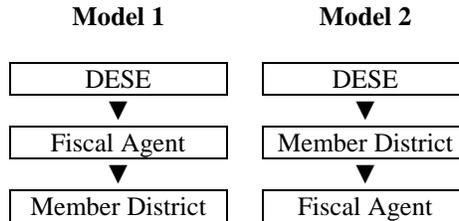


**Missouri Department of Elementary and Secondary Education
School Finance**

Cooperative/Consortium Fiscal Guidance

Due to the changes in regulations over time and the flexibility in cooperative/consortium structures, Missouri Department of Elementary and Secondary Education asks that districts participating in K-12 agreements follow the guidance described herein related to federal funds. Depending on the program requirements, cooperatives/consortiums may be configured in two fashions. The first model is where the fiscal agent receives all grant funding directly and then distributes it to member districts. The second model is where the member districts receive all grant funding directly and then distribute to the fiscal agent. This guidance applies to both arrangements. Below are diagrams of the two funding models:



The Department Pays the Fiscal Agent (Model 1)

Once federal funds are distributed by the Department, fiscal agent must code the receipt in the district’s ledger under the appropriate federal revenue code as described in the Missouri Financial Accounting Manual. When the fiscal agent disperses funds to the member district they will show an expenditure on their books under the appropriate function and object code and tagged with a project/source code to identify the expenditure as coming from federal funds. All disbursements/expenditures must comply with the Cash Management and Improvement Act (CMIA). This means that payments for expenditures should not be based on annual fees, upfront payments, and/or installments, but rather on actual expenditures incurred to date, or expenditures that will incur within three days of receipt of the funds.

When the member district receives the funds from the fiscal agent the receipt of those funds will again be coded to the appropriate federal revenue code as described in the Missouri Financial Accounting Manual. So essentially, these funds will be coded as federal revenue twice, but by different subrecipients.

The Department Pays Member District (Model 2)

Once federal funds are distributed by the Department, member districts must code the receipt in the district’s ledger under the appropriate federal revenue code as described in the Missouri Financial Accounting Manual. When the member district disperses funds to the fiscal agent they will show an expenditure on their books under the appropriate function and object code and tagged with a project/source code to identify the expenditure as coming from federal funds. All disbursements/expenditures must comply with the Cash Management and Improvement Act (CMIA). This means that payments for expenditures should not be based on annual fees, upfront payments, and/or installments, but rather on actual expenditures incurred to date, or expenditures that will incur within three days of receipt of the funds.

When the fiscal agent receives the funds from the member district the receipt of those funds will again be coded to the appropriate federal revenue code as described in the Missouri Financial Accounting Manual. So essentially, these funds will be coded as federal revenue twice, but by different subrecipients.

Coding Refunds

In the event a fiscal agent or member district needs to refund disbursements, the guidance as given in the Refund and Reimbursement policy located on the School Finance Topics and Procedures page must be followed. A remark may be needed in the Annual Secretary of the Board Report (ASBR) to account for the receipt of funds over the grant award amount. If the refund is not expended within three days of receipt, it must be returned to the Department so as not to draw interest.