

# School Finance

December 2021



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## Payment Calculations

### Basic Formula

The payment was based on the current data available for Fiscal Years 2021-22, 2020-21, and 2019-20 weighted average daily attendance (WADA). Calculation documentation can be found linked on the payment transmittal.

### Classroom Trust Fund

The payment was calculated as allowed by 163.021.1(4), RSMo., using the higher of FY 2020-21 or FY 2019-20 average daily attendance (ADA) data.

### Proposition C

The payment was calculated as allowed by 163.021.1(4), RSMo., using the higher of FY 2020-21 or FY 2019-20 weighted average daily attendance (WADA) data.

### Transportation

The FY 2021-22 state transportation aid calculation is available through the School Finance website. Select Monthly Financial Reports, input County-District number, and the Payment Transmittal is then displayed. Click on the revenue name "Transportation" on the Payment Transmittal to access the transportation aid calculation.

The percent of reduction to the calculated entitlement computed for the November 2021 calculation follows below. 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>Month</u>	<u>Reduction Factor</u>	<u>A Factor</u>	<u>B Factor</u>
December 2021	59.352805%	4.538009	-1.247307



### Point of Interest

Annual Audit Report is Due December 31, 2021.

### Small Schools Grant

The payment was calculated as allowed by 163.021.1(4), RSMo., using the higher of FY 2020-21 or FY 2019-20 average daily attendance (ADA) data and tax levy data.

### Fiscal Year 2022 Budget Estimates

Payment	SAT/Amount Per/% Increase	Appropriation	Denominator
Basic Formula <sup>3</sup>	\$6,375.00	\$3,561,737,794	
Classroom Trust Fund <sup>1</sup>	\$430.36	\$350,254,932	813,870
Prop C <sup>2</sup>	\$1,045.10	\$958,400,000	917,042
Small Schools Grant \$10M <sup>1</sup>	\$255.54	\$10,000,000	
Small Schools Grant \$5M <sup>4</sup>	\$145.04	\$5,000,000	
Transportation <sup>5</sup>	21.29%	\$113,947,713	

<sup>1</sup>ADA / <sup>2</sup> WADA / <sup>3</sup> FWADA / <sup>4</sup> Tax-Rate WADA

<sup>5</sup> Percentage increase in appropriation will affect each LEA differently. See transportation calculation for actual reimbursement amounts.

Remember that these amounts will only be achieved if revenue is available to fund at the level appropriated. If dedicated revenues exceed the appropriation level, a supplement appropriation may be necessary.

### Estimating Average Daily Attendance (ADA)

If a district has had an increase in enrollment or other factor that will make the FY 2022 regular term ADA higher than the preceding two years, the district may wish to estimate their ADA for payment purposes.

To help determine if it would be advantageous for your district to estimate ADA for the FY22 year, please see the Estimated ADA page located under School Finance in the web application system. A tool to help with estimating ADA can be found on the School Finance website under [Calculation Tools](#).



## Accounting Manual

### Accounting Manual Updates

Various CARES Act grants have been created for distribution in FY 2022 after the Missouri Financial Accounting Manual was published on July 1, 2021. 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.

## Relief Funds

### Recording Relief Funds

If a LEA is using expenditures from a Fiscal Year to claim any of the various relief funds, it will be necessary to ensure the expenditures are coded with the appropriate assigned project code and insure the Annual Secretary of the Board Report reflects the proper source of funds and project code associated with the expenditure.

No more than the allocation for the LEA can be coded to the project code. Local match dollars should be coded to a local project code as DESE does not assign a project code for that. It is necessary to ensure proper project code usage as various reporting, monitoring, and audit review processes rely on this coding.

### Point of Interest

ASBR Data will soon be used in a variety of reporting. Please ensure all data in the ASBR is correct and all expenditures coded to appropriate project codes if applicable.

## Audit Reports

### Submitting Annual Audit Reports

The following guidelines are provided for the Fiscal Year 2021 Audit Submissions:

- Audits, copies of signed board minutes approving the audit, and management letters must 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 must be uploaded in the global document repository (uploads) link under “Options” on the right side of the screen. The audit should be uploaded under “Audit Documents (required fiscal audit)” and the board minutes, management letter and any corrective action plans should be uploaded to “Audit Documents (supporting docs)”. School Year should be 2021-2022. The file upload box will also require adding the contact information for the auditor before the audit report can be uploaded.
- The deadline for submitting audits is December 31, 2021.
- 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 will not 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 is found on the School Audits webpage.
- 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 because 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.

#### [Point of Interest](#)

Information regarding Attendance Hour reporting for the 2022 School Year can be found on the [Attendance Reporting Guidance](#) document located under Finance Topics & Procedures on the School Finance Webpage.



## 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; and
- 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.

## Audit Reports Continued:

### Submitting the Single Audit to the Federal Audit Clearing Hours

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.

The Department of Education (USED) has recently updated guidance to help identify grant program expenditures. The Department of Education (USED) requests that grantees include on the Schedule of Expenditures of the Federal Awards (SEFA) page of Form SF-SAC, if applicable: (1) whether the program is novel coronavirus 2019 (COVID-19) relief assistance (see list below of COVID-19 programs); and (2) the subprogram ALN alpha.

OMB's instructions to auditees in the FY 2020 Compliance Supplement instructed auditees to include COVID-19 in Column c (see 2020 Compliance Supplement Appendix VII beginning on page 8-VII-2 at [https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement\\_FINAL\\_08.06.20.pdf](https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement_FINAL_08.06.20.pdf)).

Questions regarding implementation of this guidance should be emailed to Patrick Smith, Audit Liaison Officer, of the Office of Acquisitions and Grants Administration (OAGA) at [patrick.smith@ed.gov](mailto:patrick.smith@ed.gov).

### [Point of Interest](#)

Preliminary FY 2021-22 transfer amounts have been posted on the School Finance Website under the [Data & Reports webpage](#).

### ACH Deposit Dates

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

FY 2021-22	
July 20, 2021	August 20, 2021
September 21, 2021	October 21, 2021
November 22, 2021	December 21, 2021
January 21, 2022	February 22, 2022
March 21, 2022	April 21, 2022
May 20, 2022	June 21, 2022
FY 2022-23	
July 21, 2022	August 22, 2022
September 21, 2022	October 21, 2022
November 21, 2022	December 21, 2022

### Other Important Reminders and Topics of Interest

#### 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 shall consist of one thousand forty-four hours of actual pupil attendance, 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. In short:

There is 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 also a weather make-up hour requirement.

- 36 planned make-up hours are required.
- The LEA 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 on the [Finance Topics and Procedures](#) page under the Inclement Weather link.

There are two calculation tools to help with determining Weather make-up. They can be found under [Calculation Tools](#).

#### Point of Interest

Transportation Supplement Grant has been extended and can now be used for funds obligated through September 30, 2022.

The [Grant Guidance Document](#) can be found on the [DESE COVID Relief Information page](#).

## 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, 2021:

- 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](#). 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, including new debt within seven days of issuing the bond or incurring the debt. This information shall be supplied to Office of Administration (OA) for display on the [State's Accountability Portal](#).

A user link for the portal is available on the main page. 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 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 & Transportation

### State Transportation Aid Calculation

See payment section above.

### [Point of Interest](#)

Information regarding [Calendar Requirements](#) and [Inclement Weather Make-up](#) can be found on the School Finance, [Finance Topics & Procedures](#) webpage.

## School Governance & Transportation Continued:

### Drug and Alcohol Clearing House

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 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.

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

Information on the new Federal Entry Level Driver Training can be found on the [Student Transportation](#) website. This becomes effective February 7, 2022, and after that date, entry-level employees who are obtaining their CDL or Bus Endorsement need to undergo the training outlined under these [federal guidelines](#). For more information, contact David Tramel at [David.Tramel@dese.mo.gov](mailto:David.Tramel@dese.mo.gov) or 573-751-0357.

#### [Point of Interest](#)

Calculation tools to help with revenue projections and inclement weather tracking and required make-up can be found on the [School Finance Calculation Tools webpage](#).

## School Finance Contact Information

Name	Duties
<p><b>David Tramel</b>                      Coordinator, Administrative and Financial Services  <a href="mailto:David.Tramel@dese.mo.gov">David.Tramel@dese.mo.gov</a></p>	<p>Contact for Governance questions or Transportation question other than Transportation data reporting or Transportation payment.</p>
<p><b>Tammy Lehmen</b>                      Coordinator, School Finance  <a href="mailto:Tammy.Lehmen@dese.mo.gov">Tammy.Lehmen@dese.mo.gov</a></p>	<p>Contact for districts in counties 048 &amp; Kansas City Charters 347-347.                       Contact for Transportation data reporting or Transportation payment questions.</p>
<p><b>Sharon Bax</b>                      Director, School Finance  <a href="mailto:Sharon.Bax@dese.mo.gov">Sharon.Bax@dese.mo.gov</a></p>	<p>Contact for districts in counties 060-115 &amp; St Louis Charters</p>
<p><b>Kara Shumate</b>                      School Finance Consultant  <a href="mailto:Kara.Shumate@dese.mo.gov">Kara.Shumate@dese.mo.gov</a></p>	<p>Contact for districts in counties 001-047 &amp; 049-059</p>



### School Finance

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<https://desemo.gov/financial-admin-services/school-finance/>



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