



**FINANCIAL
AND
ADMINISTRATIVE
SERVICES**

**NCLB Finance
Tiered Monitoring**

September 24, 2013

Missouri Department of Elementary
and Secondary Education



Tiered Monitoring System

Introduction and Overview LEAs Webinar
<http://www.dese.mo.gov/webinar/RecordedWebinar09-2013-SE.htm>

Tiered Monitoring Timeline

Task	2013-14	2014-15	2015-16
Desk Audit	Cohorts 1,2,3	Cohorts 1,2,3	Cohorts 1,2,3
Desk Monitoring (Tiered Monitoring System)	Cohort 3	Cohort 1	Cohort 2
On-site /telephone (Tiered Monitoring System)	Cohort 2 On-site and telephone	Cohort 3 On-site and telephone	Cohort 1 On-site and telephone
Clean-up	Cohort 1	Cohort 2	Cohort 3

Tiered Federal Monitoring

- Possible Risk Factors – On-site or Telephone
 - Amount of federal funds (large amounts = greater risk)
 - A-133 audit findings
 - Late MOSIS/Core Data Reports
 - Financial Distress
 - Administrator Changes/Other Issues Reported by Auditor or LEA
 - Late FER
 - Late Budget Application
 - Violation of CMIA

Tiered Monitoring Process

- Tiered Monitoring Process at <http://www.dese.mo.gov/ls/index.html>
 - Description
 - Cohort Groups
 - Timeline

Web Application Login

Maintain User Security

Once User Manager gives staff access to the tiered monitoring application:

- Staff with the LEA User status logs into Tiered Monitoring application and has no access to any monitoring reports.
- Administrator logs into Tiered Monitoring, goes to "Maintain user security," selects the User and assigns monitoring reports and security levels (View, Data Entry and Authorized Representative) for the User
- User logs into Tiered Monitoring and is able to access the reports for which the Administrator has assigned them rights

Home Elements

Menu

Info
District: SULLIVAN
CDC: 036137
Logged in as: Janie Test
User ID: FIMTEST567

Navigation

- Web Application Menu
- Logon/Logoff

Federal Monitor - LEA Home

Desk Monitoring

Section ^	Status	Due
Elementary and Secondary Education Act (ESEA) Finance Self-Assessment	In Progress	10/31/2013

Utilities

- Calendar view
- Global document repository (uploads)
- Maintain user security

Calendar View

Info
 District: SULLIVAN
 CDC: 036137
 Logged In as: Janie Test
 User ID: FMTEST567

Navigation
 • Web Application Menu
 • Logon/Logoff

Federal Monitor Module > LEA Home >
Calendar View
 An icon on a date indicates a Monitoring, or a section of a Monitoring, is due on that date. Click the icon for details.

October 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	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	31	1	2

Due October 31, 2013

Missouri DEPARTMENT OF ELEMENTARY & SECONDARY EDUCATION

Federal Monitor Module - LEA Home > Calendar >
Items due on 10/31/2013
 The following Monitorings (or Section[s] of a Monitoring) must be submitted to DESE by the date indicated above.

LEA	CDC	Document	Type	School Year	Status
SULLIVAN	036137	Elementary and Secondary Education Act (ESEA) Finance Self-Assessment	Monitoring	2013-2014	In Progress
SULLIVAN	036137	Elementary and Secondary Education Act (ESEA) Finance Self-Assessment ~ General Provisions	Section	2013-2014	In Progress
SULLIVAN	036137	Elementary and Secondary Education Act (ESEA) Finance Self-Assessment ~ Title I.A: Improving the Academic Achievement of the Disadvantaged	Section	2013-2014	In Progress

Global Document Repository




Menu

Info

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 User ID: FMTEST1367

Navigation

- Web Application Menu
- Logon/Logoff

Federal Monitor - LEA Home >

Global Document Repository

[\[+ Upload a file\]](#)

All documents uploaded by SULLIVAN are listed here; many can also be accessed on the individual Self-Assessment Documents page.

There are no documents to display.

Self-assessment Sections




Menu

Info

District: SULLIVAN
 CDC: 036137
 Logged in as: Janie Test
 User ID: FMTEST1367

Navigation

- Web Application Menu
- Logon/Logoff

Federal Monitor - LEA Home >

Elementary and Secondary Education Act (ESEA) Finance Self-Assessment

Document Status: **In Progress**

Initial Due Date: **10/31/2013** DESE Contact: **Name: Pat Kaicer**
 Last Action: **n/a** Phone: 573-751-8643
 DESE Reviewed Monitoring: **n/a** Email: FederalFinancial@desse.mo.gov
 Closed Monitoring: **n/a**
 PDF Generation History: [Click here](#)

Please select the section you want to work on from these options (Note: you must click the Save button at the bottom of each page to save your data for that section and return to this page).

Section	Section Due
General Provisions (28 unanswered questions)	Documents (9 required) (0 optional) 10/31/2013
Title I.A: Improving the Academic Achievement of the Disadvantaged (5 unanswered questions)	Documents (0 required) (0 optional) 10/31/2013

[Generate Overall Draft](#)

Answering Self-assessment Questions

Desk Monitoring

Document: **Elementary and Secondary Education Act (ESEA) Finance Self-Assessment**
 Section: **General Provisions**
 For School Year: **2013-2014**
 Section Status: **In Progress**

Regulation Links

General Federal Guidance
 EDGAR
 OMB Circular A-87
 Administrative Manual

General Provisions	Evidence	LEA Comments	Y	N	NA	DR
1. Records Management a. ESEA grants are separated from other funding sources (separate accounting code for each program).	<input type="checkbox"/> Accounting records (financial reports, ledgers, accounts) Chart of accounts/Legend		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. ESEA expenditures can be traced back to a source document.	<input type="checkbox"/> Requisitions, purchase orders, invoices		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Section Saved

Desk Monitoring

This Desk Monitoring has been saved successfully.
 This is the last section for this monitoring. Click [here](#) to go back to the Sections list.

Document: **Elementary and Secondary Education Act (ESEA) Finance Self-Assessment**
 Section: **Title I.A: Improving the Academic Achievement of the Disadvantaged**
 For School Year: **2013-2014**
 Section Status: **In Progress**

Regulation Links

Administrative Manual
 Title I Fiscal Issues Guidance

Title I.A: Improving the Academic Achievement of the Disadvantaged	Evidence	LEA Comments	Y	N	NA	DR
1. Title I.A Provisions a. LEA provides evidence each eligible building receives the allocated amount of funds indicated on Step 4 of the BOA and current building level budgets and expenditures correspond to the BOA.	<input type="checkbox"/> ESEA Consolidated Application - BOA Step 4 and budget and expenditure report for each building		<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Title I Targeted assistance school services are used only by participating students and according to regulations and guidelines (students identified through multiple criteria).	<input type="checkbox"/> Teacher's class schedules, rosters, and shared lesson plans/PP records/Accounting records		<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
c. One Percent for Parent Involvement, if applicable. For LEAs with over \$500,000, one percent of the allocation is utilized for parent involvement activities, including promoting family literacy and parenting skills.	<input type="checkbox"/> Accounting records (financial reports, ledgers, accounts)		<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Self-assessment Submitted to the Department for Review

The screenshot shows the 'Federal Monitor - LEA Home' dashboard. At the top left is the Missouri Department of Elementary & Secondary Education logo. Below it is a 'Menu' section with 'Info' (District: SULLIVAN, CDC: 036137, Logged in as: Janie Test, User ID: FMTEST567) and 'Navigation' (Web Application Menu, Logon/Logout). The main content area is titled 'Federal Monitor - LEA Home' and contains a 'Desk Monitoring' table. The table has columns for 'Section', 'Status', and 'Due'. A red arrow points to the 'Submitted to DESE' status in the 'Status' column for the 'Elementary and Secondary Education Act (ESEA) Finance Self-Assessment' row, which has a due date of '10/31/2013'. To the right of the table is a 'Utilities' box with links for 'Calendar view', 'Global document repository (uploads)', and 'Maintain user security'. Below the table is an 'Audit Checklists' section with a message: 'There are no sections to display.'

Section ^A	Status	Due
Elementary and Secondary Education Act (ESEA) Finance Self-Assessment	Submitted to DESE	10/31/2013

Evidence of Implementation

NCLB Finance General provisions apply to Title I.A, I.C, I.D, II.A, III LEP & Immigrant, VI.B, SRSA, Title I SI(a) and SIG, as applicable.

Records Management Section

- a. ESEA grants are separated from other funding sources.
- b. ESEA expenditures can be traced back to a source document.
- c. ESEA financial records show the district spent the Federal funds within 3 days of receipt as required by the Cash Management Improvement Act (CMIA).

Accounting Records

- ❑ Use Accounting Codes in the Missouri Financial Accounting Manual
- ❑ These codes include Fund Code, Function Code, Object Code, Operational Code, and Source of Funds Code.
- ❑ Source of Funds/Project Code should be used to identify individual federal programs
- ❑ Program person should work closely with the finance person to make sure the accounting system is set up appropriately.

Accounting Code Overview

Section: C - Accounting Codes

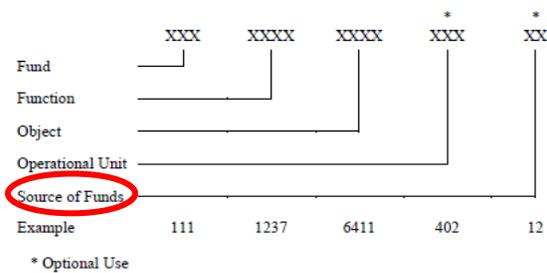
Subject: Accounting Code Overview

Code Structure

The overall account code structure is designed to standardize account coding across all LEAs. It creates a common language for use in controlling, recording, accumulating and reporting the activities of the school districts.

This accounting code structure is designed to satisfy many uses by segmenting the code into several dimensions. Each dimension has a set of descriptors that permits the retrieval of information in whole or in part to answer commonly asked questions. In addition, revenues and expenditures can be aggregated using one or more dimensions of the account code.

The code ranges of the basic system are illustrated below:



Source Documentation

- ❑ Accounting records must be supported by source documentation such as cancelled checks, paid bills, payrolls, time and attendance records, contract and sub-award documents.
- ❑ Electronic copies are okay.
- ❑ Proper authorization – Example: Make sure that time and effort logs are signed by the staff.
- ❑ Must retain for at least 3 years from the end of the grant. The statute of limitations is 5 years.

Cash Management Improvement Act

- ❑ The Cash Management Improvement Act (CMIA) requires LEAs/Districts to demonstrate when receiving federal funds that they have either already spent the funds or will spend the funds within three business days of receipt of funds.
- ❑ Payment requests may only include amounts already expended and/or amounts that will be expended within three business days of receipt of funds.
- ❑ Violating CMIA requires interest to be calculated and funds returned.

Internal Controls Section

- a. LEA staff duties between accounts receivable and accounts payable are segregated and/or double check to ensure controls over fraud and abuse.
- b. Supporting documents (purchase orders, invoices, etc) are reviewed prior to the check being issued/approved.
- c. District has procurement policies and procedures (EDGAR 80.36).

Procurement

- LEAs procurement policy applies towards goods and services
- Does policy have sufficient controls to ensure fair and competitive procurement that addresses small purchases, sealed bids, and non-competitive purchases?
- Do contracts supported with federal funds contain the critical elements: remedies for breach/penalties, termination for cause, compliance with federal statutes, reporting requirements and copyrights?
- Ensure vendors are not on Excluded Parties List.

Period of Availability Section

ESEA funds are obligated and expended during the period of availability.

- a. There were no obligations/expenditures prior to the submission of a substantially approved application.
- b. There were no obligations/expenditures after the funding/award period.

Period of Availability of Funds

“Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.”

EDGAR §80.23

Grant Cycle / Obligation Period / FER Reporting Period

Grant Cycle	Obligation Period	FER Reporting Period
July 1, 2012 to June 30, 2013	Date of Substantially Approved Application to June 30, 2013	July 1, 2012 to September 30, 2013
Period during which funds may be obligated and expended.	Obligations occur during the grant cycle, but <u>only after a substantially approved budget application has been submitted.</u>	Expenditures for obligations made <u>during the obligation period</u> may be reported up until September 30.

When is an Obligation Made?

IF THE OBLIGATION IS FOR--	THEN THE OBLIGATION IS MADE--
Acquisition of real or personal property	On the date the school district makes a binding written commitment to acquire the property
Rental of real or personal property	When the school district uses the property
Personal services by an employee of the school district	When the services are performed
Personal services by a contractor who is not an employee of the school district	On the date the school district makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date the school district makes a binding written commitment to obtain the work
Public utility services	When the school district receives the services
Travel	When the travel is taken

EDGAR §76.707

Allowable Costs/Use of Funds Section

- a. ESEA funds are spent according to the approved plan, budget and Final Expenditure Report (FER). LEA has accounting records to support expenditures on the FER.
- b. ESEA funds are expended for allowable activities.
- c. ESEA funds are used to supplement and not supplant non-federal funds.

NCLB Supplement-Not-Supplant

Requirement: An LEA shall use Federal funds received under NCLB programs only to supplement the funds that would, **in the absence of such Federal funds**, be made available from non-Federal sources for the activities authorized under the individual programs, and not to supplant such funds.

NCLB Supplement-Not-Supplant

KEY Question: What would have happened in the absence of federal funds?

LEA cannot use federal funds to pay for services, staff, programs, or materials that would otherwise be paid with state or local funds.

Time and Effort Reporting Section

- a. Employees who work on multiple cost objectives, including those funded through Admin Pool prepare monthly time sheets.
- b. Employees who work solely on a single cost objective prepare semi-annual time certifications.
- c. Stipends and extra-duty pay are supported by a signed written agreement between the employee and the district that indicates the extra work to be performed, the date(s), and the amount to be paid.
- d. Job descriptions of employees paid from ESEA funds are on file.
- e. Staff paid entirely or in part with ESEA funds are coded to an acceptable course and program code in Core Data/MOSIS.

OMB Circular A-87

Time and Effort Reporting Guidelines

Cost Objective	Criteria	Documentation Required
Single Cost Objective	<ul style="list-style-type: none"> Employee works solely on a single Federal award or cost objective 	Semi-Annual Certification <ul style="list-style-type: none"> Must be prepared at least semi-annually; and Must be signed after-the-fact by employee or supervisory official having firsthand knowledge of the work performed by the employee.
Multiple Cost Objectives	<ul style="list-style-type: none"> More than one Federal award; Federal award & non-Federal award; Indirect cost activity & direct cost activity; Two or more indirect activities that are allocated using different allocation bases; Unallowable activity & a direct or indirect cost activity; or One Federal award with multiple cost objectives. 	Personnel Activity Report (PAR) <ul style="list-style-type: none"> Reflect an after-the-fact distribution of the actual activity of the employee; Account for the total activity for which each employee is compensated; Be prepared at least monthly & coincide with one or more pay periods; and Must be signed after-the-fact by the employee. 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.

OMB Circular A-87		
Time and Effort Reporting Guidelines		
Cost Objective	Criteria	Documentation Required
Multiple Cost Objectives with Fixed Schedule (Substitute System)	<ul style="list-style-type: none"> Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports; Work on specific activities or cost objectives based on a predetermined schedule; and Not work on multiple activities or cost objectives at the exact same time on their schedule. 	Substitute System Certification & Fixed Schedule <ul style="list-style-type: none"> Indicate the specific activity or cost objective that the employee worked on for each segment of the employee's schedule; Account for the total hours for which each employee is compensated during the period reflected on the employee's schedule; and Be certified at least semi-annually & signed by the employee & a supervisory official having firsthand knowledge of the work performed by the employee.
Stipend and Extra Duty Pay	<ul style="list-style-type: none"> Pay for extra work beyond an employee's regular contract 	Written Agreement <ul style="list-style-type: none"> Indicates the extra work to be performed; Date(s) of performance; Amount to be paid to the employee; and Must be signed by the employer & the employee to show the acceptance of the terms. And Semi-Annual Certification or Personnel Activity Report

Equipment Section – acquisition cost of \$1,000 or more
<ul style="list-style-type: none"> <input type="checkbox"/> Purchases are consistent with the approved application. <input type="checkbox"/> Records are maintained and up-to-date. <input type="checkbox"/> Maintains inventory list with ALL required components. <input type="checkbox"/> Used for its intended purpose. <input type="checkbox"/> Controls/safeguards are in place to prevent loss, damage or theft. <input type="checkbox"/> Used to supplement and not supplant non-federal funds <input type="checkbox"/> Physical inventory conducted at least once every two years.

Inventory Control (EDGAR 80.32)

- ❑ Equipment & Property records (Inventory List)
- ❑ Physical inventory (at least every two years)
- ❑ Control system to prevent loss, damage, theft (all must be investigated), LOCKS!
- ❑ Adequate maintenance procedures
- ❑ If authorized to sell, proper sales procedures for highest return

Note: \$5000 according to EDGAR but MO has a lower threshold

Capital Outlay Section – non-equipment

- ❑ Purchases are consistent with the approved application.
- ❑ Used for its intended purpose.
- ❑ Complies with Davis-Bacon (wage requirements).
- ❑ Expenditures followed district bidding/procurement requirements.

Other ESEA Grant Requirements Section

- a. Address corrective action plans for audit findings in two most recent years.
- b. LEA expends or protects sufficient project funds for equitable services to eligible nonpublic schools.

Title I.A Provisions

Title I.A Provisions

- a. Each eligible district receives the allocated amount of funds indicated on Step 4 of the BOA and current building level budgets and expenditures correspond to the BOA.
- b. Targeted Assistance school services are used only by participating students.
- c. One percent expended for Parent Involvement (LEAs with over \$500,000 allocation)
- d. Carryover provision and records supporting 9/30 Report.
- e. Comparability of Services written guidance (LEAs with overlapping grade spans)

Title I Breakdown of Allocations – Step 4

Allocations to Served Attendance Centers												
Attendance Center	Grade Span	School Improvement Status	Approved Schoolwide Plan	Title I Status	Total Percent Economic Deprivation	Total Allocated to Attendance Center	\$ Per Pupil	Public Low Income	Public Allocation	Contribute to SW Pool	Nonpublic Low Income	Nonpublic Allocation
NORTH PARK ELEM.	K-02	SIL2	<input checked="" type="checkbox"/>	Served	63.76%	222727.66	\$1,048.03	206.52	\$216,439.47	<input type="checkbox"/>	6.00	\$6,288.19
GRATZ BROWN ELEM.	03-05	SIL2	<input checked="" type="checkbox"/>	Served	63.40%	379387.41	\$1,048.03	357.00	\$374,147.25	<input type="checkbox"/>	5.00	\$5,240.16
SOUTH PARK ELEM.	PK-02	SIL2	<input checked="" type="checkbox"/>	Served	61.25%	178919.93	\$1,048.03	164.72	\$172,631.74	<input type="checkbox"/>	6.00	\$6,288.19
Total Allocated to all Attendance Centers						\$781,035.00	Totals:	728.24	\$763,218.46		17.00	\$17,816.54
Difference (Total Distribution Amount for Attendance Centers - Total Allocated)						\$0.00						

Fiscal Guidance for Federal Grants

The purpose of this document is to provide a reference to the fiscal requirements and procedures necessary for responsible financial management of federal grant programs. The intent is to provide a general overview of federal requirements and assist subgrantees/ recipients in the proper fiscal accountability for federal funds as prescribed by law.

<http://www.dese.mo.gov/fas/GeneralFederalGuidance.html>

Resources

- ❑ DESE Accounting Manual (School Finance)
http://dese.mo.gov/divadm/finance/acct_manual/
- ❑ NCLB Administrative Manual
<http://www.dese.mo.gov/divimprove/fedprog/grantmgmnt/documents/qs-fc-admin-manual-June-2012.pdf>
- ❑ Federal Fiscal resources
<http://dese.mo.gov/divimprove/fedprog/financialmanagement/fas-fedfin-fed-fiscal-resources.htm>
- ❑ Federal Finance (NCLB) web page
<http://www.dese.mo.gov/divimprove/fedprog/financialmanagemen>
t/

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