

South Carolina Department of Education Finance and Audit Update

The Journey Ahead - Are You Prepared or
Perplexed

November 10, 2022



Budget Update

Nancy Williams
CFO
11/10/22

Budget Statistics

FY 22-23	Projected FY 23-24
RFA's Revised FY 23 Est. BSC -\$3,316	RFA's FY 24 Est. BSC - \$3,729
WPU Prior year 135- 1,029,818.97	Projected FY 24 WPU- 1,282,930
FY 23 Cost of a SC Teacher- \$69,153	FY 24 Cost of a SC Teacher- \$69,679
FY 22 Average SC Teacher Salary-\$54,814	
FY 23 Est. Avg. SE Teacher Salary- \$56,488	Projected FY 24 SE Teacher Salary- \$58,048



Revenue Projections

The Board of Economic Advisors (BEA) meets on November 15, 2022 to consider a revised general fund revenue estimate for FY 23 and adopt a preliminary general fund estimate for FY 24.



FY 24 Budget Request

- State Aid to Classrooms- \$75,000,000 (recurring)
 - Student Teacher ratio of 11.16
- Bus Driver Salary Increase-\$31,204,617(recurring)
 - \$13/hr.



FY 24 Budget Request

- Teacher Supplies- \$3,033,850 (recurring)
 - \$350/teacher
- CERDEP - \$20,068,833 (recurring)
 - \$5,300 per pupil
- CTE Equipment and Computer Science Initiatives- \$15,000,000 (recurring)



FY 24 Budget Request

- Capital Funding Disadvantaged Schools
 - \$150,000,000 (non-recurring)
- Instructional Support for Districts (LMS, LOR, and AMS)
 - \$10,240,000 (recurring)



FY 24 Budget Request

- Instructional Materials- \$30,000,000 (recurring)
- Bus Lease/Purchase- \$29,000,000 (recurring)
- SDE Grants- \$14,000,000 (non-recurring)



Formula Details

Category	New Funding Formula
Student/Teacher Ratio (currently 11.2)	Based on number of teachers, cost of a teacher, the proportionate share of WPU, state/local split, and the ITA
Hold-Harmless	Triggered when Student/Teacher ratio formula funding is less than FY 22 allocations
Additional Proportionate WPU	Allocated based on each district's proportionate share of WPU x the funding available in that portion of the formula
Funding for Career Centers and Special Schools	Omitted- currently based on FY 22 allocations



How do I budget?

Utilize your district's proportionate share of WPU to budget.



Financial Details

District		Category	45 Day ADM	Weighted Pupils	Total Entitlement	Local Share	State Share
Abbeville 60							
Abbeville 60		Base	2,056.66	2,056.66	\$ 7,524,119.91	\$ 1,202,404.51	\$ 6,321,715.40
Abbeville 60		Disability	358.55	932.23	\$ 3,410,486.08	\$ 545,018.41	\$ 2,865,467.68
Abbeville 60		CTE	419.87	503.84	\$ 1,843,271.46	\$ 294,567.06	\$ 1,548,704.39
		Total ADM	2835.08	3,492.73			
Abbeville 60		Add-On Totals:	3,182.47	1,165.00	\$ 4,262,052.15	\$ 681,104.34	\$ 3,580,947.81
		Total WPU		4,657.73			
		Proportionate Share of WPU		0.3672%			
		ITA		0.00256			
		Student Teacher Ratio:		11.51			
Abbeville 60 Totals:							
		Total Entitlement	Local Share	State Share			
	Revenue 3103	\$ 14,485,187.07	\$ 2,314,829.44	\$ 12,170,357.63			
	Revenue 3503	\$ 2,554,742.54	\$ 408,264.88	\$ 2,146,477.65			
		\$ 17,039,929.60	\$ 2,723,094.32	\$ 14,316,835.28			
Hold Harmless:		\$ -					
Additional Proportionate Share Funding		\$ 428,133.15	\$ -	\$ 428,133.15			



Any
Questions





Financial Services

11/10/22

Daniel Haven
Finance Office

PowerSchool & Pupil Accounting Dates

- Pupil Accounting
 - Classify pupils for State Aid to Classroom funding
 - Membership and attendance data
 - 45th Day
 - 10/26/2022 - 11/11/2022
 - 135th Day
 - 3/27/2023 - 4/14/2023



SC Educator- Dates

- Deadline Dates for FY 22-23
 - November 30th - PCS Staff updates for Teacher Supply
 - June 30th - Final Staff updates SC Educator will close for the 2022-2023 school year at 5pm



In\$ite/ESSA

- The Office of Financial Services will send detail instructions on how to submit your FY22 In\$ite/ESSA data to the SCDE. In\$ite & ESSA reports are due January 16, 2023.
- Proviso Reference: 1.24 & 1A.14 School Districts and Special Schools Flexibility, and 1A.18 Report Card Information



Funding Flexibility

- All transfers must be completed and submitted to SCDE by June 30, 2023
- Flexibility Provisions:
 - At least seventy-five (75) percent of the school district's expenditures must be utilized within the In\$ite categories of instruction, instructional support and non-instructional pupil services
 - must maintain the integrity of the program guidelines as outlined in the Funding Manual



FY 2022 Administrative Cost Reporting

- Districts are to post the Administrative Cost Report to the district website no later than 60 days after the December 1 audit submission deadline
- Reference In\$ite Crosswalk on SCDE website
- Provide Daniel Haven (dbhaven@ed.sc.gov) with a copy of the report or a link to the report on your website



Financial Services Contacts

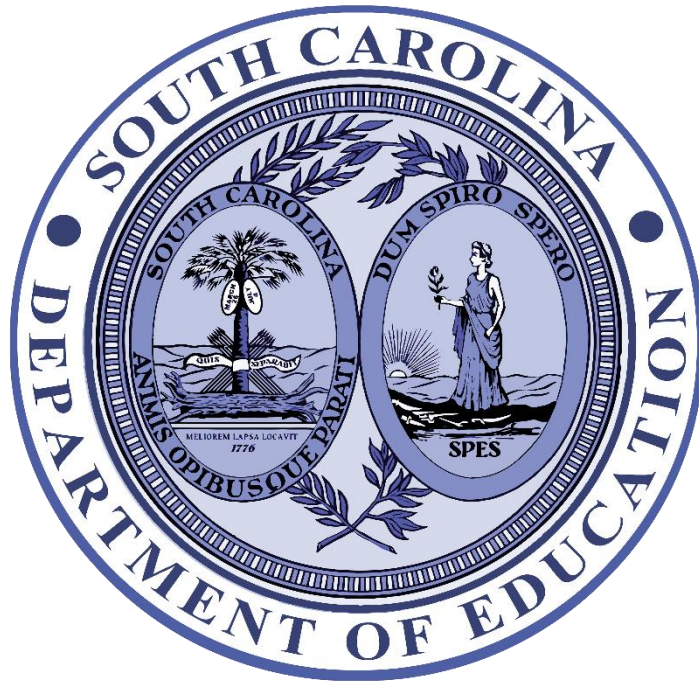
Financial Services Manager

- Melanie Cooper - mcooper@ed.sc.gov 803-734-8135

Fiscal Analyst III

- Michael Scheele- mscheele@ed.sc.gov 803-734-8145





Grants Update

11/10/2022
Daniel Haven
Finance Office

Reimbursement Process

- Friday
 - Deadline for claims to be submitted to SCDE Finance in order to be reviewed and paid by the following Wednesday
- Monday
 - Grant Accountants review and approve any claims not already reviewed and approved that were submitted to SCDE Finance by the prior Friday
- Tuesday
 - Draw request is prepared
- Wednesday
 - Payments are processed



Claims Deadlines

Expenditure Dates

- Quarter 1 (7/1 - 9/30)
- Quarter 2 (10/1 - 12/31)
- Quarter 3 (1/1 - 3/31)
- Quarter 4 (4/1 - 6/30)

Claims Deadlines

- Due by 11/15
- Due by 2/15
- Due by 5/15
- **Due by 8/15**

-
- Some grants may require earlier final claims or amendment deadlines - Always refer to GAN



SCAPS – Food Service Claims

- Due by the 10th of each month for prior month claims
- Approved by the 15th of the month
- Paid on the 15th of the month



Final Amendments for FY23 - Deadline

- Should be entered into the Grants Accounting claiming platform by June 30th 2023
 - Unless an earlier deadline is referenced on GAN
- For all grant expenditures that will be incurred on or before June 30, 2023
- No amendments will be allowed entry into the Grants Accounting claiming platform from July 1, 2023 through August 15, 2023



Final Amendment Deadline Purpose

- Allows time after amendment submission for Program office to review
- To help assure funds will be available in correct budget area for claiming by the August 15th deadline
- To keep amendment queue clean for monitoring and review purposes
 - Clean amendment queue helps assure no amendment requests are missed



Final Amendment Deadline Purpose (Continued)

- To assure action is taken on all submitted amendments prior to the August 15th final claims deadline
- To help assure claims are not prevented by unbudgeted amounts or pending amendments
 - Unapproved amendments/budgets can prevent claims from being submitted - (no submit button)



Amendments for Expenditures in FY24

- Amendment requests for expenditures occurring on July 1, 2023 or after can be entered into the Grants Accounting claiming platform beginning August 16, 2023



Final Claims Deadline

- Expenditure claims received after August 15, 2023 for expenditures from July 1, 2022 through June 30, 2023 will not be paid
- ***Deadline will be strictly enforced***



Final Claims Deadline - Continued

- Must be in the status “Submitted to SCDE Finance” by August 15 to meet the deadline
- Grants with earlier Final Report Date on GAN
 - Date must be met
 - All expenditure claims must be submitted to the SCDE in order to be paid



Final Claims Deadline - Continued

- Grants with Final Report Date later than August 15
 - Expenditures through June 30 must be submitted to the SCDE by the August 15 Final Claims date



1st Quarter Claims for FY24

- 1st Quarter claims for FY24 will not be allowed entry until after August 15th, 2023



Reports for Subrecipients

- Reports to help subrecipients
 - Budget Summary and Detail Reports
 - Expenditure Summary and Detail Reports



Reports for Subrecipients (Continued)

- Assure requested amendments are approved
- Assure no unbudgeted amounts
 - Unapproved amendments/budgets can prevent claims from being submitted (no submit button)
- Assure claim has been submitted to SCDE Finance
 - If claim is not in “Submitted to SCDE Finance” status, it will not be paid



Budget Detail Report

Sub Grant Name	Function Code	Object Code	Amendm ent	Amount	Approval Status	Expenditure Amount	Net Budget Balance
20 Title II Supporting Effective Instruction (267)	224	400	No	\$0.00	Approved	\$0.00	\$0.00
20 Title II Supporting Effective Instruction (267)	264	100	No	\$4,000.00	Approved	\$0.00	\$4,000.00
20 Title II Supporting Effective Instruction (267)	264	100	No	\$4,000.00	Approved	\$0.00	\$4,000.00
20 Title IV SSAE (210)	100	400	No	\$10,800.00	Approved	\$0.00	\$10,800.00
21 Title I Regular (201)	100	400	Yes	\$4,000.00	Submitted to Sub Recipient Finance	\$0.00	\$0.00
21 Title I Regular (201)	100	400	Yes	\$5,000.00	Submitted to Sub Recipient Finance	\$0.00	\$0.00
21 Title I Regular (201)	188	400	No	\$6,043.32	Approved	\$0.00	\$6,043.32



Budget Detail Report (Continued)

- **This example indicates:**
 - An Amendment has been submitted to the Subrecipient Finance role - has not been sent to the SCDE for approval
 - Unclaimed balances in specific function/ objects



Budget Summary Report

Allocation	Budgeted Amount	Unbudgeted Amount	Expenditure Amount	Net Budget Balance	Budget Pending	Expenditure Pending
\$14,708.07	\$13,181.00	\$1,527.07	\$13,181.00	\$0.00	\$0.00	\$0.00
\$612,068.24	\$612,068.24	\$0.00	\$556,337.34	\$55,730.90	\$0.00	\$8,768.82
\$59,472.34	\$59,472.34	\$0.00	\$33,816.69	\$25,655.65	\$10,790.78	\$0.00
\$4,341,063.00	\$4,341,063.00	\$0.00	\$0.00	\$4,341,063.00	\$4,341,063.00	\$0.00
\$10,000.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00	\$0.00
\$89,746.50	\$89,746.50	\$0.00	\$0.00	\$89,746.50	\$89,746.50	\$0.00
\$127,725.95	\$0.00	\$127,725.95	\$0.00	\$0.00	\$0.00	\$0.00
\$11,406.14	\$0.00	\$11,406.14	\$0.00	\$0.00	\$0.00	\$0.00



Budget Summary Report (Continued)

- **This example indicates:**
 - Unbudgeted amounts
 - Budgets/ Amendments pending approval at district or SCDE
 - Expenditures pending approval at district or SCDE



Expenditure Detail Report

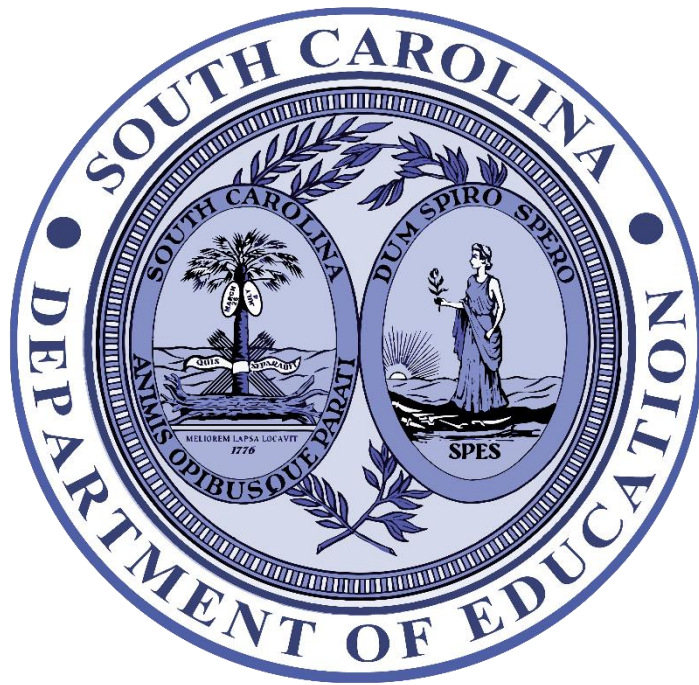
Sub Grant Name	Function Code	Object Code	Fiscal Quarter	Expenditure Amount	Expenditure Approval Status	Date Submitted To SCDE
22 Adult Education - Institutionalized	182	200	2021 - 22 - [Q4]	\$1,989.04	SCEIS Document Number	8/15/2022 2:19:01 PM
22 Adult Education (243)	182	100	2021 - 22 - [Q4]	\$60,773.60	Submitted to Finance Approver	Has Not Submitted To SCDE
22 Adult Education (243)	182	200	2021 - 22 - [Q4]	\$22,026.82	Submitted to Finance Approver	Has Not Submitted To SCDE
22 ARP - IDEA	100	100	2021 - 22 - [Q4]	\$14,351.25	SCEIS Document Number	8/15/2022 2:14:03 PM



Expenditure Detail Report (Continued)

- **This example indicates:**
 - Expenditures have been submitted to the Finance Approver, but not to the SCDE
 - Not considered submitted until submitted to SCDE Finance





SCDE Finance

11/10/2022
Daniel Haven
Finance Office

Finance Personnel Changes

- Report any finance personnel changes to Kim Moss at KMoss@ed.sc.gov
- Also, ensure your district is updating staff information through the SCDE Member Center - District & Entity Information Management (DEIM)

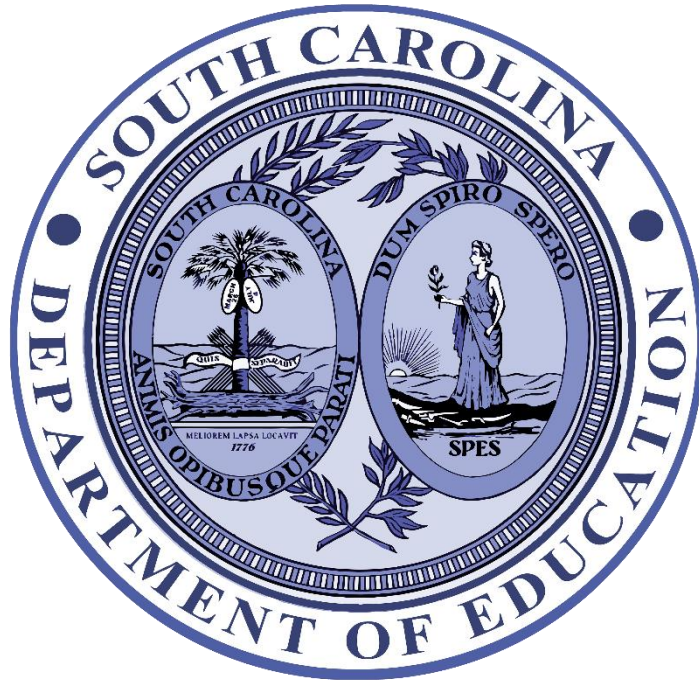


SCDE – Finance Page

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







GAN Changes

11/10/2022

Steven Strother
Finance Office

GAN Changes

- For all federal subawards active as of **October 17, 2022**
- Subrecipients will have 90 days after the Period of Performance end date to receive, pay, and claim goods and/ or services obligated by the Period of Performance end date



Obligation

- Goods and/ or services must be obligated by the end of the Period of Performance
- **Obligation occurs when:**
- Goods or services - ordered (goods) or contracted with a binding agreement (services)
- Travel - when travel or hotel stay occurs
- Time worked by employees - when worked



Performance in Full

- After obligation is made
- Performance must occur in full so that final payment can be made
- Obligation can be liquidated
- By the 90th day of the Period of Performance end date



Example 1 – September 30

- Federal subawards with a period of performance end date of September 30
 - goods and/ or services must be obligated by 9/30 and received, invoiced, paid, and claimed by December 30
- Goods and/ or services obligated and *received* by 9/30
 - should be invoiced, paid, and claimed within 45 days of 9/30 (by the 11/15 deadline)



Example 1 – September 30 - Continued

- Goods and/ or services received *after* 9/30 (which is the Period of Performance end date)
 - Must be invoiced, paid, and claimed by December 30



Example 1 – September 30 - Continued

- Period of Performance end date of 9/30
- Obligated by 9/30
- Received between 7/1 and 9/30
- 1st Quarter claim by 11/15



Example 1 – September 30 - Continued

- Claim made after 11/15 for items received between 7/1 and 9/30 will be assessed risk (as usual)
- For example:
 - Claim noted as a 1st Quarter claim dated 11/16 will be assessed risk



Example 1 – September 30 - Continued

- Period of Performance end date of 9/30
- Obligated by 9/30
- Received on 10/15
- Pay invoice and make a 2nd Quarter claim by 12/30



Example 1 – September 30 - Continued

- 2nd Quarter claim may be made any time after receipt of goods and/ or services and payment of invoice, and by 12/30
- Even if receipt, payment, and claim is made prior to 11/15
- Still 2nd Quarter claim because receipt of goods and/ or services occurred *after* 9/30



Example 2 – June 30

- Goods and/ or services *received* by June 30 must be invoiced, paid, and claimed by August 15 - **No exceptions**



Example 2 – June 30 - Continued

- Goods and/ or services obligated by June 30 (Period of Performance end date), *not* received by June 30
 - (example) between July 1 and September 30
 - must be received, invoiced, paid, and claimed between August 16 and September 30 and considered 1st Quarter claims



Final Report Date

- Federal subawards with a Period of Performance end date of 9/30 (for example) will have a Final Report date of 12/30
- Will be removed from the claiming system after that date
- Subrecipients must submit the final claim for the grant by the 90th day after the Period of Performance end date



90 Day Liquidation

- 90 day liquidation period is applicable only after the Period of Performance end date
- 45 day Quarterly and Year-End claim deadlines still apply for goods and/ or services *received* by end of Quarter or Fiscal Year
 - Unless received *after* Period of Performance end date during the quarter in which liquidation ends



90 Day Liquidation – Continued

Example

- Period of Performance end 9/30; Obligated by 9/30
- Received 10/1 (Q2) - example 1
- Received 12/30 (Q2) - example 2
- Must pay and claim by 12/30 instead of 2/15



Quarterly and Year-End Deadlines Still Apply

- Goods and/ or services must be received by the end of each Quarter to be claimed for the Quarter
- Goods and/ or services received by the end of the Quarter should be invoiced, paid, and claimed within 45 days of the close of the Quarter



Quarterly Claims Deadline

- Goods and/ or services *received* by the end of a Quarter *not* claimed by Quarter deadline will be assessed risk
- **Example:**
- Goods and/ or services *received* by 9/30/22 not claimed by November 15th will be assessed risk
 - Claim noted as a 1st Quarter - entered 11/16



Fiscal Year Claims Deadline

- Goods and/ or services *received* by the fiscal year end of 6/30 must be invoiced, paid, and claimed within 45 days of the close of the fiscal year - by **August 15th. No exceptions**
- 1st Quarter claims will not be allowed until *after* August 15th of each year



Claims - Performance

- Claims are made based on the date that goods and/ or services are received
- Goods and/ or services must be received (Performance has occurred) in order to be paid and claimed



Performance - Continued

- Period of Performance end
 - May now allow extended time for receipt past Period of Performance end (depending on the obligation)
 - May mean shorter time to pay and claim after receipt (receipt on 12/30, pay and claim on 12/30)



Claims – Other Notes

- Claims can not be made against goods and/ or services that have not been received
- Goods and/ or services can not be paid until received
- Claims can not be made against encumbrances



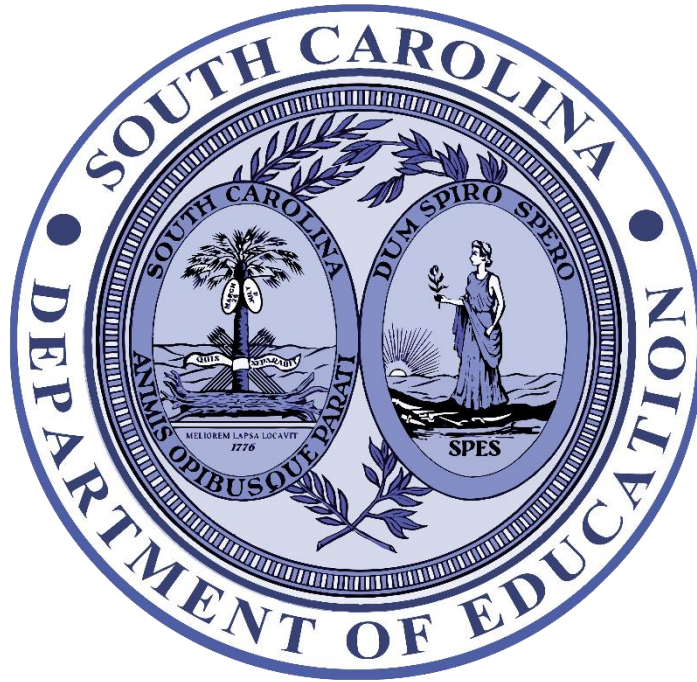
State Grants Claimed

- 90 day liquidation does not apply to state grants
- Final report date for state grants is 45 days after the grant end date unless otherwise noted on GAN
- Always consult GAN for final claim deadlines, amendment deadlines, etc.
- Some grants have earlier final claims deadlines than the typical August 15th Final Claims date



Any
Questions





SCASBO 2022 Fall Conference

Office of Auditing Services Update

November 10, 2022
Melissa A. Myers
Director, Office of Auditing Services

Topics

- Annual Audit Requirements
- Penalties for Late Audit Submission
- LEA Desk Reviews
- Subrecipient Risk Assessment
- External Audits in Progress



Annual Audit Requirements



Annual Audit Requirements

- SC Code of Laws 59-17-100
 - Audit deadline is December 1 after the close of the fiscal year
- SC Code of Law 59-40-50(B)(3) - Charter schools must adhere to the same financial standards as other public schools
- SBE Regulation 43-172 - Charter schools must adhere to the December 1 submission deadline for submitting financial audits
- 2 CFR 200.501(b) - A single audit is required for nonfederal entities who expend at least \$750,000 in total federal funds in a fiscal year



Annual Audit Requirements

- Correspondence was distributed on October 11, 2022, to district superintendents regarding the annual audit requirements



Annual Audit Requirements

- Upload the following through the LEA Audit Reporting System (LARS)
 - Full Audit Report
 - Basic Financial Statements
 - SCDE Supplemental Schedules
 - Single Audit Section
 - Schedule of Findings and Questioned Costs
 - Corrective Action Plan
 - Other required schedules, notes, etc.



Annual Audit Requirements

- Management Letter, not management representation letter
- Completed SCDE Supplemental Schedule Template
- OMB Data Collection Form
- Input Supportive Information (values must be to the hundredth place) on the Supportive Information tab



Annual Audit Requirements

- Template upload
 - 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



Annual Audit Requirements

- The SCDE Annual Audit Guide lists both state and federal program audit requirements. It can be found on the SCDE website at:

<https://ed.sc.gov/finance/auditing/manuals-handbooks-and-guidelines/annual-audit-guide-and-lars-template/fy-2021-22/>



Penalties for Late Audit Submission



Penalties for Late Audit Submission

- Submission of the audit report more than 60 days after the deadline will automatically result in a district being placed in a fiscal practices designation of at least fiscal watch (January 31 or later)
- Submission of the audit report more than 30 days late will result in the district being rated as high risk for the audit submission criteria in the annual subrecipient risk assessment process (January 1 or later)



Penalties for Late Audit Submission

- Submission of the audit report after December 1 but within 30 days of the due date will result in a medium risk rating for the district for the audit submission criterion on the annual subrecipient risk assessment (between December 2 and December 31)



Notice of Late Audit Submission

Correspondence will come from the State Superintendent of Education to the district superintendent for audits not received

- The district CFO, school board, and legislative delegation will be copied on the letter



LEA Desk Reviews



LEA Desk Reviews

- The Office of Auditing Services performs desk reviews on a sample of audit reports received each year
- Federal award findings are forwarded to the program office to provide a management decision
 - Program office will contact districts to determine status of corrective actions for findings noted and may request support documentation to show that the findings have been corrected



LEA Desk Reviews

- A close-out letter will be issued to the district superintendent, chief financial officer, and the independent auditor will be copied
 - Letters are issued within six months of acceptance of the audit report through the Federal Audit Clearinghouse



LEA Desk Reviews Findings

Desk review findings from the FY 2020-21 audit reports include:

1. 2 CFR Part 200 required detail for federal award findings not included in the Schedule of Findings and Questioned Costs such as:
 - The Federal Awarding Identifying Number (FAIN)
 - Identification of if the finding was a repeat finding in the immediate preceding audit
 - The name of the pass-through entity
 - Cause



LEA Desk Reviews Findings (continued)

2. District's corrective action plan not including an anticipated completion date for corrective action and/or the name of the person responsible for completing the corrective action
3. The dollar threshold used to distinguish between Type A and Type B programs was incorrect
4. Management's Discussion and Analysis not included



Subrecipient Risk Assessment



Subrecipient Risk Assessment

New for the FY 2021-22 subrecipient risk assessment

- We will consider if the district's System for Award Management registration expired during the fiscal year and rate districts accordingly in the "Other Material Factors" criterion if there was an expired registration during the fiscal year



External Audits in Progress



External Audits in Progress

- ESSER Monitoring Reviews
- Fiscal Practices Audits
- Limited Scope Audits
- State Audits
- Pre-Award Audits
- Fiscal Practices Audits



Questions



Contact

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