



DIVISION OF FINANCIAL AND ADMINISTRATIVE SERVICES

Special Education
Finance

Fiscal Regional
Training

October 2016

Missouri Department
of Elementary and Secondary Education

TOPICS

- Introduction
- Tiered Monitoring
- Special Education Funding Sources
- Coding Special Education Expenditures
- Cash Management and Overcoding
- Obligation of Funds
- Period of Availability
- Allowable Use of Funds
- Internal Controls and Source Documentation
- Time and Effort
- Maintenance of 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 (Appendix B of Guide)
- The Tiered Monitoring System fulfills both state and federal monitoring requirements
- Intended to reduce time, increase efficiency/quality of onsite reviews, etc.



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	2016-17	2017-18	2018-19
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 3	Cohort 1	Cohort 2
Tier 2: On-site Monitoring	Cohort 2	Cohort 3	Cohort 1
Tier 3: Training & Preparation	Cohort 1	Cohort 2	Cohort 3

ANNUAL RISK ASSESSMENT

- ANNUAL RISK ASSESSMENT
 - All Cohorts will go through this level of review every year
 - 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.**
 - Risk Factors Include:
 - Audit Findings
 - Prior Monitoring Findings
 - Late Budget Application
 - Late FER
 - Overpayments/Refunds
 - Carryover Amounts
 - Financial Distress
 - Indications of Fraud/Abuse



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
 - ePeGS ECSE Final Expenditure Report & Revisions
 - ePeGS Proportionate Share Carryover Release Request
 - Cash Management Plans
 - A133 Audit Findings for IDEA Part B



SELF-ASSESSMENT (TIER I)

- TIER I: SELF-ASSESSMENT/DESK MONITORING
 - The applicable Cohort for the fiscal year will go through this level of review (Cohort 3 for 2016-17)
 - Districts/LEAs within Cohort 3 will complete a Self-Assessment (questionnaire) within the Tiered Monitoring System in regard to the previous (2015-16) 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



ON-SITE MONITORING (TIER II)

- TIER II: ON-SITE MONITORING
 - The applicable Cohort for the fiscal year will go through this level of review (Cohort 2 for 2016-17)
 - Only the districts/LEAs within Cohort 2 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



TRAINING & PREPARATION (TIER III)

- TIER III: TRAINING AND PREPARATION
 - The applicable Cohort for the fiscal year will go through this level of review (Cohort 1 for 2016-17)
 - Districts/LEAs within Cohort 1 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, State, and local 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



SPED FUNDING/REVENUE



Local Funding - \$438M

State Funding - \$531M

Federal Funding - \$190M



FUNDING SOURCES - REVENUE CODES

Revenue Codes distinguish the funding source type:



Local: 51xx (Local), 52xx (County), 58xx (Other LEAs)



State: 53xx



Federal: 54xx



LOCAL FUNDING



LOCAL Sources may include:

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



LOCAL FUNDING



All local funding is combined and considered one funding source. The district must determine the amount to put into the special education program.



STATE FUNDING



STATE Sources may include:

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



STATE FUNDING



All state funding is combined and considered one funding source. The district must determine the amount to put into the special education program.



FEDERAL FUNDING



FEDERAL Sources may include:

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



FEDERAL FUNDING



Federal funding is NOT combined. It has to be kept separate and considered separate funding sources.



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



CODING SPED EXPENDITURES



GENERAL LEDGER BASICS

- General Ledger coding should follow the MO Accounting Manual.
- A General Ledger should be detailed enough to:
 - Identify the Program (Sped, Title, Elem, etc.)
 - Identify the Type of Expenditure (Salaries, Supplies, etc.)
 - Identify the Funding Source (Federal, State, or Local)
 - Identify the Funding Source Year if Applicable
 - Determine Allowability of Expenditure



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 the fields added.



FUNCTION CODES

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

IDENTIFY THE PROGRAM

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



SPED FUNCTION CODE STRUCTURE

MISSOURI SCHOOL DISTRICT
GENERAL LEDGER
2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS								
1	1911	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES								
1	1933	6313	333	01	AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	01	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	03	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	03	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	03	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	03	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	03	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	03	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	03	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
1	1221	6232	333	03	SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6232	101	03	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	03	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00

NON-SPECIAL 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 to tie the expenditure back to the special education program
- **MUST** have a project/source code to identify the funding source of the expenditure .

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	2214	6100	333	41

IDENTIFY THE PROGRAM

(in the absence of sped function code)

The program/building code is optional, but identifies a specific program (i.e. special education) or a specific building. Use program codes to tie nonspecial education function codes back to the special education program.



NON-SPED FUNCTION CODE STRUCTURE

MISSOURI SCHOOL DISTRICT
GENERAL LEDGER
2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS								
1	1911	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES								
1	1933	6313	333	01	AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	01	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	03	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	03	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	03	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	03	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	03	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	03	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	03	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
1	1221	6232	333	03	SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6232	101	03	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	03	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00

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

MISSOURI SCHOOL DISTRICT
GENERAL LEDGER
2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS								
1	1911	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES								
1	1933	6313	333	01	AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	01	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	03	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	03	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	03	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	03	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	03	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	03	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	03	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
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1	1221	6232	101	03	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	03	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00

PROJECT CODES

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

IDENTIFY THE FUNDING SOURCE

The project code identifies a specific project or funding source.



PROJECT CODES

- Federal project/source codes may be selected at the discretion of the district
 - Recommend using the last two digits of the revenue code for federal funds.
 - MUST have a separate project code for each federal funding source.

IDEA Part B	41 (5441)
ECSE Federal	42 (5442)
HNF Federal	37 (5437)
- State and local project/source codes may be selected at the discretion of the district

ALL special education program expenditures **MUST** be tracked with a project/source code to identify the funding source of the expenditure.



FEDERAL PROJECT CODES

FEDERAL REVENUE SOURCES	REVENUE CODE	PROJECT/ SOURCE
IDEA PART B FEDERAL	5441	41
ECSE FEDERAL (611 and 619)	5442	42
HNF FEDERAL	5437	37
ASSISTIVE TECHNOLOGY FEDERAL	5437	30

- All expenditures paid with federal revenue sources must be tracked with a separate project/source code (i.e. cannot utilize 41 to track all federally paid expenditures).
- Federal revenue sources with the same revenue code **must** be tracked with separate project/source code (i.e. HNF federal and Assist. Tech. federal).



STATE PROJECT CODES

STATE REVENUE SOURCES	REVENUE CODE	PROJECT/ SOURCE
BASIC STATE AID	5311	03
ECSE STATE	5314	03
HNF STATE	5381	03
TRANSPORTATION STATE AID	5312	03

- All special education program expenditures paid with state revenue must be tracked with only ONE project/source code.
- Tracking special education program expenditures paid with state revenue with a “00” or a “blank” project/source code is **NOT** sufficient.



LOCAL PROJECT CODES

LOCAL REVENUE SOURCES	REVENUE CODE	PROJECT/ SOURCE
PROPOSITION C	5113	01
TUITION FROM OTHER LEAs	5811	01
CITY SALES TAX	5117	01
COUNTY UTILITY TAX	5221	01

- All special education program expenditures paid with local revenue must be tracked with only ONE project/source code.
- Tracking special education program expenditures paid with local revenue with a “00” or a “blank” project/source code is **NOT** sufficient.



PROJECT CODE STRUCTURE

MISSOURI SCHOOL DISTRICT
GENERAL LEDGER
2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS								
1	1911	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES								
1	1933	6313	333	01	AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	01	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	03	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	03	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	03	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	03	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	03	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	03	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	03	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
1	1221	6232	333	03	SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6232	101	03	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	03	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00

ACCOUNT DESCRIPTORS

- Descriptors should be specific and clear
- Descriptors should not contain a lot of abbreviations and/or acronyms
- Descriptors should be able to help identify the expenditure
- Descriptors should help determine allowability



ACCOUNT DESCRIPTORS

MISSOURI SCHOOL DISTRICT
GENERAL LEDGER
2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS								
1	1911	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
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1	1933	6313	333	01	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	03	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	03	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	03	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	03	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	03	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	03	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	03	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
1	1221	6232	333	03	SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6232	101	03	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	03	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00

ACTIVITY: GENERAL LEDGER BASICS

ACTIVITY 1: From the General Ledger Bad Example handout, determine the amount of expenditures paid with IDEA Part B federal funds, state funds, and local funds.



ACTIVITY: GENERAL LEDGER BASICS

ACTIVITY 2: See if you can find the examples of bad coding on the General Ledger Bad Example handout; keeping in mind that a general ledger should:

- Identify the Program (Sped, Title, Elem, etc.)
- Identify the Type of Expenditure (Salaries, Supplies, etc.)
- Identify the Funding Source (Federal, State, or Local)
- Identify the Funding Source Year if Applicable
- Determine Allowability through Descriptors



CONSEQUENCES OF BAD CODING

- Won't be able to determine federal expenditures and compliance with federal requirements
- Won't be able to calculate state and local Maintenance of Effort amounts, or reported amounts may not be accurate
- General Ledger won't match FER or ASBR
- May end up paying for non-special education expenditures
- May end up not including special education expenditures in the FER grid or MOE calculation



WHAT HAPPENS WITH BAD CODING...

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.



SPECIAL EDUCATION EXPENDITURES

ALL special education program expenditures should be coded in the G/L to special education function codes and **MUST** be coded with a:

- Federal (“41”), state (“03”), or local (“01”) project/source code

Expenditures coded to non-special education function codes (i.e. 2214, 4000) **MUST** be tied back to the special education program with a:

- Federal (“41”), state (“03”), or local (“01”) project/source code, OR
- A program code (i.e. “333”) AND a federal, state, or local project/source code.



ACTIVITY: GENERAL LEDGER BASICS

ACTIVITY 3: Looking at your district/LEA General Ledger, determine the project/source codes utilized for the following expenditures:

- Federal IDEA Part B _____
- State revenue _____
- Local revenue _____
- ECSE federal _____
- HNF federal _____



IDENTIFICATION OF AWARDS

- UGG requires the identification of all federal grant awards within the accounting system.
- DESE has created a Federal Award Identification spreadsheet districts/LEAs can utilize if the accounting system cannot accommodate the required components.
- Required Components:
 - Federal Award Identification Number (FAIN)
 - CFDA Title and Number
 - Fiscal Year of Award
 - Name of the Federal Awarding Agency
 - Name of Pass-Through Entity
 - Accounting Code Used to Identify Grant Expenditures



IDENTIFICATION OF AWARDS

Missouri Department of Elementary and Secondary Education
 Division of Financial and Administrative Services
 Special Education Finance

FY17 SPECIAL EDUCATION IDEA PART B GRANT ALLOCATIONS (May 26, 2016)

FEDERAL AWARD IDENTIFICATION NUMBER	H027A160040	NAME OF FEDERAL AWARDING AGENCY	U.S. Department of Education
FEDERAL AWARD DATE	7/01/2016 - 9/30/2017	NAME OF PASS-THROUGH ENTITY	Missouri Department of Elementary and Secondary Education
SUBAWARD PERIOD OF PERFORMANCE	7/01/2016 - 6/30/2017	CONTACT INFORMATION OF AWARDING OFFICIAL	Gregory Corr
TOTAL AMOUNT OF FEDERAL FUNDS OBLIGATED	\$232,034,826	CFDA NUMBER AND NAME	84.027A, Special Education - Grants to States
TOTAL AMOUNT OF FEDERAL AWARD	\$232,034,826	RESEARCH AND DEVELOPMENT AWARD	No
FEDERAL AWARD PROJECT DESCRIPTION	Special Education - Grants to States	INDIRECT COST RATE FOR THE FEDERAL AWARD	0.054

FOR INFORMATION REGARDING THE REQUIREMENTS SO THAT THE FEDERAL AWARD IS USED IN ACCORDANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD, PLEASE REVIEW THE FISCAL GUIDANCE FOR FEDERAL GRANT PROGRAMS AT: [HTTP://DESE.MO.GOV/FINANCIAL-ADMIN-SERVICES/GENERAL-FEDERAL-GUIDANCE](http://DESE.MO.GOV/FINANCIAL-ADMIN-SERVICES/GENERAL-FEDERAL-GUIDANCE).

THE SUBRECIPIENT MUST PERMIT THE PASS-THROUGH ENTITY AND AUDITORS TO HAVE ACCESS TO THE SUBRECIPIENT'S RECORDS AND FINANCIAL STATEMENTS AS NECESSARY.

CDC	District Name	DUNS	IDC	Base Amount	POPULATION								POVERTY		FY17 IDEA Part B Allocation	
					PK-12 Sept. Enrollment	Parentally Placed Private School Students	Non Resident - Receiving Services	Non Resident - Resident District	Home School Count	Non Public Count	Neglected & Delinquent Counts	Total Population	Enrollment Amount	FRL/CEP Count		Poverty Amount
001090	ADAIR CO. R-I	100654698	0.14%	\$18,151	232	0	0	2	0	0	0	234	\$ 23,298	144	\$ 5,859	\$ 47,308
001091	KIRKSVILLE R-III	039448618	1.77%	\$176,325	2574	1	6	0	11	84	35	2697	\$ 268,521	1173	\$ 47,725	\$ 492,571
001092	ADAIR CO. R-II	100653757	0.26%	\$28,523	180	0	0	0	0	0	0	180	\$ 17,921	91	\$ 3,702	\$ 50,146
002089	NORTH ANDREW CO. R-VI	100041870	0.13%	\$21,437	364	0	3	1	0	0	0	362	\$ 36,042	155	\$ 6,306	\$ 63,785
002090	AVENUE CITY R-IX	100040567	0.17%	\$10,372	178	0	0	57	0	0	0	235	\$ 23,397	31	\$ 1,261	\$ 35,030
002097	SAVANNAH R-III	808936053	0.07%	\$115,479	2367	0	40	0	57	0	0	2384	\$ 237,357	937	\$ 38,123	\$ 390,959

Component specific information (i.e. FAIN, CFDA, Federal Awarding Agency, etc.) can be found at on the Special Education IDEA Part B Grant Allocations document found at: <http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations>.



CODING SELF-REVIEW

- Can you determine the Program, Expenditure Type, Funding Source, Funding Source Year, and Allowability of each special education program expenditure in your general ledger?
- Does your general ledger have the designated special education function codes? 1221, 1223, 1224, 1281, 1931, 1932, 1933, 2553, 2554, 2557, 2559?
- If non-special education function codes (i.e. 2214, 4000) are utilized, is there a method to tie the expenditure back to the special education program?
- Does your general ledger have project/source codes to identify the revenue (federal, state, local) source that paid each expenditure?
- Does your accounting system identify federal awards with all required components? If not, does the district/LEA utilize the Federal Award Identification spreadsheet?



CASH MANAGEMENT



CASH MANAGEMENT

- Tracking of federal funds
- Funds can only be requested on a reimbursement basis.
- Must “tie” federal funds to an expenditure either in advance or upon the receipt of the funds.
- The district/LEA has 2 options to “tie” federal funds to expenditures.
 - Code In Advance/ On Day of Receipt
 - 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 in the bank
- 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

1221-6111-41	\$10,000.00	10/10/16
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Step 2: Request and Receive Funds in School Payment Transmittal

Payment Transmittal	\$10,000.00	11/21/16
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Step 3: No further action needed since federal funds have been “tied” to expenditures in advance



CODE IN ADVANCE GL EXAMPLE

MISSOURI SCHOOL DISTRICT
GENERAL LEDGER
2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS								
1	1911	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES								
1	1933	6313	333	01	AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	01	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	03	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	03	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	03	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	03	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	03	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	03	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	03	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
1	1221	6232	333	03	SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6232	101	03	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	03	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00

JOURNAL ENTRY CORRECTION

- Expenditure is initially coded as a non-federal special education expense.
- Once payment is received, a journal entry correction is completed to recode the expenditure with a federal project/source code to “tie” the funds to an expenditure within 3 business days.
- 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

1281-6122-03	\$5,000.00	3/10/16
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Step 2: Receive Federal Funds in School Payment Transmittal

Payment Transmittal	\$5,000.00	4/21/16
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Step 3: Journal Entry Correction to Recode to Federal Special Education Account (“42”) within 3 Days

1281-6122-03	-\$5,000.00	
1281-6122-42	\$5,000.00	4/23/16



JOURNAL ENTRY CORRECTION GL EXAMPLE

GENERAL LEDGER

MONTH: 04/2016 FISCAL YEAR: 2016

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD
FUNCTION CODE 1281: ECSE SERVICES								
01	1281	6122	105	03	ECSE CERTIFIED SALARY	134,813.00	5,000.00	45,000.00
CR	1281	6122	105	03	ECSE CERTIFIED SALARY	-	(5,000.00)	40,000.00
01	1281	6122	105	42	ECSE CERTIFIED SALARY*	23,645.89	5,000.00	5,000.00

ECSE FEDERAL PAYMENT = \$5,000.00



JOURNAL ENTRY CONSIDERTATIONS:

- 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.



ACTIVITY: CASH MANAGEMENT

Activity 1: Complete an ECSE Federal Journal Entry Correction on the provided handout.



OVERCODING

- Federal expenditures should be coded up to the allocation amount only, and not over and above the allocation amount.



OVERCODING

IDEA Part B Allocation = \$50,000

FER = \$50,000 1221 Cert. Salaries

G/L = Total "41" **\$72,500** (Salaries, Purchased Services, Equipment)

MISSOURI SCHOOL DISTRICT
GENERAL LEDGER
FY 2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	40,000.00	5,000.00
2	1221	6111	333	03	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
1	1221	6151	333	03	SE SALARY NONCERT	-20,000.00	20,000.00	2,000.00
2	1221	6211	333	03	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	333	03	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	03	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6232	333	03	SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6241	333	03	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00
1	1221	6313	333	41	SE SPEECH SERVICES	-15,000.00	20,000.00	2000.00
1	1221	6313	333	03	SE OCCUPATIONAL THERAPY	-5,000.00	1,000.00	50.00
1	1221	6410	333	03	SE SUPPLIES	-5,000.00	5,000.00	0.00
1	1221	6542	333	41	SE EQUIPMENT	-10,000.00	12,500.00	0.00
SUB TOTAL						-180,000.00	143,500.00	9,750.00

OVERCODING ISSUES

- FER doesn't match the General Ledger (\$50,000 vs \$72,500)
- Cannot verify exactly which expenditures were paid with federal funds (Salaries, purchased services, or equipment).
- As a result, have to follow all the federal requirements for each of these categories.
- Obtain prior approval on equipment?
- Violate cash management by requesting more funds than actually expended
- FER will require manual calculations and have to make a guess on what was expended where.
- MOE calculation will require manual calculation by taking overage amount ($\$72,500 - \$50,000 = \$22,500$) and apply to MOE



CASH MANAGEMENT PROCEDURE

- The district/LEA must have a written Cash Management procedure that addresses:
 - Process utilized for determining payment request amounts.
 - Process utilized for requesting payments; who will make and how often.
 - Process utilized for tracking receipt of federal funds.
 - Process utilized for ensuring federal funds are “tied” to expenditure in G/L.
 - Process utilized to ensure overall compliance with Cash Management requirements.



CASH MANAGEMENT SELF-REVIEW

- Which method(s) does your district/LEA use to “tie” federal funds to expenditures?
- Does your district/LEA complete journal entry corrections for ECSE and HNF federal funds within 3 business days of receipt?
- Does your district /LEA over-code federal expenditures above and beyond the allocation amount?
- Does your district/LEA have a written Cash Management Procedure?



OBLIGATION OF FUNDS



OBLIGATION OF FUNDS

To obligate funds is to reserve, commit, or set-aside for a specific activity or purpose. Funds can't be obligated until the Budget Application is submitted or July 1st, whichever is later.

IF THE OBLIGATION IS FOR...	THEN THE OBLIGATION PERIOD BEGINS...
General Purchases	On the date the district/LEA creates a purchase order.
Personal services by an employee of the district/LEA	On the date the services are performed. For teachers, the obligation begins when the work is performed NOT when the contract is signed.
Personal 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 to provide specific services (e.g. OTs, PTs, and tutors).
Non-Personal 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 companies or entities to provide services (e.g. janitorial company, bus company).

ACTIVITY: OBLIGATION OF FUNDS

ACTIVITY 1: Obligation of Funds Quiz



OBLIGATIONS SELF-REVIEW

- Does your district/LEA sign contracts for the upcoming school year prior to June 30th? If so, is your district using federal funds to pay the contracts?
- Does your district/LEA issue purchase orders for upcoming school year prior to June 30th? If so, is your district/LEA using federal funds to pay for the purchase?
- Does your general ledger distinguish between prior year and current year grant funds if they are being utilized simultaneously?



PERIOD OF AVAILABILITY



PERIOD OF AVAILABILITY

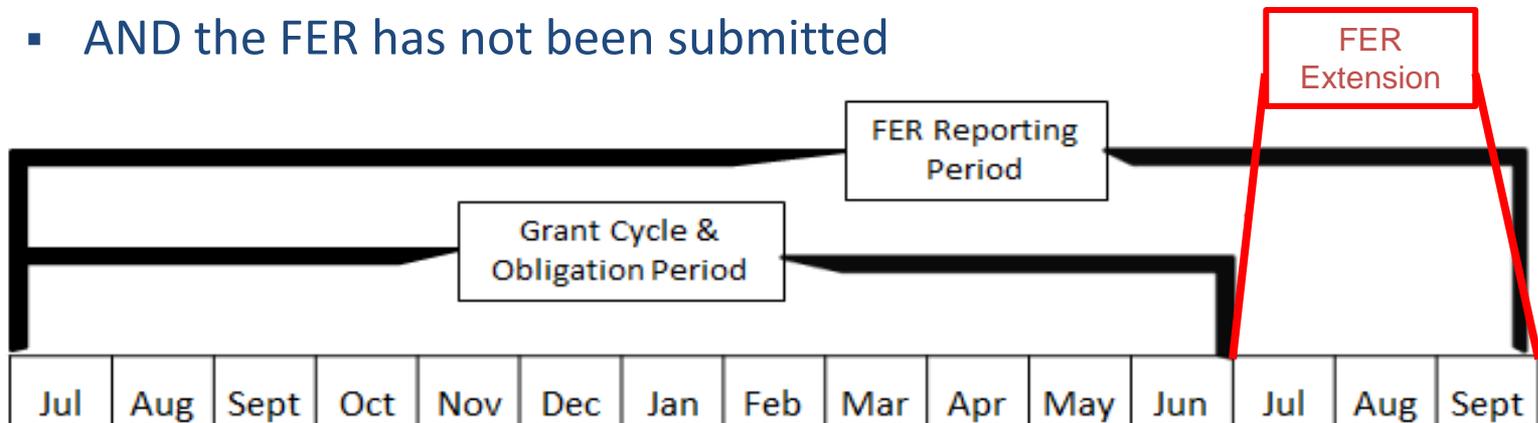
- The period of availability is the amount of time the district/LEA has to obligate and expend grant funds, which is also known as the grant cycle.
- Typically the grant cycle runs from July 1st to June 30th of each fiscal year.

GRANT CYCLE	GRANT CYCLE DATES	LAST DAY TO OBLIGATE FUNDS	LAST DAY TO EXPEND FUNDS
FY17 Grant Funds	July 1, 2016 – June 30, 2017	June 30, 2017	Sept 30, 2017
FY18 Grant Funds	July 1, 2017 – June 30, 2018	June 30, 2018	Sept 30, 2018
FY19 Grant Funds	July 1, 2018 – June 30, 2019	June 30, 2019	Sept 30, 2019



FER REPORTING/EXTENSION PERIOD

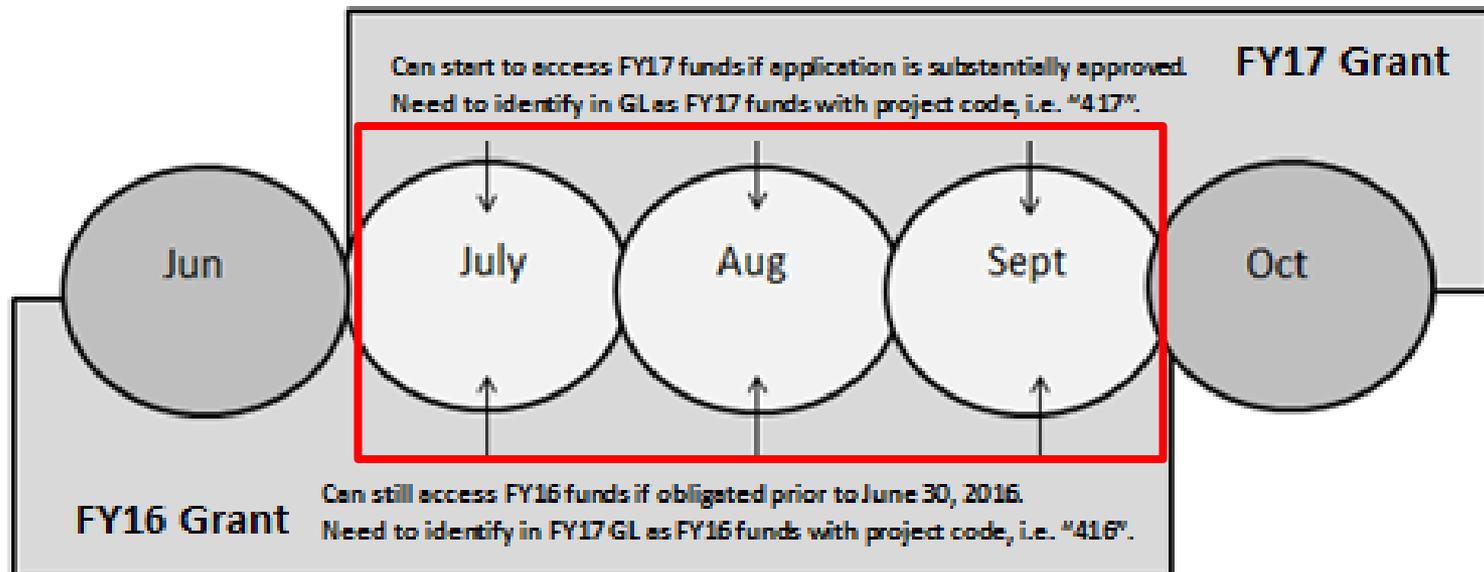
- The FER Reporting period runs from July 1st to September 30th each fiscal year.
- Extra three months to access funds after the grant cycle ends (FER Extension).
- Can continue to request grant funds until September 30th as long as:
 - The expenditure was obligated prior to June 30th
 - Have remaining grant funds
 - AND the FER has not been submitted



OVERLAPPING GRANT CYCLES

- If utilize flexibility of FER Extension Period, 2 fiscal year grants will be running simultaneously in the same general ledger.
- Must account for expenditures paid with prior year (FY16) grant funds and expenditures paid with current year (FY17) grant funds separately

OVERLAPPING GRANT CYCLES



TRACK OVERLAPPING GRANT CYCLES

- Must use another digit added to the project/source code
- This identifies the funding source year when applicable

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT	SOURCE
1	1221	6100	333	416	FY16 IDEA FEDERAL
1	1221	6100	333	417	FY17 IDEA FEDERAL

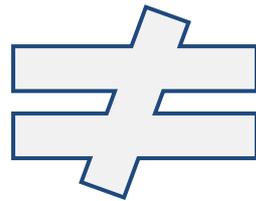


OVERLAPPING GRANT CYCLE RULE

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 WITH **NEW** FUNDS

FY16
EXPENSE



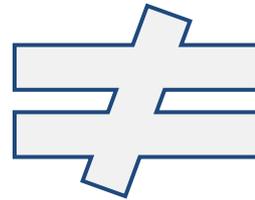
FY17
IDEA FUNDS



OVERLAPPING GRANT CYCLE RULE

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

FY16
EXPENSE



FY17
IDEA FUNDS

FY17 IDEA FUNDS		FY16 EXPENSE
FY17 IDEA FUNDS	≠	June 2016 Payroll
FY17 IDEA FUNDS	≠	June 2016 ESY Services
FY17 IDEA FUNDS	≠	May/June 2016 Conference
FY17 IDEA FUNDS	≠	PO issued June 2016 for Supplies



OVERLAPPING GRANT CYCLE RULE

EXAMPLE:

- Invoice Received on July 5, 2016 (for FY16 obligation/expenditure)

CAN'T USE NEW GRANT AWARD RECEIVED ON JULY 1, 2016 TO PAY THIS INVOICE BECAUSE IT'S NEW MONEY (FY17), SO HOW DO YOU PAY THIS INVOICE FROM THE PRIOR YEAR?

OPTIONS:

- Use state and/or local funds
- Use the old grant funds (FY16) if:
 - Have remaining FY16 grant funds
 - Expenditure was obligated prior to June 30th
 - **AND** expenditure is paid before September 30th



FISCAL YEAR TEACHER CONTRACTS

- Teacher contracts should coincide with the fiscal year (July 1st – June 30th).
- For teacher contracts that do not coincide with the fiscal year, the district/LEA must ensure teachers' salaries and/or benefits are paid with appropriate fiscal year grant funds.

Grant Cycle	Teacher Contract	Salary and/or Benefits
July 1, 2016 – June 30, 2017	August 1, 2016 – July 31, 2017	<p>August 2016-June 2017 Payroll (<i>paid in FY17 G/L</i>)</p> <ul style="list-style-type: none"> • Can pay with FY17 grant funds <p>July 2017 Payroll (<i>paid in FY18 G/L</i>)</p> <ul style="list-style-type: none"> • <u>Can</u> pay with FY17 grant funds <u>if</u> have remaining grant funds (must track separately), if not MUST pay with state and/or local funds • <u>Cannot</u> pay with FY18 grant funds

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/LEA ensure new money is not utilized to pay old expenditures?
- Do teacher contracts coincide with fiscal year? If not, how do you ensure appropriate fiscal year grant funds are used?



ALLOWABLE USE OF FUNDS



ALLOWABLE 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
 - Coordinated Early Intervening Services
 - Proportionate Share
 - Schoolwide Pool

However, in some instances these items may not be allowed.



ALLOWABLE USE OF FUNDS

To determine if an expenditure is an allowable use of funds, the district/LEA should ask the following:

- Is the expenditure required to implement an IEP?
- Is the expenditure required to run the special education program?
- Is there adequate documentation to justify and track the use of the item/service by the special education program?



SPEL 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 must:

- Track in general ledger by utilizing function code 1221 and a project/source code (i.e. “41”)
- Payroll records must indicate the source of funding (i.e. “41”)
- Maintain time and effort documentation
- Code in MOSIS to special education course codes and program codes



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 must:

- Follow procurement policy
- Maintain bid and other required documentation
- Check debarment and suspension site and maintain documentation of search results (if over \$25,000)



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 must:

- Obtain prior approval through ePeGS
- Maintain one MASTER inventory listing for equipment with all required components
- 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



SUPPLIES

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

If funds are expended towards supplies, then must:

- Only purchase supplies with federal funds that can leave an “audit trail” or are trackable
- Share the love



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 must:

- 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



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 must:

- 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 by utilizing function code 1224 and/or 2557 and a project/source code.



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 education environment.

If funds are expended towards CEIS, then must:

- 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 by utilizing function code 1223 and a project/source code (i.e. “41”).



SCHOOLWIDE POOL

The schoolwide pool program provides districts/LEAs more flexibility in serving students, but 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:

- Complete both IDEA and NCLB budget applications in ePeGS.
- Determine amount of funds to pool based on allowed amount.



BUDGETING & APPROVING

- Must budget IDEA Part B federal funds in ePeGS on the Budget Application by the appropriate:
 - Function Code
 - Object Code
- Budgeted funds may not exceed IDEA Part B Allocation
- Budgeted funds must fit in Budget Application grid.
 - 2214 Professional Development → 2200 on Budget Application
 - 2152 Speech → 2152 function code is NOT on Budget Application (should be coding to 1221 in G/L)
- Building level budgets should be approved by sped director or individual familiar with IDEA Part B federal requirements
- Final expenditures per object code can't exceed 10% of total budget



PRORATING EXPENDITURES

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

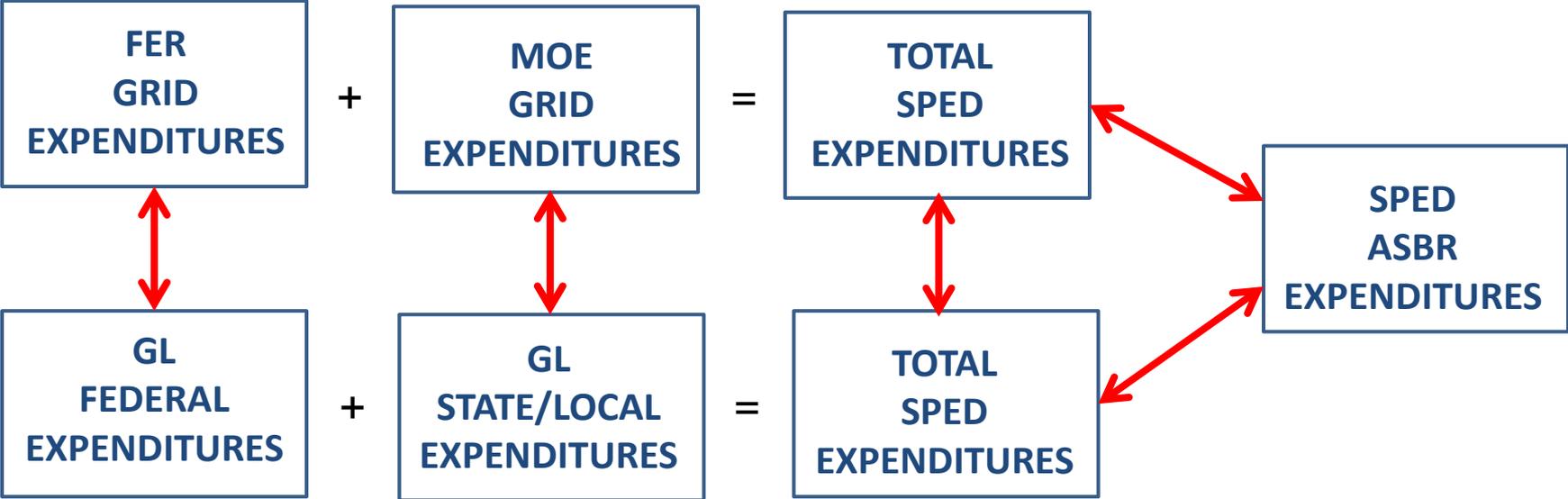
Expenditures do not have to be prorated in cases where there is an incidental benefit to non-special education students. To determine incidental benefit, ask these questions:

- 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)



COMPARING EXPENDITURES

FER = GENERAL LEDGER = ASBR



DISCREPANCIES

FER \neq GENERAL LEDGER \neq ASBR

- Only exceptions for discrepancies when comparing:
 - Special education expenditures were paid with ECSE federal funds, HNF federal funds, Assistive Technology federal funds, etc.
 - 2200 and/or 4000 expenditures reported on ASBR are part of the comparison even though the expenditures may not be specific to the special education program.
- If the expenditures do not match, allowable use of funds cannot be determined.
- District/LEA may be required to complete a *General Ledger Journal Entry Correction* form and submit to DESE for approval if determined during monitoring process that expenditures coded in G/L need to be changed and the G/L is closed.



GENERAL LEDGER JOURNAL ENTRY CORRECTION FORM

DISTRICT NAME: _____
 SCHOOL YEAR: _____
 CONTACT NAME: _____
 CONTACT EMAIL: _____

DISTRICT CODE: _____
 FISCAL YEAR: _____
 CONTACT PHONE: _____
 DATE OF FORM: _____

To revise the funding sources initially reported for Maintenance of Effort (MOE) in the Final Expenditure Report (FER), the district/LEA must complete this form. Districts/LEAs must list the coding structure for the original expenditure(s) in the first section of the chart and indicate the accounting code structure to which the expenditure(s) is being recoded in the second section of the chart below. Once approved, the district/LEA must keep this form as an official financial record with the General Ledger documentation.

ORIGINAL GENERAL LEDGER EXPENDITURE INFORMATION							JOURNAL ENTRY CORRECTION EXPENDITURE INFORMATION						
Fund	Function	Object	Project	Description	Amount	Source	Fund	Function	Object	Project	Description	Amount	Source
1	1221	6111	51	SE Salaries	75,000.00	Local	1	1221	6111	53	SE Salaries	75,000.00	State
TOTAL:					-		TOTAL:					-	

CERTIFICATION - I certify by typing my name in the box beside this statement the information listed on this form is accurate: _____

DESE USE ONLY

ASBR Total State Revenue: _____
 ASBR Total Local Revenue: _____
 Verified & Approved By: _____

New MOE Step 2-State Only Total: _____
 New MOE Step 3-Local Only Total: _____
 Date: _____

OTHER CONSIDERATIONS

- Working Lunches provided at meetings/conferences may be allowed if:
 - Working Lunch is Necessary
 - Portion of Agenda to be carried out during lunch is integral to the purpose of the meeting
 - Cost is reasonable
 - Districts keep documentation on file to document necessary and reasonable



ALLOWABILITY PROCEDURE

Must have a written Allowability Procedure for all grants that:

- Ensures expenditures are necessary, reasonable, and 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
- Indicates the employees responsible for budgets, approving/expending funds, reporting final expenditures



TRAVEL POLICY

- The district/LEA must have a written Travel Policy (must be board approved) that addresses:
 - Process utilized to reimburse employees (district/LEA credit card, expense account, etc.) and the reimbursement timeframe (with payroll, weekly, monthly)
 - Process utilized to determine travel status (i.e. distance, length of stay, etc.) and the threshold used (i.e. 50 miles away, traveling more than 9 hours, etc.)
 - Process utilized to reimburse expenses (i.e. actual amounts or per diem amounts)



TRAVEL JUSTIFICATION

- The district/LEA must have a written travel justification for all travel expenses that indicates:
 - Why travel was pertinent to grant activities/special education program.



Justification for Travel Expenses paid with IDEA Part B Federal Funds

The item selected below indicates why participation in the activity was necessary to the federal award.

- To attend meeting related to a special education student (IEP, evaluation, progress update, teacher consultation, etc).
- To perform training or technical assistance related to the IDEA federal grant activities.
- To perform a required contract related activity funded under the IDEA federal grant.
- To perform monitoring activities as required by the IDEA and UGG federal regulations.
- To attend professional development activities related to the programs funded by the IDEA federal grant.
- To attend office/section/staff meetings to share information/updates/activities related to the IDEA federal grant work.
- To attend advisory council meetings as required by the IDEA federal regulations.
- To perform due process/surrogate/child complaint activities as required by the IDEA federal regulations.
- OTHER: _____

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



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



USE OF FUNDS SELF-REVIEW

- Are IDEA Part B federal funds only being spent on allowable items?
- Are expenditures prorated appropriately?
- Is there an audit trail for all purchases paid with IDEA Part B federal funds?
- Does the district/LEA have a written Allowability procedure?
- Does the district/LEA have a written Travel policy?
- Does the district/LEA have justification statements for all travel expenditures to justify travel?



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



SOURCE DOCUMENTATION

- All special education program 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



ACTIVITY: INTERNAL CONTROLS

ACTIVITY 1: Using the Missouri School District purchase order, how many issues can you identify?



INTERNAL CONTROLS SELF-REVIEW

- Does the district/LEA have written policies and procedures addressing all the elements of internal controls?
- Do all special education program expenditures have all the proper source documentation?
- Are two signatures and/or approvals obtained for every special education program purchase?



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



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 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



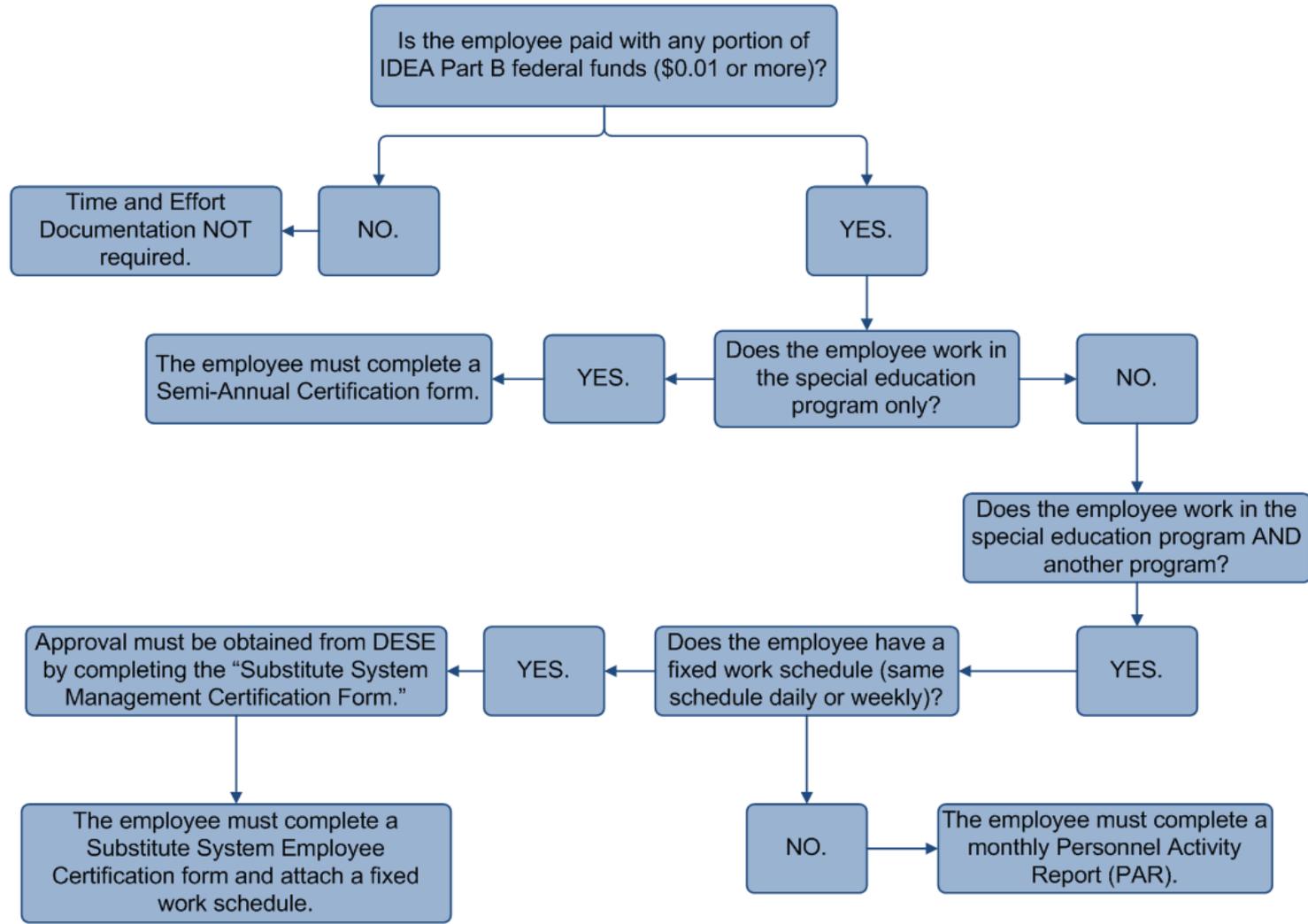
METHODS OF DOCUMENTING

- Time and Effort must be documented by one of the following methods:
 - Semi-Annual Certifications for employees that work in the Special Education Program ONLY
 - 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)



TIME AND EFFORT FLOWSHEET

Determining the type of Time and Effort documentation



SPECIAL EDUCATION ONLY

- **EMPLOYEES THAT WORK IN SPECIAL EDUCATION ONLY**
 - Employees who work in the special education program only **AND** are paid any amount of 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	7/1/2016-12/31/2016	Signed & dated on 1/1/2017 or after	1/1/2017-6/30/2017	Signed & dated on 7/1/2017 or after
School Year Dates	8/15/2016-12/20/2016	Signed & dated on 12/21/2016 or after	1/4/2017-5/19/2017	Signed & dated on 5/20/2017 or after



SEMI-ANNUAL CERTIFICATION

- **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)

- **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 (ALT) 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 the period of _____.
(Federal Program) (Funding Period)

Employee Name(s)	Position

Add more lines as needed

Signature of Supervisor _____

Date _____



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 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, 2016:**
 - 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, 2016:**
 - Reconciliation of PAR indicates actual time worked in special education program for previous quarter was **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

Employee Summary-JANE DOE

As of October 1, 2016

	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

- **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 (must be done 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

- **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 Semi-Annual Certification or PAR if not already completed
 - Stipends/extra duty pay must be relevant to special education program if IDEA Part B federal funds are utilized



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)

Jennifer Aniston
Name

Special Education Teacher
Title

April
Month
2014
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			6	1		5	5			6	1	6	5				1	6	5	5				6	1	6	5								70		
Title I				6		2	2				6			2				6		2	2				6		2								36		
General Education-Math			2	1		1	1			2	1	2	1					1	2	1	1				2	1	2	1							22		
																																				0	
																																				0	
																																				0	
																																				0	
																																				0	
SUBTOTAL	0	0	8	8	0	8	8	0	0	8	8	8	0	8	0	0	0	8	8	8	8	0	0	0	8	8	8	8	0	0	0	0	0	0	128		
INDIRECT TIME																																					
Annual Leave																									8										8		
Comp Time Taken																																				0	
Sick Leave													8																							8	
Holiday																	8																			8	
Training																																				0	
Other (Describe)																																				0	
																																					0
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	8	0	0	0	8	0	0	0	0	0	0	0	0	8	0	0	0	0	0	0	0	0	24		
GRAND TOTALS	0	0	8	8	0	8	8	0	0	8	8	8	8	8	0	0	8	8	8	8	8	0	0	8	8	8	8	8	0	0	0	0	0	0	152		

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.

Jennifer Aniston
Employee Signature

4/28/2014
Date



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	0	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	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



ACTIVITY: TIME AND EFFORT

ACTIVITY 1: Using the Time and Effort Flowchart, determine the type of time and effort documentation for each individual.



TIME AND EFFORT SELF-REVIEW

- Can you identify all employees paid with IDEA Part B federal funds, ECSE federal funds, HNF federal funds?
- Are staff coded properly in MOSIS to special education program and course codes?
- Is time and effort documentation being signed **AFTER** the funding period?
- Do you have written documentation/agreements for Stipends/Extra Duty Pay?



MAINTENANCE OF EFFORT



MAINTENANCE OF EFFORT

- Maintenance of Effort (MOE) is the amount of state and local funds a district/LEA spends on the special education program.
- MOE has to be maintained at the same amount from year to year.
- Two standards/tests:
 - ELIGIBILITY REQUIRMENT
 - COMPLIANCE REQUIREMENT



ELIGIBILITY STANDARD

ELIGIBILITY STANDARD

STANDARD IS VERIFIED IN THE BUDGET APPLICATION

Budget the same amount or more from state and/or local funds as expended from the most recent fiscal year in which data is available in order to receive grant. This shows the INTENT to maintain effort.



ELIGIBILITY STANDARD

Since districts/LEAs do not have the prior year MOE finalized at the time the Budget Application is due, the most recent fiscal year for which information is available would be two years ago.

BUDGETED AMOUNTS	COMPARED TO
FY17 MOE Budgeted Amounts	FY15 MOE Actual Amounts
FY18 MOE Budgeted Amounts	FY16 MOE Actual Amounts
FY19 MOE Budgeted Amounts	FY17 MOE Actual Amounts



ELIGIBILITY STANDARD EXAMPLE

BUDGETED AMOUNTS	COMPARED TO	TEST
FY17 BUDGETED MOE = \$500,000	FY15 ACTUAL MOE = \$400,000	MET
FY17 BUDGETED MOE = \$400,000	FY15 ACTUAL MOE = \$400,000	MET
FY17 BUDGETED MOE = \$300,000	FY15 ACTUAL MOE = \$400,000	NOT MET



COMPLIANCE STANDARD

COMPLIANCE STANDARD

STANDARD IS VERIFIED IN THE FINAL EXPENDITURE REPORT

Expend the same amount or more from state and/or local funds as was expended in the year compliance was last met in order not to have pay penalty. This shows effort was maintained.



COMPLIANCE STANDARD

The district/LEA must maintain or increase the amount of local funds, or state and local funds combined, it actually spent for the education of children with disabilities when compared to the required level from all prior fiscal years.

FER AMOUNTS	COMPARED TO
FY16 MOE Actual Amounts	MOE From All Prior Fiscal Years
FY17 MOE Actual Amounts	MOE From All Prior Fiscal Years
FY18 MOE Actual Amounts	MOE From All Prior Fiscal Years



COMPLIANCE STANDARD EXAMPLE

FER AMOUNTS	COMPARED TO	TEST
FY17 ACTUAL MOE = \$600,000	FY16 ACTUAL MOE = \$550,000 FY15 ACTUAL MOE = \$500,000	MET
FY17 ACTUAL MOE = \$550,000	FY16 ACTUAL MOE = \$550,000 FY15 ACTUAL MOE = \$500,000	MET
FY17 ACTUAL MOE = \$500,000	FY16 ACTUAL MOE = \$550,000 FY15 ACTUAL MOE = \$500,000	NOT MET



MAINTENANCE OF EFFORT

The amount of state and/or local funds spent on special education.

ELIGIBILITY STANDARD	COMPLIANCE STANDARD
BUDGET APPLICATION	FINAL EXPENDITURE REPORT
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.	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.



MOE TESTS

Districts/LEAs can meet MOE for eligibility and compliance standards by one of the following methods:

- Total State and Local Expenditures Combined
- Per Child State and Local Expenditures Combined
- Total Local Expenditures Only
- Per Child Local Expenditures Only

Must meet only one of the methods/tests.



MOE COMPLIANCE EXAMPLE

Year	State	Local	MOE Combo Method Test	MOE Local Method Test
2011-2012	N/A	N/A	\$300,000 Met	N/A
2012-2013	N/A	N/A	\$325,000 Met	N/A
2013-2014	N/A	N/A	\$345,000 Met	N/A
2014-2015	\$342,000	\$15,000	\$357,000 Met	\$15,000
2015-2016	\$310,000	\$35,000	\$345,000	\$35,000 Met
2016-2017	\$330,000	\$35,000	\$365,000 Met	\$35,000 Met
2017-2018	\$340,000	\$26,000	\$366,000 Met	\$26,000

MOE CALCULATION

In calculating MOE, the district/LEA must:

- Include **ONLY** special education program expenditures (ECSE & K-12) paid with state and/or local revenue.
- Include **ALL** expenditures directly related to special education program (ECSE & K-12).
- Include **ONLY** expenditures geared specifically towards special education program.
- **NOT** include any expenditures paid with federal revenue (IDEA Part B, ECSE fed., HNF fed, Asst. Technology fed, Medicaid, etc.).
- **NOT** include expenditures paid for LTE or Medicaid Billing Fees.



MOE CALCULATION

- It should not be necessary for the district/LEA to manually “calculate” MOE.
- It should not be necessary for the district/LEA to utilize a spreadsheet to “calculate” MOE.

Instead, the accounting system should be utilized to calculate the district/LEA’s MOE.

- Perform account query within accounting system for all project/source codes utilized for tracking special education program expenditures.



MOE CALCULATION

An account query within accounting system can be performed if:

- special education program specific function codes are utilized, and
- all special education program expenditures (ECSE & K-12) are tracked with project/source code.

Reports can be utilized to complete FER, MOE-State Only, and MOE-Local Only grids.



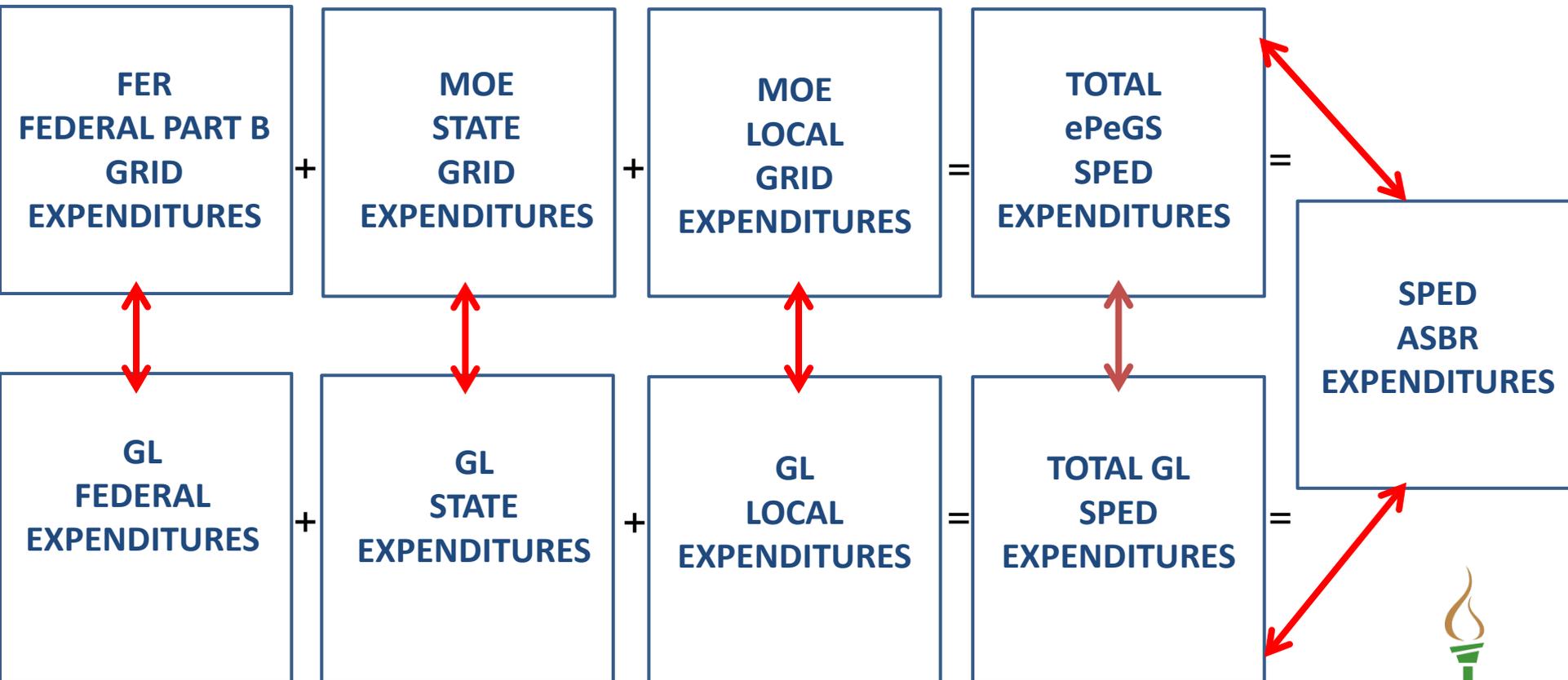
MOE CALCULATION

PROJECT/SOURCE CODE ACCOUNT QUERY	REPORT EXPENDITURES IN ePeGS ON...
IDEA PART B federal funds (41)	FER grid
ECSE federal revenue (42)	NOT reported in ePeGs on FER <u>or</u> MOE grid
HNF federal revenue (37)	NOT reported in ePeGs on FER <u>or</u> MOE grid
Assistive Technology federal revenue (30)	NOT reported in ePeGs on FER <u>or</u> MOE grid
Medicaid revenue (XX)	NOT reported in ePeGs on FER <u>or</u> MOE grid
State revenue (03)	MOE-State Only grid
Local revenue (01)	MOE-Local Only grid



MOE CALCULATION

FER = GENERAL LEDGER = ASBR



MOE-STEP 6 DISCREPANCIES

FER \neq GENERAL LEDGER \neq ASBR

- Only exceptions for discrepancies when comparing:
 - Special education expenditures were paid with ECSE federal funds, HNF federal funds, Assistive Technology federal funds, etc.
 - 2200 and/or 4000 expenditures reported on ASBR are part of the comparison even though the expenditures may not be specific to the special education program.
- Must provide comment on MOE-Step 6 (comparison page) to address discrepancies.



MEETING MOE – LOCAL ONLY

- If the district/LEA chooses not to fund special education program with state revenue (meet on Local Only), then district/LEA must ensure it receives enough local revenue to support the MOE threshold.

$$\text{Total Local Revenue} \geq \text{Local Only Sped Expenditures}$$

District/LEA may be required to provide auditable data to verify that only local or only state revenue was used to meet MOE.



MEETING MOE – STATE & LOCAL

- If the district/LEA chooses not to fund special education program with local revenue (State and Local), then district/LEA must ensure it receives enough state revenue to support the MOE threshold.

$$\text{Total State Revenue} \geq \text{State Only Sped Expenditures}$$

District/LEA may be required to provide auditable data to verify that only local or only state revenue was used to meet MOE.



MEETING MOE

- The District/LEA is not required to use same method (i.e. Local Only, Total State and Local Combined, etc.) to meet standards from year to year.
- The District/LEA is not required to use same method in meeting compliance standard as was used in meeting eligibility standard.

What happens when you are NOT meeting MOE???

Consider whether an allowable reduction to MOE is applicable.



MOE REDUCTIONS

- To reduce MOE means to spend less in current year from state and/or local funds than what was expended in prior fiscal years.
- MOE can be reduced through two means:
 - Exceptions
 - Adjustments



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→.80 FTE, Exception = \$10,000
- Termination of a Costly Obligation for a Specific Child
Student Graduated that required Tuition & Transp. = \$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 HNF federal revenue, Exception \$6,000

***These are the ONLY allowable exceptions to MOE.**

***Expenditures MUST have been paid with state or local revenue.**



MOE ADJUSTMENTS

- If district/LEA has an increase in IDEA Part B federal allocation, district/LEA can adjust/reduce MOE by 50% of the increase.
- Any state and/or local funds no longer dedicated to special education must be spent on ESEA activities and must be tracked separately in G/L.



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 they are 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 PLANNING

Throughout the school year:

- The special education director or another individual familiar with MOE requirements should be involved in approval of all special education expenditures since the expenditures could impact the district/LEA's MOE.
- Keep in mind and consider situations that may impact MOE, whether from negative or positive standpoint.



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. Assistive Technology federal grant)
- Fluctuations in ECSE federal revenue.
- Making double payments in the same year for subscriptions and fees (i.e. paying a June 2016 invoice in July 2016 (FY17) and paying the June 2017 invoice (FY17)).
- Unnecessarily inflating MOE by charging items to special education program that aren't program specific (i.e. prorated regular transportation, administration salaries, etc.).



ACTIVITY: MOE

ACTIVITY 1: ENTER THE AMOUNTS IN THE GRIDS.

What special education expenditures were paid with IDEA Part B funds in 2015-16?

- Put these amounts on the “Federal Part B Only” grid.

What special education expenditures were paid with State funds in 2015-16?

- Put these amounts on the “State Only” grid.

What special education expenditures were paid with local funds in 2015-16?

- Put these amounts on the “Local Only” grid.



2015-2016 School Year Actual FEDERAL PART B ONLY Expenditures

	6100	6150	6200	6300	6400	6500	Total
1221	72,500	0	0	0	0	0	72,500
1223	0	0	0	0	0	0	0
1224	2,000	0	200	200	100	0	2,500
1931	0	0	0	0	0	0	0
1932	0	0	0	0	0	0	0
1933	0	0	0	0	0	0	0
2200	0	0	0	0	0	0	0
2500	0	0	0	0	0	0	0
2553	0	0	0	0	0	0	0
2554	0	0	0	0	0	0	0
4000	0	0	0	0	0	0	0
Total	74,500	0	200	200	100	0	75,000

FEDERAL ECSE FUNDS RECEIVED/EXPENDED

1280	20,000.00	0	0	0	0	0	20,000.00
2559	0	0	0	0	0	0	0

2015-2016 School Year Actual STATE ONLY Expenditures

	6100	6150	6200	6300	6400	6500	Total
1221	45,000	0	29,500	16,000	5,000	0	95,500
1224	0	0	0	0	0	0	0
1280	0	0	6,000	0	0	0	6,000
1931	0	0	0	0	0	0	0
1932	0	0	0	0	0	0	0
1933	0	0	0	0	0	0	0
2200	0	0	0	500	0	0	500
2500	0	0	0	0	0	0	0
2553	0	0	0	30,000	0	0	30,000
2554	0	0	0	0	0	0	0
2559	0	0	0	8,000	0	0	8,000
4000	0	0	0	0	0	0	0
Total	45,000	0	35,500	54,500	5,000	0	140,000



2015-2016 School Year Actual LOCAL ONLY Expenditures

	6100	6150	6200	6300	6400	6500	Total
1221	0	0	0	0	0	0	0
1223	0	0	0	0	0	0	0
1224	0	0	0	0	0	0	0
1931	0	0	0	0	0	0	0
1932	0	0	0	0	0	0	0
1933	0	0	0	40,000	0	0	40,000
2200	0	0	0	0	0	0	0
2500	0	0	0	0	0	0	0
2553	0	0	0	0	0	0	0
2554	0	0	0	0	0	0	0
4000	0	0	0	0	0	0	0
Total	0	0	0	40,000	0	0	40,000
Total							



MOE SELF-REVIEW

- Does the district/LEA anticipate any upcoming changes (i.e. retirements, departures, or graduations) to special education program? If so, are these expenditures coded in G/L as being paid with state and/or local funds?
- Are non-special education expenditures (i.e. LTE, Medicaid Billing fees) coded to appropriate function codes?



QUESTIONS?



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