

# School Finance

December 2022



## Highlights

- [December Payment Calculations](#)
- [Small Schools Grant](#)
- [Fiscal Year 2023 Budget Estimates](#)
- [Adjusting FY2022 Payments](#)
- [Submitting Annual Audit Reports](#)
- [Publication of the Audit](#)
- [Submitting the Single Audit to the Federal Audit Clearing House](#)
- [163.021.1\(4\), RSMo. Impact on Payments](#)
- [October Educator MOSIS Data](#)
- [ACH Deposit Dates](#)
- [Inclement Weather](#)
- [School Calendar Requirements](#)
- [Mid-Year Fund Balance Reporting](#)
- [Changing Depository Banks](#)
- [Missouri Accountability Portal \(MAP\) – Debt Reporting](#)
- [Drug and Alcohol Clearing House](#)
- [School Finance Contact Information](#)



## Basic Formula

The pandemic provision was applied for districts and payment was based on the current data available for Fiscal Years 2022-23, 2021-22, 2020-21, or 2019-2020 weighted average daily attendance (WADA). Calculation documentation can be found linked on the payment transmittal. Charter schools are paid on the higher of the current year estimate, 1<sup>st</sup> preceding year or 2<sup>nd</sup> preceding year.

## Classroom Trust Fund

The payment was calculated as allowed by Section 163.021.1(4), RSMo using the higher of FY 2021-22, FY 2020-21 or FY 2019-20 average daily attendance (ADA) data.

## Proposition C

The payment was calculated as allowed by Section 163.021.1(4), RSMo using the higher of FY 2021-22, FY 2020-21 or FY 2019-20 weighted average daily attendance (WADA) data.

## Transportation

This is the 3rd live state transportation calculation made for the current year. The calculation is based on 2021-22 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). Calculation documentation can be found linked on the payment transmittal.

The percent of reduction to the calculated entitlement computed for the December FY 2023 calculation is shown 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 found on the payment transmittal.

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 2022	0.00%	4.65706	-1.404495

Point of Interest

Annual Audit Report is Due December 31, 2022.

### Small Schools Grant

Section 173.044, RSMo, authorizes payments to small schools defined as districts with an average daily attendance (including summer school) of 350 or less. The allocation of the \$15 million appropriation requires that \$10 million be distributed to the eligible districts on an equal amount per prior year average daily attendance. The remaining \$5 million is distributed (on an equal amount per tax rate weighted average daily attendance) to the eligible districts with a current year adjusted Incidental plus Teachers Funds tax rate of \$3.43 or higher and any district which previously had an Incidental plus Teachers Fund tax rate of \$3.43 or higher but currently has a tax rate less than \$3.43 solely due to modification of such levy required under Section 137.073.5(4), RSMo.

The payment was calculated as allowed by Section 163.021.1(4), RSMo using the higher of FY 2021-22, FY 2020-21 or FY 2019-20 average daily attendance (ADA) data.

### Fiscal Year 2023 Budget Estimates

Payment	SAT/Amount Per/Proration Percent	Appropriation	Denominator
Basic Formula <sup>3</sup>	\$6,375.00	\$3,561,737,794	
Classroom Trust Fund <sup>1</sup>	\$425	\$349,005,372	820,000
Prop C <sup>2</sup>	\$1,255	\$1,153,426,000	919,000
Small Schools Grant \$10M <sup>1</sup>	\$250	\$10,000,000	
Small Schools Grant \$5M <sup>4</sup>	\$140	\$5,000,000	
Transportation	100%	\$328,411,105	

<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.



### Prior Year Correction

#### Adjusting FY2022 Payments

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. 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 2021-22 fixed dollars. The Formula WADA increased from the June payment by 368.2539.

This change appears normal for years in which 163.021.1 RSMo applies, but abnormal for other years 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 December 2022 and clicking on the dollar amount of the district’s Basic Formula, Classroom Trust Fund, Transportation, Small Schools Grant, Prop C, and Transportation payments.

#### 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 2022 Audit Submissions:

- Board approved 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 board approved 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 2022-2023. 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, 2022.
- 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 2023 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](#)





### October Educator MOSIS Data

With the implementation of the Teacher Baseline Salary Grant and Career Ladder Payment several new salary fields were added to the MOSIS Educator Core and Educator School Files. It's important if the LEA is participating in these programs that the data submitted is correct.

Teacher Baseline Salary Grant and Career Ladder salary information reported must align with applications submitted in the Compliance Plan to receive final ePeGS allocation amounts and final payments.

Please ensure the LEA's MOSIS staff review the information submitted and ensure it aligns with the applications submitted by the LEA where possible. It is understandable that staffing changes will add or remove individuals from qualification to the grant(s) but it is imperative to verify the correct reporting of data and to update the data as necessary throughout the year.

### 163.021.1(4), RSMo. Impact on Payments

DESE has determined that FY 2022 student attendance has been broadly impacted by the COVID-19 pandemic, specifically due to the Delta and Omicron variants that occurred during the school year. As such, payment calculations for districts will include the use of FY 2020 ADA and WADA values as outlined below.

Section 163.021.1(4), RSMo indicates that "Whenever there has existed within the district an infectious disease, contagion, epidemic, plague or similar condition whereby the school attendance is substantially reduced for an extended period in any school year, the apportionment of school funds and all other distribution of school moneys shall be made on the basis of the school year next preceding the year in which such condition existed."

By applying this provision to FY 2023 payment calculations that rely on pandemic-impacted attendance years, the Basic Formula, Classroom Trust Fund, Prop C, and Small Schools Grant will be adjusted. Districts' Basic Formula payments will include the greater of the FY 2020, FY 2021, FY 2022, or an estimate of FY 2023 WADA. For Classroom Trust Fund and Prop C, School Finance will utilize the greater of the FY 2020, FY 2021, or FY 2022 ADA or WADA for payment purposes. For the Small Schools Grant, FY 2022 ADA will be used to determine if a district qualifies for the grant, then the greater of FY 2020, FY 2021, or FY 2022 ADA will be used for payment purposes (not to exceed 350 ADA per statute requirements). Districts will not need to take any action for a prior year to be utilized for payment purposes when beneficial to the district under this provision. This statutory provision does not apply to charter schools, but an administrative rule revision has been approved to adopt a similar approach under 5 CSR 30-660.090 Charter School Local Education Agency (LEA) Attendance Hour Reporting for FY 2022.

LEAs utilizing FY 2020 ADA or FY 2021 ADA as a result of this provision should begin planning for FY 2024 with the assumption that this provision will not be extended. Some LEAs will experience a significant decline in Formula WADA. Please utilize the [Foundation Formula Projection](#) tool in order to estimate the impact for your LEA, and make plans accordingly.

#### Point of Interest

### ACH Deposit Dates

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

FY 2022-23	
July 21 2022	August 22, 2022
September 21, 2022	October 21, 2022
November 21, 2022	December 21, 2022
January 20, 2023	February 21, 2023
March 21, 2023	April 21, 2023
May 22, 2023	June 21, 2023
FY 2023-24	
July 21, 2023	August 21, 2023
September 19, 2023	October 20, 2023
November 21, 2023	December 21, 2023

### 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. 18 for half day programs
- 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 (18 for half day) weather hours are made up, then half the amount thereafter up to 48 (24 for half day) hours, for a maximum of 60 (30 for half day) 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, 2022:

- 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

LEAs changing banks or bank accounts must first be registered in the State of Missouri procurement system MissouriBUYS. All banking changes will then be completed in MissouriBUYS. MissouriBUYS located at <https://MissouriBUYS.mo.gov>. Reminder: when depositories are changed, Office of Administration staff will need to confirm the change with the LEA before approval. No payments will be made until approval is complete. Prompt replies to Office of Administration communication is necessary to ensure minimal delay occurs with payment. Payments may be held until the banking information is 100% verified and the ACH set up process is complete. If you have issues in using MissouriBUYS, please contact the MissouriBUYS team in the Office of Administration, Division of Accounting, at 573-751-2971 or [MissouriBUYS@mo.gov](mailto:MissouriBUYS@mo.gov).

## 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.

#### [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

Welcome back Kara Shumate to Financial and Administrative Services as a Director in School Finance. Kara will be the primary contact for districts in counties 001-047 & 049-059. We ask that you always call our main number of 573-751-0357 or email the email addresses listed below and speak with your designated contact. Updated contact list for staff assignments are as follows:

Name	Duties
<b>David Tramel</b> Coordinator, Administrative and Financial Services <a href="mailto:David.Tramel@dese.mo.gov">David.Tramel@dese.mo.gov</a>	Contact for Governance questions or Transportation question other than Transportation data reporting or Transportation payment.
<b>Tammy Lehmen</b> 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 347-347.  Contact for Transportation data reporting or Transportation payment questions.
<b>Sharon Bax</b> Director, School Finance <a href="mailto:Sharon.Bax@dese.mo.gov">Sharon.Bax@dese.mo.gov</a>	Contact for districts in counties 075-115 & St Louis Charters
<b>Taylor Doerhoff</b> Director, School Finance <a href="mailto:Taylor.Doerhoff@dese.mo.gov">Taylor.Doerhoff@dese.mo.gov</a>	Contact for districts in counties 060-074  Contact for questions regarding Audits.
<b>Kara Shumate</b> Director, School Finance <a href="mailto:Kara.Shumate@dese.mo.gov">Kara.Shumate@dese.mo.gov</a>	Contact for districts in counties 001-047 & 049-059  Contact for County Clerks



### School Finance

P.O. Box 480 • 205 Jefferson Street, Jefferson City, MO 65102  
 Phone # (573) 751-0357 • Fax # (573) 526-3897 • [finadmgov@dese.mo.gov](mailto:finadmgov@dese.mo.gov)  
<https://dese.mo.gov/financial-admin-services/school-finance>



The Department of Elementary and Secondary Education does not discriminate on the basis of race, color, religion, gender, gender identity, sexual orientation, national origin, age, veteran status, mental or physical disability, or any other basis prohibited by statute 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 VII/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).