

# SPECIAL EDUCATION FISCAL MONITORING GUIDE

**Fiscal Year 2020**

Division of Financial and Administrative Services  
Special Education Finance

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# INTRODUCTION

# INTRODUCTION

The Special Education Fiscal Monitoring Guide has been developed in order to provide fiscal accountability standards for expenditures related to the Individuals with Disabilities Education Act (IDEA). Districts/LEAs should utilize the guide to determine compliance with fiscal requirements as well as a technical assistance tool to prepare for fiscal monitoring. The guide also incorporates federal requirements from Uniform Grant Guidance (UGG), Education Department General Administrative Regulations (EDGAR), and the Missouri State Plan.

This guide identifies each fiscal area that will be reviewed, the related requirements, questions pertinent to the review, supporting documentation needed to determine compliance, and the required action for any identified non-compliance. The guide contains the following topics:

- Tiered Monitoring
- Funding Sources
- Coding Expenditures
- Cash Management
- Obligation of Funds
- Period of Availability
- Allowable Use of Funds
- Internal Controls
- Source Documentation
- Procurement
- Time and Effort
- Equipment
- Capital Outlay
- Proportionate Share
- Early Childhood Special Education (ECSE)
- Coordinated Early Intervening Services (CEIS)
- Schoolwide
- Maintenance of Effort (MOE)

# TIERED MONITORING

## OVERVIEW

An annual risk assessment is performed that assigns each district/LEA into a high, medium, or low risk category. Based on the results of the risk assessment, districts/LEAs are subject to further monitoring within the Tiered Monitoring Cycle. The Special Education Finance Section will utilize the tiered monitoring process to review districts/LEAs for fiscal compliance of IDEA Part B federal funds, ECSE Federal funds, and federal requirements.

## ANNUAL RISK ASSESSMENT

A risk assessment is performed on an annual basis for all districts/LEAs to comply with the Uniform Grant Guidance (UGG), regardless of cohort assignment. The following Risk Indicators may be utilized in assessing district/LEA risk levels.

RISK INDICATOR	DEFINITION
Audit Findings	An audit finding of the district/LEA financial records to the applicable Federal program from the fiscal year under review or from the most recent audit
New Personnel	A change in the Federal grant contact personnel (Core Data August Cycle, Screen 3) from the year prior to the fiscal year under review to the fiscal year under review
Fiscal Monitoring Findings	Fiscal monitoring findings that resulted in a Corrective Action Plan (CAP) from a self-assessment, phone review, or on-site review from the most recent fiscal year
Late Budget	Budget Application from the fiscal year under review submitted any date after July 1 <sup>st</sup>
Late FER	FER from the fiscal year under review or prior year submitted any date after September 30 <sup>th</sup>
Allocation Amount	Top 10% of districts/LEAs with the largest allocations of the Federal grant award from the fiscal year under review
Overpayments	Overpayment of any amount in the fiscal year under review or most recent fiscal year for which information is available
Lapsed/Forfeited Funds	Lapsed or forfeited funds of any amount in the fiscal year under review
Last Fiscal Monitoring	Date of last fiscal monitoring (phone review or on-site review) more than three years ago
LEA Personnel Attend Training	District/LEA personnel responsible for Federal grants management have not attended a Special Education Finance training in the past three years

RISK INDICATOR	DEFINITION
Financial Concerns	Identified financial concerns in the fiscal year under review, including but not limited to financial distress, impending school closure, indications of fraud/abuse, Cash Management Plan assignment, late budget/FER approval, and award restrictions
Timely Correction of Findings	District/LEA has not implemented CAP(s) on fiscal monitoring findings from the most recent fiscal year within the given time frame

Based upon the results of the annual risk assessment, all districts/LEAs are categorized as high, medium, or low risk and are subject to further monitoring as indicated below. The results of the annual risk assessment are available upon written request.

### **HIGH RISK DISTRICTS/LEAS**

Districts/LEAs scoring 25 points and above, that are not in the applicable on-site Cohort, will receive a Special Education Finance on-site visit unless:

- The district/LEA attended a Special Education Fiscal Training in the prior fiscal year.
- The district/LEA received a Special Education Finance on-site visit within the prior two fiscal years.
- The district/LEA received a Special Education Finance phone monitoring within the prior fiscal year.
- The district/LEA received Special Education Finance Targeted Technical Assistance within the prior fiscal year.

Districts/LEAs scoring 25 points and above, that are in the applicable on-site Cohort, will receive a Special Education Finance on-site visit unless:

- The district/LEA attended a Special Education Fiscal Training in the prior fiscal year.
- The district/LEA received a Special Education Finance on-site visit within the prior two fiscal years.
- The district/LEA received a Special Education Finance phone monitoring within the prior fiscal year.
- The district/LEA received Special Education Finance Targeted Technical Assistance within the prior fiscal year.

### **MEDIUM RISK DISTRICTS/LEAS**

Districts/LEAs scoring between 15 and 24 points, regardless of Cohort, will be encouraged to attend Special Education Finance Regional Trainings.

## LOW RISK DISTRICTS/LEAS

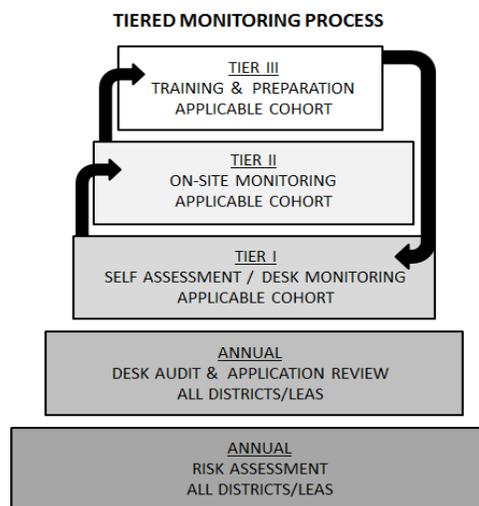
Districts/LEAs scoring below 15 points, regardless of Cohort, will have no action.

## TIERED MONITORING CYCLE

Districts/LEAs have been sorted into three Cohorts for the tiered monitoring process. Each Cohort cycles through multiple tiers/levels of monitoring. Regardless of the outcome of the risk assessment, districts/LEAs will continue to follow the Tiered Monitoring Cycle.

District/LEA Cohort assignment may be found on-line at:

<https://dese.mo.gov/sites/default/files/sef-Cohort-List-revised-9-16-19.pdf>.



## TIERED MONITORING PROCESS

In addition to the Annual Risk Assessment, the Tiered Monitoring process involves an annual Desk Audit and Application review of all districts/LEAs. Depending on which Cohort the district/LEA is assigned to, the district/LEA will go through one of the following levels of Monitoring.

- Tier I: Self-Assessment/Desk Monitoring
- Tier II: On-Site Monitoring
- Tier III: Training and Preparation levels of monitoring

## **DESK AUDIT AND APPLICATION REVIEW PROCESS**

All districts/LEAs, regardless of which Cohort the district/LEA is assigned to, will go through the Desk Audit and Application Review level of monitoring each fiscal year. For Special Education Finance, this includes review of the following data/documentation by DESE for all districts/LEAs:

- ePeGS IDEA Part B Budget Application
- ePeGS IDEA Part B Budget Application Revisions
- ePeGS IDEA Part B Payment Requests
- ePeGS IDEA Part B Final Expenditure Report (FER)
- ePeGS IDEA Part B Final Expenditure Report (FER) Revisions
- ePeGS ECSE Federal Payment Requests
- ePeGS ECSE Final Expenditure Report (FER)
- ePeGS ECSE Final Expenditure Report (FER) Revisions
- ePeGS Proportionate Share Carryover Release Requests
- Cash Management Plans
- Audit Findings for IDEA Part B

## **TIER I: SELF-ASSESSMENT/DESK MONITORING**

Only the applicable Cohort for the fiscal year completes the Self-Assessment/Desk Monitoring level. This level of monitoring is completed through the web-based Tiered Monitoring System. The Self-Assessment/Desk Monitoring level serves as a tool for districts/LEAs to determine where the district/LEA stands in regard to compliance with IDEA Part B federal regulations; identify any deficiencies; and subsequently implement procedural changes to correct deficiencies.

Districts/LEAs must obtain access to the system through the DESE Web Applications User Manager portal. On the Self-Assessment, districts/LEAs are asked to answer a series of questions based on Yes, No or N/A responses and provide comments where required. Districts/LEAs have a specified time frame to complete and submit the Self-Assessment. The Special Education Finance Staff performs the Desk Monitoring portion in which the responses to the Self-Assessment are reviewed for accuracy and compliance. If there are any questionable, incomplete, or incorrect responses, the district/LEA may be asked to provide additional information and/or upload specific documentation into the Tiered Monitoring System for further review.

After review, a report is generated within the Tiered Monitoring System. The report indicates if the district/LEA is in compliance or lists any deficiencies through a Corrective Action Plan (CAP). The district/LEA must enter a response within the required due date to any issued CAP(s) by indicating how the district/LEA will correct deficiencies and/or implement procedural changes in the "LEA Response" field, provide additional information if requested, and/or upload any required supporting documentation.

In the event there are any unresolved CAP(s), further actions may be taken, including:

- Specific award conditions/restrictions

- Cash Management Plan assignment
- Withholding of IDEA Part B federal payments

## TIER II: ON-SITE MONITORING

The districts/LEAs determined to be highest risk for the fiscal year are selected for Special Education Finance On-Site Monitoring. The results of the on-site risk assessment are available upon written request.

In order to expedite the review process, districts/LEAs are required to upload the following documentation into the Global Repository within the Tiered Monitoring System prior to the on-site review. Instructions for uploading documentation can be found in Appendix C at the back of this guide.

- Prior Fiscal Year General Ledger (2018-19) sorted by project code for all ECSE and K-12 Special Education program expenditures
- Prior Fiscal Year General Ledger (2018-19) by month for the expenditures described above
- 2018-19 Payroll Report for all staff paid with IDEA Part B, ECSE 611, ECSE 619, and HNF federal funds
- 2018-19 Payroll Report for all ECSE program staff (coded to function 1281 and 2559 or any other function code(s))
- 2018-19 Maintenance of Effort (MOE) Documentation (if other than the General Ledger)
- 2018-19 List of Special Education Staff paid with IDEA Part B federal funds
- 2018-19 List of Special Education Staff paid with ECSE 611 federal funds
- 2018-19 List of Special Education Staff paid with ECSE 619 federal funds
- 2018-19 List of Special Education Staff paid with HNF federal funds
- 2018-19 Time and Effort Documentation
- 2018-19 Proportionate Share Student Roster
- Cash Management Procedure
- Allowability Procedure
- Travel Policy
- Procurement Policy & Procurement Procedure
- Standards of Conduct Policy

Districts/LEAs are not required to complete any questions in the Tiered Monitoring System for on-site monitoring. Special Education Finance Staff is responsible for completing the applicable fiscal questions during the on-site visit.

A report is then generated within the Tiered Monitoring System. The report indicates if the district/LEA is in compliance or identifies any deficiencies through a Corrective Action Plan (CAP). The district/LEA must correct deficiencies within the required time frame, implement procedural changes if applicable, and evaluate those changes the following fiscal year.

In the event there are any unresolved CAP(s), further actions may be taken, including:

- Specific award conditions/restrictions
- Cash Management Plan assignment
- Withholding of IDEA Part B federal payments

This tier also allows districts/LEAs with a Self-Assessment CAP from the previous year to receive follow-up technical assistance from Special Education Finance Staff in order to implement and evaluate recommended procedural changes.

## TIER III: TRAINING AND PREPARATION

The Training and Preparation level gives districts/LEAs an opportunity to attend regional trainings on fiscal compliance; review district/LEA policies, procedures, and practices; and become familiar with the Special Education Fiscal Monitoring Guide to ensure fiscal compliance. In addition, this level allows districts/LEAs additional time to implement and assess any changes resulting from the Special Education Finance on-site visit in the previous school year.

NOTE: Districts/LEAs are not able to input data into the Tiered Monitoring System until the district/LEA is at the Self-Assessment/Desk Monitoring or On-Site Visit CAP level.

## TIERED MONITORING SCHEDULE

The diagram below specifies the monitoring schedule for each Cohort by school year. As each year is completed, the Cohort moves to the next tier in the cycle. For Special Education Finance reviews, the documentation from the previous school year will be reviewed for Tier I and Tier II of the process. For example, if the district/LEA is selected for an On-Site Monitoring review in 2019-20, the review will cover the 2018-19 school year data/documentation.

TIER LEVEL	2019-20	2020-21	2021-22	2022-23
Annual Risk Assessment	All Cohorts	All Cohorts	All Cohorts	All Cohorts
Desk Audit and Application Review	All Cohorts	All Cohorts	All Cohorts	All Cohorts
Tier I: Self-Assessment/Desk Monitoring	Cohort 3	Cohort 1	Cohort 2	Cohort 3
Tier II: On-Site Monitoring	Cohort 2	Cohort 3	Cohort 1	Cohort 2
Tier III: Training and Preparation	Cohort 1	Cohort 2	Cohort 3	Cohort 1

# FUNDING SOURCES

## OVERVIEW

Special education programs may be operated with any combination of federal revenue, state revenue, local revenue, and/or county revenue. Revenue sources are distinguished through revenue codes. Districts/LEAs must track the revenue source utilized to pay each special education expenditure for reporting and compliance purposes.

## FEDERAL REVENUE

Federal revenue is meant to help supplement the district/LEA's existing special education program; not fund the entire program. All federal revenue is paid under a revenue code starting with 54XX. Federal revenue can further be identified if a Catalog of Federal Domestic Assistance (CFDA) number is present on the monthly payment transmittal. A CFDA number is a five digit number assigned to grants that are funded by the Federal government. When utilizing federal revenue to fund the special education program, the district/LEA must track each federal revenue source separately in the general ledger. The chart below indicates the most common types of federal revenue related to IDEA, however, not all of these federal grants are spent on special education expenditures.

SPECIAL EDUCATION FEDERAL REVENUE CODES			
DESCRIPTION	FUNDING SOURCE	REVENUE CODE	CFDA NUMBER
IDEA Entitlement Funds, Part B	Federal	5441	84.027A
IDEA Early Childhood Special Education (ECSE) 611	Federal	5442	84.027A
IDEA Early Childhood Special Education (ECSE) 619	Federal	5442	84.027A
High Need Fund	Federal	5437	84.027A
Assistive Technology Reimbursement	Federal	5437	84.027A
MO Model Districts*	Federal	5437	84.027A
MO Model Districts*	Federal	5438	84.323A
Transition (Drop-Out/Liaisons)*	Federal	5437	84.027A

\* Federal grant not spent on the special education program.

## STATE REVENUE

Districts/LEAs may fund the special education program with any type of state revenue. All state revenue is paid under a revenue code starting with 53XX. There are only three state revenue sources dedicated specifically to special education as shown in the table below. However, these revenues do not have to be spent in the special education program. The district/LEA has the discretion on how state funds are spent and may utilize any type of state revenue to fund the special education program. Most state revenue comes in the form of basic state aid, but other state sources include transportation state aid, small schools grants, career education, and food

service payments. Regardless of which type of state revenue is utilized, all types of state revenue are combined and considered one source of funds – state. The chart below indicates the types of state revenue tied specifically to the special education program and the most common types of other state revenue.

STATE REVENUE CODES			
DESCRIPTION	FUNDING SOURCE	REVENUE CODE	CFDA NUMBER
Early Childhood Special Education*	State	5314	N/A
Public Placement Fund*	State	5369	N/A
High Need Fund*	State	5381	N/A
Basic Formula – State Monies	State	5311	N/A
Basic Formula – Classroom Trust	State	5319	N/A
Transportation State Aid	State	5312	N/A
Small Schools Grant	State	5325	N/A

\* State revenue dedicated to the special education program.

## LOCAL REVENUE

Districts/LEAs may fund the special education program with any type of local revenue. All local revenue is coded under a revenue code starting with 51XX, 56XX, or 58XX. There are no local revenue sources dedicated specifically to special education. The district/LEA has the discretion on how local funds are spent and may utilize any type of local revenue to fund the special education program. Most local revenue comes in the form of Proposition C funds, but other local sources include taxes, tuition payments, food service payments, and student activity funds. Only the Proposition C funds flow through DESE; all other local funds are collected directly by the district/LEA. Regardless of which type of local revenue is utilized, all types of local revenue are combined and considered one source of funds – local. The chart below indicates the most common types of local revenue.

LOCAL REVENUE CODES			
DESCRIPTION	FUNDING SOURCE	REVENUE CODE	CFDA NUMBER
Current Taxes	Local	5111	N/A
Delinquent Taxes	Local	5112	N/A
School District Trust Fund (Prop C)	Local	5113	N/A
Student Activities	Local	5170	N/A
Tuition from Other Districts	Local	5810	N/A
Contracted Educational Services	Local	5830	N/A

## COUNTY REVENUE

Districts/LEAs may fund the special education program with any type of county revenue. All county revenue is coded under a revenue code starting with 52XX. There are no county revenue sources dedicated specifically to special education. The district/LEA has the discretion on how county funds are spent and may utilize any type of county revenue to fund the special education program. Most county revenue comes in the form of state assessed utilities, but other county sources include funds generated from fines and penalties. No county funds flow through DESE; all county funds are collected directly by the district/LEA. Regardless of which type of county revenue is utilized to fund the special education program, all types of county revenue are combined and considered one source of funds – county. The chart below indicates the most common types of county revenue.

COUNTY REVENUE CODES			
DESCRIPTION	FUNDING SOURCE	REVENUE CODE	CFDA NUMBER
Fines, Escheats, Etc.	County	5211	N/A
State Assessed Utilities	County	5221	N/A
Penalties	County	5232	N/A

# CODING EXPENDITURES

## OVERVIEW

The district/LEA must track all special education program expenditures in the general ledger by utilizing fund, function, object, location/building, source, and project codes as indicated in the Missouri Accounting Manual.

By tracking all special education program expenditures separately, the district/LEA will be able to accurately complete time certifications, track equipment, ensure Cash Management compliance, compute payment requests and FER amounts, and calculate Maintenance of Effort (MOE).

## GENERAL LEDGER BASICS

A general ledger should be detailed enough that an outside individual not familiar with the district/LEA could easily:

- Identify the fund the expenditure is from (Teachers Fund, Incidental Fund, etc.)
- Identify the program the expenditure is from (Special Education, Title, General Education, etc.)
- Identify the type of expenditure (salaries, benefits, purchased service, etc.)
- Identify the funding source of all expenditures (IDEA Part B federal funds, ECSE federal 611 funds, ECSE federal 619 funds, HNF federal funds, state revenue, local revenue, etc.)
- Identify the funding source year if applicable (FY18, FY19, FY20 funds, etc.)
- Determine the allowability of the expenditure based on the account descriptor

The above bulleted items can be accomplished if the district/LEA follows the account coding as indicated in the Missouri Accounting Manual. The FY20 Missouri Accounting Manual may be found at: <https://dese.mo.gov/financial-admin-services/school-finance/accounting-manual/fy-2020-missouri-financial-accounting>.

## ACCOUNTING CODE STRUCTURE

The Missouri Accounting Code structure consists of six components, including the fund code, function code, object code, location/building code, source code, and project code, as shown in the table below.

FUND TYPE	FUNCTION CODE	OBJECT CODE	LOCATION CODE	SOURCE OF FUNDS	PROJECT CODE
3 Digits	4 Digits	4 Digits	4 Digits	1 Digit	5 Digits

The **FUND CODE** consists of two basic elements. The first two digits indicate the type of fund and the last digit indicates the fiscal year. Additional information regarding fund codes can be found in the Missouri Accounting Manual.

FUND TYPE DESCRIPTION	FUND CODE
General Fund	10X
Teachers Fund	20X
Debt Service Fund	30X
Capital Projects Fund	40X

The **FUNCTION CODE** describes the action, purpose, or program for which the activities are performed. Function codes ending in zero are not to be used for posting transactions. Function code descriptions and a complete list of function codes can be found in the Missouri Accounting Manual.

The following table contains a list of function codes that can be utilized for K-12 and ECSE special education program expenditures.

FUNCTION CODE DESCRIPTION (SPECIAL EDUCATION)	PROG	FUNCTION CODE
Behavioral Professional/Behavioral Therapist	Both	2191
<i>Building Maintenance/Janitorial Services (2541-2549)</i>	<i>Both</i>	<i>2540</i>
Case Management	Both	2191
<i>Child Find Costs</i>	<i>Both</i>	<i>2329</i>
Coordinated Early Intervening Service (CEIS) (all costs)	Sped K-12	1223
Counseling Services	Both	2122
<i>Director</i>	<i>Both</i>	<i>2329</i>
Educational Diagnostician	Both	2191
<i>Facilities Range (codes in 4000 range)</i>	<i>Both</i>	<i>4000</i>
IEP Tracking Software	Both	2125
Interpreter	Both	2152
<i>Legal fees for Child Complaint</i>	<i>Both</i>	<i>2311</i>
<i>Supplies/Equipment for Director/Process Coordinator</i>	<i>Both</i>	<i>2329</i>
Supplies/Equipment used for ECSE classroom instruction	ECSE	1281
Supplies/Equipment used for sped classroom instruction	Sped K-12	1221
<i>Supplies/Equipment used for therapy (codes 2152, 2162, 2172, 2182)</i>	<i>Both</i>	<i>2100</i>
Nurse - Personal/School	Both	2134
Occupational Therapy	Both	2162
Orientation & Mobility Specialist	Both	2191
Other Related Services Personnel	Both	2191
Paraprofessional - Extended School Year (ESY) ECSE	ECSE	1281

Paraprofessional - Extended School Year (ESY)	Sped K-12	1221
Paraprofessional ECSE	ECSE	1281
Paraprofessional	Sped K-12	1221
Physical Therapy	Both	2172
<b>Process Coordinator</b>	<b>Both</b>	<b>2329</b>
<i>Professional Development Range (codes in the 2200 range)</i>	<i>Both</i>	<i>2200</i>
Proportionate Share Services (all non-transportation costs)	Sped K-12	1224
Psychological Services	Both	2142
<b>Secretary</b>	<b>Both</b>	<b>2329</b>
Service Area Direction - Occupational (supervision, not providing direct services)	Both	2161
Service Area Direction - Physical (supervision, not providing direct services)	Both	2171
Service Area Direction - Speech (supervision, not providing direct services)	Both	2151
Service Area Direction - Visually Impaired (supervision, not providing direct services)	Both	2181
Social Worker	Both	2113
Speech/Language Therapy, Pathology and Audiology Services	Both	2152
Substitute Teacher ECSE	ECSE	1281
Substitute Teacher	Sped K-12	1221
Teacher - ESY ECSE	ECSE	1281
Teacher - ESY	Sped K-12	1221
Teacher ECSE	ECSE	1281
Teacher	Sped K-12	1221
<b>Transportation - Contracted Disabled</b>	<b>Sped K-12</b>	<b>2553</b>
<b>Transportation - District Operated Disabled</b>	<b>Sped K-12</b>	<b>2554</b>
<b>Transportation - Payments to Other Districts for Sped Transportation</b>	<b>Sped K-12</b>	<b>2556</b>
<b>Transportation - Proportionate Share</b>	<b>Sped K-12</b>	<b>2557</b>
<i>Transportation - Sped Students on Non-disabled Routes (codes 2551 &amp; 2552)</i>	<i>Sped K-12</i>	<i>2500</i>
<b>Transportation - ECSE</b>	<b>ECSE</b>	<b>2559</b>
Tuition - Special Education Services to District In State	Sped K-12	1931
Tuition - Special Education Services to District Out of State	Sped K-12	1932
Tuition - Special Education Services to Private Agencies	Sped K-12	1933
Visually Impaired/Vision Services	Both	2182

\* *Italics* = Range of Codes; **Prog**= Identifies program (Sped K-12, ECSE, or both) for coding

The **OBJECT CODE** identifies the service or commodity obtained and is based on how a particular expenditure is paid out or is planned to be paid out, whether as salary, an employee benefit, a purchased service, etc. The following is a list of subclass object codes that are not to be used for posting transaction. Detail codes (i.e. 6111, 6151, 6211, 6311, 6411, etc.) should be used for posting transactions.

OBJECT DESCRIPTION	OBJECT CODE
Certificated Teacher Salaries	6100
Classified Salaries	6150
Employee Benefits	6200
Purchased Services	6300
Supplies and Materials	6400
Capital Outlay	6500

The **LOCATION CODE** identifies the individual campuses within a district/LEA. The district/LEA must use DESE's core data building codes, to distinguish separate campuses where student enrollment and attendance data is reported. The following are examples of location codes districts/LEA can utilize.

LOCATION DESCRIPTION	LOCATION CODE
Central Office	1000
Elementary Building 1 (includes ECSE)	4020
Elementary Building 2 (includes ECSE)	4025
Elementary Building 3 (includes ECSE)	4030
Middle School Building 1	3000
Middle School Building 2	3020
High School Building 1	1050
High School Building 2	1070
Building Codes that begin with 102X, 103X, or 11XX*	Not Applicable

*\*Unless an exception has been provided*

The **SOURCE CODE** identifies the funding source used to fund a specific expenditure. All special education program expenditures must be tracked with a federal, state, local, or county source code. The following is a list of source codes.

SOURCE DESCRIPTION	SOURCE CODE
Local	1
County	2
State	3
Federal	4

The **PROJECT CODE** identifies the specific source of revenue or part of a specific grant used to pay an expenditure. All special education program (ECSE and K-12) must be tracked with a project code to tie the expenditure to the special education program.

The following is a list of project codes the district/LEA must utilize when federal funds are used to pay the expenditure.

<b>PROJECT DESCRIPTION - FEDERAL FUNDS</b>	<b>PROJECT CODE</b>
<b>CODING FOR CURRENT YEAR ENTITLEMENT ALLOCATED FUNDS</b>	
IDEA Entitlement Funds, Part B IDEA (5441)	44100
IDEA - 611 ECSE (5442)	44200
IDEA - 619 ECSE (5442)	44201
<b>CODING FOR ECSE FUNDS USED OUTSIDE OF ECSE PROGRAM</b>	
IDEA - 611 ECSE (K-12) (5442)	44203
IDEA - 619 ECSE (K) (5442)	44204
<b>CODING FOR PRIOR YEAR FUNDS USED IN CURRENT YEAR</b>	
Prior Year IDEA Entitlement Funds, Part B IDEA (5441)	44199
Prior Year IDEA - 611 ECSE (5442)	44299
Prior Year IDEA - 619 ECSE (5442)	44298
<b>CODING FOR DISTRICT-WIDE INITIATIVE (SPED AND NONSPED)</b>	
Assistive Technology Reimbursement (5437)	43700
Special Education Drop Out Prevention (5437)	43702
Special Education High Need Fund - Federal (5437)	43703
Special Education Transition (5437)	43707
MO Model/Cont. Improv. (MMD/DCI) (5437)	43708
MO Model Behavior (MMD-B) (5437)	43708

The following is a list of project codes the district/LEA must utilize when state, local, or county funds are used to pay the expenditure.

<b>PROJECT DESCRIPTION - STATE/LOCAL/COUNTY FUNDS</b>	<b>PROJECT CODE</b>
Special Education Cooperatives (5811 Fiscal Agent Only)	12000
K-12 Special Education Expenditure	12210
ECSE Expenditure	12810

The following is a list of project codes the district/LEA must utilize for schoolwide and early learning blended funding expenditures.

<b>PROJECT DESCRIPTION - ANY FUNDS</b>	<b>PROJECT CODE</b>
School Wide Pool Expenditure	40001
Early Learning Blended Expenditure	40002

Districts/LEAs must utilize a source code and a project code to identify all ECSE and K-12 special education program expenditures paid with IDEA Part B federal funds, other federal revenue, state revenue, local revenue, or county revenue even though this may require creating separate lines for the same expenditure to account for each funding source within the general ledger.

The **ACCOUNT DESCRIPTOR** identifies what the expenditure is for. Each account descriptor should be specific enough to determine both the purpose of the expenditure and if the expenditure is an allowable use of funds. For example, the use of an account descriptor such as of “ABC Speech Therapy Services” is preferred as opposed to “Purchased Services.”

Below is a cheat sheet for coding special education program expenditures, the form can be found at: <https://dese.mo.gov/sites/default/files/sef-CodingGuidance.pdf>.

## FY20 EXPENDITURE CODE STRUCTURE - SPECIAL EDUCATION

Fund Type	Function Code	Object Code	Location Code	Source of Funds	Project Code
3 Digits	4 Digits	4 Digits	4 Digits	1 Digit	5 Digits

FUNCTION CODE DESCRIPTION (SPECIAL EDUCATION)	PROG	FUNCTION CODE
Behavioral Professional/Behavioral Therapist	Both	2191
<i>Building Maintenance/Janitorial Services (2541-2549)</i>	Both	2540
Case Management	Both	2191
Child Find Costs	Both	2329
Coordinated Early Intervening Service (CEIS) (all costs)	Sped K-12	1223
Counseling Services	Both	2122
Director	Both	2329
Educational Diagnostician	Both	2191
<i>Facilities Range (codes in 4000 range)</i>	Both	4000
IEP Tracking Software	Both	2125
Interpreter	Both	2152
<i>Legal fees for Child Complaint (Local, County or State Funds Only)</i>	Both	2311
<i>Supplies/Equipment for Director/Process Coordinator</i>	Both	2329
Supplies/Equipment used for ECSE classroom instruction	ECSE	1281
Supplies/Equipment used for sped classroom instruction	Sped K-12	1221
<i>Supplies/Equipment used for therapy (codes 2152, 2162, 2172, 2182)</i>	Both	2100
Nurse - Personal/School	Both	2134
Occupational Therapy	Both	2162
Orientation & Mobility Specialist	Both	2191
Other Related Services Personnel	Both	2191
Paraprofessional - Extended School Year (ESY) ECSE	ECSE	1281
Paraprofessional - Extended School Year (ESY)	Sped K-12	1221
Paraprofessional ECSE	ECSE	1281
Paraprofessional	Sped K-12	1221
Physical Therapy	Both	2172
Process Coordinator	Both	2329
<i>Professional Development Range (codes in the 2200 range)</i>	Both	2200
Proportionate Share Services (all non-transportation costs)	Sped K-12	1224
Psychological Services	Both	2142
Secretary	Both	2329
Service Area Direction - Occupational (supervision, not providing direct services)	Both	2161
Service Area Direction - Physical (supervision, not providing direct services)	Both	2171
Service Area Direction - Speech (supervision, not providing direct services)	Both	2151
Service Area Direction - Visually Impaired (supervision, not providing direct services)	Both	2181
Social Worker	Both	2113
Speech/Language Therapy, Pathology and Audiology Services	Both	2152
Substitute Teacher ECSE	ECSE	1281
Substitute Teacher	Sped K-12	1221
<i>Support Services - Central Office (codes in the 2600 range)</i>	Both	2600
Teacher - ESY ECSE	ECSE	1281
Teacher - ESY	Sped K-12	1221
Teacher ECSE	ECSE	1281
Teacher	Sped K-12	1221
<i>Transportation - Contracted Disabled</i>	Sped K-12	2553
<i>Transportation - District Operated Disabled</i>	Sped K-12	2554
<i>Transportation - Payments to Other Districts for Sped Transportation</i>	Sped K-12	2556
<i>Transportation - Proportionate Share</i>	Sped K-12	2557
<i>Transportation - Sped Students on Non-disabled Routes (codes 2551 &amp; 2552)</i>	Sped K-12	2500
<i>Transportation - ECSE</i>	ECSE	2559
Tuition - Special Education Services to District in State	Sped K-12	1931
Tuition - Special Education Services to District Out of State	Sped K-12	1932
Tuition - Special Education Services to Private Agencies	Both	1933
Visually Impaired/Vision Services	Both	2182

\* Red = Function Codes Promoted by DESE; Italics = Range of Codes; Prog = Identifies program (Sped K-12 or ECSE or both) for coding

SOURCE DESCRIPTION	SOURCE CODE
Local	1
County	2
State	3
Federal	4

PROJECT DESCRIPTION - FEDERAL FUNDS	PROJECT CODE
CODING FOR CURRENT YEAR ENTITLEMENT ALLOCATED FUNDS	
IDEA Entitlement Funds, Part B IDEA (3441)	44100
IDEA - 611 ECSE (3442)	44200
IDEA - 619 ECSE (3442)	44201
CODING FOR ECSE FUNDS USED OUTSIDE OF ECSE PROGRAM	
IDEA - 611 ECSE (K-12) (3442)	44203
IDEA - 619 ECSE (K) (3442)	44204
CODING FOR PRIOR YEAR FUNDS USED IN CURRENT YEAR	
Prior Year IDEA Entitlement Funds, Part B IDEA (3441)	44199
Prior Year IDEA - 611 ECSE (3442)	44299
Prior Year IDEA - 619 ECSE (3442)	44298
CODING FOR DISTRICT-WIDE INITIATIVES (SPED AND NONSPED)	
Assistive Technology Reimbursement (3437)	43700
Special Education Drop Out Prevention (3437)	43702
Special Education High Need Fund - Federal (3437)	43703
Special Education Transition (3437)	43707
MO Model/Cont Improv (MMD/DCI)	43708
MO Model Behavior (MMD-B)	43708
ONLY Source Code 4 can be utilized with the above project codes	

PROJECT DESCRIPTION - STATE/LOCAL/COUNTY FUNDS	PROJECT CODE
K-12 Special Education Expenditure	12210
ECSE Expenditure	12810
ONLY Source Codes 1, 2, or 3 can be utilized with the above project codes	

PROJECT DESCRIPTION - LOCAL FUNDS	PROJECT CODE
Special Education Cooperatives (3811 Fiscal Agent Only)	12000
ONLY Source Code 1 can be utilized with the above project code	

PROJECT DESCRIPTION - ANY FUNDS	PROJECT CODE
School Wide Pool Expenditure	40001
Early Learning Blended Expenditure	40002
Any Source Code can be utilized with the above project codes	

## REVENUE CODES

REVENUE CODE TITLE	CODE	REVENUE CODE TITLE	CODE
Assistive Technology Reimbursement	3437	State-Wide Collaborative Work Initiative (SPDG funds)	3438
Project Search Grant	3437	Special Education MO Model Districts (SPDG Funds)	3438
Special Education Drop Out Prevention	3437	IDEA Entitlement Funds, Part B IDEA	3441
Special Education High Need Fund - Federal	3437	IDEA - 611 ECSE (3-21 year-olds), 619 ECSE (3-5 year-olds)	3442
Special Education SET Training	3437	Special Education High Need Fund - State	5381
Special Education SWIS	3437	Public Placement Fund	5369
State-Wide Collaborative Work Initiative (IDEA funds)	3437	Readers for the Blind	5371
Special Education Transition	3437	ECSE - State (3-5 year-olds not eligible for Kindergarten)	5314
Special Education MO Model Districts (IDEA funds)	3437	Member District Cooperative Fees	5811

## TRACKING EXPENDITURES

Expenditures paid with IDEA Part B federal funds MUST be tracked separately in the general ledger from expenditures paid with all other funding sources, including special education expenditures paid with state revenue, local revenue, county revenue and other federal revenue.

By tracking all special education program expenditures separately, the district/LEA will be able to accurately complete time certifications, track equipment, ensure Cash Management compliance, compute payment requests and FER amounts, and calculate Maintenance of Effort (MOE).

## IDENTIFYING EXPENDITURES BY PROJECT CODE

All special education program (ECSE and K-12) expenditures MUST be tracked separately in the general ledger. The district/LEA must identify if the expenditure was paid by either federal, state, local, or county revenue by use of a source code. In addition, the district/LEA must also identify the specific source of federal revenue that paid the expenditure. This is done by utilizing a project code. Special education program expenditures paid with state, local, and/or county revenue must also be tracked with specific project codes.

### **FEDERAL EXPENDITURES**

The district/LEA must have a separate project code for each federal revenue source (i.e. IDEA Part B federal, ECSE federal 611, ECSE federal 619, High Need Fund (HNF) federal, Assistive Technology federal, etc.). A source code of 4 will be utilized to indicate the expenditure was paid with federal revenue.

### **STATE EXPENDITURES**

All K-12 special education program expenditures paid with state revenue must be tracked with a 12210 project code. All ECSE program expenditures paid with state revenue must be tracked with a 12810 project code. A source code of 3 will be utilized to indicate the expenditures was paid with state revenue.

### **LOCAL EXPENDITURES**

All K-12 special education program expenditures paid with local revenue must be tracked with a 12210 project code. All ECSE program expenditures paid with local revenue must be tracked with a 12810 project code. A source code of 1 will be utilized to indicate the expenditures was paid with local revenue.

## COUNTY EXPENDITURES

All K-12 special education program expenditures paid with county revenue must be tracked with a 12210 project code. All ECSE program expenditures paid with county revenue must be tracked with a 12810 project code. A source code of 2 will be utilized to indicate the expenditures was paid with county revenue.

## IDENTIFICATION OF AWARDS

In accordance with the Uniform Grant Guidance (UGG) requirements, the district/LEA must be able to identify all federal grant awards within the accounting system. Since not all accounting systems are built to accommodate the required identification components, DESE has created a form which districts/LEAs may utilize to meet the UGG requirements.

The UGG requires the following components to be identified in the accounting system for all federal grant awards.

- Federal Award Identification Number (FAIN)
- CFDA Title and Number
- Fiscal Year of Award
- Name of the Federal Awarding Agency
- Name of the Pass-Through Entity
- Accounting Code Used to Identify Grant Expenditures

The district/LEA must identify all of the above components within the accounting system or on the Federal Award Identification spreadsheet for all federal grants received by the district/LEA; this includes any federal grants (i.e. REAP, etc.) received from an entity other than the DESE.

The district/LEA may receive prior year grant funds and current year grant funds; the FAIN number will indicate if this is the case. For example, the district/LEA may receive Special Education Part B Entitlement federal grant funds with a FAIN number of H027A**18**0040 on one monthly payment transmittal and a FAIN number of H027A**19**0040 in another monthly payment transmittal. The **18** and the **19** indicate grant funds from different fiscal years. In the event that this should occur, the district/LEA would have two entries for the Special Education Part B Entitlement federal grant on the Federal Award Identification Award spreadsheet listing both FAIN numbers. The Fiscal Year of Award for both FAIN numbers will be the same (FY19).

A link to the Federal Award Identification spreadsheet created by DESE may be found at: <http://dese.mo.gov/financial-admin-services/general-federal-guidance> and is also included at the end of this section.



# CASH MANAGEMENT

## OVERVIEW

Cash management is the process of requesting, receiving, tracking, and disbursing federal funds. Federal funds must be requested on a reimbursement basis, connected to specific expenditures when received, tracked separately in the general ledger, and disbursed within explicit time frames. Cash management applies to all federal funds. This guide focuses on cash management for IDEA Part B federal funds, ECSE federal funds, High Need Fund (HNF) federal funds, and all other federal special education grants. Cash management is governed by the Cash Management Improvement Act (CMIA) and the Uniform Grant Guidance (UGG).

## CASH MANAGEMENT PROCEDURE

The district/LEA must have a written Cash Management Procedure. The procedure should address the following:

- The process utilized for determining payment request amounts – which general ledger queries and/or payroll reports will be run to determine payment amount.
- The process utilized for requesting payments - who will make payment requests, who will ensure payment requests are on a reimbursement basis, and how often.
- The process utilized for tracking the receipt of federal funds - who will verify receipt of federal funds and ensure accuracy.
- The process utilized for ensuring the federal funds are tied to expenditures in the general ledger – who will complete any necessary coding/journal entry corrections, who will ensure correct project/source codes are utilized.
- The process utilized to ensure overall compliance with the cash management requirements as described within this section of the Monitoring Guide – how are audits completed, who does the second approval, etc.

## REQUESTING FEDERAL FUNDS

In accordance with cash management requirements, all payment requests must be created on a reimbursement basis. This means districts/LEAs must have already expended funds prior to requesting or receiving federal revenue. In order to show federal funds have been requested on a reimbursement basis, the district/LEA must track the funding source for each expenditure in the general ledger by using project codes (44100, 44200, 44201, and 43703) and a source code (4).

### PAYMENT REQUEST AMOUNTS

To determine the amount of IDEA Part B federal funds to request, the district/LEA should perform an account query within the accounting system for expenditures coded with a 4 source code and a 44100 project code. The district/LEA will then utilize the report to complete the IDEA Part B federal Payment Request grid in ePeGS. Actual cumulative year-to-date

expenditures should be entered on the Payment Request grid. The payment amount will then be calculated for the district/LEA.

**Step 1:**

Perform account query for all expenditures coded with a 4 source code and a 44100 project code within the accounting system

**MISSOURI SCHOOL DISTRICT A  
GENERAL LEDGER  
January 25, 2019**

FD	FUNC	OBJ	LOC	SRCE	PROG		BUDGET	YTD
<b>*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES</b>								
2	1221	6111	4020	4	44100	SE CERTIFIED SALARIES	-208,199.96	38,416.59
1	1221	6151	4020	4	44100	SE SALARY NONCERT	-28,334.11	9,089.25
<b>SUB TOTAL</b>							<b>-236,534.07</b>	<b>47,505.84</b>
<b>*** FUNCTION 1224 : PROPORTIONATE SHARE SERVICES</b>								
2	1224	6111	4020	4	44100	PS CERTIFIED SALARY	-9,052.69	3,467.50
<b>SUB TOTAL</b>							<b>-9,052.69</b>	<b>3,467.50</b>
<b>Grand Total</b>								<b>50,973.34</b>

**Step 2:**

Utilize report to complete Payment Request grid in ePeGS; enter cumulative YTD expenditures. The Payment Request Amount will automatically be calculated taking into account prior payment requests.

Accounting Manual	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total	YTD	
1221 Special Education and Related Services	38416.59	9089.25	0.00	0.00	0.00	0.00	0.00	47505.84	38,416.59 9,089.25 47,505.84	
1223 Coordinated Early Intervening Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
1224 Proportionate Share Services	3467.50	0.00	0.00	0.00	0.00	0.00	0.00	3467.50	3,467.50 3,467.50	
<b>Administration Costs</b>										
Indirect Costs	Calculate Indirect Costs							0.00	0.00	
Administration Costs Subtotal								0.00	0.00	
<b>Grand Total</b>	41884.09	9089.25	0.00	0.00	0.00	0.00	0.00	50973.34	<b>50,973.34</b>	
	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total		
									<b>Payment Request Amount 39623.35</b>	

To determine the amount of ECSE federal 611 funds to request, the district/LEA should perform an account query within the accounting system for expenditures coded with a 4 source code and a 44200 project code. The district/LEA will then utilize the report to complete the ECSE federal 611 Payment Request grid in ePeGS. Actual cumulative year-to-date expenditures should be entered on the Payment Request grid. The payment amount will then be calculated

for the district/LEA. The district/LEA will follow steps 1 and 2 as described above for completing Payment Request grids.

To determine the amount of ECSE federal 619 funds to request, the district/LEA should perform an account query within the accounting system for expenditures coded with a 4 source code and a 44201 project code. The district/LEA will then utilize the report to complete the ECSE federal 619 Payment Request grid in ePeGS. Actual cumulative year-to-date expenditures should be entered on the Payment Request grid. The payment amount will then be calculated for the district/LEA. The district/LEA will follow steps 1 and 2 as described above for completing Payment Request grids.

The Payment Request Schedule is posted on the Special Education Finance website each fiscal year identifying the payment request due date and the maximum percentage of approved budget that may be requested. The Payment Request Schedule is posted at: <http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations>.

## OVERPAYMENTS

Violating CMIA requires a return of federal revenue with interest. Districts/LEAs that receive an overpayment of IDEA Part B federal funds must calculate interest. Overpayments occur when the payment amount exceeds the expenditures coded in the general ledger as being paid with federal funds at the time of the payment request. This is frequently an issue when payment requests are based on budgeted amounts, the district/LEA is completing multiple journal entry corrections, and when districts/LEAs request unspent Proportionate Share funds that must be carried over to the next fiscal year.

Interest is calculated using the following formula:

$$\begin{array}{ccccccc} \text{Amount of} & & \text{Daily Federal} & & \text{Number of Business} & & \text{Interest} \\ \text{Overpayment} & \times & \text{Interest Rate} & \times & \text{Days Overpayment} & = & \text{Due} \\ & & & & \text{Was Held} & & \end{array}$$

Interest must be calculated even if it was not actually accrued because the potential was there to earn interest. Districts/LEAs should compare all payment transmittals to their payment requests to ensure that the system has not overpaid them in error. If districts/LEAs notice that an overpayment has occurred, they should contact the appropriate section as soon as possible so interest charges are not owed. Federal interest rates are located at: <https://www.fiscal.treasury.gov/cmia/resources-annual-interest-rates.html>.

Up to \$500 of the interest amount owed per year on all combined Federal programs may be retained to cover administrative expenses associated with the overpayment (bookkeeping, check cutting check, etc.). The district/LEA must be able to document these administrative expenses. Funds used to pay the interest must come from the district/LEA's state, local, and/or county revenue sources.

# TRACKING FEDERAL FUNDS

Districts/LEAs must connect federal revenue to specific expenditures in the general ledger. Expenditures paid with federal funds are coded using specific project codes (44100, 44200, 44201, and 43703) and a source code (4). Districts/LEAs then have two options to connect the federal revenue to specific expenditures in the general ledger:

- Code In Advance
- Journal Entry Correction

These methods are described in further detail below.

## **CODE IN ADVANCE:**

For IDEA Part B federal funds and ECSE federal funds, the district/LEA should code the expenditure as a federal special education expense upfront in the general ledger by using a project code. The project code for IDEA Part B federal funds is 44100. The project code for ECSE federal 611 funds is 44200. The project code for ECSE federal 619 funds is 44201. All expenditures paid with federal funds must have a source code of 4. The district/LEA will then submit a payment request for the expenditures tied to each project code. Once the district/LEA receives the payment of federal funds, no further action is needed since the expenditure has already been coded in advance as a federal special education expense.

An example of the Code In Advance option is shown below.

### Step 1:

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

1221-6311-4-44100	\$15,000.00	10/10/19
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### Step 2:

Request and Receive IDEA Part B Federal Funds in School Payment Transmittal

Payment Transmittal	\$15,000.00	11/21/19
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### Step 3:

No further action needed since federal funds are tied to the expenditures in advance

## **JOURNAL ENTRY CORRECTION:**

Unlike IDEA Part B federal and ECSE federal funds, district/LEAs automatically receive a reimbursement on HNF federal funds based on prior year expenditures. Even though the amount of federal funds is based on prior year expenditures, the district/LEA must connect the federal revenue to current year expenditures to be in compliance with CMIA requirements. The federal revenue is tied to specific expenditures through the use of a project code. The project code for HNF federal funds is 43703. All expenditures paid with federal funds must have a source code of 4.

Once the district/LEA receives reimbursement, the district/LEA must tie the revenue to existing current year special education expenditures that were initially paid with state, local, or county funds through a journal entry correction. This must be completed on the day the payment is received. After the journal entry correction has been performed the expenditure should be shown in the general ledger as a federally paid expenditure with the appropriate project/source code.

An example of the Journal Entry Correction option is shown below.

Step 1:

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

1221-6151-3-12210	\$5,000.00	10/10/19
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Step 2:

Receive HNF Federal Funds in School Payment Transmittal

Payment Transmittal	\$5,000.00	11/21/19
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Step 3:

Journal Entry Correction to recode expense as being paid with HNF federal funds

1221-6151-3-12210	-\$5,000.00	11/21/19
1221-6151-4-43703	\$5,000.00	11/21/19

HNF federal revenue may go towards any special education program expenditure; it does not have to go towards a specific HNF student or specific HNF expenditures.

When the Journal Entry Correction method is utilized, the district/LEA must do the following:

- For payroll, ensure all staff paid with federal funds completes the appropriate time and effort paperwork because the district/LEA has now paid federal funds to staff due to the Journal Entry Correction. DESE recommends applying HNF federal reimbursements to salaries and/or benefits as this option has less federal requirements.
- For equipment, ensure all inventory requirements are met if the expenditure meets the applicable thresholds because equipment has now been purchased with federal funds due to the Journal Entry Correction.
- For purchased services, ensure all procurement guidelines and obligation of funds were followed prior to making the Journal Entry Correction.

## OVERCODING FEDERAL FUNDS

Expenditures coded in the general ledger as being paid with federal revenue must equal the amount of federal funds received. For example, a district/LEA receives a \$50,000 IDEA Part B federal payment. The general ledger should reflect only \$50,000 in expenditures as paid with IDEA Part B federal funds. If the district/LEA has more than \$50,000 reflected in the general ledger, the district/LEA has over-coded federal funds and is at risk for violating CMIA by requesting more federal funds than what have been expended. Additionally, the district/LEA

cannot verify exactly which expenditures were paid with the federal funds. The same rule applies for ECSE and High Need Fund (HNF) federal revenue received.

## DISBURSING FEDERAL FUNDS

Districts/LEAs may not request and hold federal funds. On the date the federal funds are received, they must be coded in the general ledger as being expended (if not coded in advance) and disbursed. If the district/LEA holds federal funds, the district/LEA must calculate interest on the federal funds and return to the interest amount to the federal government. Holding federal funds becomes a major issue during summer payroll months. As opposed to holding federal funds, the district/LEA has several options:

- **Pay Upfront:** Code all summer payroll (June, July, and August) in the June general ledger. Request and receive federal funds for all summer payroll (June, July, and August). Pay out all summer payroll (June, July, and August) upon receipt of federal funds.

<b>OPTION: PAY UPFRONT</b>					
USE THIS OPTION TO CLOSE OUT FISCAL YEAR IN JUNE AND PAY OUT ALL PAYROLL CHECKS IN JUNE					
Payroll	Payroll Paid with	Coded in G/L	Project Code	Payment Request	Payroll Paid to Employee
June Payroll	Federal Funds	June FY19	44100, 44200, 44201	June	June
July Payroll	Federal Funds	June FY19	44100, 44200, 44201	June	June
August Payroll	Federal Funds	June FY19	44100, 44200, 44201	June	June

- **Pay Behind:** Do not request any federal funds during the summer months until all payroll is completed, then complete the payment request.

<b>OPTION: PAY BEHIND</b>					
USE THIS OPTION TO CLOSE OUT FISCAL YEAR IN JUNE AND PAY OUT CHECKS WITH EACH PAYROLL THROUGH SUMMER					
Payroll	Payroll Paid with	Coded in G/L	Project Code	Payment Request	Payroll Paid to Employee
June Payroll	Federal Funds	June FY19	44100, 44200, 44201	June	June
July Payroll	Federal Funds	June FY19	44100, 44200, 44201	July	July
August Payroll	Federal Funds	June FY19	44100, 44200, 44201	August	August

- **Pay More:** Pick more expenditures during the school year to pay with federal funds so that all federal funds are expended by May. Then the district/LEA can complete summer payroll in any manner because the summer payroll is not being paid with federal funds.

<b>OPTION: MORE STAFF</b>					
USE THIS OPTION TO NOT WORRY ABOUT FEDERAL FUNDS AND SUMMER PAYROLL					
<b>Payroll</b>	<b>Payroll Paid with</b>	<b>Coded in G/L</b>	<b>Project Code</b>	<b>Payment Request</b>	<b>Payroll Paid to Employee</b>
May Payroll	Federal Funds	May FY19	44100, 44200, 44201	May	May
June Payroll	State, Local, County	June FY19	12210, 12810	N/A	June
July Payroll	State, Local, County	June FY19	12210, 12810	N/A	June
August Payroll	State, Local, County	June FY19	12210, 12810	N/A	June

- Pay as Go: Code June payroll to the current year June general ledger. Request and receive federal funds for June payroll. Pay out all June payroll upon receipt of federal funds. Code July payroll in the next fiscal year July general ledger. This must be tracked separately to show it is a prior year expense. Request and receive federal funds for July payroll. Pay out all July payroll upon receipt of federal funds. Code August payroll to the next fiscal year August general ledger. Request and receive federal funds for August payroll. Pay out all August payroll upon receipt of federal funds. This option requires there be remaining IDEA Part B federal funds to request throughout the summer (July and August) and that the FER has not been submitted.

<b>OPTION: PAY AS GO</b>					
USE THIS OPTION TO NOT CLOSE OUT FISCAL YEAR IN JUNE					
<b>Payroll</b>	<b>Payroll Paid with</b>	<b>Coded in G/L</b>	<b>Project Code</b>	<b>Payment Request</b>	<b>Payroll Paid to Employee</b>
June Payroll	Federal Funds	June FY19	44100, 44200, 44201	June	June
July Payroll	Federal Funds	July FY20	44199, 44299, 44298	July	July
August Payroll	Federal Funds	August FY20	44199, 44299, 44298	August	August

# OBLIGATION OF FUNDS

IF THE OBLIGATION IS FOR...	THEN THE OBLIGATION PERIOD BEGINS...	
<p>Personal services by a contractor who is not an employee of the district/LEA</p>	<p>On the date the district/LEA makes a binding written commitment (signs contract) to obtain the services. This includes contracts with individuals to provide specific services (i.e. OTs, PTs, and tutors).</p> <p>Note: The district/LEA must not enter into a binding written commitment (sign a contract) intended to be paid with IDEA Part B federal funds until the Budget Application has been substantially approved, or July 1<sup>st</sup>, whichever is later.</p>	<p>June 30<sup>th</sup></p>
<p>Non-Personal services by a contractor who is not an employee of the district/LEA</p>	<p>On the date the district/LEA makes a binding written commitment (signs contract) to obtain the work. This includes contracts with companies or entities to provide services (i.e. janitorial company, bus company).</p> <p>Note: The district/LEA must not enter into a binding written commitment (sign a contract) intended to be paid with IDEA Part B federal funds until the Budget Application has been substantially approved, or July 1<sup>st</sup>, whichever is later.</p>	<p>June 30<sup>th</sup></p>
<p>Travel</p>	<p>On the date the travel is performed.</p> <p>Note: The district/LEA must not pay for travel expenses with IDEA Part B federal funds until the Budget Application has been substantially approved, or July 1<sup>st</sup>, whichever is later.</p>	<p>June 30<sup>th</sup></p>
<p>Public utility services</p>	<p>On the date the district/LEA receives the services.</p> <p>Note: The district/LEA must not pay for utility services with IDEA Part B federal funds until the Budget Application has been substantially approved, or July 1<sup>st</sup>, whichever is later.</p>	<p>June 30<sup>th</sup></p>

IF THE OBLIGATION IS FOR...	THEN THE OBLIGATION PERIOD BEGINS...	
Acquisition of mobile units	<p>On the date the district/LEA makes a binding written commitment (signs contract) to acquire the property.</p> <p>Note: The district/LEA must not enter into a binding written commitment (sign contract) intended to be paid with IDEA Part B federal funds until the Budget Application has been substantially approved, or July 1<sup>st</sup>, whichever is later.</p>	June 30 <sup>th</sup>
Rental of real or personal property	<p>On the date the district/LEA begins to use the property.</p> <p>Note: The district/LEA shall not pay for rental property with IDEA Part B federal funds until the Budget Application has been substantially approved, or July 1<sup>st</sup>, whichever is later.</p>	June 30 <sup>th</sup>

In the event, that a district/LEA obligates funds prior to the Budget Application being substantially approved, or prior to July 1<sup>st</sup>, whichever is later, IDEA Part B federal funds may not be utilized to pay the expenditure. The district/LEA must utilize state, local and/or county funds to pay the expenditure.

Specific scenarios related to obligation periods are included at the end of this section.

## OBLIGATION OF FUNDS SCENARIOS

1. Missouri School District plans to utilize a portion of the 2019-20 IDEA Part B federal allocation to pay for contracted handicapped transportation in the upcoming school year. The contract between the district/LEA and ABC Transportation for the 2019-20 school year was signed by both parties on 5/15/2019. The district/LEA submitted the 2019-20 Part B Budget Application on 5/1/2019. Missouri School District may pay ABC Transportation expenditures with 2019-20 IDEA Part B federal funds.

***False.*** *Obligations for contracts begin when the contract is signed. Funds cannot be obligated until the Budget Application is submitted (5/1/2019) OR July 1<sup>st</sup>, whichever is later. July 1<sup>st</sup> is used as the target date since it is later. Therefore, the district/LEA cannot pay any IDEA Part B federal funds toward this contract because it was signed prior to July 1<sup>st</sup>.*

2. Missouri School District plans to utilize IDEA Part B federal funds to pay the Special Education Director's salary and benefits in the 2019-20 school year. The Special Education Director signs a 2019-20 teacher contract on 7/1/2019 and starts work on that date. The district/LEA submitted the 2019-20 Part B Budget Application on 7/18/2019. The district/LEA may pay the Special Education Director's salary/benefits for the 7/1/2019 -7/15/2019 pay period with 2019-20 IDEA Part B federal funds.

***False.*** *Obligations for employee payroll begin when the work is performed; the date the employee's contract is signed is not relevant. Funds cannot be obligated until the Budget Application is submitted (7/18/2019) OR July 1<sup>st</sup>, whichever is later. The Budget Application was submitted later than July 1<sup>st</sup>, so July 18<sup>th</sup> is used as the target date since it is later. Therefore, the district/LEA cannot pay any IDEA Part B federal funds toward payroll until after 7/18/2019.*

3. Missouri School District submitted the 2019-20 IDEA Part B Budget Application on 6/30/2019. The IDEA Part B federal funds will be utilized to pay for speech services for IEP students provided by The Speech Center. The contract between the school district/LEA and The Speech Center for the upcoming school year was signed by both parties on 3/1/2019. Missouri School District received an invoice from The Speech Center for services provided in the month of August. The district/LEA may use 2019-20 IDEA Part B federal funds to pay the invoice.

***False.*** *Obligations for contracts begin when the contract is signed. Funds cannot be obligated until the Budget Application is submitted (6/30/2019) OR July 1<sup>st</sup>, whichever is later. July 1<sup>st</sup> is used as the target date since it is later. Therefore, the district/LEA cannot pay any IDEA Part B federal funds toward this contract since it was signed prior to July 1<sup>st</sup>.*

4. Missouri School District would like to order new textbooks for the special education department. To ensure the books are delivered in time for the upcoming school year, the district/LEA creates a Purchase Order on 6/1/2019 and places the order. The 2019-20 IDEA Part B Budget Application is also submitted on 6/1/2019. The textbooks arrive and the invoice is paid on 7/15/2019. Missouri School District can pay the invoice with 2019-20 IDEA Part B federal funds.

**False.** *Obligations for general purchases begin when the purchase order is generated/issued. Funds cannot be obligated until the Budget Application is submitted OR July 1<sup>st</sup>, whichever is later. July 1<sup>st</sup> is used as the target date since it is later. Therefore, the district/LEA cannot pay any IDEA Part B federal funds toward this purchase order since it was generated/issued prior to July 1<sup>st</sup>.*

5. Missouri School District's Superintendent was on vacation and was unable to submit the 2019-20 Part B Budget Application until 8/1/2019. After returning from the New Director's Academy training, the Special Education Director, Mrs. Jones, turns in an expenditure report with the 7/24/2019 travel expenses. The district/LEA issues a check to Mrs. Jones on 8/2/2019. Since the IDEA Part B Budget Application was submitted prior to the check being issued, the reimbursement may be paid with 2019-20 IDEA Part B federal funds.

**False.** *Obligations for travel begin when the travel is taken. Funds cannot be obligated until the Budget Application is submitted OR July 1<sup>st</sup>, whichever is later. The Budget Application submission date of August 1<sup>st</sup> is later than July 1<sup>st</sup>; therefore, August 1<sup>st</sup> is used as the target date. Therefore, the district/LEA cannot pay any IDEA Part B federal funds toward this travel since it occurred prior to the Budget Application submission date (8/1/2019).*

# PERIOD OF AVAILABILITY

## OVERVIEW

The period of availability is the amount of time the district/LEA has to obligate and expend grant funds. Districts/LEAs may not pay expenditures outside of the period of availability. In addition, districts/LEAs cannot use new grant funds to pay a prior year expenditure.

## GRANT CYCLE

A grant cycle runs from July 1<sup>st</sup> to June 30<sup>th</sup> of each fiscal year. Obligations made with IDEA Part B federal funds may only occur within this grant cycle time frame. However, if a district/LEA submits the IDEA Part B Budget Application after the July 1<sup>st</sup> due date, then the grant cycle begins on the date that the application is substantially approved and obligations can only begin after that date. If the district/LEA submits the IDEA Part B Budget Application before the July 1<sup>st</sup> due date, then the grant cycle still begins July 1<sup>st</sup> of the fiscal year. Obligations cannot occur after June 30<sup>th</sup>, as that is the start of a new fiscal year and new grant cycle.

GRANT CYCLE	GRANT CYCLE DATES	FIRST DAY TO OBLIGATE	LAST DAY TO OBLIGATE
FY19 Grant Funds	July 1, 2018 – June 30, 2019	July 1, 2018 or application submission date (whichever is later)	June 30, 2019
FY20 Grant Funds	July 1, 2019 – June 30, 2020	July 1, 2019 or application submission date (whichever is later)	June 30, 2020
FY21 Grant Funds	July 1, 2020 – June 30, 2021	July 1, 2020 or application submission date (whichever is later)	June 30, 2021

## FER REPORTING CYCLE

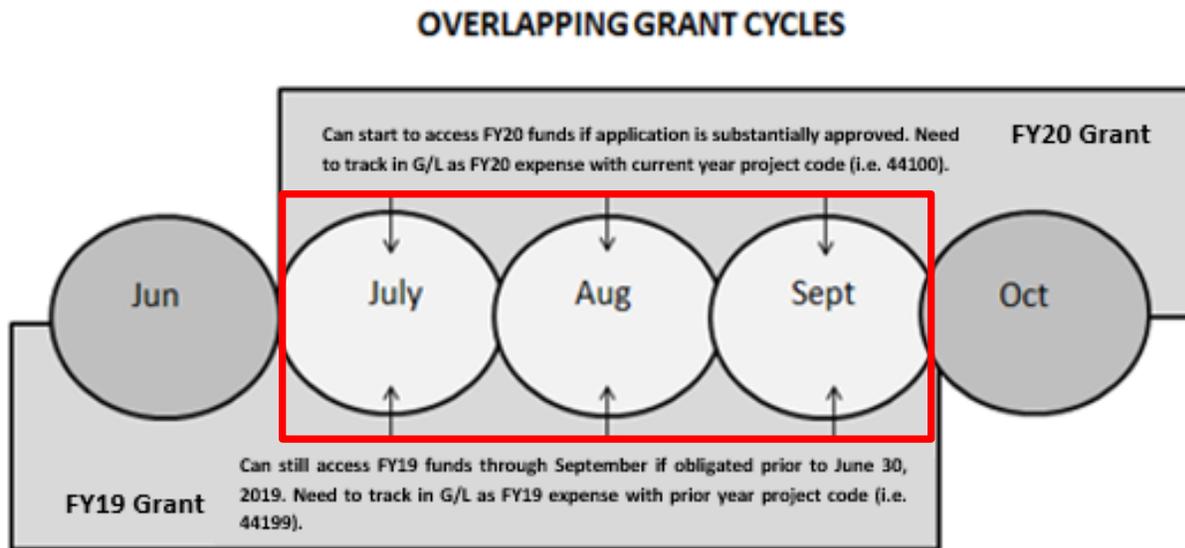
The FER Reporting period runs from July 1<sup>st</sup> to September 30<sup>th</sup> each fiscal year to offer flexibility and additional time in accessing grant funds from the grant cycle. This allows districts/LEAs an extra three months after the grant cycle ends to access funds as long as the obligation occurred during the grant cycle (prior to June 30<sup>th</sup>). Districts/LEAs may continue to request grant funds from the previous grant cycle until September 30<sup>th</sup>.

In order to utilize this option, the following must apply:

- The expenditure must have been obligated prior to June 30<sup>th</sup>
- There must be remaining grant funds after June 30<sup>th</sup>
- The district/LEA has not submitted the FER

## OVERLAPPING GRANT CYCLES

When the district/LEA utilizes the flexibility offered in the FER reporting cycle to access funds after the grant cycle, the district/LEA must account for the prior year grant funds (FY19) and current year grant funds (FY20) separately in the general ledger during the three month extension when there is an overlap of funding. This is not carrying over prior year funds into a new year; but rather accessing funds from the prior grant and the current grant at the same time as shown in the following illustration. How to code and track funds from overlapping grant cycles is explained below.



Expenditures paid during the three month FER extension period will be coded in the same fiscal year general ledger as the new grant cycle expenditures; therefore, the district/LEA must track the expenditures being paid with prior year grant funds (FY19) separately from the expenditures being paid with current year grant funds (FY20). This is done by utilizing prior year project codes (shown below) for the expenditures paid with prior year funds. This ensures that the district/LEA does not include expenditures paid with prior year grant funds in current year payment requests or on the IDEA Part B FER.

<b>PROJECT DESCRIPTION - FEDERAL FUNDS</b>	<b>PROJECT CODE</b>
Prior Year IDEA Entitlement Funds, Part B IDEA (5441)	44199
Prior Year IDEA - 611 ECSE (5442)	44299
Prior Year IDEA - 619 ECSE (5442)	44298

## GRANT CYCLE PAYMENTS

While the district/LEA may continue to access previous grant cycle funds after July 1<sup>st</sup> to pay for “old” expenditures from the previous grant cycle, IDEA Part B federal funds from a new grant cycle cannot be used to pay for obligations and expenditures that occurred in the previous grant cycle. Basically, the district/LEA cannot use new grant funds to pay for an old expenditure as shown in the diagram below.

<b>FY20 GRANT FUNDS</b>	<b>≠</b>	<b>FY19 EXPENDITURES</b>
July 1, 2019 (FY20) Grant Funds	≠	FY19 June Payroll
July 1, 2019 (FY20) Grant Funds	≠	FY19 June ESY Services
July 1, 2019 (FY20) Grant Funds	≠	FY19 June/May Conference Fee

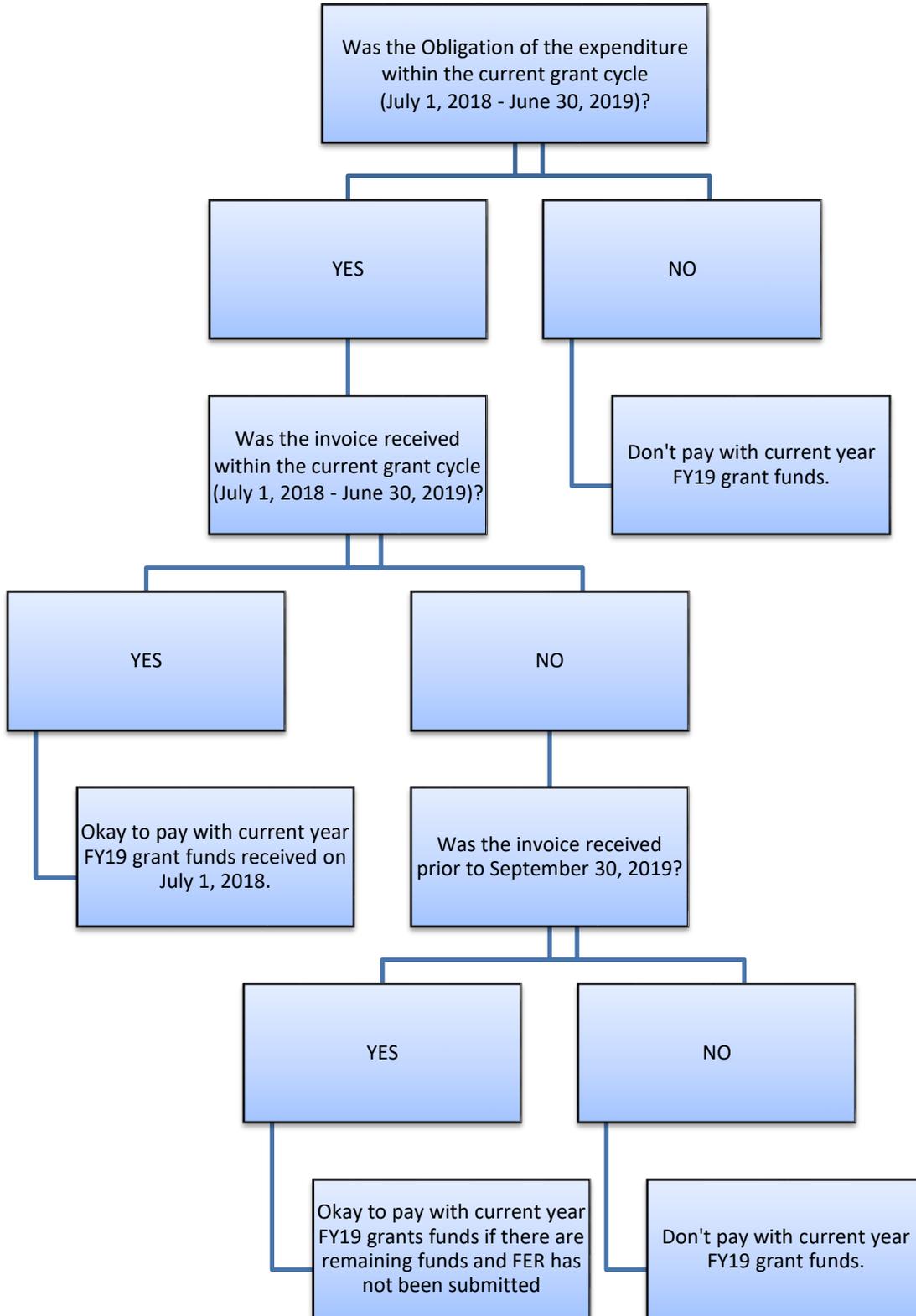
## TEACHER CONTRACTS

The district/LEA should issue teacher contracts that coincide with the fiscal year (i.e. July 1<sup>st</sup> – June 30<sup>th</sup>) to ensure compliance with Period of Availability requirements.

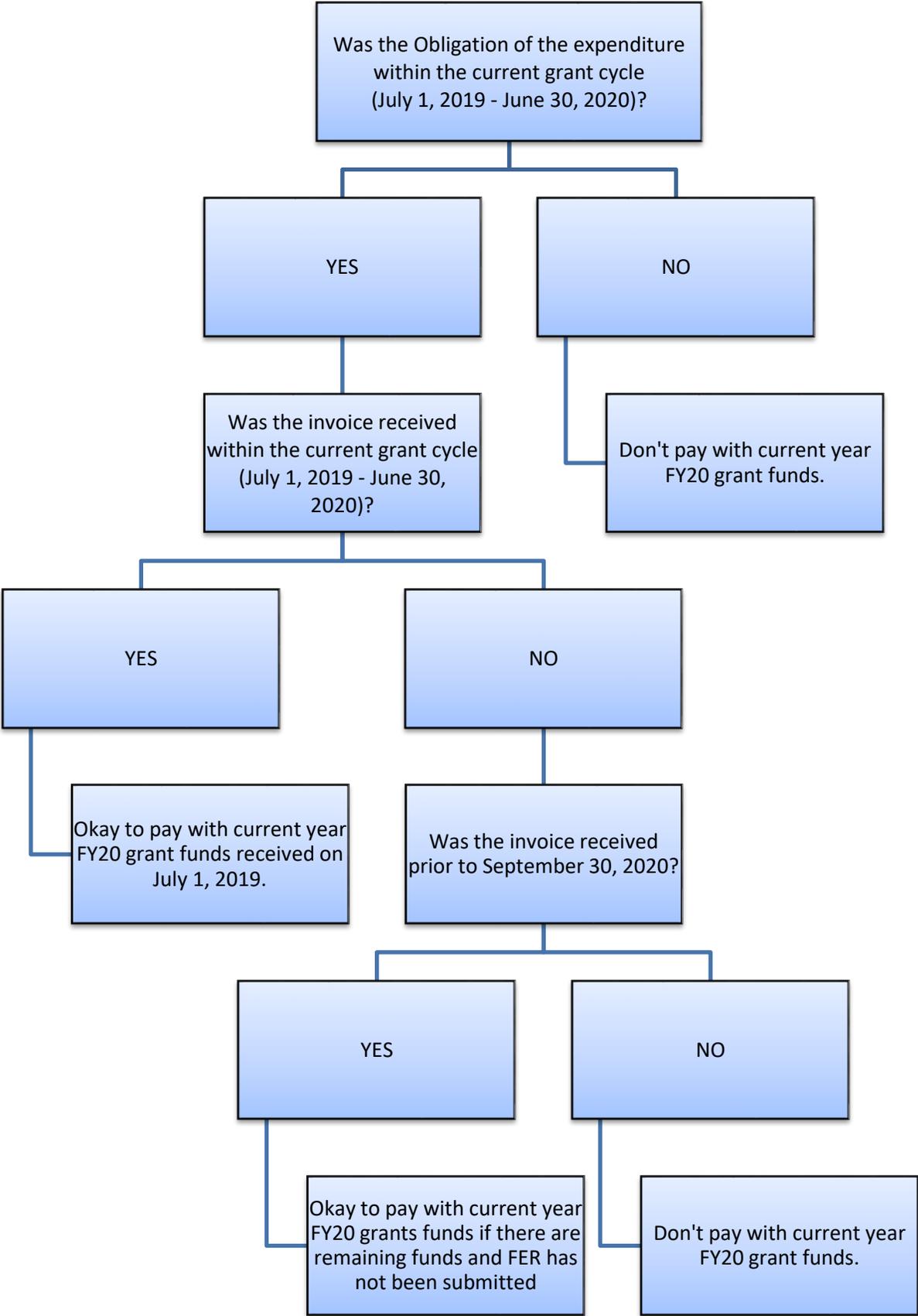
If the district/LEA does not issue teacher contracts that coincide with the fiscal year (i.e. August 1<sup>st</sup> – July 31<sup>st</sup>), the district/LEA must ensure the appropriate fiscal year of grant funds are utilized when paying teachers’ salaries and/or benefits. The district/LEA cannot use new fiscal year grant funds to pay the salary and/or benefits for prior year teacher contracts. Therefore, in the example above, the July payroll would continue to be paid with prior year grant funds if remaining funds are available. If funds are not available, the district/LEA must pay the salary and/or benefits for prior year teacher contracts with state, local and/or county revenue. See the diagram below for assistance in paying salaries and/or benefits with the appropriate fiscal year grant funds.

GRANT CYCLE	TEACHER CONTRACT	GRANT CYCLE TO USE...
July 1, 2019 – June 30, 2020 (FY20 grant funds)	<b>July 1, 2019 – June 30, 2020</b>	<b>July 2019-June 2020 Payroll</b> ( <i>paid in FY20 G/L</i> ) <ul style="list-style-type: none"> <li>• Can pay with FY20 grant funds</li> </ul>
July 1, 2019 – June 30, 2020 (FY20 grant funds)	<b>August 1, 2019 – July 31, 2020</b>	<b>August 2019-June 2020 Payroll</b> ( <i>paid in FY20 G/L</i> ) <ul style="list-style-type: none"> <li>• Can pay with FY20 grant funds</li> </ul> <b>July 2020 Payroll</b> ( <i>paid in FY21 G/L</i> ) <ul style="list-style-type: none"> <li>• <u>Can</u> pay with FY20 grant funds <u>if</u> have remaining grant funds (must track separately in FY21 G/L); if not <b>MUST</b> pay with state, local and/or county funds</li> <li>• <b>Cannot</b> pay with FY21 grant funds (new money)</li> </ul>

# FY19 PERIOD OF AVAILABILITY FLOW CHART



# FY20 PERIOD OF AVAILABILITY FLOW CHART



# ALLOWABLE USE OF FUNDS

## OVERVIEW

The purpose of IDEA is to ensure that all children with disabilities have available a free and appropriate public education (FAPE) that emphasizes special education and related services. IDEA Part B federal funds are not intended to fund the entire special education program, the funds are intended to supplement state, local, and/or county funds and pay only the excess costs of educating children with disabilities.

## ALLOWABLE USE OF FUNDS

IDEA Part B federal funds may only be used for the following activities:

- To support the costs of special education and related services
  - Salaries and Benefits
  - Contracted/Purchased Services
  - Supplies and Equipment
  - Proportionate Share
  - Capital Outlay
  - Travel
- To provide coordinated, early intervening services (CEIS).
- To establish cooperatives to pay for high cost special education and related services.
- To purchase appropriate technology for recordkeeping, data collection, and related case management.

However, in order for an expenditure to be allowable, the district/LEA must be able to justify that all expenditures paid with IDEA Part B federal funds are necessary and reasonable for the special education program. To determine if an expenditure is necessary and reasonable the district/LEA should ask the following questions:

- 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 (i.e. paper is difficult to track in order to prove it was used by only the special education program)?

When utilizing IDEA Part B federal funds, the district/LEA must ensure the following requirements are met for all expenditures:

- Expenditure is tracked with the appropriate project code (44100, 44200, 44201, etc.)
- Expenditure is tracked with the appropriate source code (4)
- Expenditure is tracked with the appropriate function code, if applicable
- Expenditure meets obligation requirements
- Expenditure meets period of availability requirements
- Expenditure has supporting documentation (time and effort, inventory, bid documentation, proration methods, logs, etc.)

**IDEA ALLOWABLE COSTS AND REQUIREMENTS CHART**

SALARIES AND BENEFITS	PURCHASED SERVICES	SUPPLIES	PROPORTIONATE SHARE (PS)	COORDINATED EARLY INTERVENING SERVICES (CEIS)	EQUIPMENT	CAPITAL OUTLAY	TRAVEL
Track IDEA paid Employees in Payroll System. Report in MOSIS.	Follow Procurement Procedures related to Bidding	Any item with a cost less than \$1,000 per unit	Track all expenditures for PS with function code 1224 or 2557	Track all expenditures for CEIS with function code 1223	Request Prior Approval through ePeGS Budget Application	Request Prior Approval through ePeGS Budget Application	Track IDEA paid travel with 44100 (Part B) Project Code
Track IDEA paid expenditures with 44100 (Part B) Project Code	Track IDEA paid purchased services with 44100 (Part B) Project Code	Track IDEA paid supplies with 44100 (Part B) Project Code	Track IDEA paid PS with 44100 (Part B) Project Code	Track IDEA paid CEIS with 44100 (Part B) Project Code	Track IDEA paid equipment with 44100 (Part B) Project Code	Track IDEA paid Capital Outlay with 44100 (Part B) Project Code	Ensure Obligation Date Meets Requirements
Complete Time and Effort Documentation for IDEA paid Employees	Ensure Obligation Date Meets Requirements	Ensure Obligation Date Meets Requirements	Prorate Salaries and Benefits as appropriate	Prorate Salaries and Benefits as appropriate	Follow Procurement Procedures related to Bidding	Follow Procurement Procedures related to Bidding	Attach Travel Justification Statement to Source Documentation
Ensure Obligation Date Meets Requirements	Ensure Private Agencies are Approved through DESE	Only Purchase Supplies that are trackable and have an audit trail	Complete Time and Effort Documentation for IDEA PS paid Employees	Complete Time and Effort Documentation for IDEA CEIS paid Employees	Ensure Obligation Date Meets Requirements	Ensure Obligation Date Meets Requirements	
Ensure IDEA paid salary and benefits are deducted from Medicaid Roster	Check Debarment and Suspension List if applicable	"Share the Love" among multiple vendors, can't utilize just one prime vendor unless bid	Track Students receiving services with a 2100 placement code in MOSIS	Complete reporting requirements in ePeGS	Complete Equipment Inventory	Follow Uniform Accessibility/ADA Standards and Davis-Bacon Act for Laborers	

## UNALLOWABLE USE OF FUNDS

Examples of unallowable expenditures include the following:

- Entertainment and Promotional Items (pens, bags, t-shirts, etc.)
- Recreational Field Trips/Special Olympics/Classroom Parties
- Legal Fees Related to Child Compliant/Due Process
- General Education Expenditures
- District-wide Training (unless it is geared specifically towards special education)
- Petty Cash (i.e. for life skills grocery shopping, laundromat, public transportation)
- Income Generating Activities (i.e. life skills classroom bake sale)
- Principal/Superintendent Salaries
- Alcoholic Beverages
- Fines and Penalties
- Lobbying
- Medicaid Billing Fees
- Local Tax Effort/Billbacks
- Patents
- Materials And Supplies Deemed Unnecessary (i.e. coffee maker, decorations, flower arrangements, party supplies, proms/dances, etc.)
- Breakfast and dinner provided by the district/LEA during meetings/conferences (not to be confused with reimbursable breakfast and/or dinner for individuals in travel status)
- Paying uncertificated staff
- Paying tuition for students placed in Private Agencies not approved by DESE
- ADA Compliance

## DETERMINING HOW TO SPEND FUNDS

When determining how to utilize IDEA Part B federal funds and where to spend them, districts/LEAs should consider the following:

- What specific requirements are tied to the expenditure (i.e. time and effort, bidding, prior approval, etc.)?
- What coding is involved with the expenditure?
- Is the expenditure used a match or expenditure source for another federal program (i.e. Medicaid roster, Title, etc.)?
- What are the advantages versus the disadvantages (i.e. tracking, source documentation, obligation time frames, etc.)?
- Is there a sufficient audit trail for the expenditure?
- Is the expenditure sustainable and continuous (retirements, graduating students, one-time purchases, etc.)?

## ALLOWABILITY PROCEDURE

The district/LEA must have a written Allowability Procedure for the use of federal funds. The procedure should be a training tool and guide for all employees. The Allowability Procedure should address the following:

- The process used to ensure expenditures are necessary, reasonable, permissible, allocable, and documented from the beginning of the grant cycle in the development and budget stage to the end of the grant cycle in reporting final expenditures.
- The process utilized to determine direct and indirect costs.
- The process utilized to ensure all expenditures paid with all federal revenue are treated consistently across all programs.
- The process utilized to ensure policies/procedures apply uniformly to both federally funded and non-federally funded expenditures.
- The process utilized to determine cost sharing or matching requirements.
- The process utilized to indicate which employee positions are responsible for preparing and approving the budget, approving and expending funds, and reporting final expenditures.

## BUDGETING FUNDS

The district/LEA must enter budgeted funds by the appropriate function and object codes on the IDEA Part B Budget Application in ePeGS. Budgeted funds may not exceed the district/LEA allocation.

In order to complete the IDEA Part B Budget Application, the district/LEA will complete the following steps.

**Step 1:**

The district/LEA will complete an account query within the accounting system for all expenditures budgeted with a 4 source code and a project code of 44100.

MISSOURI SCHOOL DISTRICT A GENERAL LEDGER 2018-19							BUDGET	YTD	MONTH
FD	FUNC	OBJ	LOC	SRCE	PROG				
<b>*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES</b>									
1	1221	6151	4020	4	44100	SE SALARY NONCERT	-817,390.97	0.00	0.00
SUB TOTAL							-817,390.97	0.00	0.00
<b>*** FUNCTION 1224 : PROPORTIONATE SHARE SERVICES</b>									
2	1224	6111	4020	4	44100	PS CERTIFIED SALARY	-10,181.03	0.00	0.00
SUB TOTAL							-10,181.03	0.00	0.00

**Step 2:**

The district/LEA will utilize the report to complete the IDEA Part B Budget Application by reporting the IDEA Part B federal funds budgeted in the general ledger on the budget grid under the appropriate function and object code.

Accounting Manual	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	817390.97	0.00	0.00	0.00	0.00	0.00	817390.97
1223 Coordinated Early Intervening Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1224 Proportionate Share Services	10181.03	0.00	0.00	0.00	0.00	0.00	0.00	10181.03

**Step 3:**

The district/LEA will then complete an account query within the accounting system for all expenditures budgeted with a 4 source code and a project code of 44200 and a 4 source code and a project code of 44201 to determine the amounts budgeted for ECSE federal 611 and ECSE federal 619.

**MISSOURI SCHOOL DISTRICT A  
GENERAL LEDGER  
2018-19**

FD	FUNC	OBJ	LOC	SRCE	PROG	BUDGET	YTD	MONTH	
*** FUNCTION 1281 : EARLY CHILDHOOD SPEC ED									
2	1281	6111	4020	4	44200	ECSE TEACHER SALARY	-180,350.00	0.00	0.00
2	1281	6111	4020	4	44201	ECSE TEACHER SALARY	-20,129.00	0.00	0.00
SUB TOTAL							-200,479.00	0.00	0.00

**Step 4:**

The district/LEA will utilize the report to budget ECSE federal 611 and ECSE federal 619 funds. The amounts budgeted for ECSE federal 611 and ECSE federal 619 in the general ledger are reported at the bottom of the Budget Application grid under the appropriate object code.

	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total
ECSE 611	\$180,350.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$180,350.00
ECSE 619	\$20,129.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,129.00
<b>ECSE Total</b>	\$200,479.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,479.00
<b>Part B and ECSE Total Program Cost</b>	\$210,660.03	\$817,390.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,028,051.00
	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total

Actual expenditures reported in the Final Expenditure Report (FER) may exceed the amount originally budgeted for each object code by up to 10% of the total district/LEA IDEA Part B budget. In the event that the actual expenditures for each object code exceed 10% of the total budget, the district/LEA must revise the Budget Application.

Building level budgets should have the approval of the special education director or another individual familiar with IDEA Part B federal requirements prior to obligating funds to ensure allowable use of funds and that the obligation is necessary and reasonable to the special education program.

## PRORATING EXPENDITURES

IDEA Part B federal funds that are not directed 100% towards the special education program must be prorated. There are various methods the district/LEA may use to prorate costs. The method chosen by the district/LEA should be rational, reasonable, and consistent. In addition, the method of proration must also be documented and maintained by the district/LEA. Below are examples the district/LEA may use to prorate costs.

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

If the expenditure will provide an incidental benefit to non-special education students, the cost may not have to be prorated. Incidental benefit means occurring by chance or without intention, or as a result of something else. Therefore, if an expenditure is intended for special education students, but non-special education students may benefit from the purchase by chance or without intention, then the cost does not have to be prorated. Districts/LEAs should consult DESE prior to assuming an incidental benefit.

## APPROVING EXPENDITURES

Building level expenditures should have the approval of the special education director or another individual familiar with IDEA Part B federal requirements to ensure allowable use of funds and that the expenditure is necessary and reasonable for the special education program. The special education director or another individual familiar with IDEA Part B federal requirements should approve expenditures paid with state, local, and county revenue sources as well. This ensures the district/LEA will not experience any unnecessary increases or negative impacts to the Maintenance of Effort (MOE) threshold.

## OTHER CONSIDERATIONS - TRAVEL

The district/LEA must have a written Travel Policy if utilizing federal funds to pay for travel that supports the allowed activities within the grant. The policy must be approved by the School Board and should address the following:

- The process utilized to reimburse employees (district/LEA credit card, expense accounts, etc.) and the reimbursement time frame (with payroll, weekly, monthly, etc.).
- The process utilized to determine travel status (i.e. distance, length of day, etc.) and the threshold used (i.e. 50 miles away, traveling more than 9 hours per day, etc.).
- The process utilized to reimburse expenses (i.e. actual amounts or per diem amounts).

All travel expenditures must have a justification statement contained within the source documentation as to why the travel was pertinent to grant activities. Examples of travel justifications may include:

- 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 CONSIDERATIONS - FOOD

IDEA and UGG regulations do not specify breakfast and dinner provided at meetings as an allowable or unallowable expenditure. Therefore, the district/LEA should use extreme caution before utilizing federal funds for these expenses. However, lunch provided at meetings may be allowable if the district/LEA can justify the lunch as reasonable and necessary. The district/LEA should answer the following questions to determine if the lunch is reasonable and necessary:

- Is there a genuine time constraint that requires a working lunch?
- Is the portion of the agenda to be covered during the working lunch substantive and integral to the overall purpose of the meeting or conference?
- Is the cost of the working lunch reasonable?

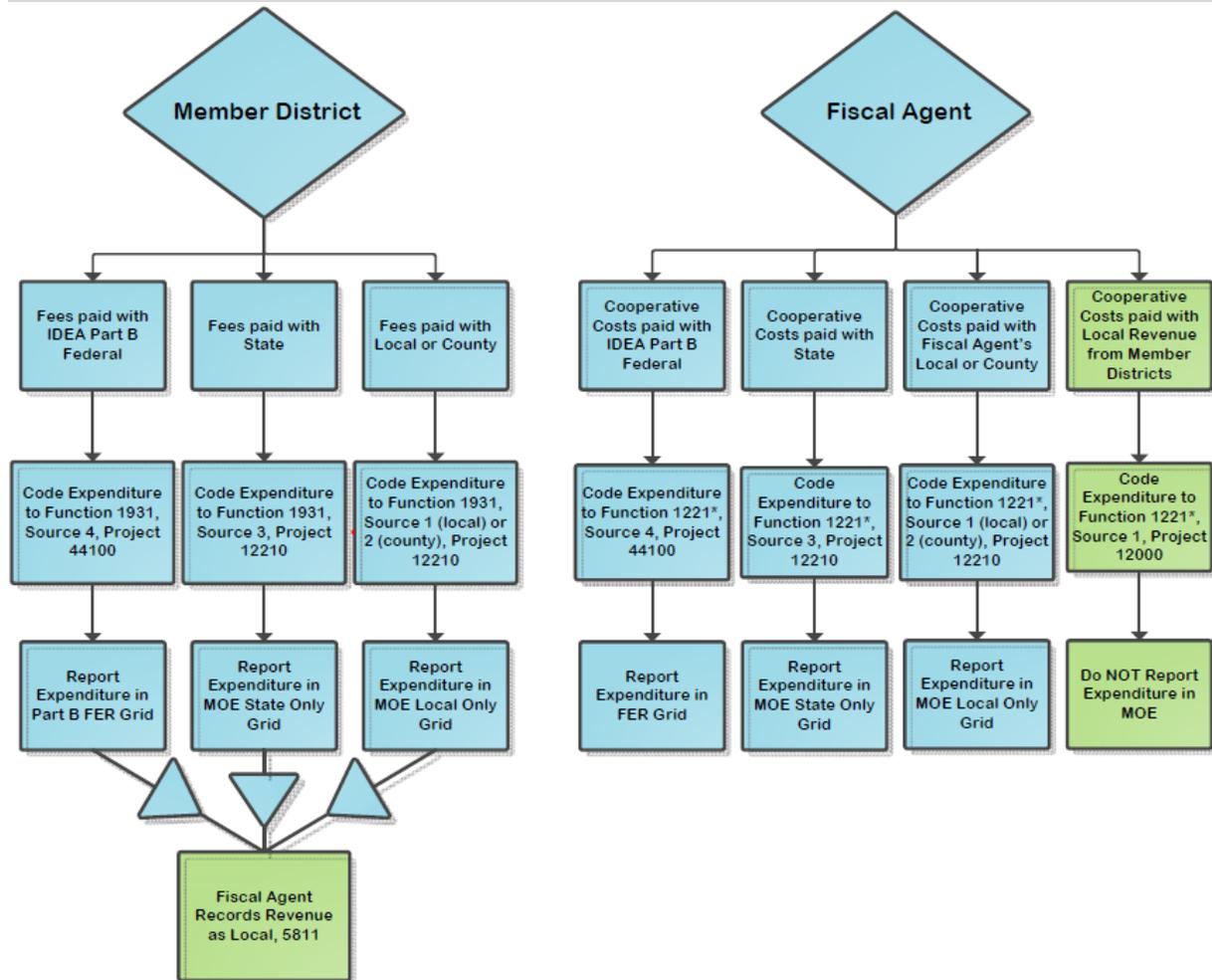
For the expenditure to be an allowable use of IDEA Part B federal funds, the district/LEA must have documentation on file that addresses each of the above questions to show that the working lunch was necessary and reasonable.

# COOPERATIVES

A cooperative is established between multiple school districts/LEAs to provide a centralized location for special education and related services or to share qualified staff. Cooperatives are usually created in rural areas or areas where there is a shortage of qualified personnel. A cooperative generally consists of a designated fiscal agent and multiple member districts/LEAs.

IDEA Part B federal funds may be used to establish or pay cooperative fees. IDEA require that each individual district/LEA receive an allocation. Once allocated, the member district/LEA cannot sub-grant IDEA Part B federal funds to the fiscal agent. There has to be a contractual fee or an established amount to pay to the cooperative; districts/LEAs cannot just send their IDEA Part B federal allocation directly to the cooperative as a sub-grant.

Cooperative funds collected from the member district/LEA must be coded as local revenue when received, even if the cooperative fee was originally paid from federal funds. When the fiscal agent spends cooperative fee funds within the cooperative, the fiscal agent must track these funds with a 12000 project code as indicated in the flowchart below.



## JOURNAL ENTRY CORRECTIONS

Journal entry corrections related to special education expenditures should have the approval of the special education director or another individual familiar with IDEA Part B federal requirements to ensure allowable use of funds and that the expenditure is necessary and reasonable for the special education program. When journal entry corrections are necessary after the district/LEA's general ledger has been closed, a General Ledger Journal Entry Correction (GLJEC) form must be completed. The district/LEA must save this form as part of the formal records of the district/LEA.



## REPORTING IDEA PART B FEDERAL EXPENDITURES

All K-12 special education program expenditures paid with IDEA Part B federal funds are reported on the IDEA Part B federal Final Expenditure Report (FER).

Special education program expenditures coded with a 44100 project code reported by the district/LEA on the ASBR will be automatically pulled over onto the FER grid. The district/LEA should verify the expenditures paid with IDEA Part B federal funds on the FER grid are accurate. In order to do so, the district/LEA will perform an account query (as shown in the table below) within the accounting system to ensure expenditures coded in the general ledger match what is reported on the FER grid.

ACCOUNT QUERY			
Revenue	Source Code	Project Code	Report/Verify in ePeGS On...
IDEA Part B federal	4	44100	FER grid

In the event that the expenditures paid with IDEA Part B federal funds that are pulled over to the FER grid from the ASBR do not match the expenditures coded in the general ledger with a 44100 project code, the district/LEA must revise the ASBR to report accurate amounts.

# INTERNAL CONTROLS

## OVERVIEW

Internal controls safeguard the district/LEA and protect against fraud and abuse. Internal controls are procedures to ensure effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. Internal controls apply to all aspects of the district/LEA's operations, including programmatic, financial, compliance, etc.

Internal controls apply to all special education program expenditures regardless of revenue source (IDEA Part B federal funds, ECSE federal funds, state revenue, local revenue, county revenue, etc.).

## INTERNAL CONTROL ELEMENTS

Written policies and procedures explaining Internal Controls at a minimum should include the following elements:

- Segregation of Duties/Second Approval
- Approval of Expenditures
- Journal Entry Correction Approval
- Supervision/Monitoring of Operations
- Retention of Records
- Physical Safeguards
- IT Security
- System Controls
- System Reports

## SEGREGATION OF DUTIES/SECOND APPROVAL

The duties associated with the approval, processing (receipt/payment), and recordkeeping should be separated. In the event that the district/LEA does not have adequate staff to segregate these duties, the district/LEA must implement a second approval process. The second approval process entails the review and approval by at least two different people. This could include the review and approval by the superintendent and/or the school board.

## APPROVAL OF EXPENDITURES

The special education director or another individual familiar with IDEA Part B federal requirements, such as the superintendent, should review all special education expenditures. The review should include the review of all supporting documentation (e.g. purchase orders, invoices, etc.) for the expenditure, for approval prior to issuing payments. Multiple signatures

should be required on all payment documentation (checks, purchase orders, invoices, etc.) and tracked through a pre-numbered monitoring system. Expenditures should be posted daily and reconciled on a monthly basis.

## **JOURNAL ENTRY CORRECTION APPROVAL**

All Journal Entry Corrections should require a documented second approval before posting to the general ledger. If the district/LEA is unable to have a second approval within the accounting system, a printed copy of approved journal entry correction should be maintained. The superintendent and/or the school board could perform the second review and approval.

## **SUPERVISION/MONITORING OF OPERATIONS**

There should be monitoring of ongoing operational activities to maintain efficiency, effectiveness, and proper use of funds. Staff responsible for monitoring operational activities should continually receive training on program changes or updates. The district/LEA should evaluate the process to ensure the efficiency, effectiveness, and proper use of funds.

## **RETENTION OF RECORDS**

All special education program documentation should be maintained to substantiate transactions according to established rules. The federal retention period is five years for all financial and programmatic records.

## **PHYSICAL SAFEGUARDS**

Physical safeguards, including the use of cameras, locks, physical barriers, etc. should be in place to protect property, such as district/LEA inventory. Inventory items should include a checkout and tracking process.

## **IT SECURITY**

The use of passwords, access logs, etc. should be established to ensure access is restricted to authorized personnel.

## **SYSTEM CONTROLS**

Accounting and payroll systems should include automatic edit checks of data entered, accounting for transactions in numerical order, comparing expenditure totals with budget amounts, and controlling access to data, files and programs.

## **SYSTEM REPORTS**

Accounting and payroll systems should have the ability to query system data reports for accountability and financial management purposes. Account queries will allow accurate reporting of district/LEA expenditures when making payment requests and completing the Final Expenditure Report (FER).

# SOURCE DOCUMENTATION



# PURCHASE ORDER

The purchase order obligates funds for a purchase. It indicates WHAT the purchase consists of, HOW the purchase is obtained, and WHERE the purchase will be obtained. The purchase order must be specific enough to list the detailed items being purchased, quantity, vendor, purchase price, funding source being obligated with accounting codes, and approval signature and date. The purchase order needs to be in written format and contain a unique identifying number for tracking purposes. The individual approving the purchase order should be different from the individual who created the original requisition, or at least have a second signature for approval if these duties cannot be segregated. The purchase order must be maintained as a part of the source documentation.

**MISSOURI SCHOOL DISTRICT**

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

**PURCHASE ORDER**

**Unique Identifier**

P.O. NUMBER: 0587932  
*[The P.O. number must appear on all related correspondence, shipping papers, and invoices]*

**WHERE the purchase is coming from** → TO: School Specialty  
100 Paragon Parkway  
Mansfield, OH 44903  
888-388-3224

**How the purchase is obtained** → SHIP TO: **Leslie Turpin**  
Missouri School District  
1234 Main Street  
Jefferson City, MO 65101

P.O. DATE	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
7/22/2018	Leslie Turpin			
QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL
5	115324	Multi-use Copy Paper, 8 1/2 x 11", Case	28.99	144.95
ACCOUNT CODE:		01-2329-6411-0000-3-12210		
1	1334628	CRAYOLA WASHABLE MARKERS 8-COLOR, SET OF 200	81.99	81.99
ACCOUNT CODE:		01-1221-6411-4020-3-12210		
1	1512741	INFLATABLE PEA POD XL, 80 IN VINYL, GREEN	104.99	104.99
ACCOUNT CODE:		01-1281-6411-4020-3-12810		
SUBTOTAL				381.29
SALES TAX				[8.2%]
SHIPPING AND HANDLING				31.26
OTHER				0.00
<b>TOTAL</b>				<b>\$412.55</b>

**What the purchase consists of** →

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

**Funding Source** →

**Separate Approval** →

*Angie Nebell* 7/22/18  
Issued By

---

*Leslie Turpin* 7/23/18  
Authorized by

# RECEIVING DOCUMENTATION

The receiving documentation indicates WHEN the product was received or WHEN the service was provided. Receiving documentation can be a packing slip, timesheet, attendance certificate, therapy notes/logs, etc. A signature with date should be recorded on the receiving documentation indicating verification of the receipt of products/services. The receiving documentation must be maintained as a part of the source documentation.



100 Paragon Parkway  
 Mansfield OH 44903  
 Toll Free Phone: 888-388-3224  
 Toll Free Fax: 888-388-6344  
[www.schoolspecialty.com](http://www.schoolspecialty.com)

## Packing Slip

Page: 1 of 1

Printed: 7/24/2018

Order Number: **246416000**  
 Ship Date: **7/24/2018**  
 Customer Number: **258188**  
 Shipment Number: **1047532355**  
 Customer PO: **587932**  
 Attn: **Leslie Turpin**

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

**Order Information:**

**Contact Information:**

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

**Delivery Information:**

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

The following items are in this shipment:

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

Signature & Date →

7/27/2018 Received.  
*fturpin*

Indication  
 items were  
 received

# INVOICE

The invoice is the request for payment and verifies the “who, what, when, where, why and how.” The funding source and the accounting codes must be listed on the invoice and match the purchase order. The invoice must have an approval signature with date. The invoice must be maintained as a part of the source documentation.

**INVOICE #26446196** 

August 1, 2018 **359.14**

**PAYMENT DUE:** August 15, 2018

---

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

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

**Funding Source**

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

**Accounting Codes**

- 01-2389-4411-0000-3-12210 \$144.95
- 01-1221-4411-4020-3-12210 \$81.99
- 01-1221-4411-4020-3-12210 \$104.99

S & H	27.21
Net Total	\$359.14
Tax	
<b>USD TOTAL</b>	<b>\$359.14</b>

**Approval Signature & Date**  
8/1/18 OK to pay.  
*J. Simpson*

**Matches PO**

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

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

**PAYMENT SHOULD BE MADE BY BANK TRANSFER OR CHECK MADE PAYABLE TO SCHOOL SPECIALTY.**

## PAYMENT

The payment is the documentation of the issued check or the electronic payment transmittal. The payment documentation should be verified for accuracy against the invoice before mailing. The expenditure must be logged in the general ledger at the time the payment is issued and should correlate with the funding sources and accounting codes indicated on the purchase order and invoice. The payment documentation must be maintained as a part of the source documentation.

MISSOURI SCHOOL DISTRICT

0986368

Funding Source &  
Accounting Codes

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

INVOICE #	INVOICE DATE	PO #	ACCOUNT	INVOICE AMT
26446196	8/1/2015	587932	01-2329-6411-0000-3-12210	144.95
			01-1221-6411-4020-3-12210	51.99
			01-1281-6411-4020-3-12810	104.99
				27.21

Check # 0986368

Check Amount \$359.14 ✓

8/8/15 ok  
anickels

Check Date: 8/5/2015

Verified for  
Accuracy

Approval  
Signature & Date

# PROCUREMENT

## OVERVIEW

Procurement is the purchase of goods or services, which includes the purchase of supplies, equipment, construction and contracted services. A procurement system, or purchasing process/procedure, ensures that the district/LEA obtains goods and services that are appropriate and necessary, and acquired at the best possible cost. A district/LEA's Procurement Procedure must be in written format and meet the specific requirements listed below when purchasing goods and services with IDEA Part B federal funds, ECSE federal funds, or High Need Fund (HNF) federal funds.

## PROCUREMENT PROCEDURE

The district/LEA must have a written Procurement Procedure. The Procurement Procedure must address the following:

- Standards of Conduct/Conflict of Interest/Gratuity Violations
- Competitive Environment
- Procurement Methods
- Resolution Clause
- Contract Administration
- Contract Provisions
- Debarment/Suspension
- Procurement Records

When utilizing federal funds (IDEA Part B federal, ECSE federal 611, ECSE federal 619) for purchases of goods or services, the district/LEA must follow the district/LEA's written Procurement Procedure and maintain documentation to indicate the procedure was followed. If documentation is not maintained, allowable use of funds cannot be determined.

## STANDARDS OF CONDUCT/CONFLICT OF INTEREST

The district/LEA must have written Standards of Conduct Policy that governs the actions of its employees engaged in the selection, award, approval and administration of contracts.

No employee, administrator, or board member may participate in the selection, award, approval or administration of a contract supported by federal funds if there is a real or apparent conflict of interest. Such instances arise when the employee, administrator, or board member, a family member, a partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial, personal benefit, or other interest in the vendor being considered for the contract.

The board members, administrators, and employees of the district/LEA must not solicit or accept gratuities, favors, or anything of monetary value from contractors/vendors. However,

districts/LEAs may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value (candy, cards, flowers, balloons, etc.).

The written standards of conduct must provide for penalties, sanctions, or other disciplinary actions, to the extent permitted under state and local law. Violations must be reported to the federal awarding agency.

## COMPETITIVE ENVIRONMENT

The procurement process must maximize competition to demonstrate good value was obtained by the federal program under which the goods or services were provided. Below are examples of situations that could be considered restrictive of competition.

- Placing unreasonable requirements on contractors/vendors
- Requiring unnecessary experience or excessive bonding
- Noncompetitive pricing practices
- Noncompetitive awards to contractors/vendors that are on retainer contracts
- Specifying only a “brand name” product instead of allowing generic products or relevant elements

Districts/LEAs must define processes to promote fair and open competition while minimizing exposure to fraud and abuse.

## PROCUREMENT METHODS

The Procurement Procedure must address each of the five methods of procurement:

- Micro Purchases
- Small Purchases
- Sealed Bids
- Competitive Proposals
- Noncompetitive/Sole Source

In accordance with the Uniform Grant Guidance (UGG), districts/LEAs must follow one of the five methods for purchases of goods and services. Regardless of the method of procurement selected, the quote/bid specifications should be in writing and should be consistent for all proposed contractors/vendors.

## MICRO PURCHASES

Districts/LEAs shall identify in the written Procurement Procedure, a micro purchase threshold for the acquisition of goods and services that are less than \$10,000. No bids or quotations are required, but micro-purchases must be distributed equitably among qualified vendors (i.e. cannot order supplies from Staples only, unless Staples was selected through the bid process).

The district/LEA could utilize a lower threshold for micro purchases, but the district/LEA threshold cannot be more than the federal threshold.

## **SMALL PURCHASES**

Districts/LEAs shall identify in the written Procurement Procedure, a small purchase threshold for the acquisition of goods and services from \$10,001 up to \$249,999 and identify the number of required quotes/bids (i.e. 3 bids) for each purchase. Although the Uniform Grant Guidance indicates purchases between \$10,001 and \$249,999 is a small purchase, DESE recommends setting a much lower threshold. The district/LEA must maintain documentation of the quotes/bids even though the item is considered a small purchase.

## **SEALED BIDS**

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

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

## **COMPETITIVE PROPOSALS**

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

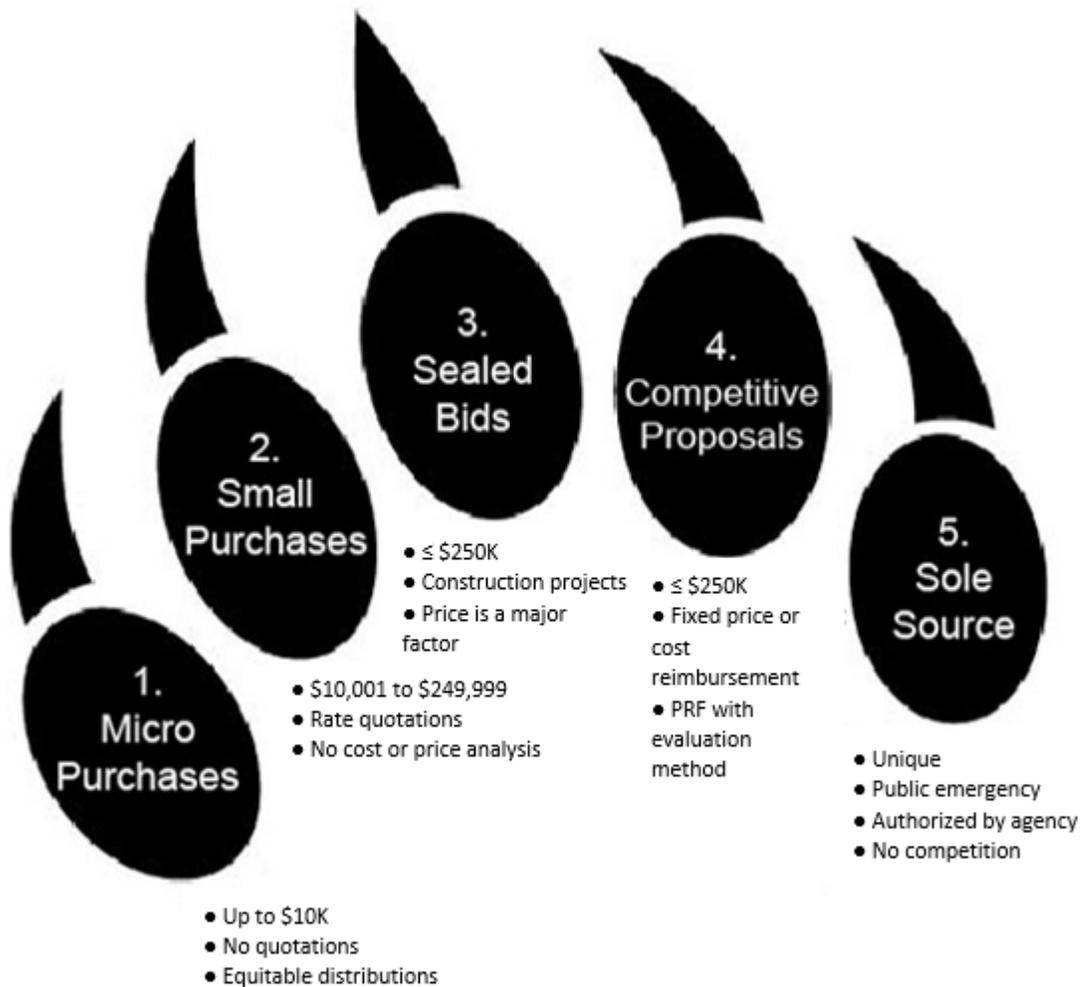
- The purchase is greater than \$250,000;
- More than one contractor/vendor is submitting an offer;
- Either a firm-fixed price (where the amount of payment is capped and does not depend on the amount of resources or time expended) or cost-reimbursement type contract (where the amount of payment is for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

## NONCOMPETITIVE/SOLE SOURCE

Noncompetitive proposals are occasionally permissible but only in limited circumstances. This occurs when the item is only available from a single vendor, there is an emergency, or competition is determined to be inadequate (after soliciting a number of sources). Sole source purchases should be well documented as to why the district/LEA was unable to obtain competitive proposals.

## PROCUREMENT CLAW

The "Procurement Claw" illustration can assist with identifying the different procurement methods.



## RESOLUTION CLAUSE

The district/LEA is responsible for resolution and settlement of all contractual and administrative issues arising out of federally related procurements including, but not limited to,

source evaluation, protests, disputes, claims or other matters of a contractual nature. The district/LEA will maintain procedures to handle and resolve procurement disputes, including provisions to share information regarding the protest.

## **CONTRACT ADMINISTRATION**

The district/LEA must maintain a system for contract administration to ensure that contractors/vendors perform in accordance with the terms, conditions and specifications of the contract, and to ensure adequate and timely follow up of all purchases. Districts/LEAs should evaluate contractor/vendor performance and document, as appropriate, whether contractors/vendors have met the terms, conditions and specifications of the contract.

## **CONTRACT PROVISIONS**

All district/LEA contracts must contain the provisions listed below.

- Administrative, contractual, or legal remedies in instances where contractors violate or breach the contract terms, and include sanctions and penalties as may be appropriate for such violations and breaches.
- Termination for cause and for convenience by the district/LEA and contractor, including the manner by which it will be terminated, and the basis for settlement.
- Compliance with Executive Order 11246 entitled “Equal Employment Opportunity” (All construction contracts awarded in excess of \$10,000 must comply).
- Compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3) (All contracts for construction or repair).
- Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a–7) as supplemented by Department of Labor regulations (29 CFR part 5) (Construction contracts in excess of \$2,000).
- Compliance with Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) (for contractors/vendors with awards of \$100,000 or more).
- Debarment and Suspension (E.O.s 12549 and 12689)—No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549.

## **DEBARMENT/SUSPENSION**

While the Uniform Grant Guidance only requires districts/LEAs to check debarment/suspension on expenditures of \$25,000 or more, DESE recommends the district/LEA ensure all contractors/vendors are in good standing with the federal government, state government, and

licensing boards regardless of the expenditure amount. This requirement does not apply to district/LEA employees, registrations, or materials and supplies. Districts/LEAs may go to <https://oig.hhs.gov/> to verify the status of contractors/vendors with the federal government.

To search a contractor/vendor, follow the steps listed below.

- Click on Exclusions
- Click on “Online Searchable Database”
- Select Search Method (Search for an Individual, Multiple Individuals, Single Entity, or Multiple Entities)
- Enter Search Criteria (Last Name, First Name, or Entity Name)
- Click on “Search”
- Print Results and Retain for Records

If the results indicate “No Records Found,” then the contractor/vendor is in good standing with the federal government. The district/LEA should print a copy of the search results for procurement record documentation purposes.

If there are results listed, click on the vendor name and verify social security/tax id number to ensure vendor status. The district/LEA may not pay federal funds to any vendor on the list. If the district/LEA chooses to do business with a contractor/vendor who is on the debarred/suspended list, the district/LEA must use state, local, and/or county funds.

In addition, the district/LEA should check the Secretary of State website to ensure the contractor/vendor is in good standing with the State of Missouri found at: <https://bsd.sos.mo.gov/BusinessEntity/BESearch.aspx?SearchType=0>.

## PROCUREMENT RECORDS

Records detailing the procurement of goods and services, including the contracting process and supporting documentation/history must be maintained. This includes the bid/quote requirements, the documented rationale for the method of procurement chosen, the contractor/vendor selection or rejection; the materials regarding the cost and price analysis; and contractor/vendor search results. For purchases made with federal funds, allowable use of funds cannot be determined if the district/LEA fails to maintain the above-mentioned supporting documentation.

# TIME AND EFFORT

## OVERVIEW

All employees, including teachers, paraprofessionals, therapists, administrators, and other staff whose salary and/or benefits are paid with any portion of federal funds, must document the time and effort spent within the program through time distribution records. This documentation is completed after the fact to certify/verify that the employee's work was performed during the funding period.

This rule applies to all special education federal funds including IDEA Part B federal funds, ECSE federal funds, and High Need Fund (HNF) federal funds.

Time and effort documentation is based on specific funding periods and must be recorded using one of the following methods:

- Semi-Annual Certifications for Employees that work in the Special Education Program ONLY
- Time and Effort Logs/Personnel Activity Reports (PARs) for Employees that work in Multiple Programs

In addition, special education staff must also be coded in MOSIS/Core Data under a special education or related course code and program code in order to verify special education work.

## EMPLOYEES THAT WORK IN SPECIAL EDUCATION ONLY

Employees who work in the special education program only and are paid any amount of IDEA Part B federal funds, must document the time and effort spent within the program. This includes employees who are paid a combination of IDEA Part B federal funds and state, local, and/or county funds. It also pertains to employees who are paid any amount of ECSE federal funds or HNF federal funds.

Examples of employees that work in the special education program only may include:

- Special Education Teacher
- Special Education Paraprofessional for both K-12 and ECSE
- Special Education Teacher that serves both public and private students (Proportionate Share)

Districts/LEAs have two options for documenting time and effort for employees who work in the special education program only.

- Semi-Annual Certification Form
- Semi-Annual Certification (Alternative) Form

## SEMI-ANNUAL CERTIFICATION FORM

When using this method, documentation must be completed for each applicable individual employee. A sample Semi-Annual Certification form is below. The form may also be found at: <http://dese.mo.gov/financial-admin-services/general-federal-guidance>.

The requirements for the “Semi-Annual Certification Form” are as follows:

- Must be prepared semi-annually for the funding period indicated on the form. The funding period is generally a six-month time frame or a school semester.
- Must be signed **AFTER** the funding period indicated on the form.
- Must be signed by either the employee or a supervisor having first-hand knowledge of the work performed by the employee.

EXAMPLE	FUNDING PERIOD I	DATE SIGNED	FUNDING PERIOD II	DATE SIGNED
Example I Fiscal Year Dates	07/01/19 - 12/31/19	Signed and dated on 01/01/20 or <b>after</b> by employee or a supervisor	01/01/20 - 06/30/20	Signed and dated on 07/01/20 or <b>after</b> by employee or a supervisor
Example II School Year Dates	08/15/19 - 12/20/19	Signed and dated on 12/21/19 or <b>after</b> by employee or a supervisor	01/06/20 - 05/20/20	Signed and dated on 05/21/20 or <b>after</b> by employee or a supervisor

## 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 CERTIFICATION (ALTERNATIVE) FORM

The Special Education Finance Section has approved an alternative method for employees who are required to complete Semi-Annual Certifications. Districts/LEAs who have multiple employees working in the special education program only and are paid any portion of federal funds may compile a list of applicable employees and certify the employees work in the special education program only; in lieu of completing a “Semi-Annual Certification Form” for each employee.

The form for this method of reporting time and effort is called a “Semi-Annual Certification (Alternative) Form” and is included below. The form may also be found at: <http://dese.mo.gov/financial-admin-services/general-federal-guidance>.

The requirements for the Semi-Annual Certification (Alternative) Form are as follows:

- Must be prepared semi-annually for funding period indicated on the form. The funding period is generally a six-month time frame or a school semester.
- Must be signed **AFTER** the funding period indicated on the form.
- Must be signed by a supervisor having first-hand knowledge of the work performed by the employee.

EXAMPLE	FUNDING PERIOD I	DATE SIGNED	FUNDING PERIOD II	DATE SIGNED
Example I Fiscal Year Dates	07/01/19 - 12/31/19	Signed and dated on 01/01/20 or <b>after</b> by employee or a supervisor	01/01/20 - 06/30/20	Signed and dated on 07/01/20 or <b>after</b> by employee or a supervisor
Example II School Year Dates	08/15/19 - 12/20/19	Signed and dated on 12/21/19 or <b>after</b> by employee or a supervisor	01/06/20 - 05/20/20	Signed and dated on 05/21/20 or <b>after</b> by employee or a supervisor



## EMPLOYEES THAT WORK IN MULTIPLE PROGRAMS

Employees that work in the special education program and any other non-special education programs are considered to be working in multiple programs. Employees working in multiple programs and are paid any amount of IDEA Part B federal funds must document the time and effort spent within each of the programs. It also pertains to employees who work in multiple programs and are paid any amount of ECSE federal 611 funds, ECSE federal 619 funds, and/or HNF federal funds.

Examples of employees that work in multiple programs may include:

- Paraprofessional for both Special Education and Title I programs
- Reading Specialist for both Special Education and Title I programs
- Special Education Teacher and Homeroom Teacher

Districts/LEAs have two options for documenting time and effort for employees who work in multiple programs.

- Time and Effort Logs/Personnel Activity Reports (PARs)
- Substitute System Employee Certification Form

## TIME AND EFFORT LOG/PERSONNEL ACTIVITY REPORT

When using this method, documentation must be completed for each applicable employee on a monthly basis.

The form for this method of reporting time and effort is called a “Personnel Activity Report” or a “PAR” and is included below. The form may also be found at:

<http://dese.mo.gov/financial-admin-services/general-federal-guidance>.

The requirements for the Time and Effort Logs/Personnel Activity Reports (PARs) are as follows:

- The log must be completed on a monthly basis.
- The log must account for the total activities of the employee for all programs, including both the direct and indirect time.
- Must be signed after the end of each month.
- Must be signed by both the employee and a supervisor having first-hand knowledge of the work performed by the employee.

EXAMPLE	FUNDING PERIOD	DATE SIGNED	DATE RECONCILED
Example I	November 2019	Signed and dated on 12/01/19 or <b>after</b> by the employee and a supervisor	Salary paid must be reconciled with timesheet on a quarterly basis

Example II	March 2020	Signed and dated on 04/01/20 or <b>after</b> by the employee and a supervisor	Salary paid must be reconciled with timesheet on a quarterly basis
------------	------------	-------------------------------------------------------------------------------	--------------------------------------------------------------------

The portion of the federally paid salary and benefits must be reflective of the actual time worked on the activity, not the projected time estimated at the beginning of the school year or period. Any discrepancies must be reconciled on a quarterly basis. The district/LEA must reconcile the payroll to the PAR. If there is a discrepancy between the actual times recorded on the PAR compared to the payroll distribution for each program, a journal entry correction must be entered in the general ledger to reflect the actual time worked.

For example, an employee is initially set up to work 50% of the time in special education (paid with IDEA Part B federal funds) and 50% of the time in general education. However, upon the reconciliation performed at the end of the quarter, the actual time worked in the special education program ends up being only 40%. The initial journal entry for the salary paid with IDEA Part B federal funds must be corrected in the general ledger to reflect the 40% actual time worked in the special education program as opposed to the initial 50% amount of salary paid with IDEA Part B federal funds.



# SUBSTITUTE SYSTEM EMPLOYEE CERTIFICATION FORM

An alternative method, called the Substitute System, has been approved for reporting Time and Effort for employees who work on multiple cost objectives, are paid with federal funds, but have a fixed work schedule. The fixed work schedule must indicate the specific activities or cost objectives and account for the total hours an employee is compensated.

In lieu of completing PARs every month, eligible employees may complete a “Substitute System Employee Certification Form” to support the distribution of the work performed in each program or cost objective. However, prior to implementing the Substitute System, the district/LEA must submit a “Substitute System Management Certification Form” to DESE annually for approval.

The “Substitute System Employee Certification Form” and the “Substitute System Management Certification Form” are included below. More information regarding the Substitute System, including the “Substitute System Management Certification Form,” sample fixed work schedules, and a sample “Substitute System Employee Certification Form” may be found at: <http://dese.mo.gov/financial-admin-services/general-federal-guidance>.

The requirements for the “Substitute System Employee Certification Form” for the Substitute System are as follows:

- Must be prepared semi-annually for the funding period indicated on the form. The funding period is generally a six-month time frame or a school semester.
- Must be signed after the funding period.
- Must be signed by both the employee and a supervisor having first-hand knowledge of the work performed by the employee.
- Must attach a copy of the fixed work schedule to the “Substitute System Employee Certification Form.”

EXAMPLE	FUNDING PERIOD I	DATE SIGNED	FUNDING PERIOD II	DATE SIGNED
Example I Fiscal Year Dates	07/01/19 - 12/31/19	Signed and dated on 01/01/20 or <b>after</b> by employee or a supervisor	01/01/20 - 06/30/20	Signed and dated on 07/01/20 or <b>after</b> by employee or a supervisor
Example II School Year Dates	08/15/19 - 12/20/19	Signed and dated on 12/21/19 or <b>after</b> by employee or a supervisor	01/06/20 - 05/20/20	Signed and dated on 05/21/20 or <b>after</b> by employee or a supervisor



**SUBSTITUTE SYSTEM MANAGEMENT CERTIFICATION FORM**

LOCAL EDUCATION AGENCY (LEA) NAME	COUNTY-DISTRICT CODE	SCHOOL YEAR
<b>GUIDELINES</b>		
<p>State educational agencies (SEAs) are authorized to approve local educational agencies (LEAs) to use a substitute system for time-and-effort reporting in accordance with the following guidelines. In permitting an LEA to use the substitute system, the SEA must obtain from the LEA a management certification certifying that only eligible employees will participate in the substitute system and that the system used to document employee work schedules includes sufficient controls to ensure that the schedules are accurate.</p> <p><u>System Guidelines</u></p> <p>(1) To be eligible to document time and effort under the substitute system, employees must:</p> <ul style="list-style-type: none"> <li>• Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports;</li> <li>• Work on specific activities or cost objectives based on a predetermined schedule; and</li> <li>• Not work on multiple activities or cost objectives at the exact same time on their schedule.</li> </ul> <p>(2) Under the substitute system, in lieu of personnel activity reports, eligible employees may support a distribution of their salaries and wages through documentation of an established work schedule. An acceptable work schedule may be in a style and format already used by the LEA.</p> <p>(3) Employee schedules must:</p> <ul style="list-style-type: none"> <li>• Indicate the specific activity or cost objective that the employee worked on for each segment of the employee's schedule;</li> <li>• Account for the total hours for which each employee is compensated during the period reflected on the employee's schedule; and</li> <li>• Be certified at least semiannually and signed by the employee and a supervisory official having firsthand knowledge of the work performed by the employee.</li> </ul> <p>(4) Any revisions to an employee's established schedule that continue for a prolonged period must be documented and certified in accordance with the requirements in section (3). The effective dates of any changes must be clearly indicated in the documentation provided.</p> <p>(5) Any significant deviations from an employee's established schedule, that require the employee to work on multiple activities or cost objectives at the exact same time, including but not limited to lengthy, unanticipated schedule changes, must be documented by the employee using a personnel activity report that covers the period during which the deviations occurred.</p> <p>Submit completed form by email to <a href="mailto:spedfunding@dese.mo.gov">spedfunding@dese.mo.gov</a> or fax to (573) 526-6898.</p> <p>Questions: Contact the Division of Financial and Administrative Services at (573) 751-0622.</p>		
<b>DISCLOSURE OF KNOWN DEFICIENCIES</b>		
DESCRIBE ANY KNOWN DEFICIENCIES WITH IMPLEMENTING THE SUBSTITUTE SYSTEM; OR THE SUBSTITUTE SYSTEM ITSELF (IF APPLICABLE).		
<b>CERTIFICATION</b>		
I certify that only eligible employees will participate in the substitute system; and that the system used to document employee work schedules includes sufficient controls to ensure accuracy.		
SIGNATURE OF SUPERINTENDENT/AUTHORIZED REPRESENTATIVE	PRINTED NAME	DATE

The Department of Elementary and Secondary Education does not discriminate on the basis of race, color, religion, gender, national origin, age, or disability in its programs and activities. Inquiries related to Department programs and to the location of services, activities, and facilities that are accessible by persons with disabilities may be directed to the Jefferson State Office Building, Office of the General Counsel, Coordinator – Civil Rights Compliance (Title VI/Title IX/504/ADA/Age Act), 6<sup>th</sup> Floor, 205 Jefferson Street, P.O. Box 480, Jefferson City, MO 65102-0480; telephone number 573-526-4757 or TTY 800-735-2966; email [civilrights@dese.mo.gov](mailto:civilrights@dese.mo.gov).

**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
<b>TOTAL</b>	<b>100%</b>

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



FD	FUNC	OBJ	LOC	SRCE	PROG	BUDGET	YTD	MONTH	
*** FUNCTION 1224 : PROPORTIONATE SHARE SERVICES									
2	1224	6111	4020	4	44100	PS CERTIFIED SALARY	-10,000.00	2,500.00	100.00
2	1224	6211	4020	4	44100	PS TEACHER RETIREMENT	-1,000.00	50.00	10.00
1	1224	6231	4020	4	44100	PS SOCIAL SECURITY	-1,000.00	50.00	10.00
1	1224	6232	4020	4	44100	PS MEDICARE	-1,000.00	50.00	10.00

### Run Account Code History Report

Missouri School District A  
Date: 1/01/2019

ACCOUNT CODE HISTORY REPORT  
JULY 2018 TO DECEMBER 2018

ACCOUNT	ACCOUNT DESCRIPTOR	EMPLOYEE	GROSS
2-1224-6111-4020-4-44100	PS CERTIFIED SALARY	JOYCE DAVIS	\$2,500.00
TOTAL			\$2,500.00

FD	FUNC	OBJ	LOC	SRCE	PROG	BUDGET	YTD	MONTH	
*** FUNCTION 1281 : EARLY CHILDHOOD SPEC ED									
2	1281	6111	4020	4	44200	ECSE TEACHER SALARY	-10,000.00	10,000.00	1,500.00

### Run Account Code History Report

Missouri School District A  
Date: 1/01/2019

ACCOUNT CODE HISTORY REPORT  
JULY 2018 TO DECEMBER 2018

ACCOUNT	ACCOUNT DESCRIPTOR	EMPLOYEE	GROSS
2-1281-6111-4020-4-44200	ECSE TEACHER SALARY	DAWN FISCHER HANNAH GREGORY	\$8,500.00 \$1,500.00
TOTAL			\$10,000.00

#### Step 3:

Complete the appropriate Time and Effort documentation for the staff paid with federal funds during the first funding period (or school semester).

EMPLOYEE

BETH ANDREWS

CONNIE BROWN

DOUG COX

JOYCE DAVIS

DAWN FISCHER

HANNAH GREGORY

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

OMS 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, Lisa Murphy 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 July 1, 2018 - December 31, 2018 (Funding Period)

Employee Name(s)	Position
Beth Andrews	Special Education Teacher
Connie Brown	Special Education Teacher
Doug Cox	Special Education Teacher
Joyce Davis	Special Education Teacher
Dawn Fischer	ECSE Teacher
Hannah Gregory	ECSE Teacher

Add more lines as needed

Signature of Supervisor Lisa Murphy

Date 1/1/2019

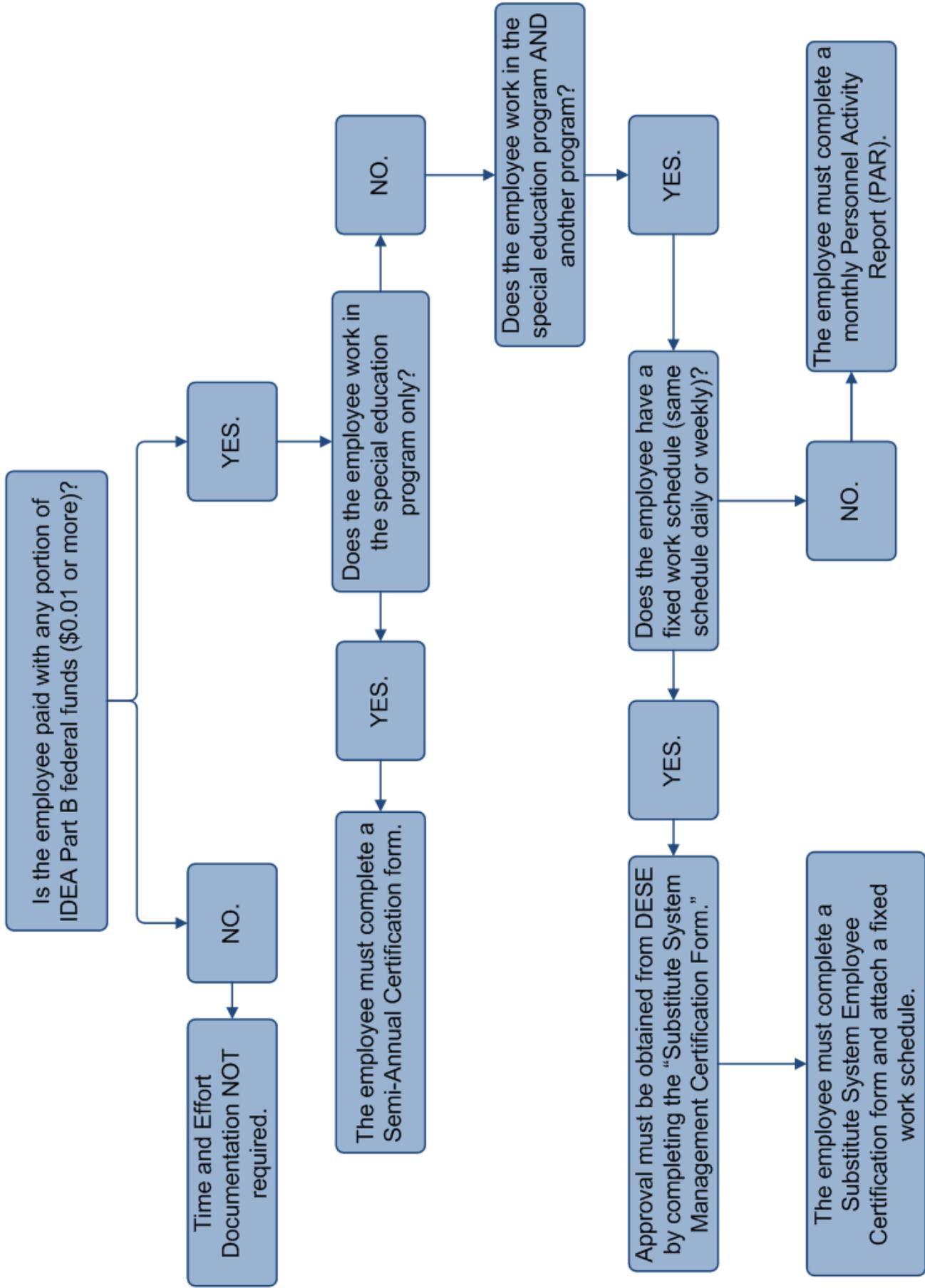
Step 4:

Repeat Steps 1-3 on July 1<sup>st</sup> (or after) to complete Time and Effort documentation for second funding period (or school semester).

## TIME AND EFFORT RESOURCES

A flow chart has been created to assist districts/LEAs in determining the type of time and effort documentation to complete for an employee whose salary and/or benefits are paid with any amount of IDEA Part B federal funds. The flowsheet can also be utilized for determining the type of time and effort documentation to complete for employees paid with ECSE federal 611 funds, ECSE federal 619 funds, HNF federal funds, or any other special education federal grants.

In addition, the district/LEA may reference the Time and Effort Reporting Quick Reference Guidelines document for additional guidance. It is included below and can be found at <http://dese.mo.gov/financial-admin-services/general-federal-guidance>.



OMB Circular A-87  
Time and Effort Reporting Quick Reference Guidelines

Cost Objective	Criteria	Documentation Required
Single Cost Objective	<ul style="list-style-type: none"> <li>• Employee works solely on a single Federal award or cost objective</li> </ul>	<p><b>Semi-Annual Certification</b></p> <ul style="list-style-type: none"> <li>• Must be prepared at least semi-annually; and</li> <li>• Must be signed after-the-fact by employee or supervisory official having firsthand knowledge of the work performed by the employee.</li> </ul>
Multiple Cost Objectives	<ul style="list-style-type: none"> <li>• More than one Federal award;</li> <li>• Federal award &amp; non-Federal award;</li> <li>• Indirect cost activity &amp; direct cost activity;</li> <li>• Two or more indirect activities that are allocated using different allocation bases;</li> <li>• Unallowable activity &amp; a direct or indirect cost activity; or</li> <li>• One Federal award with multiple cost objectives.</li> </ul>	<p><b>Personnel Activity Report (PAR)</b></p> <ul style="list-style-type: none"> <li>• Reflect an after-the-fact distribution of the actual activity of the employee;</li> <li>• Account for the total activity for which each employee is compensated;</li> <li>• Be prepared at least monthly &amp; coincide with one or more pay periods; and</li> <li>• Must be signed after-the-fact by the employee.</li> <li>• 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.</li> </ul>
Multiple Cost Objectives w/ Fixed Schedule (Substitute System)	<ul style="list-style-type: none"> <li>• Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports;</li> <li>• Work on specific activities or cost objectives based on a predetermined schedule; and</li> <li>• Not work on multiple activities or cost objectives at the exact same time on their schedule.</li> </ul>	<p><b>Substitute System Certification &amp; Fixed Schedule</b></p> <ul style="list-style-type: none"> <li>• Indicate the specific activity or cost objective that the employee worked on for each segment of the employee's schedule;</li> <li>• Account for the total hours for which each employee is compensated during the period reflected on the employee's schedule; and</li> <li>• Be certified at least semi-annually &amp; signed by the employee &amp; a supervisory official having firsthand knowledge of the work performed by the employee.</li> </ul>
Stipend and Extra Duty Pay	<ul style="list-style-type: none"> <li>• Pay for extra work beyond an employee's regular contract</li> </ul>	<p><b>Written Agreement</b></p> <ul style="list-style-type: none"> <li>• Indicates the extra work to be performed;</li> <li>• Date(s) of performance;</li> <li>• Amount to be paid to the employee; and</li> <li>• Must be signed by the employer &amp; the employee to show the acceptance of the terms.</li> </ul> <p style="text-align: center;"><b>And</b></p> <p><b>Semi-Annual Certification or Personnel Activity Report (PAR)</b></p> <ul style="list-style-type: none"> <li>• See requirements above</li> </ul>

## STIPENDS/EXTRA DUTY

Stipends/extra duty pay refers to payment for extra work beyond an employee's regular contract. The district/LEA must have written documentation/agreement to support the stipend/extra duty pay prior to the payment of IDEA Part B federal funds. The written documentation/agreement should include:

- The activity/extra work to be performed
- The applicable date(s) of performance
- The amount to be paid to the employee
- Employee's signature
- Supervisor/official to show acceptance of the terms

Furthermore, stipends/extra duty pay must be relevant to the federal program if federal funds are being utilized to pay the stipend/extra duty pay. Stipends/extra duty pay may be appropriate for professional development related to special education, a higher level of educational experience, an advanced certification/licensure, extra duties outside of contractual work such as IEP case management or service coordination, tutoring/mentoring special education students, etc. Stipends/extra duty pay may not be used to create salary increases for normal contractual work duties, or for duties unrelated to the special education program (i.e. Special Olympics coach).

A sample stipend/extra duty agreement can be found below.

## Stipend/Extra Duty Agreement

### District/LEA Name

Employee Name:	
Campus/Building Name:	
Employee Job Title:	
Stipend Name:	
Stipend Duties:	
School Year:	
Stipend Beginning Date:	
Stipend End Date:	
Stipend Amount:	
Accounting Code:	
Program Funding:	
Payment Frequency:	

*District/LEA* and the Stipend Recipient agree that the Stipend Recipient, in addition to the duties of his/her regular *District/LEA* assigned position, will carry out the required duties under the authority of the *District/LEA* Board and supervision of the *Principal/Program Administrator* of the stipend.

The Stipend Recipient agrees to act in accordance with all applicable laws and regulations, as well as the terms described above.

This agreement may be terminated by either party with or without cause by providing written notice to the other party. Further, the Stipend Recipient may be removed from their stipend duties at the discretion of the principal or designee prior to the actual termination of this agreement. Termination of this agreement by either party shall not, in itself, constitute cause for termination of any separate teaching or employment contract between the Stipend Recipient and *District/LEA*.

Principal/Originator Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Stipend Recipient Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## MOSIS/CORE DATA CODING

Employees paid entirely or in part with IDEA Part B federal funds, ECSE federal funds, or High Need Fund federal funds must be coded in MOSIS/Core Data with a special education course code and program code. DESE utilizes MOSIS/Core Data as a means to verify employees working in the special education program during the monitoring process. The district/LEA must provide additional documentation (contracts, class schedules, job descriptions, etc.) for employees not coded or coded incorrectly in MOSIS/Core Data. Course codes and program codes for special education may be found at <http://dese.mo.gov/data-system-management/manuals> and are also included below.

The district/LEA can access the Staff Assignments Report to verify coding of special education staff on the DESE Web Applications menu. To access, follow the steps below:

- Open the DESE Web Applications Menu
- Select Data Collection Menu→ select Reports→ select Special Reports
  - Select School Year
  - Select Schools (all or individual buildings), click Add
  - Select Programs (06, 09, 17, and 19 for Special Education), click Add
  - Click Run Report

## SPECIAL EDUCATION COURSE CODES

### TEACHING ASSIGNMENTS

COURSE CODE	COURSE NAME	ABBREV
198600	Case Management of IEPs	CASE MGMT
195700	Community-Based Instruction	COMM BASED
193000	Consult with Gen/Sped Ed	CONSULT
195610	Dep. Instr. Communication Arts	DI CA
195620	Dep. Instr. Mathematics	DI MATH
195630	Dep. Instr. Science	DI SCIENCE
195640	Dep. Instr. Social Studies	DI SOC STU
195400	Direct Services/Inst. ECSE	DSI ECSE
195200	Direct Services/Inst. Hearing Impaired	DSI HI
195300	Direct Services/Inst. Severe Dev. Delay	DSI SDD
195000	Direct Services/Inst. Spec Ed Core	DSI SECORE
195010	Direct Services/Inst. Spec Ed Non-Core	DSI SENC
195500	Direct Services/Inst. Speech/Lang Path	DSI SLP
195100	Direct Services/Inst. Visually Impaired	DSI VI
192000	Extended School Year	ESY
193100	Testing	TESTING
195800	Work Experience Instruction	WORK EXP
086010	Adaptive Physical Education	ADAPT PE
994020	Life Skills	LIFE SKILL

### NON TEACHING ASSIGNMENTS

COURSE CODE	COURSE NAME	ABBREV
881900	Special Education Administrator	SP ED ADM
883800	Special Education Process Coordinator	PROC COORD
COURSE CODE	COURSE NAME	ABBREV
887000	School Psychological Examiner	SPE
887200	School Psychologist	SCH PSYCH
887400	School Social Worker	SCH SOC WK
887600	School Nurse	SCH NURSE
887900	Other Pupil Personnel	OTH P PER
888200	Paraprofessional	PARAPRO
889000	Speech/Language Pathology	SP PATH
889100	Audiologist	AUDIOL
889200	Educational Diagnostician	DIAGNOS
889300	Occupational Therapist	OCC THERP
889400	Physical Therapists	PHYS THERP
889500	Orientation and Mobility Specialist	MOBIL SPEC
889600	Interpreter for the Deaf	INTRP-DEAF
889650	Language Translator	LANG TRANS
889700	School/Home Coordinator	S-H COORD

## MOSIS/Core Data Program Codes (Screen 20)

PROGRAM CODE	PROGRAM NAME
00	Nonfunded (Used with district-funded [not state or federally assisted] Career Education, Non-State Approved Gifted, and Supplemental Programs and with general and pre-career education Family and Consumer Sciences classes)
01	Career Education
02	Career Education Special Needs (Disadvantaged and Handicapped)
03	Title I.A (ESEA) – Improving the Academic Achievement of the Disadvantaged
04	Title I.C (ESEA) – Education of Migratory Children
06	<b>Special Education - K-12 and kindergarten eligible children remaining in Early Childhood Special Education</b>
07	Early Childhood Development Act - Early Childhood/Parent Education
08	State-Approved Gifted (Use course code 990808)
09	<b>Special Education - Fiscal agent services provided to other districts</b>
10	Title IV.A (ESEA) – Student Support and Academic Enrichment
13	Consolidated Schoolwide Pool - Federal, State, & Local Funds
14	McKinney-Vento Act (Homeless Education) - (ESEA)
16	Juvenile Detention Center
17	<b>Early Childhood Special Education – 3- and 4-year-olds and 5 Pre-K</b>
19	<b>Special Education - Participating district services provided by another district/co-op or contracted services</b>
20	Title II.A (ESEA) – Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders
21	Federal Programs Administrative Pool – (ESEA)
25	Child Care Development Fund (CCDF)/School Age Community
26	Title IV.B (ESEA) – 21st Century Community Learning Centers (21st CCLC)
27	Missouri Preschool Projects (MPP)
29	Title III (ESEA) – English Learner – English Language Acquisition, Language Enhancement, and Academic Achievement Grant
30	Title VI.B, Subpart 1 (ESEA) – Small, Rural School Achievement Program (REAP)
31	Title VI.B, Subpart 2 (ESEA) – Rural and Low-Income School Program (RLIS)
34	Charter Schools – Federally-funded
35	Missouri Option Program
36	Refugee Children School Impact Program
37	Title I.D (ESEA) – Delinquent Institution – Prevention and Intervention Programs for Children and Youth Who are Neglected, Delinquent, or At-Risk
38	Title II.B (ESEA) – Mathematics and Science Partnerships
39	Title III (ESEA) – Immigrant – English Language Acquisition, Language Enhancement, and Academic Achievement Grant
43	Title I.A Sec. 1003(g) (ESEA) – School Improvement Grants (SIG)
44	School Improvement 1003(a) Grants – ESEA
50	Missouri Virtual Instruction Program (MOVIP)
51	Early Learning Blended Funding

# EQUIPMENT

## OVERVIEW

District/LEAs may utilize IDEA Part B federal funds to purchase equipment. Equipment records must be maintained for all equipment purchased using IDEA Part B federal funds. Equipment requirements also apply to those items purchased with federal Assistive Technology grant funds, ECSE federal funds, and HNF federal funds. The district/LEA must follow specific guidelines for the disposal of equipment.

## EQUIPMENT DEFINITIONS

Equipment is defined as 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 (the federal limit is \$5,000; however, the state has established a limit of \$1,000 and the most restrictive amount between the two has to be used).

Acquisition cost is defined as the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment useable for the purpose for which it was acquired. Other charges, such as the costs of installation, delivery, or taxes, should also be included in the unit acquisition cost.

Equipment also includes items with an acquisition cost under \$1,000 per unit which are considered attractive or easily pilfered. This would include items such as laptops, iPads, audio-visual equipment, cell phones, digital cameras, etc.

Computer software can be purchased, subscribed to, or internally generated. Computer software paid from the Capital Project Funds would be considered equipment if the following criteria are met:

- Software license that is bought that costs \$5,000 or more
- Internally created software that costs \$5,000 or more

## PRIOR APPROVAL

Prior approval for equipment purchases is required before the obligation of funds can be made for the purchase. Approval can be obtained through the ePeGS Budget Application, “Capital Outlay” page under the Equipment section. Equipment purchases must be coded to object code range 6500 in the general ledger.

## EQUIPMENT RECORDS

Districts/LEAs must meet the following equipment management requirements for all equipment purchased entirely, or in part, with IDEA Part B federal funds. Equipment records,

also known as an inventory listing, must be maintained and should include the following components:

- A description of the equipment
- A serial number or other identification number
- The cost of the equipment
- Federal Award Identification Number (FAIN)
- The funding source of equipment
- Percentage of the cost paid with IDEA Part B federal funds
- Who holds the title to the equipment
- The acquisition date
- The location of the equipment (building/classroom/individual)
- Use and condition of the equipment
- Any ultimate disposition data including the date of disposal and sale price

The inventory listing should be **one master list** for the entire district/LEA, not program or building specific. The inventory listing should be updated as equipment is purchased and received. Data should not be deleted for equipment that has been disposed of, but rather kept in archive. A sample equipment inventory log form with all required components is included at the back of this section or may be found at: <http://dese.mo.gov/financial-admin-services/general-federal-guidance>.

All equipment should be tagged and tracked within the inventory listing. The tag should be a physical label that is not easily removable and include the inventory identification number and identified as the property of the special education program. A physical inventory of the equipment must be taken once every two years and the results reconciled with the inventory listing.

In addition, a control system must be in place to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of equipment shall be investigated. Adequate maintenance procedures must be developed to keep the equipment in good condition.

## EQUIPMENT DISPOSITION

When equipment purchased with IDEA Part B federal funds is no longer needed for the special education program, disposition of the equipment will be made as follows:

- Items of equipment with a current per unit fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to DESE.
- Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold. However, if the fair market value is more than \$5,000 the district/LEA must pay DESE a share based on the percentage of costs paid with IDEA Part B federal funds in the initial acquisition and the current fair market value. For example, if IDEA Part B federal funds were used to pay fifty percent (50%) of an equipment purchase, once the item is sold fifty percent (50%) of the current fair market value/proceeds must be paid to DESE.

In cases where the district/LEA fails to take appropriate disposition actions, DESE may direct the district/LEA to take disposition actions.



# CAPITAL OUTLAY

## OVERVIEW

Capital Outlay is defined as construction, renovation, purchase of real estate, or purchase of vehicles. Construction, renovation, and real estate are considered real property. Capital Outlay for special education purposes is an allowed expenditure under the IDEA Part B federal grant.

## PRIOR APPROVAL

Prior approval for Capital Outlay is required before the obligation of funds can be made for the purchase. Approval can be obtained through the ePeGS Budget Application, "Capital Outlay" page under the Non-Equipment section.

## CAPITAL OUTLAY REQUIREMENTS

All construction and renovation expenditures must comply with the following requirements:

- Uniform Federal Accessibility Standards  
<https://www.access-board.gov/guidelines-and-standards/buildings-and-sites/about-the-aba-standards/ufas>
- Americans With Disabilities Accessibility Guidelines For Building And Facilities  
<http://www.ada.gov/>
- Davis-Bacon Wage Rate Provisions  
<https://www.dol.gov/whd/govcontracts/dbra.htm>
- Missouri Minimum Standards For School Buses  
<http://dese.mo.gov/financial-admin-services/school-transportation/school-bus-standards>

Capital Outlay must be used for the original approved purpose for as long as it is needed for that purpose. The district/LEA shall not dispose of the capital outlay until disposition approval is obtained by DESE.

## CAPITAL OUTLAY DISPOSITION

When Capital Outlay is no longer needed for the original authorized purpose, the district/LEA must request disposition instructions from DESE. The district/LEA will have the following options regarding disposition for vehicles and real property:

### **REAL PROPERTY (Construction, Renovation, and Real Estate)**

- **RETENTION OF TITLE:** The district/LEA may retain title to the real property after compensating DESE. The district/LEA must pay DESE a share based on the percentage of costs paid with IDEA Part B federal funds in the initial acquisition and the current fair market value. However, when the district/LEA is replacing real property, the net

proceeds from the disposition may be used to offset the cost of the replacement property.

- **SALE OF PROPERTY:** The district/LEA may sell the property and compensate DESE. The district/LEA must pay DESE a share based on the percentage of costs paid with IDEA Part B federal funds in the initial acquisition and the current fair market value after the deduction of reasonable selling and fixing-up expenses. When a district/LEA sells real property, it should be based on competition to result in the highest possible return.
- **TRANSFER OF TITLE:** Transfer title to DESE for redistribution to other special education programs.

### **VEHICLES (Buses, Vans, etc.)**

- Vehicles with a current per unit fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to DESE.
- Vehicles with a current per unit fair market value of more than \$5,000 may be retained or sold. However, in either situation the district/LEA must pay DESE the applicable portion of the current fair market value that can be attributed to the IDEA Part B federal funds as determined in the initial purchase of the vehicle. For example, if IDEA Part B federal funds were used to pay fifty percent (50%) of a bus purchase, once the bus is sold fifty percent (50%) of the current fair market value/proceeds must be paid to DESE.

# PROPORTIONATE SHARE

## OVERVIEW

Proportionate Share is the portion of IDEA Part B federal funds that must be reserved and spent to provide special education services (equitable 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 and related services by the district/LEA. The district/LEA where a private, parochial, or home school is located is responsible for services, regardless of where the child resides.

Child find activities for parentally placed, private, parochial, and home schooled children should be similar to the activities performed for the public school children of the district/LEA, and completed in a comparable time period.

Equitable services are established through a timely and meaningful consultation process that has occurred with the private, parochial and home schools located within the district/LEA's boundaries. The consultation process determines how services will be provided, where services will be provided, and by whom. Equitable services must be provided in accordance with a services plan. A services plan must describe the specific special education and related services that will be provided. However, equitable services do not have to meet the same standard as the services required for Free and Appropriate Public Education (FAPE) to children enrolled in the public school.

## PROPORTIONATE SHARE FUNDS

Proportionate Share funds are not additional funds that the district/LEA may spend to provide special education services to parentally placed private, parochial, or home schooled students with disabilities, but rather Proportionate Share funds are included as part of the district/LEA's IDEA Part B federal allocation. If the district/LEA does not have an obligation of Proportionate Share funds in the current year, the district/LEA does not have to provide Proportionate Share services.

The provision of services, equipment, and personnel onsite at a student's private school is prohibited, unless the services are provided at a neutral site. The private school may be considered a neutral site if the setting of the services is secular and void of ideological items. If the district/LEA utilizes Proportionate Share funds to purchase supplies or equipment for a parentally placed private, parochial, or home schooled student with a disability, the district/LEA must keep title to and exercise administrative control over the supplies or equipment.

The district/LEA may have employed staff or contractors provide services or training at the public school or at a neutral site. The district/LEA may provide transportation for students to receive Proportionate Share services. If Proportionate Share funds are used to purchase equipment and/or supplies, the district/LEA must keep title and retain control over the equipment and/or supplies.

Child find and evaluation costs for students with a services plan may not be charged to the Proportionate Share amount of funds but may be charged to regular IDEA Part B federal funds.

In addition, the district/LEA cannot simply report on the FER grid in ePeGS that the entire Proportionate Share obligation was expended. The district/LEA must track the special education services provided to parentally placed private, parochial and home schooled children with disabilities in the general ledger.

## TRACKING PROPORTIONATE SHARE FUNDS

Proportionate Share expenditures must be tracked utilizing separate function codes (1224 and 2557) in the general ledger in order to determine if the district/LEA has met the required obligation. The district/LEA must code salary and/or benefits or a prorated portion of salary and/or benefits of any district/LEA staff providing Proportionate Share services in the general ledger under function code 1224. Any Proportionate Share expenditures such as contracted therapy, equipment, etc. should also be coded under function code 1224. Transportation of parentally placed private, parochial, and home schooled students with disabilities for purposes of receiving services should be coded under function code 2557 in the general ledger. In addition to tracking Proportionate Share expenditures by function code, the district/LEA must also use a project code of 44100 to track the Proportionate Share expenditures paid with IDEA Part B federal funds.

State, local, and/or county funds may be spent to supplement (in addition to) and in no case supplant (replace) the Proportionate Share amount of IDEA Part B federal funds required to be expended for parentally placed private, parochial, or home schooled students with disabilities. This means the district/LEA must spend **ALL** federal Proportionate Share funds prior to utilizing state, local, or county funding sources for providing Proportionate Share services. Proportionate share expenditures paid with state, local, or county funds must also be coded to function code 1224 or 2557; however, the project code will be 12210 for expenditures paid with state, local, or county funds.

The Proportionate Share requirement does not apply to Charter Schools or Early Childhood Special Education (ECSE).

Additional information regarding Proportionate Share funds and expenditure guidance, including Proportionate Share FAQs, may be found at <http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-proportionate-share>.

## PRORATING PROPORTIONATE SHARE EXPENDITURES

The district/LEA must prorate the salary and/or benefits for any personnel providing services to both public school students and services to private, parochial, or home schooled students. Salaries and/or benefits may be prorated based on head counts or caseload minutes. Regardless of which method the district/LEA chooses to utilize, documentation to indicate how

the Proportionate Share costs were prorated (calculated) must be maintained. The proration method should be rational, reasonable, and consistent.

The following log sheet is an example of how districts/LEAs can track Proportionate Share services and expenditures. A blank Proportionate Share Services Log Worksheet can also be found at: <https://dese.mo.gov/financial-admin-services/special-education-finance/part-b-proportionate-share>.



## PROPORTIONATE SHARE DOCUMENTATION

The district/LEA must maintain the following documentation to support Proportionate Share expenditures.

- Services Log
- Student Roster (to include student name, name of private/parochial school, date of evaluation, date services started, type of services being provided, location of services, name of personnel providing services, number of service minutes, and prorated costs)
- Home School Declarations
- Service Plans
- Evaluations
- Consultation Records
- Documentation of Refused Services
- Mileage
- Documentation of Equipment (i.e. title, inventory tracking)

## UNPSENT PROPORTIONATE SHARE FUNDS

If a district/LEA has not expended all of the calculated Proportionate Share funds by the end of the grant cycle, the district/LEA must obligate the remaining funds for special education and related services during a carryover period of one additional year. When reporting expenditures on the IDEA Part B FER, the district/LEA must leave any unspent Proportionate Share funds to carryover to the next fiscal year, so the district/LEA may not request 100% of the Part B IDEA federal allocation.

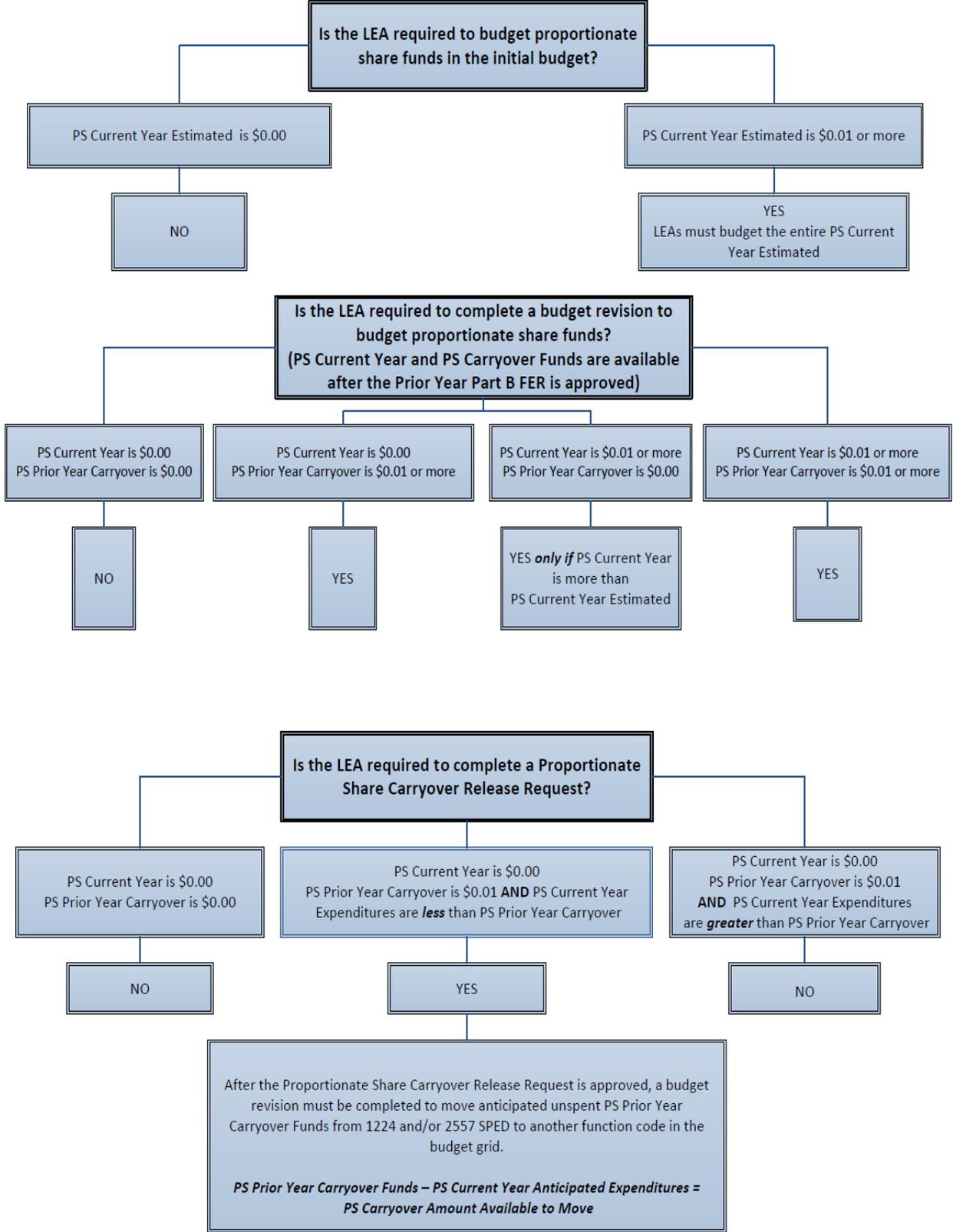
Once the prior year FER is approved, a current year budget revision must be created to obligate the Proportionate Share carryover funds. Carryover funds must be expended first before any of the current year calculation is expended (First-in, First-out).

If the district/LEA cannot completely spend the carryover funds during the second year, the district/LEA may request a release of the unspent carryover funds only if the current year expenditures for Proportionate Share are less than the carryover amount. If the current year expenditures for Proportionate Share are equal to or greater than the carryover amount, the district/LEA may NOT request a release of any carryover funds.

The following flow chart can assist districts/LEAs with the Proportionate Share funds process.

# Proportionate Share (PS) Funds

IDEA Part B Federal Funds used to serve private/homeschooled students with disabilities.  
(function codes 1224 and/or 2557 SPED)



**EARLY CHILDHOOD  
SPECIAL EDUCATION**

## OVERVIEW

Early Childhood Special Education (ECSE) provides FAPE to three, four, and five year old children with disabilities as mandated by both state and federal law. ECSE consists of three primary funding sources: state appropriated funds, federal IDEA Part B Section 611 funds, and federal IDEA Part B Section 619 funds. Information about program requirements and allowable expenditures may be found at: <http://dese.mo.gov/financial-admin-services/special-education-finance/early-childhood-special-education-finance>.

## ECSE FEDERAL ALLOCATIONS

All districts/LEAs with a Kindergarten program will receive an ECSE federal 619 allocation amount. ECSE federal 619 funds are IDEA Part B Section 619 federal funds that must be used to provide special education and related services to 3-5 year old students with disabilities. This may include 5 year olds with disabilities in Kindergarten.

If the district/LEA does not budget any portion of the ECSE federal 619 allocation, DESE may determine that these funds are not needed by the district/LEA to provide FAPE to students with disabilities aged 3-5 and reallocate those funds to another district/LEA that is not adequately providing special education and related services to all students with disabilities aged 3-5.

Not every district/LEA will receive an ECSE federal 611 allocation. While all districts/LEAs will receive IDEA Part B Section 611 federal funds, only those districts/LEAs with a prior year ECSE IEP child count will have a percentage of IDEA Part B Section 611 federal funds set aside for ECSE federal 611 funding. Allocated ECSE federal 611 funds may be spent on special education and related services for K-12 students with disabilities, as these funds can be spent on providing special education and related services to students with disabilities aged 3-21.

## ECSE FEDERAL FUNDS BUDGET APPLICATION

To comply with federal regulations, applicable districts/LEAs must budget ECSE federal 611 and ECSE federal 619 funds within the ePeGS system. The Budget Application is part of the IDEA Part B federal funds application and is due July 1<sup>st</sup> each year. Districts/LEAs must meet obligation and period of availability requirements for ECSE federal funds as described in the beginning of this guide.

To budget ECSE federal 611 and ECSE federal 619 funds on the IDEA Part B Budget Application, the district/LEA will complete the following steps.

### Step 1:

The district/LEA will then complete an account query within the accounting system for all expenditures budgeted with a 4 source code and a project code of 44200 and a 4 source code

and a project code of 44201 to determine the amounts budgeted for ECSE federal 611 and ECSE federal 619.

**MISSOURI SCHOOL DISTRICT A  
GENERAL LEDGER  
July 2018**

FD FUNC	OBJECT	LOC	SOURCE	PROJECT		BUDGET	YTD	MONTH	
<b>*** FUNCTION 1281 : EARLY CHILDHOOD SPEC ED</b>									
2	1281	6111	4020	4	44200	ECSE TEACHER SALARY	-10,000.00	0.00	0.00
2	1281	6111	4020	4	44200	ECSE TEACHER SALARY	-5,000.00	0.00	0.00
2	1281	6232	4020	3	44200	ECSE MEDICARE	-1,000.00	0.00	0.00
SUB TOTAL							-51,000.00	0.00	0.00
<b>*** FUNCTION 2152 : SPEECH PATH &amp; AUDIOLOGY SERVICES</b>									
1	2152	6313	4020	4	44201	SE SPEECH SERVICES	-15,000.00	0.00	0.00
SUB TOTAL							-20,000.00	0.00	0.00

**Step 2:**

The district/LEA will utilize the report to budget ECSE federal 611 and ECSE federal 619 funds. The amounts budgeted for ECSE federal 611 and ECSE federal 619 in the general ledger will be reported at the bottom of the budget grid under the appropriate object code.

	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total
ECSE 611	15000	\$0.00	1000	\$0.00	\$0.00	\$0.00	\$0.00	\$16,000.00
ECSE 619	0	\$0.00	\$0.00	15000	\$0.00	\$0.00	\$0.00	\$15,000.00
<b>ECSE Total</b>	\$15,000.00	\$0.00	\$1,000.00	\$15,000.00	\$0.00	\$0.00	\$0.00	\$31,000.00
<b>Part B and ECSE Total Program Cost</b>	\$15,000.00	\$0.00	\$1,000.00	\$15,000.00	\$0.00	\$0.00	\$0.00	\$31,000.00

Building level budgets should have the approval of the special education director or another individual familiar with federal requirements prior to obligating funds to ensure allowable use of funds and that the obligation is necessary and reasonable to the special education program.

**TRACKING ECSE FEDERAL FUNDS**

As described in the Coding Expenditures section of this guide, any expenditures paid with ECSE federal funds must be tracked and coded separately in the general ledger. See the table below for coding related to ECSE expenditures.

<b>ECSE EXPENDITURE CODING</b>				
DESCRIPTION	FUNDING SOURCE	REVENUE CODE	PROJECT CODE	SOURCE CODE
Expenditures paid with ECSE federal 611 funds	Federal	5442	44200	4
Expenditures paid with ECSE federal 619 funds	Federal	5442	44201	4
K-12 Expenditures paid with ECSE federal 611	Federal	5442	44203	4

K Expenditures paid with ECSE federal 619	Federal	5442	44204	4
Expenditures paid with state funds for ECSE	State	5314	12810	3
Expenditures paid with local funds for ECSE	Local		12810	1
Expenditures paid with county funds for ECSE	County		12810	2

## ECSE FEDERAL FUNDS PAYMENT REQUEST

Districts/LEAs must submit payment request for ECSE federal funds. Payment requests for ECSE federal funds must follow cash management requirements as described in the Cash Management Section of the guide.

## REPORTING ECSE FEDERAL EXPENDITURES

All special education program (ECSE and K-12) expenditures paid with ECSE federal 619 and ECSE federal 611 funds are reported at the bottom of the IDEA Part B federal Final Expenditure Report (FER).

Special education program expenditures coded with a 44200, 44201, 44203, 44204 project code reported by the district/LEA on the ASBR will be automatically pulled over onto the FER grid. The district/LEA should verify the expenditures paid with ECSE federal 611 and ECSE federal 619 on the FER grid are accurate. In order to do so, the district/LEA will perform an account query within the accounting system to ensure expenditures coded in the general ledger match what is reported on the FER grid.

ACCOUNT QUERY			
Revenue	Source Code	Project Code	Report/Verify in ePeGS On...
ECSE federal 611	4	44200 or 44203	FER grid
ECSE federal 619	4	44201 or 44204	FER grid

In the event that the expenditures paid with ECSE federal 611 and/or ECSE federal 619 funds that are pulled over to the FER grid from the ASBR do not match the expenditures coded in the general ledger with a 44200, 44201, 44203, or a 44204 project code, the district/LEA must revise the ASBR to report accurate amounts.

**COORDINATED EARLY  
INTERVENING SERVICES**

## OVERVIEW

Districts/LEAs may use up to fifteen percent (15%) of the IDEA Part B federal allocation for Coordinated Early Intervening Service (CEIS). CEIS is applicable to students in kindergarten through grade twelve (12) who have not been identified as needing special education services, but are in need of additional academic and/or behavioral supports to succeed in the general education environment. The federal regulations recommend particular emphasis on students in kindergarten through grade three.

The rationale for using IDEA Part B federal funds for CEIS is based on research showing that the earlier a child's learning problems are identified the more quickly and effectively the problems and difficulties can be addressed. CEIS interventions can also reduce the number of students being referred to special education programs.

## CEIS

CEIS funds are part of the regular IDEA Part B federal allocation; not in addition to the allocation.

The use of IDEA Part B federal funds for CEIS is optional unless a district/LEA has a compliance finding of significant disproportionality. Districts/LEAs will be notified by DESE if such a finding occurs.

If a district/LEA chooses to use CEIS funds for services to non-identified children who need academic and behavioral support, the district/LEA must ensure that CEIS funds are used for one or more of the following three purposes:

- To provide professional development to educators who are solely responsible for students without IEPs needing additional academic and/or behavioral support to succeed in a general education environment;
- To provide direct interventions to students without IEPs, such as the services of a reading teacher or behavior specialist, or materials and supplies directly related to those services or interventions; and
- To provide services in addition to (supplement) activities funded under the ESEA, such as Title I or Title III activities (i.e. the district/LEA can use IDEA Part B federal funds to supplement the Federal Title I funds by expanding the after-school tutoring program by hiring additional teachers to serve additional numbers of students, expanding services to other schools in the district/LEA, and/or providing services in the morning as well as the afternoon).

It is highly recommended the district/LEA contact DESE for guidance prior to budgeting CEIS funds. Additional information regarding Allowable Costs for IDEA Part B federal funds for CEIS may be found at <http://dese.mo.gov/financial-admin-services/special-education-finance/coordinated-early-intervening-services>.

## TRACKING CEIS EXPENDITURES

The CEIS available amount (current year amount and carryover amount) is automatically calculated in the ePeGS Budget Application Grid Page. All CEIS expenditures must be tracked utilizing a separate function code (1223) in the general ledger in order to determine if the expenditures applied to the CEIS amount and to ensure the district/LEA has not used more than fifteen (15) percent of the IDEA Part B federal allocation. In addition to tracking CEIS expenditures by function code, the district/LEA must also use a project code of 44100 and a source code of 4 to track the expenditures paid with IDEA Part B federal funds for CEIS activities.

Districts/LEAs using IDEA Part B federal funds for CEIS must submit expenditure and student data information to DESE through the IDEA Part B Final Expenditure Report (FER) in ePeGS.

## CEIS CAUTION

If a district/LEA chooses to utilize CEIS federal funds, these funds reduce the regular IDEA Part B allocation amount. The district/LEA may then create a gap in federal funding for students with disabilities that has to be filled with state, local, or county funds. This could increase Maintenance of Effort thresholds.

If the district/LEA chooses to utilize state, local, and/or county funds to provide CEIS, these expenditures are not considered part of the special education program, but are general education expenditures. If the expenditures are paid with state, local, and/or county funds, they should not be coded to function code 1223 in the general ledger. Instead, the expenditures would be coded to function code 1111, 1131, and/or 1151 and would not be included in the district/LEA's MOE calculation.

**SCHOOLWIDE**

## OVERVIEW

The schoolwide pool is a program authorized under Section 1114 of the Elementary and Secondary Education Act (ESEA) and is permitted as an allowable use of funds under IDEA. Schoolwide programs provide districts/LEAs with more flexibility in serving students, by improving all structures that support student learning and combining all resources, as opposed to other programs that provide services to identified, individual students.

## SCHOOLWIDE

Districts/LEAs may pool IDEA Part B federal funds into the schoolwide pool program. However, the district/LEA is still required to provide individualized educational program to students with disabilities, even if the district/LEA is participating in the schoolwide pool program. The amount allowed for schoolwide is based on the following formula:

$$\begin{aligned} & \text{IDEA Part B Allocation} \\ & \text{– Set Asides (ECSE, Proportionate Share \& CEIS)} \\ & = \text{Available IDEA Part B Allocation} \\ \\ & \text{Available IDEA Part B Allocation} \\ & \div \text{Child Count (IEP Students)} \\ & = \text{Available IDEA Part B Allocation per Child} \\ \\ & \text{Available IDEA Part B Allocation per Child} \\ & \times \text{IEP Students Participating in Schoolwide Program} \\ & = \text{Maximum Allowed IDEA Part B Schoolwide Amount} \end{aligned}$$

Districts/LEAs have three options for pooling IDEA Part B federal funds:

- Pool the Maximum Allowed IDEA Part B Schoolwide Amount
- Pool a portion of the Maximum Allowed IDEA Part B Schoolwide Amount
- Pool no IDEA Part B federal funds

No matter which option is selected, districts/LEAs must still comply with all IDEA fiscal and compliance requirements, including Maintenance of Effort (MOE).

The district/LEA must complete both an IDEA Part B federal Budget Application and a Schoolwide pool Budget Application in the ePeGS system. The district/LEA must also complete both an IDEA Part B federal budget application and a Schoolwide pool Budget Application in the ePeGS system.

## TRACKING SCHOOLWIDE

All schoolwide expenditures must be tracked with a project code 40001.

# MAINTENANCE OF EFFORT

## OVERVIEW

Maintenance of Effort (MOE) is the amount of **state, local, and county** revenue a district/LEA spends on the special education program. Districts/LEAs do not receive dedicated state, local, and county revenue for special education programs. Therefore, districts/LEAs must determine the amount of funding, from all state, local, and county revenue sources, that is expended towards the special education program. However, while the district/LEA gets to determine the funding source and amount, the district/LEA must still meet MOE requirements.

Maintenance of Effort includes all direct expenditures spent on special education. Indirect expenditures (bookkeeper, superintendent, principal, etc.) or operation of plant expenditures (utilities, custodial, lockers, general supplies, etc.) should not be included in the MOE calculation.

There are two standards that must be met to comply with MOE requirements, the eligibility standard and the compliance standard.

## MOE CALCULATION

In calculating MOE, the district/LEA must **ONLY** include special education expenditures paid with state, local, or county funds. The district/LEA must include all expenditures directly related to the special education program (ECSE and K-12) in the MOE calculation. The MOE calculation does **NOT** include any expenditure(s) paid with federal revenue (IDEA Part B federal, ECSE federal, HNF federal, Assistive Technology federal, Medicaid, etc.). According to the Missouri Accounting Manual, expenditures paid for Local Tax Effort (LTE) and Medicaid Billing fees should not be coded to special education function codes, and therefore would **NOT** be included in the MOE calculation.

Only expenditures geared specifically towards special education are required to be counted towards MOE. The district/LEA may choose to include a prorated portion of other expenses, such as operation of plant, ancillary (e.g. nurse or counselor), general transportation, etc. However, once these types of expenditures are included in the MOE calculation, the district/LEA must continue to include these expenditures in the MOE calculation from year to year unless there are other offsetting increases to MOE.

The district/LEA should perform account queries of the general ledger in order to determine MOE amounts.

## METHODS FOR MEETING MOE

For both the eligibility and the compliance standards, the district/LEA must meet only one of the following methods/tests. However, it is extremely difficult to budget a special education program based on a per child amount, so DESE recommends planning based on the total

amount methods. In the methods below, local expenditures references the combination of local and county funds.

<b>MOE METHODS</b>	<b>DESCRIPTION</b>
State and Local Total Expenditures Combined	The combined method takes the total expenditures from both state and local funding sources as the MOE threshold.
Per Capita (per child) Amount of State and Local Expenditures Combined	The per capita method takes the total expenditures from both state and local funding sources divided by the child count as the MOE threshold.
Local Total Expenditures Only	The local only method takes the expenditures from local sources only as the MOE threshold.
Per Capita (per child) Amount of Local Expenditures Only	The per capital method takes the expenditures from local sources only divided by the child count as the MOE threshold.

## ELIGIBILITY STANDARD

The eligibility standard indicates that in order for a district/LEA to be eligible for IDEA Part B federal funds in the upcoming year, the district/LEA must develop a budget that demonstrates the district/LEA intends to maintain or increase the amount state, local, and/or county funds it spends for the education of children with disabilities when compared to the required MOE amount in the most recent fiscal year for which information is available. Compliance with the eligibility standard is demonstrated during the Budget Application process. 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 fiscal years ago or longer. During the budgeting process, the district/LEA has the opportunity to take into account any reductions to MOE that may have occurred the past two years. These reductions are called exceptions and adjustments and are described in further detail later in this section. See the chart below for further clarification on the comparison years.

<b>BUDGETED AMOUNTS</b>	<b>COMPARED TO</b>
FY18 MOE <b>Budgeted</b> Amounts	FY16 MOE <b>Actual</b> Amounts & Prior Years
FY19 MOE <b>Budgeted</b> Amounts	FY17 MOE <b>Actual</b> Amounts & Prior Years
FY20 MOE <b>Budgeted</b> Amounts	FY18 MOE <b>Actual</b> Amounts & Prior Years

In order to determine if the district/LEA meets the eligibility standard, the four MOE tests are applied to the budgeted expenditures, and the district/LEA must pass one or more of the tests. If the district/LEA fails to pass any of the tests and meet the eligibility standard, the district/LEA will not be eligible for the IDEA Part B federal grant for the upcoming school year.

## COMPLIANCE STANDARD

The compliance standard indicates that the district/LEA must maintain or increase the amount of state, local, or county funds it actually spent for the education of children with disabilities when compared to the required level from all prior fiscal years. Compliance with this standard is demonstrated during the FER process. The district/LEA has the opportunity to take into account any reductions to MOE that may have occurred during the fiscal year. These reductions are called exceptions and adjustments and are described in further detail later in this section. See the chart below for further clarification on the comparison years.

FER AMOUNTS	COMPARED TO:
FY17 MOE <b>Actual</b> Amounts	All Prior Fiscal Years for Method Last Met
FY18 MOE <b>Actual</b> Amounts	All Prior Fiscal Years for Method Last Met
FY19 MOE <b>Actual</b> Amounts	All Prior Fiscal Years for Method Last Met

In order to determine if the district/LEA meets the compliance standard, the four MOE tests are applied to the actual expenditures, and the district/LEA must pass one or more of the tests. If the district/LEA fails to pass any of the tests and meet the compliance standard, the district/LEA must pay an amount from non-federal sources equal to the amount by which the district/LEA failed to meet the compliance standard. The amount of the failure or the amount to be repaid is the smallest amount generated from the four MOE tests.

## MOE REDUCTIONS

To reduce MOE means to spend less in the current year from state, local, or county funds than what was expended in the prior fiscal years. MOE can be reduced two ways; exceptions and adjustments. An exception is an allowable reason permitted by IDEA Part B federal regulations to reduce the MOE threshold. An adjustment is a calculated reduction based on an influx of IDEA Part B federal funds. Exceptions and adjustments are described in further detail below. There are no other ways allowed by IDEA Part B federal regulations to reduce the MOE threshold.

## EXCEPTIONS

There are five exceptions that allow a district/LEA to reduce MOE. In order for an exception to apply, the cost being reduced must have been paid with state, local, or county funds. If the cost was paid with IDEA Part B federal funds, the district/LEA cannot claim a MOE Exception.

Below is a list of the allowable exceptions and corresponding allowable and unallowable reasons. Reporting allowable exceptions to meet the eligibility standard during the budgeting process is optional, but districts/LEAs are required to report exceptions during the FER process to meet the compliance standard.

EXCEPTIONS	REASONS
<p><b>EXCEPTION 1:</b> The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.</p>	<p>Allowable Reasons:</p> <ul style="list-style-type: none"> <li>• Dismissal for misconduct</li> <li>• Dismissal for breach of contract</li> <li>• Retirement</li> <li>• Resignation</li> <li>• Employee does not renew contract</li> <li>• Leave of absence (employee elected)</li> <li>• Not filling vacant positions</li> <li>• Filling vacant positions with lower paid staff</li> </ul> <p>Unallowable Reasons:</p> <ul style="list-style-type: none"> <li>• Forced transfer</li> <li>• Reduction in force (RIF)</li> <li>• Layoffs</li> <li>• Eliminating positions</li> <li>• Leave of absence due to investigation</li> <li>• Across the board reductions</li> <li>• Dismissal or district/LEA not renewing contract</li> </ul>
<p><b>EXCEPTION 2:</b> A decrease in the enrollment of children with disabilities.</p>	<p>Allowable Reasons: A decrease in child count must be tied to specific special education expenditures paid with state, local, and/or county funds. The district/LEA must describe the type and cost of the specific services that were reduced/consolidated due to a decrease in the child count.</p> <p>Unallowable Reasons: A decrease in child count that does not cause a reduction/consolidation of costs or the reduction/consolidation of costs cannot be tied to a specific special education cost reduction.</p>

<p><b>EXCEPTION 3:</b> The termination of a costly obligation (expenditure) for a specific child with an IEP that is paid with state, local, and/or county funds.</p> <p>*Definition of Exceptionally Costly Program: Any personal services (personal teacher, paraprofessional, nurse) a child needs, low-incidence therapies, individualized transportation/equipment, or contracted private services.</p>	<p><b>Allowable Reasons:</b> Any personal services (i.e. personal teacher, personal paraprofessional, personal nurse, therapies, transportation, contracted services) necessary for a child with an IEP, that is no longer needed due to one of the following reasons:</p> <ul style="list-style-type: none"> <li>• Student has left the jurisdiction of the district/LEA <ul style="list-style-type: none"> <li>○ Moved out of the district/LEA</li> <li>○ Transferred to Missouri Schools for the Severely Disabled (MSSD)</li> <li>○ Withdrew enrollment</li> </ul> </li> <li>• Student has reached the age of no FAPE <ul style="list-style-type: none"> <li>○ Graduated</li> <li>○ Turned 21 years of age</li> </ul> </li> <li>• Student no longer needs the program of special education due to: <ul style="list-style-type: none"> <li>○ Improvement</li> <li>○ Changes in the IEP</li> </ul> </li> </ul> <p><b>Unallowable Reasons:</b> A costly obligation for a child that does not decrease between the prior and current school years.</p>
<p><b>EXCEPTION 4:</b> The termination of a costly obligation for long-term purchases (i.e. equipment, construction, buses) paid with state, local, and/or county funds.</p> <p>*Definition of Long Term: one school year.</p>	<p><b>Allowable Reasons:</b></p> <ul style="list-style-type: none"> <li>• Pay-off of a lease/purchase (bus)</li> <li>• Pay-off of a lease/purchase (modular/facility)</li> <li>• Completion of a contracted service</li> <li>• Equipment purchase pay-off</li> <li>• Loan pay-off</li> <li>• Completion of a rent-to-own agreement</li> </ul> <p><b>Unallowable Reasons:</b></p> <ul style="list-style-type: none"> <li>• Changes in expenses/fees from a cooperative fiscal agent</li> </ul>
<p><b>EXCEPTION 5:</b> The assumption of cost by the High Need Fund (HNF).</p> <p>* The district/LEA is receiving additional federal funds to spend on special education program during the school year, so the assumption is that less state, local, and/or county funds are needed to fund the special education program. Therefore, the district/LEA may claim the amount of HNF federal funds received in that school year as an allowable reduction to MOE.</p>	<p><b>Allowable Reasons:</b> The district/LEA may reduce the MOE amount by the <u>federal</u> amount of HNF revenue received in that school year.</p> <p><b>Unallowable Reasons:</b> The district/LEA receives only state HNF revenue in that school year.</p>

Additional guidance regarding MOE Allowable Exceptions, including specific examples of allowable and unallowable exceptions, may be found at:

<http://dese.mo.gov/sites/default/files/sef-MOE-AllowableExceptions.pdf>.

## **ADJUSTMENTS**

In the event that a district/LEA has an increase in the IDEA Part B federal allocation from one year to the next, the district/LEA has the opportunity to adjust/reduce the MOE amount by 50% of the increase. If the district/LEA is receiving more IDEA Part B federal funds, the district/LEA does not have to spend as much in state, local, or county funds. However, if the district/LEA expends any IDEA Part B federal funds towards CEIS activities, the increase is limited by the amount of CEIS funds expended. If the district/LEA has a compliance determination of “Needs Assistance”, the district/LEA may not take an adjustment to MOE.

If a district/LEA is eligible for a MOE adjustment, the district/LEA may take a portion or all of the MOE adjustment. The MOE adjustment must be taken in the year of the IDEA Part B federal allocation increase.

If the district/LEA takes advantage of the adjustment, with or without a CEIS limitation, any state, local, or county funds that are no longer dedicated to special education must be spent on activities authorized under the Elementary and Secondary Education Act (ESEA). These activities include:

- Title I – Improving the Academic Achievement of the Disadvantaged
- Title II – Preparing, Recruiting and Training High Quality Teachers and Principals
- Title III – Language Instruction for Limited English Proficient and Immigrant Students
- Title IV – 21st Century Schools
- Title V – Promoting Informed Parental Choice and Innovative Programs
- TITLE VI – Flexibility and Accountability
- TITLE VII – Indian, Native Hawaiian, and Alaska Native Education
- TITLE VIII – Impact Aid

The district/LEA must track in the general ledger how the district/LEA spent the freed-up state, local, and/or county revenue on ESEA activities by utilizing separate project code that is not being utilized elsewhere in the general ledger. For example, if the district/LEA is utilizing a project code 12210 to track special education program expenditures paid with state revenue, the district/LEA must utilize a separate project code, such as 12250, to track the freed-up state revenue spent on ESEA activities.

Additional guidance regarding MOE Adjustments may be found at:

<http://dese.mo.gov/sites/default/files/sef-MOE-AdjustmentGuidance.pdf>.

## **MOE PLANNING AND CONSIDERATIONS**

The special education director or another individual familiar with MOE requirements should be involved in the approval of all special education expenditures since the expenditures could

potentially have an impact on the district/LEA's MOE. Throughout the school year, districts/LEAs are encouraged to keep in mind and consider situations that may impact MOE, whether from a negative or positive standpoint.

Determine who is eligible for retirement and review how those individuals are paid. Ensure salary/benefits of staff voluntarily departing are paid with state, local, or county funds so an exception can be taken to reduce MOE.

For Example: A district/LEA may reduce the MOE threshold due to the voluntary departure (i.e. retirement, resignation) of special education staff. However, this exception may only be utilized if the staff were paid with state, local, or county funds in the prior year; it may not be utilized if the staff were paid with federal funds. So, if the district/LEA is aware of a teacher that is retiring in the 2020-21 school year and that teacher is being paid with federal funds, the district/LEA may want to consider switching the funding source of the teacher to state, local, or county funds this year (2019-20) so the district/LEA can reduce the MOE threshold in the 2020-21 school year.

Determine which students will graduate at year-end or will leave the district/LEA. Ensure costs for students leaving are paid with state, local, or county funds so an exception can be taken to reduce MOE.

For Example: A district/LEA may reduce the MOE threshold due to the termination of an obligation provided to a particular child with a disability that is determined as an exceptionally costly program (i.e. contracted private services) because the child has left the jurisdiction, has reached the age of no FAPE, or the child no longer needs the special education program. As was the case with the previous exception, this exception may only be utilized if the district/LEA paid the expenditure with state, local, or county funds in the prior year; it may not be utilized if the expenditure was paid with federal funds. Therefore, if a district/LEA has a child who meets this criteria that will be graduating or turning 21 years of age in the 2020-21 school year, the district/LEA may want to consider switching the funding source of the costly expenditure to state, local, or county funds this year (2019-20) so the district/LEA can reduce the MOE threshold in the 2020-21 school year.

Do not unnecessarily inflate MOE by charging items to special education program that are not special education program specific.

For Example: A garage door needs replaced in the school bus barn in the 2019-20 school year. Because all students utilize the buses, the district/LEA is considering whether to charge a prorated portion of the cost across all programs. By doing so, the district/LEA will increase the MOE threshold and there are not any allowable exceptions to offset the increased cost to the special education program in the following year. The district/LEA will have to continue to spend this amount in the future to meet the MOE threshold. Since this is not a direct special education program expense, DESE recommends that the district/LEA not charge a prorated portion of the garage door replacement to the special education program.

Other factors that can negatively impact MOE include an influx of federal funds. If the district/LEA is receiving Medicaid funds or has a significant amount of IDEA Part B carryover funds, the district/LEA may tend to spend those federal funds as opposed to spending state, local, and/or county funds. In doing so, the district/LEA may then struggle to meet the MOE threshold. For instances such as this, districts/LEA may want to consider spending these funds on one-time expenditures or on new special education program items so the MOE threshold is not impacted by supplanting.

## MOE REPORTING

All special education program (ECSE and K-12) expenditures paid with state, local, and/or county revenue must be included in the district/LEA’s MOE calculation. The district/LEA should verify the expenditures reported in ePeGS on the MOE-State Only grid, MOE-Local Only grid, and the MOE-County Only grid.

Special education program expenditures reported by the district/LEA on the ASBR will be automatically pulled over onto the MOE grids. The district/LEA should verify the expenditures on the MOE grids are accurate. In order to do so, the district/LEA should perform an account query within the accounting system. The following account queries should be performed in order to verify expenditures coded in the general ledger match what is reported on the MOE grids. Special education program expenditures paid with HNF federal, Assistive Technology federal, or Medicaid revenue should not be included in the MOE calculation.

ACCOUNT QUERY			
Revenue	Source Code	Project Code	Report/Verify in ePeGS On...
HNF federal	4	43703	Not reported in ePeGS
Assistive Technology federal	4	43700	Not reported in ePeGS
Medicaid	4	XXXXX	Not reported in ePeGS
State	3	12210 and 12810	MOE-State grid
County	2	12210 and 12810	MOE-County grid
Local	1	12210 and 12810	MOE-Local grid

In the event that the special education program expenditures paid with state, local, and/or county revenue that are pulled over to the MOE grids from the ASBR do not match the expenditures coded in the general ledger with a 12210 or a 12810 project code, the district/LEA must revise the ASBR to report accurate amounts.

# APPENDIX A

## MONITORING QUESTIONS AND CAPS

Monitoring questions will be presented to districts/LEAs to determine compliance with federal requirements. The supporting documentation listed may be reviewed during the monitoring process. If the district/LEA is found non-compliant, the typical required action is listed in the CAP column. However, depending on specific situation, additional and/or other CAPs may be issued. Once a CAP has been issued, the district/LEA has 30 calendar days to respond to the initial CAP. In the event a subsequent CAP is issued, the district/LEA will have up to two weeks to respond. See the following table for the monitoring questions and corrective action plans.

CODING EXPENDITURES			
#	QUESTIONS	DOCUMENTATION	CAP
1	Did the district/LEA utilize project code 44100 to track special education expenditures paid with IDEA Part B federal funds?	-2018-19 General Ledger	The district/LEA must create project code 44100 to track special education expenditures paid with IDEA Part B federal funds. In addition, the district/LEA may need to complete a GLJEC form to recode expenditures.
2	Did the district/LEA utilize project code 44200 to track special education expenditures paid with ECSE federal 611 funds?	-2018-19 General Ledger	The district/LEA must create project code 44200 to track special education expenditures paid with ECSE federal 611 funds. In addition, the district/LEA may need to complete a GLJEC form to recode expenditures.
3	Did the district/LEA utilize project code 44201 to track special education expenditures paid with ECSE federal 619 funds?	-2018-19 General Ledger	The district/LEA must create project code 44201 to track special education expenditures paid with ECSE federal 619 funds. In addition, the district/LEA may need to complete a GLJEC form to recode expenditures.
4	Did the district/LEA utilize correct project codes to track special education expenditures paid with other special education federal funds (i.e. HNF, Assistive Technology)?	-2018-19 General Ledger	The district/LEA must create the correct project codes to track special education expenditures paid with other special education federal funds. In addition, the district/LEA may need to complete a GLJEC form to recode expenditures.
5	Did the district/LEA utilize project code 12210 to track special education K-12 expenditures paid with state, local, and/or county funds?	-2018-19 General Ledger	The district/LEA must create project code 12210 to track special education K-12 expenditures paid with state, local, and/or county funds. In addition, the district/LEA may need to complete a GLJEC form to recode expenditures.
6	Did the district/LEA utilize project code 12810 to track special education ECSE expenditures paid with state, local, and/or county funds?	-2018-19 General Ledger	The district/LEA must create project code 12810 to track special education ECSE expenditures paid with state, local, and/or county funds. In addition, the district/LEA may need to complete a GLJEC form to recode expenditures.

7	Did the district/LEA utilize the appropriate source code (i.e. 4) associated with each special education project code (i.e. 44100)?	-2018-19 General Ledger	The district/LEA must create source code to track special education ECSE and K-12 expenditures paid with federal, state, local, and/or county funds. In addition, the district/LEA may need to complete a GLJEC form to recode expenditures.
8	Did the district/LEA ensure expenditures paid with IDEA Part B federal funds recorded in the general ledger match what the district/LEA reported in the ePeGS FER grid?	-2018-19 FER -2018-19 General Ledger	The district/LEA must complete a General Ledger Journal Entry Correction form to recode expenditures to match what the district/LEA reported in the ePeGS FER grid; <u>or</u> revise the FER to match the general ledger.  The district/LEA must create a process/procedure in which the general ledger matches the amounts reported in the FER grid to ensure future compliance with allowable use of funds.  In the event there are issues with CMIA or Period of Availability compliance, additional CAPs may be issued.
9	Did the district/LEA have a method for the identification of awards that included all of the required components?	-2018-19 General Ledger  -2018-19 Federal Award Identification Spreadsheet	The district/LEA must complete the Identification of Awards spreadsheet.  The district/LEA must create a process/procedure to ensure future compliance by completing the Identification of Awards.
<b>CASH MANAGEMENT</b>			
	<b>QUESTION</b>	<b>DOCUMENTATION</b>	<b>CAP</b>
1	Did the district/LEA have a written Cash Management Procedure?	-Cash Management Procedure	The district/LEA must create a Cash Management Procedure.
2	Did the district/LEA request IDEA Part B federal funds on a reimbursement basis?	-2018-19 General Ledger  -2018-19 Payment Requests	The district/LEA must create a process/procedure to ensure future compliance with CMIA timelines by making payment requests based on actual expenditures coded in the general ledger as being paid with IDEA Part B federal funds at the time of the payment request.
3	Did the district/LEA request ECSE 611 federal funds on a reimbursement basis?	-2018-19 General Ledger  -2018-19 Payment Requests	The district/LEA must create a process/procedure to ensure future compliance with CMIA timelines by making payment requests based on actual expenditures coded in the general ledger as being paid with ECSE 611 federal funds at the time of the payment request.

4	Did the district/LEA request ECSE 619 federal funds on a reimbursement basis?	-2018-19 General Ledger -2018-19 Payment Requests	The district/LEA must create a process/procedure to ensure future compliance with CMIA timelines by making payment requests based on actual expenditures coded in the general ledger as being paid with ECSE 619 federal funds at the time of the payment request.
5	Did the district/LEA code expenditures paid with High Need Fund (HNF) federal funds on the day the HNF federal payment was received?	-2018-19 General Ledger -2018-19 Payment Transmittals	The district/LEA must create a process/procedure to ensure future compliance with CMIA timelines by completing a journal entry correction on the day HNF federal funds are received.
6	Did the district/LEA ensure expenditures paid with IDEA Part B federal funds were coded in the general ledger up to the allocation/payment amount?	-2018-19 General Ledger -2018-19 Payment Requests -2018-19 Payment Transmittals	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode the over-coded federal expenditures as state, local, and/or county expenditures.</p> <p>In the event that the district/LEA did not capture the over-coded federal expenditures in the MOE calculation, the district/LEA must revise the IDEA Part B FER to report accurate amounts.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with CMIA by coding expenditures up to the allocation/payment amount.</p>
7	Did the district/LEA ensure expenditures paid with ECSE 611 federal funds were coded in the general ledger up to the allocation/payment amount?	-2018-19 General Ledger -2018-19 Payment Requests -2018-19 Payment Transmittals	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode the over-coded federal expenditures as state, local, and/or county expenditures.</p> <p>In the event that the district/LEA did not capture the over-coded federal expenditures in the MOE calculation, the district/LEA must revise the IDEA Part B FER to report accurate amounts.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with CMIA by coding expenditures up to the allocation/payment amount.</p>
8	Did the district/LEA ensure expenditures paid with ECSE 619 federal funds were coded in the general ledger up to the allocation/payment amount?	-2018-19 General Ledger -2018-19 Payment Requests -2018-19 Payment Transmittals	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode the over-coded federal expenditures as state, local, and/or county expenditures.</p> <p>In the event that the district/LEA did not capture the over-coded federal expenditures in the MOE calculation, the district/LEA must revise the IDEA Part B FER to report accurate amounts.</p>

			The district/LEA must create a process/procedure to ensure future compliance with CMIA by coding expenditures up to the allocation/payment amount.
9	Did the district/LEA ensure payment requests did not exceed the expenditures coded in the general ledger as being paid with IDEA Part B federal funds (overpaid)?	-2018-19 General Ledger	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode other allowable expenditures to match the amount of IDEA Part B federal funds requested.</p> <p>In the event there are no other allowable expenditures to recode, or the district/LEA is unable to meet MOE after recoding expenditures, the district/LEA must refund the overpayment amount. In addition, the district/LEA must pay interest, from state, local, and/or county revenue sources, based on the overpayment amount.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with CMIA timelines by making payment requests based on actual expenditures coded in the general ledger as being paid with IDEA Part B federal funds.</p>
10	Did the district/LEA ensure payment requests did not exceed the expenditures coded in the general ledger as being paid with ECSE 611 federal funds (overpaid)?	-2018-19 General Ledger	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode other allowable expenditures to match the amount of ECSE 611 federal funds requested.</p> <p>In the event there are no other allowable expenditures to recode, or the district/LEA is unable to meet MOE after recoding expenditures, the district/LEA must refund the overpayment amount. In addition, the district/LEA must pay interest, from state, local, and/or county revenue sources, based on the overpayment amount.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with CMIA timelines by making payment requests based on actual expenditures coded in the general ledger as being paid with ECSE 611 federal funds.</p>
11	Did the district/LEA ensure payment requests did not exceed the expenditures coded in the general ledger as being paid with ECSE 619 federal funds (overpaid)?	-2018-19 General Ledger	The district/LEA must complete a General Ledger Journal Entry Correction form to recode other allowable expenditures to match the amount of ECSE 619 federal funds requested.

			<p>In the event there are no other allowable expenditures to recode, or the district/LEA is unable to meet MOE after recoding expenditures, the district/LEA must refund the overpayment amount. In addition, the district/LEA must pay interest, from state, local, and/or county revenue sources, based on the overpayment amount.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with CMIA timelines by making payment requests based on actual expenditures coded in the general ledger as being paid with ECSE 619 federal funds.</p>
<b>OBLIGATION OF FUNDS</b>			
	<b>QUESTIONS</b>	<b>DOCUMENTATION</b>	<b>CAP</b>
1	Did the district/LEA ensure that employees who were paid with IDEA Part B federal funds did not perform work duties prior to the submission of the IDEA Part B Budget Application or July 1 <sup>st</sup> , whichever is later?	<p>-2018-19 General Ledger</p> <p>-2018-19 Payroll</p> <p>-2018-19 District/LEA Calendar</p>	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures (employees paid prior to the submission of the Budget Application) with other allowable expenditures.</p> <p>In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount obligated prior to the submission date of the Budget Application. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with obligation of funds.</p>
2	Did the district/LEA ensure that vendor contracts paid with IDEA Part B federal funds were not signed prior to the submission of the IDEA Part B Budget Application or July 1 <sup>st</sup> , whichever is later?	<p>-2018-19 General Ledger</p> <p>-2018-19 Contracts</p>	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures (contracts signed prior to the submission of the Budget Application) with other allowable expenditures.</p> <p>In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount obligated prior to the submission date of the Budget Application. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.</p>

			The district/LEA must create a process/procedure to ensure future compliance with obligation of funds.
3	Did the district/LEA ensure purchase orders paid with IDEA Part B federal funds were not issued/created prior to the submission of the IDEA Part B Budget Application or July 1 <sup>st</sup> , whichever is later?	-2018-19 General Ledger  -2018-19 Purchase Orders	The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures (purchased orders issued/created prior to the submission of the Budget Application) with other allowable expenditures.  In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount obligated prior to the submission date of the Budget Application. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.  The district/LEA must create a process/procedure to ensure future compliance with obligation of funds.
4	Did the district/LEA ensure that employees who were paid with ECSE 611 federal funds did not perform work duties prior to the submission of the IDEA Part B Budget Application or July 1 <sup>st</sup> , whichever is later?	-2018-19 General Ledger  -2018-19 Payroll  -2018-19 District/LEA Calendar	The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures (employees paid prior to the submission of the Budget Application) with other allowable expenditures.  In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount obligated prior to the submission date of the Budget Application. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.  The district/LEA must create a process/procedure to ensure future compliance with obligation of funds.
5	Did the district/LEA ensure that vendor contracts paid with ECSE 611 federal funds were not signed prior to the submission of the IDEA Part B Budget Application or July 1 <sup>st</sup> , whichever is later?	-2018-19 General Ledger  -2018-19 Contracts	The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures (contracts signed prior to the submission of the Budget Application) with other allowable expenditures.  In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount obligated prior to the submission date of the Budget Application. In

			<p>addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with obligation of funds.</p>
6	<p>Did the district/LEA ensure purchase orders paid with ECSE 611 federal funds were not issued/created prior to the submission of the IDEA Part B Budget Application or July 1<sup>st</sup>, whichever is later?</p>	<p>-2018-19 General Ledger</p> <p>-2018-19 Purchase Orders</p>	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures (purchased orders issued/created prior to the submission of the Budget Application) with other allowable expenditures.</p> <p>In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount obligated prior to the submission date of the Budget Application. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with obligation of funds.</p>
7	<p>Did the district/LEA ensure that employees who were paid with ECSE 619 federal funds did not perform work duties prior to the submission of the IDEA Part B Budget Application or July 1<sup>st</sup>, whichever is later?</p>	<p>-2018-19 General Ledger</p> <p>-2018-19 Payroll</p> <p>-2018-19 District/LEA Calendar</p>	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures (employees paid prior to the submission of the Budget Application) with other allowable expenditures.</p> <p>In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount obligated prior to the submission date of the Budget Application. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with obligation of funds.</p>
8	<p>Did the district/LEA ensure that vendor contracts paid with ECSE 619 federal funds were not signed prior to the submission of the IDEA Part B Budget Application or July 1<sup>st</sup>, whichever is later?</p>	<p>-2018-19 General Ledger</p> <p>-2018-19 Contracts</p>	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures (contracts signed prior to the submission of the Budget Application) with other allowable expenditures.</p>

			<p>In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount obligated prior to the submission date of the Budget Application. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with obligation of funds.</p>
9	Did the district/LEA ensure purchase orders paid with ECSE 619 federal funds were not issued/created prior to the submission of the IDEA Part B Budget Application or July 1 <sup>st</sup> , whichever is later?	<p>-2018-19 General Ledger</p> <p>-2018-19 Purchase Orders</p>	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures (purchased orders issued/created prior to the submission of the Budget Application) with other allowable expenditures.</p> <p>In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount obligated prior to the submission date of the Budget Application. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with obligation of funds.</p>
<b>PERIOD OF AVAILABILITY</b>			
	<b>QUESTIONS</b>	<b>DOCUMENTATION</b>	<b>CAP</b>
1	Did the district/LEA ensure current year IDEA Part B federal funds were not used to pay for prior year expenditures?	<p>-2018-19 &amp; 2019-20 General Ledger</p> <p>-2018-19 Invoices</p>	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable prior year expenditures with other allowable current year expenditures.</p> <p>In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount of prior year expenditures. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with periods of availability by charging expenditures to the appropriate grant cycle.</p>

2	Does employee payroll follow the fiscal year (July 1 <sup>st</sup> through June 30 <sup>th</sup> )? If not, does the district/LEA ensure employees are paid with the appropriate IDEA Part B grant year funds?	-2018-19 & 2019-20 General Ledger  -2018-19 Payroll  -2018-19 Employee Contracts	The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable prior year salary and/or benefits which were paid with current year grant funds.  In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount of prior year expenditures. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.  The district/LEA must create a process/procedure to ensure future compliance with periods of availability by charging expenditures to the appropriate grant cycle.
3	Did the district/LEA have a method to track expenditures paid with two separate fiscal year grants within the same fiscal year general ledger (i.e. tracking 2017-18 and 2018-19 grants within the 2018-19 general ledger)?	-2018-19 General Ledger	The district/LEA must create a method for tracking multiple fiscal year grants in the same fiscal year general ledger.  In the event there are issues with CMIA or Period of Availability compliance, additional CAPs may be issued.
4	Did the district/LEA ensure any prior year IDEA Part B federal funds (2017-18) accessed after June 30, 2018 had an obligation date of June 30, 2018 or before?	-2018-19 General Ledger  -2018-19 Invoices  -2018-19 Payroll  -2018-19 Contracts	The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures with other allowable expenditures.  In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount of unallowable expenditures. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.  The district/LEA must create a process/procedure to ensure future compliance with periods of availability by charging expenditures to the appropriate grant cycle.
<b>ALLOWABLE USE OF FUNDS</b>			
	<b>QUESTION</b>	<b>DOCUMENTATION</b>	<b>CAP</b>
1	Did the district/LEA ensure that building level <u>budgets</u> were approved by the special education director or another individual	-2018-19 Budget Documentation	The district/LEA must create a process/procedure to have the special education director or another individual familiar with IDEA Part B federal requirements approve building level budgets that include

	familiar with IDEA Part B federal requirements?		IDEA Part B federal funds to ensure future compliance with allowable use of funds.
2	Did the district/LEA ensure building level <u>expenditures</u> for the special education program were approved by the special education director or another individual familiar with IDEA Part B federal requirements?	-2018-19 Purchase Orders -2018-19 Invoices	The district/LEA must create a process/procedure to have the special education director or another individual familiar with IDEA Part B federal requirements approve building level expenditures paid with IDEA Part B federal funds to ensure future compliance with allowable use of funds.
3	Did the district/LEA ensure expenditures paid with IDEA Part B federal funds were in accordance with the IDEA Part B allowable use of funds requirements?	-2018-19 General Ledger -2018-19 Purchase Orders -2018-19 Invoices	The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures with other allowable expenditures.  In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount of unallowable expenditures. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.  The district/LEA must create a process/procedure to ensure expenditures paid with IDEA Part B federal funds are in compliance with the allowable use of funds.
4	Did the district/LEA have a written Allowability Procedure?	-Allowability Procedure	The district/LEA must create a written Allowability Procedure.
5	Did the district/LEA have a written Travel Policy?	-Travel Policy	The district/LEA must create a written Travel Policy.
6	Did the district/LEA ensure all special education travel expenditures included documentation that contained a statement to justify that the individual's travel was pertinent to grant activities?	-2018-19 Travel Justification Statements	The district/LEA must create a process/procedure to ensure all travel expenditures have a written justification statement.
7	Did the district/LEA have documentation to justify that working lunches provided during meetings/conferences were allowable?	-2018-19 Justification of Working Lunches	The district/LEA must create a process/procedure to ensure all working lunches provided during meetings/conferences have written justification.
<b>INTERNAL CONTROLS</b>			
	<b>QUESTION</b>	<b>DOCUMENTATION</b>	<b>CAP</b>
1	Did the district/LEA ensure staff duties between accounts receivable and accounts payable were segregated? If not, was there a	-Policies -Job Descriptions	The district/LEA must assign segregated duties and/or create a second approval process/procedure to ensure future compliance with internal controls.

	second approval process in place to ensure controls over fraud and abuse?	-2018-19 Invoices -2018-19 Purchase Orders	
2	Did the district/LEA ensure Journal Entry Corrections to the general ledger for all special education program expenditures were approved by a second individual?	-2018-19 Journal Entry Corrections	The district/LEA must create a process/procedure where a second approval is obtained for Journal Entry Corrections to ensure future compliance with internal controls.
<b>SUPPORTING DOCUMENTATION</b>			
	<b>QUESTION</b>	<b>DOCUMENTATION</b>	<b>CAP</b>
1	Did the district/LEA ensure all special education program purchases paid with any funding source were supported by the proper documentation?	-2018-19 Purchase Orders -2018-19 Invoices -2018-19 Receiving Records	The district/LEA must create a process/procedure where supporting documentation is maintained for all special education program purchases to ensure future compliance.
2	Did the district/LEA ensure supporting documents (purchase orders, invoices, etc.) were reviewed, signed, and dated prior to the payment being issued?	-Policies -2018-19 Purchase Orders -2018-19 Invoices -2018-19 Receiving Records	The district/LEA must create a process/procedure where supporting documentation is reviewed prior to the approval of payments to ensure future compliance.
<b>PROCUREMENT</b>			
	<b>QUESTION</b>	<b>DOCUMENTATION</b>	<b>CAP</b>
1	Did the district/LEA have a written Procurement Procedure that addressed all methods of procurement (Micro purchases, small purchases, sealed bids, competitive proposals, and noncompetitive/sole source purchases)?	-Procurement Procedure	The district/LEA must create a written Procurement Procedure.
2	Did the district/LEA have a written Standards of Conduct Policy that addressed conflicts of interest?	-Standards of Conduct Policy	The district/LEA must create a written Standards of Conduct Policy.
3	Did the district/LEA follow the Procurement Procedure for all special education program expenditures paid with IDEA Part B federal funds (expenditures recorded under object code 6300 in the ePeGS FER grid)?	-Procurement Procedure -2018-19 Contracts -2018-19 Invoices -2018-19 Purchase Orders	The district/LEA must create a process/procedure to ensure future compliance with procurement requirements by following the district/LEA Procurement Procedure for all purchases made with IDEA Part B federal funds.

		-2018-19 Bidding Documentation	
4	Did the district/LEA ensure contractors/vendors were not debarred, suspended, or included on the Excluded Parties List before issuing a contract over \$25,000 to be paid with IDEA Part B federal funds?	-Procurement Procedure -2018-19 Contractor/ Vendor Search Results -2018-19 Contracts	The district/LEA must perform a search for debarred, suspended, or federal exclusion on all current contractors/vendors to ensure the vendors are in good standing with the federal government.  The district/LEA must create a process/procedure to ensure future compliance with procurement requirements by performing a search for debarred, suspended, or federal exclusion on all vendors to verify the vendors are in good standing with the federal government prior to issuing a contract to be paid with IDEA Part B federal funds.
<b>TIME AND EFFORT</b>			
	<b>QUESTION</b>	<b>DOCUMENTATION</b>	<b>CAP</b>
1	If the district/LEA had salaries and/or benefits claimed in the FER grid, was the district/LEA able to identify the specific special education employees who were paid any portion of IDEA Part B federal funds?	-2018-19 List of employees paid with IDEA Part B federal funds -MOSIS/Core Data Staff Assignments Report	The district/LEA must identify staff paid with any portion of IDEA Part B federal funds for the year being reviewed and complete time and effort documentation.  The district/LEA must create a process/procedure to identify specific special education employees who were paid any portion of IDEA Part B federal funds.
2	If the district/LEA coded salaries and/or benefits in the general ledger as being paid with ECSE federal funds, was the district/LEA able to identify the specific special education employees who were paid any portion of ECSE federal funds?	-2018-19 General Ledger -2018-19 List of employees paid with ECSE federal funds -MOSIS/Core Data Staff Assignments Report	The district/LEA must identify staff paid with any portion of ECSE federal funds for the year being reviewed and complete time and effort documentation.  The district/LEA must create a process/procedure to identify specific special education employees who were paid any portion of ECSE federal funds.
3	If the district/LEA coded salaries and/or benefits in the general ledger as being paid with HNF federal funds, was the district/LEA able to identify the specific special education employees who were paid any portion of HNF federal funds?	-2018-19 General Ledger -2018-19 List of employees paid with HNF federal funds -MOSIS/Core Data Staff Assignments Report	The district/LEA must identify staff paid with any portion of HNF federal funds for the year being reviewed and complete time and effort documentation.  The district/LEA must create a process/procedure to identify specific special education employees who were paid any portion of HNF federal funds.

4	Did the district/LEA ensure all employees who worked in the special education program and were paid any portion of IDEA Part B federal funds were accurately coded to a special education or other acceptable course and program codes in MOSIS/Core Data?	-2018-19 List of employees paid with IDEA Part B federal funds  -MOSIS/Core Data Staff Assignments Report	The district/LEA must create a process/procedure to accurately code employees who worked in the special education program and were paid any portion of IDEA Part B federal funds to a special education or other acceptable course and program codes in MOSIS/Core Data.
5	Did the district/LEA have Semi-Annual Certification forms on file for employees who worked in the special education program only and were paid any portion of IDEA Part B federal funds, ECSE federal funds, or HNF federal funds?	-2018-19 Semi-Annual Certification forms	The district/LEA must complete Semi-Annual Certification forms to support employees who worked in the special education program only and were paid any portion of IDEA Part B federal funds, ECSE federal funds, or HNF federal funds, for the year being reviewed.  The district/LEA must create a process/procedure to ensure future compliance with time and effort requirements for applicable employees.
6	Did the district/LEA ensure the Semi-Annual Certification forms were completed twice during the school year (semi-annually)?	-2018-19 Semi-Annual Certification forms	The district/LEA must complete Semi-Annual Certification forms twice during the school year (semi-annually) for employees who worked solely in the special education program and were paid any portion of IDEA Part B federal funds, ECSE federal funds, or HNF federal funds, for the school year being reviewed.  The district/LEA must create a process/procedure to ensure future compliance with time and effort requirements by completing Semi-Annual Certification forms for all applicable employees on a semi-annual basis.
7	Did the district/LEA ensure the Semi-Annual Certification forms were signed by either the employee or the supervisor?	-2018-19 Semi-Annual Certification forms	The district/LEA must complete Semi-Annual Certification forms and ensure the certification form is signed by either the employee or the supervisor for the school year being reviewed.  The district/LEA must create a process/procedure to ensure future compliance with time and effort requirements by having the forms signed by either the employee or the supervisor.
8	Did the district/LEA ensure the Semi-Annual Certification forms were signed after the funding period listed on the certification form?	-2018-19 Semi-Annual Certification forms	The district/LEA must create a process/procedure to ensure future compliance with time and effort requirements by having the forms signed after the funding period listed on the certification forms.

9	Did the district/LEA have Time and Effort Logs/Personnel Activity Reports (PARs) on file for employees who worked in both the special education program and on any other program(s), and were paid any portion of IDEA Part B federal funds, ECSE federal funds, or HNF federal funds?	-2018-19 Time and Effort Logs/Personnel Activity Report (PARs)	<p>The district/LEA must complete Time and Effort Logs/Personnel Activity Reports (PARs) for employees who worked in the special education program and on any other program(s) and were paid any portion of IDEA Part B federal funds, ECSE federal funds, or HNF federal funds, for the school year being reviewed, <u>or</u> complete a General Ledger Journal Entry Correction form to recode unallowable expenditures with other allowable expenditures.</p> <p>In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount of unallowable expenditures. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with time and effort requirements by having Time and Effort Logs/Personnel Activity Reports (PARs) on file for employees who worked in the special education program and on any other program(s) and were paid any portion of IDEA Part B federal funds, ECSE federal funds, or HNF federal funds.</p>
10	Did the district/LEA ensure stipends/extra duty work paid with any portion of IDEA Part B federal funds were supported by written documentation/ agreement?	-2018-19 Written Agreements -2018-19 Semi-Annual Certification forms -2018-19 Time and Effort Logs/Personnel Activity Reports (PARS)	The district/LEA must create a process/procedure to ensure stipends/extra duty work paid with any portion of IDEA Part B federal funds is supported by written documentation.
<b>EQUIPMENT</b>			
	<b>QUESTION</b>	<b>DOCUMENTATION</b>	<b>CAP</b>
1	Did the district/LEA obtain prior approval for equipment purchased with IDEA Part B federal funds through the Capital Outlay page in the ePeGS Budget Application?	-2018-19 Budget Application -2018-19 General Ledger -Master Inventory Listing	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures with other allowable expenditures.</p> <p>In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county revenue, the amount of unallowable expenditures. In addition, the district/LEA</p>

			<p>must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with equipment management requirements by obtaining prior approval for equipment purchases.</p>
2	Did the district/LEA ensure equipment purchased with IDEA Part B federal funds was added to the master inventory listing?	-Master Inventory Listing	<p>The district/LEA must add equipment purchased with IDEA Part B federal funds to the master inventory listing.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with equipment management requirements by including all equipment purchased with IDEA Part B federal funds on the master inventory listing as it is purchased and received.</p>
3	Did the master inventory listing have all of the required components: Description, Serial/Model Number, Cost, FAIN, Funding Source, Funding Percentage, Title Holder, Acquisition Date, Location, Use and Condition of Equipment, and applicable Disposition Data?	-Master Inventory Listing	<p>The district/LEA must create one master inventory listing to include all required components if none exists; <u>or</u> add any missing components to an existing master inventory listing.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with equipment management requirements by having one master inventory listing with all required components.</p>
4	Did the district/LEA conduct a physical account/inventory for equipment purchased with IDEA Part B federal funds within the past two years?	-Master Inventory Listing	<p>The district/LEA must conduct the physical account/inventory for equipment purchased with IDEA Part B federal funds within the next 30 calendar days.</p> <p>The district/LEA must create a process/procedure to ensure future compliance with equipment management requirements by completing a physical account/inventory for equipment purchased with IDEA Part B federal funds every two years.</p>
<b>CAPITAL OUTLAY</b>			
	<b>QUESTION</b>	<b>DOCUMENTATION</b>	<b>CAP</b>
1	Did the district/LEA obtain prior approval for capital outlay (bus, vehicle, construction, renovation, real estate, and alteration) purchased with IDEA Part B federal funds through the Capital Outlay page in ePeGS Budget Application?	-Non-Equipment section of the Capital Outlay page of the 2018-19 Budget Application	<p>The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures with other allowable expenditures.</p> <p>In the event there are no other allowable expenditures to recode, the district/LEA must pay back, from state, local, and/or county</p>

		-2018-19 General Ledger -2018-19 Purchase Orders -2018-19 Contracts	revenue, the amount of unallowable expenditures. In addition, the district/LEA must pay interest based on the unallowable expenditures, from state, local, and/or county revenue.  The district/LEA must create a process/procedure to ensure future compliance with Capital Outlay requirements by obtaining prior approval for Capital Outlay purchases.
2	Did the district/LEA ensure Capital Outlay purchased with IDEA Part B federal funds was utilized as indicated in the approval form?	-Non-Equipment section of the Capital Outlay page of the 2018-19 Budget Application	The district/LEA must agree to one of the Capital Outlay disposition options. 1) Keep the Capital Outlay and compensate DESE; 2) Sell the Capital Outlay and compensate DESE; or 3) Transfer the title to another approved federal program.  The district/LEA must create a process/procedure to ensure future compliance with Capital Outlay requirements by following proper disposition steps.
<b>PROPORTIONATE SHARE</b>			
	<b>QUESTION</b>	<b>DOCUMENTATION</b>	<b>CAP</b>
1	Did the district/LEA have documentation (rosters, service plans, etc.) to support the private, parochial and home schooled student counts reported in MOSIS/Core Data?	-2018-19 Rosters -2018-19 Service Plans -2018-19 Referrals	The district/LEA must revise MOSIS/Core Data and/or the ePeGS FER to report the accurate count of private, parochial, and home schooled students found eligible under Proportionate Share.  The district/LEA must create a process/procedure to ensure adequate documentation is maintained and reported accurately to support the private, parochial, and home schooled children with disabilities determined eligible under Proportionate Share.
2	Did the district/LEA track Proportionate Share expenditures separately from other expenditures using function code 1224 and/or 2557?	-2018-19 General Ledger	The district/LEA must create a process/procedure to track Proportionate Share expenditures separately from other expenditures by utilizing function codes 1224 and/or 2557 in the general ledger.
3	Did the district/LEA ensure Proportionate Share expenditures were prorated appropriately?	-2018-19 General Ledger -2018-19 Proration Documentation -2018-19 Proportionate Share Services Logs	The district/LEA must complete a General Ledger Journal Entry Correction form to recode unallowable expenditures with other allowable expenditures.  The district/LEA must revise the FER to accurately prorate Proportionate Share costs.  The district/LEA must create a process/procedure to ensure future

			Proportionate Share expenditures are prorated appropriately.
COORDINATED EARLY INTERVENING SERVICES (CEIS)			
	QUESTION	DOCUMENTATION	CAP
1	Did the district/LEA track CEIS expenditures paid with IDEA Part B federal funds separately from other expenditures using function code 1223?	-2018-19 General Ledger	The district/LEA must create a process/procedure to track CEIS expenditures paid with IDEA Part B federal funds separately from other expenditures using function code 1223.
MAINTENANCE OF EFFORT (MOE)			
	QUESTION	DOCUMENTATION	CAP
1	Did the Maintenance of Effort (MOE) calculation include ALL special education program expenditures paid with state, local, and/or county funds?	-2018-19 General Ledger  -2018-19 FER	The district/LEA must complete a FER revision to report accurate MOE totals.  The district/LEA must create a process/procedure to ensure all special education program expenditures paid with state, local, and/or county funds are included in the MOE calculation.
2	Did the district/LEA ensure federal funds were not included in the Maintenance of Effort (MOE) calculation?	-2018-19 General Ledger  -2018-19 FER	The district/LEA must complete a FER revision to report accurate MOE totals.  The district/LEA must create a process/procedure to ensure compliance with MOE requirements by including only state, local, and/or county expenditures for the special education program in the MOE calculation.
3	Did the Maintenance of Effort (MOE) calculation include only special education expenditures (no Gifted, Homeless, Medicaid billing fees, Local Tax Effort, etc., were included)?	-2018-19 General Ledger  -2018-19 FER	The district/LEA must complete a FER revision to report accurate MOE totals.  The district/LEA must create a process/procedure to ensure compliance with MOE requirements by including expenditures for the special education program only in the MOE calculation.
4	Did the district/LEA ensure expenditures paid with state, local, and/or county funds recorded in the general match what the district/LEA reported in ePeGS on the Maintenance of Effort (MOE) grid?	-2018-19 General Ledger  -2018-19 FER	The district/LEA must complete a FER revision to report accurate MOE totals.  The district/LEA must create a process/procedure in which the general ledger matches the amounts reported in the MOE grids.

# APPENDIX B

## GRANTING ACCESS TO TIERED MONITORING SYSTEM

1. The district/LEA's user manager must log into the DESE Web Applications. Select "User Manager" from the Web Application menu
2. Select "User Access" from the left navigation menu
3. For a new user, select "Add User to District"
  - a. Perform a search to see the user has a current ID
  - b. If not, the user must create a public account
  - c. Once the ID is created, select "Add User to District" and using the newly created ID, add the user to the district.
  - d. At the bottom of the screen, under Cross Divisional, grant either "District\_Submit (for Administrator)" or "District\_Save" (for Users) rights and click save. *Please note: "District\_Submit" or "District\_Save" option will not appear until district/LEA has been assigned to Self-Assessment Monitoring*
  - e. If select "District\_Save" (for Users), a Tiered Monitoring District Administrator will need to grant duties to all users within the Tiered Monitoring System. This is done using the "Manage Securities" link under the Utilities box on the right-hand side of the Federal Monitor-LEA Home page.
4. For an existing user (has an existing ID), select "Modify District User"
  - a. At the bottom of the screen, under Cross Divisional, grant either "District\_Submit" (for Administrator) or "District\_Save" (for Users) rights and click save. *Please note: "District\_Submit" or "District\_Save" option will not appear until district/LEA has been assigned to Self-Assessment Monitoring*
  - b. If select "District\_Save" (for Users), the Tiered Monitoring District Administrator will need to grant duties to all users within the Tiered Monitoring System. This is done using the "Manage Securities" link under the Utilities section on the Tiered Monitoring LEA Homepage.
5. The user manager will then need to log into Tiered Monitoring (on the Web Applications menu).
  - a. Click on "Maintain User Security" in the Utilities box on the right-hand side of the Federal Monitor-LEA Home page.
  - b. Click on "Manage Assignments" beside the individual's name for who access is being granted. Check the appropriate access (view, data entry, authorized representative) for Special Education Finance (approximately mid-way down the page).
6. The user (not the User Manager) will need to log in to Web Applications, click on Tiered Monitoring link. They will need to open Tiered Monitoring System, log out, and then log back in before changes to the profile will take effect and Special Education Finance will appear.

# APPENDIX C

# UPLOADING DOCUMENTS INTO TIERED MONITORING

1. Log on to DESE webpage at [www.dese.mo.gov](http://www.dese.mo.gov). Click on Web Application Login link.



2. Sign into DESE Web Application by entering the user name and password.



- On the Web Applications Menu, click on Tiered Monitoring. If the Tiered Monitoring option does not appear as an option, then you do not currently have access to the system. The district/LEA User Manager will need to assign access through the user manager link (*Maintain User Security* → *Select User Name* → *Assign Monitoring Reports & Security Levels (View, Data Entry and Authorized Representative)*).

## Web Applications Menu

**Missouri**  
DEPARTMENT OF ELEMENTARY & SECONDARY  
**EDUCATION.**

▼ **User Applications**

- ▼ **DESE Web Applications**
  - ▶ Annual Report of the County Clerk to the State Board of Education
  - ▶ Annual Secretary of the Board Report (ASBR)
  - ▶ ARRA
  - ▶ Data Collection
  - ▶ Educator Certification System - Request Educator Access
  - ▶ Educator Qualifications
  - ▶ ePeGS
  - ▶ Missouri Comprehensive Data System (MCDS)
  - ▶ Nonpublic Registration Form
  - ▶ School Finance
  - ▶ Special Education → Childhood
  - ▶ Tiered Monitoring
- ▼ **Report**
  - ▶ Report Menu -- All data and/or reports are now available through the Missouri Comprehensive Data System (MCDS) Portal.
- ▼ **User Information**
  - ▶ Change Password
  - ▶ Edit User Profile
  - ▶ Edit Security Question/Answer

▶ Logon/Logoff

- On the LEA Home Page, locate the Utilities Box on the right side of the page. Click on Global Document Repository (uploads) link. This will allow the district/LEA to upload documentation for department review.

## Home Elements

**Missouri**  
DEPARTMENT OF ELEMENTARY & SECONDARY  
**EDUCATION.**

Menu

**Info**

District: MOABE LEA  
CDE: 07116  
Login to go: Hope Text  
User ID: HOPETEST1

**Navigation**

- Federal Monitor Home
- Web Application Menu
- Logon/Logoff

**Federal Monitor - LEA Home**

**Desk Monitoring**

Section #	Status	Due
Federal Charter Schools Self-Assessment	In Progress	8/31/2013

**Audit Checklists**

There are no sections to display.

**Utilities**

- Calendar view
- Global Document Repository (uploads)
- HighHam user security

5. Global Document Repository page will open. Click on [\[+ Upload a file\]](#) link.

## Global Document Repository

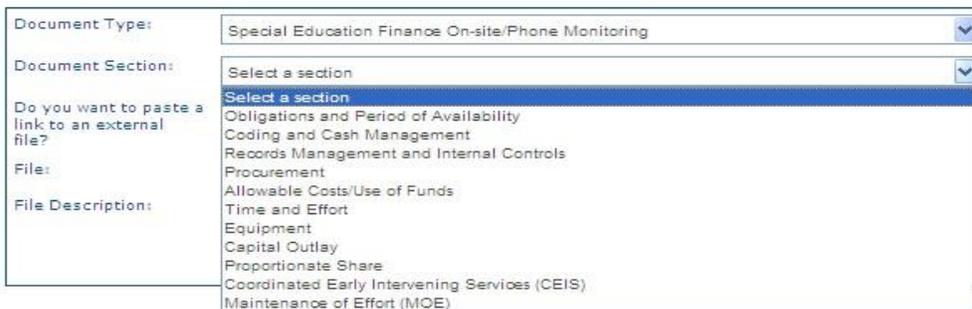
6. A pop-up screen will appear that will allow the upload of a document or web link.

## Upload Screen

7. For Document Type, select Special Education Finance On-site/Phone Monitoring. Then select a section title (according to **Global Document Repository Key** located on last page of this document). If, "Special Education Finance On-Site/Phone Monitoring" is not an option in the drop down box, the district/LEA must change the school year. To do so, please see the blue menu box at TOP LEFT CORNER of the page, under the Functions heading the Year: XXXX-XXXX should read 2018-19, if does not click on the (CHANGE) link. A pop-up screen will appear. Select 2018-2019.

## Choosing A Program

### File Upload

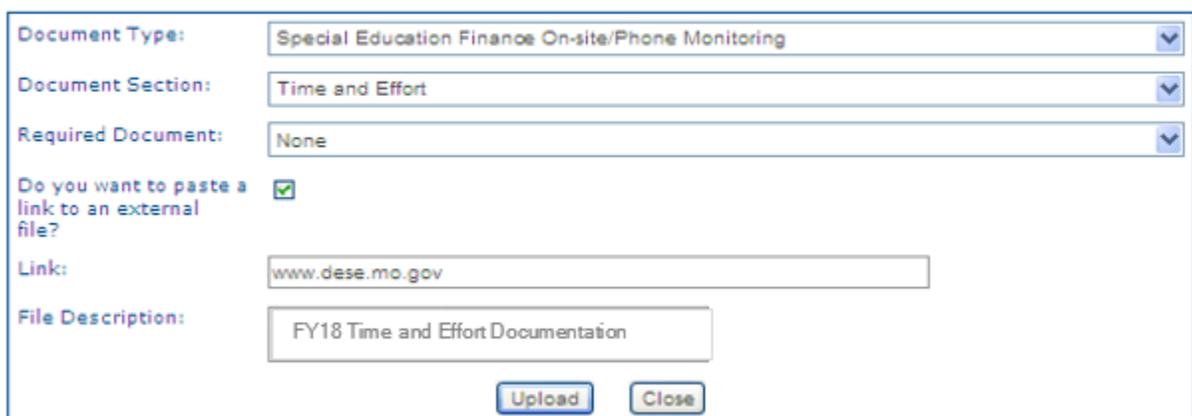


The screenshot shows a web form titled "File Upload". The "Document Type" dropdown is set to "Special Education Finance On-site/Phone Monitoring". The "Document Section" dropdown is open, showing a list of options: "Select a section", "Obligations and Period of Availability", "Coding and Cash Management", "Records Management and Internal Controls", "Procurement", "Allowable Costs/Use of Funds", "Time and Effort", "Equipment", "Capital Outlay", "Proportionate Share", "Coordinated Early Intervening Services (CEIS)", and "Maintenance of Effort (MOE)". The "Do you want to paste a link to an external file?" checkbox is unchecked. The "File:" field is empty. The "File Description:" field is empty.

8. There is also the option to submit a web link. To do so, check the box next to "Do you want to paste a link to an external file?" Browse for file.

## Submitting a Web Link

### File Upload



The screenshot shows the "File Upload" form with the following fields filled out: "Document Type" is "Special Education Finance On-site/Phone Monitoring", "Document Section" is "Time and Effort", and "Required Document" is "None". The "Do you want to paste a link to an external file?" checkbox is checked. The "Link:" field contains "www.dese.mo.gov". The "File Description:" field contains "FY18 Time and Effort Documentation". At the bottom of the form, there are "Upload" and "Close" buttons.

- Add file description (according to Global Document Repository Key located below). Then click upload. A message will appear to indicate the upload was successful.

## Upload Successful

The screenshot shows the 'Global Document Repository' interface. At the top, there is a blue header with the text 'Upload Successful'. Below this, a yellow banner displays the message 'Your file has been uploaded.' A table lists several documents uploaded on 11/8/2013. The table has columns for Date uploaded, Description, Document, Related to, and Status. The status for all listed documents is marked with a red 'X'.

Date uploaded	Description	Document	Related to	Status
11/8/2013 1:00:00 PM	General Ledger Chart of Accounts/Legend	Special Education Finance On-site/Phone Monitoring	Obligations and Period of Availability	X
11/8/2013 1:05:00 PM	General Ledger FY13	Special Education Finance On-site/Phone Monitoring	Obligations and Period of Availability	X
11/8/2013 1:06:00 PM	General Ledger-by month FY13	Special Education Finance On-site/Phone Monitoring	Obligations and Period of Availability	X
11/8/2013 1:06:00 PM	MOE Documentation	Special Education Finance On-site/Phone Monitoring	Maintenance of Effort (MOE)	X
11/8/2013 1:07:00 PM	Staff Listing	Special Education Finance On-site/Phone Monitoring	Time and Effort	X

### KEY: Global Document Repository Labels

- Prior Fiscal Year General Ledger (2018-19) sorted by project code for all ECSE and K-12 Special Education program expenditures
  - *Document Section*= Coding Expenditures
  - *File Description*= FY19 General Ledger
- Prior Fiscal Year General Ledger (2018-19) by month for the expenditures described above
  - *Document Section*= Cash Management
  - *File Description*= Monthly General Ledger FY19
- 2018-19 Payroll Report for all staff paid with IDEA Part B, ECSE 611, ECSE 619, and HNF federal funds
  - *Document Section*= Allowable Use of Funds
  - *File Description*= Federal Payroll Report FY19
- 2018-19 Payroll Report for all ECSE program staff (coded to function 1281 and 2559 or any other function code(s))
  - *Document Section*= Allowable Use of Funds
  - *File Description*= ECSE Payroll Report FY19

- 2018-19 Maintenance of Effort (MOE) Documentation (if other than the General Ledger)
  - *Document Section*= Maintenance of Effort
  - *File Description*= MOE Documentation
  
- 2018-19 List of Special Education Staff paid with IDEA Part B federal funds
  - *Document Section*= Time and Effort
  - *File Description*= Staff Listing-IDEA
  
- 2018-19 List of Special Education Staff paid with ECSE 611 federal funds
  - *Document Section*= Time and Effort
  - *File Description*= Staff Listing-ECSE 611
  
- 2018-19 List of Special Education Staff paid with ECSE 619 federal funds
  - *Document Section*= Time and Effort
  - *File Description*= Staff Listing-ECSE 619
  
- 2018-19 List of Special Education Staff paid with HNF federal funds
  - *Document Section*= Time and Effort
  - *File Description*= Staff Listing-HNF
  
- 2018-19 Time and Effort Documentation
  - *Document Section*= Time and Effort
  - *File Description*= FY19 Time and Effort Documentation
  
- 2018-19 Proportionate Share Student Roster
  - *Document Section*= Proportionate Share
  - *File Description*= Proportionate Share Student Roster
  
- Cash Management Procedure
  - *Document Section*= Cash Management
  - *File Description*= Cash Management Procedure
  
- Allowability Procedure
  - *Document Section*= Allowable Use of Funds
  - *File Description*= Allowability Procedure
  
- Travel Policy
  - *Document Section*= Allowable Use of Funds
  - *File Description*= Travel Policy
  
- Procurement Policy & Procurement Procedure
  - *Document Section*= Procurement
  - *File Description*= Procurement Policy & Procedure
  
- Standards of Conduct Policy
  - *Document Section*= Procurement
  - *File Description*= Standards of Conduct Policy