

# School Finance

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## PAYMENT CALCULATIONS

### December Payments

#### **Basic Formula**

The payment was based on the current data available for Fiscal Years 2020-21, 2019-20, and 2018-19 weighted average daily attendance (WADA). Due to the unique circumstances surrounding the FY 2021 withholding, the proration percentage used in the December payment is substantially lower than the expected final proration percentage for FY 2021. It is expected that each month the proration percentage will increase until becoming final in June 2021. For other important information regarding this payment please see administrative memo [FAS-20-007 – Updated Information on July Payment to Schools](#).

#### **Classroom Trust Fund**

The payment was calculated using School Year 2019-20 average daily attendance data (ADA). Cash available continues to run below appropriated levels.

#### **Proposition C**

The payment was based on Fiscal Year 2019-20 weighted average daily attendance (WADA).

#### **Transportation**

The Transportation payment was based on FY 2020 cost, miles and ridership data. See the Transportation section of this memo for more information.

#### **Small Schools Grant**

The payment was calculated using School Year 2019-20 average daily attendance data (ADA) and tax levy data.

## Estimated Regular Term Average Daily Attendance (ADA)

The calculated Threshold percentages to be used in the Weighted Average Daily Attendance (WADA) calculation for FY 2021 declined from prior years. This decline may cause districts' FY 2021 WADA to increase over prior year's calculations due to greater weighting of one or all of the weighting categories. The change in Threshold percentages are as follows:

Item	Amount
State Adequacy Target FY 2021	\$6,375
Free & Reduced Lunch Threshold	29.45%
Special Education (IEP) Threshold	12.83%
Limited English Proficiency Threshold	2.07%

Also, if your district will be claiming prekindergarten students for state aid that will make the FY 2021 year the highest of the three years, it will be necessary to estimate an ADA including those prekindergarten students in order to get paid on those students this year. Estimates including prekindergarten students should be supplied only after the MOSIS October Student Core file is submitted so that the maximum 4% of prekindergarten students can be calculated.

To help determine if it would be advantageous for your district to estimate ADA for the FY 2021 year, please see the Estimated ADA page located under School Finance in the web application system. Also, a tool has been developed to compare current year information for your district to the district's first or second preceding year WADA. This tool can be found on the School Finance website under Calculation Tools at <https://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>. There is a worksheet in the tool labeled "Instructions" that provides guidance on estimating ADA and logic related to estimated regular term ADA.

If your district determines it is appropriate to estimate an ADA for FY 2021, please email your district finance contact the following:

- The regular term ADA the district/charter wishes to estimate separated by PK and the K-12.
- The enrollment used as the base for the estimate.
- The attendance percentage used to develop the estimate.
- Any other logic applied to determine the estimate provided.

Once the email is received, the information provided will be reviewed to determine if the estimate appears reasonable. If the estimate appears reasonable, then your district's school finance contact will enter the estimate on the Estimated ADA Screen. Please monitor your estimated ADA throughout the year to ensure overestimating does not occur. This estimate may be adjusted at any time during the year by sending a revised estimate which includes the detailed information outlined above.

Revisions to the Fiscal Year 2020-21 estimated ADA may be made through **May 15, 2021**. Contact School Finance staff if you have questions about estimating ADA.

## Accounting Manual Updates

Various CARES Act grants have been created for distribution in FY 2021 after the [Missouri Financial Accounting Manual](#) was published on July 1, 2020. The revised sections include the Revenue Object Quick Reference, Revenue Object Code Descriptions, and the Project Code section. You may wish to print off these revised sections for reference.

## Recording CARES Expenditures

If a LEA is using expenditures from the Fiscal Year 2019-20 year to claim CARES funds received in Fiscal Year 2020-21 it will be necessary to revise the Fiscal Year 2019-20 Annual Secretary of the Board Report to show the proper source of funds and project code associated with the expenditure. It is necessary to complete these changes in a timely manner as various reporting is done based on this financial data and these changes impact this reporting. Note several software vendors did not update their software until the end of October to allow the project codes created after June 30, 2020 to be allowed in the ASBR upload file. It is important to verify your software is up-to-date before revising your ASBR to allow for the CARES expenditures to be reported correctly in the ASBR.

## ACH Dates

The Automated Clearinghouse (ACH) transfer dates are located on the School Finance website under Financial Reports. Below is also a list of those dates:

### ACH Deposit Dates

Payment transmittals will be available the business day prior to the ACH date.

#### FY 2021

July 21, 2020	August 21, 2020
September 21, 2020	October 21, 2020
November 20, 2020	December 21, 2020
January 21, 2021	February 22, 2021
March 22, 2021	April 21, 2021
May 21, 2021	June 21, 2021

#### FY 2022

July 20, 2021	August 20, 2021
September 21, 2021	October 21, 2021
November 22, 2021	December 21, 2021

## Fiscal Year 2019-20 Audit Submissions Deadline Waiver

The deadline for submitting audits is **December 31, 2020**, but Fiscal Year 2019-20 audit submission deadline has been extended to **January 31, 2021**. If the district or charter has received and their board has approved the Fiscal Year 2019-20 audit submit finalized audit report as soon as possible.

## Fiscal Year 2019-20 Audit Submissions via Tiered Monitoring System

The following guidelines are provided for the Fiscal Year 2020 Audit Submissions:

- Final board approved audits, copies of signed board minutes approving the audit, and management letters should be submitted to DESE via the Tiered Monitoring System. The documents should be in Adobe searchable pdf format, version 11.0 or lower. The file description should easily identify the document, such as audit, management letter, or signed board minutes.
- The audit report should be uploaded as "Audit Documents (required fiscal audit)" and the board minutes, management letter and any corrective action plans would be "Audit Documents (supporting docs)" in the file upload dialog box for the 2020-21 fiscal year. The file upload box will also require adding the contact information for the auditor before the audit report can be uploaded. (Use the [global document repository \(uploads\)](#) link under "Utilities" on the right side of the screen to upload the documents.)
- Deadline for submitting audits is **December 31, 2020** but Fiscal Year 2019-20 audit submission the deadline has been extended to **January 31, 2021**. If the district or charter has received and their board has approved the Fiscal Year 2019-20 audit, submit the finalized audit report as soon as possible.

- Copies of signed board minutes and management letters may be submitted after the December 31 deadline. These documents should include all required signatures, which is a change from current practice.
- The school, not the auditor, is responsible for ensuring that the audit, board minutes, and management letter are submitted to DESE in compliance with the provisions of the audit rule. With the change of audit submission via the Tiered Monitoring System, the auditor should not have access to this system and, therefore, not be able to upload the audit documents.
- To minimize the need for subsequent audit corrections, schools are strongly encouraged to complete the following checklist prior to submitting the audit:
  - The pages of the audit have been compared to the Table of Contents and no pages are missing or out of order. Audits with missing pages may be rejected as incomplete.
  - The audit includes the auditor's signature and the date of the audit report. Audit reports that are not signed and dated may be considered a draft, not a final report. Draft reports cannot be accepted in satisfaction of the audit requirement.
  - The ending debt balances in the audit report (reported in the financial statements and/or Notes to the Financial Statements) agree to the balances reported in Part IV, Long and Short Term Debt, of the Annual Secretary of the Board Report (ASBR). Any differences should be reconciled.
  - The audit includes the updated version of the Schedule of Selected Statistics, which can be found at <http://dese.mo.gov/financial-admin-services/school-audits>.
  - The data reported on the Schedule of Selected Statistics agrees to the corresponding data on the ASBR and MOSIS/Core Data. If changes to the ASBR and/or MOSIS/Core Data are needed as a result of the review, please revise and resubmit corrections as soon as possible and notify your auditor of any changes.
  - Submit/upload corrective action plans for federal and state findings in a separate document from the audit report.
  - The audit submission includes the district's Single Audit, if applicable. There is no provision in the rule allowing the Single Audit portion of the audit to be submitted at a later date.

### Publication of the Audit

Per 165.121, RSMo, within thirty days of the receipt of the audit report the school board shall cause a summary of the report to be prepared which shall include, together with any other matter the board deems appropriate, the following:

- 1) A summary statement of fund balances and receipts and disbursements by major classifications of each fund and all funds;
- 2) A summary statement of the scope of the audit examination;
- 3) The auditor's opinion on the financial statements included in the audit report.

Immediately upon the completion of the summary, the school board shall cause it to be published once in a newspaper within the county in which all or a part of the district is located which has general circulation within the district or, if there is none, then the board shall cause the summary to be posted in at least five public places within the district. The publication shall contain information as to where the audit report is available for inspection and examination. The report shall be kept available for such purposes thereafter.

### Federal Audit Report Filing Requirements

In addition to the state's audit requirements described in 5 CSR 30-4.020, schools must comply with the following federal audit requirements:

- Districts/charter schools that have a Single Audit are required to submit a data collection form and reporting package to the Federal Audit Clearinghouse (FAC) at the U.S. Bureau of Census within the earlier of 30 days from the receipt of the audit report or nine months after the end of the audit period (March 31 of the subsequent fiscal year). The reporting package consists of the complete audit (financial statements and auditor's reports) and, as necessary, a summary schedule of prior audit findings and a corrective action plan for current year audit findings. Reports should be submitted to the [FAC](#).
- Districts/charter schools that expend less than \$750,000 in total federal funds are not required to send a copy of the audit report to the Federal Audit Clearinghouse.

- A copy of the reporting package should also be sent to pass-through entities, including the Department, if the Schedule of Findings and Questioned Costs includes audit findings or a summary schedule of prior audit findings relating to federal awards provided by the pass-through entity.

More information regarding the federal audit report filing requirements can be located at the [FAC FAQ](#) website.

## OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

### Start Date No Earlier than Fourteen Calendar Days Prior to the First Monday in September

Starting in School Year 2020-21 Section 171.031.2, RSMo, directs that a district may not set their opening date earlier than fourteen calendar days prior to the first Monday in September. For School Year 2021-22 the first day of school cannot occur prior to August 23, 2021. Guidance regarding this new reporting can be found on the School Finance Topics & Procedures webpage <https://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures>.

### School Calendar Requirements

Missouri statute directs that *each school board shall prepare annually a calendar for the school term* per Section 171.031.1, RSMo. The school term in school year 2020-21 and subsequent years shall consist of one thousand forty-four hours of actual pupil attendance with no minimum number of school days required, and "school day" shall mean any day in which, for any amount of time, pupils are under the guidance and direction of teachers in the teaching process. For kindergarten and prekindergarten grade levels the board shall provide a minimum of five hundred twenty-two hours of actual pupil attendance in a term with no minimum number of school days. In short:

There is only an hour requirement of 1,044 hours or 522 hours in session for half day kindergarten or prekindergarten programs claimed for state aid.

- There is no longer a minimum and maximum day length.

There is a make-up hour requirement instead of a day requirement.

- 36 planned make-up hours are required.
- The district or charter school cannot go below 1,044 hours in session, or 522 hours in session for half day kindergarten or prekindergarten programs claimed for state aid, unless forgiven by weather make-up requirements. Weather make-up requirements are:
  - The first 36 weather hours are made up, then half the amount thereafter up to 48 hours, for a maximum of 60 total make-up hours.

### Inclement Weather

Districts must comply with Section 163.021.1, RSMo, which requires compliance with the minimum term to be eligible for state aid. Additionally, Section 171.033.3, RSMo, states "in school year 2019-20 and subsequent years, a school district may be exempt from the requirement to make up school lost or cancelled due to inclement weather in the school district when the school district has made up the thirty-six hours required under subsection 2 of this section and half the number of additional lost or cancelled hours up to forty-eight, resulting in no more than sixty total make-up hours required by this section".

"Inclement weather", for purposes of this section, shall be defined as ice, snow, extreme cold, excessive heat, flooding, or a tornado.

Reminder: Days that are forgiven due to inclement weather will not have an adverse impact on the average daily attendance (ADA) calculation. This will create a situation which will have an effect on both components (both the total attendance hours and the hours-in-session) of the ADA calculation and, therefore, will not have a negative impact on the ADA.

The above information regarding inclement weather and a short FAQ are available at <https://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures> under the Inclement Weather link.

## Alternative Method of Instruction (AMI) Hours

The 2020-21 year is the first year that there is an option to use up to 36 Alternative Method of Instruction (AMI) hours. AMI hours can be used for any hours of school lost or cancelled due to exceptional or emergency circumstances during a school year which shall include, but not be limited to, inclement weather, a utility outage, or an outbreak of a contagious disease. The alternative method of instruction, provided for in a DESE approved plan, can be used for up to 36 hours during the school year pursuant to 171.033.5, however, since these are considered hours of instruction they not offset the requirement to plan 36 weather make-up hours.

## Mid-Year Fund Balance Reporting

The mid-year fund balance reporting will occur as a part of the February Core Data cycle on Core Data Screen 35. Each district will be required to report the following information as of December 31, 2020:

- Incidental and Teachers Funds' Unrestricted Ending Fund Balance as of December 31.
- Tax Anticipation borrowing in the Incidental or Teachers Funds between July 1 and December 31.
- Transfers from the General Fund to the Capital Projects or Debt Service Funds between July 1 and December 31.

## Changing Depository Banks

Districts/charter schools changing banks or bank accounts must first be registered in the State of Missouri new procurement system MissouriBUYS. All banking changes will now be completed in MissouriBUYS. MissouriBUYS web link is <https://MissouriBUYS.mo.gov>. Reminder: when depositories are changed, the first payment issued after the change could be in the form of a paper check. If you have issues in using MissouriBUYS, please contact MissouriBUYS team via email at [WebProcure.Support@perfect.com](mailto:WebProcure.Support@perfect.com) or by phone at (866) 889-8533.

## Missouri Accountability Portal (MAP) – Debt Reporting

Section 37.850, RSMo, requires school districts to report all bonded indebtedness and requires charter schools to report all debt. This information shall be supplied to Office of Administration (OA) for display on the State's Accountability Portal.

If a school district issues new bonds or a charter school enters into debt obligations the new debts are required to be entered onto the portal within seven days of issuing a bond or incurring an obligation or debt per section 37.850, RSMo.

A user link for the portal is available on the main page <http://mapyourtaxes.mo.gov/MAP/Bonds/HomePage.aspx>. In order to submit information, an entity will need to visit the portal website and obtain a secure user name and password. The user name and password can be created by selecting "create account" on the right hand side of the screen. Once credentials are granted, a user may enter the site to enter or update bond or debt information.

Most of the required fields on the reporting tool are self explanatory; however, there have been questions regarding a couple of the fields. The description of the revenue stream is generally something such as revenue generated from a levy that was established, Classroom Trust Fund revenue, or local revenue. This list is not an all inclusive list but provides a general idea as to what would seem to be an appropriate response. The description of the project would be a description as to what the project was, for example, a building project.

If you have questions regarding accessing the portal website, please contact OA at (573) 751-2971 or [MAPBonds@oa.mo.gov](mailto:MAPBonds@oa.mo.gov). For questions regarding what debt should be entered on the portal contact School Finance at 573-751-0357.

# STUDENT TRANSPORTATION

## 2020-21 State Transportation Aid Calculation

The Fiscal Year 2020-21 state transportation aid calculation is available through the School Finance website. Select Monthly Financial Reports. Input County-District number. The Payment Transmittal is then displayed. Click on the revenue name "Transportation" on the Payment Transmittal to access the transportation aid calculation. The link to School Finance Monthly Financial Reports is <http://dese.mo.gov/financial-admin-services/school-finance/financial-reports>.

This is the third live state transportation calculation made for the current year. The calculation is based on 2019-20 school year data submitted by the district on the state transportation aid documents included in Part IV of the Annual Secretary of the Board Report (Application for State Transportation Aid, School Bus and Facility Depreciation Schedules).

The percent of reduction to the calculated entitlement computed for the December 2020 calculation follows. This reduction percentage represents the amount the entitlement exceeded the appropriation and will fluctuate from month to month as revisions are made to individual school district data. The percent of reduction and the A and B factors are also reflected on each district’s Summary Transportation Report.

The percentage reduction and the A and B factors are as follows:

	<u>Reduction Factor</u>	<u>A Factor</u>	<u>B Factor</u>
December 2020	69.392889%	4.946313	-1.372672

### DNR Diesel Emissions Reduction Act (DERA) Funding

The Missouri Department of Natural Resources will be accepting applications for the DERA State Grants Program through Friday, Jan. 15 at 5 p.m.

This includes diesel engine retrofit technologies and upgrades, idle reduction technologies, and school bus replacements. For more information regarding this funding opportunity visit: <https://dnr.mo.gov/env/apcp/vw/dera-option.htm>.

### CARES ACT Transportation Supplement Grant

The Department of Elementary and Secondary Education (DESE) has a CARES Act funded transportation related grant for Missouri local education agencies (LEAs), referenced below. This grant is designed to offset transportation related expenses related to COVID-19. The grant has a guidance document that can be found on the CARES Act webpage at <https://dese.mo.gov/financial-admin-services/coronavirus-aid-relief-and-economic-security-cares-act>.

### CARES ACT Transportation Supplement Grant Details

Below are details of the CARES Act Transportation Supplement Grant available to your school district/charter school. If you have yet to create a budget for this grant you can do so in ePeGs.

- Funds to support extra student transportation costs related to COVID-19 is being provided to schools through this supplemental grant through an allocation for each school district/charter school.
- Allocations are based upon a proportionate share of the allowable costs used to distribute FY20 transportation formula funds.
- Equitable services are required for students at nonpublic schools as well.
- Funds must be obligated beginning July 1, 2020 and no later than September 30, 2021.
- Budget and Payment Request is to be completed in ePeGs.
- *The User ID completing the ePeGs information must have authorized representative authority for the grant assigned by the district’s User Manager before a budget can be completed and payment requests be made.*
- The accounting codes for the grant are Revenue Code 5425, Project Code 42501, and Source Code 4
- Expenditures will be coded to Function Code 2558 (Non-Allowable Transportation Expense) and Function 3711 for Non-Public Equitable Services Expenses (not limited to transportation-related).
- Should additional route costs be claimed any student transportation related miles associated with these costs should not be reported on the 2020-21 ASBR Application for State Transportation Aid.

### Effective Date Extended to February 7, 2022 – NEW Federal Entry Level Driver Training (ELDT) Key Information

Following is a link to a document which details key points regarding the new Federal Entry Level Driver Training which is effective February 7, 2022, for your transportation department and any other entry level employees who are obtaining their CDL or making changes to their CDL: <https://dese.mo.gov/sites/default/files/sf-FederalEntryLevelDriverTraining.pdf>.

## Transportation Calculation Excel Spreadsheet Website Link

A Microsoft Office Excel spreadsheet of the transportation aid calculation is located on the school transportation website under Transportation Aid Calculator. Districts may download the program and enter the ridership, mileage, expenditure and revenue data and the program will calculate the district's transportation aid based on that data. The district may then save the program on its computer for future use. The proration percentage and the state constant A and B factors should always be updated with the most recent actual data and/or projected numbers, in order for the calculation to be as accurate as possible.

### **School Finance**

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