



**FINANCIAL
AND
ADMINISTRATIVE SERVICES
Special Education Fiscal
Monitoring - What You
Need to Know**

April 23, 2015

Missouri Department of Elementary
and Secondary Education

TOPICS



- Tiered Monitoring
 - Tiered Monitoring System
 - Tiered Monitoring Cycle
 - Tiered Monitoring Process
- Special Education Fiscal Monitoring
 - Fiscal Areas of Review & Monitoring Questions



TIERED MONITORING

TIERED MONITORING SYSTEM

- 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
- Monitoring for all federal programs is found in this one system

TIERED MONITORING CYCLE

- Districts/LEAs are sorted into three Cohorts (groups)
- There are 4 Levels in the Tier Monitoring Cycle
 - Desk Audit/Application Review
 - Tier 1: Self-Assessment/Desk Monitoring
 - Tier 2: On-site Monitoring
 - Tier 3: Training and Preparation
- Cohorts will move through the Tier Levels from year to year

TIER LEVEL	2014-15	2015-16	2016-17
Desk Audit/Application Review	All Cohorts	All Cohorts	All Cohorts
Tier 1: Self-Assessment	Cohort 1	Cohort 2	Cohort 3
Tier 2: On-site Monitoring	Cohort 3	Cohort 1	Cohort 2
Tier 3: Training & Preparation	Cohort 2	Cohort 3	Cohort 1

TIERED MONITORING PROCESS

- 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
 - ePeGS IDEA Part B Payment Requests
 - ePeGS IDEA Part B Final Expenditure Report
 - A133 Audit Findings for IDEA Part B

TIERED MONITORING (TIER 1)

- TIER 1: SELF-ASSESSMENT/DESK MONITORING
 - Only the applicable Cohort for the fiscal year will go through this level of review (Cohort 2 for 2015-16)
 - Each district/LEA 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 must respond to the CAP within 30 calendar days

TIERED MONITORING (TIER 2)

- TIER 2: ON-SITE MONITORING
 - Only 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 for the previous school year into the Tiered Monitoring System prior to the On-site review
 - Districts/LEAs will not be required to answer any of the questions within the Tiered Monitoring System; 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 3)

- TIER 3: TRAINING AND PREPARATION
 - Only 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 will not be required to answer any questions within the Tiered Monitoring System

TIERED FEDERAL MONITORING

- Possible risk factors – On-site or telephone review
 - Amount of federal funds (large amounts = greater risk)
 - A-133 audit findings
 - Late MOSIS/Core Data reports
 - Financial distress
 - Administrator changes/other issues reported by auditor or LEA
 - Late FER
 - Late budget application
 - Violation of CMIA

TIERED FEDERAL MONITORING

- Special Education Fiscal Monitoring Guide will be updated with new Omni requirements
- Regional Special Education Fiscal Monitoring trainings will be held again in the fall
- 2016-17 will be the first year LEAs will be monitored on the implementation of the new Omni requirements implemented in the 2015-16 school year
 - Self-Assessments:
 - LEAs in Cohort 3 will complete Self-Assessments in 2016-17
 - On-Site Reviews:
 - Selected LEAs in Cohort 2 will receive On-Site reviews in 2016-17

Cohort list: <http://dese.mo.gov/sites/default/files/qs-cohort-lists-2014.pdf>



SPECIAL EDUCATION FISCAL MONITORING

FISCAL MONITORING AREAS & MONITORING QUESTIONS

- Obligation of Funds
- Period of Availability
- Allowable Costs/Use of Funds
- Coding Federal Expenditures
- Cash Management
- Internal Controls
- Procurement
- Time and Effort
- Equipment/Capital Outlay
- Proportionate Share
- CEIS
- MOE

Special Education Fiscal Monitoring Guide

<http://dese.mo.gov/divspeced/Finance/FiscalMonitoring.html>

OBLIGATION OF FUNDS

- To obligate funds is to reserve, commit, or set-aside for a specific activity or purpose.
- The district/LEA can not obligate IDEA Part B federal funds until the Budget Application is completed and submitted to the Department.
- The district/LEA may not expend IDEA Part B federal funds prior to the submission date of the Budget Application.

OBLIGATION OF FUNDS

IF THE OBLIGATION IS FOR...	THEN THE OBLIGATION PERIOD BEGINS...
Personal Services By An Employee	When The Services Are Performed <i>(Not When The Contract Is Signed)</i>
Personal Services By A Contractor	On The Date The Contract Is Signed <i>(Do Not Sign Prior To Budget Submission)</i>
Performance Of Work Other Than Personal Services (i.e. Transportation)	On The Date The Contract Is Signed <i>(Do Not Sign Prior To Budget Submission)</i>
Public Utility Services	When the Services are Received <i>(Not When The Services Are Paid For)</i>

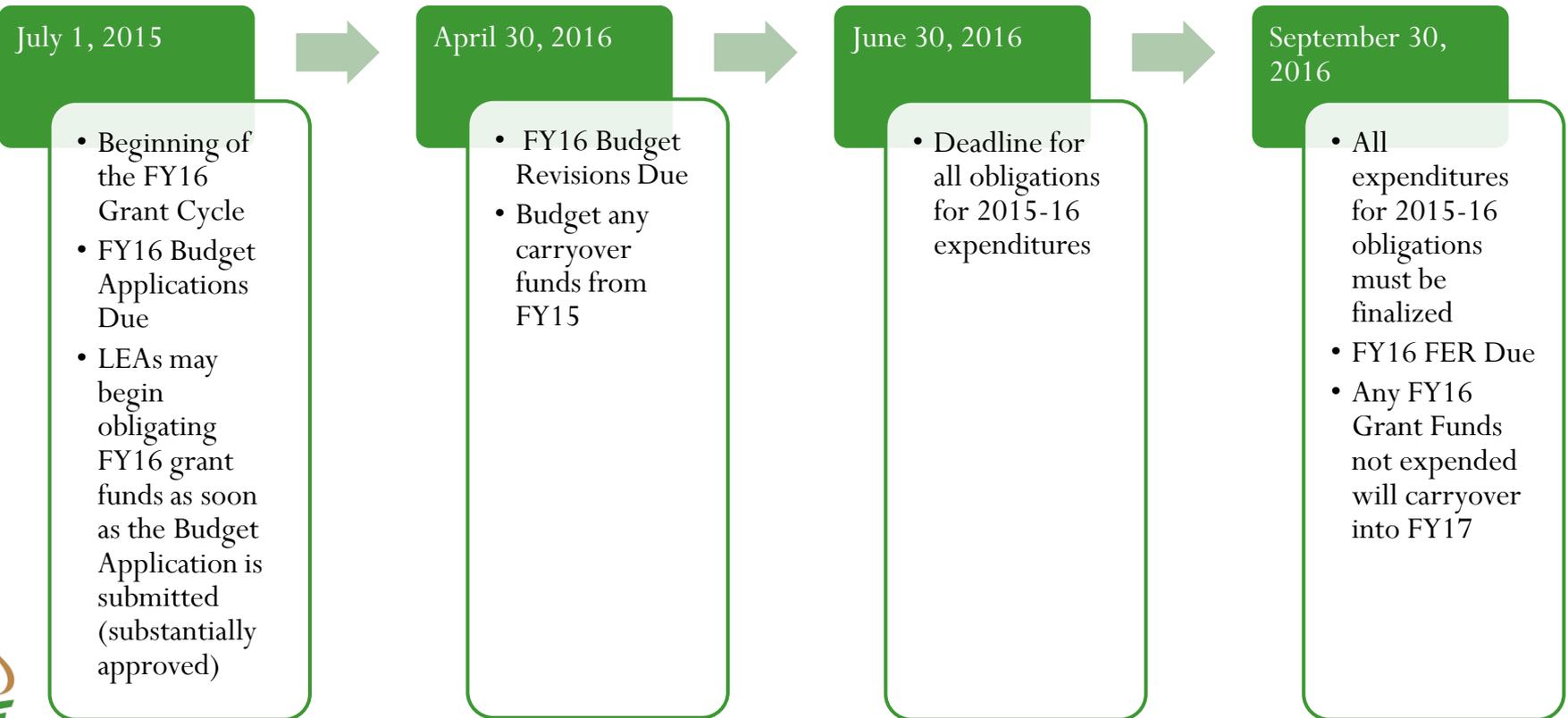
MONITORING

- Expenditures paid with IDEA Part B federal funds present in July and August general ledgers?
 - Were employees paid with IDEA Part B federal funds to perform work duties prior to the submission of the IDEA Part B budget application?
 - Were vendors paid with IDEA Part B federal funds? If so, contracts will be examined to determine when the contract was signed (when funds were obligated).
 - Were invoices paid with IDEA Part B federal funds? If so, purchase orders will be examined to determine when purchase order was issued (when funds were obligated).

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 (basis for July 1st Budget Application due date).
- Funds from a new grant cycle may not be used for obligations or expenditures that occurred in the previous grant cycle. New money can not be used to pay for old expenditures.
- The FER Reporting Cycle runs from July 1st to September 30th of each fiscal year but may only include obligations made during the grant cycle (July 1st – June 30th).
- Unexpended federal funds carryover into the next fiscal year.

PERIOD OF AVAILABILITY – FY16



PERIOD OF AVAILABILITY

TIME FRAME	SHOULD BE CHARGED TO THIS GRANT CYCLE
ESY Provided in June 2015 Paid in June 2015 (FY15)	Current Grant Cycle (FY15) because the FER has not been submitted and the district/LEA can obligate/expend up until June 30 th .
ESY Provided in June 2015 Paid in July 2015 (FY16)	<p>Previous Grant Cycle (FY15) if there are remaining grant funds and the FER has not been submitted.</p> <p><i>* Expenditure should be coded in FY16 general ledger as a federal expenditure with a <u>Project/Source Code</u> to indicate the expenditure was paid with prior year grant funds.</i></p> <p>If the FER has been submitted, an FER revision must be done or the expenditure must be paid with state and/or local funds and coded in FY16 General Ledger.</p>
ESY Provided in July FY16 Paid in July FY16	New Grant Cycle (FY16).

MONITORING

- Expenditures paid with IDEA Part B federal funds present in July and August general ledgers?
 - Were expenditures paid with IDEA Part B federal funds for prior year expenditures (i.e. Extended School Year, June expenses)? Supporting documentation will be reviewed to determine.
 - Were expenditures paid with IDEA Part B federal funds coded in the current year (FY16) general ledger, but charged to the prior year (FY15) grant after the end of the fiscal year must be identified separately. Supporting documentation will be reviewed to determine.

ALLOWABLE COSTS/USE OF FUNDS

- IDEA Part B federal funds may be used for:
 - Special Education & Related Services
 - Coordinated Early Intervening Services
 - Establish Cooperatives for Cost Sharing Funds
 - Appropriate Technology
 - Facilities/Construction
- All expenditures must be necessary and reasonable.
- IDEA Part B federal funds must be budgeted in ePeGS prior to obligating.
- IDEA Part B federal funds must be prorated if not directed 100% towards special education program.
- The district/LEA must have a written allowability procedure.

ALLOWABLE COSTS/USE OF FUNDS

UNALLOWABLE USE OF FUNDS

Entertainment	Local Tax Effort/Billbacks
Promotional Items (pens, bags, t-shirts, etc.)	Income Generating Activities (i.e. life skills classroom bake sale)
Legal Fees Related To Child Compliant/Due Process	Principal/Administrative Salaries That Have Not Been Prorated
Recreational Field Trips	Alcoholic Beverages
Classroom Parties	Audit Costs
General Education Expenditures *(except for CEIS)	Fines and Penalties
Petty Cash	Lobbying
Medicaid Billing Fees	Patents
District-wide Training (unless it is geared specifically towards special education)	Materials & Supplies Deemed Unnecessary For Sped Program Requirements

ALLOWABLE COSTS/USE OF FUNDS

- 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

MONITORING

- General ledgers will be reviewed.
 - Were expenditures paid with IDEA Part B federal funds allowable (necessary and reasonable)?
 - Were expenditures not directed 100% towards special education program prorated appropriately?

CODING FEDERAL EXPENDITURES

- Special Education expenditures should be coded to Special Education function codes as defined in the Missouri Accounting Manual.

FUNCTION CODE	DESCRIPTION	REPORT IN EPEGS AS...
1221	Special Education and Related Services	1221
1223	Coordinated Early Intervening Services (CEIS)	1223
1224	Proportionate Share Services	1224
1281	Early Childhood Special Education (ECSE)	1280
1931	Tuition, Special Education Programs Within The State	1931
1932	Tuition, Special Education Programs Outside The State	1932
2553	Contracted Disabled K-12 Transportation Services	2553
2554	District Operated Disabled K-12 Transportation Services	2554
2559	ECSE Transportation	2559

CODING FEDERAL EXPENDITURES

- Districts/LEAs **MUST** track expenditures paid with IDEA Part B federal funds separately from all other funding sources.
- Districts/LEAs should use a project/source code to identify IDEA Part B federal funds in the general ledger.
- District/LEAs should track expenditures paid with other federal revenue in the general ledger with a separate project/source (i.e. ECSE federal and High Need Fund (HNF) federal revenue).
- Expenditure descriptors should be specific enough to determine the purpose of the expenditure.

METHOD	DESCRIPTION	EXAMPLE
Project/Source Code	A code is designated as a special education federal expenditure and is attached to the end of the accounting code structure.	Function-Object-Source 1221-6100-41

CODING FEDERAL EXPENDITURES

GENERAL LEDGER
MONTH: 01/2014 FISCAL YEAR: 2014

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD	Balance
FUNCTION CODE 1221: SPECIAL EDUCATION SERVICES									
01	1221	6111	105	41	SE CERTIFIED SALARY	176,229	19,581	117,486	58,743
01	1221	6151	105	00	SE SALARY NONCERT	148,835	16,537	99,223	49,612
01	1221	6211	300	41	SE TEACHER RETIREMENT	110,946	12,327	73,964	36,982
01	1221	6221	300	00	SE NON TEACHER RETIREMENT	12,467	1,385	8,311	4,156
01	1221	6231	105	41	SE SOCIAL SECURITY	11,576	1,286	7,717	3,859
01	1221	6241	300	00	SE MEDICARE	11,474	1,275	7,649	3,825
01	1221	6251	105	41	SE MEDICAL INSURANCE	121,177	10,098	60,589	60,589
01	1221	6311	105	01	SE PROFESSIONAL DEVELOPMENT	10,539	25	6,897	3,642
01	1221	6321	105	41	SE CONTRACT THERAPY SERVICES	127,825	3,814	99,419	28,406
01	1221	6331	300	00	SE EMPL TRAVEL REIMBURSEMENT	1,100	10	743	357
01	1221	6341	105	41	SE EMPL ITINERANT TRAVEL	5,642	78	4,201	1,441
01	1221	6411	105	00	SE GENERAL CLASSROOM SUPPLIES	11,000	1,256	9,461	1,539
01	1221	6421	300	00	SE IEP SUPPLIES	15,657	284	3,698	11,959
01	1221	6511	105	01	SE EQUIPMENT	5,243	-	1,694	3,549
SUBTOTAL						769,710	67,957	501,053	268,657

Project/Source Code “41” designates expenditures paid with IDEA Part B federal funds.

CODING FEDERAL EXPENDITURES

GENERAL LEDGER
MONTH: 01/2014 FISCAL YEAR: 2014

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD	Balance
FUNCTION CODE 1281: ECSE SERVICES									
01	1281	6122	105	00	ECSE CERTIFIED SALARY	32,813	3,646	25,521	7,292
CR	1281	6122	105	00	ECSE CERTIFIED SALARY	32,813	(3,645)	21,875	10,938
01	1281	6122	105	42	ECSE CERTIFIED SALARY*	3,646	3,646	3,646	-
01	1281	6152	105	00	ECSE SALARY NONCERT	23,147	2,572	18,003	5,144
CR	1281	6152	105	00	ECSE SALARY NONCERT	23,147	(2,572)	15,431	7,716
01	1281	6152	105	00	ECSE SALARY NONCERT*	23,147	2,000	23,000	147
01	1281	6152	105	42	ECSE SALARY NONCERT*	572	572	572	-
01	1281	6252	105	00	ECSE TEACHER RETIREMENT	11,364	1,263	8,839	2,525
01	1281	6322	105	00	ECSE PURCHASED SERVICES	7,915	1,258	4,763	3,152
01	1281	6422	105	00	ECSE SUPPLIES	6,379	360	3,347	3,032
01	1281	6522	105	00	ECSE EQUIPMENT	4,681	-	4,028	653
*RECODED FROM CORR									
SUBTOTAL						90,517	12,744	73,716	16,801

Project/Source Code “42” designates expenditures paid with ECSE federal revenue.

CODING FEDERAL EXPENDITURES

- Expenditures coded in the general ledger as being paid with IDEA Part B federal funds **MUST** equal the IDEA Part B allocation amount and/or the amount of IDEA Part B federal payments.
 - General ledger must support/match the amounts reported on the FER grid.
 - Expenditures coded over and above the allocation amount presents compliance issues.

COMPARING THE FER AND GENERAL LEDGER: Allocation Amount \$500,000.00		
General Ledger Total	1221-6100-41	\$350,000.00
General Ledger Total	1221-6150-41	\$250,000.00
General Ledger Total	1221-6300-41	\$100,000.00
	Total	\$700,000.00
FER Grid Reported Amounts	1221-6100	\$250,000.00
FER Grid Reported Amounts	1221-6150	\$150,000.00
FER Grid Reported Amounts	1221-6300	\$0.00
	Total	\$500,000.00

CODING FEDERAL EXPENDITURES

IDEA Part B Allocation \$515,412.00

GENERAL LEDGER

MONTH: 06/2015 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	19,581	174,271
01	1221	6151	105	00	SE SALARY NONCERT	148,835	16,537	147,181
01	1221	6211	300	41	SE TEACHER RETIREMENT	110,946	12,327	109,713
01	1221	6221	300	00	SE NON TEACHER RETIREMENT	12,467	1,385	12,328
01	1221	6231	105	41	SE SOCIAL SECURITY	11,576	1,286	11,447
01	1221	6241	300	00	SE MEDICARE	11,474	1,275	11,347
01	1221	6251	105	41	SE MEDICAL INSURANCE	121,177	10,098	89,873
01	1221	6311	105	01	SE PROFESSIONAL DEVELOPMENT	10,539	-	7,893
01	1221	6321	105	41	SE CONTRACT THERAPY SERVICES	127,825	5,563	126,405
01	1221	6331	300	00	SE EMPL TRAVEL REIMBURSEMENT	1,100	-	743
01	1221	6411	105	00	SE GENERAL CLASSROOM SUPPLIES	11,000	-	10,958
01	1221	6421	300	00	SE IEP SUPPLIES	15,657	-	3,698
01	1221	6511	105	01	SE EQUIPMENT	5,243	-	5,242
					SUBTOTAL	764,068	68,053	711,099
FUNCTION CODE 1224: PROPORTIONATE SHARE SERVICES								
01	1224	6124	105	41	PS CERTIFIED SALARY	2,246	25.00	2,196
01	1224	6224	105	41	PS TEACHER RETIREMENT	1,528	2.00	1,429
01	1224	6324	105	41	PS PURCHASED SERVICES	500	-	-
01	1224	6424	105	41	PS SUPPLIES	126	-	78
					SUBTOTAL	4,400	27	3,703

+	\$174,271
+	\$109,713
+	\$11,447
+	\$89,873
+	\$126,405
+	\$2,196
+	\$1,429
+	\$78
*	<u>\$515,412</u>

MONITORING

- Fiscal Year general ledgers will be examined to determine...
 - Special education expenditures coded to the special education function codes?
 - Expenditures paid with IDEA Part B federal funds tracked separately in the general ledger by utilizing a project/source code?
 - Expenditures paid with other federal revenue tracked separately in the general ledger by utilizing a project/source code (i.e. ECSE federal and High Need Fund (HNF) federal revenue)?
 - Expenditures paid with IDEA Part B federal funds coded in general ledger up to the allocation amount and not over and above?
- Comparison of amounts reported in ASBR, FER & MOE with general ledger ($GL = ASBR = FER + MOE$).

CASH MANAGEMENT

- Cash Management is the process of requesting and receiving funds from the federal government, and then disbursing those funds.
- Cash Management is governed by the Cash Management and Improvement Act (CMIA), which was implemented to prevent the earning of interest on federal funds.
- To avoid earning interest, tie all federal funds to a specific expenditure in the GL within 3 business days. Payments must be for reimbursements or for expenditures anticipated to be made within 3 business days. Advance payments are not allowed.
- The district/LEA has 3 options for “tying” federal funds to expenditures.
 - Code In Advance
 - Journal Correction/Recode
 - Request And Expend
- The district/LEA must have a written cash management procedure.

CASH MANAGEMENT

- No matter which coding option is utilized for federal funds, the district/LEA should consider the following:
 - Staff coded in the GL as paid with federal funds must complete the appropriate time and effort documentation.
 - Equipment coded in the GL as purchased with federal funds are subject to inventory requirements.
 - Purchased services coded in the GL as paid with federal funds are subject to following procurement procedures.
 - Coding expenditures in the general ledger above the allocation amount puts the district/LEA at risk for requesting overpayments and subsequently violates CMIA.
 - Expenditures coded in the GL as paid with federal funds must match the monthly payment transmittal.

CASH MANAGEMENT

Funding Application: Special Education Part B Entitlement - Payment History Report

Processed Date	Payment Transmittal	CFDA Number	Payment Type	Amount
3/9/2015	March 2015	84027A	PAYMENT	360,446.00
6/10/2015	June 2015	84027A	PAYMENT	55,961.00

Total: 416,407.00

GENERAL LEDGER

MONTH: 06/2015 FISCAL YEAR 2015

	Current Month	YTD Total
41 = EXPENDITURES PAID WITH PART B FUNDS	55,961	416,407
42 = EXPENDITURES PAID WITH ECSE FEDERAL FUNDS	4,218	4,218
00 = EXPENDITURES PAID WITH STATE FUNDS	39,181	235,475
01 = EXPENDITURES PAID WITH LOCAL FUNDS	7,352	59,882
	<u>106,712</u>	<u>715,983</u>

MONITORING

- Monthly general ledgers will be compared to federal payments.
 - Expenditures coded as federal in the general ledger **MUST** match the monthly payment transmittal for:
 - IDEA Part B federal funds
 - ECSE federal revenue
 - High Need Fund (HNF) federal revenue
 - Federal revenue must be tied to expenditure(s) within 3 business days of receipt.

INTERNAL CONTROLS

- Internal Controls safeguard the integrity of the district/ LEA's programs and services and protect against fraud and abuse.
- Internal Controls include:
 - Segregation of Duties/Second Approval
 - Approval of Expenditures/Journal Vouchers
 - Supervision/Monitoring of Operations
 - Retention of Records
 - Physical Safeguards
 - IT Security & System Controls
 - System Reports & Risk Assessment
- Source Documentation-purchase order, receiving record & approval, invoice, check stub.

MONITORING

- Accounts payable and receivable processes will be reviewed
 - Segregation of Duties/Second Approval process in place?
 - Special Education Director approving special education expenditures?
- Source Documentation will be reviewed
 - Purchase Order with approval signature/date?
 - Receiving records?
 - Invoice with approval signature/date and coding present?
 - Check stubs/payment?

PROCUREMENT

- Procurement is the purchase of goods or services from an outside source for purchases of supplies, services, equipment, construction, contracts, etc.
- District/LEA's procurement procedure must:
 - Be in written format.
 - Address each type of procurement (micro-purchases (**NEW**), small purchases, competitive purchases, sealed bids, competitive proposals, noncompetitive purchases).
 - Contain procedures regarding gratuity and conflict of interest. **NEW**
- **NEW** OMNI requirements for procurement procedures must be implemented by July 1, 2016.
- Records detailing the procurement of goods and services must be maintained for purchases paid with IDEA Part B federal funds.
- District/LEA's must ensure all contractors/vendors are not debarred/suspended or included on excluded parties list.

MONITORING

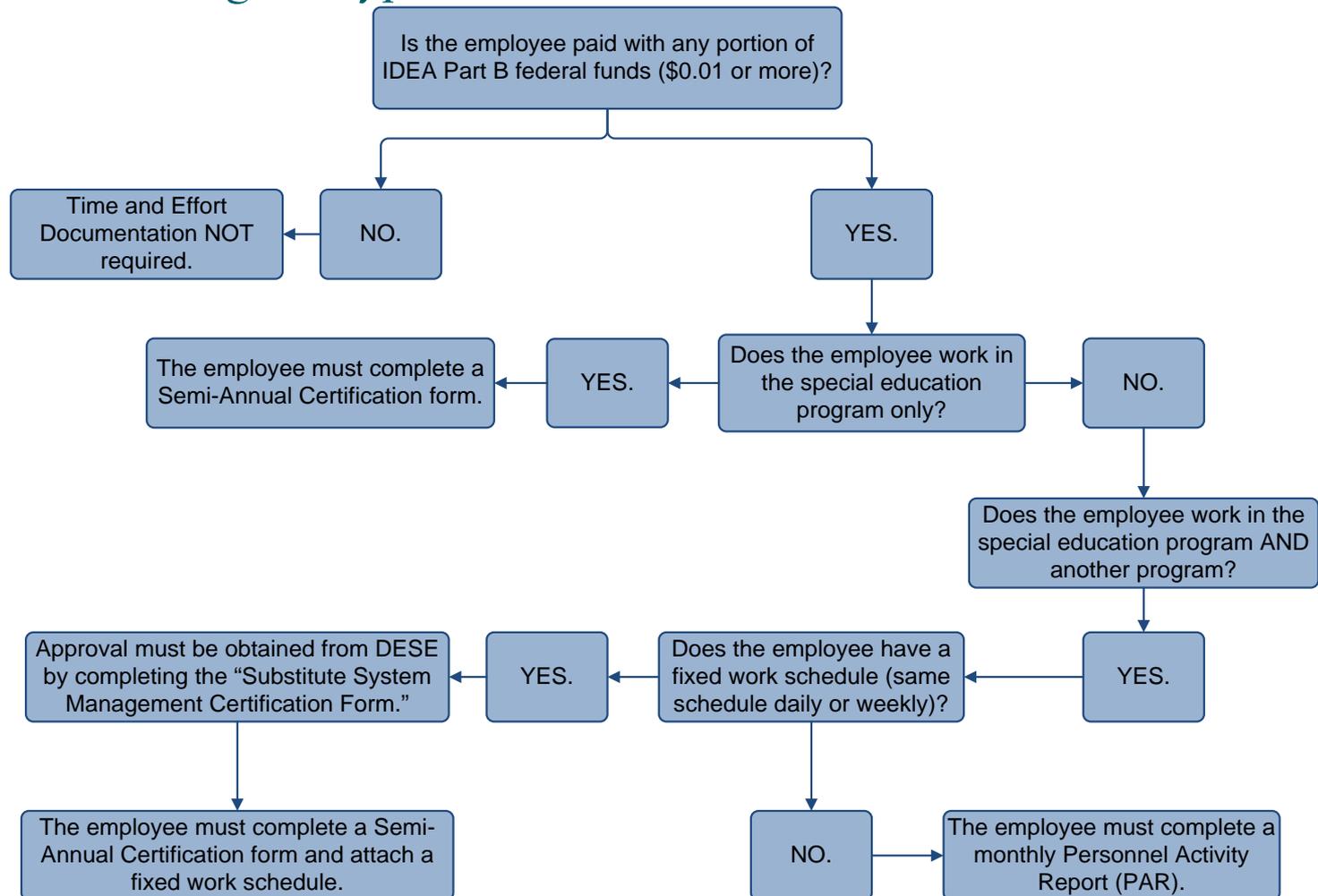
- District/LEA written procurement procedure will be reviewed.
 - Are all the methods of procurement addressed in the procedure?
- General ledgers will be reviewed.
 - Were expenditures for goods and/or services paid with IDEA Part B federal funds? If so, did the district/LEA follow the procurement procedure?
 - Does the district/LEA have records detailing the procurement of goods and services?
 - Did the district/LEA ensure federal funds were not paid to debarred/suspended or excluded parties?

TIME AND EFFORT

- 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.
- Time and Effort Reporting:
 - Single Cost Objective: employee works in only one program
 - Semi-Annual Certification
 - Semi-Annual Certification (Alternative) Form
 - Multiple Cost Objective: employee works in multiple programs
 - Time and Effort Log/Personnel Activity Report (PAR)
 - Substitute System (Semi-Annual Certification & attach fixed schedule)
 - Yearly approval must be obtained from DESE prior to implementing
 - Submit a “Substitute System Management Certification Form”
<http://dese.mo.gov/sites/default/files/sef-SubstituteCertification.pdf>

TIME AND EFFORT

Determining the type of Time and Effort documentation needed



TIME AND EFFORT

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 _____

TIME AND EFFORT

- Stipends/Extra Duty Pay
 - District/LEA must have written documentation/agreement to support the stipend/extra duty pay.
 - Must also complete a Semi-Annual Certification or PAR.
- MOSIS/Core Data Verification
 - Staff paid with any portion of IDEA Part B federal funds must be coded to an appropriate special education program and course code(s) in MOSIS/Core Data.
 - Special Education Course Codes listing may be found in the Time and Effort section of the Special Education Fiscal Monitoring Guide.

TIME AND EFFORT

GENERAL LEDGER **ECSE Federal Payment Received**
MONTH: 01/2014 FISCAL YEAR: 2014

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD	Balance
FUNCTION CODE 1281: ECSE SERVICES									
01	1281	6122	105	00	ECSE CERTIFIED SALARY ←	32,813	3,646	25,521	7,292
CR	1281	6122	105	00	ECSE CERTIFIED SALARY	32,813	(3,645)	21,875	10,938
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01	1281	6152	105	00	ECSE SALARY NONCERT ←	23,147	2,572	18,003	5,144
CR	1281	6152	105	00	ECSE SALARY NONCERT	23,147	(2,572)	15,431	7,716
01	1281	6152	105	00	ECSE SALARY NONCERT*	23,147	2,000	23,000	147
01	1281	6152	105	42	ECSE SALARY NONCERT*	572	572	572	-
01	1281	6252	105	00	ECSE TEACHER RETIREMENT	11,364	1,263	8,839	2,525
01	1281	6322	105	00	ECSE PURCHASED SERVICES	7,915	1,258	4,763	3,152
01	1281	6422	105	00	ECSE SUPPLIES	6,379	360	3,347	3,032
01	1281	6522	105	00	ECSE EQUIPMENT	4,681	-	4,028	653
*RECODED FROM CORR									
SUBTOTAL						90,517	12,744	73,716	16,801

- Expenditures initially coded as being paid with state revenue (project/source code "00")
- Journal Correction to recode ECSE Salaries as a state expenditure to being paid with ECSE federal revenue (project/source code "42").
- Now have paid certified & non-certified teacher with federal funds. Time and Effort Documentation must be completed.

MONITORING

- Is the district/LEA able to identify the specific special education employees who were paid any portion of IDEA Part B federal funds?
- Were these employees coded appropriately in MOSIS/Core Data?
- Did the district/LEA pay stipends/extra duty pay with IDEA Part B federal funds?
- Did the district/LEA pay employees with ECSE federal or HNF federal revenue due to general ledger journal correction/entry?
- Does the district/LEA have appropriate time and effort documentation on file?
 - Semi-Annual Certifications: Completed semi-annually? Signed? Dated after funding period?
 - PARs: Completed monthly? Signed and dated after funding period?

EQUIPMENT/CAPITAL OUTLAY

- 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.
 - A MASTER inventory listing with all required components must be maintained for all equipment and attractive items less than \$1,000.
 - Equipment should be added to the master inventory listing as it is purchased.
- Capital Outlay is defined as construction, renovation, purchase of real estate, or purchase of vehicles.
 - Capital Outlay must comply with federal requirements.
- Prior approval must be obtained for equipment and capital outlay purchased with IDEA Part B federal funds.
- District/LEA must follow specific equipment and capital outlay disposition requirements.

MONITORING

- Prior approval obtained for equipment and capital outlay purchases?
- Master inventory listing for equipment up-to-date? All required components present?
- Equipment and capital outlay being utilized for special education program?
- Federal requirements (i.e. prevailing wage, accessibility) followed for capital outlay purchases?

PROPORTIONATE SHARE

- Proportionate Share is the portion of the district/LEA's IDEA Part B federal funds that must be reserved and spent to provide services to private, parochial and home schooled students with disabilities in the district's boundaries.
- Districts/LEAs must maintain the following documentation to support Proportionate Share expenditures:
 - Student Roster
 - Home-School Declarations
 - Service Plans
 - Evaluations
 - Consultation/Refusal of Services
- Districts/LEAs must track Proportionate Share expenditures separately in the general ledger using function code 1224.
- Child find and evaluation costs may not be charged to Proportionate Share.

PROPORTIONATE SHARE

- Districts/LEAs must prorate the salary/benefits for any staff providing services to both public school students and Proportionate Share students.
- Salaries/Benefits may be prorated based on:
 - Head Counts
 - Caseload Minutes
- Documentation to indicate how the Proportionate Share costs were prorated must be maintained.

PROPORTIONATE SHARE

- Prorating Proportionate Share Expenditures Example:

$$\frac{\text{Private Special Education Students Served by the Teacher}}{\text{Total (Private and Public) Special Education Students Served by the Teacher}} \times \text{Teacher's Salary and Benefits} = \text{Teacher's Prorated Proportionate Share Salary and Benefits}$$

PROPORTIONATE SHARE

- Any unexpended Proportionate Share funds must be shown as a remaining balance in the FER grid.
- Unexpended Proportionate Share funds carryover to the next fiscal year. If funds are not expended in 2nd year, the district/LEA may request a release of funds.
- Approval must be requested for the release of Proportionate Share carryover funds.
- Proportionate Share carryover funds may only be released for allowable reasons.

PROPORTIONATE SHARE

- Proportionate Share Obligation & Carryover Funds

ePeGS



Funding Application: Special Education Part B Entitlement - Budget Grid Version: Revision 6 Status: Approved

Funds Available:	<u>\$644,279.81</u>	<u>Proportionate Share (1224)</u>	<u>Coordinated Early Intervening Services (CEIS) (1223)</u>
* 2012-2013 Regular Carryover Into 2013-2014:	<u>\$0.00</u>	Current Year Calculation:	\$16,496.68
** Total 2012-2013 Carryover Into 2013-2014:	\$2,385.81	Prior Year Carryover:	\$2,385.81
		Total Available:	\$18,882.49
		Current Year Calculation:	\$99,058.65
		Prior Year Carryover:	\$0.00
		Total Available:	\$99,058.65

*Regular Carryover includes CEIS Carryover
 **Total Carryover includes CEIS Carryover and Prop Share Carryover

Proportionate Share Prior Year Carryover Funds Released

Administration Costs Rate: 0.00 % Restricted Indirect Costs Rate: 1.72 %

Proportionate Share Expended 2013-2014 [Hide](#)

Proportionate Share Available in 2013-2014

Current year Proportionate Share	16496.68
Carryover from prior year	2385.81
Total Proportionate Share available	18882.49

Proportionate Share Expended and Released in 2013-2014

Part B funds expended on Proportionate Share under function code 1224	10.00
Amount of Released Proportionate Share Carryover Funds	2375.81
Forfeit amount of Proportionate Share Carryover	0.00
Proportionate Share Carryover to next fiscal year	16496.68

PROPORTIONATE SHARE

Funding Application: Special Education Part B Entitlement - FER Grid Version: Initial Status: Approved

Funds Available: \$644,279.81

Administration Costs Rate: 0.00 %

Restricted Cost Rate: 1.72 %

	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total
1221 Special Education and Related Services	0.00 0.00	627783.13 627773.13	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	627783.13 627773.13
1223 Coordinated Early Intervening Services	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00 0.00
1224 Proportionate Share Services	16496.68 10.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	16496.68 10.00
1931 Tuition, Special Education Program Within State	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00	0.00 0.00
2200 Professional Development	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00	0.00 0.00
2500 Transportation and Maintenance	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00	0.00 0.00
4000 Facilities Acquisition and Construction	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00	0.00 0.00
Program Costs Subtotal	16496.68 10.00	627783.13 627773.13	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	644279.81 627783.13

$644,279.81 - 627,783.13 = 16,496.68$

PROPORTIONATE SHARE

EXAMPLE 1: FUNDS CAN BE RELEASED

Carryover Amount (from previous year)	\$2,385.81
Minus Estimated Current Year Expenditures	- \$10.00
Amount To Be Released	\$2,375.81

EXAMPLE 2: FUNDS CAN NOT BE RELEASED

Carryover Amount (from previous year)	\$2,385.81
Minus Estimated Current Year Expenditures	-\$3,000.00
Amount To Be Released	(\$614.19)
<i>*No Funds Available to Release</i>	

MONITORING

- Did the district/LEA maintain documentation to support proportionate share expenditures?
 - Student rosters, service plans, home school declarations, evaluations, consultations, refusal of services.
- Did the district/LEA tracking proportionate share expenditures in general ledger using function code 1224?
- Did the district/LEA charge child find and evaluation costs to 1224?
- Did the district/LEA prorate proportionate share expenditures?
- Did the district/LEA ensure the unexpended proportionate share obligation was set aside for the following year?

MAINTENANCE OF EFFORT

- Maintenance of Effort (MOE) is the amount of **STATE** and/or **LOCAL** funds a district/LEA spends on the special education program.
- Only expenditures geared specifically towards special education are required to be counted towards MOE.
- District/LEAs must be able to distinguish expenditures paid with federal, state AND local funds in the general ledger.
- Beginning FY15→ district/LEA will report all state and local expenditures separately in ePeGs.

**How does the district distinguish between
state and local expenditures?**

MAINTENANCE OF EFFORT

METHOD	DESCRIPTION	EXAMPLE
FEDERAL Project/Source Code	A code is designated as a special education federal expenditure and is attached to the end of the accounting code structure.	Function-Object-Source 1221-6100- 41
STATE Project/Source Code	A code is designated as a special education state expenditure and is attached to the end of the accounting code structure.	Function-Object-Source 1221-6100- 00
LOCAL Project/Source Code	A code is designated as a special education local expenditure and is attached to the end of the accounting code structure.	Function-Object-Source 1221-6100- 01

The use of project/source codes within the general ledger is the only means for determining which funding source (federal, state, or local) paid the expenditure.

MAINTENANCE OF EFFORT

GENERAL LEDGER									
MONTH: 01/2014 FISCAL YEAR: 2014									
FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD	Balance
FUNCTION CODE 1221: SPECIAL EDUCATION SERVICES									
01	1221	6111	105	41	SE CERTIFIED SALARY	176,229	19,581	117,486	58,743
01	1221	6151	105	00	SE SALARY NONCERT	148,835	16,537	99,223	49,612
01	1221	6211	300	41	SE TEACHER RETIREMENT	110,946	12,327	73,964	36,982
01	1221	6221	300	00	SE NON TEACHER RETIREMENT	12,467	1,385	8,311	4,156
01	1221	6231	105	41	SE SOCIAL SECURITY	11,576	1,286	7,717	3,859
01	1221	6241	300	00	SE MEDICARE	11,474	1,275	7,649	3,825
01	1221	6251	105	41	SE MEDICAL INSURANCE	121,177	10,098	60,589	60,589
01	1221	6311	105	01	SE PROFESSIONAL DEVELOPMENT	10,539	25	6,897	3,642
01	1221	6321	105	41	SE CONTRACT THERAPY SERVICES	127,825	3,814	99,419	28,406
01	1221	6331	300	00	SE EMPL TRAVEL REIMBURSEMENT	1,100	10	743	357
01	1221	6341	105	41	SE EMPL ITINERANT TRAVEL	5,642	78	4,201	1,441
01	1221	6411	105	00	SE GENERAL CLASSROOM SUPPLIES	11,000	1,256	9,461	1,539
01	1221	6421	300	00	SE IEP SUPPLIES	15,657	284	3,698	11,959
01	1221	6511	105	01	SE EQUIPMENT	5,243	-	1,694	3,549
SUBTOTAL						769,710	67,957	501,053	268,657

- State MOE Amounts (designated by “00” project/source code).
- Local MOE Amounts (designated by “01” project/source code).

MONITORING

- Did the MOE calculation include ONLY state and/or local expenditures?
- Did the MOE calculation include any non-special education expenditures (Gifted, Homeless, Medicaid Billing fees, Local Tax Effort, etc.)?
- Did the district/LEA include ALL special education related expenditures in the MOE calculation?
- If the district/LEA had an ECSE program, did the MOE calculation include ONLY non-federal ECSE expenditures?

STAFF

CONTACT INFORMATION

Angie Nickell
Director

angie.nickell@dese.mo.gov
(573) 751-4385

Gary Sanders
Assistant Director

gary.sanders@dese.mo.gov
(573) 526-5283

Michael Dierking
Supervisor

michael.dierking@dese.mo.gov
(573) 522-2523

Leslie Turpin
Supervisor

leslie.turpin@dese.mo.gov
(573) 751-7022

Cathy Ellingsworth
Program Specialist

cathy.ellingsworth@dese.mo.gov
(573) 751-0623

Jim Hatfield
Data Specialist

jim.hatfield@dese.mo.gov
(573) 751-6904

Lindsay Thomas
Administrative Assistant

lindsay.thomas@dese.mo.gov
(573) 751-0622