



SCDE Update

SCASBO 2020 FALL CONFERENCE

Unity Matters
November 5, 2020



Budget Statistics

FY 20-21	Projected FY 21-22
RFA's Revised Est. BSC -\$3,164	RFA's Est. BSC - \$3,140
Base Student Cost- \$2,489 <i>implied</i>	Requested BSC- \$2,539
WPU Prior year 135- 993,094	Projected WPU- 994,647
FY 20 Average SC Teacher Salary-\$53,329	
FY 21 Est. Avg. SE Teacher Salary- \$54,165	Projected FY 22 SE Teacher Salary- \$53,426



Revenue Projections

BEA meets on November 10, 2020 to consider a revised GF revenue estimate for FY 21 and adopt a preliminary GF estimate for FY 22.



FY 22 Budget Request

- State Aid to Classrooms: \$218,116,317
 - Increased per pupil (BSC) by \$50
 - Increase teacher salaries by 2% using same methodology as prior years.
 - Unfreeze the step increase



Budget Request Continued

- Instructional Materials:
 - \$30,000,000 (Recurring); \$70,000,000 (Non-Recurring)
 - Instructional materials includes both print and digital access



Budget Request Continued

- Student Resource Officers: \$23,400,300 (Recurring)
- Student Health and Fitness – Nurses: \$5,577,165 (Recurring)
- Bus Driver Salary Increase: \$4,181,714 (Recurring)
 - Salary Increase of 5%



Budget Request Continued

- Bus Lease/Purchase:
 - \$4,000,000 (Recurring)

- Bus Purchase:
 - \$24,824,078 (Non-Recurring)



Budget Request Continued

- SCDE Parental Engagement for CERDEP Students: \$6,000,000 (Recurring)
- School Effectiveness and VirtualSC:
 - \$5,247,360 (Recurring); 18 FTEs



Budget Request Continued

- Industry Certifications/Credentials:
 - \$2,450,000 (Recurring)
- Computer Science Teacher Certification, and Professional Learning Opportunities
 - \$700,000 (Non-Recurring)
- Computer Science Regional Specialists:
 - \$568,000 (Recurring); 4 FTEs



Budget Request Continued

- Student Information System:
 - \$3,000,000 (Recurring)

- District Consolidation and Capital Improvements:
 - \$15,000,000 (Non-Recurring)



Coronavirus Relief Funds (CRF)

- Based on new guidance provided to the SCDE on October 15, 2020, districts will be receiving a direct allocation from the remaining CRF allocated to the SCDE. This direct allocation will be in lieu of being reimbursed for those requests submitted through surveys related to technology, Personal Protective Equipment (PPE), and services which focused on students with identified reading or math difficulties and students with IEPs to address deficits resulting from COVID-19.



CRF Modifiers

For each expenditure type

- use modifiers in your accounting system to appropriately designate budgets and record expenditures based on the categories listed
- The modifier should be the last digit in the modifier portion of the account number, preceded by 0's)



CRF Modifiers

MODIFIER 1 - School safety measures taken in response to COVID-19

MODIFIER 2 - Hire or contract for school nurse services for those schools that do not have a full-time school nurse

MODIFIER 3 - Tutoring, supplemental services, and support services

MODIFIER 4 - Technology purchases of devices and connectivity equipment to support online learning resulting from COVID-19



CRF Reporting Dates

- Quarter 2 FY21 – Report by 2/15/2021
- Quarter 3 FY21 – Report by 5/15/2021
- Quarter 4 FY21 – Report by 8/15/2021
- Quarter 1 FY22 – Report by 11/15/2021



CRF Reporting Requirements

When submitting CRF Reports, include:

- The LEA system generated financial reports
 - budget report
 - detail printout of transactions
 - copies of check requests/ vouchers, PO's, and invoices to accompany the expenditures reported.



ESSER Reporting Requirement

- Report dates are determined by the claims you have submitted in GAPS during the quarter



ESSER Reporting Due Dates

<u>Claims (GAPS) Period</u>	<u>Report Due Date</u>
October 1 – December 31, 2020	January 5, 2021
January 1 – March 31, 2021	April 5, 2021
April 1 – June 30, 2021	July 5, 2021



ESSER Reporting Requirement Continued

- Download the template for the ESSER report on the SCDE ESSER web page under the “Reporting and Monitoring” headline.
<https://ed.sc.gov/policy/federal-education-programs/esser-funding-information/>
- Send the completed spreadsheet to grantsaccounting@ed.sc.gov.
- Webinar and additional information can be found on the SCDE ESSER web page. Email scesser@ed.sc.gov with any questions or concerns.



GAPS Role Descriptions

Three roles are needed in GAPS

- **Grant Coordinator** – Enters Budget and Budget Amendments
- **Grant Sub Recipient Finance** – Approves Budgets, Amendments, and Enters Expenditures
- **Grant Accounting Finance Approver** – Approves Expenditures



GAPS Reminders

- **Check your Roles in GAPS** – Assure you have someone to enter the claim (Sub Recipient Finance Role), and someone to approve the Claim (Finance Approver).
- **Check your claim submission.** Assure the claim has been submitted to SCDE Finance



Quarterly Claims Submission

- Quarterly submission of claims is required once an approved budget is in place in GAPS
- This is a key component in Risk Assessment Rating from Grants Accounting
- Due to COVID-19, you will not be penalized for late claims for Quarter three (3) of FY20



Claims Deadlines

- **Claims for Quarter 1** - due by **November 15**
 - (CARES/ ESSER has been extended to 11/30/20 to allow time for amendments to the plan to be requested and processed)
- **Claims for Quarter 2** - due by **February 15**
- **Claims for Quarter 3** - due by **May 15**
- **Claims for Quarter 4** - due by **August 15**

- State Grants in GAPS – Earlier Final Claim Deadline than Federal Awards. Usually Early July.



Dates to Remember

- **November 11th**
 - Membership and Student Accountability reporting opens
- **November 30th**
 - Membership and Student Accountability reporting closes
 - SC Educator staff updates
 - Teacher Supply
 - Initial State Aid to Classroom – Teacher Salary
- **January 15th**
 - Audits and In\$ite
 - ESSA financial transparency report



45 Day Verification

- The data collection process will continue in order to update ADM and WPU and State Level Funding
- Due to COVID-19, state summative assessment was suspended in spring 2020. To continue to fund at levels to support Academic Assistance, the SCDE will determine the percentage of students who were eligible for the add-on weight based on the 2018-19 school year and adjust the WPU for 2020-21 by that percentage
- Ensure your district has uploaded the August and September SEI files prior to running the Add-on Weightings Update and creating the extract. PIP will be created using data elements from: District Child Nutrition Application, Socioeconomic Indicator, and PowerSchool Data Entry



SC Educator Reminders

- Purchased Service Teacher – Position Code 46
- District Payroll Teacher – Position Codes 03-09
- State Funded Reading/Literacy Coach must be coded as 87 in order to receive funding
- Revenue 3186 – State Aid to Classrooms – Funded on FY20
Experience Level



Contacts for Data Collection and SC Educator

- Melanie Cooper, Financial Services Manager
 - 803-734-8135
 - mcooper@ed.sc.gov
- Julie Iacuone, Fiscal Analyst III – EIA
 - 803-734-8145
 - jiacuone@ed.sc.gov
- Desiree Williams, Fiscal Analyst III – EFA/SC EDUCATOR
 - 803-734-8393
 - dawilliams@ed.sc.gov



Important School District Memorandums

- Sent weekly via email
- Email list obtained from Agency's District and Entity Information Management (DEIM) System
- Email list is pulled from the system each week.
- Your district's Web Access Coordinator should ensure the district's personnel list is up to date



District Signature Authorization Form

- Complete the Fiscal Year 2020 – 2021 District Signature Authorization Form
 - Report any finance personnel changes
 - Revisions to the signature authorization form should be sent to Kim Moss at kmoss@ed.sc.gov.
- Assure your district is updating staff information through the SCDE Member Center – District & Entity Information Management (DEIM)



SCDE – Finance Page

<https://ed.sc.gov/finance/>

- Monthly Financial Newsletters
- Fiscal Practices Guidance
- Payment Information
- Student Data
- Contact Information



SCDE Office of Auditing Services Update

SCASBO 2020 FALL CONFERENCE

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Annual Audit Requirements

- SC Code of Laws 59-17-100 Due Date – December 1, 2020
- **However, due to powers granted to the State Superintendent under the continuing resolution, the audit deadline has been extended by 45 days to January 15, 2021**



Annual Audit Requirements

- How to submit/what to submit
 - Upload the following through the LEA Audit Reporting System (LARS)
 - Full Audit Report (Hard copy not required)
 - Basic Financial Statements
 - SCDE Supplemental Schedules
 - Single Audit Section
 - Schedule of Findings and Questioned Costs
 - Corrective Action Plan
 - Other required schedules, notes, etc.
 - **Management Letter**
 - SCDE Supplemental Schedule Template
 - Data Collection Form
 - Input Supportive Information (Values must be to the hundredth place)



Audit Submission

- Template upload
 - Data is used for several State and Federal reports (Indirect cost, Revenue per pupil, State per pupil expenditures, NPEFS, F-33, etc.)
 - Select the correct option (LEA, Charter, or Both)
 - If incorrect option selected, revenue and expenditures could be double counted or under reported
 - Have conversation with charter schools to inform them if their data has been blended with the sponsoring district's data



Audit Submission

- Ensure that transfers from one fund to the next net to \$0 or an error will be noted
- Ensure that whole numbers are entered in each field to avoid rounding errors



LARS Roles

- An auditor must create a community user account in the SCDE Member Center and request “ESA Firm Role” to upload audit data through LARS
- District employees must be granted access to the “ESA District User Role”



Penalties for Late Audit Submission



Penalties for Late Audit Submission

- If audit report is not received by the deadline, your district may receive correspondence from the State Superintendent about the nonsubmission of the audit
- The chief school business official and each school board member will receive a copy of the correspondence
- Possible sanctions for nonsubmission of an audit can include withholding of Federal funds, suspension of a Federal award, or other sanctions stated in 2 CFR 200.338



Penalties for Late Audit Submission

- A district will receive a rating of medium for an audit report submitted after the January 15 due date but within 30 days of the due date (**January 16 - February 15**)
- Risk rating for audit report is high for submission more than 30 days after the due date (**February 16 or later**)
- An LEA that submits the audit report more than 60 days late will be in a state of fiscal watch under the Act 23, Fiscal Practices Legislation (**March 17 or later**)



Due To Schedule

- Only list what is actually due back to the SCDE on the schedule
- If payment was made after June 30, 2020, list check number and check date on the schedule



Schedule of Expenditures of Federal Awards

- Include required detail of Federal awards in the SEFA (2 CFR Part 200.510 (b))
 - List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name.
 - **For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity**
 - Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
 - Include the total amount provided to subrecipients from each Federal program
 - For loan or loan guarantee programs described in 2 CFR Part 200.502, Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
 - Note whether or not the auditee elected to use the 10% de minimis cost rate for indirect costs



Audit Opinion

- Use updated terms for the audit opinion
 - Unmodified (not Unqualified)
 - Modified (not Qualified)
- Ensure that the opinion in opinion letter agrees to the opinion in the SFQC



Corrective Action Plan

- Submit corrective action plan (CAP) for findings with the required elements
 - In addition to the auditee response to finding
 - Name of the person responsible for completing the CAP
 - Anticipated completion date
 - Plan of action to correct deficiency



Data Collection Form

- Ensure language on data collection form agrees to language in the audit report
 - Material weaknesses
 - Major program
 - Amount of Federal funds expended per program



LEA Subrecipient Risk Assessment Results



LEA Subrecipient Risk Assessment Results

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
HIGH	1	3	5	3	2
MEDIUM	10	11	7	12	14



Indirect Costs



Indirect Cost Methodology

- Beginning with the fiscal year 2021-22 indirect cost rate calculations, **use allowance** will be excluded from the pool of costs for the unrestricted rate
- This change should cause the unrestricted rates to decrease



State Allocations Audit



State Funds – 85% Rule

- Reminder about the 85% Rule (EFA)
 - Eighty-five (85) percent of the funds allocated through state and local effort for each weighted classification, except the Speech classification, must be spent in direct and indirect aid in the specific program (classification) that serves the students who generated the funds. Districts failing to comply with this requirement are subject to a loss or reduction of state funds.



ESSER Monitoring



ESSER Monitoring

- Will begin this quarter
- Approximately 5 districts will be monitored each quarter
- Priority visits will begin with high risk districts, districts on a fiscal practice designation, and districts who have drawn down at least 75% of its allocations



Fiscal Practices Audits

High Risk Audits



Fiscal Practices/High Risk Audits

- Requests have been sent out for documentation of implementation of corrective actions for high risk districts and some districts on a fiscal practice designations
- Requests will be sent out to remainder of districts on fiscal practices



Everything changing in 2020

NEW FEDERAL REGULATIONS



On August 13, 2020...

- New regulations effective immediately:
 - 2 CFR Part 183 Never Contract with the Enemy
 - 2 CFR Part 200.216 Prohibition on certain telecommunications and video surveillance services or equipment
 - Revision of 2 CFR Part 200.340 Termination
- Announcement of revised regulations effective November 12, 2020: 2 CFR Part 200 Uniform Grant Guidance



In Effect Now, Part I

2 CFR Part 200.216 - Bans using federal funds for contracts with certain telecommunications & video surveillance equipment or service providers (Chinese companies), their subsidiaries, and affiliates

- Check all existing contracts
 - Tricky to identify subsidiaries/affiliates
 - Ask if unclear; perhaps enact signed affidavit (What will CYA?)
- Reduce risk (end contract; remove federal funds)



What Companies are Restricted?

- Huawei Technologies Company
- ZTE Corporation
- Hytera Communications Corporation
- Hangzhou Hikvision Digital Technology Company,
- Dahua Technology Company
- Any subsidiaries (do research)
- Any affiliates (do research)



What Should We Do?

- Demonstrate due diligence: research names of subsidiaries & affiliates of named companies
- Adjust procurement processes to ensure that named companies, subsidiaries & affiliates are excluded from approved vendor lists
- Establish a process to perform subsequent periodic reviews to identify any new subsidiaries and affiliates that may need to be excluded from future approved vendor lists.



In Effect Now, Part II

2 CFR Part 200.340 revised to

- Eliminate “termination for cause” provision
- Add ability for federal awarding agency to terminate award if agency determines it no longer supports grant program goals or priorities.



On the Horizon – changes to 2 CFR Part 200

- Effective as of November 12, 2020, for new awards and modified awards (“amendments”)
- Start date is not fixed – it depends on the status of individual award
- Updates to policies and procedures will be needed



To Do's

- Read award documents carefully; note dates, changes
- Review new 2 CFR Part 200
- Perform a comprehensive review grant-related policies and procedures
- Update policies and procedures to align with changes
- Prepare for audit



Remember

- A strong internal control system regularly identifies and responds to change
- Perform a comprehensive review of your subgrant-related policies and procedures
- Such assessments
 - ensure alignment with changes in 2 CFR Part 200
 - document that LEA understands the importance of a timely response to identified risks of noncompliance.



Office of Auditing Services

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Questions

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