

**SOUTH CAROLINA DEPARTMENT OF EDUCATION**  
**CHIEF FINANCE OFFICE**

**JULY 2021 – 2022**

**ISSUE 1**



Please submit information and requested data to the Financial Services Section at the following email address: [financesvcs@ed.sc.gov](mailto:financesvcs@ed.sc.gov).

**July 2021** - A monthly update from the State Department of Education's (SCDE) Office of Finance to local school district business officials. If you have any questions about information in this issue, contact Steven Strother at 803-734-8885; Melanie Cooper at 803-734-8135; Sequoyah Williams at 734-8488, or Melissa Myers at 803-734-8453.

**New or Updated Payments for July**

<b>Revenue Code</b>	<b>Subfund</b>	<b>Description</b>
0720A	200	Medicaid FY20-21
3127	937	Student Health & Fitness - PE
3160C	100	Bus Driver SLED Check
3162	100	Bus Driver Worker's Compensation
3180	100	State Aid Classroom Fringe
3181	100	Retiree Insurance
3187	917	Teacher Supply
3193	919	Apple Tag
3577	377	Teacher Supply
3597	397	Aid to Districts

**State Aid to Classrooms – EFA**

The FY22 Base Student Cost is \$2,516.

**FY22 Teacher Supply Funding**

Teacher supply funding is \$275 for certified and noncertified teachers. The funds must be disbursed in a manner separate and distinct from their payroll check on the first day teachers, by contract, are required to be in attendance at school for the current contract year.

***CFO UPDATE***

**Office of Finance Contacts**

Financial Services – Melanie Cooper and Desiree Williams

Grants Accounting – Sequoyah Williams

Fiscal Practices – Daniel Haven

General Budget and Finance Questions – Nancy Williams, Steven Strother, and Melanie Cooper

**New Staff Members in the Grants Accounting Section**

Congratulations to Brittany Riley for accepting the position of Fiscal Analyst in the Grants Accounting Section. Ms. Riley replaced Sarah Wagers who recently was promoted as an Education Associate in the Office of Federal and State Accountability. Ms. Riley formerly worked in the Fiscal Accounting Section, Office of Finance.

Also, we wish to welcome Kermit Hines, Fiscal Analyst, to our staff. Mr. Hines will be working with records and reports related to ESSER grants.

### **Proviso 1.104 Part A – Consolidation Funding**

Please reference [memo](#) dated July 13, 2021 regarding Proviso 1.104 Part A – Consolidation Funding. A preliminary plan was provided to districts who have intentions of consolidating and plan to seek funding as provided by Proviso 1.104 Part A. These plans are due by Friday, July 30, 2021.

If you have any questions about Proviso 1.104(A), please contact Betsy Carpentier at [bcarpentier@ed.sc.gov](mailto:bcarpentier@ed.sc.gov).

### **Revised ARP ESSER Funds Allocation**

Due to a calculation revision by the US Department of Education, the South Carolina Department of Education (SCDE) has recalculated each district's American Rescue Plan (ARP) Act's Elementary and Secondary Schools Emergency Relief (ESSER) grant allocation. The revised amounts for this allocation are shown in the allocation tables found on the [ARP ESSER website](#).

If you have any questions, please e-mail [scesser@ed.sc.gov](mailto:scesser@ed.sc.gov).

### **2021–22 School Year Hotspot Program Updates**

The South Carolina Department of Education, Office of the Chief Information Officer, will be transitioning the billing of the hotspots and wired connections that were obtained through the Online Learning Initiative to the associated school districts effective August 1, 2021. Please plan accordingly if you intend to provide hotspots to your students after this date. For example, you may wish to amend the district's ESSER budgets to include the monthly service fees for hotspots so that these expenditures can be reimbursed. If you have any questions, please contact Jeff Henry at [rhenry@ed.sc.gov](mailto:rhenry@ed.sc.gov).

### **Remaining School Safety Infrastructure Funds (Sub Fund 970/Revenue Code 3670)**

Templates were sent to school districts to complete to show how they spent their remaining School Safety Infrastructure funds pursuant to Proviso 1.98(B).

These School Safety Infrastructure funds are recorded in Sub Fund 970/Revenue Code 3670. We also requested along with the completed template, a revenue and expenditure statement from your accounting system to show the funds were recorded in the aforementioned Sub Fund/Revenue code. Remember that due to the pandemic these funds were originally supposed to be fully expended/encumbered by close of FY20 but were extended to FY21. Any funds not expended by FY21 should be remitted back to the department. Please return the completed template to Daniel Haven at [dbhaven@ed.sc.gov](mailto:dbhaven@ed.sc.gov) by August 15, 2021. Thanks!

### **ESSER Funds and the Potential Impact on LEA Fiscal Responsibilities**

As additional funds under the Elementary and Secondary Schools Emergency Relief (ESSER) program are subgranted to Local educational agencies (LEAs), the South Carolina Department of Education (SCDE) wanted to address the use of these funds and the potential impact on LEA fiscal responsibilities under the Individuals with Disabilities Education Act (IDEA) for the IDEA local Maintenance of Effort (MOE) requirement. Please review the [memo](#) from Rebecca Davis, Director, Office of Special Education Services, for more information regarding these requirements.

For questions related to MOE or other IDEA fiscal requirements, please contact **Michelle Williams Young** at [smwilliamsyoung@ed.sc.gov](mailto:smwilliamsyoung@ed.sc.gov).

### **ESSER Application and Resources**

Please use the following link to access the ESSER application, the recorded ESSER technical assistance session, and other important ESSER resources.

[South Carolina Coronavirus Aid, Relief, and Economic Security \(SC CARES\) Elementary and Secondary School Emergency Relief \(ESSER\) Subgrant 2020](#)

On February 2, 2021, ESSER updates and guidance were provided to four key areas related to funds provided under ESSER I and II programs. Please reference [memo](#) from John Payne and Cathy Hazelwood. If you have any questions regarding this guidance, please email [scesser@ed.sc.gov](mailto:scesser@ed.sc.gov).

### **Carryforward Authority**

Per Superintendent's current authority listed in both the House and Senate versions of the budget for Fiscal Year 2022, districts will now have until June 30, 2022, to expend all state funds allocated in Fiscal Year 2020.

This carry forward authority does not apply to federal funds.

### **School Business Officials Contact List**

School business officials received an email requesting updates to the school business officials contact list for Fiscal Year 2021 - 22. Please reference email dated July 6, and return completed form to Kim Moss, [kmoss@ed.sc.gov](mailto:kmoss@ed.sc.gov), by Friday, August 6. Throughout the fiscal year, please report to us any finance personnel changes in your school district.

**Also make sure that your district is updating staff information through the SCDE Member Center – District & Entity Information Management (DEIM).**

### **Recently Posted Correspondence/Data**

[Fiscal Year 2021 – 2022 Funding Flexibility Form](#)

[EFA Payments to Other Entities – July 2021](#)

[Apple Tag List Fourth Quarter 2021](#)

[Fiscal Year 2021 – 2022 Final Budget Projections](#)

[Fiscal Year 2021-2022 Financial Requirements Prior 135-Day Report Cycle](#)

[Fiscal Year 2021-2022 Financial Requirements Prior 135-Day Report Cycle – Other Entities](#)

[Fiscal Year 2021 – 2022 State Minimum Teacher Salary Schedule - Final](#)

[FY 2021 Federal Grant Close Out](#)

[Memo - Requirements to Employ Retired Individuals for School Year 2021 - 2022](#)

[Assurance Form for Meeting the Requirements to Employ Retired Individuals – School Year 2021 - 2022](#)

[ESSA Per Pupil Expenditure Guidelines](#)

[Funding Flexibility Form for FY 21-22](#)

### **Proviso Billing Rate**

The daily rate for FY 2020-21 is \$4.15.

The daily rate for FY 2021-22 is \$4.19.

## ***FINANCIAL SERVICES***

### **Funding Flexibility Form and Procedures for FY 21-22**

The [flexibility form](#) and [procedures](#) for FY 21-22 have been posted to Finance's web page.

### **Updates for PCS Users**

The 2021-22 SC Educator System Compensation User Manual will be completed within a couple of weeks. The position code list and PCS User Access form can be found at the following links:

[PCS User Manual – FY 20-21](#)

[PCS User Access Form](#)

[PCS Position Code List for FY 21-22](#)

### **School District Website Requirements**

The SCDE has created a [webpage](#) containing State and Federal requirements for school district websites and other public awareness resources. Questions should be directed to Valarie Byrd, Senior Consultant, Total Quality Management Services, [vbyrd@ed.sc.gov](mailto:vbyrd@ed.sc.gov).

## GRANTS ACCOUNTING

### Payments to Counties

Payment to County Reports will be run in August and posted to our website. External auditors should be assigned a role to view all reports in GAPS.

### August 15 – Final Day for Expenditure Claims for Federal Grants

Expenditure claims in GAPS for any expenditures from July 1, 2020 through June 30, 2021, **received after Sunday, August 15, 2021, will not be paid. This deadline will be strictly enforced.** Expenditure claims in GAPS must be in the status of "Submitted to SCDE Finance" by August 15, to meet the deadline. Please make sure your Finance Approver has approved your claims by August 15. If your grant has an **earlier** Final Report Date listed on your GAN, then that is the date you must have all your expenditure claims submitted to SCDE Finance in order to be paid. If your grant has a Final Report Date listed on your GAN later than August 15, then you still must submit your expenditure claims for all expenditures through June 30, 2021, by August 15.

You may then submit any expenditure claims from July 1, 2021, through the end of your grant by the Final Report Date listed on your GAN.

If you have any questions or need additional information, please call Sequoyah Burden at 803-734-8488.

### Quarterly Claims Submission

**Quarterly submission of claims is required once an approved budget is in place. This is a key component in Risk Assessment Rating from Grants Accounting.**

### Quarterly Claims Due Dates

Claims for Quarter 4 are due by August 15.

### New Frequently Asked Questions

The federal Office of Management and Budget (OMB) released a [new Frequently Asked Questions \(FAQs\)](#) to address common questions about recent updates to Title 2 of the Code of Federal Regulations; this includes the revisions to the Uniform Grant Guidance in 2 CFR Part 200 that were published in the Federal Register on August 13, 2020. Be sure to review these! The revised regulations apply to the ESSER II and ESSER III subawards and the subawards your district will receive in the next Fiscal Year.

### State/EIA Grant Funds

Please continue to monitor your state grant drawdowns and the need for budget amendments. Please refer to your Grant Award Notification (GAN) for each award and adhere to the reporting deadlines. We will be unable to reimburse for any claims submitted after the listed deadlines.

### GAPS Email Notifications

If you are not receiving GAPS email notifications, please email Steven Strother at [sgstrother@ed.sc.gov](mailto:sgstrother@ed.sc.gov).

### Ensure Procedures Comply with Agreements & Regulations

The December 2020 Finance newsletter referenced five policies and procedures that your district should update to reflect the actual processes being followed during the current COVID-19 emergency:

- Allowability Procedures—[2 CFR Part 200.302\(b\)\(7\)](#)
- Managing Equipment—[§200.313\(d\)](#)
- Travel Policy—[§200.475\(b\)](#)
- Time and Effort Procedures—[§ 200.430](#)
- Record Retention Procedures—[§ 200.334](#)

Please note that the SCDE's Assurances and Terms and Conditions for Federal Subawards that accompanied your federal subgrants also affect how your district administers these policies and procedures.

### **Ensure Procedures Comply with Agreements & Regulations - continued**

For example, regarding time and effort procedures, Assurances item D. specifies that the district will maintain required support that “includes certifications and/or personnel activity records depending upon the amount of time spent on cost objectives.” Terms and Conditions item J. Travel Costs implements the state’s thresholds on the district’s use of the subgrant funds for lodging, per diem, and mileage; the state’s limits may be more restrictive than the district’s travel policy.

Likewise, Terms and Conditions item P. Records extends the record retention period for subgrant records to six years following closeout, which is longer than the three years stated in the federal regulation.

Be sure to reference the Assurances and Terms and Conditions of your federal subgrants as your district works to ensure documentation for all three control environments: 1. The pre-COVID-19 (normal operations) environment, 2. The COVID-19 (shut-down/emergency operations) environment, and 3. The transition environment between shut-down/emergency operations and normal operations.

One more thing: chief finance officials should review the federal Office of Management and Budget (OMB) recently released Controller Alert: [Leveraging Employer Identification Number \(EIN\) to Promote Transparency and Accountability](#). This alert provides additional information on the OMB’s recent policy to support executive memoranda [M-21-03, Improvements in Federal Spending Transparency for Financial Assistance](#) issued in November 2020.

It includes that in federal fiscal year 2021, a funded entity’s EIN will be posted on USASpending.gov to “increase transparency for entities that are receiving financial assistance from the federal government.”

### **ESSER Reporting Requirement**

The next ESSER Report due date is October 5, 2021 (for claims submitted from July 1 – September 30).

ESSER Report dates are determined by the claims you have submitted in GAPS during the reporting quarter.

Each report will include the claim(s) submitted prior to the reporting date during the reporting quarter. Send completed reports to [grantsaccounting@ed.sc.gov](mailto:grantsaccounting@ed.sc.gov).

If you need assistance or more information on the quarterly reporting, please view this [webinar](#). Additional information can be found on the SCDE [ESSER web page](#). Email [scesser@ed.sc.gov](mailto:scesser@ed.sc.gov) with any questions or concerns.

### **Coronavirus Relief Funds (CRF)**

Districts received a Per Pupil Allocation in early December for CRF funds. Please remember that this allocation might have been slightly different than stated in the letter you signed and returned indicating an “Estimated Allocation”.

The per pupil allocation **will not need to be claimed via GAPS**. Please track these funds under **Revenue code 4973 Subfund 217**. Please also use the following modifiers to track the funds expended in the following four allowable categories: (The modifier should be the last digit in the modifier portion of the account number, preceded by 0's).

1. School safety measures taken in response to COVID-19 including, but not limited to, purchasing masks, gloves, wipes, hand sanitizer, face shields, cleaning solution, Plexiglass, and other cleaning equipment and supplies. (Modifier 1. The modifier should be the last digit in the modifier portion of the account number, preceded by 0's).
2. Hire or contract for school nurse services for those schools that do not have a full-time school nurse. (Modifier 2. The modifier should be the last digit in the modifier portion of the account number, preceded by 0's).
3. Tutoring, supplemental services, and support services to include services for unengaged students, interventionists, and after school learning extensions that prioritize face-to-face instruction focused on students with reading or math difficulties and students with IEPs to



### **Coronavirus Relief Funds (CRF) - continued**

address deficits resulting from COVID-19. (Modifier 3. The modifier should be the last digit in the modifier portion of the account number, preceded by 0's).

4. Technology purchases of devices and connectivity equipment to support online learning resulting from COVID-19. (Modifier 4. The modifier should be the last digit in the modifier portion of the account number, preceded by 0's).

These funds can be used to pay for expenditures incurred from July 1, 2020 through September 30, 2021. The supplement not supplant provision does not apply to these funds. Additionally, indirect cost recovery can't be charged to these funds. Districts are required to report quarterly on how these funds have been expended. The fourth report is due August 15<sup>th</sup> for all expenditures incurred during the period of April 1, 2021 – June 30, 2021. Supporting documentation to include financial reports from your accounting system, invoices, purchase orders, etc., must also be submitted with the quarterly reports.

Please remember that all CRF funds must be spent by September 30, 2021.

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.

### **CRF Reporting Dates**

Quarter 4 FY21 – Report by 8/15/2021

Quarter 1 FY22 - Report by 11/15/2021

Submit CRF Reports to [grantsaccounting@ed.sc.gov](mailto:grantsaccounting@ed.sc.gov).

### **Time and Effort Reporting**

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities (2 C.F.R. § 200.430(i)(1)). Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed.

To meet the above requirements, all employees who must complete time and effort forms must submit either a semi-annual certification or a personnel activity report (PAR) as required below.

The type of form depends on the funding of the position and the number of cost objectives/grants that an employee works on.

The forms are located under the [Time and Effort Reporting](#) web page.

Special Note: In reference to the memo dated April 24, 2020, titled Guidance on Time and Effort Reporting and Internal Controls During COVID-19 posted on the web page, please contact [Mr. Strother](#) with any specific questions regarding time and effort reporting and [Ms. Myers](#) with any questions regarding internal controls.

### **Reports Menu**

**PLEASE REVIEW BUDGET AND EXPENDITURE STATUS REPORTS TO ENSURE THAT ALL ITEMS HAVE BEEN SUBMITTED TO THE SCDE. ITEMS MUST BE SUBMITTED TO SCDE, OFFICE OF FINANCE, BEFORE PAYMENTS CAN BE PROCESSED.**

### **From the Office of Federal and State Accountability - CARES Act**

1. With the new allowed flexibilities under the CARES Act, districts may want to make changes to their original plans (particularly Title II and Title IV). Amendments should be made: (a) if there are changes in the scope of the plan, or (b) if there are expenditures for function or object codes that were not in the approved budget. Otherwise, an amendment is not needed under these exceptional circumstances.

### **From the Office of Federal and State Accountability - CARES Act - continued**

The mission of the Office of Federal and State Accountability is to process amendment requests with record speed and efficiency. Districts are encouraged to take advantage of all allowed flexibilities under these waivers. At the same time, we want to help protect districts from findings that may occur when the program gets monitored. If you have questions or would like to explore whether or not an amendment is needed, please reach out to Jewell Stanley at [jstanley@ed.sc.gov](mailto:jstanley@ed.sc.gov).

2. The period of availability for all FY19 ESSA grants has been extended to September 30, 2021. Additionally, the carryover threshold for Title I is waived for FY20.

### **Grants Accounting Staff Listing**

For questions regarding specific grants, please refer to the grants accounting staff listing located on the Grants Accounting Section's web page, [Grants Accounting Staff Listing](#).

## ***AUDITING SERVICES***

### **Detailed Schedule of Funds Due to the SCDE**

Invoices for funds due back to the SCDE per the Detailed Schedule of Funds Due to the SCDE included in the district's FY 2019-20 audit report have been distributed to LEAs. Payments should be submitted to the attention of Jenny Padgett in the Office of Finance. Documentation of payments already made should be sent to [auditing-services@ed.sc.gov](mailto:auditing-services@ed.sc.gov).

### **Indirect Cost Rates**

Spreadsheets showing the calculation of the unrestricted and restricted indirect cost rates for FY 2021-22 have been distributed. Please reconcile the data in the spreadsheets to your district's general ledger. If any discrepancies are noted, please note

those changes in red and recalculate your rate. Obtain your superintendent's signature on the printouts after the verification has been done and send to [auditing-services@ed.sc.gov](mailto:auditing-services@ed.sc.gov).

### **Fiscal Year 2019-20 LEA Audit Report Submission**

The requirement for school districts to submit an audit report to the SCDE by December 1, regarding the prior fiscal year, was extended to January 15, 2021. In addition, the deadline to submit the single audit section only of the FY 2019-20 audit reports was extended to January 29, 2021. If your district has not submitted the FY 2019-20 audit report, please do so as soon as possible.

If you are a district contact who needs access to the LEA Audit Reporting System (LARS) to upload the audit report, data collection form, SCDE supplemental template, or enter supportive information, request for your district's WAA to search for "ESA District User" to grant you access.

Also, please refer to the memo regarding this year's audit requirements at: [Audit Report Submission](#).

### **ESSER – Indirect Cost**

ESSER funds are not subjected to the supplement, not supplant requirement. Therefore, districts may claim up to the approved unrestricted indirect cost for this program.

### **ESSER – Unallowable Expenditures**

According to ED, LEAs may not spend ESSER funds on:

- Bonuses, merit pay, or similar expenditures, unless related to disruptions or closures related to COVID-19,
- Subsidizing or offsetting executive salaries and benefits of individuals who are not LEA employees, or
- Expenditures related to state or local teacher or faculty unions or associations.

### **Miscellaneous Revenue Codes and Subfunds**

When allocations to school districts exceed \$500,000 from a single source of funds, a unique revenue code and subfund are assigned to those funds and guidelines for those funds will appear in Miscellaneous Revenue Codes and the Funding Manual produced by the Office of Finance.

If total allocations do not exceed \$500,000, miscellaneous revenue codes and subfunds will be used as follows:

Source of Fund	Revenue Code	Subfund
Misc. State Restricted	3199	800 series
Misc. EIA	3599	399
Misc. State	3999	General Fund (100)
Misc. Lottery	3699	969
Misc. Federal	4999	800 series*

\*District choose any subfund available for use in the 800 series

### **Financial Manuals**

[South Carolina Educator System User Manual](#)

[FY 2019-2020 PCS User Manual](#)

[FY 2020-2021 Funding Manual](#)

### **Student Accountability**

[Student Accountability Manual 2017](#)

### **Audit Guide**

[FY 2019-2020 Annual Audit Guide - South Carolina Department of Education](#)

### **EFA/State Funding Release Dates – 2021-2022**

July 22  
August 20  
September 22  
October 22  
November TBD  
December TBD  
January 21  
February 22  
March 22  
April 22  
May 20  
June 22

### **Due Dates for SCDE Reports – 2021 – 2022**

Listed below are reports required by the Office of Finance and their due dates for 2021-22. Reports that are identified by a dollar sign (\$) indicate that allocations are based on the information submitted in these reports. To avoid delays in the distribution of the allocations, please ensure that all reports are received in the Chief Financial Office by the specified due date.

#### **DUE DATE**

#### **REPORT ACTIVITY**

December 1

Audits, In\$ite, and ESSA Financial Transparency Report

June 30

Funding Flexibility Form 2021-22

*Kimberly S. Moss*

*Financial Newsletter Editor*