



# South Carolina Department of Education Finance and Audit Update

**Rise up - The Future is Now**

**November 9, 2023**



# Budget Update

Steven Strother  
Interim CFO  
11/9/23

# Budget Statistics

| FY24  | Projected FY25                                |
|---|---|
| WPU Prior year - 1,282,930                  | Projected FY25 WPU- 1,317,498                 |
| FY 24 Cost of a SC Teacher- \$72,991        | FY25 Projected Cost of a SC Teacher- \$73,046 |
| FY 24 Est. Avg. SE Teacher Salary- \$58,989 | Projected FY25 SE Teacher Salary- \$59,866    |



# Revenue Projections

The Board of Economic Advisors (BEA) meets on November 16, 2023 to consider:

- General Fund Revenue Forecast
  - Review of Revenue Estimates and Assumptions for FY24
  - Review of Revenue Estimates and Assumptions for FY25



# FY 25 Budget Requests

- State Aid to Classrooms- \$272,922,09 (recurring)
  - \$1500 increase to Teacher Salary Schedule
  - Stipend for up to 5 additional PD days at daily rate
- Bus Driver Retention Bonus - \$10,582,500 (non-recurring)
  - Retention bonus of \$2500 to drivers
- Teacher Strategic Compensation Pilot Program - \$5,000,000 (non-recurring)
  - To eligible districts that apply



# FY 25 Budget Requests

- CERDEP - \$14,184,000 (recurring)
  - \$5,100/ student
  - \$10,000 new classrooms
- CTE Rural Renaissance- \$15,000,000 (recurring)
  - CTE centers in identified rural districts
  - Identified rural Technical Colleges



# FY 25 Budget Requests

- School Facility Safety Upgrades - \$20,000,000 (non-recurring)
  - Districts that apply
- Instructional Support for Districts (LMS, LOR, and AMS) - \$10,280,000 (recurring)



# FY 25 Budget Requests

- **Instructional Materials- \$30,000,000 (recurring)**
  - El math, cursive writing, k-5 science and social studies
- **Instructional Materials - \$156,000,000 (non-recurring)**
  - Math, CTE
- **Bus Lease/Purchase- \$35,000,000 (recurring)**
  - Maintain 15 year replacement cycle
  - Purchase of 250 new buses
- **Innovative Grants - \$16,500,000 (non-recurring)**





# FY 25 Budget Requests

- Critical Needs Teacher Signing Bonus Pilot - \$15,000,000 (non-recurring)
  - Educators that teach in critical needs areas
  - Provide a graduated bonus structure
- Palmetto Math Project - \$10,000,000 (recurring)
  - To identified schools
  - Inst. Coaching, Inst. Materials, PD, Tutoring



# Formula Details FY24

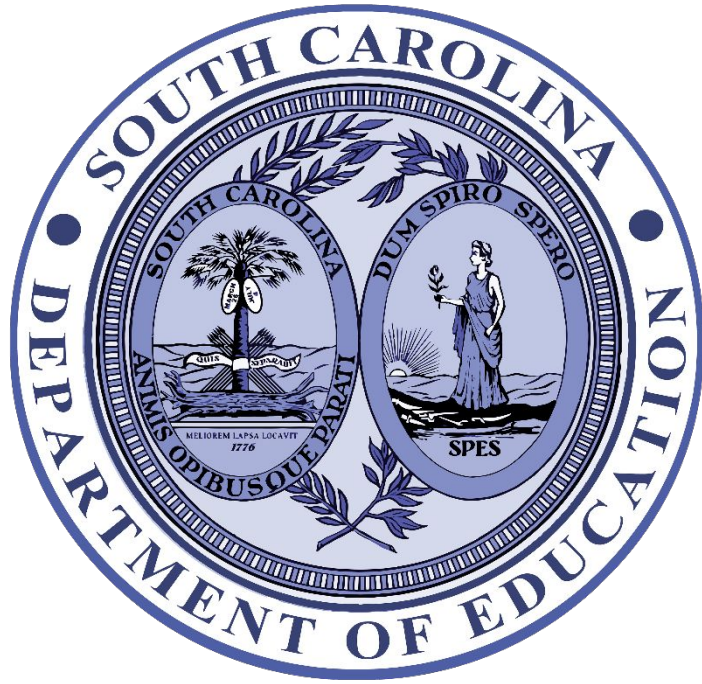
| Category                               | New Funding Formula  |
|--|--|
| Student/Teacher Ratio (currently 11.2) | Based on number of teachers, cost of a teacher, the proportionate share of WPU, state/local split, and the ITA       |
| Hold-Harmless                          | Triggered when Student/Teacher ratio formula funding is less than FY 22 allocations (don't continue to count on)     |
| Additional Proportionate WPU           | Allocated based on each district's proportionate share of WPU x the funding available in that portion of the formula |



# Formula

- $\text{ADM} \times \text{Student/Teacher Ratio (11.2)} = \# \text{ Teacher needed}$
- $\# \text{ of teachers} \times \text{Cost of Teacher (Masters \& 12 plus fringe)} = \text{SATC Amount}$
- State Share (75%) and Local Share (25%)
- Each district receives its share of state funds according to proportion of WPU's & ITA
- $\text{District WPU's} / \text{State WPU's} = \% \text{ of Total WPU's}$
- $\text{Total SATC} \times \text{proportionate share (above)} - \text{Districts Amount}$





# Financial Services Update 2023-2024

Melanie Cooper  
Interim Finance Director/ Financial  
Services Manager  
11/9/23

# 45<sup>th</sup> and 135<sup>th</sup> Day Pupil Accounting

- Pupil Accounting
  - Membership and attendance data
    - 45<sup>th</sup> Day
      - 10/19/2023 - 11/7/2023
    - 135<sup>th</sup> Day
      - 3/25/2024 - 4/16/2024



# National Board Certification (Proviso 1A.64)

## NBC Newly Certified/ MOC

Memo and list typically emailed in Nov/Dec

Requires verification of employment, cert ID, FTE status, and PC

Email verification from district is required to release funding

## Mid-Year Hires

Email employee name, cert ID, PC, FTE Status, and number of days employe for the year ([mcooper@ed.sc.gov](mailto:mcooper@ed.sc.gov))

Verify employee is entered in SC Educator



# In\$ite/ESSA

- The Office of Financial Services will send detail instructions on how to submit your FY23 In\$ite/ESSA data to the SCDE. In\$ite & ESSA reports are due **December 1**.
- Proviso Reference: 1.21 & 1A.13 School Districts and Special Schools Flexibility, and 1A.17 Report Card Information



# SC Educator- Dates

- Deadline Dates for FY 23-24
  - November 1<sup>st</sup> - PCS Staff updates (Federal and Accreditation Reports)
  - November 30<sup>th</sup> - PCS Staff updates for Teacher Supply
  - June 30<sup>th</sup> - Final Staff updates SC Educator will close for the 2022-2023 school year at 5pm





# Financial Newsletter

[www.ed.sc.gov/finance/financial-services](http://www.ed.sc.gov/finance/financial-services)

## Monthly Financial Newsletters

- Fiscal Year 2023 - 2024
- Fiscal Year 2022 - 2023
- Fiscal Year 2021 - 2022
- Fiscal Year 2020 - 2021
- Fiscal Year 2019 - 2020



# Financial Services Contacts

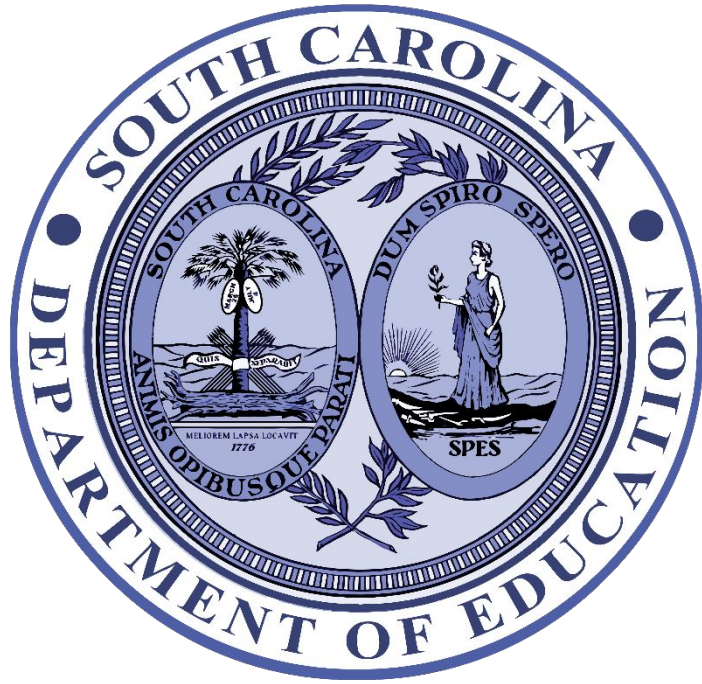
## Financial Services Manager

- Melanie Cooper [-mcooper@ed.sc.gov](mailto:mcooper@ed.sc.gov) 803-734-8135

## Fiscal Analyst III

- Michael Scheele- [mscheele@ed.sc.gov](mailto:mscheele@ed.sc.gov) 803-734-8145





# Grants Update

Daniel Haven  
Fiscal Practices Analyst  
11/9/2023

# Reimbursement Process

- Friday - Submit claims in order to be reviewed for payment by following Wednesday
- Monday - Interface with SCEIS for approved claims from previous week
- Tuesday - Federal Draw prepared
- Wednesday - Payments processed



# Claims Deadlines (Other than Period of Performance End)

## 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



# Period of Performance End Date Reminder

- For all Federal subawards active (not yet liquidated) 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



# Period of Performance End Date (Continued)

- Goods and/or services must be *obligated* by the end of the Period of Performance
- Goods and/or services must be received, paid and claimed based on date of receipt of goods and/or services
- Goods and/or services received by September 30
  - Claimed by November 15 as a 1st Quarter claim
- Goods and/or services received after September 30
  - Claimed by December 30 as a 2nd Quarter claim



# Subawards Close on 90<sup>th</sup> Day

- Subrecipients should be aware that subawards close on the 90th day after the **Period of Performance end date**
  - ***A full 45 day claiming window may not be allowed***
- ***Take into consideration the Accounts Payable cycle of your entity***
  - Invoices may be required submission earlier than the grant close-out date in order to be paid and claimed by that date
- Be aware of purchases with credit cards and statement receipt timeline





# Off-Cycle Final Claim Dates

- Be aware of the *off-cycle* final claims dates that may occur due to Period of Performance end dates
- Final Claim dates may not always fall on 45<sup>th</sup> day after close of Quarter
- Refer to your GAN *and/or* to the Final Report Date in GAPS



# All Amendments and/or New Budgets - Deadline

- For all grant expenditures (amendment portion) that will be incurred on or before June 30, 2024
- Should be *entered* into GAPS by June 30<sup>th</sup> 2024
  - Unless an earlier deadline is referenced on GAN
- No amendments will be allowed entry into GAPS from July 1, 2024 through August 15, 2024



# Amendments for Expenditures in FY25

- Amendment requests/ new budgets for expenditures occurring on July 1, 2024 or after can be entered into GAPS beginning August 16, 2024



# Final Claims Deadline

- Expenditure claims submitted to SCDE Finance after August 15, 2024 for expenditures from July 1, 2023 through June 30, 2024 will not be paid
- *Deadline will be strictly enforced*



# 1<sup>st</sup> Quarter Claims for FY25

- 1<sup>st</sup> Quarter claims for FY25 will not be allowed entry until after August 15<sup>th</sup>, 2024



# Reports for Subrecipients

- To monitor Budget, Amendments, Claims
  - Budget Summary and Detail Reports
  - Expenditure Summary and Detail Reports



# 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 Summary Report

| Allocation     | Budgeted Amount | Unbudgeted Amount   | Expenditure Amount | Net Budget Balance | Budget Pending        | Expenditure Pending |
|----------------|-----------------|---------------------|--------------------|--------------------|-----------------------|---------------------|
| \$14,708.07    | \$13,181.00     | <b>\$1,527.07</b>   | \$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                | <b>\$8,768.82</b>   |
| \$59,472.34    | \$59,472.34     | \$0.00              | \$33,816.69        | \$25,655.65        | <b>\$10,790.78</b>    | \$0.00              |
| \$4,341,063.00 | \$4,341,063.00  | \$0.00              | \$0.00             | \$4,341,063.00     | <b>\$4,341,063.00</b> | \$0.00              |
| \$10,000.00    | \$10,000.00     | \$0.00              | \$0.00             | \$10,000.00        | <b>\$10,000.00</b>    | \$0.00              |
| \$89,746.50    | \$89,746.50     | \$0.00              | \$0.00             | \$89,746.50        | <b>\$89,746.50</b>    | \$0.00              |
| \$127,725.95   | \$0.00          | <b>\$127,725.95</b> | \$0.00             | \$0.00             | \$0.00                | \$0.00              |
| \$11,406.14    | \$0.00          | <b>\$11,406.14</b>  | \$0.00             | \$0.00             | \$0.00                | \$0.00              |





# 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      |



# ESSER II – Deadlines

- All funds must be obligated by September 30, 2023
- All remaining amendments (Spending plan revisions) for ESSER II need to be submitted by September 25, 2023
  - GAPS entry deadline - September 30
- All goods and/or services must be received, invoiced, paid, and claimed by December 30, 2023
- Final quarterly *reports* (not claims) due by January 5, 2024



# ESSER Reporting – Quarterly Reports

- Only report funds claimed in GAPS during quarter
- Do not report quarter expense occurred in
- Only Quarter in which claim was submitted in GAPS
- Example - claim submitted between January 1 and March 31
  - Reported by the April 5 report due date



# ESSER Reporting – Quarterly Reports

- Required to submit quarterly report for each ESSER grant still open
  - even if no claims for that grant were submitted during the quarter
- If there are no expenditures to report for ESSER II or III during the quarter, simply indicate on the report “0”



# ESSER Reporting Requirements

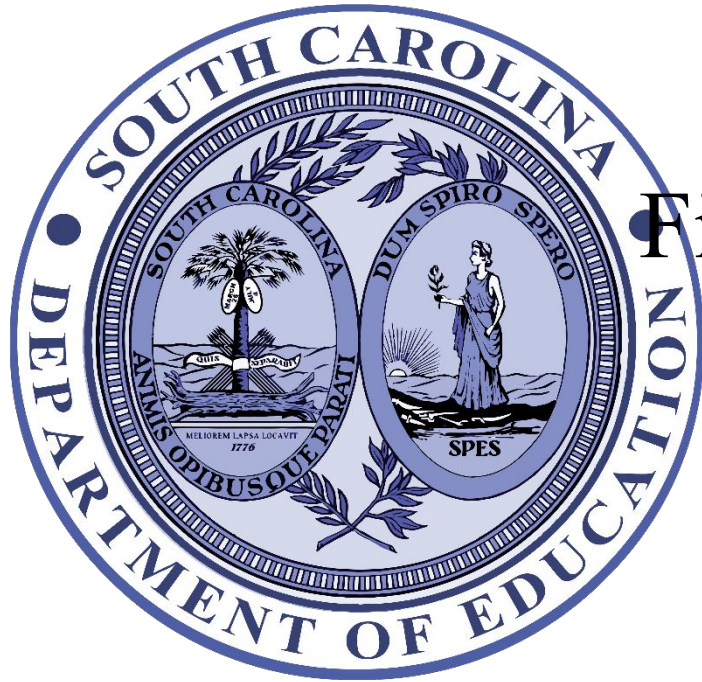
- Online ESSER quarterly report forms on the ESSER webpages
- ESSER II: [ESSER II Funding Information](#)
- ARP ESSER: [ARP ESSER Funding Information](#)



## 23 Title I – 15% Reminder

- Title I is the only grant that mandates spending down to 15% by September
- 23 Title I must meet the 15% requirement by September 30, 2023 (after 15 months of grant)
- No More than 15% of Allocation can be remaining
- This is checked after the November 15, 2023 claiming deadline





# School District Website Financial Transparency Requirements

Daniel Haven  
Fiscal Practices Analyst  
11/9/23

# Transaction Register >\$100 Expenditures

- Website posting must include a transaction register for all expenditures over \$100
  - Register must
    - Include transaction amount
    - Include name of vendor
    - Include detailed description of the expenditure
    - Be searchable and updated at least once a month
    - Not include salary, etc. paid to employees
    - Not include info that can be used to identify an individual





# Credit Card Statements

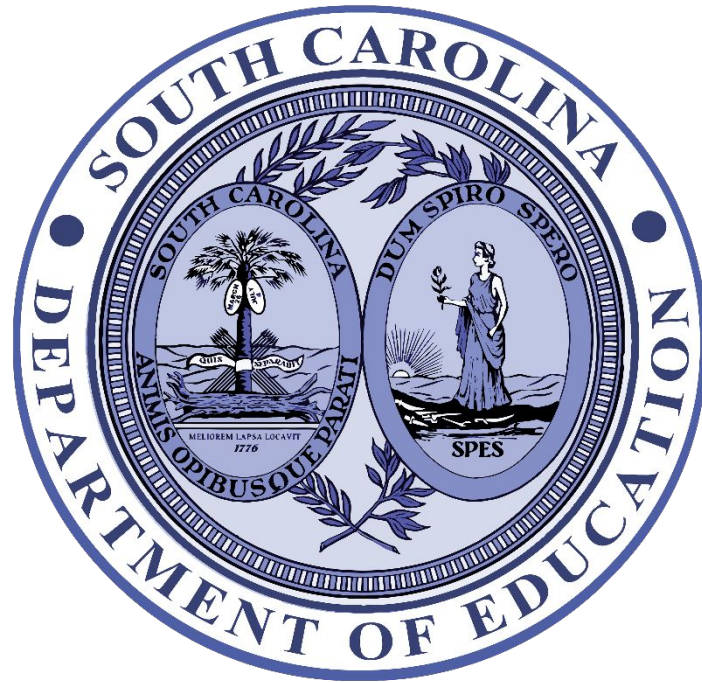
- Post on website a copy of each monthly statement for all credit cards maintained by the entity
- Redact credit card number on each statement **prior to posting**
- Posted no later than 30 days from balance due date



# Questions - Contact

- Valarie Byrd, M.A.
- Senior District Technology Consultant
- Office of Total Quality Management
- [vbyrd@ed.sc.gov](mailto:vbyrd@ed.sc.gov)
- 803-734-1434





# Fiscal Practices

Daniel Haven  
Fiscal Practices Analyst  
11/9/23

# Fiscal Practices Summary

**As of March 8, 2023 - 6 Districts on Declaration**

- 6 - Watch Status
- 5 - due to audit findings and/or other conditions that the department believes could have a significant effect of the district
- 1 - due to submitting annual audit more than 60 days after the December 1<sup>st</sup> audit deadline



# Fiscal Practices Committee – Items for Consideration

- Repeat Material Weakness and/or Significant Deficiency findings in the District's annual audit
- Audit submitted more than 60 days after the December 1<sup>st</sup> Deadline
- An investigation by the SC Inspector General's office and/or any other Investigative agency
- **This is not an all encompassing list!**



# Fiscal Practices – Going Forward

- Before a declaration/continued declaration is issued to a district
  - Communication via phone or email that declaration or continued declaration is being discussed
  - District will have opportunity to provide documentation for clarification to committee regarding concerned finding or situation



# Fiscal Practices Contact Information

**Daniel Haven, Fiscal Analyst**

(803) 734-0721

[dbhaven@ed.sc.gov](mailto:dbhaven@ed.sc.gov)





# Local Educational Agency (LEA)-Level Maintenance of Equity Reporting Requirements

11/9/2023

Steven Strother  
Interim CFO



# Maintenance of Equity Requirements

- Any LEA that receives ARP ESSER funds must comply with the applicable MOEquity requirements in **FY22** and **FY23**
  - This Year - Using FY22 and FY23 data for comparison
- Newly consolidated districts compare to the consolidating district's data



# Maintenance of Equity - Requirements

## LEA's must maintain two types of Equity

- **Must meet both types**

- **Fiscal Equity**

- To determine an LEA does not disproportionately reduce State and Local per-pupil funding in high-poverty schools

- **Staffing Equity**

- To demonstrate an LEA does not disproportionately reduce the number of full-time-equivalent (FTE) staff per-pupil in high-poverty schools



# Maintenance of **Fiscal Equity**

An LEA may not, in each of FY 2022 or 2023:

- Reduce combined **State and Local** per-pupil funding for any high-poverty school by an amount that exceeds the total reduction, if any, of *combined* **State and Local** per-pupil funding for all schools in the LEA



# Maintenance of **Staffing Equity**

An LEA may not, in each of FY 2022 or 2023:

- Reduce the number of FTE staff per-pupil in any high-poverty school by an amount that exceeds the total reduction, if any, of FTE staff per-pupil in all schools in the LEA
  - Using FTE's from *all* funding sources



# District Wide or Grade-Span Determination

- An LEA may determine **Fiscal Equity** compliance *and* **Staffing Equity** compliance by *either*:
  - A choice of method
- District Wide Determination
- Grade-Span Determination



# Maintenance of Equity Exceptions

- LEA has a total enrollment of less than 1,000 students
- Operates a single school
- Serves all students within each grade span with a single school



# Certification of Exception

- An LEA that falls under one of the first 3 exceptions is automatically excepted from the Local Maintenance of Equity Requirement
- The LEA does not need to submit a Certification of Exception



# Additional Exception

- LEA did not have an *aggregate reduction* in combined State and local per-pupil funding (Actual Expenditures)
- FY 2023 compared to FY 2022
  - Has demonstrated an exception from maintaining equity for that fiscal year





# No Aggregate Reduction

- If LEA did not meet one of the original 3 exceptions and can demonstrate it did *not* have an aggregate reduction in combined State and Local per-pupil funding (Actual Expenditures) in FY 2023 compared to FY 2022, the LEA is excepted that fiscal year



# No Aggregate Reduction - Continued

- Last year compared Revenue Budget
- This year must compare actual State and Local Expenditures (*not* revenue)



# No Aggregate Reduction - Continued

- Most recent student count
- Total State and Local Actual Expenditures/most recent count
- *FY23 is > than FY22, LEA is excepted from MOEquity Requirements for FY23*



# Along with Backup Documentation

- The LEA should submit a Certification of Exception from Local Maintenance of Equity Requirements to the SCDE Finance Office only (not to the U.S. Department of Education)



# Determine if **Fiscal Equity** is Maintained

- Obtain funding information (actual expenditures)
- **Funds**
  - 100
  - 300-399
    - Include any carryover funds
  - 900-999
    - Include any carryover funds



# Determine if **Fiscal Equity** is Maintained

- **Exclude**
  - Capital outlay (**Function 5XX, Object 5XX**)
  - Debt service (**Usually fund 4XX**)
  - Federal funds (**Usually 2XX,6XX, and Medicaid**)
  - Charitable contributions from private donors (**Usually in 8XX**)
  - Pupil Activity (**Function 27X, or Fund 7XX**)



# Determine if **Fiscal Equity** is Maintained

- Obtain funding information (**actual expenditures**)
- **Functions**
  - 100 - 299 (**Instruction and Support Services**)
- **Objects**
  - 100-499 (**Salaries through Supplies**)
- **Locations**
  - All School Locations



# Staffing Equity

- An LEA must maintain staffing equity in any high-poverty schools
- Includes:
  - All paid staff (instructional and non-instructional)
    - Include Vacancies
  - Those hired by contract who perform school-level services
    - Contractual Services (Object 3XX)





# Staffing Equity (Continued)

- Includes (Continued)
  - Staff who split their time between more than one school building in the LEA
  - Staff in *School Locations*
    - *Assigned to School Locations*
  - **All** Funding Sources
    - Unlike Fiscal Equity which only considers State and Local Funding Sources



# New (FY23) Compliance Calculator Due Date

- December 31, 2023 - SEAs publish applicable High Poverty School Data for FY23 on SEA Website
- This Means the **Compliance Calculator (FY23 Actuals)** will be due to the SCDE with FY23 numbers by November 30, 2023



# Reporting Template - Instructions

## Complete the Exceptions Tab first

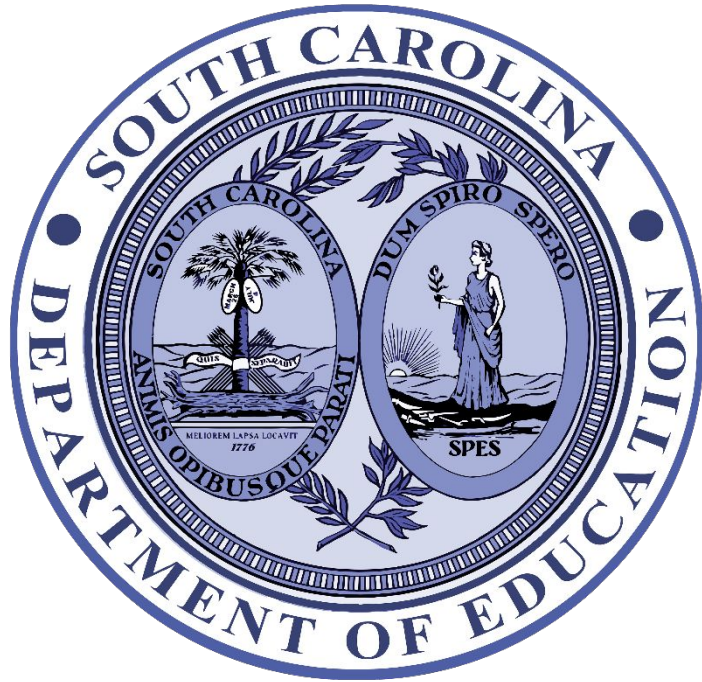
- If one of the four exceptions is met, there is no need to complete the remainder of the Reporting Template
- If one of the four exceptions is not met, begin completion of the Maintenance of Equity Reporting Template



# Submitting the MOEquity Reporting Template

- *All* LEA's must submit the Reporting Template
- If one of the 4 exceptions is met, the Exceptions Tab is the only tab required
- If the No Aggregate Reduction exceptions is met, the reporting template must be accompanied by the completed Certificate of Exception
- Return all Reporting Templates to Daniel Haven by **November 30, 2023**: [dbhaven@ed.sc.gov](mailto:dbhaven@ed.sc.gov)





# Noncompetitive Procurement Guidance

11/9/2023

Steven Strother  
Interim CFO

# **Noncompetitive Procurement – 2CFR 200.320 (c)**

*Can only be awarded if one or more of the following apply:*

- Aggregate dollar amount does not exceed the micro-purchase threshold
- The item is available only from a single source
- An emergency does not allow a delay resulting from competition
- **The SCDE authorizes a noncompetitive procurement via written request from subrecipient (the Form)**
- Competed, but determined competition is inadequate



## Note:

- State Contracts, Purchasing Groups, and Cooperative Agreements have already been completed - no form required
- Exemption Lists do not apply regarding Federal Funds



# Guidance for Subgrantees

- Compete or request noncompetitive procurement approval (whichever you prefer) if one of 5 bullet point is not met
- Competition is according to your Procurement Policy thresholds
  - Threshold for verbal quotes, written quotes, Bids, etc.
- Form must be signed by requestor, business official, and procurement official
  - In some cases, business and procurement official may be same
- Include adequate documentation related to request





# Program Office Responsibility

- Determine allowability of noncompetitive procurement based on grant guidelines
- Return form *timely* to subgrantee indicating decision - with justification
- Only approving or denying the use of noncompetitive procurement for the purchase
  - Not spending plan, budget, etc.



# With Approval, Subgrantee may Obligate

- If noncompetitive procurement is *approved* - subgrantee may obligate funds
- If not approved - must compete



# Guidance - A

- Multiple Federal Awards - single Vendor - one or more of 5 bullets not met - must compete
- OT, PT, Speech Therapists, Psychologists - Consider the state contract for temporary medical services found at <https://procurement.sc.gov/contracts/search?b=9919-0-0>



# Guidance - B

- Binding agreement with vendor that began work prior to memo date (August 4, 2023) - honor contract - document the situation
- No binding agreements prior to memo date (August 4, 2023) - must compete (if one or more of 5 bullet points is not met)
- Vendors can't be specified in a Federal grant - need to compete
- Specifying single brand (copyrights) is considered anti-competitive - must compete



# Guidance - C

- Mileage and meals for conferences - GAN refers to GSA rates - honor most restrictive - district or GSA
- Airline travel - GSA rates for airline travel - honor most restrictive - district or GSA
- Cost of conferences can't be competed - send Non-Competitive Procurement form to Program Office
- PD Vendors must be competed if one or more of 5 bullet points not met



# Where is Noncompetitive Procurement Form?

- Home/ Finance/ Procurement/ Procurement/  
Noncompetitive Procurement with Federal Funds



# Food Service Fringe

- No Formal Guidance
- If justification makes sense and is fair to the food service program and to you GF
- Reasonable calculation





# SCASBO 2023 Fall Conference

## Office of Auditing Services Update

November 9, 2023

Hershula D. Davis  
Director, Office of Auditing Services



# Topics

- Annual Audit Requirements
- Penalties for Late Audit Submission
- LEA Desk Reviews
- Changes in OAS



# 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

- Upload the following through the LEA Audit Reporting System (LARS)
  - Full Audit Report
    - Basic Financial Statements
    - SCDE Supplemental Schedules (how included in the bound audit report)
    - 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 Schedules Template
- OMB Data Collection Form
- Supportive Information
  - Values must be to the hundredth place
  - Input data on the Supportive Information tab in LARS



# Supportive Information Sheet Data

- **NEW Requirement**
  - Capitalization threshold
  - Now required to be included on the Supportive Information Sheet for indirect cost rate purposes
  - Capitalization thresholds will be posted with district indirect cost rates and included on indirect cost rate agreements
- **Reminder**
  - Depreciation
    - Remember to include depreciation data on the Supportive Information Sheet
    - Used for calculation of the unrestricted indirect cost rate



# Supplemental Schedules Template

## 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 district's data

***\*\*Reminder: Review the Error Summary in LARS, correct errors noted on the template, and accept the final review warning.\*\****



# Annual Audit Submission Letter

- Letter will be sent to Superintendents, CTE directors, and SBOs no later than next week
- Important Due Dates
  - Annual Audits Submission due December 1, 2023
  - INSITE Data File due December 1, 2023
  - ESSA Reporting due December 1, 2023

***\*\*Everything is due December 1, 2023\*\****





# Annual Audit Guide

- The SCDE Annual Audit Guide lists both state and federal program audit requirements.
- Guide will be posted soon
  - Current copy of the Annual Audit Guide being revised due to accessibility issues
  - If you would like a copy of the Annual Audit Guide, please email me at [hdavis@ed.sc.gov](mailto:hdavis@ed.sc.gov)



# Penalties for Late Audit Submission



# Penalties for Late Audit Submission

- Submission 60 days after the deadline
  - Automatic fiscal practices designation of at least fiscal watch
  - January 31 or later
- Submission more than 30 days late
  - High Risk rating for the audit submission criterion on the annual subrecipient risk assessment
  - January 1 - January 30



# Penalties for Late Audit Submission

- Submission after December 1 but within 30 days of the due date
  - Medium Risk rating for the district for the audit submission criterion on the annual subrecipient risk assessment
  - December 2 - December 31



# Notice of Late Audit Submission

- Letter sent from the State Superintendent of Education
- District school business official, school board, and legislative delegation copied on the letter



# LEA Desk Reviews



# LEA Desk Reviews

- Completed for districts with federal award audit findings
  - Required by the Single Act of 1996 and 2 CFR 200
- SCDE program offices provide management decision
  - Finding sustained or not sustained
  - Status of corrective actions
    - Resolved
    - Partially resolved
      - Expected completion date
    - Unresolved
      - Expected completion date
      - On track for resolution
      - Not on track for resolution
  - Is further action warranted



# LEA Desk Reviews

- Close-out Letter
  - Required to be submitted within 6 months of acceptance of the district's audit report through the Federal Audit Clearinghouse





# 2021-22 LEA Desk Review Findings

- Identification of whether audit finding was a repeat finding in the immediate prior audit was not indicated
  - 2 CFR 200.516 (b)(8)
- Federal Award Identification Number not noted in the finding
  - 2 CFR 200.516 (b)(1)

***\*\*Remind your external auditors of desk review findings noted during the prior year's desk review.\*\****



# Changes in OAS - New Staff

- Angela Sharperson, Senior Auditor
  - State Audits
- A. Timothy Kamara, Senior Auditor
  - Internal Auditor
- Luevertia Moore, Senior Auditor
  - Forensic and Procurement Auditor
- ZeNata Donaldson, Contracted Auditor
  - “Whatever Needs to Get Done” Auditor
- Torrence Caple, Administrative Assistant



# Changes in OAS – Farewell to Melissa A. Myers

OAS and the South Carolina Department of Education thanks Melissa for over 19 years of dedicated service to the South Carolina Department of Education and support to the school districts in South Carolina!!!



# Questions?



# Contact

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