

Special Education Finance Fiscal Monitoring Training

2020 - 2021



Today's Focus

- Fiscal Monitoring Process
- Timeline
- Risk Assessment
- Monitoring Protocols
- Resources

Fiscal Monitoring

Special Education IDEA Part B Fiscal Accountability Procedures Manual:

<https://arksped.k12.ar.us/documents/fundingFinance/IDEAPartB/FiscalAccountabilityProcedures09262016.pdf>

Timeline

Timeframe One

- **Fiscal Risk Assessment by LEA (self assessment)**
 - **November 13, 2020**
- Type of Tier Notification Letter
 - No Later Than December 4, 2020
- Request for Documentation Email
 - By December 11, 2020
 - **Submission of Documentation by LEA is due 30 days from email request**
- Conclusion Letter or CAP Letter
 - After review of submitted documentation

Timeframe Two

- **Fiscal Risk Assessment by LEA (self-assessment)**
 - **February 12, 2021**
- Type of Tier Notification Letter
 - No Later Than March 5, 2021
- Request for Documentation Email
 - By March 12, 2020
 - **Submission of Documentation by LEA is due 30 days from email request**
- Conclusion Letter or CAP Letter
 - After review of submitted documentation

Risk Assessment



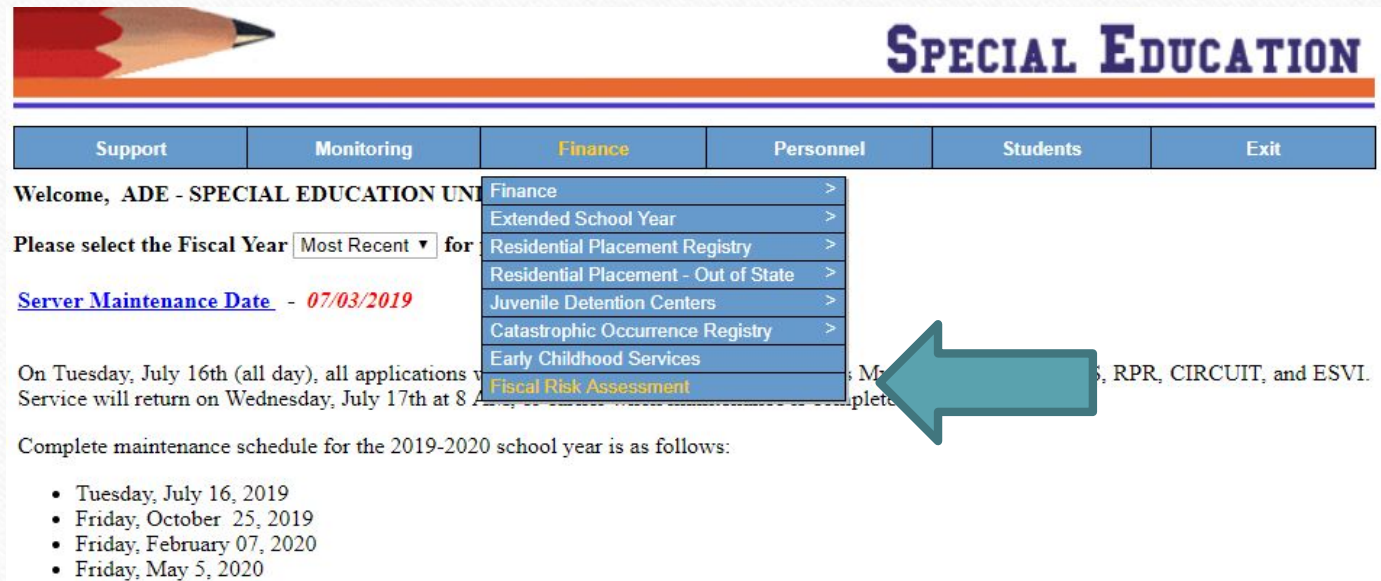
Risk Assessment

- The Risk Assessment is broken up into two sections:
 - Special Education Unit (SEU) Review of Data
 - LEA Fiscal Risk Assessment - self-assessment completed in MySped
- Both sections are taken into account when scoring the total Risk Assessment.
- The Risk Assessment score determines what SPED Finance needs from the LEA during the Fiscal Monitoring process.
- **SEU Funding and Finance page:**
<http://dese.ade.arkansas.gov/divisions/learning-services/special-education/funding-finance/fiscal-monitoring>

SEU Review of Data

- History of late submission of required data or financial information
- Inaccurate or unverifiable reporting of actual expenditures and carryover
- Timely use of, obligation, and liquidation of funds
- Questionable, disproportionate or unauthorized expenditures
- Maintenance of Effort (MOE)
- Fiscal Distress

Fiscal Risk Assessment (Self Assessment)



The screenshot shows the 'SPECIAL EDUCATION' website header with a pencil icon. Below the header is a navigation bar with tabs: Support, Monitoring, Finance, Personnel, Students, and Exit. The 'Finance' tab is selected, and a dropdown menu is open, listing various options: Finance, Extended School Year, Residential Placement Registry, Residential Placement - Out of State, Juvenile Detention Centers, Catastrophic Occurrence Registry, Early Childhood Services, and Fiscal Risk Assessment. A teal arrow points to the 'Fiscal Risk Assessment' option. Below the navigation bar, there is a welcome message, a fiscal year selection dropdown (set to 'Most Recent'), a server maintenance date of 07/03/2019, and a maintenance schedule for the 2019-2020 school year.

SPECIAL EDUCATION

Support	Monitoring	Finance	Personnel	Students	Exit
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Welcome, ADE - SPECIAL EDUCATION UNIT

Please select the Fiscal Year for

Server Maintenance Date - 07/03/2019

On Tuesday, July 16th (all day), all applications v...
Service will return on Wednesday, July 17th at 8... complete

Complete maintenance schedule for the 2019-2020 school year is as follows:

- Tuesday, July 16, 2019
- Friday, October 25, 2019
- Friday, February 07, 2020
- Friday, May 5, 2020

MySped Log-in: <https://arksped.k12.ar.us/Applications/MySped/SignIn.aspx>



RISK ASSESSMENT FOR SUB-GRANTEES' USE OF IDEA PART B FUNDS

2019-20 Monitoring Cycle for 2018-19 data

* Required

LEA #: *

Your answer

Answers should be for 2018-19 data

This self-assessment is to be completed in MYSPEd by all Local Educational Agencies (LEA) in the 2019-20 Fiscal Monitoring Cycle, and is the first step in determining sub-recipient risk for noncompliance related to the use of IDEA VI-B funds. The Division of Elementary and Secondary Education, Special Education Unit (DESE, SEU) will select LEAs each year to verify compliance with federal statutes and regulations, and with the terms and conditions of the LEAs approved grant award.

NEXT

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More



RISK ASSESSMENT FOR SUB-GRANTEES' USE OF IDEA PART B FUNDS

* Required

1

Has the Excess Cost been calculated for elementary and secondary school age population as part of the local budgeting process? *

Yes

No

BACK

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RISK ASSESSMENT FOR SUB-GRANTEES' USE OF IDEA PART B FUNDS

* Required

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Has the LEA employed a new Special Education Director/Supervisor and/or Business Manager within the last 2 years? *

Yes

No

BACK

SUBMIT

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Risk Assessment

- SPED Finance reviews both the SEU Review of Data and the Fiscal Risk Assessment (Self-Assessment) to comprise the total Risk Assessment.
- LEAs with a total risk score of 0-10 are considered **Tier One**.
- LEAs with a total risk score of 10-20 are considered **Tier Two**.
- LEAs with a total risk score of 20-40 are considered **Tier Three**.
- **Review of Self-Assessment Responses (Scoring Rubric)**
<http://dese.ade.arkansas.gov/divisions/learning-services/special-education/funding-finance/fiscal-monitoring>

Monitoring Protocols



Monitoring Protocols

- **Tier One** districts are not required to complete questions.
- **Tier Two** districts will be required to complete questions identified by SPED Finance and submit documentation to support their answers.
- **Tier Three** districts will be required to complete all of the questions and submit documentation to support their answers.

SPED Funding and Finance page:

<http://dese.ade.arkansas.gov/divisions/learning-services/special-education/funding-finance/fiscal-monitoring>



Monitoring Protocols

There are six sections of Monitoring Protocol questions:

- Obligation/Liquidation and Use of Funds
- Maintenance of Effort and Excess Cost
- Personnel
- Contractual Services- Including Procurement
- Equipment and Construction
- Other Expenditures

*Documentation in the gray boxes will be pulled by the SEU Finance team



Obligation/Liquidation and Use of Funds

Protocol Question #3

What is the LEA's process for determining that expenditures are reasonable, allowable, and consistent with the IDEA grant award intended use?

Documentation Review:

Review expenditure transaction detail for disbursements within the designated IDEA funds.

Required Documentation:

SEU will pull required data in-house.
(Expenditure Audit Trail)

From LEA: DESE SEU **may** request the LEA to submit copies of expenditures, itemized receipts, purchase orders, and other data related to purchases.

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Personnel

Protocol Question #10

Are there employees paid partially from IDEA funds? If so, does the LEA keep personnel activity logs to track employees funded from different sources?

Documentation Review:

Review of Time and Effort documents - compare to approved split-funded positions in the grant application.

Required Documentation:

From LEA: Monthly Time Certification forms and FTE included at top of forms.

Sample Time Certification Form:

<http://dese.ade.arkansas.gov/divisions/learning-services/special-education/funding-finance/finance-forms>

Contractual Services - Including Procurement

Questions 11 - 15

-
- Renewal Statement
 - Termination Clause
 - Monthly Progress Notes
 - Professional Licensure
 - Liability Insurance
 - Medicaid Billing
 - HIPPA/FERPA
 - Confidentiality
 - Turn Around Time for Reports
 - Extended School Year (ESY)
 - Established Rate, Payment Procedures
 - Mileage

Special Education Fiscal Accountability Procedures Manual:

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Expenditure Audit Trail Red-Flags

Examples:

1. Reimbursements to Individual Staff Members
2. Nonspecific Transactions from Bank or Credit Cards
3. Vendors such as Amazon or Walmart
4. Vendors such as Grocery Stores or Expenditures that Note Food Purchase for Staff Meeting
5. Expenditures of \$1,000 or Greater Spent on Equipment and Technology or Out-of-State Travel

Non-Allowable Expenditures

- Meals, Food, and Coffee for Staff
- Field Trips
 - Movie, Theater, and Performing Arts Tickets
 - Admission Costs
 - Lunch or Snacks
- Special Olympics Expenses
 - Including Uniforms, T-shirts, Food, Equipment, and Practice Events
- Gift Cards
- Gifts and Prizes
- Clothing or Apparel
- Legal Fees
- Graduation Items
- Decorations or Party Supply Items
- Supplies to Start-Up or Maintain a Student Run Business
 - Example: Coffee Cart or Snack Bar
- Medicaid Match
- Anything Else Not Adhering to Federal Regulations

Non-Allowable Expenditures

- Recreation, Including Therapeutic Recreation (such as Equine Therapy)
 - **UNLESS** it is a need addressed in the PLAAFP of the IEP and listed as a Related Service with time, frequency, and setting.
- Groceries (including Snacks, Candy)
 - **UNLESS** they are connected to life skills lesson plans and IEP goals (and/or objectives) or behavior plans

Conclusion Letter or Corrective Action Plan (CAP)

- Conclusion Letter
- Corrective Action Plan (CAP)
 - unjustified, non-allowable expenditures
 - additional actions and documentation required by SPED Finance

Resources

Special Education Fiscal Accountability Procedures Manual:

<https://arksped.k12.ar.us/documents/fundingFinance/IDEAPartBFiscalAccountabilityProcedures09262016.pdf>

SPED Funding and Finance Page:

<http://dese.ade.arkansas.gov/divisions/learning-services/special-education/funding-finance>

Contracts: <https://www.irs.gov/pub/irs-pdf/p1779.pdf>

Arkansas Medicaid in the Schools:

<http://dese.ade.arkansas.gov/divisions/learning-services/school-health-services/arkansas-medicaid-in-the-schools>

Contact Information

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