



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

**New Directors  
Academy**

July 2016

Missouri Department  
of Elementary and Secondary Education

# FUNDING AND G/L BASICS



# FUNDING BASICS

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- Special Education Funding/Revenue Sources
- Coding Special Education Expenditures
- Verification of Expenditures



# SPED FUNDING/REVENUE SOURCES



# SPED FUNDING/REVENUE



Local Funding - \$438M

State Funding - \$531M

Federal Funding - \$190M



# FUNDING SOURCES - REVENUE CODES

Revenue Codes distinguish the funding source type:



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



**State:** 53xx



**Federal:** 54xx



# LOCAL FUNDING



LOCAL Sources may include:

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



# LOCAL FUNDING



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



# STATE FUNDING



STATE Sources may include:

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



# STATE FUNDING



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



# FEDERAL FUNDING



FEDERAL Sources may include:

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



# FEDERAL FUNDING



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



# DISTRICT REVENUE AMOUNTS - ASBR

- de
- Message Board
- I General Summary
    - Summary
    - Restricted Balance
    - Transfer From and To Funds
  - Detail
      - Adjusted Expenditure Calculation
      - Grant Match Transfer
  - II Revenues
    - Local Revenues**
    - County Revenues
    - State Revenues
    - Federal Revenues
    - Other Revenues
  - III-A Expenditures Program by Fund
    - Instruction
    - Support Service
    - Non-Instruction/Support
  - III-B Expenditures Program by Object

## Part II Local Revenue Detail

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

# ASBR STEPS

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



# ACTIVITY: SPED FUNDING/REVENUE

- **ACTIVITY 1:** Determine the amount of state, local, and special education federal funding for your district from the REVENUES BY DISTRICT handout.



# ACTIVITY: SPED FUNDING/REVENUE

- **ACTIVITY 2:** Determine the amount of state, local, and federal funding from the money in your folder. Write these amounts down as this money will be used during the general ledger activities.



# CODING SPED EXPENDITURES



# GENERAL LEDGER BASICS

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

All this is done through coding and descriptors in the General Ledger.



# ACCOUNTING CODE STRUCTURE

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

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



# EXAMPLE OF GENERAL LEDGER

MISSOURI SCHOOL DISTRICT  
GENERAL LEDGER  
2015-16

FD FUNC	OBJ	PROG	UNIT			BUDGET	YTD	MONTH
<b>*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS</b>								
1	1911	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
<b>*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES</b>								
1	1933	6313	333	51	AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	51	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
<b>*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES</b>								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	53	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	53	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	53	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	53	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	53	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	53	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	53	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
1	1221	6232	333	53	SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6232	101	53	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	53	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00

# FUNCTION CODES

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

## IDENTIFY THE PROGRAM

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



# SPECIAL EDUCATION FUNCTION CODES

Function codes that are designated for special education expenditures.

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



# SPED FUNCTION CODE STRUCTURE

MISSOURI SCHOOL DISTRICT  
GENERAL LEDGER  
2015-16

FD FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH	
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS								
1	1911	6313		TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00	
				SUB TOTAL	-5,000.00	1,500.00	0.00	
*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES								
1	1933	6313	333	51	AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	51	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	53	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	53	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	53	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	53	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	53	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	53	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	53	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
1	1221	6232	333	53	SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6232	101	53	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	53	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00
1	1221	6241	101	53	SE MEDICAL INSURANCE	-3,000.00	500.00	50.00

# NONSPECIAL EDUCATION FUNCTION CODES

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

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

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



# PROGRAM CODES

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	2214	6100	333	41

## IDENTIFY THE PROGRAM

*(in the absence of sped function code)*

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



# NON-SPED FUNCTION CODE STRUCTURE

MISSOURI SCHOOL DISTRICT  
GENERAL LEDGER  
2015-16

FD FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH	
1	1221	6241	333	53	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00
1	1221	6241	101	53	SE MEDICAL INSURANCE	-3,000.00	500.00	50.00
1	1221	6313	333	53	SE SPEECH SERVICES	-15,000.00	11,000.00	2000.00
1	1221	6313	333	53	SE OCCUPATIONAL THERAPY	-5,000.00	1,000.00	50.00
1	1221	6343	333	53	SE TRAVEL	-3,000.00	2,000.00	500.00
1	1221	6361	333	53	SE POSTAGE	-1,000.00	1,000.00	50.00
1	1221	6371	333	53	SE MEMBERSHIP FEES	-1,000.00	1,000.00	0.00
1	1221	6410	333	53	SE SUPPLIES	-5,000.00	5,000.00	0.00
SUB TOTAL						-247,000.00	218,000.00	22,500.00
*** FUNCTION 2214 : PROFESSIONAL DEVELOPMENT								
1	2214	6343			PDC TRAVEL	-8,000.00	4,500.00	950.00
1	2214	6343	333	53	PDC TRAVEL	-2,000.00	500.00	50.00
1	2214	6371			PDC DUES & FEES	-10,000.00	10,000.00	0.00
1	2214	6410			PDC MATERIALS	-5,500.00	1000.00	0.00
SUB TOTAL						-25,500.00	16,000.00	1,000.00
*** FUNCTION 2553 : HANDICAPPED TRANSPORTATON								
1	2553	6341	333	53	HANDICAPPED TRANSPORT	-30,000.00	30,000.00	2,000.00
SUB TOTAL						-30,000.00	30,000.00	2,000.00

# OBJECT CODES

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

## IDENTIFY THE TYPE OF EXPENDITURE

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



# OBJECT CODES

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

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



# OBJECT CODE STRUCTURE

MISSOURI SCHOOL DISTRICT  
GENERAL LEDGER  
2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS								
1	1911	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES								
1	1933	6313	333	51	AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	51	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	53	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	53	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	53	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	53	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
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1	1221	6231	333	53	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	53	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
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1	1221	6232	101	53	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	53	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00
1	1221	6241	101	53	SE MEDICAL INSURANCE	-3,000.00	500.00	50.00

# PROJECT CODES

FUND	FUNCTION	OBJECT	PROGRAM	PROJECT
1	1221	6100	333	41

## IDENTIFY THE FUNDING SOURCE

The project code identifies a specific project or funding source.



# PROJECT CODES

Federal project/source codes may be selected by district  
*Recommend using the last two digits of the revenue code for federal funds. Must have a separate project code for each federal funding source.*

<i>IDEA Part B</i>	<i>41 (5441)</i>
<i>ECSE Federal</i>	<i>42 (5442)</i>
<i>HNF Federal</i>	<i>37 (5437)</i>

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



# PROJECT CODE STRUCTURE

MISSOURI SCHOOL DISTRICT  
GENERAL LEDGER  
2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS								
1	1911	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES								
1	1933	6313	333	51	AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	51	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	53	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	53	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	53	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	53	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	53	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	53	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	53	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
1	1221	6232	333	53	SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6232	101	53	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	53	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00
1	1221	6241	101	53	SE MEDICAL INSURANCE	-3,000.00	500.00	50.00

# ACCOUNT DESCRIPTORS

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



# ACCOUNT DESCRIPTORS

MISSOURI SCHOOL DISTRICT  
GENERAL LEDGER  
2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS								
1	1911	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES								
1	1933	6313	333	51	AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	51	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	53	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	53	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	53	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	53	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	53	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	53	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	53	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
1	1221	6232	333	53	SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6232	101	53	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	53	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00
1	1221	6241	101	53	SE MEDICAL INSURANCE	-3,000.00	500.00	50.00

# ACTIVITY: GENERAL LEDGER BASICS

- **ACTIVITY 1:** From the General Ledger Bad Example handout, determine the amount of expenditures paid with federal funds.



# ACTIVITY: GENERAL LEDGER BASICS

- **ACTIVITY 2:** See if you can find the bad examples of coding on the General Ledger Bad Example handout, keeping in mind that a general ledger should:
  - Identify the Program (Sped, Title, Elem, etc.)
  - Identify the Type of Expenditure (Salaries, Supplies, etc.)
  - Identify the Funding Source (Federal, State, or Local)
  - Identify the Funding Source Year if Applicable
  - Determine Allowability through Descriptors



# ACTIVITY: GENERAL LEDGER BASICS

- **ACTIVITY 3:** Using the General Ledger Handout, highlight the following expenditures:
  - Federal Part B (coded with 41): Yellow
  - State (coded with 53): Pink
  - Local (coded with 51): Green
- Total each funding source. Does it match your money amounts from the funding activity?



# CONSEQUENCES OF BAD CODING

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



# WHAT HAPPENS WITH BAD CODING...

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

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

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

Yellow highlighted codes are incorrect.



# CODING SELF-REVIEW

- Are you able to determine the Program, Expenditure Type, Funding Source, Funding Source Year, and Allowability in your general ledger?
- Does your general ledger have the designated special education function codes? 1221, 1223, 1224, 1281, 1931, 1932, 1933, 2553, 2554, 2557, 2559?
- If 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?

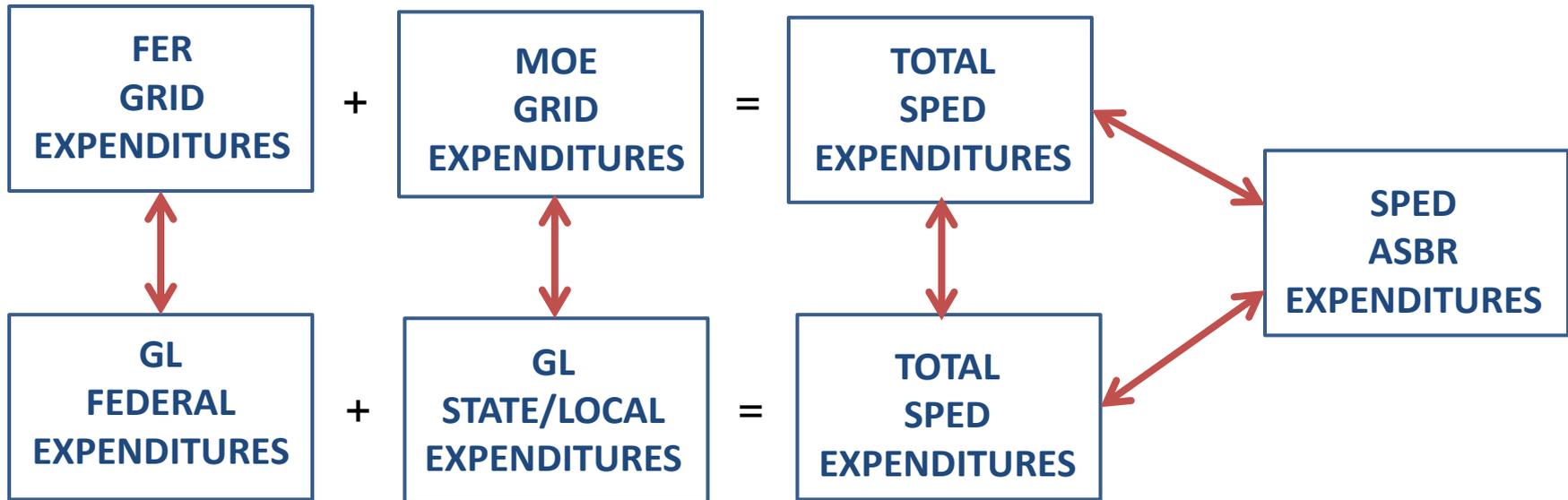


# VERIFICATION OF EXPENDITURES



# THREE WAY MATCH

FER = GENERAL LEDGER = ASBR



# CASH MANAGEMENT



# CASH MANAGEMENT

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



# CODE IN ADVANCE

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



# CODE IN ADVANCE STEPS

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

1221-6111-41                      \$10,000.00                      10/10/16

Step 2: Request and Receive Funds in School Payment Transmittal

Payment Transmittal              \$10,000.00                      11/21/16

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



# CODE IN ADVANCE GL EXAMPLE

MISSOURI SCHOOL DISTRICT  
GENERAL LEDGER  
2015-16

FD FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS							
1	1911	6313		TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
				SUB TOTAL	-5,000.00	1,500.00	0.00
*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES							
1	1933	6313	333	51 AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	51 THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
				SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES							
2	1221	6111	333	41 SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	53 SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	53 SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37 SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	53 SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	53 SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	53 SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	53 SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	53 SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
1	1221	6232	333	53 SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6232	101	53 SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	53 SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00
1	1221	6241	101	53 SE MEDICAL INSURANCE	-3,000.00	500.00	50.00

# JOURNAL ENTRY CORRECTION

- Expenditure is initially coded as a non-federal special education expense.
- Once payment is received, a journal entry correction is completed to recode the expenditure with a federal project/source code to “tie” the funds to an expenditure within 3 business days.
- Option is best when federal allocations are not known until payment is received (ECSE federal payments, HNF payments)



# JOURNAL ENTRY CORRECTION STEPS

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

1221-6311	\$5,000.00	10/10/16
-----------	------------	----------

Step 2: Receive Federal Funds in School Payment Transmittal

Payment Transmittal	\$5,000.00	11/21/16
---------------------	------------	----------

Step 3: Journal Entry Correction to Recode to Federal Special Education Account (“41”) within 3 Days

1221-6311	-\$5,000.00	
-----------	-------------	--

1221-6311-41	\$5,000.00	11/23/16
--------------	------------	----------



# 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.

Part B Allocation = \$50,000

GL Federal Expenditures = \$72,500

- Salaries = \$40,000
- Purchased Services = \$20,000
- Equipment = \$12,500

FER = \$50,000

- Salaries = \$50,000



# OVERCODING ISSUES

## PROBLEMS:

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



# CASH MANAGEMENT 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 business days of receipt?
- Does your district overcode federal expenditures above and beyond the allocation amount?



# PART B IDEA FUNDS



# FEDERAL IDEA PART B FUNDS



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

These funds are only meant to be a portion of funding to support special education programs.



# HOW DO I GET FEDERAL IDEA FUNDS?

Three separate components in formula:

1. **Base Amount (does not change)**
2. **Population Count**
  - September Enrollment
  - Home School
  - Non-Public
  - Neglected/Delinquent
3. **Poverty Count**
  - Free/Reduced Lunch Count
  - Community Eligibility Provision (CEP)



# IDEA PART B ALLOCATIONS

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

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

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

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

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

CDC	District Name	DUNS	IDC	Base Amount	POPULATION								POVERTY		FY17 IDEA Part B Allocation	
					PK-12 Sept. Enrollment	Parentally Placed Private School Students	Non Resident - Receiving Services	Non Resident - Resident District	Home School Count	Non Public Count	Neglected & Delinquent Counts	Total Population	Enrollment Amount	FRL/CEP Count		Poverty Amount
001090	ADAIR CO. R-I	100654698	0.14%	\$18,151	232	0	0	2	0	0	0	234	\$ 23,298	144	\$ 5,859	\$ 47,308
001091	KIRKSVILLE R-III	039448618	1.77%	\$176,325	2574	1	6	0	11	84	35	2697	\$ 268,521	1173	\$ 47,725	\$ 492,571
001092	ADAIR CO. R-II	100653757	0.26%	\$28,523	180	0	0	0	0	0	0	180	\$ 17,921	91	\$ 3,702	\$ 50,146
002089	NORTH ANDREW CO. R-VI	100041870	0.13%	\$21,437	364	0	3	1	0	0	0	362	\$ 36,042	155	\$ 6,306	\$ 63,785
002090	AVENUE CITY R-IX	100040567	0.17%	\$10,372	178	0	0	57	0	0	0	235	\$ 23,397	31	\$ 1,261	\$ 35,030
002097	SAVANNAH R-III	808936053	0.07%	\$115,479	2367	0	40	0	57	0	0	2384	\$ 237,357	937	\$ 38,123	\$ 390,959
003031	TARKIO R-I	093804540	0.10%	\$50,823	320	0	0	0	0	0	0	320	\$ 31,860	138	\$ 5,615	\$ 88,298
003032	ROCK PORT R-II	010661403	0.42%	\$43,912	351	0	0	0	12	0	0	363	\$ 36,141	106	\$ 4,313	\$ 84,366
003033	FAIRFAX R-III	051432110	0.27%	\$15,558	145	0	0	0	0	0	0	145	\$ 14,437	66	\$ 2,685	\$ 32,680

Allocations and ePeGs Training Guides:

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

# 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.
- LEAs must have a written allowability procedure.



# DIRECT COSTS

- Salaries – Certificated and Noncertificated
- Benefits
  - ▣ Administrative or Clerical Staff Only If...
    - Services are integral to the activity
    - Staff can be specifically identified with the activity
    - Such costs are explicitly included in the budget
    - Costs are not also recovered as indirect costs
- Purchased Services
- Materials/Supplies
- Equipment/Facilities/Buses







# PRORATING EXPENDITURES

IDEA requires all expenditures with IDEA Federal 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

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



# INDIRECT COSTS

Costs not readily identified with the special education program but are incurred for the benefit of the special education program. Indirect costs should be coded in the general ledger to 3311.

- Accounting/Auditing
- Payroll/Budgeting/Purchasing
- Operation/Maintenance of Plant

Each LEA has a indirect cost rate for the IDEA Part B Grant.



# BUDGETING INDIRECT COSTS

Administration Costs Rate: 0.00 %

Restricted Indirect Costs Rate: 0.14 %

Accounting Manual	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	35000.00	0.00	12308.00	0.00	0.00	0.00	0.00	47308.00
<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	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
<b>1932</b> Tuition, Special Ed Services to District out State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>1933</b> Tuition, Special Ed Services to Private Agencies	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
<b>2500</b> Transportation and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>2553</b> Contracted								

Administration Costs

Indirect Costs

Calculate Indirect Costs

0.00

Administration Costs Subtotal

0.00

# 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>



# UNALLOWABLE USE OF FEDERAL FUNDS

## IDEA Part B Federal funds may **NOT** be used for:

Local Tax Effort (LTE)/Billbacks - Code to 1911	Promotional Items (pens, bags, T-shirts, etc.)
Payments to State Schools (LTE) – Code to 1911	Income Generating Activities (i.e. life skills classroom bake sale)
Medicaid Billing Fees – Code to 2529	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
Entertainment	Legal Fees Related To Child Compliant/Due Process
District-wide Training (unless it is geared specifically towards special education)	Materials & Supplies Deemed Unnecessary For Sped Program Requirements

# OBLIGATION OF FUNDS



# OBLIGATION OF FUNDS

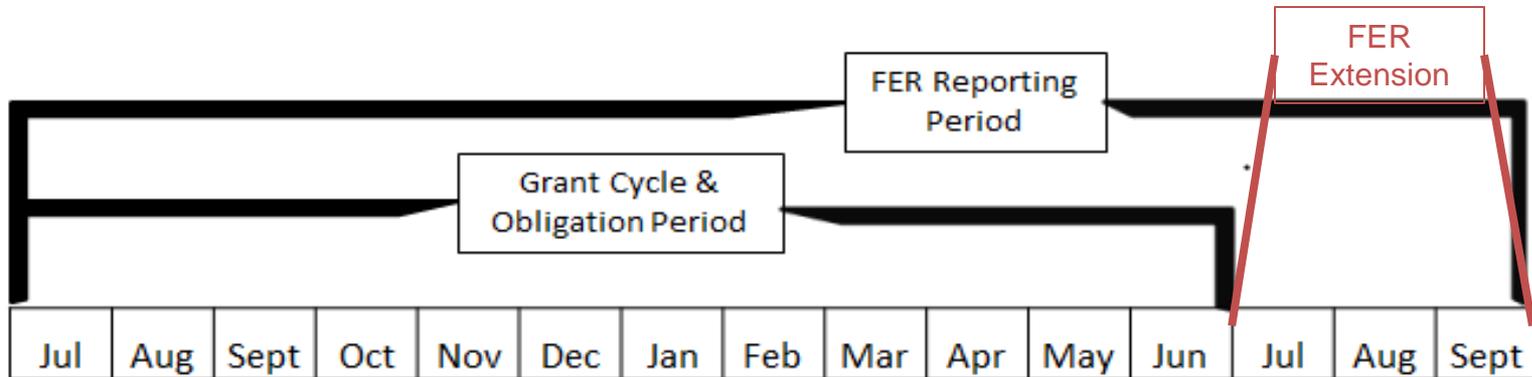
To obligate funds is to reserve, commit, or set-aside for a specific activity or purpose. Funds can't be obligated until the Budget Application is submitted.

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).



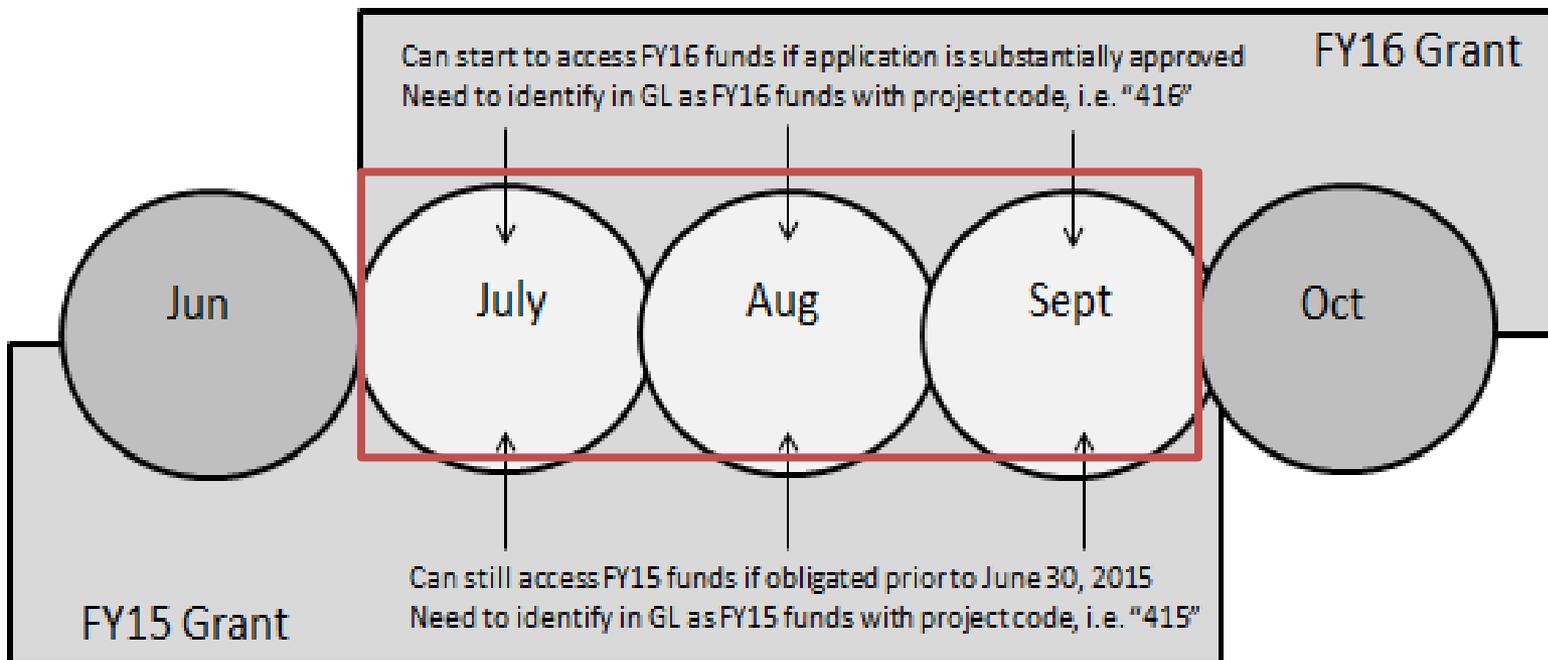
# FER REPORTING PERIOD

- 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 FY16 expenditures in the FER extension period, and FY17 expenditures in the new grant cycle



# FER EXTENSION CODING

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

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



# OBLIGATION OF FUNDS QUIZ

- Quiz



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



# PERIOD OF AVAILABILITY



# PERIOD OF AVAILABILITY

- The period of availability is the amount of time the district/LEA has to obligate and expend grant funds, which is also known as the grant cycle.
- Typically the grant cycle runs from July 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 FUNDS
FY16 Grant Funds	July 1, 2015 – June 30, 2016	June 30, 2016
FY17 Grant Funds	July 1, 2016 – June 30, 2017	June 30, 2017
FY18 Grant Funds	July 1, 2017 – June 30, 2018	June 30, 2018

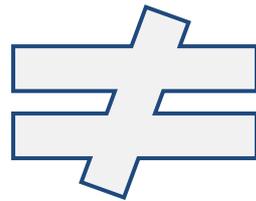


# RULE #1 PERIOD OF AVAILABILITY

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

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

FY16  
EXPENSE



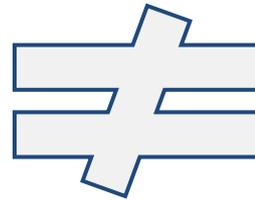
FY17  
IDEA FUNDS



# RULE #1 PERIOD OF AVAILABILITY

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

FY16  
EXPENSE



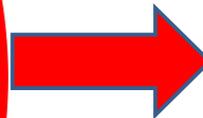
FY17  
IDEA FUNDS

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



# RULE #1 PERIOD OF AVAILABILITY

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



**PURCHASE ORDER**  
FORM # 142000001 04, 2010

**FROM:**  
YOUR NAME  
YOUR ADDRESS  
CITY, STATE, ZIP  
PHONE NO. FAX  
E-MAIL ADDRESS  
WWW.WEBSITE.COM

**TO:**  
CLASS NUMBER  
CLASS/COMMUNITY  
MARKETPLACE NUMBER  
MARKETPLACE SITE  
PHONE FAX  
E-MAIL ADDRESS  
WWW.WEBSITE.COM

**FOR:**  
Name: Goods/Service  
QUANTITY  
ITEM NO.

**JUNE 2016**

**Payroll**

# RULE #1 EXAMPLE AND OPTIONS

## EXAMPLE:

- Invoice Received on July 5, 2016 (FY16)

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

## OPTIONS:

- Use state and/or local funds
- Use the old grant funds (FY16) if there are any left over as long as:
  - Expenditure was obligated prior to June 30<sup>th</sup> and
  - Paid before September 30<sup>th</sup>



# PERIOD OF AVAILABILITY SELF-REVIEW

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



# MAINTENANCE OF EFFORT (MOE)



# MAINTENANCE OF EFFORT (MOE)



Local Funding

State Funding

Federal Funding



# WHAT IS MOE?

Oh No!  
MOE!!



## **34 CFR §300.203**

LEAs must use State and/or local funding to support the special education program.

Two requirements:

1. MOE Eligibility
2. MOE Compliance



# BUDGETING MOE FOR ELIGIBILITY



# MOE ELIGIBILITY REQUIREMENT

## What

- ❑ To show the **intent** of the LEA to maintain the amount of State/local for special education program
- ❑ Budget State and/or local for Upcoming Year  $\geq$  Expended Last FY for which data are available
  - ❑ Example: 2016-17 budgeted MOE will be compared to 2014-15 required level of effort

## LEA Action

- ❑ Part B Budget Application, due July 1
- ❑ ePeGs Budget Application Training Guide FY17:  
<http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations>

## Significance

- ❑ To receive IDEA Part B funds for the fiscal year



# CONSIDERATIONS FOR BUDGETING MOE

## Program Costs:

- What was the cost of the Special Education Program in 2015-16?
- Any anticipated significant changes for 2016-17?



# CONSIDERATIONS FOR BUDGETING MOE

## Revenue:

- What is the FY17 IDEA Part B Allocation?
- Is there any FY16 IDEA Part B Carryover?

District/LEA:

Year: 2016-2017 ▼

Funding Application: Current Funds Available

- ▶ ePeGS Homepage
- ▶ Planning Tool
- ▼ Funding Application Menu
  - ▶ **Current Funds Available**
  - ▶ Career Education
  - ▶ School Improvement
  - ▶ Special Education
  - ▶ Teacher Quality & Urban Education
  - ▶ DESE Supervisor Approval
  - ▶ Awaiting Approval
  - ▶ ESEA MOE
- ▶ Report Menu
- ▶ Core Assurances
- ▶ Maintenance
- ▶ DESE Web Application Menu
- ▶ Logon/Logoff

Select the program(s) to be displayed

Available Programs

AP/IB exam fee reimbursement  
Title I School Improvement (a)  
Part B Targeted  
Spec Ed State and Local Funds

Selected Programs

Spec Ed Part B Entitlement

Refresh Display

	Allocations	Spec Ed Part B Entitlement
1	Original Allocation	\$492,571.00
2	Allocation Adjustments	\$0.00
3	Carryover	\$0.00
4	Carryover Adjustments	\$0.00
5	<b>Allocation Sub Total (Line 1 + Line 2 + Line 3 + Line 4)</b>	<b>\$492,571.00</b>



# CONSIDERATIONS FOR BUDGETING MOE

## Revenue:



What are the State revenue sources and how much? Stable?



What are the local revenue sources and how much? Stable?

Message Board

General Summary

Summary

Restricted Balance

Transfer From and To Funds  
Detail

Adjusted Expenditure  
Calculation

Grant Match Transfer

II Revenues

Local Revenues

County Revenues

State Revenues

Federal Revenues

Other Revenues

III-A Expenditures Program by Fund

Instruction

Support Service

Non-Instruction/Support

III-B Expenditures Program by  
Object

### Part II Local Revenue Detail

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

# 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				

# CONSIDERATIONS FOR BUDGETING MOE

## Meeting for Eligibility:

- What did I spend out of State / local in past few years?
- How do I want to meet MOE in FY17?

## 2016-17 Part B Budget Application, MOE Step 5:

Year: 2016-2017 ▼

Document - Step 5 Version: Initial Status: Approved

### Previous MOE Calculations

Year	State Only Total Expenditures	Local Only Total Expenditures	State & Local Total Expenditures	Local Only Per Child Expenditures	State & Local Per Child Expenditures
2014 - 2015	1793026.80	564.01	1793590.81	1.83	5804.51
2013 - 2014	N/A	N/A	1677004.97	N/A	6376.44
2012 - 2013	N/A	N/A	1557103.18	N/A	5207.70
2011 - 2012	N/A	N/A	1504052.54	N/A	5258.92

# METHODS FOR MEETING MOE

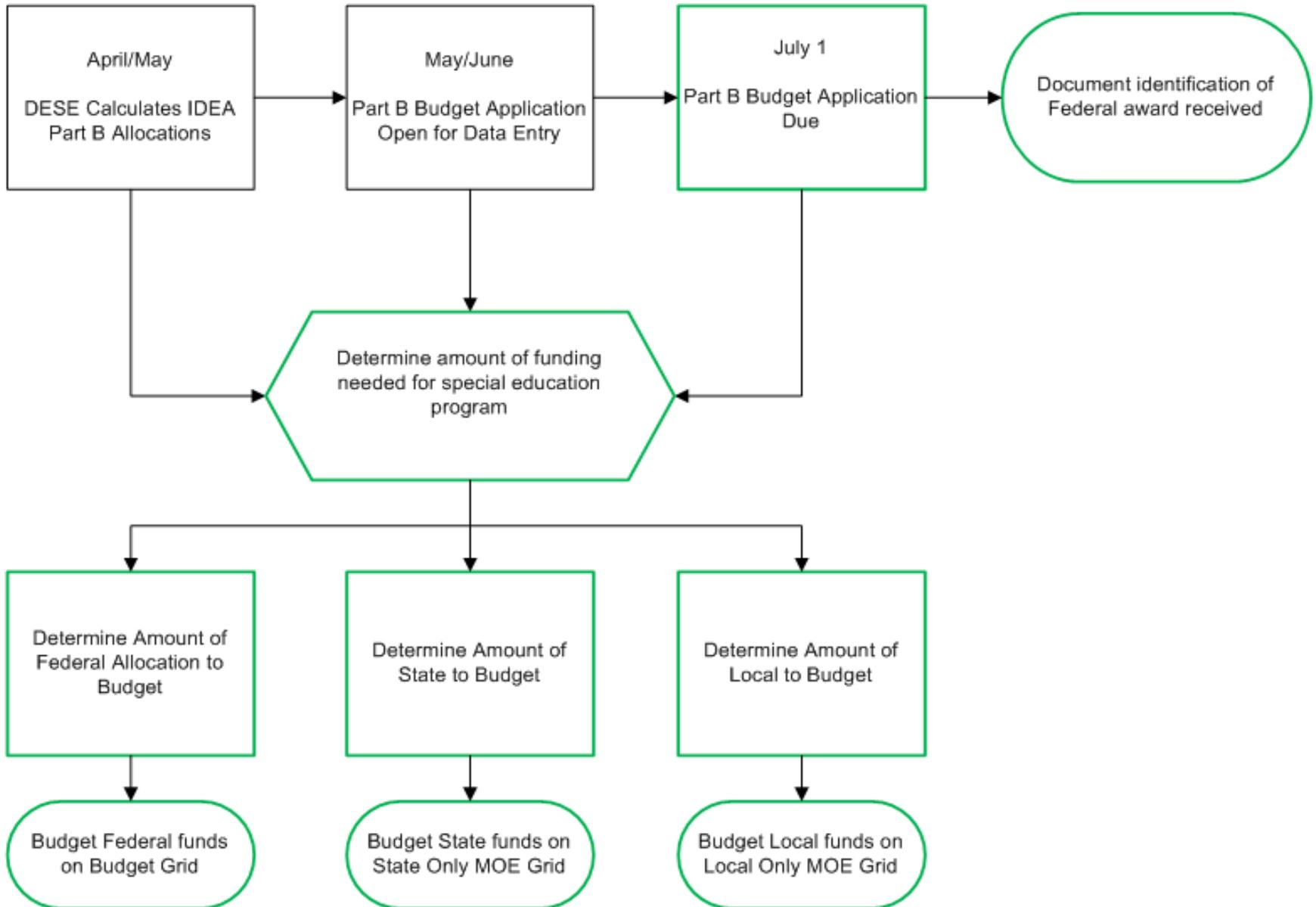
LEAs must meet MOE eligibility by one of the following methods:

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

LEAs can change the method used to meet MOE eligibility from year to year.



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



# WHAT TO INCLUDE IN MOE: ANTICIPATED COSTS JULY 1 TO JUNE 30

Description	Function Code
Special Education and Related Services	1221
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 for Special Education Staff	2200
Transportation & Maintenance (specific to special education)	2500
Contracted K-12 Disabled Transportation	2553
District Operated K-12 Disabled Transportation	2554
ECSE Transportation	2559
Facility Acquisition and Construction (specific to special education)	4000

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

# WHAT **NOT** TO INCLUDE IN MOE

Description	Function Code
Local Tax Effort/Billbacks	1911
Payments to State Schools (LTE/Tuition)	1911
Medicaid Billing Fees	2529
General Education Expenditures	
General Education Homebound	
Materials/Supplies Not Specific to Special Education	

**DO NOT** include expenditures that **CAN NOT** be directly tied to the Special Education program.



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



## 2016 - 2017 School Year Budgeted **STATE ONLY** Expenditures

<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>
<u>1221</u> Special Education and Related Services	803227.00	385688.00	201730.00	89200.00	4100.00	0.00	0.00	1483945.00
<u>1224</u> Proportionate Share Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>1280</u> Early Childhood Special Education	50008.00	32560.00	29318.00	57000.00	5750.00	0.00	0.00	174636.00
<u>1931</u> Tuition, Special Ed Services to District in State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>1932</u> Tuition, Special Ed Services to District out State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>1933</u> Tuition, Special Ed Services to Private Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2200</u> Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2500</u> Transportation and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2553</u> Contracted Disabled Transportation	0.00	0.00	0.00	110000.00	0.00	0.00	0.00	110000.00
<u>2554</u> District Operated Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2557-SPED</u> Proportionate Share Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2559</u> ECSE Transportation Services	0.00	0.00	0.00	80500.00	0.00	0.00	0.00	80500.00
<u>4000</u>								



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



## 2016 - 2017 School Year Budgeted LOCAL 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	0.00	0.00	0.00	0.00	760.00	0.00	0.00	760.00
<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="#">2557-SPED</a> Proportionate Share Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">2559</a> ECSE Transportation Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<a href="#">4000</a>								



# TESTING MOE ELIGIBILITY - TOTAL

## Total Local Funds Only

- Total amount entered on Local Only MOE grid will be compared to the local only amount required in most recent fiscal year for which information is available.

## Total Combination of State and Local Funds

- Total amount entered on State Only MOE grid + Total amount entered on Local Only MOE grid will be compared to the state and local total amount required in most recent fiscal year for which information is available.

2016-17 budgeted MOE will be compared to 2014-15 (and prior) required level of effort



## MOE Step 2: State Only Grid Total

Total <b>State Only</b> Expenditures	853235.00	418248.00	231048.00	336700.00	9850.00	0.00	0.00	1849081.00
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## MOE Step 3: Local Only Grid Total

Total <b>Local Only</b> Expenditures	0.00	0.00	0.00	0.00	760.00	0.00	0.00	760.00
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## MOE Step 5: Testing for MOE Eligibility – Total Expenditures

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
Most Recent Year MOE Met	N/A	2014-2015	2014-2015	2014-2015	2013-2014
Most Recent Year MOE Amount Met	N/A	564.01	1793590.81	1.83	6376.44
MOE Amount Needed for Eligibility	N/A	564.01	1793590.81	1.83	6376.44
2016 - 2017 MOE Budgeted Amount	1849081.00	<b>+</b> 760.00	<b>=</b> 1849841.00	2.53	6166.14
MOE Increase/Decrease	N/A	195.99	56250.19	0.70	-210.30
MOE must indicate "MET" in at least one category	N/A	Met	Met	Met	Not Met

# TESTING MOE ELIGIBILITY-PER CHILD

## Per Child Local Funds Only

- Total amount entered on Local Only MOE grid / estimated Dec 1 current year child count will be compared to local only per child amount required in most recent fiscal year for which information is available.
- Example: Local Only (760) / est. Dec 1 (300) = 2.53 Local Only Per Child

## 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 will be compared to state and local per child amount required in most recent fiscal year for which information is available.
- Example: State and Local (1,849,841) / est. Dec 1 (300) = 6,166.14 State and Local Per Child

2016-17 budgeted MOE will be compared to 2014-15 (and prior) required level of effort



# MOE Step 5: Testing for MOE Eligibility – Per Child

## 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
Most Recent Year MOE Met	N/A	N/A	2014-2015	N/A	2013-2014
Most Recent Year MOE Amount Met	N/A	564.01	1793590.81	1.83	6376.44
MOE Amount Needed for Eligibility	N/A	564.01	1793590.81	1.83	6376.44
2016 - 2017 MOE Budgeted Amount	1849081.00	760.00	1849841.00	2.53	6166.14
MOE Increase/Decrease	N/A	195.99	56250.19	0.70	-210.30
MOE must indicate "MET" in at least one category	N/A	Met	Met	Met	Not Met

Per Child: 2016-17 MOE Budgeted Amount / Dec 1, 2016 Child Count (estimated)

### MOE Step 1 – December 1 Child Count

December 1, 2011 Child Count	286
December 1, 2012 Child Count	299
December 1, 2013 Child Count	263
December 1, 2014 Child Count	309
December 1, 2015 Child Count	301
December 1, 2016 Child Count (estimated)	300



# 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 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 FY17 budget application once the final 2015-16 (FY16) MOE amount is reported in the FER?**

No, the LEA does not need to revise the MOE amounts reported in the FY17 budget once the FY16 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 MOE FOR COMPLIANCE



# MOE COMPLIANCE REQUIREMENT

## What

- ❑ To show the LEA has maintained the amount of State/local it *spent* for the special education program
- ❑ Spent State and/or local in Current Year  $\geq$  Expended Last FY Met MOE Compliance
  - ❑ Example: 2015-16 actual MOE will be compared to 2014-15 required level of effort

## LEA Action

- ❑ Part B FER, due September 30
- ❑ ePeGs FER Training Guide FY16: <http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations>

## Significance

- ❑ Failure requires the LEA to pay back State and/or local funds



# METHODS FOR MEETING MOE

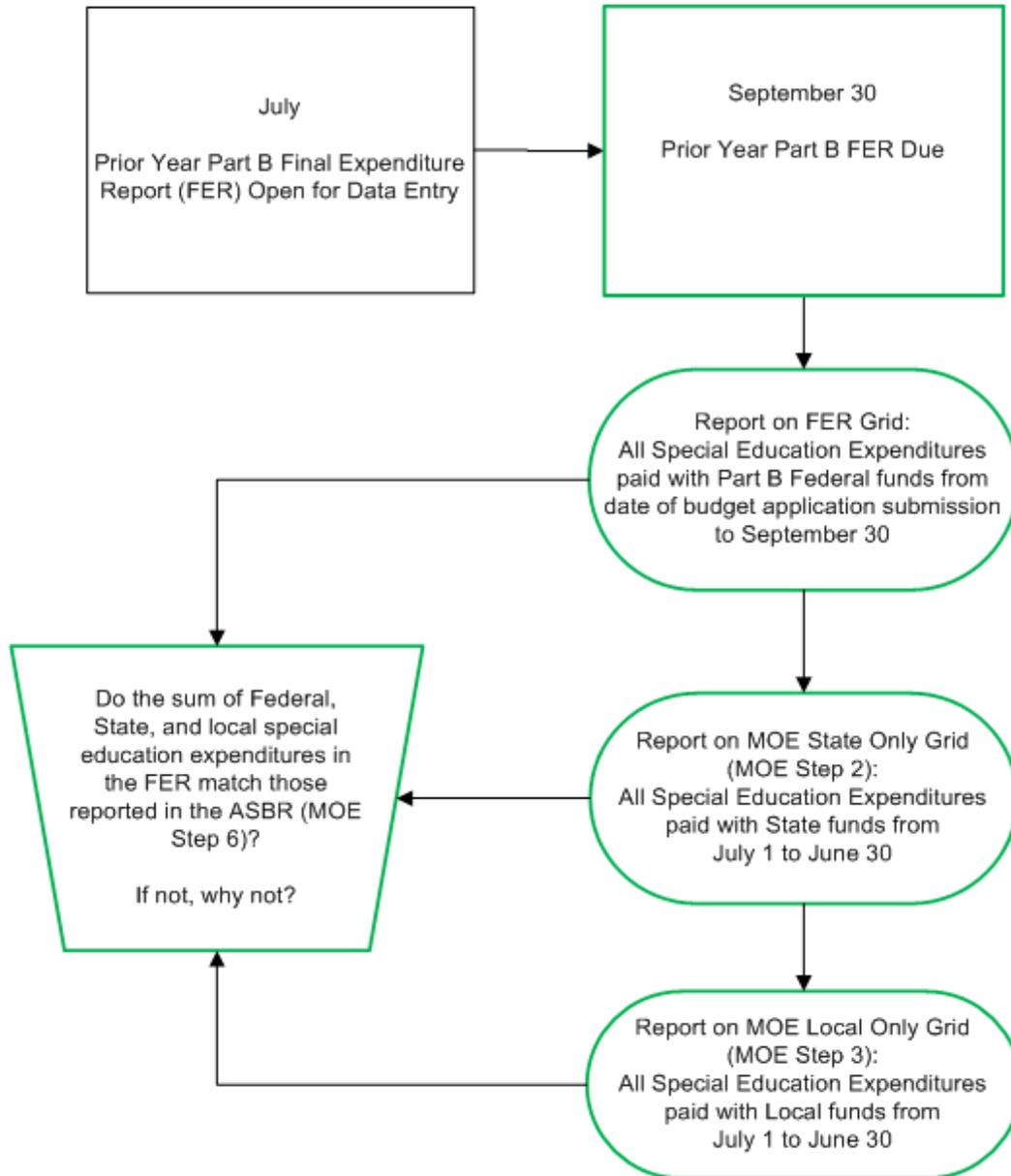
LEAs must meet MOE compliance by one of the following methods:

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

LEAs can change the method used to meet MOE compliance from year to year.



Closing the Fiscal Year and Reporting MOE Compliance  
July to September



# WHAT TO INCLUDE IN MOE: ACTUAL COSTS JULY 1 TO JUNE 30

Description	Function Code
Special Education and Related Services	1221
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 for Special Education Staff	2200
Transportation & Maintenance (specific to special education)	2500
Contracted K-12 Disabled Transportation	2553
District Operated K-12 Disabled Transportation	2554
ECSE Transportation	2559
Facility Acquisition and Construction (specific to special education)	4000

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

# WHAT **NOT** TO INCLUDE IN MOE

Description	Function Code
Local Tax Effort/Billbacks	1911
Payments to State Schools (LTE)	1911
Medicaid Billing Fees	2529
General Education Expenditures	
General Education Homebound	
Materials/Supplies Not Specific to Special Education	

**DO NOT** include expenditures that **CAN NOT** be directly tied to the Special Education program.



# 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**

Anything with a Federal project code will **NOT** be included in MOE.

# MOE COMPLIANCE CONSIDERATIONS

## Program Costs:

- What Special Education Program costs did the LEA pay with State funds between July 1 and June 30?



# CALCULATING MOE



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Use your accounting software to:

1. Pull all special education expenditures with a [State project code \(i.e. 53\)](#).

Description	Function Code	Object Codes	Project Code
Special Education and Related Services	1221	6100 -6500	53
ECSE Services	1281	6100 - 6500	53
Tuition, Sped Services to District in State	1931	6100 -6500	53
Tuition, Sped Services to District Outside State	1932	6100 -6500	53
Tuition, Sped Services to Private Agencies	1933	6100 -6500	53
Contracted K-12 Disabled Transportation	2553	6100 -6500	53
District Operated K-12 Disabled Transportation	2554	6100 -6500	53
ECSE Transportation	2559	6100 -6500	53

# CALCULATING MOE



3. Pull all special education expenditures coded to nonsped function codes with a sped program code (i.e. 333) and State project code (i.e. 53).

Description	Function Code	Object Codes	Program Code	Project Code
Professional Development for Special Education Staff	2200	6100 -6500	333	53
Transportation & Maintenance	2500	6100 - 6500	333	53
Facility Acquisition and Construction	4000	6100 -6500	333	53



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



## 2015 - 2016 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>
<u>1221</u> Special Education and Related Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>1224</u> Proportionate Share Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>1280</u> Early Childhood Special Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>1931</u> Tuition, Special Ed Services to District in State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>1932</u> Tuition, Special Ed Services to District out State	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>1933</u> Tuition, Special Ed Services to Private Agencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2200</u> Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2500</u> Transportation and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2553</u> Contracted Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2554</u> District Operated Disabled Transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2559</u> ECSE Transportation Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>4000</u> Facilities Acquisition and Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total State Only</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



# MOE COMPLIANCE CONSIDERATIONS

## Program Costs:

- What Special Education Program costs did the LEA pay with local funds between July 1 and June 30?



# CALCULATING MOE



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2. Pull all special education expenditures with a Local project code (i.e. 51).

Description	Function Code	Object Codes	Project Code
Special Education and Related Services	1221	6100 -6500	51
ECSE Services	1281	6100 - 6500	51
Tuition, Sped Services to District in State	1931	6100 -6500	51
Tuition, Sped Services to District Outside State	1932	6100 -6500	51
Tuition, Sped Services to Private Agencies	1933	6100 -6500	51
Contracted K-12 Disabled Transportation	2553	6100 -6500	51
District Operated K-12 Disabled Transportation	2554	6100 -6500	51
ECSE Transportation	2559	6100 -6500	51

# CALCULATING MOE



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4. Pull all special education expenditures coded to nonsped function codes with a sped program code (i.e. 333) and Local project code (i.e. 51).

Description	Function Code	Object Codes	Program Code	Project Code
Professional Development for Special Education Staff	2200	6100 -6500	333	51
Transportation & Maintenance	2500	6100 - 6500	333	51
Facility Acquisition and Construction	4000	6100 -6500	333	51



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



## 2015 - 2016 School Year Actual LOCAL ONLY Expenditures

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



# CALCULATING MOE



That's it! You're Done! 😊



# TESTING MOE COMPLIANCE - TOTAL

## Total Local Funds Only

- Total amount entered on Local Only MOE grid will be compared to the actual local only amount required in most recent fiscal year.

## Total Combination of State and Local Funds

- Total amount entered on State Only MOE grid + Total amount entered on Local Only MOE grid will be compared to the actual State and local only amount required in most recent fiscal year.

2015-16 actual MOE will be compared to 2014-15 required level of effort



## MOE Step 2: State Only Grid Total

Total <b>State Only</b> Expenditures	821646.05	334254.57	348385.18	268212.77	17932.73	2595.50	0.00	1793026.80
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## MOE Step 3: Local Only Grid Total

Total <b>Local Only</b> Expenditures	0.00	0.00	0.00	0.00	564.01	0.00	0.00	564.01
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## MOE Step 5: Testing for MOE Compliance – Total Expenditures

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	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	1793026.80	564.01	1793590.81	1.83	5804.50	
MOE Increase/Decrease	N/A	N/A	116585.84	N/A	-571.94	
MOE must indicate "MET" in at least one category	N/A	N/A	Met	N/A	Not Met	



# TESTING MOE COMPLIANCE – PER CHILD

## Per Child Local Funds Only

- Total amount entered on Local Only MOE grid / expenditure year Dec 1 child count will be compared to local only per child amount required in most recent fiscal year.
- Example: Local Only (564.01) / Dec 1 (309) = 1.83 Local Only Per Child

## 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 will be compared to State and local per child amount required in most recent fiscal year.
- Example: State and Local (1,793,590.81) / Dec 1 (309) = 5,804.50 State and Local Per Child

2015-16 actual MOE will be compared to 2014-15 required level of effort



## MOE Step 5: Testing for MOE Compliance – Per Child

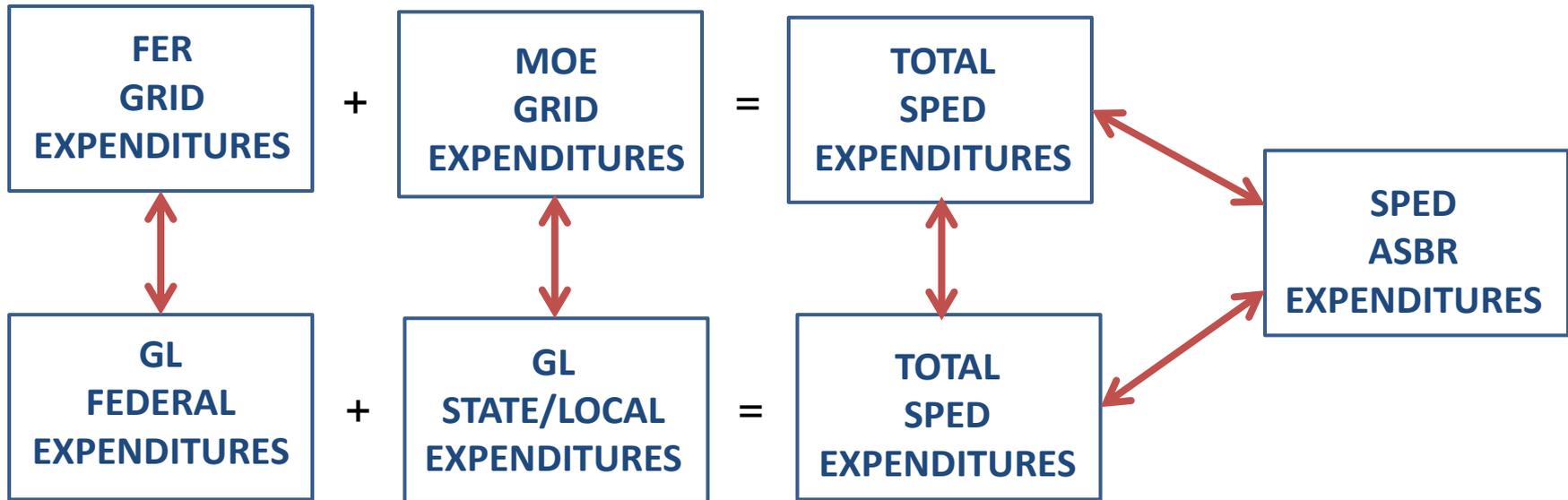
<b>Current Year MOE Calculations</b>					
	<b>State Only Total Expenditures</b>	<b>Local Only Total Expenditures</b>	<b>State &amp; Local Total Expenditures</b>	<b>Local Only Per Child Expenditures</b>	<b>State &amp; Local Per Child Expenditures</b>
2013 - 2014 MOE Amount	N/A	N/A	1677004.97	N/A	6376.44
MOE Amount Needed for Compliance	N/A	N/A	1677004.97	N/A	6376.44
2014 - 2015 MOE Actual Expenditures	1793026.80	564.01	1793590.81	1.83	5804.50
MOE Increase/Decrease	N/A	N/A	116585.84	N/A	-571.94
MOE must indicate "MET" in at least one category	N/A	N/A	Met	N/A	Not Met

Per Child: 2014-15 MOE Budgeted Amount / Dec 1, 2014 Child Count

<b>MOE Step 1 – December 1 Child Count</b>	
December 1, 2013 Child Count	263
December 1, 2014 Child Count	309

# THREE WAY MATCH

FER = GENERAL LEDGER = ASBR



## MOE Step 6: Comparing ASBR and MOE

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	372312.24	+	1458377.13	=	1830689.37	1830689.37	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	978.75	+	0.00	=	978.75	978.75	0.00
<a href="#">1280</a> Early Childhood Special Education	0.00	+	205332.99	=	205332.99	205332.99	0.00
<a href="#">1931</a> Tuition, Special Ed Services to District in State	0.00	+	3685.93	=	3685.93	3685.93	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="#">1933</a> Tuition, Special Ed Services to Private Agencies	0.00	+	0.00	=	0.00	0.00	0.00
<a href="#">2200</a> Professional Development	0.00	+	0.00	=	0.00	81577.04	-81577.04
<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	+	115100.02	=	115100.02	115100.02	0.00
<a href="#">2554</a> District Operated Disabled Transportation	0.00	+	0.00	=	0.00	0.00	0.00
<a href="#">2559</a> ECSE Transportation Services	0.00	+	11094.74	=	11094.74	49036.84	-37942.10
<a href="#">4000</a> Facilities Acquisition and Construction	0.00	+	0.00	=	0.00	0.00	0.00
<b>Total Expenditures</b>	<b>373290.99</b>	<b>+</b>	<b>1793590.81</b>	<b>=</b>	<b>2166881.80</b>	<b>2286400.94</b>	<b>-119519.14</b>



## MOE Step 6: Comparing ASBR and MOE

2559 ECSE Transportation Services	0.00	+	11094.74	=	11094.74	49036.84	-37942.10
4000 Facilities Acquisition and Construction	0.00	+	0.00	=	0.00	0.00	0.00
Total Expenditures	373290.99	+	1793590.81	=	2166881.80	2286400.94	-119519.14

Warning: The expenditure amount(s) reported in the ASBR do not equal the expenditure amount(s) reported on the FER and MOE grids. Verify this is correct.

### District/LEA Comment:

We did not spend any PD funds in 2200 for special education. 2559 is the amount of Federal reimbursement we received for ECSE that was recoded for CMIA to a federal expense code.

Differences must be explained.

Common differences include:

- Received ECSE or HNF federal funds (reported in ASBR but NOT FER or MOE)
- Non-special education 2200 or 4000 expenditures (reported in ASBR but NOT FER or MOE)



# 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 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 FY16 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.



# MOE COMPLIANCE EXAMPLE

Amount to run Special Education Program in 2015-16:  
**\$500,000**

IDEA Part B (611) Allocation in 2015-16:	\$155,000
MOE from State and Local Combination:	\$345,000



# MOE COMPLIANCE EXAMPLE

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

# MOE PRACTICE



## MISSOURI SCHOOL DISTRICT

## GENERAL LEDGER

2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
<b>*** FUNCTION 1931 : TUITION TO OTHER DISTRICTS</b>								
1	1931	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
<b>*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES</b>								
1	1933	6313			TUITION	-45,000.00	40,000.00	17,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
<b>*** FUNCTION 1210 : SPECIAL SERVICES</b>								
1	1210	6313			SPECIAL SERVICES	-5,000.00	1,000.00	50.00
					SUB TOTAL	-5,000.00	1,000.00	50.00
<b>*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES</b>								
2	1221	6111			SE CERTIFIED SALARY	-100,000.00	92,500.00	10,000.00
1	1221	6151			SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211			SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211			SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231			SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6232			SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6241			SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00
1	1221	6313			SE PURCHASED SERVICES	-5,000.00	4,000.00	550.00
1	1221	6410			SE SUPPLIES AT RISK	-5,000.00	5,000.00	0.00
					SUB TOTAL	-185,000.00	176,500.00	17,250.00
<b>*** FUNCTION 1240 : PROPORTIONATE SHARE SERVICES</b>								
2	1240	6111			PS CERTIFIED SALARY	-10,000.00	2,000.00	100.00
2	1240	6211			PS TEACHER RETIREMENT	-1,000.00	50.00	10.00
2	1240	6231			PS SOCIAL SECURITY	-1,000.00	50.00	10.00
1	1240	6232			PS MEDICARE	-1,000.00	50.00	10.00
1	1240	6241			PS MEDICAL INSURANCE	-1,000.00	50.00	10.00
1	1240	6343			PS TRAVEL	-400.00	200.00	0.00
1	1240	6410			PS GENERAL SUPPLIES	-100.00	100.00	0.00
					SUB TOTAL	-13,500.00	2,500.00	140.00

# MOE Exercise 1

- What special education expenditures were paid with IDEA Part B funds in 2015-16?
  - ▣ Put these amounts on the “Federal Part B Only” grid.
- What special education expenditures were paid with State funds in 2015-16?
  - ▣ Put these amounts on the “State Only” grid.
- What special education expenditures were paid with local funds in 2015-16?
  - ▣ Put these amounts on the “Local Only” grid.



# MOE Exercise 1

Any Problems????



## MISSOURI SCHOOL DISTRICT

## GENERAL LEDGER

2015-16

FD	FUNC	OBJ	PROG	UNIT	BUDGET	YTD	MONTH
<b>*** FUNCTION 1931 : TUITION TO OTHER DISTRICTS</b>							
1	1931	6313		TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
				SUB TOTAL	-5,000.00	1,500.00	0.00
<b>*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES</b>							
1	1933	6313		TUITION	-45,000.00	40,000.00	17,000.00
				SUB TOTAL	-45,000.00	40,000.00	17,000.00
<b>*** FUNCTION 1210 : SPECIAL SERVICES</b>							
1	1210	6313		SPECIAL SERVICES	-5,000.00	1,000.00	50.00
				SUB TOTAL	-5,000.00	1,000.00	50.00
<b>*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES</b>							
2	1221	6111		SE CERTIFIED SALARY	-100,000.00	92,500.00	10,000.00
1	1221	6151		SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211		SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211		SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231		SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6232		SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6241		SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00
1	1221	6313		SE PURCAHSED SERVICES	-5,000.00	4,000.00	550.00
1	1221	6410		SE SUPPLIES AT RISK	-5,000.00	5,000.00	0.00
				SUB TOTAL	-185,000.00	176,500.00	17,250.00
<b>*** FUNCTION 1240 : PROPORTIONATE SHARE SERVICES</b>							
2	1240	6111		PS CERTIFIED SALARY	-10,000.00	2,000.00	100.00
2	1240	6211		PS TEACHER RETIREMENT	-1,000.00	50.00	10.00
2	1240	6231		PS SOCIAL SECURITY	-1,000.00	50.00	10.00
1	1240	6232		PS MEDICARE	-1,000.00	50.00	10.00
1	1240	6241		PS MEDICAL INSURANCE	-1,000.00	50.00	10.00

MISSOURI SCHOOL DISTRICT  
GENERAL LEDGER  
2015-16

FD	FUNC	OBJ	PROG	UNIT		BUDGET	YTD	MONTH
*** FUNCTION 1911 : TUITION TO OTHER DISTRICTS								
1	1911	6313			TUITION - SEVERELY HANDICAPPED	-5,000.00	1,500.00	0.00
					SUB TOTAL	-5,000.00	1,500.00	0.00
*** FUNCTION 1933 : TUITION TO PRIVATE AGENCIES								
1	1933	6313	333	51	AUTISM CONCEPTS	-20,000.00	15,000.00	5,000.00
1	1933	6313	333	51	THERAPEUTIC LEARNING CENTER	-25,000.00	25,000.00	12,000.00
					SUB TOTAL	-45,000.00	40,000.00	17,000.00
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES								
2	1221	6111	333	41	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	333	53	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	101	53	SE CERTIFIED SALARIES	-30,000.00	25,000.00	3,000.00
1	1221	6151	333	37	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	333	53	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
1	1221	6211	101	53	SE TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	333	53	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
1	1221	6231	333	53	SE SOC SEC	-5,000.00	5,000.00	200.00
1	1221	6231	101	53	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
1	1221	6232	333	53	SE MEDICARE	-5,000.00	5,000.00	100.00
1	1221	6232	101	53	SE MEDICARE	-3,000.00	1,000.00	50.00
1	1221	6241	333	53	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00
1	1221	6241	101	53	SE MEDICAL INSURANCE	-3,000.00	500.00	50.00
1	1221	6313	333	53	SE SPEECH SERVICES	-15,000.00	11,000.00	2000.00
1	1221	6313	333	53	SE OCCUPATIONAL THERAPY	-5,000.00	1,000.00	50.00
1	1221	6343	333	53	SE TRAVEL	-3,000.00	2,000.00	500.00
1	1221	6361	333	53	SE POSTAGE	-1,000.00	1,000.00	50.00
1	1221	6371	333	53	SE MEMBERSHIP FEES	-1,000.00	1,000.00	0.00
1	1221	6410	333	53	SE SUPPLIES	-5,000.00	5,000.00	0.00
					SUB TOTAL	-247,000.00	218,000.00	22,500.00
*** FUNCTION 1224 : PROPORTIONATE SHARE SERVICES								
2	1224	6111	333	41	PS CERTIFIED SALARY	-10,000.00	2,000.00	100.00
2	1224	6211	333	41	PS TEACHER RETIREMENT	-1,000.00	50.00	10.00
1	1224	6231	333	41	PS SOCIAL SECURITY	-1,000.00	50.00	10.00
1	1224	6232	333	41	PS MEDICARE	-1,000.00	50.00	10.00
1	1224	6241	333	41	PS MEDICAL INSURANCE	-1,000.00	50.00	10.00
1	1224	6343	333	41	PS TRAVEL	-400.00	200.00	0.00
1	1224	6410	333	41	PS GENERAL SUPPLIES	-100.00	100.00	0.00
					SUB TOTAL	-13,500.00	3,500.00	140.00



# MOE Exercise 2

- What special education expenditures were paid with IDEA Part B funds in 2015-16?
  - ▣ Put these amounts on the “Federal Part B Only” grid.
- What special education expenditures were paid with State funds in 2015-16?
  - ▣ Put these amounts on the “State Only” grid.
- What special education expenditures were paid with local funds in 2015-16?
  - ▣ Put these amounts on the “Local Only” grid.



**2015-2016 School Year Actual FEDERAL PART B ONLY Expenditures**

	<b>6100</b>	<b>6150</b>	<b>6200</b>	<b>6300</b>	<b>6400</b>	<b>6500</b>	<b>Total</b>
<b>1221</b>	72,500	0	0	0	0	0	72,500
<b>1223</b>	0	0	0	0	0	0	0
<b>1224</b>	2,000	0	200	200	100	0	2,500
<b>1931</b>	0	0	0	0	0	0	0
<b>1932</b>	0	0	0	0	0	0	0
<b>1933</b>	0	0	0	0	0	0	0
<b>2200</b>	0	0	0	0	0	0	0
<b>2500</b>	0	0	0	0	0	0	0
<b>2553</b>	0	0	0	0	0	0	0
<b>2554</b>	0	0	0	0	0	0	0
<b>4000</b>	0	0	0	0	0	0	0
<b>Total</b>	74,500	0	200	200	100	0	75,000
<b>FEDERAL ECSE FUNDS RECEIVED/EXPENDED</b>							
<b>1280</b>	20,000	0	0	0	0	0	20,000
<b>2559</b>	0	0	0	0	0	0	0

**2015-2016 School Year Actual STATE ONLY Expenditures**

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

**2015-2016 School Year Actual LOCAL ONLY Expenditures**

	<b>6100</b>	<b>6150</b>	<b>6200</b>	<b>6300</b>	<b>6400</b>	<b>6500</b>	<b>Total</b>
<b>1221</b>	0	0	0	0	0	0	0
<b>1224</b>	0	0	0	0	0	0	0
<b>1280</b>	0	0	0	0	0	0	0
<b>1931</b>	0	0	0	0	0	0	0
<b>1932</b>	0	0	0	0	0	0	0
<b>1933</b>	0	0	0	40,000	0	0	40,000
<b>2200</b>	0	0	0	0	0	0	0
<b>2500</b>	0	0	0	0	0	0	0
<b>2553</b>	0	0	0	0	0	0	0
<b>2554</b>	0	0	0	0	0	0	0
<b>2559</b>	0	0	0	0	0	0	0
<b>4000</b>	0	0	0	0	0	0	0
<b>Total</b>	0	0	0	40,000	0	0	40,000

# MOE Exercise 2

- What is the difference between the first ledger and the second ledger?
- Was it easier to complete MOE with the second ledger?
- How does having the correct coding in the GL translate to the ASBR and FER/MOE completion?



# 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**

More information about MOE Exceptions can be found at:

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



# MOE ADJUSTMENT



# MOE ADJUSTMENT

- ❑ IDEA allows the LEA to reduce MOE threshold when Federal allocation 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, 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 the Part B allocation but instead decreases the amount of local/State funds that must be spent on students with disabilities (MOE) for the current year and future years until the LEA decides to voluntarily increase the MOE amount.
- If a LEA is eligible for a MOE adjustment, a portion or all of the MOE adjustment may be taken.
- The MOE adjustment must be taken in the year of the Part B allocation increase.
- The MOE adjustment may be taken with any allowable MOE exceptions.

More information about MOE adjustment can be found at:

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



# INCLUDING ECSE IN MOE



# INCLUDING ECSE EXPENDITURES IN MOE

Current year Early Childhood Special Education (ECSE) expenditures paid with State and/or local funds must be included in MOE.

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

## Answer:

1. Pull from general ledger all ECSE expenditures (function codes 1280/2559) for year just concluded that have been coded as State.
2. Pull from general ledger all ECSE expenditures (function codes 1280/2559) for year just concluded that have been coded as Local.

More information in ECSE FER Guide: <http://dese.mo.gov/financial-admin-services/special-education-finance/early-childhood-special-education-finance>



# MOE CONSIDERATIONS

How will this decision impact MOE?



# IMPACT TO MOE CONSIDERATIONS

Did the LEA have any allowable exceptions to MOE between the prior year and current year? If so, have they been properly documented?

Example:

Teacher Smith retired in 2014-15 and was paid \$65,000 of State funds in 2014-15. Teacher Jones was hired to replace Teacher Smith in 2015-16, but was only paid \$50,000 of State funds in 2015-16.

- LEA can claim \$15,000 under allowable exception #1 on the 2015-16 FER



# IMPACT TO MOE CONSIDERATIONS

Did the LEA take a MOE adjustment in the current year? Has this been documented?

Example:

The LEA was eligible for a \$25,000 MOE adjustment in 2015-16. The LEA decided to use \$15,000 of the freed up State funds for Title VIII activities.

- MOE Adjustment Amount in 15-16 = \$15,000
- \$15,000 of Title VIII activities in the 15-16 GL must be coded as paid with State funds using a unique project/source code (not "53").



# IMPACT TO MOE CONSIDERATIONS

If the LEA receives Medicaid revenue, make sure the LEA does not spend the revenue on special education expenditures.

Instead...spend the Medicaid revenue on general health services for students without IEPs.



# IMPACT TO MOE CONSIDERATIONS

Did the LEA receive Federal High Need Funds (HNF) in the current year?

If so...the LEA can take MOE exception #5 for the amount of Federal HNF revenue received. Ensure special education expenditures paid with Federal HNF revenue not included in MOE.

Did the LEA receive Federal ECSE Funds in the current year?

If so...ensure the LEA is spending enough State and/or local funds elsewhere in the ECSE or K-12 special education program to ensure MOE will be met as ECSE expenditures paid with ECSE Federal funds cannot be included in MOE.



# IMPACT TO MOE CONSIDERATIONS

Eliminated positions, forced transfers, and across the board reductions are NOT allowable exceptions to MOE.

So...If the LEA will need to eliminate positions, etc. ensure those positions are paid with Federal funds, not State or local funds as this could negatively impact MOE.



# IMPACT TO MOE CONSIDERATIONS

Don't get into the habit of using the entire IDEA Part B Allocation. Unspent Federal funds will carry over to the next year.

Instead...consider how much State and/or local funds must be spent to meet MOE and ensure the LEA spends enough to meet MOE.



# IMPACT TO MOE CONSIDERATIONS

Do not unnecessarily inflate MOE by charging items to special education program that aren't program specific.

For instance, do not charge a percentage of principal's salary, general classroom supplies, operation of plant costs, etc. to the special education program if they cannot be directly tied to sped.

Instead...only charge special education specific items to the special education program.



# 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 can 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
  - District can verify MOSIS/Core Data coding by reviewing the “Staff Assignment Report”



# MOSIS/CORE DATA REPORTS

- To access the “Staff Assignments Report”
  - Web Applications Menu→ Data Collection Menu→ Reports→ Special Reports
    - Select School Year
    - Select Schools (All or individual buildings),click Add
    - Select Programs (06, 09, 17, 19 for Special Education), click Add
    - Click Run Report



# 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	7/1/2016-12/31/2016	Signed & dated on 1/1/2016 or after	1/1/2017-6/30/2017	Signed & dated on 7/1/2017 or after
School Year Dates	8/15/2016-12/16/2016	Signed & dated on 12/17/2016 or after	1/9/2017-5/19/2017	Signed & dated on 5/20/2017 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 the period of \_\_\_\_\_.  
(Federal Program) (Funding Period)

Employee Name(s)	Position

Add more lines as needed

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

Date \_\_\_\_\_



# MULTIPLE PROGRAMS

- **EMPLOYEES THAT WORK IN MULTIPLE PROGRAMS**
  - Employees who work in the special education program and any other non-special education program **AND** are paid any amount of 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

## 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.

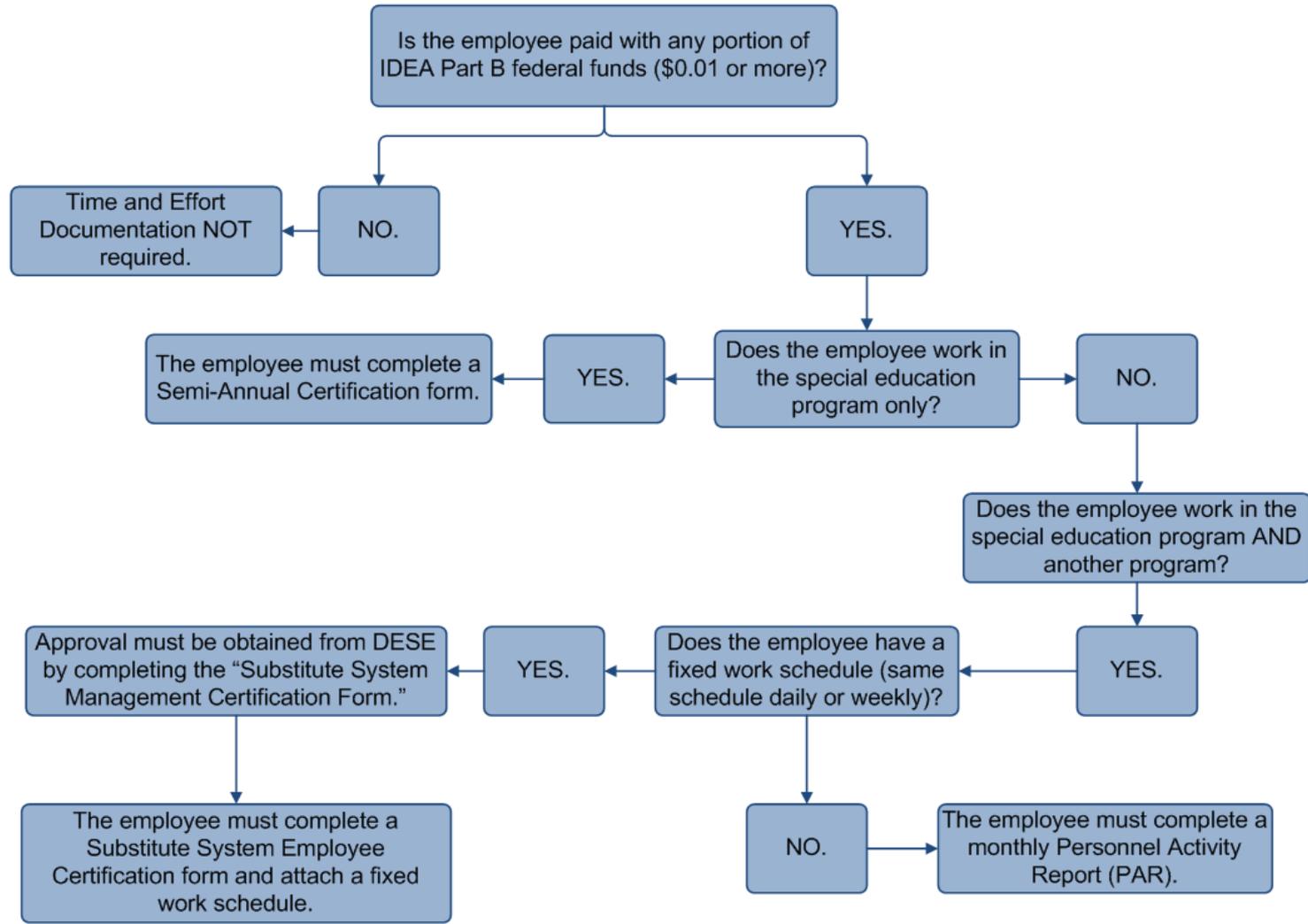
\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
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



## 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	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





# TIME AND EFFORT ACTIVITIES

- Staff Assignment Reports
- Time and Effort Quiz



# 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 2015-16 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?





# TOP 10 EXCUSES FOR NONCOMPLIANCE AT ON-SITES



# NUMBER 10

---

“I didn’t know anything about it, the principal must have approved it.”



# NUMBER 9

---

“My bookkeeper won’t let me change how it is currently being done.”



# NUMBER 8

---

“I don’t know why,  
I wasn’t here then.”



# NUMBER 7

---

“It doesn’t matter, we just use our money for salaries.”



# NUMBER 6

---

“It’s always been  
done that way.”



# NUMBER 5

---

“My bookkeeper told me to.”



# NUMBER 4

---

“It’s too much hassle to  
change our system.”



# NUMBER 3

---

“The federal funds aren’t even enough to cover the costs of our program.”



# NUMBER 2

---

“That’s what all the other districts are doing.”



# NUMBER 1

---

“We used the S.W.A.G method.”

Scientific Wild @\$ \$ Guess



# 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 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	2016-17	2017-18	2018-19
Annual Risk Assessment	All Cohorts	All Cohorts	All Cohorts
Desk Audit & Application Review	All Cohorts	All Cohorts	All Cohorts
Tier 1: Self-Assessment/Desk Monitoring	Cohort 3	Cohort 1	Cohort 2
Tier 2: On-site Monitoring	Cohort 2	Cohort 3	Cohort 1
Tier 3: Training & Preparation	Cohort 1	Cohort 2	Cohort 3

# RISK ASSESSMENT

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



# DESK AUDIT & APPLICATION REVIEW

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



# TIERED MONITORING (TIER I)

- TIER I: SELF-ASSESSMENT/DESK MONITORING
  - The applicable Cohort for the fiscal year will go through this level of review (Cohort 3 for 2016-17)
  - Districts/LEAs within Cohort 3 will complete a Self-Assessment (questionnaire) within the Tiered Monitoring System in regard to the previous (2015-16) school year
  - Must complete and submit within a specified timeframe
  - The district/LEA is not required to submit documentation unless there are any questionable, incomplete, or incorrect responses
  - A Corrective Action Plan (CAP) will be issued for any non-compliance findings;
  - District/LEA must respond to issued CAP(s) within specified timeframe



# TIERED MONITORING (TIER II)

- TIER II: ON-SITE MONITORING
  - The applicable Cohort for the fiscal year will go through this level of review (Cohort 2 for 2016-17)
  - Only the districts/LEAs within Cohort 2 who are determined high risk will be selected for On-site Monitoring (up to 25 districts/LEAs)
  - Districts/LEAs will be required to upload documentation from the previous (2015-16) 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 1 for 2016-17)
  - Districts/LEAs within Cohort 1 will have an opportunity to:
    - Attend Regional Trainings
    - Review district/LEA policies, procedures, and practices
    - Review the Special Education Fiscal Monitoring Guide
    - Implement and assess any changes deemed necessary
  - Districts/LEAs may be required to attend trainings based on Risk Assessment regardless of Cohort
  - Districts/LEAs will not be required to answer any questions within the Tiered Monitoring System



# TOP MONITORING FINDINGS

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

