

# School Finance

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## PAYMENT CALCULATIONS

### November 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 November 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). Cash available continues to be strong.

#### **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.

**Prior Year (FY 2019-2020) Adjustment**

Each year the prior year’s Classroom Trust Fund, Basic Formula, Small Schools Grant, Prop C, and Transportation payments are recalculated to reflect the best actual data applicable for that payment year. The FY 2019-20 Basic Formula calculations were made using the highest of the 2019-20 actual weighted average daily attendance (WADA), the 2018-19 actual WADA, or the 2017-18 actual WADA. Districts will receive a positive or negative recalculation based on the current data. Any adjustment to data will impact each district in the state since DESE is redistributing the 2019-20 fixed dollars. The Formula WADA increased from the June payment by 4,175.0870. The change is as follows:

June 2020 Proration Percentage	95.204380%
November 2020 Recalculated Percentage	94.763816%

This change appears in line with prior recalculations where the change between the June Formula WADA and the Prior Year Correction Formula WADA has increased on average by over 3,000.

Prior year correction payment amounts can be viewed by going to the payment transmittal for November 2020 and clicking on the dollar amount of the district’s Basic Formula, Classroom Trust Fund, Transportation, Small Schools Grant, Prop C, and Transportation payments. These numbers are a hyperlink to a detail page which displays the amount of payment contributed to the current year payment as well as the prior year correction amount.

**Estimated Regular Term Average Daily Attendance (ADA)**

The calculated Threshold percentages to be used in the Weighted Average Daily Attendance (WADA) calculation for FY21 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, 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 2021 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 FY21, 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 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 FY 2019-20 year to claim CARES funds received in FY 2020-21 it will be necessary to revise the FY 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.

### New Staff Changes & Contacting School Finance

Kara Shumate started with Financial and Administrative Services this month as a School Finance Consultant. Sharon Bax has moved to a different section within DESE and we wish her well in her new endeavor. We asked that you always call our main number of 573-751-0357 or email the email addresses listed below. The updated contact list for staff assignments are as follows:

Name	Title
David Tramel (573) 751-0357	Coordinator, Financial and Administrative Services <a href="mailto:David.Tramel@dese.mo.gov">David.Tramel@dese.mo.gov</a>
Tammy Lehmen (573) 751 0357	Coordinator, School Finance <a href="mailto:Tammy.Lehmen@dese.mo.gov">Tammy.Lehmen@dese.mo.gov</a> Contact for districts in counties 048 & Kansas City Charters 055-079 & 347-347
Debra Clink (573) 751-0357	Student Transportation Manager <a href="mailto:Debra.Clink@dese.mo.gov">Debra.Clink@dese.mo.gov</a> Contact for districts in counties 080-115 & St. Louis Charters
Kara Shumate (573) 751-0357	School Finance Consultant <a href="mailto:Kara.Shumate@dese.mo.gov">Kara.Shumate@dese.mo.gov</a> Contact for districts in counties 001-047 & 049-054

## AUDIT REPORTS

### Fiscal year 2020 Audit Submissions via Tiered Monitoring System

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

- 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.)
- The deadline for submitting audits is **December 31, 2020**. There is no longer any need to file an extension of the audit deadline.
- 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.

## OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

### September 2021 Membership

September Membership reports are available on the web. Log on to the DESE Web Applications Page located at <https://apps.dese.mo.gov/weblogin/login.aspx> and then select Data Collection. Once in the Data Collection system, select the 2020-2021 year and select the Report Menu option from the upper-right dropdown box. Select Summary reports. Two September Membership reports are listed for review. One report, the September Membership Comparison Report (SAR070R), compares September membership as reported by the district for the year selected and the prior year. The other report, September Membership Report (SAR080R), displays only the data for the year selected.

The September 2021 membership data by county will be made available to each county to be used in various county payments to school districts during the 2021-22 year. The accuracy of the payments is dependent on the accuracy of the membership data.

Please review the membership data. If reporting errors are found, update the MOSIS October Student Core file and recertify the file. The corrected data will then flow to the Core Data Screen 16. Remember, if a change is made to September membership, a corresponding change to enrollment may be necessary.

## Transfer Projections – 7%, 5% and Transportation

Projections for the \$162,326 or 7% x SAT x WADA transfer, the FY06 Designated Levy or 5% x SAT x WADA transfer, and the transportation transfer are available on the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports>. These are preliminary calculations for the 2020-21 year. Final calculations will be available June 2021.

## Mid-Year Fund Balance Reporting

The mid-year fund balance reporting will occur as a part of the February Core Data cycle as a manual entry 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.

Questions regarding this reporting should be directed to School Finance at (573) 751-0357.

## 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 please do not hesitate to contact School Finance at 573-751-0357.

## SCHOOL GOVERNANCE

### Election Dates and Filings Information Update

The [2021 Missouri Election Calendar](#) provided by the Missouri Secretary of State's Office is available. Notice that the first day for candidate filing for school board member is December 15, 2020. **The district must provide an opportunity for candidates to file at 8:00 A.M. on December 15, 2020, and until 5:00 P.M. on January 19, 2021.** If the office will be closed certain days during the holiday season, it would be helpful to publish the dates the office will be closed. Please study the calendar carefully.

## 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 second 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 November 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>
November 2020	69.659213%	4.912994	-1.364351

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.

**Drug and Alcohol Clearinghouse – Effective January 6, 2020**

The following information is from the DOT website:

The Clearinghouse is a secure online database that will give employers, the FMCSA, State Driver Licensing Agencies (SDLAs), and State law enforcement personnel real-time information about commercial driver’s license (CDL) and commercial learner’s permit (CLP) holders’ drug and alcohol program violations. An act of Congress directed the Secretary of Transportation to establish the Clearinghouse.

The Clearinghouse will enable employers to identify drivers who commit a drug and alcohol program violation while working for one employer, but who fail to subsequently inform another employer (as required by current regulations).

The Clearinghouse will also require the following:

- Employers will be required to query the Clearinghouse for current and prospective employees' drug and alcohol violations before permitting those employees to operate a CMV on public roads.
- Employers will be required to annually query the Clearinghouse for each driver they currently employ.

<https://clearinghouse.fmcsa.dot.gov/>

**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-EntryLevelDriverTraining-2019.pdf>).

**School Finance**

P.O. Box 480  
205 Jefferson Street  
Jefferson City, MO 65102  
Phone # (573) 751-0357  
Fax # (573) 526-3897

<http://dese.mo.gov/divadm/finance/>



The Department of Elementary and Secondary Education does not discriminate on the basis of race, color, religion, gender, national origin, age, or disability in its programs and activities. Inquiries related to department programs and to the location of services, activities, and facilities that are accessible by persons with disabilities may be directed to the Jefferson State Office Building, Director of Civil Rights Compliance and MOA Coordinator (Title VI/Title IX/504/ADA/ADAAA/Age Act/GINA/USDA Title VI), 5th Floor, 205 Jefferson Street, P.O. Box 480, Jefferson City, MO 65102-0480; telephone number 573-526-4757 or TTY 800-735-2966; email [civilrights@dese.mo.gov](mailto:civilrights@dese.mo.gov).