

2016-17 SECTION 107, STATE SCHOOL AID ACT- IMPORTANT INFORMATION

2016-17 ADULT EDUCATION SECTION 107 APPLICATION - DEADLINE: AUGUST 19, 2016

- Available in the Michigan Electronic Grants System Plus (MEGS+): <https://mdoe.state.mi.us/MEGSPlus>
- A district’s MEGS+ Level 4 or 5 would initiate the 2016-17 Adult Education Section 107 application
- The ISD can choose to gather the needed information from each of its regional providers and enter the information itself, or assign each individual from a regional provider a Level 3B user access to the application for entering the information. Do not change a regional provider with a Level 3 Consortium user access to a Level 3B.
- Click on View Available Applications/Tasks and follow the instructions to locate and open the appropriate application
- Click on View/Edit
- **ALL information in the 2015-16 Section 107 application will automatically roll over into the 2016-17 Section 107 application, including regional providers and their acceptance.**
- **The fiscal agent and the regional providers are required to update ALL pages of the application for their agency, including contact information. Remember to save each page.**
- Ensure there is a main contact person assigned for the application.
- Click on Global Errors and resolve any errors.
- Once all global errors have been resolved, the district’s Level 5 submits the application by selecting Submit Application on the Change Status screen

APPLICATION COMPONENTS:

Cover Page	Required to View/Read (View Only)
Assurances and Certification	Required to View/Read (View Only)
Important Information	Required to View/Read (View Only)
Management Activities	
Review Grant Selections	Completion Required: Select appropriate funding sources for the region (budgets will be required for each funding source selected for the region)
Additional Fiscal Agent Information	Completion Required
Regional Providers	Completion Required: Invite LEAs and/or ISDs that will provide adult education services and will receive a portion of the prosperity region funding. Indicate the funding source when inviting each regional provider (budgets will be required)
Regional Provider Information	One screen required for each regional provider
Regional Partnership	One screen required for each regional provider. Indicate those agencies that you partner with in providing services, and their roles/services
Adult Education Program Offerings	Required information for each regional provider
Memorandum of Understanding	Required regional agreement between the fiscal agent and each/all regional provider(s)

Contractual Agreement	Required for any contractual arrangement for adult education services
Budgets	
Section 107 Deferred Section 107 Summary of Deferred Section 107 Funds Anticipated Tuition and Fees Anticipated Other Local	Complete the appropriate budget pages for each regional provider. A budget page is required for each funding source accepted by a regional provider. Indicate if a budget item is for Fiscal Agent Responsibilities or a Program Cost. 5% maximum for fiscal agent administrative costs will be calculated on the Program Summary. Summary of Deferred Section 107 Funds: Enter the amount of funds that were earned in 2015-16 that were not expended in 2015-16. These funds are deferred into 2016-17 to be FULLY budgeted and expended in 2016-17.
Program Information	
Regional Project Narrative Uploads	A separate regional project narrative is required for the fiscal agent and for each of the regional providers

REVIEW GRANT SELECTIONS/BUDGETS

The funding source selections are as follows:

Section 107

- Select "Apply Now"
- The 2016-17 Section 107 budget page cannot exceed the prosperity region's allocation
- The fiscal agent Section 107 budget cannot exceed 5% for fiscal agent responsibility costs
- Indirect costs are NOT allowed

Deferred Section 107

- Select "Apply Now" if any district within the region has Deferred Section 107 funds
- Deferred Section 107 funds are Section 107 funds earned from a prior year that were unexpended
- Districts with Deferred Section 107 funds MUST fully expend these funds in 2016-17 to support the adult education program
- Any Deferred Section 107 funds that are not expended in 2016-17 must be transferred to the fiscal agent for redistribution within the region in 2015-16, per WDA/Office of Adult Education instructions
- Indirect costs are NOT allowed
- Complete the **Summary of Deferred Section 107 Funds** for a district with Deferred Section 107 funds after the Deferred Section 107 budget page has been completed:
 - Enter the beginning balance of deferred funds going into 2016-17
 - Click Save and the system will automatically enter the budgeted amount of deferred funds and any remaining balance not budgeted

Michigan public schools are required to follow a standard chart of accounts, generally accepted accounting principles, and governmental accounting standards. Many of these are found in the Michigan Public School Accounting Manual.

Based upon Governmental Accounting Standards, State School Aid revenue received/recognized during the district's fiscal year should be reported commensurately with the school district's financial statements for any given year. For example, State Aid Section 107 revenue received from October of 2016 through August of 2017 would be recorded as 2016-17 Adult Education Revenue (as long as the district incurred legitimate adult

education expenditures utilizing those funds during the district's 2016-17 fiscal year (July 1 2016 to June 30, 2017).

GASB #33 requires that districts disclose the time period of availability (that is the number of days after the end of the year during which collection is considered to be available.) In general, this period would be at least 30 days, and generally be no more than 60 days. Under this policy, if the State Aid Section 107 Adult Education prior year adjustments aren't paid until October/November/December of the following fiscal year, those 2016-17 Section 107 Adult Education funds received in FY 2017-18 would be considered 2017-18 revenues. MDE provides accounting guidance related to the recognition of revenues and expenditures in the Michigan Public School Accounting Manual, Section II, E.01 and E.02 related to this topic. The URL for that guidance may be found at: http://www.michigan.gov/documents/sc-ii_13265_7.pdf

As for recording deferred revenue, those would include any restricted funds the district may have received in a prior fiscal year and not expended either in the fiscal year in which the funds were received or during a subsequent fiscal year. For example, if during 2016-17; the district received \$10,000 more than it actually expended on allowable Adult Education expenditures during 2016-17; it would establish a deferred revenue account at the end of fiscal year 2016-17 (liability major class code "471") for \$10,000. As it spends the funds in subsequent years, the district would debit the liability and recognize the Adult Education Section 107 revenue in its financial statements.

It is possible that a district may show more adult education expenditures in a given fiscal year than it has available in deferred Section 107 revenue and current year Section 107 revenues showing on the August State Aid Status report.

Anticipated Tuition And Fees

- Select "Apply Now" if any district within the region charges nonrefundable tuition and fees to adult education participants which would then be required to be used to support the adult education program
- For districts receiving Federal adult education funds also, this budget should only be selected and represent Tuition and Fees NOT already recorded on the district's WIOA Core Program application
- Indirect costs are NOT allowed
- Select "Do Not Apply" if there are no districts within the region that charge nonrefundable tuition or fees to adult education participants

Anticipated Other Local

- Select "Apply Now" if any district within the region uses local funds (K-12, private donations, etc.) to support the adult education program
- For districts receiving Federal adult education funds also, please note that this budget should only be selected and represent Other Local Funds NOT already recorded on the WIOA Core Program application
- Select "Do Not Apply" if there are no districts use local funds to support the adult education program

REGIONAL PROJECT NARRATIVE

Under Program Information on the View/Edit screen of the application, there is a PDF document entitled "2016-17 SECTION 107 REGIONAL PROJECT NARRATIVE COMPONENTS". This document provides all of the required components to be addressed when completing the narrative.

Narratives were uploaded in the Upload screen in 2015-16. For 2016-17, the narratives will automatically be uploaded on a Narrative Upload screen.

IMPORTANT TIPS ABOUT COMPLETING AN APPLICATION IN MEGS Plus

- Click on the SAVE button on each page data is entered
- Click on GLOBAL ERRORS to determine if all required elements of the application have been completed and that the application has no errors. The application cannot be submitted with global errors. By clicking on each item on the global error screen, the system will take you directly to the page which the error message is referencing.
- Contacts for questions or concerns:

Log-in issues (i.e., username and password): MEIS HELP Line at 517-335-0505

Application content/completion and MEGS Plus functionality: Sandy Thelen, State Funds Coordinator, at thelens@michigan.gov or at 517-373-3395