

School Closure Toolkit for Districts: Finance

Updated 3/25/20

I. Summary

Through unexpected school closures, whether partial or complete closures, district leads must ensure fiscal operations continue so that revenues and expenses may be adjusted as necessary to maintain or achieve stability. The purpose of this document is to provide district leaders with financial-related action items and considerations through school closures. The document includes:

- Overview of funding implications by source
- Checklist for controls and ongoing fiscal operations
- Best practices for ensuring accuracy and continuity of fiscal operations
- Recommended schedules and procedures
- List of resources for district leaders

For questions related to finance, please contact Maryanne.Durski@tn.gov, Senior Director of Local Finance.

Requirements & Flexibilities

State

For FY20, it is important to note that Basic Education Program (BEP) funding will continue to be disbursed at the expected allocations and on the existing timeline. For BEP growth payments, should school closures extend and impact periods used for this calculation, the department will work with oversight bodies to ensure no district experiences a negative fiscal impact due to these closures. This same strategy and expectation applies to all FY21 state funding applications per recently passed legislation. Please see additional guidance available [here](#).

Federal

All federal grant allocations for FY20 are set and will not be altered due to the unexpected closures. It is important to note that these reimbursements rely on district submissions of requests in the ePlan grants management system. Please ensure designees and back-up support is identified to continue to file these reimbursements. The department will continue to review and approve these on the expected timeline so that payments may be issued promptly.

Local

The department recognizes that the unexpected closures may apply pressure to local funds in the current fiscal year, future fiscal years, or both. As the president declared the COVID-19 outbreak a national emergency, federal funding may become available in the future to request reimbursement of expenses related to response efforts. Please collect and maintain records of expenses related to the district's response work. Additionally, please remember to leverage regional fiscal consultants to assist district teams in developing fiscal strategies to address these unexpected closures.

II. Checklist

Below is a checklist of fiscal operations action items for district leaders to complete before and during school closures:

Identify Owners for Grant Reimbursements

For both state and federal grants, reimbursement requests in ePlan are necessary for the state to process payment.

- Identify fiscal and programmatic owners and approvers (including ESSA, IDEA, School Nutrition, etc.), as well as backups, responsible for filing grant reimbursements
- Notify owners of expectations to continue reimbursement requests, ensuring they regularly review department's updates on flexibilities being offered (available [here](#))
- Ensure owners have remote access to local financial systems and the state ePlan system
- Develop plan for reimbursement request frequency
- Submit grant budget revisions in ePlan as necessary

Track COVID-19 Response Effort Expenditures

Districts should track expenditures during this time for possible future reimbursement from federal government.

- Finance lead develops tracking system for use in program areas and fiscal systems, as applicable (e.g. tracking sheets of expenses and specific coding in accounting documentation)
- District leadership team collaborates to determine all possible expense areas to monitor and track
- Program area owners tasked with tracking, submitting tracking sheets to finance team on a regular reporting timeline (Note: This should include staff time dedicated to response work.)
- Finance lead regularly reports on expenses to-date associated with response efforts

Manage EIS Data Entry & Submission

Districts should maintain regular EIS data practices in alignment with applicable business rules. This will allow the state to best support determinations on adjustments needed for next year to ensure no districts experiences a negative fiscal impact in state funding due to the unexpected closures.

- Ensure data team is aware that student information system (SIS) operations should continue, following existing guidelines (available [here](#)) and any additional guidance released by the department (available [here](#))
- Ensure owners and necessary data entry team members have remote access to student information systems
- Continue to review and resolve daily EIS errors, acknowledge period data monthly, and approve year-end data at the end of the school year
- Update coding practices to incorporate "Commissioner Waived" days after stockpiled days have been exhausted

Evaluate Local Impact

Given the unique fiscal context of each district, finance leads, in collaboration with county officials as applicable, should assist in evaluating the projected impact of the school closures on current year budgets, reserve funds, anticipated revenues for next fiscal year, and other fiscal implications. This work will help inform options for both needed continuing operations during closures and in resuming full operations in the future.

- Identify current budget balance and any reserve funds currently held
- Determine level of funding needed to sustain essential continuing operations (e.g. meal service, staff wages as applicable, etc.)
- Develop projections on current fiscal year implications to inform opportunities or restrictions for ongoing operations (e.g. what are the operational savings associated with school closures; what are the costs of essential continuing operations; what options does this present for hourly staff; what are implications to reserve fund; etc.)
- Partner with county officials on any projections for local revenue estimates and to keep them informed of projected impact on district operations

III. Best Practices

Draw on Existing Practices to Track Expenses

As districts track any COVID-19 response effort expenditures, use existing practices to streamline the process to familiar procedures. Federal programs teams and fiscal leads regularly track and tag expenditures to cost objectives for grant purposes, capturing time and effort documentation for personnel and denoting related expenses in designated fields within the general ledger. These same protocols may be used to capture any expenses related to the response work for potential reimbursement submissions to the federal government.

Continue Leveraging Federal Funds

Recently released federal guidance signaled that employees being charged to grants may continue to be charged as long as the practice aligns to local policies and practices on non-grant funded positions. The U.S. Department of Education continues to release updated guidance and flexibilities on federal grants, providing options as district teams consider realigning current year budgets to new needs and planning for next year's grant activities. District teams should maintain open communication between federal programs teams and finance teams to ensure these options are being leveraged in fiscal strategies. The department will also continue to release guidance and resources as they become available.

Plan for Funds to Carry into Next Fiscal Year

As finance leads work with district leaders in determining essential operations through closures and other needed supports, teams should consider the opportunities to carry over funding from this fiscal year into the next. While considerations regarding federal carry over caps will be informed by any additional information released from the U.S. Department of Education, school closures often generate certain budget categories that are more likely to realize cost savings due to minimized operations. Depending on the revenue streams and local policies, these savings may present an opportunity to plan for more carry over of federal funds or to add to the district's reserve fund. Both strategies, if feasible, may help districts ease other fiscal pressures when school resumes. Districts should continue to partner with their regional fiscal consultants on strategies, limitations, and best practices in achieving these goals.

V. Resource List (Links)

- [EIS Guidance](#)
- [ePlan Document Library](#) – Access to additional guidance documents
- [Local Finance Website](#) – Resource and overviews of state funds and supports