal year can be viewed on the [Audit Confirmation](#) report.

Revenue Code	Revenue Name	CFDA Number	Federal Award Identification Number (FAIN)	Monthly Payment	Minus Bond Payment Direct Deposit	Net Monthly Payment
5113	Prop C			\$1,938,164.07		\$1,938,164.07
5311	Basic Formula - State Monies			\$3,649,739.00	\$2,634,022.00	\$1,015,717.00
5312	Transportation			\$143,723.00		\$143,723.00
5319	Basic Formula - Classroom Trust Fund			\$896,637.67		\$896,637.67
5441	Spec Ed Part B Entitlement	84027A	H027A140040	\$304,541.49		\$304,541.49
5444	Food & Nutrition Services Equipment Grant	10579		\$24,974.00		\$24,974.00
5459	21st Century	84287C	S287C140025	\$77,597.00		\$77,597.00
5472	School Age Community	93575		\$13,679.00		\$13,679.00
TOTAL				\$7,049,055.23	\$2,634,022.00	\$4,415,033.23



PAYMENT TRANSMITTAL STEPS

- Go to DESE Web Applications
- Select School Finance link
- Select Payment Transmittal link
- Select Year and Month



AUDIT CONFIRMATION

Revenue Code	Project or Grant	CFDA	FAIN	Amount	Totals
5359	Career Education Enhancement Grant			\$18,962.00	
				Grand Total	\$18,962.00
5369	Spec Ed Pub Placement			\$230,803.51	
				Grand Total	\$230,803.51
5381	Spec Ed High Need Fund - State			\$730,028.65	
				Grand Total	\$730,028.65
5382	MPPFY14-01			\$92,000.00	
				Grand Total	\$92,000.00
5437	Assistive Technology Reimbursement			\$16,104.09	
				Grand Total	\$16,104.09
5437	State-Wide Collaborative Work Initiative	84027A	H027A130147	\$7,200.00	

AUDIT CONFIRMATION STEPS

- Go to DESE Web Applications
- Select School Finance link
- Select Reports link
- Select Year and June as the Month
- Select Audit Confirmation under Annual Financial Reports



CODING SPED EXPENDITURES



ACCOUNTING CODE STRUCTURE

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

If district/LEA software does not have the option for all of these fields, contact the accounting software vendor to have them added.



FUNCTION CODES

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

The function code describes the function, purpose or program for which activities are performed. There are function codes specific to the special education program.



SPECIAL EDUCATION FUNCTION CODES

Function codes that are designated for special education expenditures.

SPECIAL EDUCATION FUNCTION CODE DESCRIPTION	FUNCTION CODE
Special Education and Related Services	1221
Coordinated Early Intervening Services	1223
Proportionate Share Services	1224
Tuition for Special Education Services to Other Districts Within the State	1931
Tuition for Special Education Services to Other Districts Outside of the State	1932
Tuition for Special Education Services to Private Agencies	1933
Contracted Transportation Services for Students with Disabilities	2553
District Operated Transportation Services for Students with Disabilities	2554
Proportionate Share Transportation Cost	2557
ECSE Transportation Services	2559
All other ECSE Services	1281



SPEL FUNCTION CODE STRUCTURE

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT	SOURCE
1	1221	6100	333	41	<i>IDEA FEDERAL</i>
1	1281	6100	333	42	<i>ECSE FEDERAL</i>
1	1221	6100	333	51	<i>LOCAL</i>



GENERAL LEDGER FEEDS INTO ASBR

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	YTD
FUNCTION CODE 1211: SPECIAL EDUCATION ADMIN SERVICES						
01	1211	6111	105	41	SE ADMIN SALARY	68,000
01	1211	6151	105	00	SE ADMIN BENEFITS	20,400
SUBTOTAL						88,400
FUNCTION CODE 1221: SPECIAL EDUCATION SERVICES						
01	1221	6111	105	41	SE CERTIFIED SALARY	174,271
01	1221	6151	105	00	SE SALARY NONCERT	147,181
01	1221	6211	300	41	SE TEACHER RETIREMENT	109,713
01	1221	6221	300	00	SE NON TEACHER RETIREMENT	12,328
SUBTOTAL						443,494
FUNCTION CODE 1224: PROPORTIONATE SHARE SERVICES						
01	1224	6124	105	41	PS CERTIFIED SALARY	2,196
01	1224	6224	105	41	PS TEACHER RETIREMENT	1,429
01	1224	6324	105	41	PS PURCHASED SERVICES	-
01	1224	6424	105	41	PS SUPPLIES	75
SUBTOTAL						3,700
FUNCTION CODE 1226: SPECIAL EDUCATION COOP SERVICES						
01	1226	6111	105	41	SE COOP SALARY	10,000
01	1226	6151	105	00	SE COOP BENEFITS	2,000
SUBTOTAL						12,000
FUNCTION CODE 1260: SPECIAL EDUCATION SPEECH						
01	1260	6122	105	53	ECSE CERTIFIED SALARY	5,000
01	1260	6122	105	42	ECSE CERTIFIED SALARY	1,000
SUBTOTAL						6,000

Coding is important so the general ledger amounts feed into the ASBR correctly.

ASBR		
Function Code	Description	Total All Funds
1210	Gifted	88,400
1221	Special Education	443,494
1223	Coordinated Early Intervening Services	-
1224	Proportionate Share	15,700
1250	Supplemental Instruction	6,000

Yellow highlighted codes are incorrect.



NONSPECIAL EDUCATION FUNCTION CODES

Function codes that are not specifically designated for special education expenditures, but where special education program expenditures may occur.

Should have a program code **and/or** project code to identify the expenditure as special education.

FUNCTION CODE DESCRIPTION	FUNCTION CODE
Professional Development (not special education specific)	2200
Transportation & Maintenance (not special education specific)	2500
Facility Acquisition & Construction (not special education specific)	4000



PROGRAM CODES

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

The program/building code is optional, but identifies a specific program within special education or a specific building. Use program codes to tie nonspecial education function codes to the special education program.



NON-SPED FUNCTION CODE STRUCTURE

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT	SOURCE
1	2214	6300	333	53	STATE
1	4000	6300	333	53	STATE
1	2558	6300	333	51	LOCAL



OBJECT CODES

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

The object code identifies the service or commodity obtained and is based on how a particular expenditure is paid out.



OBJECT CODES

Object codes are not specific to special education but are used for all expenditures districtwide.

OBJECT CODE DESCRIPTION	OBJECT CODE
Certificated Salaries	6100
Non-Certificated Salaries	6150
Employee Benefits	6200
Purchased Services	6300
Materials and Supplies	6400
Capital Outlay (including equipment)	6500



OBJECT CODE STRUCTURE

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT	SOURCE
1	1221	6100	333	41	<i>IDEA FEDERAL</i>
1	1281	6100	333	42	<i>ECSE FEDERAL</i>
1	1221	6100	333	51	<i>LOCAL</i>
1	2214	6300	333	53	<i>STATE</i>



PROJECT CODES

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

The project code identifies a specific project or funding source.



PROJECT CODES

Federal project/source codes may be selected by district
Recommend using the last two digits of the revenue code for
federal funds (i.e. 41, 42, 37, etc.).

State and local project/source codes may be selected by district



PROJECT CODE STRUCTURE

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT	SOURCE
1	1221	6100	333	41	<i>IDEA FEDERAL</i>
1	1281	6100	333	42	<i>ECSE FEDERAL</i>
1	1221	6100	333	51	<i>LOCAL</i>
1	2214	6300	333	53	<i>STATE</i>



GENERAL LEDGER EXAMPLE

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD
FUNCTION CODE 1221: SPECIAL EDUCATION SERVICES								
01	1221	6111	105	41	SE CERTIFIED SALARY	176,229	19,581	117,486
01	1221	6151	105	53	SE SALARY NONCERT	148,835	16,537	99,223
01	1221	6211	300	41	SE TEACHER RETIREMENT	110,946	12,327	73,964
01	1221	6221	300	53	SE NON TEACHER RETIREMENT	12,467	1,385	8,311
01	1221	6231	105	41	SE SOCIAL SECURITY	11,576	1,286	7,717
01	1221	6241	300	53	SE MEDICARE	11,474	1,275	7,649
01	1221	6251	105	41	SE MEDICAL INSURANCE	121,177	10,098	60,589
01	1221	6311	105	51	SE PROFESSIONAL DEVELOPMENT	10,539	25	6,897
01	1221	6321	105	41	SE CONTRACT THERAPY SERVICES	127,825	3,814	99,419
01	1221	6331	300	51	SE EMPL TRAVEL REIMBURSEMENT	1,100	10	743
01	1221	6341	105	41	SE EMPL ITINERANT TRAVEL	5,642	78	4,201
01	1221	6411	105	53	SE GENERAL CLASSROOM SUPPLIES	11,000	1,256	9,461
01	1221	6421	300	53	SE IEP SUPPLIES	15,657	284	3,698
01	1221	6511	105	51	SE EQUIPMENT	5,243	-	1,694
SUBTOTAL						769,710	67,957	501,053

41 = IDEA Federal Funds 51 = Local Funds 53 = State Funds

CODING SELF-REVIEW

- Does your general ledger have the designated special education function codes? 1221, 1223, 1224, 1281, 1931, 1932, 1933, 2553, 2554, 2557, 2559?
- If not, is your district using a program code to track program expenditures coded to a nonspecial education function code?
- Does your general ledger have project/source codes to identify expenditures paid with state, local, and federal revenues?



OBLIGATION OF FUNDS



WHAT IS AN OBLIGATION

To obligate funds is to reserve, commit, or set-aside for a specific activity or purpose.

IF THE OBLIGATION IS FOR...	THEN THE OBLIGATION PERIOD BEGINS...
General Purchases	On the date the district/LEA creates a purchase order.
Services by an employee of the district/LEA	When the services are performed. For teachers, the obligation begins when the work is performed NOT when the contract is signed.
Services by a contractor who is not an employee of the district/LEA	On the date the district/LEA signs a contract or creates a purchase order. This includes contracts with individuals (i.e. OTs, PTs, and tutors), and companies to provide services (transportation).

APPLIES ONLY WHEN FEDERAL FUNDS ARE UTILIZED



WHEN CAN FUNDS BE OBLIGATED

The first day of the grant period -OR- the date the budget application was submitted in substantially approvable format, **WHICHEVER IS LATER.**

GRANT PERIOD	GRANT PERIOD DATES
FY16	July 1, 2015 – June 30, 2016
FY17	July 1, 2016 – June 30, 2017
FY18	July 1, 2017 – June 30, 2018

GRANT PERIOD DATE	APPLICATION SUBMISSION DATE	USE THIS DATE...
July 1, 2015	July 15, 2015	July 15, 2015
July 1, 2015	June 20, 2015	July 1, 2015
July 1, 2015	December 10, 2015	December 10, 2015



OBLIGATION DATES

GRANT PERIOD	GRANT PERIOD DATES	LAST TO OBLIGATE WITHIN GRANT PERIOD	LAST DAY TO EXPEND FUNDS
FY16	July 1, 2015 – June 30, 2016	June 30, 2016	September 30, 2016
FY17	July 1, 2016 – June 30, 2017	June 30, 2017	September 30, 2017
FY18	July 1, 2017 – June 30, 2018	June 30, 2018	September 30, 2018



OBLIGATIONS SELF-REVIEW

- Does your district sign non-employee contracts for the upcoming school year prior to June 30th? If so, is your district using federal funds to pay the contracts?



PERIOD OF AVAILABILITY



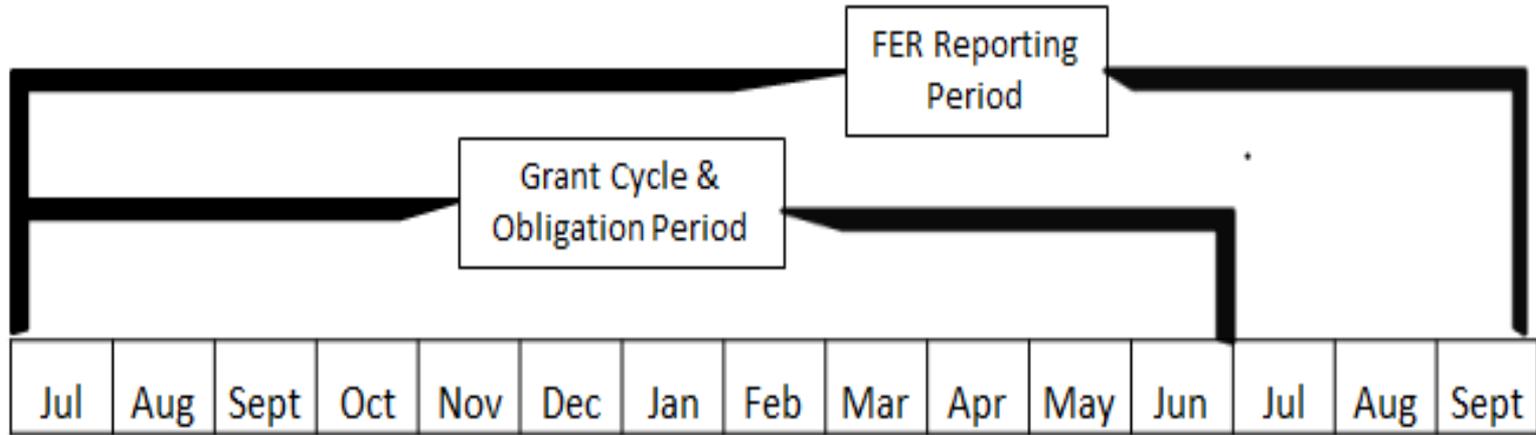
PERIOD OF AVAILABILITY

The amount of time the district/LEA has to expend funds.

OBLIGATION OF FUNDS	PERIOD OF AVAILABILITY
When the district/LEA can start to expend funds.	Which year of funds to utilize based on when the obligation was made.
Operates on the Grant Period July 1 – June 30	Operates on the FER Reporting Period July 1 – September 30

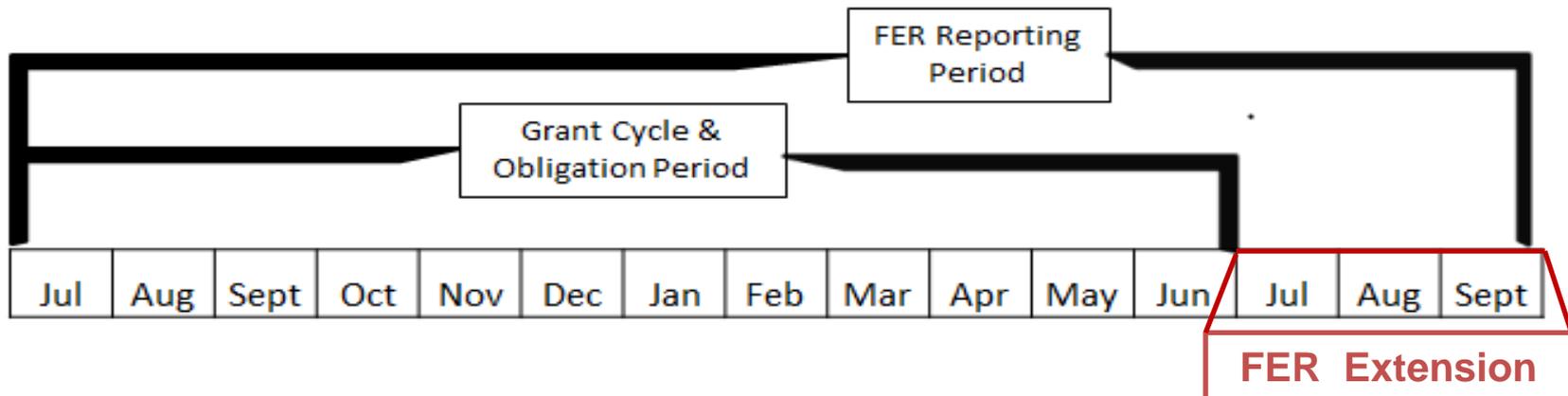


GRANT PERIOD VS FER REPORTING PERIOD



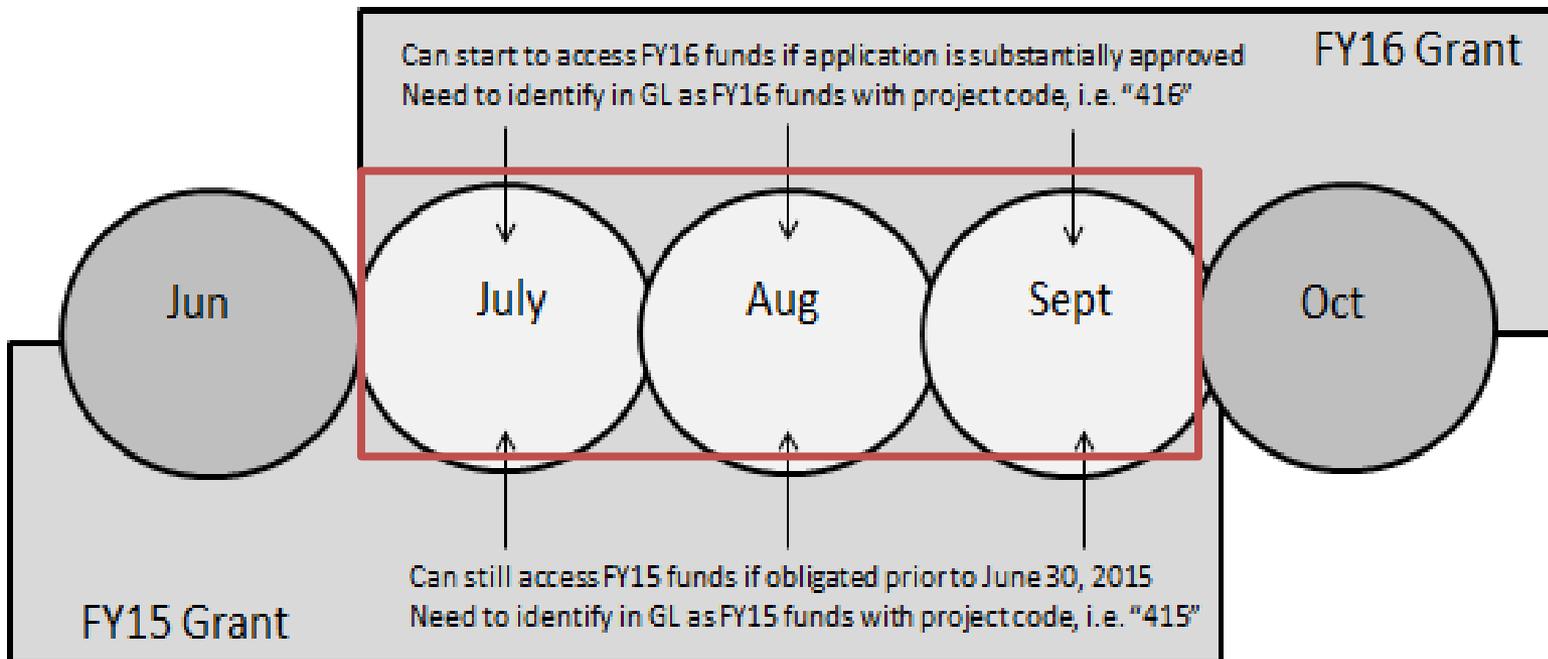
FER EXTENSION

- FER Extension is an extra three months to access funds after the grant period ends.
- Request grant funds up until September 30th as long as:
 - The obligation occurred during the grant period (prior to June 30th),
 - **AND** there are remaining funds,
 - **AND** the FER has not been submitted.
 - **AND** funds are tracked separately from current year funds



FER EXTENSION (OVERLAPPING)

- FER Extension Period has 2 fiscal year grants running simultaneously/overlapping in the same general ledger.
- Must account for both FY15 expenditures in the FER extension period, and FY16 expenditures in the new grant cycle



FER EXTENSION CODING

- Use another digit added to the project/source code to identify the year of the funds.

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT	SOURCE
1	1221	6100	333	415	FY15 IDEA FEDERAL
1	1221	6100	333	416	FY16 IDEA FEDERAL

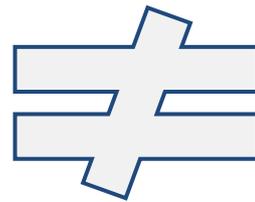


RULE #1 PERIOD OF AVAILABILITY

Funds from a new grant cycle may not be used for obligations or expenditures that occurred in the previous grant cycle.

OLD EXPENDITURES CAN'T BE PAID FOR WITH **NEW** FUNDS

FY15
EXPENSE



FY16
FUNDS



RULE #1 EXAMPLE AND OPTIONS

EXAMPLE:

- ESY Services Provided June 15-25, 2015 (FY15)
- Invoice Received on July 5, 2015 (FY16)

CAN'T USE NEW GRANT AWARD RECEIVED ON JULY 1, 2015 TO PAY THIS INVOICE BECAUSE IT'S NEW MONEY (FY16), SO HOW DO YOU PAY THIS INVOICE FROM THE PRIOR YEAR?

OPTIONS:

- Use state and/or local funds
- Use the old grant funds (FY15) if there are any left over (as long as the expenditure was obligated prior to June 30 and paid before September 30)



RULE #2 PERIOD OF AVAILABILITY

Funds from an old grant period may be used for expenditures that occur in the new grant period through the carryover process.

OLD GRANT FUNDS CAN PAY FOR **NEW** EXPENDITURES

FY15 FUNDS = FY16 EXPENSE



RULE #2 EXAMPLE AND CONDITIONS

EXAMPLE:

- ESY Services Provided August 15-25, 2015 (FY16)
- Invoice Received on September 5, 2015 (FY16)

CAN USE OLD GRANT AWARD TO PAY THIS INVOICE BECAUSE THE FUNDS CARRYOVER AND BECOME NEW YEAR GRANT FUNDS.

CONDITIONS:

- Prior year FER has to be submitted and approved in order for the old grant funds (FY15) carryover amount to calculate.
- Amend current year budget application (FY16) to bring the carryover funds into the new year budget application (FY16).



SUMMARY OF RULES

OLD EXPENDITURES CAN'T BE PAID FOR WITH **NEW**
GRANT FUNDS

FY15 EXPENSE \neq FY16 FUNDS

OLD GRANT FUNDS CAN PAY FOR **NEW** EXPENDITURES
THROUGH CARRYOVER PROCESS

FY15 FUNDS = FY16 EXPENSE



EXAMPLES

OLD FY15 EXPENDITURE	≠	NEW FY16 FUNDS
June Payroll	≠	NEW FY16 FUNDS
June ESY Services	≠	NEW FY16 FUNDS
May Conference	≠	NEW FY16 FUNDS
May Therapy	≠	NEW FY16 FUNDS

NEW FY16 EXPENDITURE	=	NEW FY16 FUNDS (Includes Carryover)
August Payroll	=	NEW FY16 FUNDS (Includes Carryover)
October Payroll	=	NEW FY16 FUNDS (Includes Carryover)
July Conference	=	NEW FY16 FUNDS (Includes Carryover)
August ESY	=	NEW FY16 FUNDS (Includes Carryover)



PERIOD OF AVAILABILITY SELF-REVIEW

- Does your general ledger distinguish between prior year and current year grant funds if they are being utilized simultaneously?
- How does your district ensure new money isn't used on old expenditures?



CASH MANAGEMENT



CASH MANAGEMENT

- Tracking of federal funds
- Must “tie” federal funds to an expenditure within 3 days of receipt
- The district/LEA has 3 options to “tie” federal funds to expenditures.
 - Code In Advance
 - Request And Expend
 - Journal Entry Correction



CODE IN ADVANCE

- Code expenditure in general ledger upfront as a federal expenditure using a project/source code even though federal funds aren't on-hand
- Once payment is received, no further action is needed because the funds have already been “**tied**” to an expenditure
- Option is best when allocation amounts are known upfront (IDEA Part B federal funds)



CODE IN ADVANCE STEPS

Step 1: Incur Expenditure and code to a Federal Special Education Account (“41”) in the General Ledger

1221-6311-41 \$15,000.00 10/10/15

Step 2: Request and Receive Funds in School Payment Transmittal

Payment Transmittal \$15,000.00 11/21/15

Step 3: No further action needed since federal funds have been “**tied**” to expenditures in advance



CODE IN ADVANCE GL EXAMPLE

GENERAL LEDGER

Fiscal Year: 2015

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD
FUNCTION CODE 1221: SPECIAL EDUCATION SERVICES								
01	1221	6111	105	41	SE CERTIFIED SALARY	176,229	15,000	133,500
01	1221	6111	105	53	SE CERTIFIED SALARY	50,000	20,000	128,500
01	1221	6151	105	53	SE SALARY NONCERT	148,835	21,262	189,233
01	1221	6211	300	53	SE TEACHER RETIREMENT	110,946	15,849	141,060
01	1221	6221	300	53	SE NON TEACHER RETIREMENT	12,467	1,781	15,851
SUBTOTAL						498,477	73,893	608,144



REQUEST AND EXPEND

- Request for payment is made prior to paying expenditure.
- Once funds are received, expenditure is paid within 3 days of the receipt of funds.
- Code expenditure in general ledger as a federal expenditure using a project/source code once funds are on-hand (payment is received) to “tie” federal funds to the expenditure
- Option is best when expenditures reoccur on a regular basis (payroll, contracted payments, etc.)



REQUEST AND EXPEND STEPS

Step 1: Request and Receive Funds (Based on Obligations) in School Payment Transmittal

Payment Transmittal \$5,000.00 11/21/15

Step 2: Pay Expenditure and Code to Federal Special Education Account (“41”) within 3 Days of receipt of funds to “tie” federal funds to expenditure

1221-6311-41 \$5,000.00 11/23/15



REQUEST AND EXPEND GL EXAMPLE

GENERAL LEDGER

Fiscal Year: 2015

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD
FUNCTION CODE 1221: SPECIAL EDUCATION SERVICES								
01	1221	6111	105	41	SE CERTIFIED SALARY	176,229	5,000	44,500
01	1221	6111	105	53	SE CERTIFIED SALARY	50,000	20,000	39,500
01	1221	6151	105	53	SE SALARY NONCERT	148,835	21,262	189,233
01	1221	6211	300	53	SE TEACHER RETIREMENT	110,946	15,849	141,060
01	1221	6221	300	53	SE NON TEACHER RETIREMENT	12,467	1,781	15,851
SUBTOTAL						498,477	63,893	430,144



JOURNAL ENTRY CORRECTION

- Expenditure is initially coded as a non-federal special education expense.
- A payment request is submitted for the expenditure.
- Once funds are received, a journal entry correction is completed to recode the expenditure with a federal project/source code to “tie” the funds to an expenditure.
- Option is best when federal allocations are not known until payment is received (ECSE federal payments, HNF payments)



JOURNAL ENTRY CORRECTION STEPS

Step 1: Incur Expenditure and Code to Non-Federal Account in the General Ledger

1281-6111-53	\$5,000.00	10/10/15
--------------	------------	----------

Step 2: Receive Federal Funds in School Payment Transmittal
Payment Transmittal

\$3,000.00	11/21/15
------------	----------

Step 3: Journal Entry Correction to Recode to Federal Special Education Account (“42”) within 3 Days of receipt of funds to “tie” federal funds to expenditure

1281-6111-53	\$5,000.00	
1281-6111-53	-\$3,000.00	
1281-6111-42	\$3,000.00	11/23/15



JOURNAL ENTRY CORRECTION GL EXAMPLE

GENERAL LEDGER

Fiscal Year: 2015

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD
FUNCTION CODE 1281: ECSE SERVICES								
01	1281	6111	105	53	ECSE CERTIFIED SALARY	176,229	5,000	44,500
01	1281	6111	105	53	ECSE CERTIFIED SALARY	176,229	(3,000)	39,500
01	1281	6111	105	42	ECSE CERTIFIED SALARY	10,000	3,000	3,000
01	1281	6151	105	53	ECSE SALARY NONCERT	148,835	21,262	189,233
01	1281	6211	300	53	ECSE TEACHER RETIREMENT	110,946	15,849	141,060
01	1281	6221	300	53	ECSE NON TEACHER RETIREMENT	12,467	1,781	15,851
SUBTOTAL						634,706	43,893	433,144



JOURNAL ENTRY CONSIDERATIONS:

- If a journal voucher is completed for payroll, must ensure all staff complete the appropriate time and effort documentation.
- If a journal voucher is completed for equipment, must ensure inventory requirements are met.
- If a journal voucher is completed for purchased services, must ensure procurement procedures were followed.



CASH MANAGEMENT SELF-REVIEW

- Which method(s) does your district use to tie federal funds to expenditures?
- Does your district complete journal entry corrections within 3 days of receipt of ECSE federal funds and HNF federal funds to “tie” federal funds to expenditures?



OVERCODING



OVERCODING

Expenditures paid with IDEA Part B federal funds should be coded up to the allocation amount only in the general ledger, and not over and above the allocation amount.



OVERCODING EXAMPLE I

Allocation = \$50,000

GL Federal Expenditures = \$65,000

- Salaries = \$30,000
- Purchased Services = \$20,000
- Equipment = \$5,000

FER = \$50,000

- Salaries = \$50,000



OVERCODING PROBLEMS

- FER and GL do not match
- Both GL and FER have to be taken into consideration, not just one or the other so we have to ensure all expenditures follow federal requirements, whether the funds were really spent in that manner or not. Time and Effort, Procurement, Equipment Requirements.
- Violate cash management by requesting more funds than actually expended
- FER will require manual calculations and be very difficult complete
- MOE calculation will require manual calculation and may be incorrect (was the \$15,000 in expenditures coded above and beyond manually added back to MOE – state or local and included in the MOE calculation?)
- Prior approval obtained for equipment?



OVERCODING EXAMPLE II

Allocation = \$50,000

GL Federal Expenditures = \$65,000

- Salaries = \$50,000
- Benefits = \$15,000 (Payroll system makes benefits follow salary and automatically posts to G/L)

FER = \$50,000

- Salaries = \$50,000



OVERCODING SOLUTIONS

- Complete Journal Entry Correction in the GL for the benefit amount each month
- Change the method of budgeting to include less employees so salary and benefits can be taken into consideration



OVERCODING SELF-REVIEW

- Does your district overcode federal expenditures above and beyond the allocation amount?



ALLOWABLE USE OF FUNDS



ALLOWABLE COSTS/USE OF FUNDS

- IDEA Part B federal funds may be used for:
 - Special Education & Related Services
 - Salaries and Benefits
 - Contracted Services
 - Equipment/Appropriate Technology
 - Supplies
 - Facilities/Construction
 - Proportionate Share
 - Coordinated Early Intervening Services
 - Schoolwide Pool



SPED SALARIES & BENEFITS

Special education salaries and benefits may be for teachers, paraprofessionals, ancillary/therapy service providers, special education director, process coordinator, bus driver, etc.

If funds are expended towards salaries & benefits, then:

- Maintain time and effort documentation
- Indicate the source of funding in payroll records
- Code in MOSIS to special education course codes and program codes
- Track in general ledger using function code 1221



CONTRACTED SERVICES

Special education contracted services may be for diagnostic testing, ancillary/therapy service providers, transportation, private agency placement, etc.

If funds are expended towards purchased services, then:

- Follow procurement policy
- Check debarment and suspension site and keep documentation (page 44 of Guide)
- Keep bid and other required documentation (page 38 and page 45 of Guide)



EQUIPMENT/TECHNOLOGY

Equipment is an article of non-expendable, tangible property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit.

If funds are expended towards equipment, then:

- Obtain prior approval through ePeGS equipment page
- Check debarment and suspension site and keep documentation (page 44 of Guide)
- Maintain one MASTER inventory listing for equipment with all required components (page 66 of Guide)
- Add equipment to the master inventory listing as it is purchased
- Complete physical inventory at least every two years
- Attach a physical label (not easily removable) to the equipment
- Follow equipment disposition requirements (page 67 of Guide)



SUPPLIES

Supplies are any item with a cost of less than \$1,000 per unit.

If funds are expended towards supplies, then:

- Check debarment and suspension site and keep documentation (page 44 of Guide)
- Only purchase supplies with federal funds that can leave an “audit trail” or are trackable



CAPITAL OUTLAY

Capital Outlay is defined as construction, renovation, purchase of real estate, or purchase of vehicles.

If funds are expended towards capital outlay, then:

- Obtain prior approval through ePeGS
- Comply with the following:
 - Uniform Federal Accessibility Standards
 - Americans with Disabilities Accessibility Guidelines
 - Davis-Bacon Wage Rate Provisions
 - Missouri Minimum Standards for School Buses (if applicable)
- Follow specific capital outlay disposition requirements (page 71 of guide)



PROPORTIONATE SHARE

Proportionate share is the amount of IDEA Part B federal funds that must be spent to provide special education services to parentally placed private, parochial, and home schooled children with disabilities ages 5-21 who have been evaluated and determined eligible for special education services.

If funds are expended towards proportionate share, then:

- Report private, parochial, and home schooled children in MOSIS with placement code of 2100.
- Prorate expenditures based on logs/time spent with private, parochial, and home schooled children.
- Maintain time and effort documentation.
- Track in general ledger using function code 1224 and/or 2557.



CEIS

Coordinating Early Intervening Services (CEIS) is the use of up to 15% of IDEA Part B funds on students who have not been identified as needing special education, but who are in need of additional academic or behavioral supports to succeed in the general classroom.

If funds are expended towards CEIS, then:

- Complete the CEIS report form in ePeGS.
- Prorate expenditures based on logs/time spent with CEIS students.
- Maintain time and effort documentation.
- Track in general ledger using function code 1223.



SCHOOLWIDE POOL

The schoolwide pool program provides districts/LEAs more flexibility in serving students by improving all structures that support student learning by combining all resources, as opposed to providing services to identified, individual students.

If funds are expended towards schoolwide pool, then:

- Determine amount of funds to pool based on allowed amount.
- Complete both IDEA and NCLB budget applications in ePeGS.
- Complete both IDEA and NCLB FER in ePeGS.
- Maintain Maintenance of Effort (MOE)



ALLOWABILITY PROCEDURE

Must have an allowability procedure for all grants that: (page 34 of Guide)

- Ensures expenditures are permissible under grant
- Ensures determination of direct/indirect costs
- Ensures federal revenue is treated consistently across all programs
- Policies apply uniformly to both federal and non-federal programs
- Determination of cost sharing requirements



OTHER REQUIREMENTS

- IDEA Part B federal funds must be budgeted in ePeGS and submitted prior to obligating.
- Intended to SUPPLEMENT state and/or local funding.
- IDEA Part B federal funds must be prorated if not directed 100% towards special education program.



PRORATING METHODS

IDEA Part B federal funds that are not directed 100% towards Special Education must be prorated.

PRORATING EXPENDITURES

Spec Ed Students	÷ Total Population	× Total Cost	= Prorated Sped Cost
Spec Ed Teachers	÷ Total Teachers	× Total Cost	= Prorated Sped Cost
Spec Ed Classrooms	÷ Total Classrooms	× Total Cost	= Prorated Sped Cost
Sped Ed Square Feet	÷ Total Square Feet	× Total Cost	= Prorated Sped Cost
Spec Ed Caseload Minutes	÷ Total Caseload Minutes	× Total Cost	= Prorated Sped Cost



EXCEPTION TO PRORATING

Expenditures do not have to be prorated in cases where there is an incidental benefit to non-special education students. To determine incidental benefit, ask these questions:

- Is there any substantial additional cost from the participation of non-disabled students? (yes = no incidental benefit; must prorate expenditures)
- Is the item used by non-disabled students more than disabled students? (yes = no incidental benefit; must prorate expenditures)
- Is the item used more than 20% of the time by non-disabled students? (yes = no incidental benefit; must prorate expenditures)



EXCEPTION TO PRORATING

Item	12 Passenger Special Education Bus	45 Passenger Bus that holds 3 Wheelchairs and has Lift	Special Education Teacher with Non-Disabled Integrated Peers
Disabled Students	9	3	10
Non-Disabled Students	3 on same route	45 not on same route	5
Substantial More Cost for Non-Disabled Students to Use	No	Yes	No
Utilized More than 20% by Non-Disabled Students	No	Yes	No
Utilized More by Non-Disabled Students than Disabled Students	No	Yes	No
Incidental Benefit	No need to Prorate	Must Prorate	No need to Prorate



UNALLOWABLE USE OF FUNDS

UNALLOWABLE USE OF FUNDS

Entertainment	Local Tax Effort/Billbacks
Promotional Items (pens, bags, t-shirts, etc.)	Income Generating Activities (i.e. bake sale)
Legal Fees Related To Child Complaint	Un-prorated Principal/Administrative Salaries
Due Process	Alcoholic Beverages
Recreational Field Trips	Petty Cash
Classroom Parties	Fines and Penalties and Tickets
General Education Expenditures	Lobbying
Medicaid Billing Fees	Patents
District-wide Training (unless it is geared specifically towards special education)	Materials & Supplies Deemed Unnecessary For Sped Program Requirements



RULE OF THUMB

Only purchase items with federal funds that can leave a clear “audit trail” or are that are traceable or can be tracked.

Audit Trail Example Items:

- Salary and Benefits (Payroll)
- Equipment (Inventory)
- Professional Development (Certificates of Attendance)
- Purchased Services (Contract & Logs)
- Classroom Books

Non Audit Trail Example Items:

- Reams of Paper
- General Supplies



USE OF FUNDS SELF-REVIEW

- Are expenditures prorated appropriately?
- Are funds only being spent on allowable items?
- Is there an audit trail for purchases?



SOURCE DOCUMENTATION



SOURCE DOCUMENTATION

- All expenditures must have supporting documentation, also called source documentation
- Source documentation indicates the **who, what, when, where, why and how** for an expenditure
- Source documentation includes:
 - 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
 - **WHAT** is to be purchased
 - **WHO** is it for
 - **WHY** it is needed
- Must be in written format (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
 - **WHAT** the purchase consists of
 - **HOW** the purchase is obtained
 - **WHERE** the purchase will be obtained from
- 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



RECEIVING DOCUMENTATION

- The RECEIVING DOCUMENTATION indicates:
 - **WHEN** the purchase has been received or
 - **WHEN** the service has been 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



INVOICE

- The INVOICE is the request for payment and verifies the **WHO, WHAT, WHEN, WHERE, WHY, AND HOW**
- Must indicate the funding source paying expenditure
- Must list accounting codes
- Must match the purchase order
- Must contain an approval signature with date
- Must be maintained as part of the 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



SOURCE DOCUMENTATION SELF-REVIEW

- Do expenditures have all the proper source documentation?
- Are two signatures and/or approvals obtained for every purchase?



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 Correction Entry 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



MAINTENANCE OF EFFORT



MAINTENANCE OF EFFORT

- The amount of state and local funds spent on special education.
- Has to be maintained at the same amount from year to year.
- Two requirements:
 - ELIGIBILITY REQUIRMENT
 - COMPLIANCE REQUIREMENT



ELIGIBILITY REQUIREMENT

ELIGIBILITY REQUIREMENT

VERIFIED IN THE BUDGET APPLICATION

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.



ELIGIBILITY REQUIREMENT

There is a two year gap between the comparison of budgeted and expended MOE because of due dates. Since budget application is due July 1 and FER isn't due until September 30, MOE expended data from the immediate prior year isn't available at the time of completing the budget application, so the MOE expended data from two years ago has to be used in the comparison.

FY16 Budget → Budgeted MOE for FY16 ≥ Expended MOE for FY14

FY17 Budget → Budgeted MOE for FY17 ≥ Expended MOE for FY15

FY18 Budget → Budgeted MOE for FY18 ≥ Expended MOE for FY16



COMPLIANCE REQUIREMENT

COMPLIANCE REQUIREMENT

VERIFIED IN THE FINAL EXPENDITURE REPORT

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.



COMPLIANCE REQUIREMENT

The MOE expended in the current year is compared to the MOE expended in the fiscal year compliance was last met. In Missouri, since 2014-15 set the threshold for local funds, the current year amount expended will always be compared to all years back until 2014-15.

FY16 FER → Expended MOE for FY16 \geq Expended MOE for FY15 (sets threshold)

FY17 FER → Expended MOE for FY17 \geq Expended MOE for FY15, FY16

FY18 FER → Expended MOE for FY18 \geq Expended MOE for FY15, FY16, FY17



METHODS FOR MEETING MOE

LEAs can meet 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



STATE VS LOCAL REVENUES

- In order to take advantage of the MOE flexibility, budget the local funds as low as possible, based on the sources of revenue the district receives.
- *TOTAL MOE = \$350,000
- *LOCAL PORTION = \$25,000
- STATE PORTION = \$325,000

WOULD YOU RATHER MAINTAIN \$350,000 or \$25,000?

*** Can only meet by combination of state and local, or local funds only**



MOE COMPLIANCE CHART

Year	State	Local	Combo State and Local	MOE Method Test	Comparison Year MOE was last MET
2013-14	?	?	\$350,000	Combo	
2014-15	\$325,000	\$25,000	\$350,000	Combo \$25,000 Threshold	2013-14
2015-16	\$315,000	\$30,000	\$345,000	Local	2014-15
2016-17	\$342,000	\$15,000	\$357,000	Combo	2014-15
2017-18	\$310,000	\$35,000	\$345,000	Local	2015-16
2018-19	\$330,000	\$35,000	\$365,000	Local, Combo	2017-18 2016-17
2019-20	\$340,000	\$26,000	\$366,000	Combo	2016-17

ALLOWABLE MOE EXCEPTIONS

- Voluntary Departure of Special Education Staff
Retirement: \$50,000, Replacement: \$35,000, Exception = \$15,000
- Decrease in Enrollment of Children with Disabilities
2 students moved, 1 graduated, reduce SLP from 1.0 to .80 FTE, Exception = \$10,000
- Termination of a Costly Obligation for a Specific Child
Student Graduated, Tuition & Transportation for child = \$45,000, Exception = \$45,000
- Termination of a Costly Long-Term Purchase
Sped bus payoff = \$95,000, Exception = \$95,000
- Assumption of the Cost by the High Need Fund
Received \$6,000 in federal revenue, Exception \$6,000

These are the ONLY allowable exceptions to MOE



REPORTING MOE

Federal Expenditures = ePeGS FER GRID

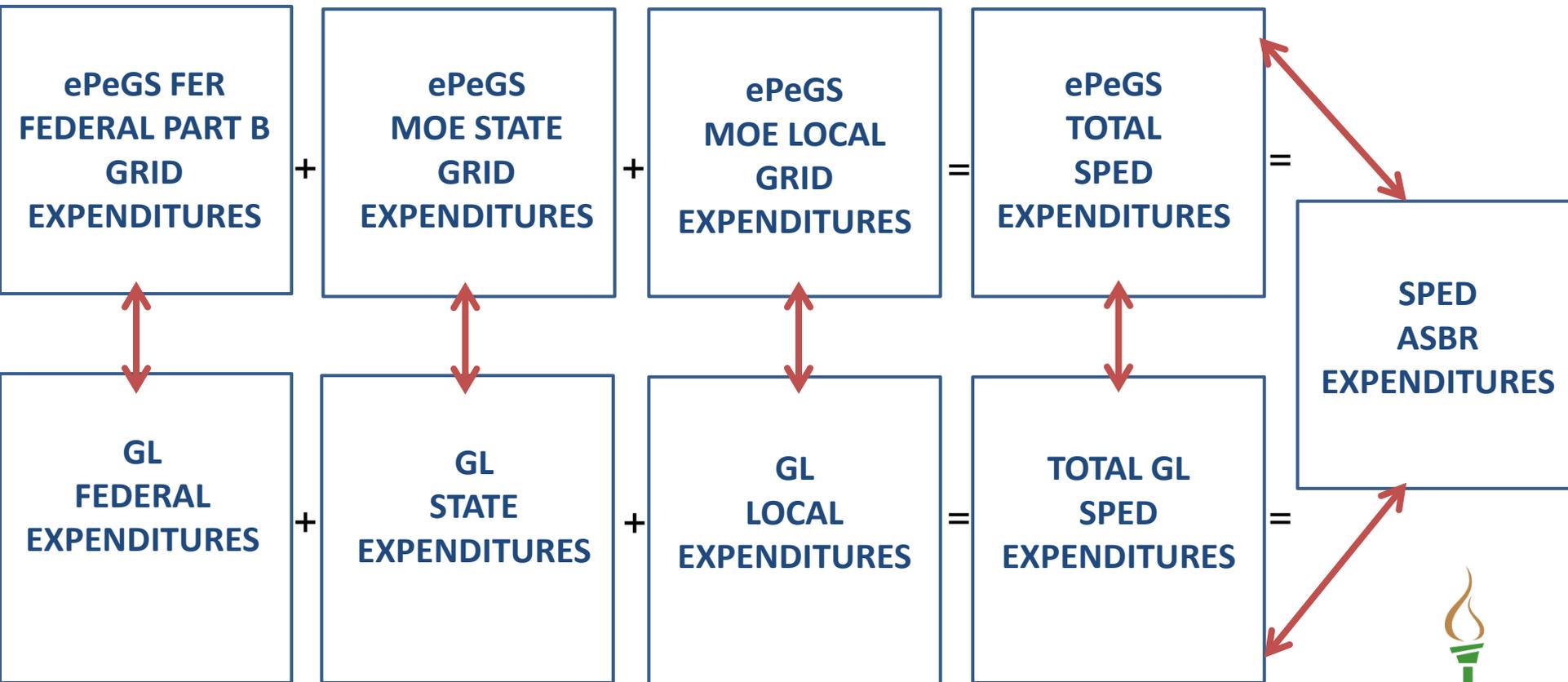
State Expenditures = ePeGS STATE ONLY GRID

Local Expenditures = ePeGS LOCAL ONLY GRID



THREE WAY MATCH

FER = GENERAL LEDGER = ASBR



MOE CONSIDERATIONS

Impacts to MOE:

- Federal Part B carryover can negatively impact 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.
- Making double payments in the same year for subscriptions and fees (i.e. paying a June 2015 invoice in July 2015 (FY16) and paying the June 2016 invoice (FY16)).
- Unnecessarily inflating MOE by charging items to special education program that aren't program specific (i.e. prorated regular transportation, administration salaries, etc).



MOE PLANNING

At the beginning of each year:

- Determine who is eligible for retirement and review how those individuals are paid. Switch funding to ensure paid with state and/or local funds so an exception can be taken to reduce MOE.
- Determine which students will graduate at year end and services receiving. Switch funding to ensure paid with state and/or local funds so an exception can be taken to reduce MOE.
- Determine any business closings in the area that may impact local tax revenue (i.e. plants or factories).



MOE SELF-REVIEW

- Have you considered any anticipated changes for 2015-16 as far as retirements, departures, or graduations?
- Have you split state and local revenues to allow for flexibility in utilizing local funds to meet MOE?



TIME AND EFFORT



MOSIS/CORE DATA CODING

- MOSIS/Core Data Coding
 - The department utilizes MOSIS/Core Data as a means to verify employees working in the special education program
 - Staff must be coded to an appropriate Special Education Program and Course Code(s) in MOSIS/Core Data
 - Special Education Course Codes and Program Codes may be found in the Time and Effort section of the Special Education Fiscal Monitoring Guide (page 60-62)



MOSIS/CORE DATA VERIFICATION

- MOSIS/Core Data Verification
 - The coding of staff in MOSIS/Core Data is verified for all employees working in the special education program who are paid with any portion of:
 - IDEA Part B federal funds
 - ECSE federal funds
 - HNF federal funds
 - Special Education Director and/or Bookkeeper must communicate with staff responsible for coding employees in MOSIS/Core Data to ensure staff paid with federal funds are coded correctly to Special Education Program and Course Codes



MOSIS/CORE DATA REPORTS

MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION STAFF ASSIGNMENTS REPORT 2015

SSN/Name: XXX-XX-

Dist Yrs Exp: 11

Degree: MAST

Schl	Pos	FTE	CTE	Asgn	Course	No/Name	Seq	Gr	Pr	DS	CC	S	Min	Crdt	Enr	AC	AC MSG	HQ	HQ MSG	Lt Strt	Erly End
4040	60	1.00		1	195000	DSI SECORE	0	16	06	IG		0	150	0.00	1	Y			Y		
				2	195000	DSI SECORE	0	16	06	IG		0	615	0.00	4	Y			Y		
				3	990000	PLAN TIME	0					0	300	0.00	0						
				4	195000	DSI SECORE	0	16	06	IG		0	685	0.00	4	Y			Y		
				5	195000	DSI SECORE	0	16	06	IG		0	185	0.00	1	Y			Y		

Classification / Certificates: CCPC / MILD/MOD CROSS CATEGORICAL K-12; IPC / (EXP) MILD/MOD CROSS CATEGORICAL K-12;

SSN/Name: XXX-XX-

Dist Yrs Exp: 1

Degree: MAST

Schl	Pos	FTE	CTE	Asgn	Course	No/Name	Seq	Gr	Pr	DS	CC	S	Min	Crdt	Enr	AC	AC MSG	HQ	HQ MSG	Lt Strt	Erly End
7500	60	0.50		1	195500	DSI SLP	0	PK	17	IG		0	540	0.00	6	Y			Y		
				2	195500	DSI SLP	0	PK	17	IG		0	30	0.00	1	Y			Y		
				3	195500	DSI SLP	0	PK	17	IG		0	30	0.00	2	Y			Y		
				4	195500	DSI SLP	0	PK	17	IG		0	30	0.00	1	Y			Y		
				5	195500	DSI SLP	0	PK	06	IG		0	188	0.00	1	Y			Y		
				6	990000	PLAN TIME	0					0	150	0.00	0						
				7	195500	DSI SLP	0	PK	17	IG		0	30	0.00	0	Y			Y		

Classification / Certificates: NO CERTIFICATE

MOSIS/CORE DATA REPORTS

SSN/Name: XXX-XX-

Dist Yrs Exp: 25

Degree: MAST

Schl	Pos	FTE	CTE	Asgn	Course	No/Name	Seq	Gr	Pr	DS	CC	S	Min	Crdt	Enr	AC	AC MSG	HQ	HQ MSG	Lt Strt	Erl End
1050	60	1.00		1	990000	PLAN TIME	0					0	262	0.00	0						
				2	198600	CASE MGMT	0	13	06			0	131	0.00	10	Y		Y			
				3	195800	WORK EXP	0	12	06	IG	1	0	129	1.00	1	Y		Y			
				4	195800	WORK EXP	0	12	06	IG	3	0	118	1.00	1	Y		Y			
				5	195800	WORK EXP	0	12	06	IG		0	131	1.00	1	Y		Y			
				6	195000	DSI SECORE	0	13	06	CO	1	0	130	0.00	4	Y		Y			
				7	195000	DSI SECORE	0	13	06	CO	3	0	119	0.00	5	Y		Y			
				8	195000	DSI SECORE	0	13	06	CO		0	262	0.00	8	Y		Y			
				9	195010	DSI SENC	0	13		IG		0	262	1.00	4	Y		Y			
				10	195000	DSI SECORE	0	13	06	CO		0	271	0.00	5	Y		Y			
				11	195000	DSI SECORE	0	13	06	H		0	90	0.00	2	Y		H			
				12	195000	DSI SECORE	0	13	06	H		0	90	0.00	2	Y		H			

Classification / Certificates: L1 / LEARNING DISABLED K-12; L1 / MENTALLY HANDICAPPED K-12; L1 / BEHAVIORAL DISORDER K-12;

SSN/Name: XXX-XX-

Dist Yrs Exp: 10

Degree: BACC

Schl	Pos	FTE	CTE	Asgn	Course	No/Name	Seq	Gr	Pr	DS	CC	S	Min	Crdt	Enr	AC	AC MSG	HQ	HQ MSG	Lt Strt	Erl End
4390	60	1.00		1		ELEM	0	PK	03	HV		0	336	0.00	26	Y					
				2	198600	CASE MGMT	0	PK	17			0	0	0.00	10	Y		Y			
				5		ELEM	0	PK	03	G		0	215	0.00	17	Y					
				4		ELEM	0	PK	03	G		0	215	0.00	20	Y					
				3	990000	PLAN TIME	0					0	750	0.00	0						
				6	195400	DSI ECSE	0	PK	17	IG		0	187	0.00	5	Y		Y			

TIME AND EFFORT

- All staff paid with any portion of IDEA Part B federal funds must document the time and effort spent within the program through time distribution records
- Rule applies to all special education federal funds including:
 - IDEA Part B federal funds
 - ECSE federal revenue
 - High Need Fund (HNF) federal revenue



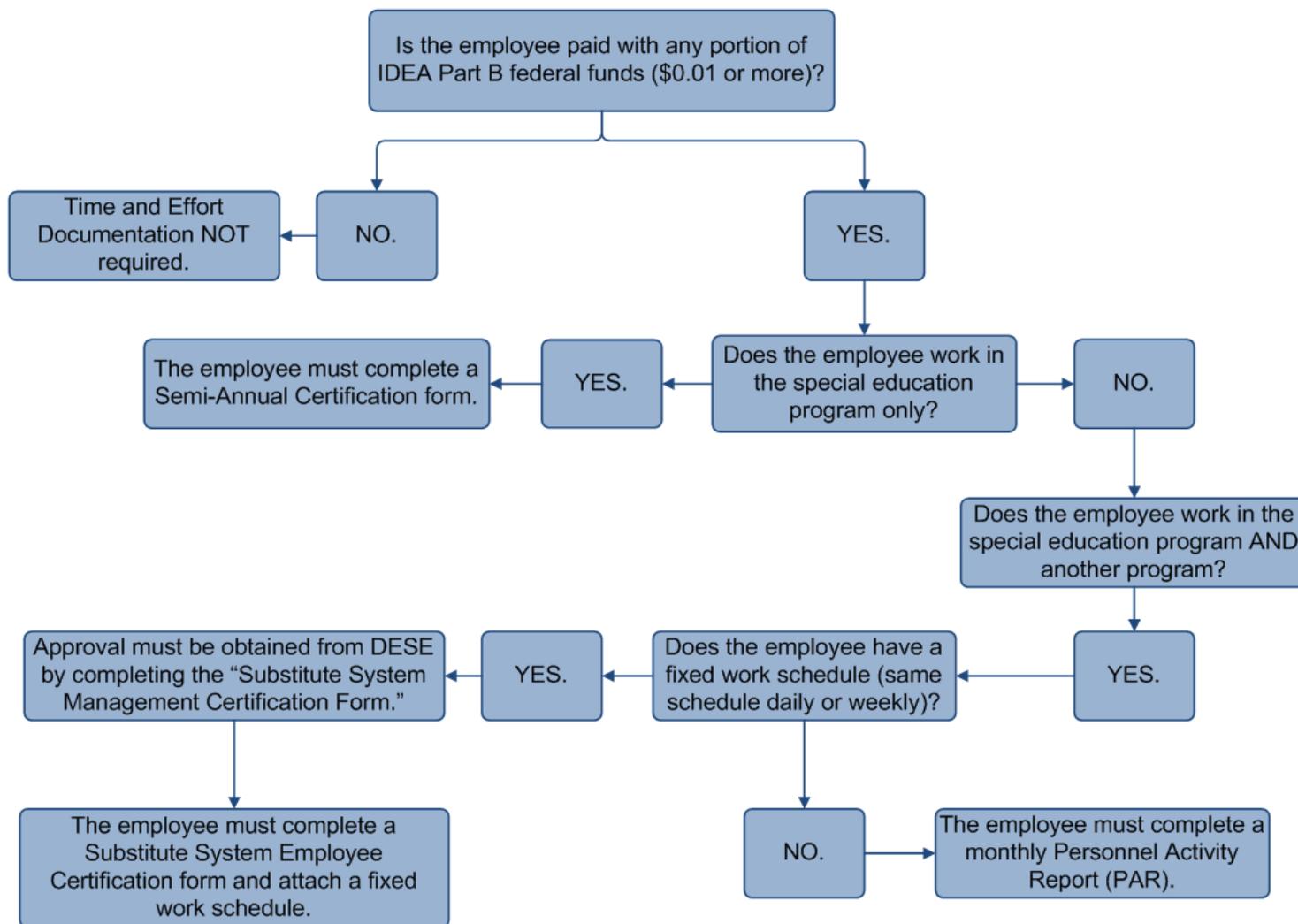
METHODS OF DOCUMENTING

- Time and Effort must be documented by one of the following methods:
 - Semi-Annual Certifications for employees that work ONLY in the Special Education Program
 - Time and Effort Log/Personnel Activity Report (PAR) for employees that work in Multiple Programs

* Please note: The special education federal program considers Special Education, Proportionate Share, and ECSE to all be the same program (Special Education Program)



TYPE OF TIME AND EFFORT DOCUMENTATION



WORKING IN SPED PROGRAM ONLY

- **EMPLOYEES THAT WORK IN SPECIAL EDUCATION ONLY**
 - Employees who work in the special education program only **AND** are paid any amount of IDEA Part B federal funds, must document the time and effort spent within the program
 - Includes employees who are paid:
 - A combination of IDEA Part B federal funds and state and/or local funds
 - Any amount of ECSE federal funds or HNF federal funds through the Journal Entry Correction process
 - Options for documenting time and effort:
 - Semi-Annual Certification Form
 - Semi-Annual Certification (Alternative) Form



FUNDING PERIODS

- Time and Effort documentation is based on specific funding periods
 - Funding Period: generally a six month time frame or school semester
 - Documentation must be signed and dated **AFTER** the funding period

EXAMPLES	FUNDING PERIOD I	DATE SIGNED	FUNDING PERIOD II	DATE SIGNED
Fiscal Year Dates	7/1/2015-12/31/2015	Signed & dated on 1/1/2016 or after	1/1/2016-6/30/2016	Signed & dated on 7/1/2016 or after
School Year Dates	8/10/2015-12/18/2015	Signed & dated on 12/19/2015 or after	1/4/2016-5/20/2016	Signed & dated on 5/21/2016 or after

SEMI-ANNUAL CERTIFICATION SUMMARY

- **SEMI-ANNUAL CERTIFICATION FORM**

- **WHO?**

- Each employee who works in the special education program and
- Salary is paid with \$0.01 or more in IDEA Part B federal funds, ECSE federal revenue, or HNF federal revenue

- **WHY?**

- To indicate they worked solely in the special education program for the funding period indicated on the certification form

- **WHEN?**

- Completed semi-annually (twice per school year)
- Signed by either the employee or a supervisor having first-hand knowledge of the work performed
- Signed after the funding period (after the work has been performed for that funding period)



SEMI-ANNUAL CERTIFICATION FORM

SEMI-ANNUAL CERTIFICATION

OMB Circular A-87 states “where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.”

I, _____, _____, certify that
(Name) (Title)

100% of my time has been spent performing duties associated with _____
(Federal Program)

for the period of _____.

Employee Signature _____

Date _____

Supervisor Signature _____

Date _____



SEMI-ANNUAL CERT (ALTERNATIVE) SUMMARY

- **SEMI-ANNUAL CERTIFICATION (ALTERNATIVE) FORM**

- **WHO?**

- Multiple employees who work in only the special education program) and
- Salary is paid with \$0.01 or more in IDEA Part B federal funds, ECSE federal revenue, or HNF federal revenue

- **WHY?**

- To indicate they worked solely in the special education program for the funding period indicated on the certification form
- Requires completion of only one form for all employees working in the special education program

- **WHEN?**

- Completed semi-annually (twice per school year)
- Signed by the supervisor having first-hand knowledge of the work performed
- Signed after the funding period (after the work has been performed for that funding period)



SEMI-ANNUAL CERT (ALTERNATIVE) FORM

SEMI-ANNUAL CERTIFICATION (ALTERNATIVE) FORM

OMB Circular A-87 states “where employees are expected to work solely on a single Federal award or cost objective, charges for salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.”

I, _____, _____,
(Supervisor Name) (Title)

having first-hand knowledge of the work performed, certify that 100% of the time for the employee(s)

listed below has been spent performing duties associated with _____ for
(Federal Program)

the period of _____.
(Funding Period)

Employee Name(s)	Position

Add more lines as needed

Signature of Supervisor _____

Date _____



WORKING IN MULTIPLE PROGRAMS

- **EMPLOYEES THAT WORK IN MULTIPLE PROGRAMS**
 - Employees who work in the special education program and any other non-special education program **AND** are paid any amount of IDEA Part B federal funds, must document the time and effort spent within the program
 - Includes employees who are paid:
 - A combination of IDEA Part B federal funds and state and/or local funds
 - Any amount of ECSE federal funds or HNF federal funds through the Journal Entry Correction process
 - Options for documenting time and effort:
 - Time and Effort Logs/Personnel Activity Reports (PARs)
 - Substitute System Employee Certification Form



TIME AND EFFORT LOG/PAR

- **TIME AND EFFORT LOG/PAR**

- The log must account for the total activity of the employee; including both direct and indirect time
- The federally paid portion of salary and/or benefits must be reflective of the actual time worked, not the projected time estimated at the beginning of the period
- Must reconcile the payroll to the PAR on a quarterly basis
- Discrepancies between the actual times recorded on the PAR compared to payroll must be corrected with an additional journal entry in the general ledger to reflect the actual time worked



RECONCILIATION

- **TIME AND EFFORT LOG/PAR RECONCILIATION EXAMPLE**
 - JULY 1, 2015:
 - Initially set up payroll to charge **50%** of employee's salary to special education program (paid with IDEA Part B federal funds) and 50% to general education (paid with state funds)
 - OCTOBER 1, 2015:
 - Reconciliation of PAR indicates actual time worked in special education program for previous quarter was only **40%**
 - Journal Entry Correction must be made to correct the amount of salary paid with IDEA Part B federal funds in the general ledger to reflect the 40% actual time worked as opposed to the initial 50%



RECONCILIATION OF PAR TO GL

Employee Summary-JANE DOE

As of October 1, 2015

	FD	FUNC	OBJ	BLD	PC	DESCRIPTION	Net Pay		
FUNCTION CODE 1111: ELEMENTARY									
7/2015	01	1111	6111	105	53	CERTIFIED SALARY	1220.64	50%	
8/2015	01	1111	6111	105	53	CERTIFIED SALARY	1220.64	50%	
9/2015	01	1111	6111	105	53	CERTIFIED SALARY	1220.64	50%	
							SUBTOTAL	3661.92	
10/2015	C	01	1111	6111	105	53 CERTIFIED SALARY	732.38		
							SUBTOTAL	4394.30	
FUNCTION CODE 1221: SPECIAL EDUCATION SERVICES									
7/2015	01	1221	6111	105	41	SE CERTIFIED SALARY	1220.64	50%	
8/2015	01	1221	6111	105	41	SE CERTIFIED SALARY	1220.64	50%	
9/2015	01	1221	6111	300	41	SE CERTIFIED SALARY	1220.64	50%	
							SUBTOTAL	3661.92	
10/2015	C	01	1221	6111	300	41 SE CERTIFIED SALARY	-732.38	40%	
							SUBTOTAL	2929.54	



TIME AND EFFORT LOG/PAR SUMMARY

- **TIME AND EFFORT LOG/PERSONNEL ACTIVITY REPORT (PAR)**
 - **WHO?**
 - Each employee who works in multiple programs(i.e. special education program and general education) and
 - Salary is paid with \$0.01 or more in IDEA Part B federal funds, ECSE federal revenue, or HNF federal revenue
 - **WHY?**
 - To indicate the time worked in each program
 - **WHEN?**
 - Completed monthly
 - Signed by the employee
 - Signed after the funding period (after the work has been performed for that funding period)



SUBSTITUTE SYSTEM

- **SUBSTITUTE SYSTEM EMPLOYEE CERTIFICATION FORM**
 - Prior to implementing the Substitute System, the district/LEA must submit a “Substitute System Management Certification Form” to the Department for approval (page 56 of Guide). Must submit form annually.
 - Must attach a copy of the fixed work schedule to the Substitute System Employee Certification Form



SUBSTITUTE SYSTEM CERT FORM

SUBSTITUTE SYSTEM EMPLOYEE CERTIFICATION FORM

Employee Name _____

Title _____

Certification Period _____

Type of Schedule

Daily

Weekly

Bi-Weekly

Other

Program or Cost Objective	Distribution of Time
TOTAL	100%

I certify that I have performed work consistent with the attached schedule and as distributed in the above percentages during the Certification Period.

Employee Signature

Date

I certify that I have firsthand knowledge that the above employee performed work consistent with the attached schedule and as distributed in the above percentages during the Certification Period.

Supervisor Signature

Date



SUBSTITUTE SYSTEM SUMMARY

- **SUBSTITUTE SYSTEM EMPLOYEE CERTIFICATION FORM**
 - **WHO?**
 - Each employee who works in multiple programs(i.e. special education program and general education) and
 - Salary is paid with \$0.01 or more in IDEA Part B federal funds, ECSE federal revenue, or HNF federal revenue
 - **AND** has a fixed schedule
 - **WHY?**
 - To show time worked in each program
 - In lieu of completing PARs every month
 - **WHEN?**
 - Completed semi-annually (twice per school year)
 - Signed by either the employee or a supervisor having first-hand knowledge of the work performed
 - Signed after the funding period (after the work has been performed for that funding period)



STIPENDS/EXTRA DUTY PAY

- Stipends/Extra Duty Pay
 - Payments for extra work beyond an employees regular contract
 - Must have written documentation/agreement to support the stipend/extra duty pay prior to payment of IDEA Part B federal funds
 - The written documentation/agreement should include:
 - Activity/extra work to be performed
 - Applicable dates of performance
 - Amount to be paid
 - Must be signed by both the employee and supervisor
 - Must also complete a Semi-Annual Certification or PAR if have not already done so



SEMI-ANNUAL CERTIFICATION

OMB Circular A-87 states "where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

I, Taylor Swift, Teacher, certify that
(Name) (Title)

100% of my time has been spent performing duties associated with Special Education
(Federal Program)

for the period of January 1, 2014 to June 30, 2014.

Employee Signature

Taylor Swift

Date

June 25, 2014

Supervisor Signature

Dolly Parton

Date

June 30, 2014

SEMI-ANNUAL CERTIFICATION

OMB Circular A-87 states "where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

I, Justin Bieber, Teacher, certify that
(Name) (Title)

100% of my time has been spent performing duties associated with Special Education
(Federal Program)

for the period of January 1, 2014 to June 30, 2014.

Employee Signature Justin Bieber

Date May 23, 2014

Supervisor Signature _____

Date _____

SEMI-ANNUAL CERTIFICATION (ALTERNATIVE) FORM

OMB Circular A-87 states "where employees are expected to work solely on a single Federal award or cost objective, charges for salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee."

I, Yadier Molina, Special Education Director,
(Supervisor Name) (Title)

having first-hand knowledge of the work performed, certify that 100% of the time for the employee(s)

listed below has been spent performing duties associated with Special Education for
(Federal Program)

the period of August 1, 2013-December 31, 2013
(Funding Period)

Employee Name(s)	Position
Adam Wainwright	Special Education K-6
Matt Carpenter	Special Education 7-8
Lance Lynn	Special Education 9-12
John Jay	Special Education 9-12
Matt Holliday	Speech Therapist
Tony Cruz	Speech Therapist
Mark Ellis	Paraprofessional
Jhonny Peralta	Paraprofessional

Add more lines as needed

Signature of Supervisor Yadier Molina

Date December 31, 2013



PERSONNEL ACTIVITY REPORT (PAR)

Jimmy Buffett

Special Education Teacher

April

2014

Name

Title

Month

Year

DIRECT TIME PROGRAM OR COST OBJECTIVE																															TOTAL HOURS					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30						
CEIS-Special Education			4	3	4	3	2			4	3	4	3	2				3	4	3	2				3	4	3	2							56	
Special Education			2	4	2	4	4			2	4	2	4	4				4	2	4	4				4	2	4	4							60	
General Education-Social Studies			1	1	1	1	1			1	1	1	1	1				1	1	1	1				1	1	1	1							18	
Title I			1		1		1			1		1		1				1		1		1				1		1							10	
																																			0	
																																				0
																																				0
																																				0
SUBTOTAL	0	0	8	8	8	8	8	0	0	8	8	8	8	8	0	0	0	8	8	8	8	0	0	0	8	8	8	8	8	0	0	0	0	0	144	
INDIRECT TIME																																				
Annual Leave																									8										8	
Comp Time Taken																																				0
Sick Leave																																				0
Holiday																	8																			8
Training																																				0
Other (Describe)																																				0
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	0	0	0	0	0	0	0	8	0	0	0	0	0	0	0	0	0	16	
GRAND TOTALS	0	0	8	8	8	8	8	0	0	8	8	8	8	8	0	0	8	8	8	8	8	0	0	8	8	8	8	8	8	0	0	0	0	0	160	

I certify that this PAR reflects the actual and total activity worked on the programs or cost objectives indicated above for the period covered by this report.

Jimmy Buffett
Employee Signature

May 2, 2014
Date

Note: 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.

Repetitive, Fixed Schedule



TIME AND EFFORT SELF-REVIEW

- Can you identify all employees paid with federal funds?
- Are staff coded properly in MOSIS?
- Is time and effort documentation being signed AFTER the funding period?
- Do you have written documentation for Stipends/Extra Duty Pay?



CONTACTS

- Shelley.Woods@dese.mo.gov
- Angie.Nickell@dese.mo.gov
- Leslie.Turpin@dese.mo.gov
- Cathy.Ellingsworth@dese.mo.gov
- Betty.Lohmann@dese.mo.gov
- Michael.Dierking@dese.mo.gov
- Gary.Sanders@dese.mo.gov

