

SOUTH CAROLINA DEPARTMENT OF EDUCATION

CHIEF FINANCE OFFICE

AUGUST - ISSUE 2
2018-2019

BACK TO
SCHOOL EDITION



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

August 2018 - 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, Michael Thom at 803-734-5081, Nick Michael at 803-734-8145, Diane House at 734-8128, or Melissa Myers at 803-734-8453.

New or Updated Payments for August

Revenue Code	Subfund	Description
0720A	200	Medicaid FY 17-18
0720	200	Medicaid FY 18-19
3127	937	Student Health & Fitness PE
3156	956	Adult Education
3160	100	Bus Driver Salary
3160C	100	Driver SLED Check
3529	329	Career and Technology Education
3538	338	Student at Risk of Failure
3550	350	Teacher Salary Supplement
3555	355	Fringe Teacher Salary
3556	356	Adult Education
3599	399	Computer Science



CFO UPDATE

Office of Finance Contacts

Financial Services – Nick Michael, Melanie Cooper, and Dana Jones

Grants Accounting – Diane House

General Budget and Finance Questions – Nancy Williams, Michael Thom, and Nick Michael

School-Level Expenditure Reporting Under the Every Student Succeeds Act (ESSA)

On July 19, 2018, district superintendents and school business officials were emailed a memo from Michael Thom regarding new requirements for school-level expenditure reporting under ESSA. Questions regarding school-level expenditure reporting and other financial accounting topics may be directed to Nick Michael at 803-734-8145. This [memo](#) has been posted on Finance's web page.

Partial Listing of New/Amended Laws

Below is a partial listing of New/Amended Laws for FY 18-19:

Appointment of Superintendent (if constitutional amendment is ratified), [Act 178](#)

Department of Children's Advocacy, [Act 160](#)

Disturbing Schools, [Act 182](#)

Dyslexia-MTSS, [Act 213](#)

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Partial Listing of New/Amended Laws - continued

Exceptional Needs Income Tax Credit, [Act 247](#)

Fiscal Practices Act Amendments, [Act 230](#)

PE-Marching Band-CHEA Drug Training, [Act 185](#)

Religious instruction for high school students, [Act 179](#)

Retired Educator Teaching Certificates, [Act 145](#)

Unused Leave Compensation, [Act 198](#)

Proviso 1.3, EFA \$2485

Proviso 1.3, Poverty definition revised

Proviso 1.3, dual credit – reporting and use of funding

Proviso 1.8, educational responsibility

Proviso 1.38, EFA reserve, bus purchase

Proviso 1.47, funds for PE teachers and nurses

Proviso 1.58; 1A.29, CDEP-CERDEP \$4,510; 135-day funding

Proviso 1.62; 1A.57, Reading Coach funding revised

Proviso 1.70, Certification exemption expanded

Proviso 1.72; 1A.61, CDEP-collect documented waiting lists for expansion

Proviso 1.92, Special Education minutes

Proviso 1.93, retired educator employment

Proviso 1.94, 4K e-rate

Proviso 1.98, Safe Schools Initiative

Proviso 1.100, alternative certification with major equivalence

Proviso 1.101, student meals, CEP

Proviso 1.102, consolidate administrative functions

Proviso 1.105, schools safety program (\$2 million for SROs)

Proviso 1A.2, expand African-American history grantee eligibility

Proviso 1A.23, reading

Proviso 1A.25, professional development

Proviso 1A.30, aid to districts

Proviso 1A.36, 1A.89, EIA minimum teacher salary \$32,000 and 1% increase

Proviso 1A.48, EIA cash surplus

Proviso 1A.49, public charter pupil counts

Proviso 1A.50, Charter Funding

Proviso 1A.55, Rural Teacher Recruitment Incentive

Proviso 1A.59, Early Literacy Assessments

Proviso 1A.72, National Board

Proviso 1A.84, Alternative Commitment to Truancy

Proviso 1A.85, Save the Children

Proviso 1A.86, Digital Learning Plan

Proviso 1A.92, EIA grants committee

Proviso 3.3, 3.6, Lottery Funding

Proviso 117.156, Workforce and Education Data Warehouse (vetoed)

Proviso 117.169, SRO Critical Needs

Proviso 117.170, Workforce Pathways Grant Fund

Proviso 118.15, Nonrecurring revenue

Deleted: Provisos 1.75, 1.85, 1.86, 1.88, 1.89, 1.90, 1.91, 1.95, 1.96, 1.97, 1.99, 1.103, 1.104, 1A.54, 1A.62, 1A.66, 1A.73, 1A.74, 1A.77, 1A.78, 1A.88, 1A.90, 1A.91, 1A.93, 1A.94, 1A.95

Recently Posted Correspondence/Data

[FY 18–19 Funding Flexibility Form and Procedures](#)

[FY 18–19 National Board Certification Payment Guidelines](#)

[EFA Payments to Other Entities - August](#)

Recently Posted Correspondence/Data - continued

[PCS Position Code List for FY 18 - 19](#)

[FY 18-19 Prior 135-Day Financial Requirements – Geographical Schools Only - FINAL](#)

[School-Level Expenditure Reporting Under the ESSA](#)

[FY 18-19 Other Entities Prior 135-Day Financial Requirements](#)

[Form – District Finance Signature Authority – FY 18-19](#)

[FY'19 Final Budget Projections](#)

[FY 18-19 State Minimum Salary Schedule - Final](#)

[Memo – Requirements to Employ Retired Individuals – School Year 2018 – 2019](#)

[Assurance Form for Meeting the Requirements to Employ Retired Individuals – School Year 2018 - 2019](#)

[FY 17-18 135-Day Financial Requirements – Final](#)

[FY 17-18 \(Other Entities\) 135-Day Financial Requirements - Final](#)

Proviso Billing Rate

The daily rate for FY 2018-19 is \$4.14.

Recent Data Request – District Minimum Teacher Salary Schedule

Please refer to email dated August 13, requesting your district's minimum teacher salary schedule for School Year 2018-2019. We are asking that the salary schedule be submitted to kmoos@ed.sc.gov by Friday, September 7, 2018.

FINANCIAL SERVICES

Updates for PCS Users

PCS will open soon for FY 18-19.

The 2018-19 PCS User Manual, Position Code list and PCS User Access form can be found at the following links:

[PCS User Manual – FY 18-19](#)

[PCS User Access Form and Position Code List](#)

Funding Flexibility Form and Procedures for FY 18-19

The flexibility [form](#) and [procedures](#) for FY 18-19 have been posted on Financial Services' webpage.

National Board

A list of all NBC eligible employees was emailed August 10 for confirmation of employment and position code. Please respond by email to Melanie Cooper, mcooper@ed.sc.gov, no later than August 31, 2018. NBC funding will be updated in the EIA September monthly payment using Revenue Code 3532, Fund 332.

Recording FY19 Assessment Revenue

Reimbursements processed in FY19 that match expenditures and claims submitted for the 17-18 school year shall be recorded as a receivable in the prior fiscal year.

Health Insurance Increase

Please refer to Nancy Williams' email dated July 9, 2018, providing an estimate of the additional FY 19 revenue you will receive in Revenue Codes 3180 and 3181 related to the health insurance increase. The amounts provided on the emailed spreadsheet and the FY 19 projections you've received for 3180 and 3181 will help determine your projected FY 19 allocation for EFA fringe and retiree insurance. Final amounts will be based upon 45 day counts and your FY 18 payroll information received from PEBA.

The health insurance increase will be reflected in your payments after the 45 day update.

Teacher Supplies

Teacher supplies were funded at \$275 for certified and noncertified teachers.

Recording the Retirement Increase

Both a revenue and matching expenditure should be recorded for the contribution credit received from PEBA based on the 1% increase in retirement paid directly to the Pension Trust Fund. The revenue associated with the credit should be recorded in Revenue Code 3993 – PEBA On-behalf payments.

FY'19 EFA Base Student Cost

The FY'19 Base Student Cost is \$2,485.

New Poverty Definition – Coordinate with PowerSchool Staff

Please remember that the new poverty definition includes data taken from PowerSchool related to migratory students, homeless students, and students in foster care. For the November 2018 report cards (reporting on this SY 2017-18), those designations in PowerSchool will be used to disaggregate assessment and survey data of pupils in poverty. For reporting this disaggregated data, the SCDE will use the PowerSchool fields for “Foster Home” (reset to blank each school year), “Migrant” (check box; three-year certificate of eligibility), and “Homeless” (Primary Night Time Residence, Served by McKinney Vento, and Unaccompanied Youth fields; these fields are reset to “blank” at the start of each school year). The current school year’s data will be reported on the November 2018, report cards. Therefore, it is important that these fields are accurate and up-to-date on this year’s 135th day and 180th day data collections. When we transition to the new poverty definition, this designation will also have financial consequences, because it will add a .20 weighting for those students in EFA.

As noted above, some of these fields revert to “blank” and therefore must be updated at the start of each school year. We recommend that business officials coordinate with PowerSchool staff now to ensure that in the future students are properly coded for funding purposes.

Category 2 E-Rate Match

School districts are eligible for “category 2” (C2) funding under E-rate for eligible internal connections needed for broadband within schools. Information about C2 budgets and funding can be found on the [USAC website](#). The SC K-12 Technology Initiative is making available state funds so that school and libraries can cover the portion of these C2 expenditures not covered by E-rate funds. For

information, or to apply for these funds, please contact Andrew Epting at the SC Department of Administration, Division of Technology, Andrew.Epting@admin.sc.gov.

GRANTS ACCOUNTING

Final Claim Dates – Federal Funds

Grant Number - H63010010413
Grant Name - SCHOOL IMPROVEMENT
Subgrant - 18 School Improv Grant - Cohort 4
Final Claim Date - 9/15/2018

Grant Number - H63010100917
Grant Name - CHILDREN WITH DISABILITIES
Subgrant - 17 IDEA
Final Claim Date - 10/15/2018

Grant Number - H63010100817
Grant Name - HANDICAPPED PRE-SCHOOL
Subgrant - 17 IDEA Preschool
Final Claim Date - 10/15/2018
Subgrant - 18 Summer Bridge
Final Claim Date - 9/28/2018

Grant Number - H63010101017
Grant Name – ADULT EDUCATION
Subgrant - 18 Adult Education - Reverted
Final Claim Date – 10/15/18
Subgrant – 18 Adult Education Community Based - Reverted
Final Claim Date – 10/15/18
Subgrant – 18 Adult Education Institutionalized - Reverted
Final Claim Date – 10/15/18
Subgrant – 18 Adult Ed Family Literacy - Reverted
Final Claim Date – 10/15/18
Subgrant – 18 Adult Ed - English Literacy/Civics - Reverted
Final Claim Date – 10/15/18

Grant Number - H63010107117
Grant Name - VOC ED-BASIC GRANTS
Subgrant - 18 CATE Leadership Innovative Collaboration Pilot
Final Claim Date - 10/15/2018

Final Claim Dates – Federal Funds - continued

Grant Number - H63010013813

Grant Name - STEM AND TAP (STEP)

Subgrant - 18 STEM and TAP - Laurens 56

Final Claim Date - 12/21/2018

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.

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.

Payments to Counties

Payment to county reports have been posted on the Grants Accounting Section's webpage at the following link: [FY 17-18 Payments to County Reports](#). The reports will be available through Monday, October 1, 2018. Please inform your CPAs of this information.

GAPS Role for External Auditors

Please request that your Web Access Coordinator assign the "Grants Acct External Auditor" role to your team of external auditors when they begin your audit. This will provide them full access to the reports related to your subgrant awards in lieu of the old project masters that were mailed each year.

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](#). **NOTE: The phone number 803-734-8144 is no longer in service.**

2018 Title I Direct Student Services Subgrant

Reference email dated May 21, regarding 2018 Title I Direct Student Services subgrant. This funding is authorized by Title I of the Elementary and Secondary Education Act of 1965 as amended by the Every Student Succeeds Act (20 U.S.C. 6301 *et seq.*). The funds are for the purpose of providing direct services to students who are most at risk.

The subgrant award notification (GAN) along with the SCDE's Assurances and Terms and Conditions for Federal Subaward regulations, and application packet have been mailed to district superintendents.

Subgrant recipients are required to abide by all assurances and terms and conditions and that by signing the certification signature page submitted with the application, the district acknowledges its agreement. Remember to follow all regulatory requirements related to this subaward and adhere to the Uniform Grants Guidance.

Reimbursement requests will be accepted quarterly via the agency's Grants Accounting Processing System (GAPS) with the final request for payment to be submitted by **August 15, 2019**.

Applications will be accepted May 21–August 20, 2018. Applications are to be submitted electronically to jstanley@ed.sc.gov or by hardcopy to:

South Carolina Department of Education
Attn: Jewell Stanley
1429 Senate Street, Suite 512 C
Columbia, SC 29201

From the Office of Federal and State Accountability

Title I supplement, not supplant requirements have changed with the Every Student Succeeds Act (ESSA). The [changes](#) with ESSA is intended to alert local education agencies (LEAs) to the new requirement as they design their 2018-19 budgets and to generate discussion with LEA on implementation. The Office of Federal and State Accountability (OFSA), Finance, and Auditing worked with stakeholders during 2017-2018 on the implementation of Title I supplement, not supplant. The OFSA will collect methodologies during September 2018. A letter will be sent to Superintendents, CFO's and Title I Coordinators requesting this information.

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Consolidated Grants Application System for School Year 2018-2019

The Office of Federal and State Accountability (OFSA) will be implementing a consolidated grants application system for the 2018-19 school year. The new system will be called the Grants Electronic Management System, or GEMS for short. The initial implementation will include the following grants: Title I Part A, Title I N&D – LEA, Title I N&D – State Agency, Title II Part A, Title III EL, Title III, Immigrant, Title IV Part A, and Title V. Regional LEA training for these grants were held in June. OFSA will be adding other grants to the system this summer and fall.

The major effort this fall will be to move the District Strategic Plan and the School Renewal Plans from its current platform to the planning tool platform in GEMS. This “One Plan” system will provide both the agency and LEA’s with increased efficiencies that include having common data elements flow automatically between grants, enhanced planning tools, and eventually automated financial functions. OFSA is excited about this endeavor and how it will assist the agency and LEA’s better manage the complex myriad of plans and grants.

AUDITING SERVICES

FY 2018-19 LEA Indirect Cost Rates

We are in the process of generating the indirect cost rate calculations for all districts. At SCASBO, we announced that we have requested the USDE to approve a rate that does not take the carryforward into effect. If the USDE approves another method, the changes will not go into effect until the calculation of the indirect cost rates for FY 2020-21. Therefore, the FY 2018-19 indirect cost rates will still be calculated using the fixed with carryforward method.

FY 2018-19 LEA Indirect Cost Rates (continued)

The preliminary indirect cost rate calculation along with supporting documentation will be e-mailed to each district superintendent and chief finance officer. Please

review the supporting documentation to your general ledger for accuracy. If any errors are detected, note the error in on the spreadsheet and submit the changes to our office. [General indirect cost guidelines](#) are posted on our web page.

FY 2017-18 Annual Audit Guide

The update of the SCDE Annual Audit Guide has been completed and is available at the following link - [Annual Audit Guide](#).

SCDE FY 2017-18 Financial Accounting Handbook

The SCDE Financial Accounting Handbook has been posted to the website at [FY 17-18 Financial Accounting Handbook](#)

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 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

[FY 2018-2019 PCS User Manual](#)

[FY 2017-2018 Funding Manual](#)

Student Accountability

[Student Accountability Manual 2017](#)

Audit Guide

[FY 2017-2018 Annual Audit Guide - South Carolina Department of Education](#)

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

Due Dates for SCDE Reports 2018-2019

Listed below are reports required by the Office of Finance and their due dates for 2018-19. Reports listed below 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.

November 2	DEADLINE FOR PCS STAFF UPDATES (THIS IS A DUE DATE FOR FEDERAL REPORTS AND ACCREDITATION REPORTS)
November 2	INITIAL MEMBERSHIP/ATTENDANCE 45 DAY REPORT INITIAL STUDENT ACCOUNTABILITY 45 DAY REPORT
November 20	MEMBERSHIP/ATTENDANCE CERTIFY 45 DAY REPORT (\$) STUDENT ACCOUNTABILITY CERTIFY 45 DAY REPORT (\$)
December 1	2017-18 AUDITS AND IN\$ITE
March 25	INITIAL MEMBERSHIP/ATTENDANCE 135 DAY REPORT INITIAL STUDENT ACCOUNTABILITY 135 DAY REPORT
April 10	MEMBERSHIP/ATTENDANCE CERTIFY 135 DAY REPORT (\$) STUDENT ACCOUNTABILITY CERTIFY 135 DAY REPORT (\$) HOME INSTRUCTION REPORT (\$)
April 29	PCS UPDATES FOR 135 DAY FUNDING (\$)
June 28	FINAL CHANGES TO PCS/ TECHNOLOGY PROFICIENCY FOR FY 18-19
June 28	FUNDING FLEXIBILITY FORM 2018-19

*Kimberly S. Moss
Financial Newsletter Editor*