



Office of Special Education
Program Finance

2016 MDE/MSBO Workshop

Updates:

LEA Maintenance of Effort, Subrecipient Monitoring, Excess
Costs

LEA Maintenance of Effort

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Eligibility Calculator

- Prior to now Michigan used assurance statements in MEGS+ to verify eligibility requirements were met
- IDEA requires that districts demonstrate that they have budgeted to maintain effort
- The pilot eligibility calculator is under development

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Eligibility Calculator (cont.)

- CIMS will be the home for the eligibility calculator
- ISD subcommittee is working with MDE-OSE on implementation
- Can accommodate more complexity
- Training will be provided
- All districts will be included

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Eligibility Calculator (cont.)

- Timing
 - Pilot Eligibility Test: ASAP
 - 1st year Real Eligibility Test: Next Year's Application

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Compliance Testing

- Will continue for 2015-16 in March 2017
- Only districts that receive federal funding will be included

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Questions?

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Contact Information

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Subrecipient Monitoring

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Uniform Guidance (UG)

NEW Monitoring Requirements 2 *CFR* 200,
Section 200.331(6)

- Risk assessment of non-compliance to determine appropriate monitoring activities
- Monitoring activities include: Technical Assistance & Training, On-Site Visits, or Agreed Upon Procedures
- Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes

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Monitoring Activities Updates 1

OSE-Program Finance Fiscal Monitoring

- Technical Assistance (TA) Targeted Training
 - Required to review financial information
 - Includes State Aid reimbursements
 - Training is based on needs of ISDs and locals
 - Feedback has been positive

Monitoring Activities Updates 2

OSE-Program Finance Fiscal Monitoring

- Program Fiscal Reviews (PFRs)
 - Review financial information
 - Includes State Aid reimbursements
 - Select transactions for further review
 - Findings of non-compliance written
 - Corrective Actions necessary
 - May require additional training

Contact Information

- For questions related to OSE Program Fiscal Reviews for IDEA grants and Special Education State Aid Reimbursements
 - Nancy Jo Serna, CPA
sernan@michigan.gov
 - Michael Wynn, CFE
wynnm@michigan.gov

For further instructions and other power points visit

[OSE Program Finance website](#)

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Excess Costs

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Excess Costs 34 CFR §300.16

- *Excess costs* means those costs that are in excess of the average annual per-student expenditure in an LEA during the preceding school year for an elementary school or secondary school student, as may be appropriate, and that must be computed after deducting—
 - (a) Amounts received—
 - (1) Under Part B of the Act;
 - (2) Under Part A of title I of the ESEA; and
 - (3) Under Parts A and B of title III of the ESEA and;
 - (b) Any State or local funds expended for programs that would qualify for assistance under any of the parts described in paragraph (a) of this section, but excluding any amounts for capital outlay or debt service.
- See appendix A to part 300 for an example of how excess costs must be calculated**

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Excess Costs Updates

- ISD subcommittee is working with MDE- OSE on implementation
- OSE anticipates the process will be completed SOON
- There will be a pilot first
- Testing will be consistent with MOE- Aggregate and including all LEAs and PSAs.

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Questions?

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