



To: Business Managers, Bookkeepers, District ABE Responsible Staff
and SCRED ABE Service Manager

From: Kim Gibbons

Re: Billing and Payment of Local ABE Expenditures

Date: September 9, 2009

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Beginning 2008-2009 all ABE aids (Federal and State) flow directly to the consortium host (Metro East) and aids are generated entirely on the basis of prior year ABE attendance. SCRED will use the following procedures to bill and pay Consortium members for ABE instructional and administrative expenditures:

1. Since money is provided on the basis of prior year attendance and because SCRED doesn't know what the attendance will be in any given district before July 30th, SCRED will estimate the amount of ABE aids districts should expect to generate each year based on the previous year's attendance. The estimate will be approved by the SCRED Governing Board as part of the SCRED Shared Budget.
2. SCRED will include this estimated amount in the regular SCRED billing process and will send districts:
 - 33% in July
 - 33% in November
 - 33% in April
 - Preliminary clean up bill in August based on actual expenditures
 - Final clean up bill in December based on actual expenditures
3. Districts will expend moneys to provide ABE instruction. Allowable instructional expenditures include salaries, fringes and travel. SCRED will purchase all supplies, materials and equipment; pay for all staff training and will employ a person to manage the Consortium's ABE services.
4. Districts may add the SCRED rate of 3.5% to allowable instructional expenditures to cover local administrative expenses. This should cover all administrative costs since the SCRED ABE Service Manager submits all reports, attends all meetings, does all communication, directs and organizes training and networking, etc. on behalf of consortium members. This assures that administrative effort and expenditures will not be duplicated.
5. SCRED will monitor attendance and expenditures quarterly during the year to assure that attendance is consistent with expenditures. Adjustments, if necessary, will be planned jointly with local districts.
6. Business managers will submit their UFARS printout to SCRED at year's end and the billing will be adjusted to reflect actual expenditures.

The above procedures allow districts to plan a budget and receive reimbursement from SCRED in a timely manner. SCRED will be the unit waiting for reimbursement from the state and will deal with cash flow issues.