



**DIVISION OF  
FINANCIAL AND  
ADMINISTRATIVE SERVICES**  
**Special Education Finance  
101**

**New Directors  
Academy**

July 2015

Missouri Department  
of Elementary and Secondary Education

# FUNDING BASICS



# FUNDING BASICS

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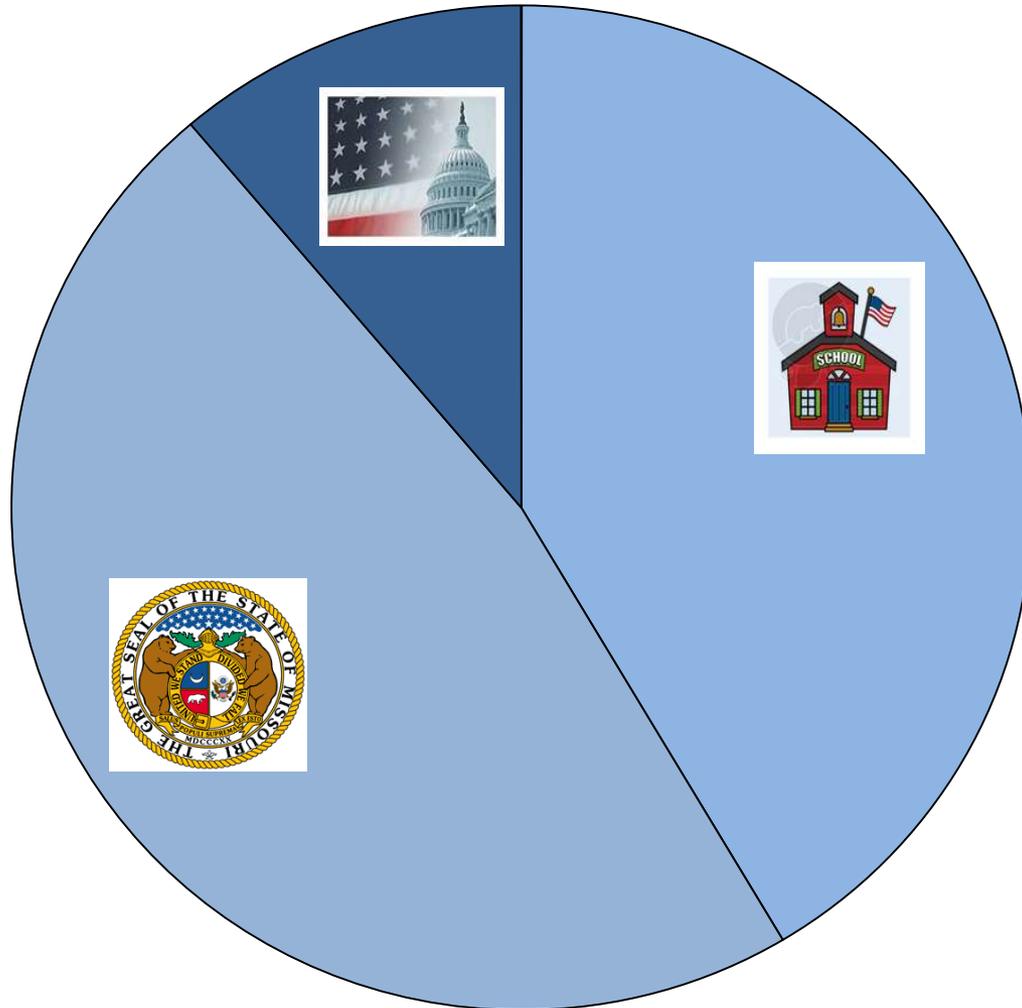
- Special Education Funding Sources
- Coding Special Education Expenditures
- Obligation of Funds
- Period of Availability
- Cash Management



# SPED FUNDING SOURCES



# SPECIAL EDUCATION FUNDING



- Local Funding
- State Funding
- Federal Funding



# FUNDING SOURCES - REVENUE CODES

Revenue Codes distinguish the funding source type:



**Local: 51xx, 52xx, 58xx**



**State: 53xx**



**Federal: 54xx**



# LOCAL FUNDING



LOCAL Sources may include:

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



# STATE FUNDING



STATE Sources may include:

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



# FEDERAL FUNDING



FEDERAL Sources may include:

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



# CODING SPED EXPENDITURES



# ACCOUNTING CODE STRUCTURE

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

- The fund code indicates the type of fund. The two types of funds are the General (Incidental) Fund and Special Revenue (Teachers) Fund.
- The function code describes the function, purpose or program for which activities are performed. The following two tables contain a list of function codes related to special education expenditures.
- The object code identifies the service or commodity obtained and is based on how a particular expenditure is paid out.
- The program/building code is optional, but identifies a specific program within special education or a specific building.
- **The project code identifies a specific project, program, or funding source.**



# SPECIAL EDUCATION FUNCTION CODES

Function codes that are specifically designated for special education expenditures.

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



# ASBR AND GENERAL LEDGER

## General Ledger Example-FY15

01	1231	6111	105	00	Bilingual	198,471.26
01	1240	6151	105	00	Title I Aides	1,032,532.56
Total						1,231,003.82

## Annual Secretary of the Board Report (ASBR)

Version 1.119.1255

Function Code	Description	Total All Funds
1192	Juvenile Program	0.00
1210	Gifted	88,101.22
1221	Special Education and Related Services	607,444.30
1223	Coordinated Early Intervening Services	0.00
1224	Proportionate Share Services	1,231,003.82
1250	Supplemental Instruction	1,323,885.61
1271	Bilingual	0.00

*Since there are no codes between 1224 and 1250, these expenditures may roll into an unintended code in the ASBR.*



# NONSPECIAL EDUCATION FUNCTION CODES

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

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

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



# OBJECT CODES

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

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



# PROJECT/SOURCE CODES

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

State and local project/source codes may selected by district  
Recommend using the first two digits of the revenue code for state/local funding sources (i.e. 51, 52, 53, etc.).

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



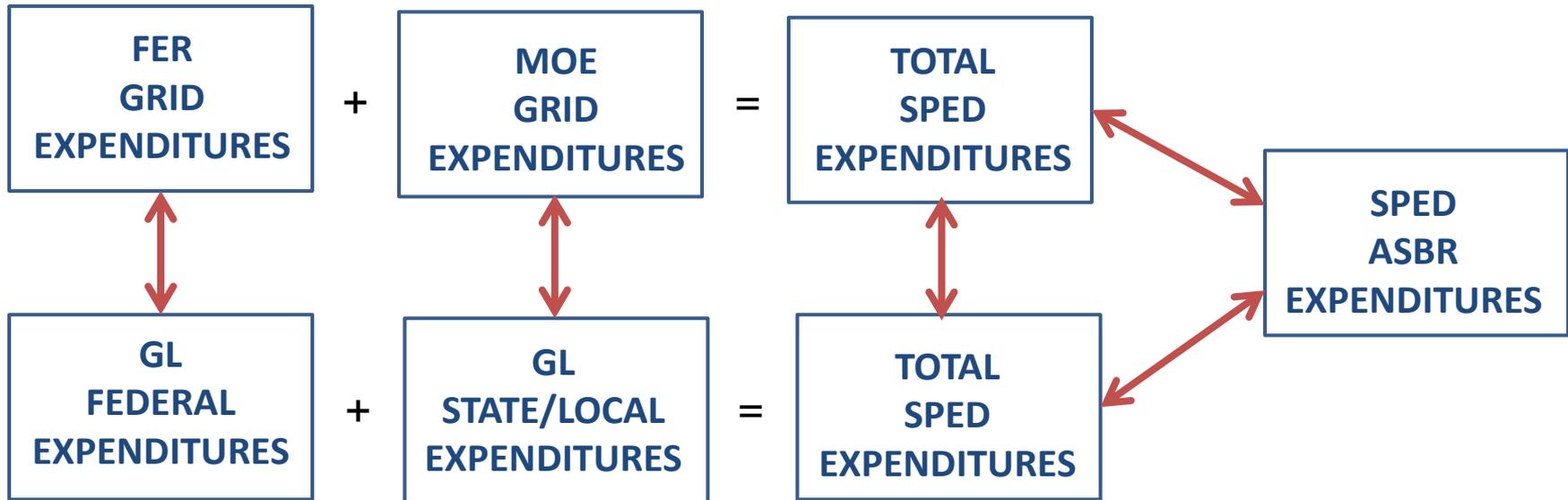
# GENERAL LEDGER EXAMPLE

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

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

# THREE WAY MATCH

FER = GENERAL LEDGER = ASBR



# CODING SELF-REVIEW

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



# OBLIGATION OF FUNDS



# OBLIGATION OF FUNDS

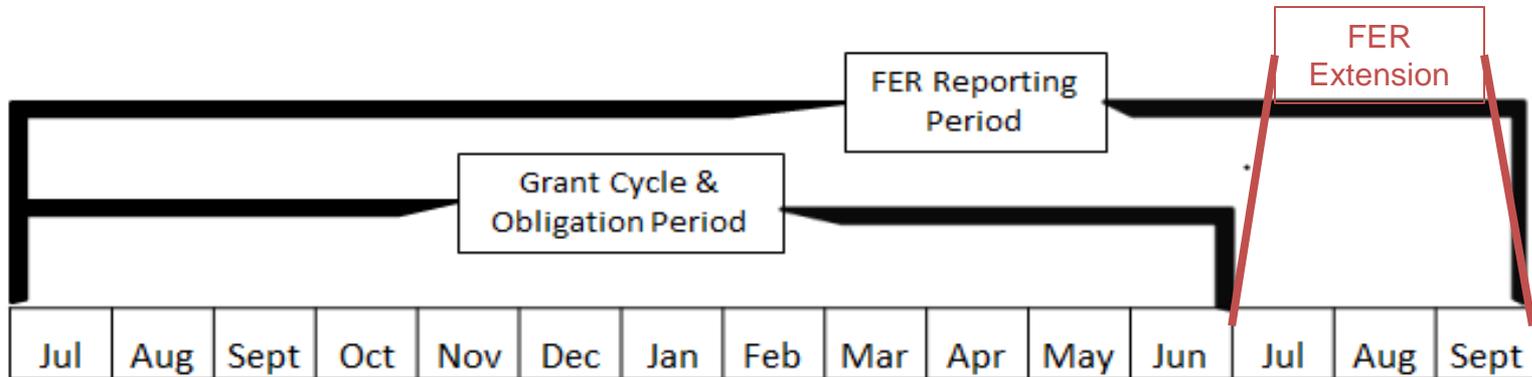
To obligate funds is to reserve, commit, or set-aside for a specific activity or purpose. Funds can't be obligated until the Budget Application is submitted.

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



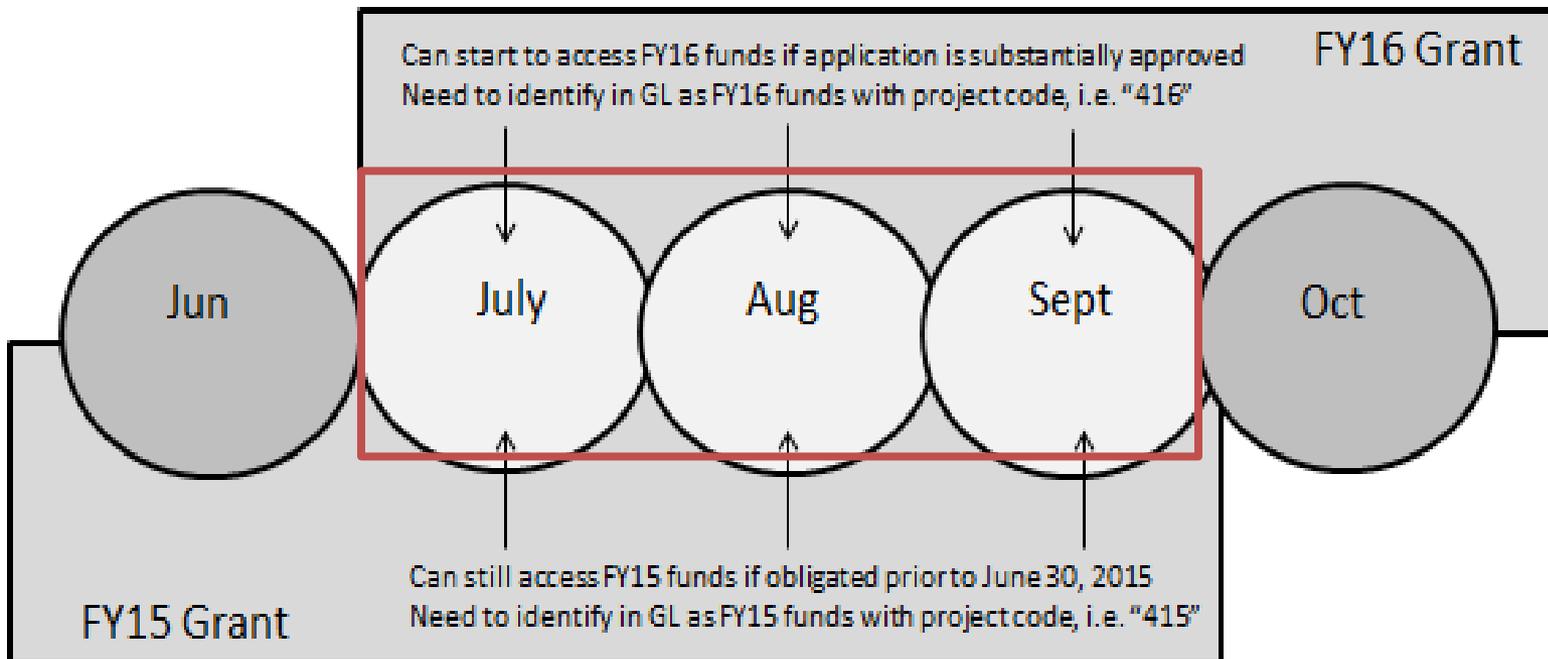
# FER REPORTING PERIOD

- The FER Reporting period runs from July 1<sup>st</sup> to September 30<sup>th</sup> each fiscal year.
- Extra three months to access funds after the grant cycle ends (FER Extension).
- Request grant funds up until September 30<sup>th</sup> as long as the obligation occurred during the grant cycle (prior to June 30<sup>th</sup>) and FER has not been submitted.
- There must be remaining grant funds after June 30<sup>th</sup>.



# FER EXTENSION

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



# FER EXTENSION CODING

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

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



# OBLIGATIONS SELF-REVIEW

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



# PERIOD OF AVAILABILITY



# PERIOD OF AVAILABILITY

- The period of availability is the amount of time the district/LEA has to obligate and expend grant funds, which is also known as the grant cycle.
- Typically the grant cycle runs from July 1<sup>st</sup> to June 30<sup>th</sup> of each fiscal year.
- Funds from a new grant cycle may not be used for obligations or expenditures that occurred in the previous grant cycle.

GRANT CYCLE	GRANT CYCLE DATES	LAST DAY TO OBLIGATE
FY15 Grant Funds	July 1, 2014 – June 30, 2015	June 30, 2015
FY16 Grant Funds	July 1, 2015 – June 30, 2016	June 30, 2016
FY17 Grant Funds	July 1, 2016 – June 30, 2017	June 30, 2017



# RULES

#1: **NEW** GRANT MONEY CAN'T PAY FOR **OLD** EXPENDITURES

FY16  
MONEY  $\neq$  FY15  
EXPENDITURES

#2: **OLD** GRANT MONEY CAN PAY FOR **NEW** EXPENDITURES  
THROUGH CARRYOVER PROCESS

FY15  
MONEY  $=$  FY16  
EXPENDITURES

# RULE #1 PERIOD OF AVAILABILITY

**NEW** GRANT MONEY CAN'T PAY FOR **OLD** EXPENDITURES

FY16 MONEY  $\neq$  FY15 EXPENDITURES

FY16 MONEY		FY15 EXPENDITURES
FY16 MONEY	≠	June Payroll
FY16 MONEY	≠	June ESY Services
FY16 MONEY	≠	June/May Conference



# RULE #1 OPTIONS

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



# RULE #2 PERIOD OF AVAILABILITY

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

FY15 MONEY = FY16 EXPENDITURES

FY15 MONEY		FY16 EXPENDITURES
FY15 MONEY	=	October Payroll
FY15 MONEY	=	August ESY Services
FY15 MONEY	=	July/August Conference



# RULE #2 CONDITIONS

- Prior year FER has to be submitted and approved.
- Amend current year budget application to roll funds into new year and re-obligate.



# PERIOD OF AVAILABILITY SELF-REVIEW

- How does your district ensure new money isn't used on old expenditures?



# CASH MANAGEMENT



# CASH MANAGEMENT

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



# CODE IN ADVANCE

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



# CODE IN ADVANCE STEPS

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

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

Step 2: Request and Receive Funds in School Payment Transmittal

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

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



# CODE IN ADVANCE GL EXAMPLE

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD
***FUNCTION CODE 1221: SPECIAL EDUCATION SERVICES***								
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01	1221	6151	105	53	SE SALARY NONCERT	148,835	16,537	99,223
01	1221	6211	300	41	SE TEACHER RETIREMENT	110,946	12,327	73,964
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<b>SUBTOTAL</b>						<b>769,710</b>	<b>67,957</b>	<b>501,053</b>

# REQUEST AND EXPEND

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



# REQUEST AND EXPEND STEPS

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

Payment Transmittal	\$5,000.00	11/21/15
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Step 2: Pay Expenditure and Code to Federal Special Education Account (“41”) within 3 Days of receipt of funds to “tie” federal funds to expenditure

1221-6311-41	\$5,000.00	11/23/15
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# REQUEST AND EXPEND GL EXAMPLE

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***FUNCTION CODE 1221: SPECIAL EDUCATION SERVICES***								
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<b>SUBTOTAL</b>						<b>769,710</b>	<b>67,957</b>	<b>501,053</b>

# JOURNAL ENTRY CORRECTION

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



# JOURNAL ENTRY CORRECTION STEPS

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

1221-6311	\$5,000.00	10/10/15
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Step 2: Receive Federal Funds in School Payment Transmittal

Payment Transmittal	\$5,000.00	11/21/15
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Step 3: Journal Entry Correction to Recode to Federal Special Education Account (“41”) within 3 Days

1221-6311	-\$5,000.00	
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1221-6311-41	\$5,000.00	11/23/15
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# JOURNAL ENTRY CORRECTION GL EXAMPLE

\*\*\*FUNCTION CODE 1281: ECSE SERVICES\*\*\*

01	1281	6122	105	00	ECSE CERTIFIED SALARY	32,813	3,646	25,521
CR	1281	6122	105	00	ECSE CERTIFIED SALARY	32,813	(3,646)	21,875
01	1281	6122	105	42	ECSE CERTIFIED SALARY*	3,646	3,646	3,646

FEDERAL PAYMENT = \$3,646



# JOURNAL ENTRY CONSIDERTATIONS:

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



# OVERCODING

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

## WHY?

- Can't verify which exact expenditures were paid with federal funds.
- Violate cash management by requesting more funds than actually expended
- FER will require manual calculations and be very difficult complete
- MOE calculation will require manual calculation and may be incorrect



# OVERCODING EXAMPLE

- Allocation = \$50,000
- GL Federal Expenditures = \$65,000
  - Salaries = \$40,000
  - Equipment = \$25,000
- FER = \$50,000
  - Salaries = \$50,000

## PROBLEMS:

- FER doesn't match General Ledger
- Time and effort on \$10,000 worth of salaries
- Prior approval for equipment
- Was the \$15,000 above and beyond amount added to MOE



# CASH MANAGEMENT SELF-REVIEW

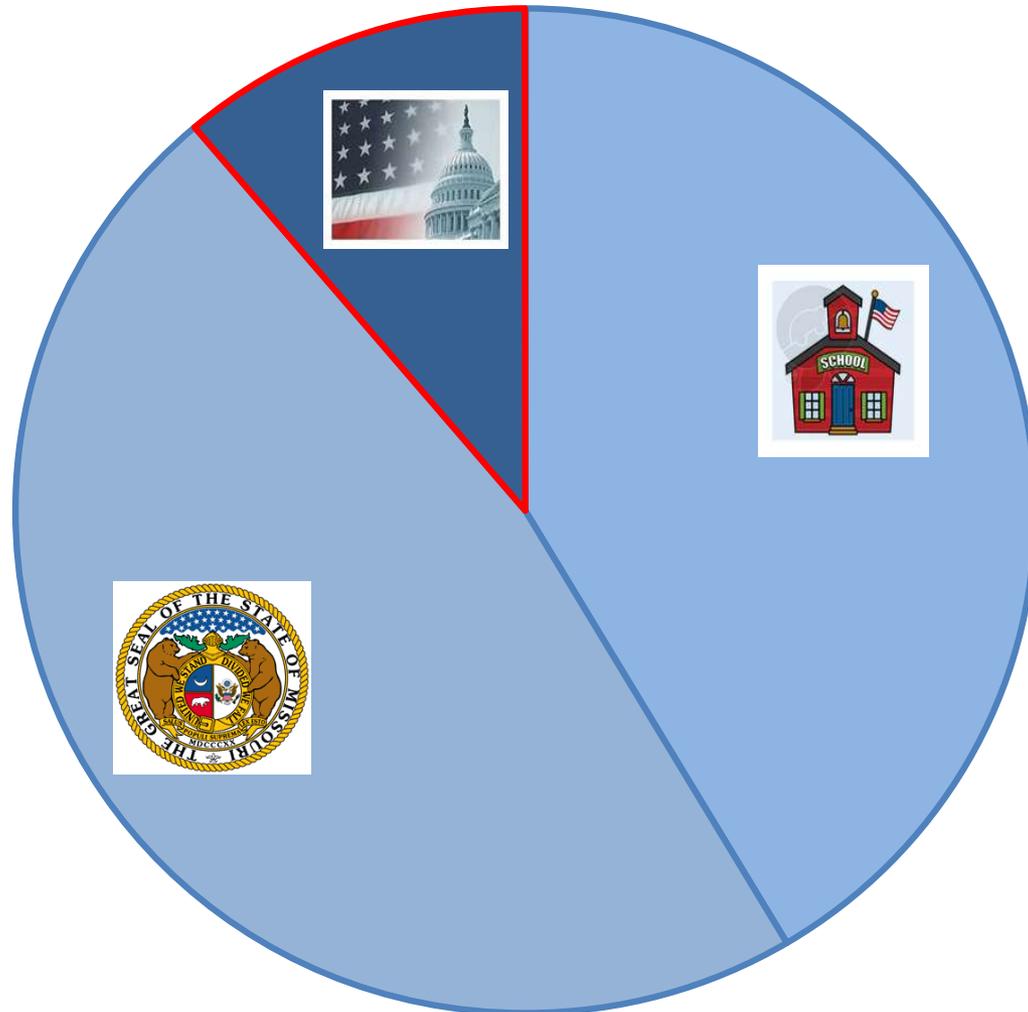
- Which method(s) does your district use to tie federal funds to expenditures?
- Does your district complete journal entry corrections for ECSE and HNF federal funds within 3 days of receipt?
- Does your district overcode federal expenditures above and beyond the allocation amount?



# Part B IDEA Funds



# Special Education Funding



- Local Funding
- State Funding
- Federal Funding



# Federal Part B IDEA Funds



IDEA Part B Entitlement funds (Section 611) are Federal funds the LEA receives to help support the special education program and implement IDEA.

2015-16 \$176 million Part B



# Federal IDEA Part B Funds Formula

Three separate components in formula:

1. **Base Amount**

2. **Population Count**

- September Enrollment
- Home School
- Non-Public
- Neglected/Delinquent

3. **Poverty Count**

- Free/Reduced Lunch Count
- Community Eligibility Provision (CEP)



# Allowable Use Of Federal Funds

## IDEA Part B federal funds may be used for:

Special Education & Related Services	Appropriate Technology
Coordinated Early Intervening Services	Facilities/Construction (prior approval)
Establish Cooperatives for Cost Sharing Funds	Special Education Buses (prior approval)

- All special education expenditures must be necessary and reasonable.
- IDEA Part B federal funds must be budgeted in ePeGS prior to obligating.
- IDEA Part B federal funds must be prorated if not directed 100% towards special education program.
- LEAs must have a written allowability procedure.



# Prorating Expenditures

IDEA requires all expenditures with IDEA funds to be directed 100% toward Special Education; otherwise the cost should be prorated, unless the benefit to non-special education students is incidental and justifiable.



# Prorating Expenditures-Examples

Justifiable incidental benefit to non-special education students:

- ❑ A LEA bought a 12 passenger small bus for 9 students with disabilities. The bus picks up two additional non-disabled students on the same route that are siblings of the students with disabilities. This is a justifiable incidental benefit because that bus had to make those stops anyway for the students with disabilities, and no additional stops were needed. This would be a purchase that could be paid 100% with Part B IDEA funds.

Unjustifiable incidental benefit to non-special education students:

- ❑ A LEA bought a 54 passenger bus with wheel chair capabilities for 3 students with disabilities in wheelchairs. There are 50 non-disabled students on the same route. While this purchase may benefit the disabled students, the bus had to make multiple extra stops that weren't necessary for the students with disabilities. The benefit to non-disabled students is more than incidental, and therefore the cost must be prorated.



# Prorating Expenditures

Possible methods for prorating expenditures:

## PRORATING EXPENDITURES

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



# Unallowable Use Of Federal Funds

## IDEA Part B federal funds may NOT be used for:

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

# IDEA Federal Requirements



# Federal Requirements

## Required for all LEAs

- Maintenance of Effort (MOE)
- Proportionate Share

## Depends on Use of Funds

- Equipment
- Capital Outlay
- CEIS - (Required if LEA has a determination of significant disproportionality)



# Maintenance Of Effort (MOE)

## (34 CFR §300.203)

### What

- ❑ MOE Eligibility Requirement: To show the *intent* of the LEA to maintain the amount of State/local for special education program
- ❑ MOE Compliance Requirement: To show the LEA has maintained the amount of State/local it *spent* for special education program

### LEA Action

- ❑ MOE Eligibility Requirement: Part B Budget Application, due July 1
- ❑ MOE Compliance Requirement: Part B FER, due September 30

### Significance

- ❑ MOE Eligibility Requirement: To receive IDEA Part B funds for the fiscal year
- ❑ MOE Compliance Requirement: Failure requires the LEA to pay back State/local funds



# MOE Compliance And Eligibility Requirements

## Eligibility Requirement

**Budget State and/or local for Upcoming Year  $\geq$  Expended Last FY for which data are available and Met MOE Compliance**

## Compliance Requirement

**Spent State and/or local in Current Year  $\geq$  Expended Last FY Met MOE Compliance**



# Methods For Meeting MOE

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

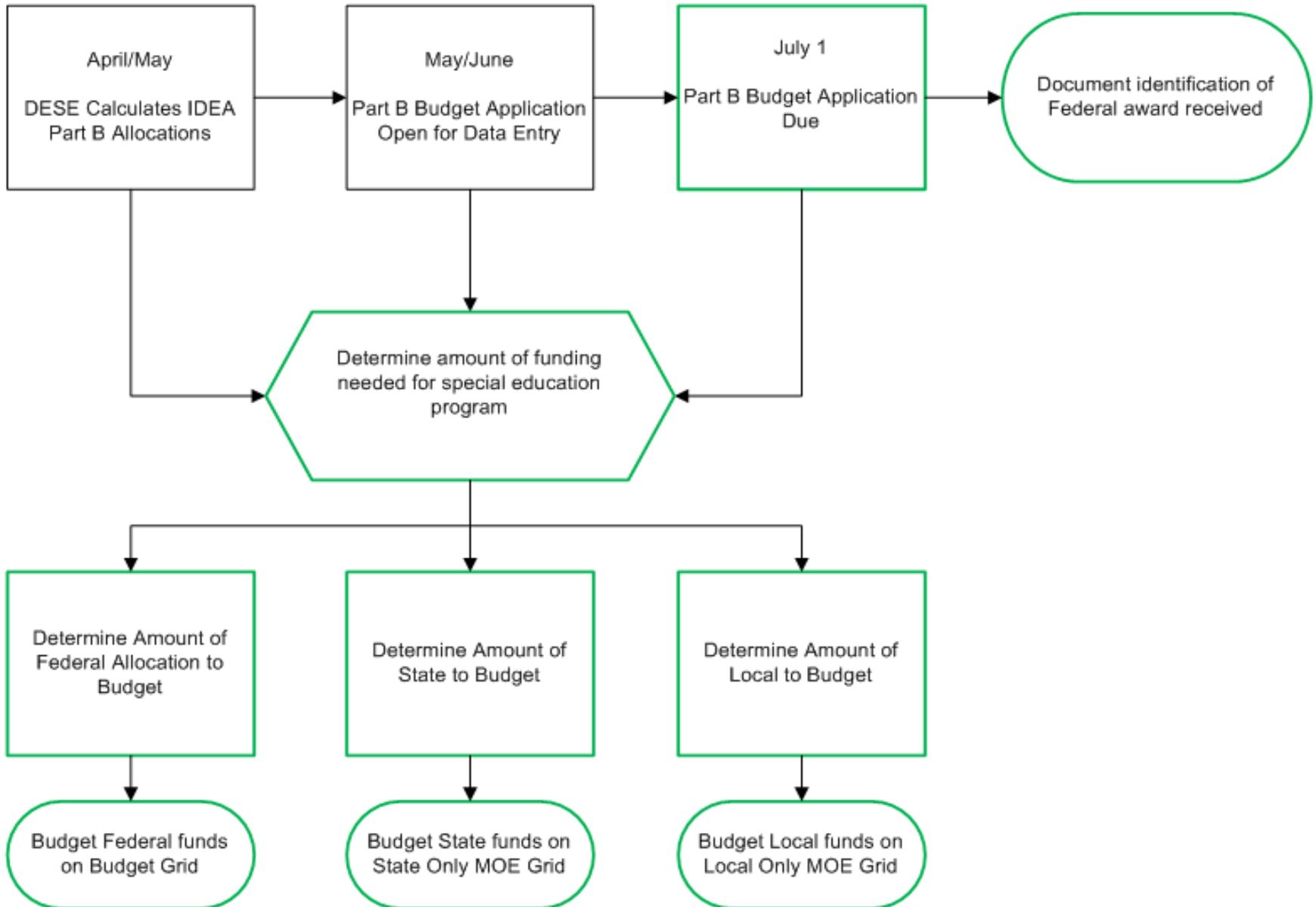
- Total Local Funds Only
- Per Child Local Funds Only
- Total Combination of State and Local Funds
- Per Child Combination of State and Local Funds



# Budgeting Maintenance Of Effort for Eligibility



Preparing for a new Fiscal Year and MOE Eligibility  
April to July



# CONSIDERATIONS FOR BUDGETING MOE

## Program Costs:

- What was the cost of the Special Education Program in 2014-15?
- Any anticipated significant changes for 2015-16?

## Revenue:

- What is the FY16 IDEA Part B Allocation?
- Is there any FY15 IDEA Part B Carryover?
- What are the State revenue sources and how much? Stable?
- What are the local revenue sources and how much? Stable?

## Meeting for Eligibility:

- What did I spend out of State / local in past few years?
- How do I want to meet MOE in FY16?



# OTHER CONSIDERATIONS

## Impacts to MOE:

- Medicaid revenue on special education expenditures
- Other Federal funds used for special education expenditures (i.e. Collaborative grant)
- Eliminating positions, forced transfers, across the board reductions
- Habit of using entire IDEA Part B Allocation
- Unnecessarily inflating MOE by charging items to special education program that aren't program specific



# IDEA Part B Allocations

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

## FY16 SPECIAL EDUCATION IDEA PART B GRANT PRELIMINARY ALLOCATIONS (July 6, 2015)

FEDERAL AWARD IDENTIFICATION NUMBER	H027A150040	NAME OF FEDERAL AWARDING AGENCY	U.S. Department of Education
FEDERAL AWARD DATE	7/01/2015 - 9/30/2016	NAME OF PASS-THROUGH ENTITY	Missouri Department of Elementary and Secondary Education
SUBAWARD PERIOD OF PERFORMANCE	7/01/2015 - 6/30/2016	CONTACT INFORMATION OF AWARDING OFFICIAL	Gregory Corr
TOTAL AMOUNT OF FEDERAL FUNDS OBLIG	\$224,734,475	CFDA NUMBER AND NAME	84.027A, Special Education - Grants to States
TOTAL AMOUNT OF FEDERAL AWARD	\$224,734,475	RESEARCH AND DEVELOPMENT AWARD	No
FEDERAL AWARD PROJECT DESCRIPTION	Special Education - Grants to States	INDIRECT COST RATE FOR THE FEDERAL AWARD	5.4% Restricted

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

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

CDC	District Name	Base Amount	POPULATION						POVERTY		FY16 IDEA Part B Allocation	DUNS	IDC
			PK-12 Sept. Enrollment	Home School Count	Non Public Count	Neglected & Delinquent Counts	Total Population	Enrollment Amount	FRL/CEP Count	Poverty Amount			
001090	ADAIR CO. R-I	\$18,151	277	0	0	0	277	\$ 25,935	160	\$ 5,954	\$ 50,040	100654698	0.14%
001091	KIRKSVILLE R-III	\$176,325	2568	16	84	27	2695	\$ 252,332	1145	\$ 42,612	\$ 471,269	039448618	1.70%
001092	ADAIR CO. R-II	\$28,523	181	13	0	0	194	\$ 18,164	89	\$ 3,312	\$ 49,999	100653757	1.15%
002017	DEPARTMENT OF CORRECTIONS	\$258,265	558	0	0	0	558	\$ 52,245	0	\$ -	\$ 310,510	879002251	10.00%
002089	NORTH ANDREW CO. R-VI	\$20,744	338	1	0	0	339	\$ 31,740	140	\$ 5,210	\$ 57,694	100041870	0.12%
002090	AVENUE CITY R-IX	\$10,372	191	0	0	0	191	\$ 17,883	44	\$ 1,637	\$ 29,892	100040567	0.19%
002097	SAVANNAH R-III	\$114,093	2327	65	0	0	2392	\$ 223,962	893	\$ 33,233	\$ 371,288	808936053	0.06%

Allocations and ePeGs Training Guides:

<http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations>



# Monthly Revenues

Year:

2014-2015 ▼

Month:

January ▼

For que

Revenue Code	Revenue Name	CFDA Number
5113	Prop C	
5311	<a href="#">Basic Formula - State Monies</a>	
5312	<a href="#">Transportation</a>	
5314	ECSE-State	
5319	<a href="#">Basic Formula - Classroom Trust Fund</a>	
5324	Parents as Teachers	
5369	Pub Placement	
5382	MO Preschool Project	
5427	Perkins Basic Grant - Secondary	84048A
5441	Special Education Part B Entitlement	84027A
5445	School Food Services Lunch Payment	10555
5446	<a href="#">School Food Services Breakfast Payment</a>	10553
5448	<a href="#">School Food Services Snack Payment</a>	10555
5451	Title I	84010A
5462	Title III Immigrant	84365A
5465	Title II.A	84367A
5492	Title VI.B	84358B

**TOTALS**

# Yearly Revenues

Project or Grant	Revenue Code	CFDA	Amount	Totals
Prop C	5113		2,221,603.51	
		<b>Grant Total</b>		<b>2,221,603.51</b>
Basic Formula - State Monies	5311		6,799,552.00	
Bond Payment Direct Deposit 2008				-699,500.00
Bond Payment Direct Deposit 2011				-1,450,780.00
		<b>Grant Total</b>		<b>4,649,272.00</b>
Transportation	5312		230,591.00	
		<b>Grant Total</b>		<b>230,591.00</b>
ECSE - Current Year	5314		1,597,286.36	
		<b>Grant Total</b>		<b>1,597,286.36</b>
Basic Formula - Classroom Trust Fund	5319		981,870.00	
		<b>Grant Total</b>		<b>981,870.00</b>
At-Risk Program	5322		30,000.00	
		<b>Grant Total</b>		<b>30,000.00</b>
Parents as Teachers	5324		10,620.00	
		<b>Grant Total</b>		<b>10,620.00</b>
50/50 Equipment Grant	5332		1,600.00	
		<b>Grant Total</b>		<b>1,600.00</b>
Adult Salary Reimbursement	5332		68,540.00	
		<b>Grant Total</b>		<b>68,540.00</b>
Displaced Homemaker (Fee Waiver)	5332		877.00	
		<b>Grant Total</b>		<b>877.00</b>
Effectiveness Index Formula	5332		53,545.00	
		<b>Grant Total</b>		<b>53,545.00</b>
Family and Consumer Sciences Grant	5332		1,736.00	
		<b>Grant Total</b>		<b>1,736.00</b>

# MOE Funding Sources

Local Funding	Revenue Code	State Funding	Revenue Code	Federal Funding	Revenue Code
Current Taxes	5111	Basic Formula – State Monies	5311	IDEA Part B (611) Entitlement	5441
Proposition C	5113	Transportation State Aid	5312	IDEA Grants (NOT Entitlement)	5437
City Sales Tax	5117	ECSE– State	5314	Non-IDEA Sped Grants	5438
Food Service Program	5150-5164	Public Placement Fund	5369	ECSE– Federal	5442
Other – From Local Sources	5190	High Need Fund - State	5381	Medicaid	5412
Tuition from other LEAs	5810				

# What To Include in MOE

Description	Function Code
Special Education and Related Services	1221
Proportionate Share Services ( <b><u>supplemental only</u></b> )	1224
ECSE Services	1281
Tuition, Special Education Services to District Within State	1931
Tuition, Special Education Services to District Outside State	1932
Tuition, Special Education Services to Private Agencies	1933
Professional Development	2200
Contracted K-12 Disabled Transportation	2553
District Operated K-12 Disabled Transportation	2554
ECSE Transportation	2559
Facility Acquisition and Construction	4000

All Special Education expenditures within these function codes that will be paid for with **non-Federal** funds must be included in MOE.





## MOE Step 2: State Only Grid – Budget State Only

### 2015 - 2016 School Year Budgeted **STATE ONLY** Expenditures

<a href="#">Accounting Manual</a>	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total
<a href="#">1221</a> Special Education and Related Services	1914633.00	507293.00	836808.00	18277.00	47155.00	0.00	0.00	3324166.00
<a href="#">1224</a> Proportionate Share Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1280</a> Early Childhood Special Education	778265.00	534821.00	451611.00	39300.00	64050.00	0.00	0.00	1868047.00
<a href="#">1931</a> Tuition, Special Ed Services to District in State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1932</a> Tuition, Special Ed Services to District out State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1933</a> Tuition, Special Ed Services to Private Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2200</a> Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2500</a> Transportation and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2553</a> Contracted Disabled Transportation	0.00	0.00	0.00	190000.00	0.00	0.00	0.00	190000.00
<a href="#">2554</a> District Operated Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2559</a> Early Childhood Special Education Transportation Services	0.00	0.00	0.00	95000.00	0.00	0.00	0.00	95000.00
<a href="#">4000</a> Facilities Acquisition and Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total State Only Expenditures</b>	2692898.00	1042114.00	1288419.00	342577.00	111205.00	0.00	0.00	5477213.00



# MOE Step 3: Local Only Grid – Budget Local Only

## 2015 - 2016 School Year Budgeted LOCAL ONLY Expenditures

<a href="#">Accounting Manual</a>	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total
<a href="#">1221</a> Special Education and Related Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1224</a> Proportionate Share Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1280</a> Early Childhood Special Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1931</a> Tuition, Special Ed Services to District in State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1932</a> Tuition, Special Ed Services to District out State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1933</a> Tuition, Special Ed Services to Private Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2200</a> Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2500</a> Transportation and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2553</a> Contracted Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2554</a> District Operated Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2559</a> Early Childhood Special Education Transportation Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">4000</a> Facilities Acquisition and Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Local Only Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>



# TESTING MOE ELIGIBILITY

Amount budgeted will be compared to the amount expended for each method in the most recent fiscal year for which information is available

- Example: 2015-16 budgeted MOE will be compared to 2013-14 actual MOE

## Checking for Eligibility

- Total Local Funds Only
  - Total amount entered on Local Only MOE grid
- Per Child Local Funds Only
  - Total amount entered on Local Only MOE grid / estimated Dec 1 current year child count
- Total Combination of State and Local Funds
  - Total amount entered on State Only MOE grid + Total amount entered on Local Only MOE grid
- Per Child Combination of State and Local Funds
  - Total amount entered on State Only MOE grid + Total amount entered on Local Only MOE grid/estimated Dec 1 current year child count



## MOE Step 5: Testing for MOE Eligibility

Current Year MOE Calculations					
	State Only Total Expenditures	Local Only Total Expenditures	State & Local Total Expenditures	Local Only Per Child Expenditures	State & Local Per Child Expenditures
2013 - 2014 MOE Amount	N/A	N/A	4231469.58	N/A	8446.05
MOE Amount Needed for Eligibility	N/A	N/A	4231469.58	N/A	8446.05
2015 - 2016 MOE Budgeted Amount	5477213.00	0.00	5477213.00	0.00	11410.86
MOE Increase/Decrease	N/A	N/A	1245743.42	N/A	2964.81
MOE must indicate "MET" in at least one category	N/A	N/A	Met	N/A	Met

Per Child: 2015-16 MOE Budgeted Amount / Dec 1, 2015 Child Count (estimated)  
 $\$5,477,213 / 480 = \$11410.86$

### MOE Step 1 – December 1 Child Count

December 1, 2014 Child Count

480

December 1, 2015 Child Count (estimated)

480



# MOE Eligibility

## **Does the LEA have to budget all anticipated special education expenditures paid with State and local funds in MOE?**

Yes. Budgeted MOE must include all special education expenditures paid with State and/or local funds the LEA anticipates from July 1 to June 30. Special education expenditures that will be paid with State funds and special education expenditures that will be paid with local funds must be budgeted separately. Special education expenditures that will be paid with Federal funds must not be included in budgeted MOE.

## **Can the LEA budget \$0 for State or local funds?**

Yes, the LEA may budget \$0 for State funds and meet the MOE test based on Local Funds Only or the Per Capital Local Funds Only method if the LEA met MOE in the comparison year (comparison year is 2013-14 for the 2015-16 budget) on Local Funds Only.

The LEA may budget \$0 for local funds and meet the MOE test based on the Combination of State and Local Funds or the Per Capital Combination of State and Local Funds method.



# MOE Eligibility

**Does the LEA need to revise the MOE amounts reported in the budget application if the proposed amounts change throughout the year?**

No, the LEA does not need to revise the MOE amounts reported in the budget application if the proposed amounts change throughout the year.

**Does the LEA need to revise the MOE amounts reported in the budget application once the final 2014-15 (FY15) MOE threshold is reported in the FER?**

No, the LEA does not need to revise the MOE amounts reported in the budget once the FY15 MOE threshold is reported in the FER.

**Does the budgeted MOE information pull into the FER?**

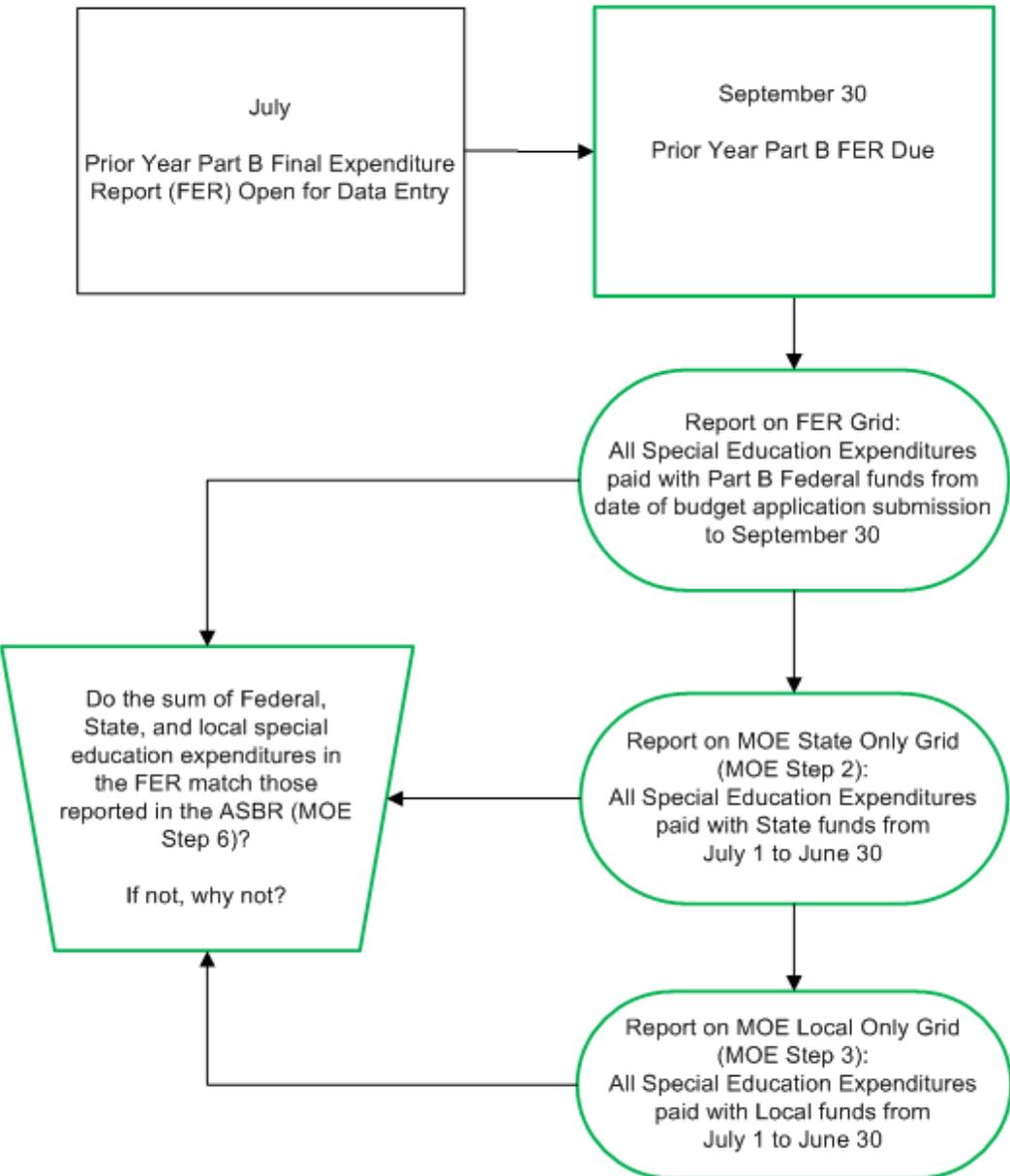
No, the MOE information on the budget application only determines eligibility for the current year Federal grant award. The information is not pulled into the FER and will not be compared to MOE reported on the FER at the end of the fiscal year.



# Reporting Maintenance of Effort for Compliance



Closing the Fiscal Year and Reporting MOE Compliance  
July to September



# CONSIDERATIONS FOR REPORTING MOE

## Program Costs:

- What Special Education Program costs did the LEA pay with State funds between July 1 and June 30?
- What Special Education Program costs did the LEA pay with local funds between July 1 and June 30?
- Were there any allowable exceptions between the prior year and current year? Are these documented?
- Did the LEA take a MOE adjustment in the current year? Are the uses of the “freed up” funds documented?



# Tracking Separately

Track special education expenditures from State, local, and Federal sources separately

Use Project Codes to identify revenue type

Special Education Teacher paid with Federal funds:

1221-6100- <b>41</b>	SE Teacher Salaries	\$5,000
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Special Education Teacher paid with State funds:

1221-6100- <b>53</b>	SE Teacher Salaries	\$5,000
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Special Education Teacher paid with Local funds:

1221-6100- <b>51</b>	SE Teacher Salaries	\$5,000
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# Tracking Separately In GL

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

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

# Reporting MOE for Compliance

1. Anything with a Federal project code will **NOT** be included in MOE.
2. Anything with a State project code will be entered on the State Only MOE actual grid.
3. Anything with a Local project code will be entered on the Local Only MOE actual grid.



# Part B FER Grid – Report Part B Federal Only

Funds Available: \$148,017.00

Administration Costs Rate: 0.00 %

Restricted Cost Rate: 0.18 %

	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total
<b>1221</b> Special Education and Related Services	116213.00 116213.00	0.00 0.00	31804.00 31804.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	148017.00 148017.00
<b>1223</b> Coordinated Early Intervening Services	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00 0.00
<b>1224</b> Proportionate Share Services	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00 0.00
<b>1931</b> Tuition, Special Ed Services to District in State	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00 0.00
<b>2200</b> Professional Development	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00 0.00
<b>2500</b> Transportation and Maintenance	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00 0.00
<b>2553</b> Contracted Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>2554</b> District Operated Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>4000</b>								

<b>Administration Costs</b>								
<b>Indirect Costs</b>	Calculate Indirect Costs							0.00 0.00
<b>Administration Costs Subtotal</b>								0.00 0.00
<b>GRAND TOTAL</b>	116213.00 116213.00	0.00 0.00	31804.00 31804.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	148017.00 148017.00
	<b>6100</b> Certificated Salaries	<b>6150</b> Noncertificated Salaries	<b>6200</b> Employee Benefits	<b>6300</b> Purchased Services	<b>6400</b> Materials & Supplies	<b>6500</b> Capital Outlay	<b>6600</b> Other	<b>Total</b>

# MOE Step 1: Child Counts and ASBR Data

MOE Step 1 – December 1 Child Count	
December 1, 2013 Child Count	92
December 1, 2014 Child Count	100

## 2014 - 2015 ASBR Reported Expenditures

<a href="#">Accounting Manual</a>	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total
<a href="#">1221</a> Special Education and Related Services	160794.71	197453.16	134633.52	116465.60	2190.34	0.00	0.00	611537.33
<a href="#">1223</a> Coordinated Early Intervening Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1224</a> Proportionate Share Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1280</a> Early Childhood Special Education	6726.00	0.00	1072.80	35.00	484.22	0.00	0.00	8318.02
<a href="#">1931</a> Tuition, Special Ed Services to District in State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1932</a> Tuition, Special Ed Services to District out State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2210</a> Improvement of Instruction Services	0.00	0.00	0.00	3473.90	0.00	0.00	0.00	3473.90
<a href="#">2214</a> Professional Development	0.00	0.00	0.00	15120.17	2458.22	0.00	0.00	17578.39
<a href="#">2553</a> Contracted Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2554</a> District Operated Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2559</a> Early Childhood Special Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">4000</a> Facilities Acquisition and Construction	0.00	0.00	0.00	0.00	0.00	67361.02	0.00	67361.02
<a href="#">2500</a> Transportation and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



## MOE Step 2: State Only Grid – Report State Only

### 2014 - 2015 School Year Actual **STATE ONLY** Expenditures

<a href="#">Accounting Manual</a>	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total
<a href="#">1221</a> Special Education and Related Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1224</a> Proportionate Share Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1280</a> Early Childhood Special Education	6726.00	0.00	1072.80	35.00	484.22	0.00	0.00	8318.02
<a href="#">1931</a> Tuition, Special Ed Services to District in State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2200</a> Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2500</a> Transportation and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2553</a> Contracted Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2554</a> District Operated Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2559</a> Early Childhood Special Education Transportation Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">4000</a> Facilities Acquisition and Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total State Only Expenditures</b>	6726.00	0.00	1072.80	35.00	484.22	0.00	0.00	8318.02

## MOE Step 3: Local Only Grid – Report Local Only

### 2014 - 2015 School Year Actual **LOCAL ONLY** Expenditures

<a href="#">Accounting Manual</a>	<b>6100</b> Certificated Salaries	<b>6150</b> Noncertificated Salaries	<b>6200</b> Employee Benefits	<b>6300</b> Purchased Services	<b>6400</b> Materials & Supplies	<b>6500</b> Capital Outlay	<b>6600</b> Other	<b>Total</b>
<a href="#">1221</a> Special Education and Related Services	44585.71	197453.16	102829.52	116461.60	2190.34	0.00	0.00	463520.33
<a href="#">1224</a> Proportionate Share Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1280</a> Early Childhood Special Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1931</a> Tuition, Special Ed Services to District in State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2200</a> Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2500</a> Transportation and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2553</a> Contracted Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2554</a> District Operated Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2559</a> Early Childhood Special Education Transportation Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">4000</a> Facilities Acquisition and Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Local Only Expenditures</b>	44585.71	197453.16	102829.52	116461.60	2190.34	0.00	0.00	463520.33

# TESTING MOE COMPLIANCE

Actual amount spent for each method will be compared to prior years (last time MOE met with that method). MOE in 2014-15 will set the local threshold if local expenditures are reported.

## Checking for Eligibility

- Total Local Funds Only
  - Total amount entered on Local Only MOE grid
  
- Per Child Local Funds Only
  - Total amount entered on Local Only MOE grid / expenditure year Dec 1 child count
  
- Total Combination of State and Local Funds
  - Total amount entered on State Only MOE grid + Total amount entered on Local Only MOE grid
  
- Per Child Combination of State and Local Funds
  - Total amount entered on State Only MOE grid + Total amount entered on Local Only MOE grid/expenditure year Dec 1 child count



## MOE Step 5: Testing for MOE Compliance

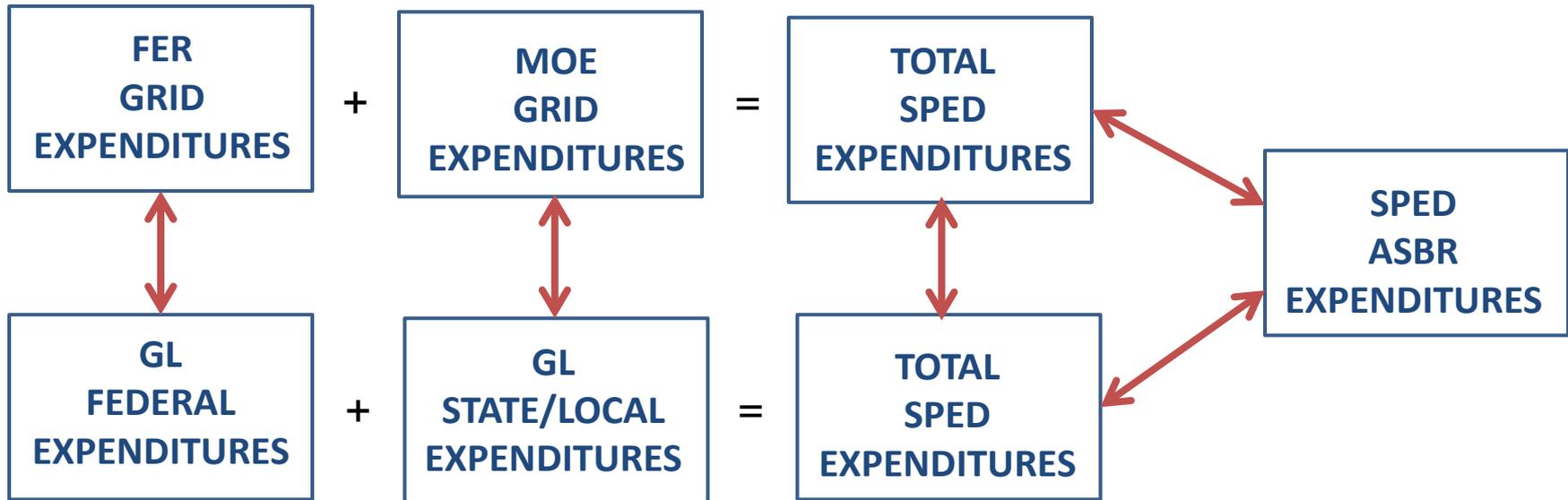
### Current Year MOE Calculations

	State Only Total Expenditures	Local Only Total Expenditures	State & Local Total Expenditures	Local Only Per Child Expenditures	State & Local Per Child Expenditures
2013 - 2014 MOE Amount	N/A	N/A	379153.20	N/A	4121.23
MOE Amount Needed for Compliance	N/A	N/A	379153.20	N/A	4121.23
2014 - 2015 MOE Actual Expenditures	8318.02	463520.33	471838.35	4635.20	4718.38
MOE Increase/Decrease	N/A	N/A	92685.15	N/A	597.15
MOE must indicate "MET" in at least one category	N/A	N/A	Met	N/A	Met



# THREE WAY MATCH

FER = GENERAL LEDGER = ASBR



# MOE Step 6: Comparing ASBR and MOE

MOE Step 6 - ASBR and MOE Comparison

Code	Part B FER Total Amount		MOE Total Amount		Total Special Education Expenditures	ASBR Total Amount	Difference
<a href="#">1221</a> Special Education and Related Services	148017.00	+	463520.33	=	611537.33	611537.33	0.00
<a href="#">1223</a> Coordinated Early Intervening Services	0.00	+	0.00	=	0.00	0.00	0.00
<a href="#">1224</a> Proportionate Share Services	0.00	+	0.00	=	0.00	0.00	0.00
<a href="#">1280</a> Early Childhood Special Education	0.00	+	8318.02	=	8318.02	8318.02	0.00
<a href="#">1931</a> Tuition, Special Ed Services to District in State	0.00	+	0.00	=	0.00	0.00	0.00
<a href="#">1932</a> Tuition, Special Ed Services to District out State	0.00	+	0.00	=	0.00	0.00	0.00
<a href="#">2200</a> Professional Development	0.00	+	0.00	=	0.00	21052.29	-21052.29
<a href="#">2500</a> Transportation and Maintenance	0.00	+	0.00	=	0.00	0.00	0.00
<a href="#">2553</a> Contracted Disabled Transportation	0.00	+	0.00	=	0.00	0.00	0.00
<a href="#">2554</a> District Operated Disabled Transportation	0.00	+	0.00	=	0.00	0.00	0.00
<a href="#">2559</a> Early Childhood Special Education	0.00	+	0.00	=	0.00	0.00	0.00
<a href="#">4000</a> Facilities Acquisition and Construction	0.00	+	0.00	=	0.00	67361.02	-67361.02
Total Expenditures	148017.00	+	471838.35	=	619855.35	708268.66	-88413.31

**Error:** The expenditure amount(s) reported in the ASBR do not equal the expenditure amount(s) reported on the FER and MOE grids. Enter a comment to indicate why a discrepancy exists or correct the amount(s) reported.

District/LEA Comment:

# Example

Amount to run Special Education Program in 2014-15:  
**\$500,000**

IDEA Part B (611) Allocation in 2014-15:	\$150,000
MOE from State and Local Combination:	\$350,000



# MOE Compliance Examples

Year	State	Local	MOE Combo Method Test	MOE Local Method Test
2013-2014	?	?	\$350,000 Met	NA
2014-2015	\$325,000	\$25,000	\$350,000 Met	\$25,000 *threshold
2015-2016	\$315,000	\$30,000	\$345,000	\$30,000 Met
2016-2017	\$342,000	\$15,000	\$357,000 Met	\$15,000
2017-2018	\$310,000	\$35,000	\$345,000	\$35,000 Met
2018-2019	\$330,000	\$35,000	\$365,000 Met	\$35,000 Met
2019-2020	\$340,000	\$26,000	\$366,000 Met	\$26,000

# MOE Compliance

## **Does the LEA have to report all special education expenditures paid with State and local funds in MOE?**

Yes. Actual MOE must include all special education expenditures paid with State and/or local funds from July 1 to June 30. Special education expenditures paid with State funds and special education expenditures paid with local funds must be reported separately. Special education expenditures paid with Federal funds must not be included in actual MOE.

## **Can the LEA spend \$0 for State or local funds?**

Yes, the LEA may spend \$0 for State funds and meet the MOE test based on Local Funds Only or the Per Capital Local Funds Only method if the LEA met MOE in the comparison year (comparison year is 2013-14 for the 2014-15 FER) on Local Funds Only.

The LEA may expend \$0 in local funds and meet the MOE test based on the Combination of State and Local Funds or the Per Capital Combination of State and Local Funds method.



# MOE Compliance

## **Can the LEA meet the compliance standard on local funds only?**

If the LEA has reported local funds to meet MOE in the past, then the LEA may meet the compliance standard on local funds only. Otherwise, the LEA may not meet the compliance standard on local funds only for FY15 since there is no comparison data from previous years.

## **What if the LEA fails to meet the compliance standard?**

If the LEA fails to meet the compliance standard, the LEA must pay an amount of non-Federal funds equal to the amount by which the LEA failed to maintain the level of special education expenditures. The amount of the failure is the smallest amount generated by the four tests.



# Reporting MOE - Example



**June 30, 2015 General Ledger**

<b>Expenditure Code</b>	<b>Description</b>	<b>Actual YTD</b>
1221-6111-41	SE Director Salary	\$ 55,408.20
1221-6121-41	SE Certificated Salaries	\$ 240,691.95
1221-6121-53	SE Certificated Salaries	\$ 742,015.62
1221-6151-53	SE Noncertificated Salaries	\$ 275,263.59
1221-6243-41	SE Employee Retirement	\$ 76,300.75
1221-6243-53	SE Employee Retirement	\$ 178,325.26
1221-6231-53	SE F.I.C.A	\$ 91,332.28
1221-6232-53	SE Medicare	\$ 56,331.88
1221-6312-53	SE Speech Therapy Purchased Services	\$ 52,164.30
1221-6312-53	SE OT Purchased Services	\$ 27,026.08
1221-6312-53	SE PT Purchased Services	\$ 18,497.62
1221-6411-51	SE Testing Supplies	\$ 3,075.45
1221-6531-51	SE IEP Required Equipment	\$ 2,124.17
1224-6312-41	Prop Share Speech Purch Services	\$ 852.37
1931-6311-53	SE Tuition Paid to Other Districts	\$ 18,062.00
2553-6312-53	SE Contracted Transportation	\$ 211,482.59
2553-6414-51	SE Contracted Transportation	\$ 2,522.30
	<b>TOTAL</b>	<b>\$ 2,051,476.41</b>



# 2014-15 Part B FER Grid

Funds Available: \$373,845.00

Administration Costs Rate: 0.00 %

Restricted Cost Rate: 0.06 %

	6100 Certificated Salaries	6150 Noncertificated Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	Total
<b>1221</b> Special Education and Related Services	296101.00 296100.15	0.00 0.00	76211.24 76300.75	0.00 0.00	0.00 0.00	0.00 0.00	0.00	372312.24 372400.90
<b>1223</b> Coordinated Early Intervening Services	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00 0.00
<b>1224</b> Proportionate Share Services	0.00 0.00	0.00 0.00	0.00 0.00	1532.76 852.37	0.00 0.00	0.00 0.00	0.00	1532.76 852.37
<b>1931</b> Tuition, Special Ed Services to District in State	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00	0.00 0.00
<b>2200</b> Professional Development	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00	0.00 0.00
<b>2500</b> Transportation and Maintenance	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00	0.00 0.00
<b>2553</b> Contracted Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>2554</b> District Operated Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>4000</b> Facilities	0.00	0.00	0.00	0.00	0.00	0.00		0.00
<b>Administration Costs</b>								
<b>Indirect Costs</b>	Calculate Indirect Costs							0.00 0.00
<b>Administration Costs Subtotal</b>								0.00 0.00
<b>GRAND TOTAL</b>	296101.00 296100.15	0.00 0.00	76211.24 76300.75	1532.76 852.37	0.00 0.00	0.00 0.00	0.00 0.00	373845.00 373253.27

**2014 - 2015 School Year Actual STATE ONLY Expenditures**

<b>Accounting Manual</b>	<b>6100</b> Certificated Salaries	<b>6150</b> Noncertificated Salaries	<b>6200</b> Employee Benefits	<b>6300</b> Purchased Services	<b>6400</b> Materials & Supplies	<b>6500</b> Capital Outlay	<b>6600</b> Other	<b>Total</b>
<a href="#">1221</a> Special Education and Related Services	742015.62	275263.59	325989.42	97688.00	0.00	0.00	0.00	1440956.63
<a href="#">1224</a> Proportionate Share Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1280</a> Early Childhood Special Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1931</a> Tuition, Special Ed Services to District in State	0.00	0.00	0.00	18062.00	0.00	0.00	0.00	18062.00
<a href="#">2200</a> Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2500</a> Transportation and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2553</a> Contracted Disabled Transportation	0.00	0.00	0.00	211482.59	0.00	0.00	0.00	211482.59
<a href="#">2554</a> District Operated Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2559</a> Early Childhood Special Education Transportation Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">4000</a> Facilities Acquisition and Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total State Only Expenditures</b>	<b>742015.62</b>	<b>275263.59</b>	<b>325989.42</b>	<b>327232.59</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1670501.22</b>

**2014 - 2015 School Year Actual LOCAL ONLY Expenditures**

<a href="#">Accounting Manual</a>	<b>6100</b> Certificated Salaries	<b>6150</b> Noncertificated Salaries	<b>6200</b> Employee Benefits	<b>6300</b> Purchased Services	<b>6400</b> Materials & Supplies	<b>6500</b> Capital Outlay	<b>6600</b> Other	<b>Total</b>
<a href="#">1221</a> Special Education and Related Services	0.00	0.00	0.00	0.00	3075.45	2124.17	0.00	5199.62
<a href="#">1224</a> Proportionate Share Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1280</a> Early Childhood Special Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1931</a> Tuition, Special Ed Services to District in State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2200</a> Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2500</a> Transportation and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2553</a> Contracted Disabled Transportation	0.00	0.00	0.00	0.00	2522.30	0.00	0.00	2522.30
<a href="#">2554</a> District Operated Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2559</a> Early Childhood Special Education Transportation Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">4000</a> Facilities Acquisition and Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Local Only Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5597.75</b>	<b>2124.17</b>	<b>0.00</b>	<b>7721.92</b>

## Testing for MOE Compliance (MOE Step 5)

### Current Year MOE Calculations

	<b>State Only Total Expenditures</b>	<b>Local Only Total Expenditures</b>	<b>State &amp; Local Total Expenditures</b>	<b>Local Only Per Child Expenditures</b>	<b>State &amp; Local Per Child Expenditures</b>
2013 - 2014 MOE Amount	N/A	N/A	1677004.97	N/A	6376.44
MOE Amount Needed for Compliance	N/A	N/A	1677004.97	N/A	6376.44
2014 - 2015 MOE Actual Expenditures	1670501.22	7721.92	1678223.14	24.99	5431.14
MOE Increase/Decrease	N/A	N/A	1218.17	N/A	-945.30
MOE must indicate "MET" in at least one category	N/A	N/A	Met	N/A	Not Met

# PART B AND MOE EXPENDITURES

Regular Part B Expenditures = \$372,400.90

Proportionate Share Expenditures = \$852.37

**Total Part B Federal Expenditures = \$373,253.27**

MOE State Expenditures = \$1,670,501.22

MOE Local Expenditures = \$7,721.92

**Total State and Local Expenditures = \$1,678,223.14**

**Total Special Education Expenditures = \$2,051,476.41**

\*The numbers in the GL MUST match what is reported in the ASBR and Part B FER.



# Including ECSE in MOE



# Including ECSE Expenditures In MOE

Current year Early Childhood Special Education (ECSE) expenditures must be included in MOE.

How do I determine which ECSE expenditures to include in MOE?

## Answer:

1. Recode Federal Expenditures
2. Expend Federal Funds within 3 days and Track Separately

\*This must also be done to be in compliance with the Cash Management Improvement Act (CMIA)



# Recoding ECSE Expenditures As Federal

## Step 1:

Incur and code to non-federal/general account in general ledger

## Step 2:

Receive funds – view monthly payment transmittals to determine when federal ECSE funds have been received

## Step 3:

Recode as federal expenditure



# Recoding ECSE Expenditures As Federal

GENERAL LEDGER  
MONTH: 01/2014 FISCAL YEAR: 2014

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

1. Code expenditure to non-federal account (project code "00" designates paid with state funds).
2. Receive funds.
3. Recode as ECSE federal expenditure with project/source code "42" within 3 days.

# Expending ECSE Federal Within Three Days

## Step 1:

Receive Federal Funds in Monthly School Payment

Federal amount	\$500.00	4/21/15
----------------	----------	---------

## Step 2:

Incur and Code to Federal Account (“42”) within 3 Days

1280-6111-42	\$500.00	4/24/15
--------------	----------	---------



# Calculating ECSE Expenditures In MOE

LEAs must take the following steps to determine amount of ECSE expenditures to include in MOE:

1. Pull from general ledger all ECSE expenditures (function codes 1280/2559) for year just concluded that have been coded as State.
2. Calculate total by function/object code of ECSE expenditures paid with State funds for year just concluded and enter into MOE grid.



# Allowable MOE Exceptions



# Allowable MOE Exceptions

- ❑ Voluntary Departure of Special Education Staff
- ❑ Decrease in Enrollment of Children with Disabilities
- ❑ Termination of a Costly Obligation for a Specific Child
- ❑ Termination of a Costly Long-Term Purchase
- ❑ Assumption of the Cost by the High Need Fund

These are the ONLY allowable exceptions to MOE



# MOE Adjustment



# MOE Adjustment

- ❑ IDEA allows the LEA to reduce MOE threshold when allocations increase from one year to next.
- ❑ This reduction assists LEA in spending increase in Federal funds.

MOE Adjustment is calculated by taking 50% of the increase in allocation from prior year to current year Part B allocation.

Example:

Prior Year's Allocation:	\$900,000
Current Year's Allocation:	\$1,000,000
Increase:	\$100,000
<b>Max Available for MOE reduction:</b>	<b>\$50,000</b>

MOE Adjustment amounts for LEAs are posted at:

<http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations>



# MOE Adjustment

If an adjustment to MOE is taken, freed up State and/or local funds must be spent on ESEA activities including:

- Title I**
- Title II**
- Title III**
- Title IV**
- Title V**
- Title VI**
- Title VII**
- Title VIII**

If an adjustment is taken, the LEA must keep track of the amount of State and/or local that is being freed up and on which ESEA activities those funds are being spent.



# MOE Adjustment Facts

- ❑ The MOE Adjustment DOES NOT decrease Part B Allocation but instead the amount of local/State Funds that must be spent on students with disabilities (MOE).
- ❑ MOE Adjustment must be taken in the year of the increase.
- ❑ MOE Adjustment resets the MOE for MOE Adjustment year and future years until LEA voluntarily increases.
- ❑ MOE Adjustment may be taken in conjunction with any allowable MOE exceptions.



# Proportionate Share (34 CFR §300.130-148)

## What

- ❑ LEAs have an obligation to provide parentally placed private/ parochial /home school children with disabilities (ages 5-21 ) an opportunity for equitable participation in the special education services. LEA where a private school is located is responsible.

## LEA Action

- ❑ LEAs with a proportionate share obligation must reserve and spend a calculated amount of its IDEA Section 611 (Part B) funds to provide special education services to those children who have been evaluated and determined eligible for special education and related services by the LEA.

## Significance

- ❑ The LEA must revise the FER to accurately prorate Proportionate Share costs and complete a Journal Entry Correction to account for the accurate proration of cost.



# Worksheet for Calculating Proportionate Share

## PROPORTIONATE SHARE WORKSHEET

### INSTRUCTIONS:

- 1) District enters information in yellow highlighted cells.
- 2) Numbers in non-highlighted cells are calculated by the spreadsheet.
- 3) Do not send completed form to DESE as data is entered in ePeGS Final Expenditure Report "Supporting Data" Page
- 4) Use prior year child counts and current year allocation.

Public School:

Private School(s) in District:


### Eligible Private School Children in Private Schools in the District's Boundaries

Data	Count	Possible Data Source*
Private school and home schooled children <b>eligible and served</b> ages 5 - 21	0	District data collection, collaboration meeting with private schools in the district and/or Nonpublic Survey data
Private school children <b>eligible but not served</b> ages 5 - 21	0	District data collection, collaboration meeting with private schools in the district and/or Nonpublic Survey data
Home schooled children <b>eligible but not served</b> ages 7 - 21	0	District data collection

<http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-proportionate-share>

Estimated proportionate share amount:

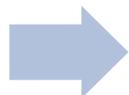
<http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations>



# Budgeting Proportionate Share Funds

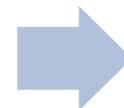
## Initial Current Year Budget Application

- Budget the **estimated** amount of the current year proportionate share obligation under function code 1224. Initial budget applications are due July 1.
- Proportionate share funds cannot be used to pay for child find costs.



## Prior Year FER

- Once the prior year FER has been approved, the LEA needs to revise the current year Budget Application



## Revision of Current Year Budget Application

- Revise to amend the **current year obligation of proportionate share** (if necessary) and budget **proportionate share carryover** amount under function code 1224



# Initial Part B Budget Grid

* 2014-2015 Regular Carryover Into 2015-2016:	<u>\$0.00</u>	Current Year Calculation:	\$0.00	Current Year Calculation:
** Total 2014-2015 Carryover Into 2015-2016:	\$0.00	Prior Year Carryover:	\$0.00	Prior Year Carryover:
		Total Available:	\$0.00	Total Available:
		<a href="#">Proportionate Share Guidance</a>		<a href="#">CEIS Guidance</a>

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

**Administration Costs Rate: 0.00 %**

**Restricted Indirect Costs Rate: 1.02 %**

<a href="#">Accounting Manual</a>	<b>6100</b> Certificated Salaries	<b>6150</b> Noncertificated Salaries	<b>6200</b> Employee Benefits	<b>6300</b> Purchased Services	<b>6400</b> Materials & Supplies	<b>6500</b> Capital Outlay	<b>6600</b> Other	<b>Total</b>
<a href="#">1221</a> Special Education and Related Services	116423.03	0.00	0.00	0.00	0.00	0.00	0.00	116423.03
<a href="#">1223</a> Coordinated Early Intervening Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1224</a> Proportionate Share Services	0.00	0.00	0.00	3353.83	0.00	0.00	0.00	3353.83



# Prior Year Part B FER Supporting Data Page

## Proportionate Share Calculation

\* Children in for-profit private schools should not be used in the calculation process

### Eligible Private School Children with disabilities in Private Schools in the District's Boundaries

Private and home schooled eligible and served children (ages 5-21)	0
Private schooled children eligible but not served (ages 5-21)	1
Home schooled children eligible but not served (ages 7-21)	2
Total Eligible Private School Children with Disabilities	3

### Eligible Public School Children with disabilities

Public school children eligible and served (ages 5-21)	103
Public school children eligible but not served (ages 5-21)	0
Total Eligible Public School Children	103

Total Eligible Private and Public School Children with disabilities	106
Proportion Private: Public + Private	2.83%

### Total Part B Funds to be Expended

Part B Flow-through Allocation	118510.00
Proportionate Share Calculation Next Fiscal Year	3353.83
Proportionate Share Prior Year Carryover	1266.86
Total to be expended next fiscal year	4620.69

# Part B Application Budget Grid

Entitlement - Budget Grid

**Version:** Revision 1

**Status:** Approved

Select a District

Number

Name

Select District

Funds Available:

\$119,776.86

Proportionate Share (1224)

Coordinated Early Intervening Services (CEIS)  
(1223)

Regular Carryover  
Carryover

\$0.00  
\$1,266.86

Current Year Calculation: \$3,353.83  
Prior Year Carryover: \$1,266.86  
Total Available: \$4,620.69

Current Year Calculation: \$18,355.80  
Prior Year Carryover: \$0.00  
Total Available: \$18,355.80

\*Regular Carryover includes CEIS Carryover

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

**Administration Costs Rate:** 0.00 %

**Restricted Indirect Costs Rate:** 0.14 %

<a href="#">Accounting Manual</a>	<b>6100</b> Certificated Salaries	<b>6150</b> Noncertificated Salaries	<b>6200</b> Employee Benefits	<b>6300</b> Purchased Services	<b>6400</b> Materials & Supplies	<b>6500</b> Capital Outlay	<b>6600</b> Other	<b>Total</b>
<a href="#">1221</a> Special Education and Related Services	113889.31	0.00	0.00	0.00	0.00	0.00	0.00	113889.31
<a href="#">1223</a> Coordinated Early Intervening Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">1224</a> Proportionate Share Services	0.00	0.00	0.00	4620.69	0.00	0.00	0.00	4620.69

# May the LEA Spend More?

- ❑ PART B FUNDS: Yes, as long as the LEA meets all the other requirements of the Act, including providing a Free Appropriate Public Education (FAPE) to children with disabilities.
- ❑ STATE/LOCAL: Yes, but only to supplement, and not supplant, the proportionate share of federal funds required. This means that the LEA must spend ALL federal proportionate share funds prior to utilizing state and local funds. Additional state and local must be counted in MOE.



# Tracking Prop Share Expenditures

- ❑ Staff providing services should have their salaries/benefits prorated and coded separately in the general ledger under 1224 to account for the expenditure.
  - Method of proration must be reasonable & justifiable.
- ❑ Staff providing services should not be included in SDAC cost pool for the portion of the time they are coded as Proportionate Share.
- ❑ Detail of expenditures must be available for monitoring purposes;
  - LEA must keep documentation showing the method of proration of proportionate share expenditures.



# Tracking Prop Share Expenditures

Name	Public/Private	Type	Date	Minutes
John Travolta	Public	Evaluation	8/25/15	50
Ben Affleck	Private	Evaluation	8/25/15	40
Jennifer Lopez	Private	SP Therapy	9/1/15	20
Goldie Hawn	Public	SP Therapy	9/15/15	30
Tom Hanks	Public	SP Therapy	9/15/15	30
Ben Stiller	Public	SP Therapy	9/17/15	50
Taylor Swift	Private	SP Therapy	10/2/15	45
			Total	265

Total Private Minutes (105) – Private Evaluation Minutes (40) = Proportionate Share Minutes (65)  
 Prop Share Minutes (65) / Total Minutes (225) = % Prop Share Salary/Benefits (29%)



# Reporting Prop Share Students

Private and home schooled eligible and served children (ages 5-21) as of December 1 must be reported in MOSIS December Student Core/Core Data Screen 11 (December 1 Child Count) using the educational environment of “2100-Parentally Placed Private.” This count will pull into the Part B FER Supporting Data page .

Private and home schooled eligible and served students AFTER December 1 will be entered by the LEA on the Part B FER Supporting Data page.

Eligible Private School Children with disabilities in Private Schools in the District's Boundaries 2014-2015

Private and home schooled eligible and served children (ages 5-21) as of December 1	59
Private and home schooled eligible and served children (ages 5-21) <b>AFTER</b> December 1	0
Private schooled children eligible but not served (ages 5-21)	0
Home schooled children eligible but not served (ages 5-21)	0
Total Eligible Private School Children with Disabilities	59



# 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 LEA cannot completely spend the carryover funds during the second year having met all requirements in 34 CFR §300.130-148, the LEA should request a release of the unspent funds.
- Released proportionate share carryover funds must be spent on public students with disabilities within the LEA.



# Allowable Reasons for Unexpended Funds

- Student(s) no longer attends private/parochial school or home school within LEA boundaries
- Student(s) aged-out/graduated from private/parochial school or home school
- Private/parochial school(s) refused services
- Parents refused services
- Proportionate Share Carryover funds exceeded the amount needed for services provided
- Other (must describe)



# Releasing Unexpended Carryover Funds

- ❑ If the current year estimated expenditures for proportionate share are less than the carryover amount, the LEA may request a release of the unexpended funds.
- ❑ If the current year estimated expenditures for proportionate share are equal to or greater than the carryover amount, the LEA may NOT request a release of any carryover funds.



# Example

## Example 1: Released Funds

Carryover Amount (from previous year)	\$50,000
Estimated Expenditures for Current Year	\$40,000
Carryover Amount – Estimated Expenditures	\$10,000
Amount Available for Release	\$10,000



# Example

## Example 2: **NO** Released Funds

Carryover Amount (from previous year)	\$50,000
Estimated Expenditures for Current Year	\$60,000
Carryover Amount – Estimated Expenditures (Carryover Must be greater than Estimated Expenditures)	\$0
Amount Available for Release	\$0



# Proportionate Share Carryover Release Request in ePeGs

## LEAS MUST COMPLETE THE FOLLOWING SECTION

### Enter the Total Number of Eligible and Served Proportionate Share Students

Total number of eligible parentally-placed private/parochial school and home school students with disabilities served in the current school year.

### Indicate the Rationale for Unexpended Prior School Year Proportionate Share Carryover Funds (Select Yes or No for each item below)

Student(s) no longer attend private/parochial school or home school within district boundaries.

No  Yes

Student(s) aged-out/graduated from private/parochial school or home school.

No  Yes

Private/parochial school(s) refused services.

No  Yes

Parents refused services.

No  Yes

Proportionate Share Carryover funds exceeded the amount needed for services provided.

No  Yes

Other (described below)

No  Yes

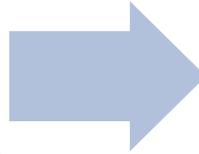
## CODING

Once a release of carryover funds has been approved, the district will need to revise the current school year Part B Budget Application. The district should

# Releasing Proportionate Share Carryover Funds

## Current Year Budget Application

- Once the release has been approved, the LEA needs to revise the current year Budget Application. Re-budget the anticipated amount of unexpended funds into any function code other than 1224. Budget amendments must be completed by April 30.



## Current Year FER

- Remember to include the amount of released proportionate share carryover funds on the FER Supporting Data page.



# Releasing Proportionate Share Carryover Funds on Budget Grid

Funds Available:

\$119,776.86

Regular Carryover  
Carryover

\$0.00  
\$1,266.86

**Proportionate Share (1224)**

Current Year Calculation: \$3,353.83  
Prior Year Carryover: \$1,266.86  
Total Available: \$4,620.69

**Coordinated Early Intervening Services (CEIS) (1223)**

Current Year Calculation: \$18,355.80  
Prior Year Carryover: \$0.00  
Total Available: \$18,355.80

\*Regular Carryover includes CEIS Carryover

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

Proportionate Share Prior Year Carryover Funds Released

Administration Costs Rate: 0.00 %

Restricted Indirect Costs Rate: 0.14 %

<u>Accounting Manual</u>	<b>6100</b> Certificated Salaries	<b>6150</b> Noncertificated Salaries	<b>6200</b> Employee Benefits	<b>6300</b> Purchased Services	<b>6400</b> Materials & Supplies	<b>6500</b> Capital Outlay	<b>6600</b> Other	<b>Total</b>
<b>1221</b> Special Education and Related Services	113889.31	0.00	0.00	1266.86	0.00	0.00	0.00	115156.17
<b>1223</b> Coordinated Early Intervening Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>1224</b> Proportionate Share Services	0.00	0.00	0.00	3353.83	0.00	0.00	0.00	3353.83



# Releasing Proportionate Share Carryover Funds on FER

## Proportionate Share Expended

## Proportionate Share Available

Current year Proportionate Share	1266.86
Carryover from prior year	4885.05
Total Proportionate Share available	6151.91

## Proportionate Share Expended and Released

Part B funds expended on Proportionate Share under function code 1224	0.00
Amount of Released Proportionate Share Carryover Funds	4885.05
Forfeit amount of Proportionate Share Carryover	0.00
Proportionate Share Carryover to next fiscal year	1266.86



# Additional Information

Budgeting and Releasing Proportionate Share Funds webinar:  
<http://dese.mo.gov/communications/webinar/budgeting-and-releasing-proportionate-share-funds>

ePeGs Guides:

<http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations>



# Federal Requirements

## Required for all LEAs

- Maintenance of Effort (MOE)
- Proportionate Share

## Depends on Use of Funds

- Equipment
- Capital Outlay
- CEIS - (Required if LEA has a determination of significant disproportionality)



# Equipment (2 CFR §200.313)

## What

- ❑ Tangible personal property having a useful life of more than one year and a per-unit acquisition cost of **\$1000 or more**.

## LEA Action

- ❑ Equipment and items costing under \$1,000 per unit considered easily pilfered must be tracked by inventory records. Adequate safeguards must be in effect to prevent loss, damage, or theft of the property.
- ❑ Use Equipment Inventory spreadsheet when Federal funds purchase equipment. Physical inventory must be taken once every two years.

## Significance

- ❑ Federal funds must be returned for equipment purchased with Federal funds not included on inventory records.





# Capital Outlay (34 CFR §300.718)

## What

- Renovation - changing an existing LEA-owned structure
- Construction - building a new structure
- Real Estate - purchasing a structure or land
- Buses/Vehicles

## LEA Action

- ❑ Prior approval must be obtained before the LEA can obligate Federal funds for the capital outlay purchase or project.
- ❑ Prior approval is requested on the Capital Outlay page of the Part B budget application.

## Significance

- ❑ Federal funds must be returned for capital outlay purchased with Federal funds without prior approval.



# Coordinated Early Intervening Services (34 CFR §300.226)

## What

- ❑ LEAs may use up to 15% of their Part B 611 Allocation to assist students in Kindergarten through Grade 12 not yet identified as needing special education services but needing additional academic and behavioral supports to succeed in the general education environment.

## LEA Action

- ❑ Unless the LEA has a finding of significant disproportionality, it is up to the LEA to determine whether or not to spend Part B funds on CEIS. If funds are spent, they must be tracked and coded to 1223.

## Significance

- ❑ The LEA must complete a Journal Entry Correction to recode all CEIS expenditures paid with IDEA Part B federal funds that were not tracked separately using function code 1223 to another funding source; revise the FER to remove unallowable CEIS expenditures; and return from state and/or local funds the amount not tracked separately.



# CEIS

## Funding may be used for:

- ❑ Professional development for teachers and other staff to deliver academic instruction and behavioral interventions
- ❑ Direct interventions (educational and behavioral evaluations, services, and supports)
- ❑ Activities aligned with Elementary and Secondary Education Act (ESEA) funded activities; however they must be used to supplement and not supplant funds made available under the ESEA

## Examples:

- ❑ Reading or math specialists to work with non-disabled students who have not reached grade-level proficiency in those subjects
- ❑ After-school tutoring for non-disabled students who score below “basic” on statewide assessments (supplementing)

## CEIS Website:

<http://dese.mo.gov/financial-admin-services/special-education-finance/coordinated-early-intervening-services>





# Part B IDEA Requirements

More information can be found at:

Part B IDEA Requirements

<http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-entitlement>

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

ePeGs Guides

<http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations>



# Internal Controls



# INTERNAL CONTROLS

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



# INTERNAL CONTROL ELEMENTS

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



# INTERNAL CONTROL ELEMENTS

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



# Source Documentation



# SOURCE DOCUMENTATION

- All expenditures must have supporting documentation, also called source documentation
- Source documentation indicates the **who, what, when, where, why and how** for an expenditure
- Source documentation includes:
  - Requisition
  - Purchase Order
  - Receiving Documentation
  - Invoice
  - Payment
- Without source documentation, districts/LEAs cannot prove compliance with IDEA Part B federal grant requirements



# REQUISITION

- The REQUISITION is the originating request for a purchase
  - **WHAT** is to be purchased
  - **WHO** is it for
  - **WHY** it is needed
- Must be in written format (email, standard form, handwritten request)
- Must have an indication of approval
- Must be maintained as part of the source documentation



# PURCHASE ORDER

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



# RECEIVING DOCUMENTATION

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



# INVOICE

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



# PAYMENT

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



# Time And Effort



# MOSIS/CORE DATA CODING

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



# MOSIS/CORE DATA VERIFICATION

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



# MOSIS/CORE DATA REPORTS

## MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION STAFF ASSIGNMENTS REPORT 2015

SSN/Name: XXX-XX-

Dist Yrs Exp: 11

Degree: MAST

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

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

SSN/Name: XXX-XX-

Dist Yrs Exp: 1

Degree: MAST

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

Classification / Certificates: NO CERTIFICATE

# MOSIS/CORE DATA REPORTS

SSN/Name: XXX-XX-

Dist Yrs Exp: 25

Degree: MAST

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

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

SSN/Name: XXX-XX-

Dist Yrs Exp: 10

Degree: BACC

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

# TIME AND EFFORT

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



# FUNDING PERIODS

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

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

# METHODS OF DOCUMENTING

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

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



# SPECIAL EDUCATION ONLY

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



# SEMI-ANNUAL CERTIFICATION

- **SEMI-ANNUAL CERTIFICATION FORM**

- **WHO?**

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

- **WHY?**

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

- **WHEN?**

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



# SEMI-ANNUAL CERTIFICATION FORM

## SEMI-ANNUAL CERTIFICATION

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

I, \_\_\_\_\_, \_\_\_\_\_, certify that  
(Name) (Title)

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

for the period of \_\_\_\_\_.

Employee Signature \_\_\_\_\_

Date \_\_\_\_\_

Supervisor Signature \_\_\_\_\_

Date \_\_\_\_\_



# SEMI-ANNUAL CERT (ALTERNATIVE)

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

- **WHO?**

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

- **WHY?**

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

- **WHEN?**

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



# SEMI-ANNUAL CERT (ALTERN) FORM

## SEMI-ANNUAL CERTIFICATION (ALTERNATIVE) FORM

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

I, \_\_\_\_\_, \_\_\_\_\_,  
(Supervisor Name) (Title)

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

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

the period of \_\_\_\_\_.  
(Funding Period)

Employee Name(s)	Position

Add more lines as needed

Signature of Supervisor \_\_\_\_\_

Date \_\_\_\_\_



# MULTIPLE PROGRAMS

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



# TIME AND EFFORT LOG/PAR

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



# TIME AND EFFORT LOG/PAR

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



# RECONCILIATION

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



# RECONCILIATION

## Employee Summary-JANE DOE

As of October 1, 2015

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





# SUBSTITUTE SYSTEM

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



# SUBSTITUTE SYSTEM

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



# SUBSTITUTE SYSTEM CERT FORM

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## 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.

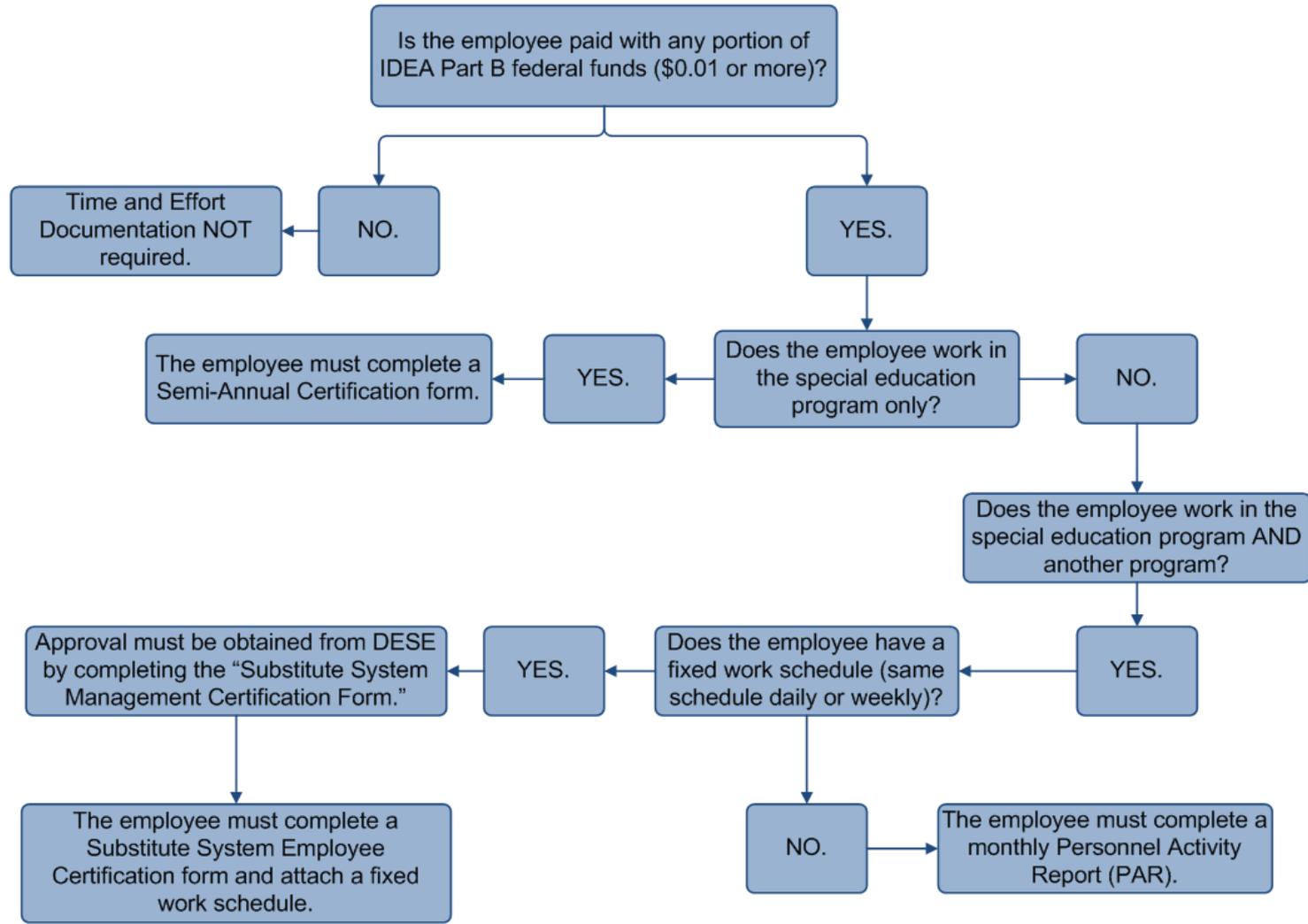
\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Date



# TIME AND EFFORT FLOWSHEET

## Determining the type of Time and Effort documentation



# STIPENDS/EXTRA DUTY PAY

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



# JOURNAL ENTRY CORRECTION

## GENERAL LEDGER

MONTH: 01/2015 FISCAL YEAR: 2015

ECSE Federal Payment Receive

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD	Balance	
***FUNCTION CODE 1281: ECSE SERVICES***										
01	1281	6122	105	53	ECSE CERTIFIED SALARY	32,813	3,646	25,521	7,292	
CR	1281	6122	105	53	ECSE CERTIFIED SALARY	32,813	(3,646)	21,875	10,938	
01	1281	6122	105	42	ECSE CERTIFIED SALARY*	3,646	3,646	3,646	-	
01	1281	6152	105	53	ECSE SALARY NONCERT	23,147	2,572	18,003	5,144	
CR	1281	6152	105	53	ECSE SALARY NONCERT	23,147	(2,572)	15,431	7,716	
01	1281	6152	105	53	ECSE SALARY NONCERT*	23,147	2,000	23,000	147	
01	1281	6152	105	42	ECSE SALARY NONCERT*	572	572	572	-	
01	1281	6252	105	53	ECSE TEACHER RETIREMENT	11,364	1,263	8,839	2,525	
01	1281	6322	105	53	ECSE PURCHASED SERVICES	7,915	1,258	4,763	3,152	
01	1281	6422	105	53	ECSE SUPPLIES	6,379	360	3,347	3,032	
01	1281	6522	105	53	ECSE EQUIPMENT	4,681	-	4,028	653	
*RECODED FROM CORR						<b>SUBTOTAL</b>	<b>90,517</b>	<b>9,098</b>	<b>73,716</b>	<b>16,801</b>

- Expenditures initially coded as being paid with state revenue (project/source code "53")
- Journal Entry Correction to recode ECSE Salaries as a state expenditure to being paid with ECSE federal revenue (project/source code "42")
- Now have paid certified & non-certified teacher with federal funds. Time and Effort Documentation must be completed



## SEMI-ANNUAL CERTIFICATION

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

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

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

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

Employee Signature

Taylor Swift

Date

June 25, 2014

Supervisor Signature

Dolly Parton

Date

June 30, 2014

## SEMI-ANNUAL CERTIFICATION

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

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

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

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

Employee Signature Justin Bieber

Date May 23, 2014

Supervisor Signature \_\_\_\_\_

Date \_\_\_\_\_

## SEMI-ANNUAL CERTIFICATION (ALTERNATIVE) FORM

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

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

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

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

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

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

Add more lines as needed

Signature of Supervisor Yadier Molina

Date December 31, 2013





PERSONNEL ACTIVITY REPORT (PAR)

Jimmy Buffett

Special Education Teacher

April

2014

Name

Title

Month

Year

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

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

Jimmy Buffett  
Employee Signature

May 2, 2014  
Date

Note: At least quarterly, the actual time reflected on the PAR must be compared to the payroll charges, and if differences exist, then payroll adjustments must be made.

Repetitive, Fixed Schedule





# REVIEW DOCUMENTATION

- Review MOSIS/Core Data coding of special education employees
  - Missing special education program codes?
  - Missing special education course codes?
  - Employee not coded in MOSIS/Core Data?
- Review 2014-15 school year Time and Effort documentation
  - Missing documentation for employees paid with federal funds?
  - Incorrect form completed? Incorrect funding period?
  - Signed on or during funding period? Missing signatures?
- Stipends/Extra Duty Pay documentation
  - Missing Written documentation/agreement ?
  - Missing Time and Effort documentation?



# Tiered Monitoring



# TIERED MONITORING

- The Department utilizes a web-based application called the Tiered Monitoring System in order to complete the Tiered Monitoring Process
- The Tiered Monitoring System is located on the DESE Web-Applications page
- Users must have the appropriate authority to access the system
- The Tiered Monitoring System fulfills both state and federal monitoring requirements



# TIERED MONITORING OBJECTIVES

- Monitoring for all federal programs is found in this one system
- Tiered Monitoring System Objectives:
  - Reduce the time in districts/LEA conducting on-site reviews
  - Improve quality and efficiency of on-site reviews
  - Increase the number of districts/LEAs given formal review
  - Improve the quality of the district/LEA compliance
  - Establish processes to target technical assistance and training needs



# TIERED MONITORING CYCLE

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

TIER LEVEL	2015-16	2016-17	2017-18
Annual Risk Assessment	All Cohorts	All Cohorts	All Cohorts
Desk Audit & Application Review	All Cohorts	All Cohorts	All Cohorts
Tier 1: Self-Assessment/Desk Monitoring	Cohort 2	Cohort 3	Cohort 1
Tier 2: On-site Monitoring	Cohort 1	Cohort 2	Cohort 3
Tier 3: Training & Preparation	Cohort 3	Cohort 1	Cohort 2

# RISK ASSESSMENT

- RISK ASSESSMENT
  - All Cohorts will go through this level of review every year
  - Risk Factors Include:
    - Audit Findings
    - Prior Experience/Performance
    - Late Reporting
    - New Personnel
    - Prior Monitoring Findings
    - Overpayments/Refunds
    - Allocation Amount
    - Financial Distress
    - Data Submission Errors
    - Lapsed Funds/Carryover Amounts
    - Indications of Fraud & Abuse
    - Impending School Closures
  - Based on the results of the risk Assessment, districts/LEAs are categorized as high, moderate, or low risk and are subject to further monitoring



# DESK AUDIT & APPLICATION REVIEW

- DESK AUDIT AND APPLICATION REVIEW
  - All Cohorts will go through this level of review every year
  - The Department will review the following for each district/LEA:
    - ePeGS IDEA Part B Budget Application & Revisions
    - ePeGS IDEA Part B Payment Requests
    - ePeGS IDEA Part B Final Expenditure Report & Revisions
    - Cash Management Plans
    - A133 Audit Findings for IDEA Part B



# TIERED MONITORING (TIER I)

- TIER I: SELF-ASSESSMENT/DESK MONITORING
  - The applicable Cohort for the fiscal year will go through this level of review (Cohort 2 for 2015-16)
  - Districts/LEAs within Cohort 2 will complete a Self-Assessment (questionnaire) within the Tiered Monitoring System in regard to the previous school year
  - Must complete and submit within a specified timeframe
  - The district/LEA is not required to submit documentation unless there are any questionable, incomplete, or incorrect responses
  - A Corrective Action Plan (CAP) will be issued for any non-compliance findings;
  - District/LEA must respond to issued CAP(s) within specified timeframe



# TIERED MONITORING (TIER II)

- TIER II: ON-SITE MONITORING
  - The applicable Cohort for the fiscal year will go through this level of review (Cohort 1 for 2015-16)
  - Only the districts/LEAs within Cohort 1 who are determined high risk will be selected for On-site Monitoring (up to 25 districts/LEAs)
  - Districts/LEAs will be required to upload documentation from the previous school year into the Tiered Monitoring System prior to the On-site review
  - DESE staff will answer monitoring questions
  - A Corrective Action Plan (CAP) will be issued for any non-compliance findings
  - District must respond to the CAP within 30 calendar days



# TIERED MONITORING (TIER III)

- TIER III: TRAINING AND PREPARATION
  - The applicable Cohort for the fiscal year will go through this level of review (Cohort 3 for 2015-16)
  - Districts/LEAs within Cohort 3 will have an opportunity to:
    - Attend Regional Trainings
    - Review district/LEA policies, procedures, and practices
    - Review the Special Education Fiscal Monitoring Guide
    - Implement and assess any changes deemed necessary
  - Districts/LEAs may be required to attend trainings based on Risk Assessment regardless of Cohort
  - Districts/LEAs will not be required to answer any questions within the Tiered Monitoring System



# TOP MONITORING FINDINGS

- Federal expenditures not tracked separately in general ledger
- Special Education program expenditures are not coded to special education function codes
- MOE calculation is not accurate
- Obligations made prior to Budget Application submission
- CMIA compliance
- Charging expenditures to incorrect grant cycle
- No Time and Effort documentation on file for federally paid employees (or incorrectly completed)
- Procurement Policy not followed
- No inventory listing/tracking of equipment



# Early Childhood Special Education



# ECSE

Early Childhood Special Education (ECSE) provides 100% funding of approved costs for special education students ages 3, 4 and 5, but not yet kindergarten eligible.

## ECSE Resources

<http://dese.mo.gov/financial-admin-services/special-education-finance/early-childhood-special-education-finance>



# Expenditure Guiding Questions

Is this a cost that has to occur for the ECSE program to exist?

The answer must be YES.

Is this the most cost effective way to provide this service/program?

The answer must be YES.

Is this an expenditure our LEA would have even if we did not have an ECSE program?

The answer must be NO.



# ECSE Expenditure Report (ER)

## ❑ **Due October 17**

- ❑ All ECSE staff and expenditures claimed in the expenditure report are compared to Core Data and the ASBR.
- ❑ All data (Educator Data, December 1 Child Count, June Child Count, ASBR) must be accurate and submitted on time in order for the data to pull correctly onto the ECSE ER.
- ❑ See ECSE Expenditure Guide for step-by-step instructions.

