



DIVISION OF ELEMENTARY & SECONDARY EDUCATION

Special Education IDEA Part B Fiscal Accountability Procedures Manual

December 2020

Revised 09/23/2022

**Arkansas State Department of Education
Division of Elementary and Secondary Education
IDEA Part B Fiscal Accountability**

Table of Contents

I.	IDEA Fiscal Accountability Overview	3
II.	Glossary of Terms	3
III.	Allocations of IDEA funds to LEAs	3
IV.	Internal Controls	4
V.	Maintenance of Effort/Maintenance of Financial Support	5
VI.	Use of Funds	7
VII.	Excess Cost Requirement	10
VIII.	Indirect Cost Requirement	10
IX.	Personnel Requirements:	11
X.	Contracting for Services	13
XI.	Equipment and Supplies	13
XII.	Fixed Assets/Inventory Requirements/Record Retention	14
XIII.	Comprehensive Coordinated Early Intervening Services (CCEIS) and Coordinated Early Intervening Services (CEIS)	15
XIV.	Extended School Year Services (ESY) and LEA Supervisor Reimbursement	15
XV.	Proportionate Share of Funds for Parentally Placed Private School and Home-Schooled Children with Disabilities	16
XVI.	Fiscal Monitoring Requirements	17
XVII.	Fiscal Support & Guidance	17
Appendices:		
●	Appendix A – Allocation Procedures	19
●	Appendix B – 10% Variance Rule	30
●	Appendix C – Maintenance of Effort	34
●	Appendix D – Excess Cost	41

- Appendix E – Comprehensive Coordinated Early Intervening Services (CCEIS) & Coordinating Early Intervening Services (CEIS) 44
- Appendix F – Extended School Year (ESY) and LEA Supervisor Reimbursement 46
- Appendix G – Proportionate Share – Parentally Placed Private School and Home-Schooled Children with Disabilities 47
- Appendix H - Fiscal Monitoring Guide 49
- Appendix I - IDEA Part B Allowable Cost Guide 62

I. IDEA Fiscal Accountability Overview

The Division of Elementary and Secondary Education (DESE), Office of Special Education (DESE-OSE) must ensure fiscal accountability for the use of IDEA Part B Section 611 School Age and Section 619 Preschool funds. DESE-OSE has established procedures for calculating, allocating, reporting, monitoring, and verifying the use of IDEA Part B pass-through and discretionary funds to the local educational agencies (LEAs). The remaining sections of this document describe in detail the Federal and State requirements related to the annual distribution and use of IDEA Part B funds to support the Special Educational needs of children with disabilities.

II. Glossary of Terms

ADE - Arkansas Department of Education

DESE-OSE - Division of Elementary and Secondary Education, Office of Special Education

CEIS – Coordinated Early Intervening Services

CCEIS – Comprehensive Coordinated Early Intervening Services

CFR – Code of Federal Regulations

EDGAR – Education Department General Administrative Regulations

ESY – Extended School Year

FAPE – Free and Appropriate Public Education

GEPA – General Education Provisions Act

IDEA – Individuals with Disabilities Education Act

LEA – Local Education Agency

LRE – Least Restrictive Environment

MFS – State Maintenance of Financial Support

MOE – Maintenance of Effort

OMB – Office of Management and Budget

PSPS – Private School Proportionate Share

OSEP – Office of Special Education Programs

RFP – Request for Proposal

SEA – State Education Agency

UGG – Uniform Grants Guidance

III. Allocations of IDEA Part B Funds to LEAs

Each year Arkansas receives Federal grant funding from the U.S. Department of Education under Section 611 of the Individuals with Disabilities Education Act (IDEA). After setting aside necessary and allowable amounts for State administration and other State-level activities, the DESE-OSE must annually allocate the remainder of the grant funds as pass-through sub-awards to Arkansas LEAs, including charter schools that operate as LEAs. The funding formula is calculated on a combination of a base amount, plus a percentage based on the total number of children enrolled in each jurisdiction, plus a percentage based on relative numbers of children living in poverty. The specifics of the funding formula are outlined in 34 CFR §300.705.

It is important that each LEA provides DESE-OSE with accurate child count data, school enrollment data, private school enrollment data, and free and reduced lunch count data. This will ensure that a fair and equitable distribution of the IDEA Part B pass-through funds is determined each year.

For more information related to allocation procedures, see Appendix A.

IV. Internal Controls

Definition: means a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:

- (a) Transactions are properly recorded and accounted for, in order to:
 - (1) Permit the preparation of reliable financial statements and Federal reports;
 - (2) Maintain accountability over assets; and
 - (3) Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- (b) Transactions are executed in compliance with:
 - (1) Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program; and
 - (2) Any other Federal statutes and regulations that are identified in the 2 CFR Part 200; and
- (c) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

In addition, internal controls are organizational practices, typically in policies and procedures, to reduce risk of waste, fraud, and abuse of funds, reduce risk of non-compliance with laws, regulations, and policies, and to improve overall performance.

Sound internal controls must include an accounting system that focuses on how the funds are used (i.e. “fund accounting”). DESE-OSE has developed and utilizes internal controls to ensure that all personnel, contractual services, and goods (equipment and instructional supplies) funded and purchased with IDEA grants and subgrants are budgeted for and expended in accordance with the applicable provisions of IDEA and other Federal requirements. Accounting records must be supported by source documentation including:

- Canceled checks;
- Purchase orders;
- Paid invoices;
- Any supporting documentation that would support the expenditure that was incurred (i.e., emails, pictures of items purchased, quotes, text messages, screenshots, etc.);
- Payrolls;
- Time and attendance records; and
- Contract and sub grant award documents.

At the local level, fiscal controls and accounting procedures must be sufficient to: (1) permit preparation of required reports; and (2) permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibition of applicable statutes. Actual expenditures must be compared with budgeted amounts in State-approved grant applications. In addition, the financial management system in each LEA must be able to:

- Prepare reports as required by EDGAR, UGG, and IDEA;
- Provide a complete disclosure of financial results (e.g. cash flow, expenditures, amendments);
- Ensure that there is accountability in how IDEA Part B funds are used;

- Ensure that IDEA Part B funds are not commingled with State funds and/or local funds; and
- Ensure that IDEA Part B funds are used to supplement and not supplant State, local, and other Federal funds [34 CFR §§300.162(c) and 300.202(a)(3)].

LEAs are permitted to amend their IDEA grant within the approved direct cost budget to meet unanticipated needs and to make limited program changes.

However, post-award changes to budgets and projects that exceed ten percent require prior approval of DESE-OSE.

Additional information specific to the ten percent variance rule can be found in Appendix B.

V. Maintenance of Effort (MOE)/Maintenance of Financial Support

The Division of Elementary and Secondary Education (DESE) is required by federal regulation to ensure all school districts in Arkansas comply with 34 CFR §300.203 of the Individuals with Disabilities Education Act (IDEA), which mandates that local education agencies (LEAs) meet a maintenance of effort (MOE) obligation. This regulation requires districts to spend at least the same amount of local or local plus state dollars for a current school year on the delivery of Special Education and related services, as were spent the previous year. A worksheet with examples of “MOE tests” for how a district would determine whether their MOE requirement has been met is included in Appendix C of this document.

State Level Maintenance of Financial Support (MFS)

The IDEA Part B state-level MFS requirement (Section 612(a)(18) of the IDEA and 34 CFR §300.163) provides that a state is eligible to receive IDEA Part B funds as long as “the State does not reduce the amount of State financial support for Special Education and related services for children with disabilities, or otherwise made available because of the excess costs of educating those children, below the amount of that support for the preceding fiscal year.”

Under the IDEA Part B state-level MFS requirement, states identify the amount of funds that are budgeted by the state, including the SEA and other state agencies for the education of children with disabilities, and state funds that are made available to LEAs for the education of children with disabilities.

Local Level MOE Requirement and Exceptions

The IDEA Part B district-level MOE requirement (Section 613(a)(2)(A)(iii) of the IDEA and 34 CFR §300.203) is that the LEA must budget, for the education of children with disabilities, at least the same total or per capita amount from either of the following sources as the LEA spent for that purpose from the same source for the most recent prior year for which the information is available:

- local funds only; or
- state and local funds

Documentation that all LEAs have met the MOE budget requirement described above is provided to DESE-OSE through the local application for IDEA Part B funds. In addition to meeting the MOE budgeting requirement (the “eligibility standard”), all school districts must also meet the MOE expenditure requirements (the “compliance standard”).

The Office of Special Education Programs (OSEP) specifies the level of effort a district must meet in order to maintain effort in the year after an MOE failure. These clarifications use the terms “Comparison Year” and “Subsequent Year” rules.

The level of effort a district must meet in the fiscal year after it fails to maintain effort is the level of effort that would have been required in the absence of that failure, not the district’s reduced level of expenditures. Meaning, to determine level of effort, a district must look back to the most recent fiscal year in which the district maintained effort. In addition, the district must look back to the most recent fiscal year in which the district met MOE using the same method.

This has an impact on both the eligibility standard (the budgeting requirement) and the compliance standard (the expenditure requirement).

Under Section 613(a)(2)(A)(iii) of the IDEA and 34 CFR §300.203, the Division of Elementary and Secondary Education (DESE) is required to ensure all school districts in Arkansas meet a Maintenance of Effort (MOE) obligation.

In meeting the IDEA Maintenance of Effort (MOE) requirements, school districts must meet two standards:

- Eligibility Standard: A district must budget at least as much as they expended in the most recent year for which information is available.
- Compliance Standard: A district must expend at least the same amount of local or local plus state dollars for a current school year on the delivery of Special Education and related services, as were spent the previous year (comparison year).

The district must budget, for the education of children with disabilities, at least the same total or per capita amount of local or local plus state dollars as the district spent for that purpose from the same source for the most recent prior year for which the information is available.

In addition, a district must expend at least the same total or per capita amount of local or local plus state dollars for a current school year on the delivery of Special Education and related services, as were spent the previous year (comparison year).

Documentation that all districts have met the MOE Eligibility/Budget requirement described above is provided to DESE-OSE through the local application for IDEA Part B funds.

In determining whether districts have met the MOE Compliance/Expenditure requirement, DESE-OSE reviews final expenditure information submitted by districts. This review is conducted in the fall of each year after Cycle 1 submission.

In the case where a district has not met its MOE requirement, DESE may require the district to pay back the specified amount to DESE; however, DESE must provide the unmet funds to the U.S. Department of Education using non-federal funds. The level of effort that a district must meet in the year after it fails to meet its MOE requirement is the level that it should have met in the prior year.

Examples of how a district would meet the MOE Eligibility/Budget and the MOE Compliance/Expenditure requirements are provided in Appendix C of this document. Additional

information, including a worksheet with examples of “MOE tests” for how a district would determine whether their MOE requirement has been met is also provided in Appendix C.

VI. Use of Funds

Obligation and Liquidation

IDEA Part B funds are available for obligation from July 1 of a given year until September 30 of the second subsequent year (27 months later). While statute and regulation allows LEAs to carry over funds for one year, LEAs are encouraged to expend most of their allocation within the current fiscal year. In addition, LEAs must obtain prior approval from the DESE-OSE when:

- Revising the scope or objectives of a project;
- Changing key persons in cases where specified in an application or grant award; and
- For certain types of post-award changes in budgets [EDGAR §80.30(d)].

After funds are no longer available for obligation, there is an additional 90 days for liquidation. If a state determines that the LEA is adequately providing FAPE to all children with disabilities using only state and local funds, the SEA can reallocate any portion of the LEA’s funds not needed to provide FAPE. The reallocated portion is distributed to other LEAs that **are not** providing adequate services to eligible children. In this case, the LEA would need to notify the State well before the liquidation period that they are unable to expend remaining carryover funds.

Allowable Costs

Under UGG, Subpart F, and EDGAR 34 CFR §80.22, the following general criteria must be met in order for a cost to be allowable under any Federal award.

The cost must —

- a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- b. Be allocable to Federal awards under the provisions of 2 CFR §200.404.
- c. Be authorized or not prohibited under state or local laws or regulations.
- d. Conform to any limitations or exclusions set forth in 2 CFR §200.404, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- g. Except as otherwise provided for in 2 CFR §200.405, be determined in accordance with generally accepted accounting principles.

The following list illustrates some examples of allowable uses:

1. LEAs are permitted to use IDEA Part B funds to pay for Special Education teachers, Special Education administrators, related service providers, instructional assistants, and secretarial support staff that *directly* provide services or support services to students with

disabilities.

2. LEAs are permitted to use IDEA Part B funds for Special Education staff to attend out of district or out of state meetings and conferences; only to the extent such costs are reasonable and necessary to accomplish the goals and objectives of the grant.¹ The number of attendees and the approval process should be carefully considered and fully documented as related to the Special Education responsibilities of each potential attendee. Out of state meetings require prior approval from DESE-OSE.
3. LEAs are permitted to use IDEA Part B funds for travel expenses only to the extent such costs are reasonable and necessary and do not exceed charges normally allowed by the LEA in its regular operations consistent with its written travel policies. LEAs should follow their own travel and per diem rules and costs when charging travel expenses to their IDEA grant.
4. LEAs are permitted to use IDEA Part B funds to purchase instructional materials to be used by Special Education teachers and related service providers to meet the unique educational needs of children with disabilities.
5. LEAs are permitted to use IDEA Part B funds to purchase, lease, or otherwise provide for the acquisition of assistive technology devices to maintain or improve the functional capabilities of children with disabilities.
6. LEAs are permitted to purchase food only when those purchases directly relate to instructional activities involving food shopping and preparation. Food purchases and activities must be supported by teacher lesson plans and be necessary to meet student IEPs related to independent living goals and objectives.
7. Costs of external meetings and conferences are allowable when the primary purpose is the dissemination of technical information beyond the recipient entity. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences.
8. LEAs are permitted to contract for services only if (1) there is a written contract specifying the terms of the vendors' services; (2) the contract providers are appropriately licensed; (3) the fees are determined to be reasonable and customary for the provision of such services in the area; (4) the LEA has determined that the services cannot be provided by district employees; and (5) the LEA has internal controls in place to verify the delivery of contracted services as specified in contracts and on submitted invoices.

Non-Allowable Costs

There are numerous non-allowable uses of Federal funds, including IDEA Part B grant funds. The DESE-OSE may seek to recover any Federal funds identified, in an audit or through onsite monitoring as having been used for unallowable costs. If DESE-OSE determines that an LEA must return funds, those funds *cannot* be returned out of the IDEA grant [34 CFR §300.202]. The following is a list of specific non-allowable expenses; however, this list is not exhaustive. Any questions related to the allowability of IDEA Part B fund use that is not included below should be

¹ U.S. Office of Management and Budget Cost Principles for Federal grants [34 CFR 230]

directed to DESE-OSE.

1. IDEA Part B funds may not be used to pay attorneys' fees or costs of a party related to any action or proceeding under section 615 of the Act, (including attendance at IEP meetings, due process hearings, appeals of due process hearings to Federal court, court recordings) [34 CFR §300.517(b)].
2. IDEA Part B funds may not be used to pay any person for influencing, or attempting to influence:
 - An officer or employee of any agency;
 - A member of Congress;
 - An officer or employee of Congress; or
 - An employee of a member of Congress.
3. IDEA Part B funds may not be used to influence the awarding of, or the extension, continuation, renewal, amendment, or modification of any contract or cooperative agreement.
4. IDEA Part B funds may not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year [34 CFR §300.203] (see Maintenance of Effort section).
5. IDEA Part B funds may not be used to support activities under Section 504, including allocation of staff time, purchase of materials, or in support of direct services to non-Special Education students.
6. IDEA Part B funds may not be used to pay for entertainment, including costs for amusement, diversion, or social activities.
7. IDEA Part B funds may not be used to purchase gifts, gift cards, prepaid cards, or awards for staff or students.
8. IDEA Part B funds may not be used to purchase or support the use of computer networks and servers.
9. IDEA Part B funds may not be used to pay for students to participate in SAT or ACT college entrance exams, or for preparatory classes related to these exams.
10. IDEA Part B funds may not be used to pay for students with disabilities to participate in general summer school programs.
11. IDEA Part B funds may not be used to pay for contracted employees' continuing education classes and/or conferences related to securing or maintaining their certification and/or licensure.
12. IDEA Part B funds may not be used to pay for student medications, or for medical devices that are surgically implanted.

Please see Appendix I - IDEA Part B Allowable Cost Guide

VII. Excess Cost Requirement

Amounts provided to the LEAs under IDEA Part B must be used only to pay the excess cost of providing Special Education and related services to children with disabilities, and must be used to supplement State, local, and other Federal funds and not to supplant those funds. Excess costs are those costs for the education of an elementary school or secondary school student with a disability 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.

Special Education includes specially designed instruction, at no cost to the parent, to meet the unique needs of a child with a disability, including instruction conducted in the classroom, in the home, in hospitals and institutions and in other settings, and instruction in physical education. Related services include transportation and such developmental, corrective and other supportive services as may be required to assist a child with a disability to benefit from Special Education [34 CFR §300.202].

More detailed information related to excess costs can be found in Appendix D - Excess Cost.

VIII. Indirect Cost Requirements

“Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective; and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved”
[2 CFR §200.414 Indirect Costs].

“Direct costs” are those costs that can be identified specifically with a particular Federal award or that can be directly assigned to activities in support of a Federal award relatively easily with a high degree of accuracy.

Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect cost in order to avoid possible double-charging of Federal awards.

Indirect costs charged to the grant are determined by applying the restricted indirect cost rate (RICR) to total direct costs of the grant minus capital outlays, subgrants, and other distorting or unallowable items as specified in the State’s indirect cost rate agreement. Although districts should calculate what their maximum indirect cost each year could be based on the full amount of their grant award, the final calculation should be based only on the amount of the expenditures incurred each year and can in no way exceed the State’s RICR. **The transfer of the indirect costs should occur on or after the expenditures have occurred.**

A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost. Typical indirect costs include:

- Rented or shared space or facility.
- Payment of proportionate amount for utilities.
- Payment for proportionate share for services.
- Distribution of cost pool so as to produce equitable results.

In addition, accounting, auditing, payroll, personnel, budgeting, purchasing, and operation and maintenance of plant facilities are all examples of services which typically benefit several activities and programs, and for which appropriate costs may be attributed to IDEA by means of the indirect cost allocation plan [EDGAR §76.560-76.579 and 2 CFR §200.414].

IX. Personnel Requirements

For IDEA Part B, personnel must be utilized in accordance with the applicable provisions of Part 300. Time distribution documentation for all federally funded employees is a standard requirement for payroll activity and personnel activity reports. The reports must provide an after-the-fact certification of the conformance of payroll charges with the activity of each employee, unless a mutually satisfactory alternative is approved by the awarding agency.

Fringe benefits are an allowable expense if the following conditions exist:

- They are provided under established written policies;
- The costs are equitably allocated to all related activities, including Federal awards; and
- The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit.

Employees can either be fully funded using IDEA Part B grant funds, or partially funded using a combination of Federal and local or State funds. Both options, and the specific requirements for each, are described below.

Single Federal Award or Cost Objective

Most LEAs use a portion of their IDEA Part B grant funds to pay 100 percent of the salaries and employee benefits for some of their Special Education staff. In this case, when employees are expected to work solely on a single Federal award or cost objective, a periodic certification for each of these employees must be made supporting their salaries and wages. This documentation must show that the employee worked *solely* on IDEA activities for the period of the certification.

The required certifications must be after-the-fact and:

- Be prepared at least semi-annually;
- Be signed by the employee; or
- By a supervisory official having firsthand knowledge of the work performed by the employee.

Certification periods are to be established as appropriate to provide adequate oversight and stewardship of Federal awards consistent with the business and reporting cycles of the recipient. In no case will certification periods exceed 12 months. [2 CFR §§200.104 and 200.430-431); 34 CFR §300.202(a)]

Multiple Activities or Cost Objective

Some LEAs use their IDEA Part B grant funds to pay a portion or percentage of the salaries and employee benefits for some of their Special Education staff. In this case, when employees work on multiple activities or cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports (PAR) or equivalent documentation that meets the following standards:

- They must reflect an after-the-fact distribution of the actual activity of each employee, in accordance with their job description;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed and dated by the employee and the employee's immediate supervisor.

LEAs often refer to these employees as split-funded. Extreme caution must be adhered to by LEAs when deciding to split-fund employees in order to avoid supplanting. An example of a split-funded employee could be a Special Education director that is 90 percent funded from the IDEA grant and 10 percent funded from district funds. The Special Education director performs Special Education duties 90 percent of the time and performs Section 504-coordinating duties for the 10 percent funded from district funds. All positions funded partially from IDEA Part B funds and partially from non-IDEA Part B funds must be included in the LEAs' approved budget. In addition, employee benefits for split-funded staff must be prorated based on the funding ratio. The LEA must be able to verify that benefits are charged to the appropriate funding source for those salaries paid with multiple funding sources.

Use of IDEA Part B Funds for Nursing Positions

Some LEAs seek approval to use IDEA Part B funds for salary and employee benefits for Licensed Registered Nurses. In order to be an allowable use of IDEA Part B funds, the nursing responsibilities must be IEP-driven or related to the evaluation of children. [34 CFR §300.34 (c)(13)] The day-to-day cost of providing general nursing services in a school is not allowed for IDEA grant-funded nursing positions. Only the actual time providing related services as required by IEPs or performing evaluations is allowed.

Nursing positions must be fully justified (and state-approved) in each annual IDEA grant application and must specify whether or not the nurse has only Special Education responsibilities or also includes non-Special Education duties. In addition, if a nurse is split-funded, documentation of efforts and activities must be reflected on time distribution sheets and personnel activity reports, as required for all split- funded employees.

X. Contracting for Services

Contracts using IDEA Part B funds must be for services, materials, supplies or other items to be provided in accordance with the applicable requirements of Part 300.

Specific contract terms may need to be included depending on the type of contract. LEAs shall not contract with parties that have been debarred or suspended. Additional information on the Excluded Parties List System may be found at <https://www.sam.gov/>. In addition, all contracts must be for a period of no more than one year, and must include a termination clause. LEAs are expected to have procedures in effect to ensure that contractors meet the terms of their agreements, and must maintain documented internal controls to this effect.

LEAs must use careful judgment when determining whether to employ staff to provide related and support services, or to secure those services through individual or agency contracting. According to EDGAR §75.515(b), “the grantee may not use its grant to pay a consultant unless (1) there is a need for the services of that consultant; and (2) the grantee cannot meet that need by using an employee rather than a consultant.”

In addition, the cost of contracting for services must be reasonable and defensible to auditors. According to 2 CFR §§200.303 and 200.306, “To be allowable under Federal awards, costs must be necessary and reasonable for proper and efficient performance and administration of Federal awards.” A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

XI. Equipment and Supplies

Purchase of Equipment

Equipment purchased with Federal funds shall be used for the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. [2 CFR §§200.48, 200.58, and 200.439] All equipment purchased using IDEA Part B funds must be used in accordance with the applicable provisions of Part 300.

Equipment is defined as an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the government unit for financial statement purposes, or \$5,000 per unit. [2 CFR Part 225 Appendix B, 15(a)] LEAs may make allowable purchases of equipment \$5,000 or more per unit using IDEA Part B funds providing they receive **prior approval** from DESE-OSE. To be allowable under Federal awards, costs must be considered by DESE-OSE to be both necessary and reasonable.

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant award funds, until disposition takes place will, as a minimum, meet the following requirements:

1. Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the

date of disposal and sale price of the property. (EDGAR §80.32(d)(1))

2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
4. Adequate maintenance procedures must be developed to keep the property in good condition.

Leasing of Equipment

Where appropriate, LEAs are permitted to use IDEA Part B funds to lease equipment in support of their Special Education programs. LEAs must carefully evaluate decisions related to lease versus purchase alternatives in order to determine the most economical approach.

Allowability of leases is based upon:

- Leasing costs of comparable equipment;
- Alternatives available; and
- The type, life expectancy, condition, and value of the equipment leased.

All leases must be entered into by way of a written contract that specifies the terms and conditions of the lease. Lease contracts must be reviewed periodically to determine if needs or circumstances have changed, and if other options are determined available. For IDEA Part B, leases must be in accordance with the applicable provisions of Part 300.

XII. Fixed Assets/Inventory Requirements/Records Retention

All property procured through the use of IDEA Part B funds must be used in accordance with the applicable provisions of Part 300. A physical inventory of the property, including equipment, must be taken and the results reconciled with the property records at least once every two years. Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.

Each LEA must develop and utilize adequate maintenance procedures to keep property in good working condition. Inventory lists should reflect the current status and location of each piece of equipment purchased with IDEA Part B funds. Each piece of equipment purchased with Federal IDEA Part B funds should have a fixed label that clearly identifies the funding source (IDEA). In addition, a control system should be in place to ensure adequate safeguards to prevent misuse, loss, damage, or theft of the property. Any loss, damage, or theft must be investigated and the results documented.

Financial Records

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. [2 CFR §200.333]

And finally, LEAs must maintain control of, hold title to, and administer equipment and property

purchased with IDEA Part B funds that are used to provide services to children in private schools [34 CFR §300.144(a)].

XIII. Comprehensive Coordinated Early Intervening Services (CCEIS) and Coordinated Early Intervening Services (CEIS)

An LEA may voluntarily set aside up to 15 percent of its IDEA Part B sub-award for coordinating early intervening services (CEIS). See Appendix E of the IDEA regulations for examples when LEAs set aside 15 percent of funds for CEIS. If an LEA voluntarily sets aside 15 percent of its IDEA Part B award for CEIS, OR is required to set aside 15 percent of its IDEA Part B sub-award due to a finding of significant disproportionality, it may not adjust its fiscal effort under §300.205. Appendix E of the IDEA regulations provides examples of how CEIS and adjustments to fiscal effort interact with each other [34 CFR §§300.226 and 300.208(a)(2)].

If LEAs utilize IDEA Part B funds for staffing positions related to CEIS, extreme caution must be taken to avoid supplanting. An example of this would be a Social Worker or Behavior Specialist position that was 100 percent district funded in a previous school year, and then split 50-50 percent district and IDEA Part B funding in the current year, with 50 percent of the employee's time devoted to CEIS activities. Unless in that year, the LEA also hired a new Social Worker (not CEIS) or Behavior Specialist (not CEIS) that was paid out of district (non-IDEA Part B) funds for at least 50 percent of his/her salary, there could very well be a supplanting issue.

The Division of Elementary and Secondary Education's Office of Special Education (DESE-OSE), has identified certain local educational agencies (LEAs) as significantly disproportionate based on race or ethnicity with respect to the identification of children with disabilities; the identification of children in specific disability categories; the placement of children with disabilities in particular educational settings; or the incidence, duration, and type of disciplinary actions, including suspensions and expulsions.

In accordance with IDEA 34 [CFR §300.646], any local education agency (LEA) identified as having significant disproportionality, as defined by the state, is required to set aside 15% of their new allocation for the development and provision of CCEIS for -

- Children who are not currently identified as needing Special Education or related services but who need additional academic and behavioral support to succeed in a general education environment (ages 3-21); and
- Children with disabilities (ages 3-21).

An LEA may not limit the provision of comprehensive coordinated early intervening services to children with disabilities.

More detailed information related to CEIS and CCEIS requirements can be found in Appendix E.

XIV. Extended School Year Services (ESY) & LEA Supervisor Reimbursement

ESY is the provision of Special Education and related services to students with disabilities in accordance with their Individualized Education Program (IEP) beyond the normal school year of the local district and at no cost to the parents of the students [34 CFR §300.106]. Eligibility for ESY must be determined each year for every child that has a current IEP.

LEA Supervisor reimbursement comes from the state funding source that covers costs of ESY services.

More detailed information related to ESY & LEA Supervisor reimbursement requirements can be found in Appendix F.

XV. Proportionate Share of Funds for Parentally Placed Private School and Home-schooled Children with Disabilities

IDEA 34 [CFR §§300.129-144] sets forth the requirement of LEAs to serve children with disabilities who are parentally placed in private schools and home schooled. The calculation of the proportionate share for each year is based on the annual count of the number of parentally-placed private school and home school children with disabilities that was conducted in the previous year and reported in the IDEA Part B application for the current year. LEAs must use their proportionate share funds to pay for services provided to parentally placed home school and private school children.

IDEA requires that LEAs have in place policies and procedures to ensure that they locate, identify, and evaluate all children with disabilities who are enrolled by their parents in private schools located within the LEA. Such schools include religious, elementary and secondary schools that meet the State's definition of elementary school or secondary school.

Each district must set aside and spend during the grant period, on the provision of Special Education and related services for the parentally placed private school children with disabilities enrolled in private elementary schools and secondary schools located in the LEA an amount that is equal to—

- (1) A proportionate share of the LEA's subgrant under section 611(f) of the Act for children with disabilities aged 3 to 21. This is an amount that is the same proportion of the LEA's total subgrant under section 611(f) of the Act as the number of parentally-placed private school children with disabilities aged 3 to 21 enrolled in private elementary schools and secondary schools located in the LEA is to the total number of children with disabilities enrolled in public and private elementary schools and secondary schools located in the LEA aged 3 to 21; and
- (2) A proportionate share of the LEA's subgrant under section 619(g) of the Act for children with disabilities aged 3 – 5. This is an amount that is the same proportion of the LEA's total subgrant under section 619(g) of the Act as the total number of parentally placed private school children with disabilities aged 3 – 5 enrolled in private elementary schools located in the LEA is to the total number of children with disabilities enrolled in public and private elementary schools located in the LEA aged 3 – 5.

Consistent with section 612(a)(10)(A)(i) of the Act and § 300.133 of these regulations, annual expenditures for parentally placed private school children with disabilities are calculated based on the total number of children with disabilities enrolled in public and private elementary and secondary schools located in the LEA that are eligible to receive Special Education and related services under IDEA Part B, as compared with the total number of eligible parentally placed private school children with disabilities enrolled in private schools located in the LEA. This ratio is used to determine the proportion of the LEA's total IDEA Part B subgrants that is to be expended on

services for parentally placed private school children with disabilities enrolled in those schools.

It is important to note that the proportionate share of IDEA Part B funds must be determined before designating funds for any Coordinated Early Intervening Services (CEIS), as specified in 34 C.F.R. § 300.226 of the IDEA regulations. Dollar amounts must be calculated for both 619 funds and 611 funds. The combined amounts for ages 3 – 5 and ages 3 – 21 represent the total amount that must be set aside. The total required amount can be spent out of 611 dollars.

If an LEA has not expended the proportionate share by the end of the carry-over period, the SEA will monitor the LEA to ensure that it is meeting the private school proportionate share requirements, including the requirement in 34 C.F.R. § 300.135 that the LEA obtains written affirmation signed by representatives of participating private schools that timely and meaningful consultation has occurred.

The PSPS worksheet of how proportionate share is calculated is included in Appendix G.

XVI. Fiscal Monitoring Requirements

It is each state's responsibility to monitor the activities of sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. This requirement includes the use of IDEA Part B funds.

Under Section 2 CFR §200.331(b), "pass-through entities must evaluate each sub-recipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the sub-award for the purpose of determining the appropriate monitoring actions. Risk is the identification of events or circumstances that could have a negative impact on, or indicate compromise in, an LEA's ability to effectively administer the fiscal requirements of federal grant programs.

The Fiscal Monitoring Guide is included in Appendix H.

XVII. Fiscal Support and Guidance

DESE-OSE provides fiscal support and guidance in a variety of ways to LEAs, Educational Cooperatives, and State Agencies. Annually the Program Manager travels to Educational Cooperatives to provide training that covers Special Education finance and any changes that may have occurred. DESE-OSE provides technical assistance opportunities around large obligations such as but not limited to: Preliminary Special Education Budgets, June 1 Budget Application, CCEIS Application and Final Allocation Budget Amendments. The DESE-OSE offers monthly TA calls that cover a wide range of topics, not limited to finance, that include CCEIS and High Cost Occurrence Registry.

Guides and charts are updated annually and posted to the DES-OSE website to support LEAs throughout the year as they complete fiscal obligations around Special Education funding.

Annually DESE-OSE Finance will conduct a risk assessment on LEAs. This will be used in conjunction with components from Data, Dispute, and Programming to identify LEAs that may require additional targeted support. In addition, any information gained from Tier 1 fiscal monitoring or cyclical fiscal monitoring can lead to more targeted and intensive support for the LEA. DESE-OSE communicates with additional offices across DESE to identify LEAs in need of assistance and provide

targeted support. DESE provides LEAs with updates on legislation and guidance via Commissioner's Memos.

XVIII. APPENDICES A - I

APPENDIX A

ALLOCATION PROCEDURES FOR IDEA PART B PASS-THROUGH, SECTION 611 AND 619

Preliminary Allocation Section 611

Special Education, Section 611 funds will be allocated initially, using preliminary data for new or significantly expanding charter schools in early August. These allocations will be recalculated in early February of each year to adjust for final actual data for new and significantly expanding charter schools. The preliminary allocation of funds is described below.

The Fiscal Support Manager and the Federal Programs Manager will independently calculate the Special Education School Age – Section 611 Allocations. The Federal Programs Manager will e-mail their file to the Fiscal Support Manager and all allocations will be compared to ensure accuracy in calculation. Allocation amounts will be reconciled and approved by the Federal Programs Manager in writing. The approved allocation amounts will then be published via an ADE Commissioner’s Memo on the DESE website.

An LEA can elect to not participate in the Special Education, Section 611 School Age funding by signing a Declaration of Non-Participation and submitting the signed form to ADE. The Fiscal Support Manager will maintain an electronic copy of Declaration of Non-Participation forms on the network share drive for auditors review.

1. **Obtain the Individuals with Disabilities Education Act – Part B, Section 611 – Table I (State Grant Award Table)** from the following web address:
<http://www2.ed.gov/fund/data/award/idea/index.html>
(Example: For the 2020-2021 allocation – Use the FY20 State Grant Award Table)
2. **Using the State Grant Award Table**, complete the Grant Award Allocation Summary, indicating the following amounts:
 - A. Total Grant Award (State Grant Award Table)
 - B. State Administration (State Grant Award Table) – (Maximum Available for Administration will be used **Note:** This amount will match the amount set aside for Administration in the Interactive Spreadsheet)
 - C. Discretionary Funds (State Grant Award Table) – (Maximum Other Set- Aside If Actual Administration is Greater than \$850,000 Without Risk Pool will be used **Note:** This amount will match the amount set aside for Other State-Level Activities in the Interactive Spreadsheet)
 - D. Total State Set-Aside (B. State Administration (+) C. Discretionary Funds)
 - E. Pass-through Funds to LEAs (A. Total Grant Award (-) D. Total State Set- Aside)
 - F. LEA Base Allocation (State Grant Award Table)
 - G. Pass-through Funds Remaining for Population and Poverty Allocation (E. Pass-through Funds to LEAs (-) F. LEA Base Allocation)
 - H. 85% Population Allocation (G. Pass-through Funds for Population and Poverty Allocation * 85%)
 - I. 15% Poverty Allocation (G. Pass-through Funds for Population and Poverty

Allocation * 15%)

J. Total Pass-through Funds to LEAs (F. LEA Base Allocation (+) H. 85% Population Allocation (+) I. 15% Poverty Allocation)

3. **Base Calculations** – Obtain the beginning base amount from the prior year’s allocation files. These base amounts may be adjusted for the following instances:

- If a charter school opens for the first time or significantly expands its enrollment in the current year;
- If a new LEA is created, ADE will divide the base allocation for the LEAs that would have been responsible for serving children with disabilities now being served by the new LEA, among the new LEA and affected LEAs based on the relative numbers of children with disabilities ages 5 – 21 currently provided Special Education by each of the LEAs;
- If one or more LEAs are combined into a single new LEA, the base allocations of the LEAs will be combined into the merged LEA;
- If, two or more LEAs, geographic boundaries or administrative responsibility for providing services to children with disabilities ages 5 – 21 change, the base allocations of affected LEAs must be redistributed among affected LEAs based on the relative numbers of children with disabilities ages 5 – 21, currently provided Special Education by each affected LEA; and
- If an LEA received a base payment of zero in its first year of operation, the base payment will be adjusted for the first fiscal year after the first December 1st Special Education child count in which the LEA reports that it is serving any children with disabilities. ADE will divide the base allocation for the LEAs that would have been responsible for serving children with disabilities now being served by the LEA, among the LEA and affected LEAs based on the relative numbers of children with disabilities ages 5 – 21 currently provided Special Education by each of the LEAs.

- A. The Fiscal Support Manager will obtain the prior year’s December 1st school age Special Education student counts (5 – 21-year-olds, including kindergarteners) for district LEAs and open enrollment charter schools via e-mail from the Director of Data Management, University of Arkansas at Little Rock (UALR). (Example: For the 2020-2021 allocation – Use December 1, 2019 (5-21) count)
- B. The Fiscal Support Manager will then calculate the Base Amount Per Child = The individual LEA’s prior year base allocation (/) The individual LEA’s prior year December 1st school age Special Education student counts from A.
- C. The Fiscal Support Manager will determine which charter schools are new or significantly expanding based on data from the ADE Charter School office.
- D. The Fiscal Support Manager will then request that each new or significantly expanding charter school provide Preliminary Charter Prior Year/Resident District data for Special Education students, age 5 – 21 years. For all Special Education children, the Fiscal Support Manager will request the following individual student data from each of these charter schools: current year student grade level, student’s resident district, and the student’s prior year district attended. The data provided by the individual charter schools will then be compiled into the “**PY District**” summary tab, which indicates which districts the students currently attending these charter schools attended in the prior year and the resident district for each student. This data will be used to determine which district LEAs base allocation amounts will be reduced to establish/increase the base for the new/significantly expanding charter schools.

NOTE: The resident district will be used as the sending district to establish a base for all students without a prior year district (i.e., first time enrolled kindergarteners, or out of state

- transfers). Otherwise, the prior year district will be used as the sending district.
- E. The Base Amount Per Child for the sending district will be multiplied by the number of students from the sending district that attend the charter school. This amount will be added to the charter school LEA's base and deducted from the sending district's base amount.
 - F. A Preliminary Adjusted Base Allocation will be calculated by taking the Prior Year's Beginning Base Allocation (-) Base Amount Transfers OUT To Charters (+) Base Amount Transfers IN To Charters

4. **Population** –

- A. The Fiscal Support Manager will calculate the population component of the allocation by first obtaining the 10/1/20XX School Age (5-21) Enrollment = Prior Year's October 1st School Age (5 – 21) Enrollment Count by District from the ADE Data Center <https://adedata.arkansas.gov> - Statewide Information Systems Reports/Districts/Enrollment Count/School Year 20XX-20XX (Example: For the 2020-2021 allocation – Use the 2019-2020 Enrollment Count)
- B. The Fiscal Support Manager will then obtain the 10/1/20XX Private School Enrollment = Prior Year's October 1st Private School Enrollment from ADE Data Center <https://adedata.arkansas.gov> /Statewide Information Systems Reports/Schools/Private Schools/School Year 20XX-20XX (Example: For the 2020-2021 allocation – Use 2019-2020 Private School Enrollment)
- C. Total Enrollment will be calculated = 10/1/20XX School Age (5 – 21) Enrollment (+) 10/1/20XX Private School Enrollment
- D. A Relative Share % will be calculated as follows: Individual LEA's Total Enrollment (/) Total Enrollment of all LEAs.
 - A. Population Allocation = Relative Share % * 85% Population Allocation.
 - B. For new or significantly expanding charter schools, the Fiscal Support Manager will obtain the Preliminary July 1, 20XX New/Expanded Charter Enrollment = Current Year July 1st School Age (5-21) Enrollment Count by District (Only include increases in enrollment for new/significantly expanding charter schools) – Obtained from the Title I July 1st Child Count Data Forms. These increases in enrollment will be added to the prior year's 10/1/20XX Enrollment and a new Relative Share % will be calculated for each LEA. The Relative Share % will then be * by the 85% Population Allocation in order to obtain the Preliminary Revised Population Allocation.

5. **Poverty** –

- A. The Fiscal Support Manager will calculate the Poverty component of the allocation by first obtaining the 10/1/20XX School Age F/R (5-21) Count = Prior Year October 1st Districts Meal Status from ADE Data Center <https://adedata.arkansas.gov> /Statewide Information Systems Reports/Districts/Free-Reduced Lunch Counts-Paid/School Year 20XX- 20XX (Example: For the 2020-2021 allocation – Use the 2019-2020 Free- Reduced Lunch Count)
- B. A Relative Share % will be calculated as follows: Individual LEA's 10/1/20XX School Age F/R (5-21) Count (/) Total 10/1/20XX School Age F/R (5 – 21) Count of all LEAs.
- C. Poverty Allocation = Relative Share % * 15% Poverty Allocation.
- D. For new or significantly expanding charter schools, the Fiscal Support Manager will obtain the Preliminary July 1, 20XX New/Expanded Charter F/R Count = Current Year July 1st School Age (5 – 21) F/R Count (Only include increase in free/reduced lunch

counts for new/significantly expanding charter schools) – Obtained from the Title I July 1st Child Count Data Forms. These increases in free/reduced lunch counts will be added to the prior year's 10/1/20XX Free/Reduced lunch counts and a new Relative Share % will be calculated for each LEA. The Relative Share % will then be * by the 15% Poverty Allocation in order to obtain the Preliminary Revised Poverty Allocation.

6. **Total –**

The Preliminary Revised Base, Population and Poverty Allocations will be added together to obtain the Total Allocation for each LEA.

Preliminary Allocation - Additional Distribution (IF NEEDED)

An additional distribution of IDEA Part B, Section 611 funds may be necessary if any discretionary or administrative funds have not been expended by ADE from the prior year's school age grant and the agency has not determined the need to carry over such funds for use in the next fiscal year. The Fiscal Support Manager will distribute any remaining prior year discretionary and administrative funds to the LEA's based on the 85% population/15% poverty allocation in early August. The Fiscal Support Manager will use the enrollment and free/reduced lunch count data and population and poverty allocation method as were used in the prior year's allocation of funds.

Final Allocation File

The final allocation of Special Education, IDEA Part B, Section 611 funds will be calculated when the current year December 1st Special Education child counts are finalized in early February. Base, population and poverty allocations will be adjusted for current year new and significantly expanding charter schools and any federal award changes made by the Office of Special Education Programs (OSEP). The Final Allocation of funds is described below.

The Fiscal Support Manager and the Federal Programs Manager will independently calculate the Final Special Education School Age – Section 611 Allocations. The Federal Programs Manager will e-mail her file to the Fiscal Support Manager and all allocations will be compared to ensure accuracy in calculation. Allocation amounts will be reconciled and approved by the Federal Programs Manager in writing. The approved allocation amounts will then be published via an ADE Commissioner's Memo on the DESE website.

7. **Obtain the Individuals with Disabilities Education Act – Part B, Section 611 – Table I**

to ensure that no changes have been made to the Grant Award (State Grant Award Table) from the following web address: <http://www2.ed.gov/fund/data/award/idea/index.html> (Example: For the 2020-2021 allocation – Use the FY20 State Grant Award Table)

8. **Using the State Grant Award Table**, complete the Grant Award Allocation Summary, indicating the following amounts:

- A. Total Grant Award (State Grant Award Table)
- B. State Administration (State Grant Award Table) – (Maximum Available for Administration will be used)
- C. Discretionary Funds (State Grant Award Table) – (Maximum Other Set-Aside if Actual Administration is Greater than \$850,000 Without Risk Pool will be used)
- D. Total State Set-Aside (B. State Administration (+) C. Discretionary Funds)

- E. Pass-through Funds to LEAs (A. Total Grant Award (-) D. Total State Set-Aside)
- F. LEA Base Allocation – (State Grant Award Table)
- G. Pass-through Funds Remaining for Population and Poverty Allocation (E. Pass-through Funds to LEAs (-) F. LEA Base Allocation)
- H. 85% Population Allocation (G. Pass-through Funds for Population and Poverty Allocation *85%)
- I. 15% Poverty Allocation (G. Pass-through Funds for Population and Poverty Allocation * 15%)
- J. Total Pass-through Funds to LEAs (F. LEA Base Allocation (+) H. 85% Population Allocation (+) I. 15% Poverty Allocation)

9. **Base Calculations** – Obtain the beginning base amount from the Preliminary Allocation File’s Prior Year 20XX Final Adjusted Base Allocation.

- A. The Fiscal Support Manager will obtain the prior year’s December 1st school age Special Education student counts (5 – 21-year-olds, including kindergarteners) for district LEAs and open enrollment charter schools via e-mail from the Director of Data Management, UALR. (Example: For the 2020-2021 allocation – Use December 1, 2019 (5 – 21) count)
- B. The Fiscal Support Manager will then calculate the Base Amount Per Child = The individual LEA’s prior year base allocation (/) The individual LEA’s prior year December 1st school age Special Education student counts from A.
- C. The Fiscal Support Manager will determine which charter schools are new or significantly expanding based on data from the ADE Charter School Office.
- D. The Fiscal Support Manager will then obtain the current year December 1st school age Special Education child counts (5 – 21 years old, including kindergarteners) for open enrollment charter schools via e-mail from the Director of Data Management, UALR. (Example: For the 2020--2021 allocation – Use the December 1, 2020 (5 – 21) count). For all Special Education children, the Fiscal Support Manager will request the following individual student data from each of these charter schools: current year student grade level, student’s resident district and the student’s prior year district attended. The charter school will be given their current year December 1st child count to ensure that the proper student data is provided to ADE for allocation purposes. The data provided by the individual charter schools will then be compiled into the “**PY District**” summary tab, which indicates which districts the students currently attending these charter schools attended in the prior year and the resident district for each student.

This data will be used to determine which district LEAs base allocation amounts will be reduced to establish/increase the base for the new/significantly expanding charter schools.

NOTE: The resident district will be used as the sending district to establish a base for all students without a prior year district (i.e. first time enrolled kindergarteners, or out of state transfers). Otherwise, the prior year district will be used as the sending district.

- E. The Base Amount Per Child for the LEA sending district will be multiplied by the number of students from the sending district that attend the charter school. This amount will be added to the charter school LEA’s base and deducted from the sending district’s base amount.
- F. A Final Adjusted Base Allocation will be calculated by taking the Prior Year Final Adjusted Base Allocation (-) Base Amount Transfers OUT to Charters (+) Base Amount

Transfers IN to Charters

10. **Population** –

- A. The Fiscal Support Manager will calculate the population component of the allocation by first obtaining the 10/1/20XX School Age (5 – 21) Enrollment = Prior Year's October 1st School Age (5 – 21) Enrollment Count by District from ADE Data Center
- B. (Example: For the 2020-2021 allocation – Use 2019-2020 Enrollment Count)
- C. The Fiscal Support Manager will then obtain the 10/1/20XX Private School Enrollment = Prior Year's October 1st Private School Enrollment from ADE Data Center <https://adedata.arkansas.gov> /Statewide Information Systems Reports/Schools/Private Schools/School Year 20XX-20XXX (Example: For the 2020-2021 allocation – Use 2019-2020 Private School Enrollment)
- D. Total Enrollment will be calculated = 10/1/20XX School Age (5 – 21) Enrollment (+) 10/1/20XX Private School Enrollment
- E. A Relative Share % will be calculated as follows: Individual LEA's Total Enrollment (/) Total Enrollment of all LEAs.
- F. Population Allocation = Relative Share % * 85% Population Allocation.
- G. For new or significantly expanding charter schools, the Fiscal Support Manager will obtain the Final October 1, 20XX New/Expanded Charter Enrollment = Current Year October 1st School Age (5 – 21) Enrollment Count by District (Only include increases/decreases in enrollment for new or significantly expanding charter schools) - Obtained from the Title I October 1st Child Count Data Forms. These increases in enrollment will be added to the prior year's 10/1/20XX Enrollment and a new Relative Share % will be calculated for each LEA. The Relative Share % will then be * by the 85% Population Allocation in order to obtain the Final Revised Population Allocation.

11. **Poverty** –

- A. The Fiscal Support Manager will calculate the Poverty component of the allocation by first obtaining the 10/1/20XX School Age F/R (5–21) Count = Prior Year October 1st District Meal Status –from the ADE Data Center <https://adedata.arkansas.gov> /Statewide Information Systems Reports/Districts/Free-Reduced Lunch Counts-Paid/School Year 20XX-20XX (Example: For the 2020-2021 allocation – Use the 2019-2020 Free-Reduced Lunch Count)
- B. A Relative Share % will be calculated as follows: Individual LEA's 10/1/20XX School Age F/R (5-21) Count (/) Total 10/1/20XX School Age F/R (5-21) Count of All LEAs
- C. Poverty Allocation = Relative Share % * 15% Poverty Allocation.
- G. For new or significantly expanding charter schools, the Fiscal Support Manager will obtain the Final October 1, 20XX New/Expanded Charter F/R Count = Current Year October 1st School Age (5-21) F/R Count (Only include increase in free/reduced lunch counts for new/significantly expanding charter schools) – Obtained from the Title I October 1st Child Count Data Forms. These increases in free/reduced lunch counts will be added to the prior year's 10/1/20XX Free/Reduced Lunch Count and a new Relative Share % will be calculated for each LEA. The Relative Share % will then be * by the 15% Poverty Allocation in order to obtain the Final Revised Poverty Allocation.

12. **Total** –

The Final Revised Base, Population and Poverty Allocations will be added together to obtain the Total Allocation for each LEA.

The Fiscal Support Manager will maintain electronic files on the network share drive of all allocations and supporting documentation of the grant awards for auditors review.

The Fiscal Support Manager and the Federal Programs Manager will independently calculate the Special Education School Age – Section 611 grant disbursements. Grant disbursements will be calculated and paid monthly, on a reimbursement basis. The Federal Programs Manager will e-mail her payment file to the Fiscal Support Manager and all grant disbursements will be compared to ensure accuracy in calculation. The monthly grant disbursements will be forwarded to the Special Education Division Manager and the Assistant Commissioner, Learning Services or his/her designee for approval prior to payment.

Preliminary Allocation File **Section 619**

Special Education, Section 619 Federal Preschool funds will be allocated initially, using Preliminary data for new or significantly expanding charter schools in early August. These allocations will be recalculated in early February of each year to adjust for Final actual data for new and significantly expanding charter schools. The Preliminary Allocation of funds is described below.

The Fiscal Support Manager and the Federal Programs Manager will independently calculate the Special Education Federal Preschool – Section 619 Allocations. The Federal Programs Manager will e-mail her file to the Fiscal Support Manager and all allocations will be compared to ensure accuracy in calculation. Allocation amounts will be reconciled and approved by the Federal Programs Manager in writing. The approved allocation amounts will then be published via an ADE Commissioner's Memo on the DESE website.

An LEA can elect to not participate in the Special Education, Section 619 Federal Preschool funding by signing a Declaration of Non-Participation and submitting the signed form to ADE. The Fiscal Support Manager will maintain an electronic copy of Declaration of Non-Participation forms on the network share drive for auditors review.

1. **Obtain the Individuals with Disabilities Education Act – Part B, Section 619 – Table II (State Grant Award Table)** from the following web address:
<http://www2.ed.gov/fund/data/award/idea/index.html>
(Example: For the 2020-2021 allocation – Use the FY20 State Grant Award Table)
2. **Using the State Grant Award Table**, complete the Grant Award Allocation Summary, including the following amounts:
 - A. Total Grant Award (State Grant Award Table)
 - B. Maximum State Set-Aside (State Grant Award Table) – (Maximum State Set-Aside will be used)
 - C. Maximum Administration (State Grant Award Table) – (Maximum Available for Administration will be used)
 - D. Remaining State Set-Aside for Other State Activities (B. Maximum State Set-Aside (-) C. Maximum Administration)

- E. Pass-through Funds to LEAs (A. Total Grant Award (+) D. Remaining State Set-Aside for Other State Activities) ADE may choose to fund any or all State Set-Aside and Administration funds to LEAs for any given year.
- F. LEA Base Allocation (State Grant Award Table)
- G. Pass-through Funds Remaining for Population and Poverty Allocation (E. Pass-through Funds to LEAs (-) F. LEA Base Allocation)
- H. 85% Population Allocation (G. Pass-through Funds Remaining for Population and Poverty Allocation * 85%)
- I. 15% Poverty Allocation (G. Pass-through Funds Remaining for Population and Poverty Allocation * 15%)
- J. Total Pass-through Funds to LEAs (F. LEA Base Allocation (+) 85% Population Allocation (+) 15% Poverty Allocation)
- K. Minimum Pass-through Funds to LEAs (State Grant Award Table)

3. **Base** – Obtain the beginning base amount from the prior year’s allocation files. These base amounts may be adjusted for the following instances:

- If a charter school opens for the first time or significantly expands its enrollment in the current year;
 - If a new LEA is created, ADE will divide the base allocation for the LEAs that would have been responsible for serving children with disabilities now being served by the new LEA, among the new LEA and affected LEAs based on the relative numbers of children with disabilities ages 3 – 5 currently provided Special Education by each of the LEAs;
 - If one or more LEAs are combined into a single new LEA, the base allocations of the LEAs will be combined into the merged LEA;
 - If, two or more LEAs, geographic boundaries or administrative responsibility for providing services to children with disabilities ages 3 – 5 change, the base allocations of affected LEAs must be redistributed among affected LEAs based on the relative numbers of children with disabilities ages 3 – 5, currently provided Special Education by each affected LEA; and
 - If an LEA received a base payment of zero in its first year of operation, the base payment will be adjusted for the first fiscal year after the first December 1st Special Education child count in which the LEA reports that it is serving any children with disabilities aged 3 – 5. ADE will divide the base allocation for the LEAs that would have been responsible for serving children with disabilities aged 3 – 5 years now being served by the LEA, among the LEA and affected LEAs based on the relative numbers of children with disabilities ages 3 – 5 years currently provided Special Education by each of the LEAs.
- A. The Fiscal Support Manager will obtain the prior year’s December 1st preschool Special Education child counts (3 – 5 year-olds, including kindergarteners) via e-mail from the Director of Data Management, UALR
- Use the EC child count including 5 year-old kindergarteners for the preschool student count (Example: For the 2020-2021 allocation – Use the December 1, 2019 Early Childhood Child Counts)
 - B. The Fiscal Support Manager will then calculate the Base Amount Per Child = The individual LEA’s prior year base allocation (/) Individual LEA’s prior year December 1st preschool Special Education child counts from A.
 - C. The Fiscal Support Manager will determine which charter schools are new or

significantly expanding based on data from the ADE Charter School office.

- D. The Fiscal Support Manager will then request that each new or significantly expanding charter school provide Preliminary Charter Prior Year/Resident District data for Special Education students age 3 – 5 years. For all Special Education children, the Fiscal Support Manager will request the following individual student data from each of these charter schools: current year student grade level, student’s resident district, and the student’s prior year district attended. The data provided by the individual charter schools will then be compiled into the “**PY District**” summary, which indicates which districts the students currently attending charter schools attended in the prior year and the resident district for each student. This data will be used to determine which district LEA’s base allocation amounts will be reduced to establish/increase the base for the new/significantly expanding charter schools.

NOTE: Only students age 3 – 5 years will be included on the **PY District** summary and the resident district will be used as the sending district to establish a base for all students without a prior year district (i.e. first time enrolled kindergarteners). Otherwise, the prior year district will be used as the sending district.

- E. The Base Amount Per Child for the sending district LEA will be multiplied by the number of students from the sending district that attend the charter school. This amount will be added to the charter school LEA’s base and deducted from the sending district’s base amount.
- F. A Preliminary Adjusted Base Allocation will be calculated by taking the Prior Year’s Beginning Base Allocation (-) Base Amount Transfers OUT To Charters (+) Base Amount Transfers IN To Charters

4. Population –

- A. The Fiscal Support Manager will calculate the population component of the allocation by first obtaining the 10/1/20XX School Age (5-21) Enrollment = Prior Year’s October 1st School Age (5-21) Enrollment Count by District from the ADE Data Center
<https://adedata.arkansas.gov>
/Statewide Information Systems Reports/Districts/Enrollment Count/School Year 20XX-20XX (Example: For the 2020-2021 – Use the 2019-2020 Enrollment Count)
- B. The Fiscal Support Manager will then obtain the 10/1/20XX Private School Enrollment = Prior Year’s October 1st Private School Enrollment from the ADE Data Center -
<https://adedata.arkansas.gov>
/Statewide Information Systems Reports/Schools/Private Schools/School Year 20XX-20XX – (Example: For the 2020-2021 – Use 2019-2020 Private School Enrollment)
- C. Total Enrollment will be calculated = 10/1/20XX School Age (5-21) Enrollment (+) 10/1/20XX Private School Enrollment
- D. A Relative Share % will be calculated as follows: Individual LEA’s Total Enrollment (/) Total Enrollment of all LEAs.
- E. Population Allocation = Relative Share % * 85% Population Allocation.
- F. For new or significantly expanding charter schools, the Fiscal Support Manager will obtain the Preliminary July 1, 20XX New/Expanded Charter Enrollment = Current Year July 1st School Age (5-21) Enrollment Count by District (Only include increases in enrollment for new/significantly expanding charter schools) – Obtained from the Title I July 1st Child Count Data Forms. These increases in enrollment will be added to the prior year 10/1/20XX Enrollment and a new Relative Share % will be calculated for each LEA. The Relative Share % will then be * by the 85% Population Allocation in order to obtain the Preliminary Revised Population Allocation.

5. **Poverty** –

- A. The Fiscal Support Manager will calculate the Poverty component of the allocation by first obtaining the 10/1/20XX School Age F/R (5 – 21) Count = Prior Year October 1st Districts Meal Status from the ADE Data Center [https://adedata.arkansas.gov/Statewide Information Systems Reports/Districts/Free-Reduced Lunch Counts – Paid/School Year 20XX – 20XX](https://adedata.arkansas.gov/Statewide%20Information%20Systems%20Reports/Districts/Free-Reduced%20Lunch%20Counts%20-%20Paid/School%20Year%2020XX%20-%2020XX) (Example: For the 2020-2021 allocation – Use the 2019-2020 Free- Reduced Lunch Count)
- B. A Relative Share % will be calculated as follows: The individual LEA's 10/1/20XX School Age F/R (5-21) Count (/) Total 10/1/20XX School Age F/R (5-21) Count of all LEAs.
- C. Poverty Allocation = Relative Share % * 15% Poverty Allocation.
- D. For new or significantly expanding charter schools, the Fiscal Support Manager will obtain the Preliminary July 1, 20XX New/Expanded Charter F/R Count = Current Year July 1st School Age (5 – 21) F/R Count (Only include increase in free/reduced lunch counts for new/significantly expanding charter schools) – Obtained from the Title I July 1st Child Count Data Forms. These increases in free/reduced lunch counts will be added to the prior year 10/1/20XX Free/Reduced lunch counts and a new Relative Share % will be calculated for each LEA. The Relative Share % will then be * by the 15% Poverty Allocation in order to obtain the Preliminary Revised Poverty Allocation.

6. **Total** –

The Preliminary Revised Base, Population and Poverty Allocations will be added together to obtain the Total Allocation for each LEA.

Final Allocation File

The final allocation of Special Education Federal Preschool, Section 619 funds will be calculated when the current year December 1st Special Education child counts are finalized in early February. Base, population and poverty allocations will be adjusted for current year new and significantly expanding charter schools and any federal award changes made by USDE. The Final Allocation of funds is described below.

The Fiscal Support Manager and the Federal Programs Manager will independently calculate the Final Special Education Federal Preschool – Section 619 Allocations. The Federal Programs Manager will e-mail their file to the Fiscal Support Manager and all allocations will be compared to ensure accuracy in calculation. Allocation amounts will be reconciled and approved by the Federal Programs Manager in writing. The approved allocation amounts will then be published via an ADE Commissioner's Memo on the ADE website.

7. **Obtain the Individuals with Disabilities Education Act – Part B, Section 619 – Table II (State Grant Award Table)** from the following web address:

<http://www2.ed.gov/fund/data/award/idea/index.html> (Example: For the 2020-2021 allocation – Use the FY20 State Grant Award Table)

8. **Using the State Grant Award Table**

Complete the Grant Award Allocation Summary, including the following amounts:

- A. Total Grant Award (State Grant Award Table)
- B. Maximum State Set-Aside (State Grant Award Table) – (Maximum State Set-Aside will be used)
- C. Maximum Administration (State Grant Award Table) – (Maximum Available for

- Administration will be used)
- D. Remaining State Set-Aside for Other State Activities (B. Maximum State Set-Aside (-) C. Maximum Administration)
- E. Pass-through Funds to LEAs (A. Total Grant Award (+) D. Remaining State Set-Aside for Other State Activities)
- F. LEA Base Allocation (State Grant Award Table)
- G. Pass-through Funds Remaining for Population and Poverty Allocation (E. Pass-through Funds to LEAs (-) F. LEA Base Allocation)
- H. 85% Population Allocation (G. Pass-through Funds Remaining for Population and Poverty Allocation * 85%)
- I. 15% Poverty Allocation (G. Pass-through Funds Remaining for Population and Poverty Allocation * 15%)
- J. Total Pass-through Funds to LEAs (F. LEA Base Allocation (+) 85% Population Allocation (+) 15% Poverty Allocation)
- K. Minimum Pass-through Funds to LEAs (State Grant Award Table)

9. **Base** – Obtain the beginning base amount from the Preliminary Allocation File’s Prior Year 20XX Final Adjusted Base Allocation.

- A. The Fiscal Support Manager will obtain the prior year’s December 1st preschool Special Education child counts (3 – 5 year-olds, including kindergarteners) via e-mail from the Director of Data Management, UALR - Use the EC Child Count including 5 Year Kindergarteners for the Preschool student count (Example: For the 2020-2021 allocation – Use the December 1, 2019 Early Childhood Child Counts)
- B. The Fiscal Support Manager will then calculate the Base Amount Per Child = The individual LEA’s prior year base allocation (/) Individual LEA’s prior year December 1st preschool Special Education child counts from A.
- C. The Fiscal Support Manager will determine which charter schools are new or significantly expanding based on data from the ADE Charter School office.
- D. The Fiscal Support Manger will then obtain the current year December 1st preschool Special Education child counts (3 – 5 year olds, including kindergarteners) for open enrollment charter schools via e-mail from Jody Fields, Director of Data Management, University of Arkansas at Little Rock (UALR). (Example: For the 2020-2021 allocation – Use the December 1, 2020 (3 – 5 year olds, including kindergarteners) count). For all Special Education children, the Fiscal Support Manager will request the following individual student data from each of these charter schools: current year student grade level, student’s resident district and the student’s prior year district attended. The charter school will be given their current year December 1st child count to ensure that the proper student data is provided to ADE for allocation purposes. The data provided by the individual charter schools will then be compiled into the “**PY District**” summary, which indicates which districts the students currently attending charter schools attended in the prior year and the resident district for each student. This data will be used to determine which district LEA’s base allocation amounts will be reduced to establish/increase the base for the new/significantly expanding charter schools. **NOTE:** Only students’ age 3 – 5 years will be included on the **PY District** summary and the resident district will be used as the sending district to establish a base for all students without a prior year district (i.e. first time enrolled kindergarteners). Otherwise, the prior year district will be used as the sending district.
- E. The Base Amount per Child for the sending district LEA will be multiplied by the number of students from the sending district that attend the charter school. This

amount will be added to the charter school LEA's base and deducted from the sending district's base amount.

- F. A Final Adjusted Base Allocation will be calculated by taking the Prior Year Final Adjusted Base Allocation (-) Base Amount Transfers OUT To Charters (+) Base Amount Transfers IN To Charters

10. Population –

- A. The Fiscal Support Manager will calculate the population component of the allocation by first obtaining the 10/1/20XX School Age (5-21) Enrollment = Prior Year's October 1st School Age (5-21) Enrollment Count by District from the ADE Data Center <https://adedata.arkansas.gov> /Statewide Information Systems Reports/Districts/Enrollment Count/School Year 20XX-20XX (Example: For the 2020-2021 allocation – Use 2019-2020 Enrollment Count)
- B. The Fiscal Support Manager will then obtain the 10/1/20XX Private School Enrollment = Prior Year's October 1st Private School Enrollment from the ADE Data Center <https://adedata.arkansas.gov> /Statewide Information Systems Reports/Schools/Private Schools/School Year 20XX-20XX (Example: For the 2020-2021 allocation – Use 2019-2020 Private School Enrollment)
- C. Total Enrollment will be calculated = 10/1/20XX School Age (5-21) Enrollment (+) 10/1/20XX Private School Enrollment
- D. A Relative Share % will be calculated as follows: Individual LEA's Total Enrollment (/) Total Enrollment of all LEAs.
- E. Population Allocation = Relative Share % * 85% Population Allocation.
- F. For new or significantly expanding charter schools, the Fiscal Support Manager will obtain the Final 10/1/20XX New/Expanded Charter Enrollment = Current Year October 1st School Age (5 – 21) Enrollment Count by District (Only include increases in enrollment for new or significantly expanding charter schools) – Obtained from the Title I October 1st Child Count Data Forms. These increases in enrollment will be added to the prior year 10/1/20XX Enrollment and a new Relative Share % will be calculated for each LEA. The Relative Share % will then be * by the 85% Population Allocation in order to obtain the Final Revised Population Allocation.

11. Poverty –

- A. The Fiscal Support Manager will calculate the poverty component of the allocation by first obtaining the 10/1/20XX School Age F/R (5–21) Count = Prior Year October 1st District Meal Status – from the ADE Data Center <https://adedata.arkansas.gov> /Statewide Information Systems Reports/Districts/Free-Reduced Lunch Counts-Paid/School Year 20XX-20XX (Example: For the 2020-2021 allocation – Use the 2019-2020 Free-Reduced Lunch Count)
- B. A Relative Share % will be calculated as follows: The individual LEA's 10/1/20XX School Age F/R (5 – 21) Count (/) Total 10/1/20XX School Age F/R (5-21) Count of all LEAs.
- C. Poverty Allocation = Relative Share % * 15% Poverty Allocation.
- D. For new or significantly expanding charter schools, the Fiscal Support Manager will obtain the Final October 1, 20XX New/Expanded Charter F/R Count = Current Year October 1st School Age (5-21) F/R Count (Only include increase in free/reduced lunch

counts for new/significantly expanding charter schools) – Obtained from the Title I October 1st Child Count Data Forms. These increases in free/reduced lunch counts will be added to the prior year's 10/1/20XX Free/Reduced Lunch Count and a new Relative Share % will be calculated for each LEA. The Relative Share % will then be * by the 15% Poverty Allocation in order to obtain the Final Revised Poverty Allocation.

12. Total –

The Final Revised Base, Population and Poverty Allocations will be added together to obtain the Total Allocation for each LEA.

The Fiscal Support Manager will maintain electronic files on the network share drive of all allocations and supporting documentation of the grant awards for auditors review.

The Fiscal Support Manager and the Federal Programs Manager will independently calculate the Special Education Preschool – Section 619 grant disbursements. Grant disbursements will be calculated and paid in equal monthly payments. The Federal Programs Manager will e- mail her payment file to the Fiscal Support Manager and all grant disbursements will be compared to ensure accuracy in calculation. The monthly grant disbursements will be forwarded to the Special Education Division Manager and the Assistant Commissioner, Learning Services or his/her designee for approval prior to payment.

Beginning in the 2015-2016 fiscal year, Section 619 grant disbursements will be made on a reimbursement basis.

APPENDIX B
10% VARIANCE RULE

EDGAR 80.30(c) allows budget changes up to 10% of the total approved budget without ADE approval.

- ❖ The “10% Variance” in federal fund expenditures refers to when actual expenditures exceed budgeted expenditures.
- ❖ It is not considered a ‘variance’ when actual expenditures are less than budgeted expenditures.
- ❖ Districts may make budget changes of up to 10% of the total budget amount without ADE approval.

10% Variance of Function Code

- Compare each Function Total Actual Expenditures to Function Total Budgeted Expenditures.
- Actual line item expenditures cannot exceed budgeted line item expenditures by more than 10% of Total Budgeted Expenditures.
 - See example below: Total budgeted expenditures are \$300,000. 10% variance would be \$30,000.
- Look at each line item to determine if the line item is out of compliance
 - See example below: Function 1220, Resource Room total line item budgeted expenditures are \$40,000. The final actual line item expenditures are \$44,000. The function is in compliance because the final actual line item expenditures are only \$4,000 more than the budgeted line item expenditures, which is less than 10% of the total budgeted expenditures (or \$30,000).
- If the function line item actual expenditures are greater than the budgeted line item expenditures by 10% or more of the line item total, it is out of compliance.
 - See example below: Function 2292, LEA supervisor total line item budgeted expenditures are \$125,000. The final actual expenditures are \$167,000. The variance in the budget expenditures of \$125,000 to the actual expenditures of \$167,000 is \$42,000, which is out of compliance because the function line item actual expenditures are more than the allowed \$30,000. (10% of the function total budget)
 - See example below: Function 2160, OT/PT line item was not budgeted. The final expenditure was \$46,000. The variance is more than \$30,000. (10% of the function total budget) Therefore it would be necessary to amend the final expenditure report.

10% Variance of Function Code						
Fund	Fund Description	Function Code	Function Description	Budgeted Amount	Actual Amount	Variance Budget to Actual
6702	IDEA Part B Sec. 611	1220	Resource Rm	40,000.00	44,000.00	(\$4,000.00)

		2292	LEA Supervisor	125,000.00	167,000.00	(\$42,000.00)
		2150	Speech	135,000.00	43,000.00	\$92,000.00
		2160	OT/PT	0.00	46,000.00	(\$46,000.00)
Total Budget				300,000.00	300,000.00	\$0.00
10% Variance of Total is \$30,000						

10% Variance of Object Code

- If an object column total actual expenditure is greater than the budgeted expenditure, then determine if the column is out of compliance.
- Check the OBJECT Column Totals:
- 61000, Salaries: Variance cannot be greater than 10% of Total Budget.
 - Total budget is \$300,000. 10% variance would be \$30,000.
 - Variance for the Total Object column for Salaries cannot be more than 10% of the total budget (\$30,000)
 - The object code 61000 (salaries) would require an amendment
- 62000, Variance cannot be greater than 10% Total budget. This would not require an amendment because the difference in budget and actual expenditures is not more than 10% of the budget.
- 63000, Variance cannot be greater than 10% Total budget. This would not require an amendment.

10% Variance of Object Code					
Function	Fund Description	Salaries 61000	Benefits 62000	Supplies 66000	Total
1220	Resource	55,000.00	14,750.00	6,000.00	
1230	1:15 Class	50,000.00	13,500.00	8,000.00	
1240	1:10 Class	53,000.00	14,250.00	12,650.00	
1250	1:6 Class	47,000.00	12,750.00	13,100.00	
Total Budget Amount		205,000.00	55,250.00	39,750.00	300,000.00
Actual Amount Spent		240,000.00	55,600.00	55,650.00	
Variance-Budget to Actual		-35,000.00	-350.00	15,900.00	
10% Variance of Total Budget is \$30,000.					

APPENDIX C MAINTENANCE OF EFFORT

Under Section 613(a)(2)(A)(iii) of the IDEA and 34 CFR §300.203, the Division of Elementary and Secondary Education (DESE) is required to ensure all school districts in Arkansas meet a Maintenance Of Effort (MOE) obligation. Districts should consider their MOE status when developing their annual budgets, along with Excess Costs, Private School Proportionate Set Aside and Comprehensive and Voluntary Coordinated Early Intervening Services (CCEIS/CEIS). All four of these additional fiscal requirements impact a district's use of its IDEA Part B funds.

In meeting the IDEA Maintenance of Effort (MOE) requirements, school districts must meet two standards:

- **Eligibility Standard:** a district must budget, for the education of children with disabilities, at least the same total or per capita amount of local or local plus state dollars as the district spent for that purpose from the same source for the most recent prior year for which the information is available.

- **Compliance Standard:** a district must expend at least the same total or per capita amount of local or local plus state dollars for a current school year on the delivery of Special Education and related services, as were spent the previous year (comparison year).

Documentation that a district has met the MOE Eligibility/Budget requirement described above is provided to DESE-OSE through the local application for IDEA Part B funds.

In determining whether districts have met the MOE Compliance/Expenditure requirement, DESE-OSE reviews final expenditure information submitted by districts. This review is conducted in the Fall of each year (before Cycle 9 submission). Under IDEA, there are no waivers of MOE requirements available to LEAs.

The Office of Special Education Programs (OSEP), effective July 1, 2015, specifies the level of effort a district must meet in order to maintain effort in the year after an MOE failure. These clarifications use the terms "Comparison year" and "Subsequent Year" rules.

The level of effort a district must meet in the fiscal year after it fails to maintain effort is the level of effort that would have been required in the absence of that failure, not the district's reduced level of expenditures. Meaning, to determine level of effort, a district must look back to the most recent fiscal year in which the district maintained effort. In addition, the district must look back to the most recent fiscal year in which the district met MOE using the same method.

This has an impact on both the Eligibility/Budget standard and the Compliance/Expenditure standard.

Expenditures reported to be used in determining MOE compliance must include all costs associated with providing Special Education and related services to children and youth with disabilities that are above and beyond the costs of providing regular education programs to nondisabled students.

Expenditures for Special Education and related services must be reported by source of funds (state and local) and federal expenditures are not used to determine whether the division has met its MOE requirement. Each entry must represent actual expenditures and be consistent with federal and state definitions of Special Education and related services.

Expenditures can include:

- direct instruction/provision of Special Education service through an Individualized Education Program (IEP);
- costs such as salaries and benefits (full and prorated costs) of staff who provide Special Education and related services;
- costs associated with special transportation as called for in an IEP;
- prorated proportionate costs of certain equipment purchases or certain construction costs;
- costs associated with the provision of Special Education and related services for divisions responsible for the education program in a regional or local jail; and
- costs for providing Special Education and related services through a homebound or home-based model.

Excluded expenditures could be:

- costs associated with capital outlay or regular education programs and services should be excluded from this expenditure calculation;
- general capital outlay;
- general transportation costs;
- any expenditures that apply to all students (such costs apply to students with disabilities as well);
- prorated costs should not include a blanket application of costs based on child count data; and
- Legal expenses, including attorney fees and other related hearing expenses.

The methodology a district uses for allocating costs should not vary from year to year.

By meeting both the Maintenance of Effort (MOE) and Excess Cost requirements, a district is in compliance with the non-supplanting provisions of federal law and regulation.

Maintenance of Effort “Tests”

As indicated above, the “tests” for determining MOE expenditure compliance are specified in §300.203 of the IDEA:

- State and Local combined expenditures
- Local expenditures only
- State and Local per pupil expenditure (per capita)
- Local per pupil expenditure (per capita)

In the case where a district has not met its MOE requirement, DESE must pay back the US

Department of Education, using non-federal funds, the difference between what the LEA actually spent and what it should have spent to meet the MOE requirement, or the amount of the LEA's IDEA Part B subgrant for that fiscal year, whichever is lower. The district may be required to pay back the funds to DESE. The level of effort that a district must meet in the year after it fails to meet its MOE requirement is the level that it met the last year the LEA met MOE.

The following examples show how the four MOE tests work:

State & Local MOE TEST #1

Spend the same amount of local plus state funds as were spent for the previous year; the first test compares the reported local plus state expenditures for the current year compared to the last year the LEA met MOE;

Prior Year Local + State Expenditures:	\$7,820,000
Current Year Local + State Expenditures:	\$7,500,000
Year-to-Year Comparison:	(\$320,000)
MOE Test #1 status:	FAILED

Local Only MOE TEST #2

Spend the same total amount of local funds only as were spent for the previous year; the second test compares the reported local expenditures for the current year compared to the last year the LEA met MOE;

Prior Year Local Expenditures:	\$4,320,000
Current Year Local Expenditures:	\$4,020,000
Year to Year Comparison:	(\$300,000)
MOE Test #2 status:	FAILED

State & Local per Capita MOE TEST #3

Spend the same per capita amount of local plus state funds as were spent for the previous year; the third test produces a per capita amount (a per pupil dollar amount) derived by taking the reported local plus state expenditures and dividing this amount by the number of students with disabilities the district is legally responsible for serving. This per capita amount for the current year is compared to the per capita amount for the last year the LEA met MOE.

Prior Year Local + State Expenditures:	\$7,820,000
Prior Year Child Count:	1,200
Prior Year Per Capita:	\$6,516
Current Year Local + State Expenditures:	\$7,500,000
Current Year Child Count:	1,175
Current Year Per Capita:	\$6,382

Year-to-Year Comparison: (\$134)

MOE Test #3 status: FAILED

Local Only per Capita MOE Test #4

Spend the same per capita amount of local funds as were spent for the previous year; the fourth test produces a per capita amount (a per pupil dollar amount) derived by taking the reported local expenditures and dividing this amount by the number of students with disabilities the district is legally responsible for serving. This per capita amount for the current year is compared to the per capita amount for the last year the LEA met MOE.

Prior Year Local Expenditures:	\$4,320,000
Prior Year Child Count:	1,200
Prior Year Per Capita:	\$3,600

Current Year Local Expenditures:	\$4,020,000
Current Year Child Count:	1,175
Current Year Per Capita:	\$3,421

Year-to-Year Comparison: (\$179)

MOE Test #4 status: FAILED

Maintenance of Effort Allowable Exceptions

In the case where a district does not meet at least one of the MOE “tests”, reductions to the expected level of effort may be taken for reasons specified in Section §300.204 of the IDEA regulations. These possible exceptions are:

1. §300.204(a): The voluntary departure, by retirement or otherwise, or departure for just cause of Special Education or related services personnel;

This voluntary departure exception does not include reduction-in-force (RIF) or other termination, does not include involuntary staff transfers to other positions and does not include medical leave.

2. §300.204(b): A decrease in the enrollment of children with disabilities;

A decrease in enrollment between the previous and current years December 1 child count.

3. §300.204(c): The termination of the obligation of the agency, consistent with this part, to provide a program of Special Education to a particular child with a disability that is an exceptionally costly program, as determined by the SEA, because the child-

- Has left the jurisdiction of the agency;
- Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or

- No longer needs the program of Special Education.

NOTE: Any possible exceptions under §300.204(c) apply to a specific student, not to a program or vendor.

4. §300.204(d): The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

Possible exceptions under §300.204(d) could include certain equipment, certain construction costs, certain supplies/materials (software/computers) or certain programs. The termination of costly expenditures that are the result of a district reducing costs by being “frugal” or by “doing the same for less” are not considered to be allowable exceptions.

Purchases must be made across multiple fiscal years to meet the long-term requirement. Only the final fiscal years expenditures towards the purchase may be utilized as a possible exception. DESE-OSE uses the Federal micro-purchase threshold, set by OMB 2 C.F.R. Part 200 Uniform Guidance, of \$10,000 to define a costly expenditure.

Maintenance of Effort Adjustment

In accordance with section §300.205 of the IDEA regulations, for any fiscal year for which the allocation received by an LEA under Sec. 300.705 exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures otherwise required by Sec. 300.203(a) by not more than 50 percent of the amount of that excess if the district is meeting MOE and excess cost. The district must spend the ‘freed-up’ local (or state and local) funds on activities that are authorized under the Elementary and Secondary Education Act (ESEA) of 1965.

This provision cannot be used by any district that has been identified as having significant disproportionality, and is required to reserve 15 percent of their federal IDEA Part B award for Comprehensive Coordinated Early Intervening Services (CCEIS). However, if a district voluntarily chooses to set aside up to, but not to exceed, 15 percent of its federal IDEA Part B grant award, the amount the district chooses to set aside is reduced by the amount taken for the allowable exception under this provision.

Meeting the MOE Eligibility Standard with Comparison Year Rule, Subsequent Years Rule and Different Methods

In order to meet its Eligibility/Budget MOE requirement, a district must budget at least as much as they expended in the most recent year for which final information is available (comparison year). This basic requirement has been clarified so that now, in order to “pass” any one of the four eligibility/budget MOE tests, the district must go back to a year in which the final compliance/expenditure MOE test had been met and must budget at least that amount. A district cannot just meet one of the four tests in a given year and be considered to have met its MOE compliance requirement.

The expenditure totals displayed for fiscal years 2019-2020 and 2020-2021 in this table are examples of final expenditures used in those years’ MOE Compliance/Expenditure tests and assume either no allowable exceptions were approved for the fiscal years in question or that the allowable exceptions had been approved and the district still did not meet its MOE requirement. The dollar amounts displayed in the final line are the amounts the district must budget for each of

the four tests.

Projected budget amounts reported to meet the district’s Eligibility/Budget MOE requirement are not the amounts used to determine the district’s Compliance/Expenditure MOE requirement. Actual final expenditures are used for that requirement.

Fiscal Year	State + Local	Local Only	State + Local per capita	Local per Capita	Child Count
2017-2018	\$1,100 *	\$400 *	\$110 *	\$40 *	10
2018-2019	\$1,300 *	\$450 *	\$130 *	\$45 *	10
2019-2020	\$1,200 **	\$550 *	\$120 **	\$55 *	10
2020-2021	\$1,300 *	\$500 **	\$130 *	\$50 **	10
2021-2022					
Required Amount to Budget for 2022-2023	\$1,300	\$550	\$130	\$55	

Met MOE = *

Failed MOE = **

NOTE: clarification from OSEP to the Eligibility/Budget requirement now allows a district to take any of the allowable exceptions and adjustments to its MOE requirement specified under §300.204 and §300.205 of the IDEA and apply those exceptions to the projected budget amount it must report to meet the Eligibility/Budget requirement. These exceptions can be those approved by the ADE for the MOE determination for the intervening year or years between the most recent fiscal year for which information is available and the fiscal year for which the LEA is budgeting.

The allowable exceptions projected for the upcoming budgeted year applied to the district’s Eligibility/Budget tests **WILL NOT** necessarily be automatically approved for use in the district’s Compliance/Expenditure MOE tests.

Meeting the MOE Compliance Standard with Comparison Year Rule, Subsequent Years Rule and Different Methods

The following table shows expenditure information submitted by a sample school district and its Maintenance of Effort (MOE) compliance status across several years. This table demonstrates how the requirements for the “Comparison Year” and the “Subsequent Years Rule” work. In order to meet its MOE compliance tests, a district can not just meet one of the four tests in a given year and be considered to have met its MOE compliance requirement.

The expenditure totals displayed in this table are final expenditures and assume either no allowable exceptions were applied for the fiscal years in question or that the allowable exceptions had been applied and the district still did not meet its MOE requirement.

Fiscal Year	State + Local	Local Only	State + Local per capita	Local per Capita	Child Count
2018	\$21,000 *	\$10,500 *	\$2,100 *	\$1,050 *	10
2019	\$21,600 *	\$10,400 **	\$2,700 *	\$1,300 *	8
2020	\$21,500 **	\$10,650 *	\$2,150 **	\$1,065 **	10
2021	\$22,200 *	\$10,800 *	\$1,850 **	\$900 **	12
2022	\$22,000 **	\$ 8,900 **	\$2,200 **	\$890 **	10
Required MOE 2022-2023	\$22,200	\$10,800	\$2,700	\$1,300	

Met MOE = *

Failed MOE = **

APPENDIX D EXCESS COST

Under Section § 300.202 of the IDEA regulations, except as otherwise provided, amounts provided to an LEA under IDEA Part B of the Act may be used only to pay the excess costs of providing Special Education and related services to children with disabilities.

Districts should consider their Excess Cost requirement when developing their annual budgets, along with MOE status, Private School Proportionate Set Aside and Coordinated Early Intervening Services. All four of these additional fiscal requirements impact a district's use of its IDEA Part B funds.

Excess costs are those costs for the education of an elementary school or secondary school student with a disability 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.

An LEA must spend at least the average annual per student expenditure on the education of an elementary school or secondary school child with a disability before funds under IDEA Part B of the Act are used to pay the excess costs of providing Special Education and related services.

Section 602(8) of the Act and § 300.16 require the LEA to compute the minimum average amount separately for children with disabilities in its elementary schools and for children with disabilities in its secondary schools. LEAs may not compute the minimum average amount it must spend on the education of children with disabilities based on a combination of the enrollments in its elementary schools and secondary schools.

§300.16: Excess costs mean 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.

§300.202: The excess cost requirement prevents an LEA from using funds provided under IDEA Part B to pay for all of the costs directly attributable to the education of a child with a disability.

The federal intent is that each school district would provide students with disabilities everything a non-disabled student has (desk, books, classroom, school, teacher, etc.).

Federal intent also recognized that after these students were found eligible to receive Special Education services, and had an individual program of instruction designed to meet their unique needs (the IEP), it was going to cost the district MORE to serve these students.

Therefore, the federal intent was to provide funding to assist districts with the **excess costs** of providing Special Education and related services to students with disabilities. The intent was also to ensure districts spend dollars to cover all those basic costs they would be providing anyway, if these students with disabilities didn't have any extra or special needs "before" spending their federal IDEA Part B dollars.

At both the elementary and secondary school levels (each computed separately), the excess cost

requirement stipulates a district must be spending (in state and local funds) at least as much (average amount per pupil) on students with disabilities, as it is spending on all your other students (average amount per pupil).

Appendix A to the IDEA regulations has four components:

- Compute total expenditures
- Subtract certain expenditures
- Compute average annual per pupil amount
- Determine minimum amount of funds to spend for students with disabilities

By meeting both the Maintenance of Effort (MOE) and Excess Cost requirements a district is in compliance with the non-supplanting provisions of federal law and regulation.

Excess Cost Calculation

The Excess Cost calculation has four basic components:

- Compute total expenditures
- Subtract certain expenditures
- Compute average annual per pupil expenditure amount
- Determine minimum amount of funds to spend for Students With Disabilities

Sources needed for Excess Cost Calculations:

- Excess Cost AFR Reports from COGNOS
- December 1st Special Education child count for Elementary (K-6) and Secondary (7-12) of previous fiscal year.
- 3rd quarter ADM of previous fiscal year for Elementary (K-6) and Secondary (7-12)

Excess Cost Workbook:

- Excess Cost Enrollment:

Excess Cost Calculation (AFR)				
LEA #/District:		Fiscal Year	2021-22 (2020-21 AFR)	
Grade Allocations for 3rd Quarter ADM for Year of AFR and Dec. 1st Child Count for current year (December 1, 2020)				
All Students				
Elementary K-6 3rd Quarter ADM		Secondary 7-12 3rd Quarter ADM		Will populate to Line 7, Tab 2
SPED Students				
Elementary K-6 Dec. 1 Child Count: #		Secondary 7-12 Dec. 1 Child Count: #		Will populate to Line 9, Tab 2
% of Elementary ADM for district		#DIV/0!	% of current year Dec. 1 Child Count: #DIV/0!	
% of Secondary ADM for district:		#DIV/0!	% of current year Dec. 1 Child Count: #DIV/0!	

- Excess Cost Calculation (AFR) Summary Report:

Excess Cost Calculation (AFR) Summary Report				
LEA # & DISTRICT		Fiscal Year: 2021-22 (2020-21 AFR)		
	Expenditure Type	Elementary	Secondary	District
1	ADM % for Elementary & Secondary from Tab 1)	#DIV/0!	#DIV/0!	#DIV/0!
2	Total Expenditures Less C.O. & D.S. Excess Cost: Report 1	#DIV/0!	#DIV/0!	
3	Federal Funds Excess Cost: Report 2	#DIV/0!	#DIV/0!	
4	State/Local MOE Excess Cost: Report 3	#DIV/0!	#DIV/0!	
5	State/Local Title IA and Title III A&B Excess Cost: Report 4	#DIV/0!	#DIV/0!	
6	Total Expenditures Less Deductions	#DIV/0!	#DIV/0!	#DIV/0!
7	3 Quarter ADM for 20-21	0	0	0.00
8	Average Exp Per Student (APPE)	#DIV/0!	#DIV/0!	#DIV/0!
9	Child Count (12-1-20)	0	0	0
10	Total Minimum Amount That Must Be Spent Before Using Part B funds	#DIV/0!	#DIV/0!	#DIV/0!

APPENDIX E
COMPREHENSIVE COORDINATED EARLY INTERVENING SERVICES (CCEIS)
and
COORDINATED EARLY INTERVENING SERVICES (CEIS)

As permitted by section § 300.226 of the IDEA regulations, a school district may use 15 percent (or up to 15 percent) of their IDEA Part B award to provide certain services to students who ARE NOT identified under the IDEA as students with disabilities.

Districts should consider whether they are required to use 15 percent of their IDEA Part B award under CCEIS or whether they are planning to voluntarily use up to 15 percent of their IDEA Part B award under CEIS when developing their annual budgets, along with Excess Cost, Private School Proportionate Set Aside and MOE status. All four of these additional fiscal requirements impact a district's use of IDEA Part B funds.

CEIS

A school district might choose to voluntarily set aside up to 15 percent of their IDEA Part B award for Coordinated Early Intervening Services (CEIS). This situation is described as follows:

- The district may not use more than 15 percent of the amount the LEA receives under IDEA Part B of the Act for any fiscal year, less any amount reduced by the LEA pursuant to §300.205, if any, in combination with other amounts (which may include amounts other than education funds), to develop and implement coordinated, early intervening services, which may include interagency financing structures, for students in kindergarten through grade 12 (with a particular emphasis on students in kindergarten through grade three) who are not currently identified as needing Special Education or related services, but who need additional academic and behavioral support to succeed in a general education environment. (See Appendix D for examples of how § 300.205(d), regarding local maintenance of effort, and § 300.226(a) affect one another.)

In implementing coordinated, early intervening services under this section, an LEA may carry out activities that include:

- Professional development (which may be provided by entities other than LEAs) for teachers and other school staff to enable such personnel to deliver scientifically based academic and behavioral interventions, including scientifically based literacy instruction, and, where appropriate, instruction on the use of adaptive and instructional software; and
- Providing educational and behavioral evaluations, services, and supports, including scientifically based literacy instruction.

Each LEA that develops and maintains coordinated, early intervening services must annually report to the SEA on—

- The number of children served under this section who received early intervening services; and
- The number of children served under this section that received early intervening services

and subsequently received Special Education and related services under IDEA Part B of the Act during the preceding two year period.

Coordination with Every Student Succeeds Act (ESEA)

Funds made available for CEIS may be used to carry out coordinated, early intervening services aligned with activities funded by, and carried out under the ESEA if those funds are used to supplement, and not supplant, funds made available under the ESEA.

CCEIS

In accordance with IDEA 34 [CFR §300.646], any local education agency (LEA) identified as having significant disproportionality, as defined by the state, is required to set aside 15% of their new allocation for the development and provision of CCEIS for-

- Children who are not currently identified as needing Special Education or related services but who need additional academic and behavioral support to succeed in a general education environment (ages 3-21); and
- Children with disabilities (ages 3-21).

An LEA may not limit the provision of comprehensive coordinated early intervening services to children with disabilities.

CCEIS activities must:

- Address the needs of those student subgroups that were identified as the basis for causing the LEA to be identified as significantly disproportionate, but not exclusively, for those student subgroups;
- Focus on academic and behavioral instructional services and professional development;
- Focus on preschool through twelfth grade (PS-12) instructional activities with primary focus on preschool through third grade; and
- Track and report students served under CCEIS in the Early Intervening Services Module in eSchool.

APPENDIX F

Extended School Year and LEA Supervisor Reimbursement

This state funding source covers the costs of Extended School Year (ESY) services for eligible children ages 3 – 21 with disabilities in need of such services; supports the provision of Special Education services to foster children who are wards of the state; and provides funds to assist districts in paying salaries for Special Education supervisors and early childhood coordinators.

A guide on how to file for ESY reimbursement can be found on the DESE-OSE Funding and Finance website.

LEA Supervisor reimbursement is to assist LEAs that pay salaries for Special Education Supervisors that have the appropriate licensure based on an established per child per day rate, to the extent funds are available.

The following requirements must be met for an LEA to receive the reimbursement:

- The LEA Supervisor and their licensure information must be entered into eSchool for the Cycle 4 pull.
 - Failure to identify the LEA supervisor and their licensure codes will result in a loss of reimbursement.
- The LEA Supervisor must have one of the following qualifying licensure codes:
 - 190, 282, 318, 319, 320 or 341.
- For LEAs that have multiple LEA Supervisors the one listed on the ADE Data Center School Personnel Directory will be utilized to determine reimbursement.
 - This information can be updated by your LEA APSCN-SIS Cycle Coordinator using the ADE Statewide Information System (SIS).

APPENDIX G
Proportionate Share for Parentally Placed
Private School and Home-Schooled Children with Disabilities

Under section § 300.132 of the IDEA regulations, districts are required to complete a formula to identify the amount they must set aside of their IDEA Part B award to be used to provide Special Education and related services, through a Services Plan, to children whose parents have placed their child in a private school but who still want their child to receive some Special Education. The process districts must follow to determine which children might receive which Special Education services are described in the IDEA regulations.

Districts should consider their Private School Proportionate Set Aside when developing their annual budgets, along with Excess Costs, MOE status and Coordinated Early Intervening Services. All four of these additional fiscal requirements impact a district's use of its IDEA Part B funds.

Proportionate share costs are not limited to direct services but can include consultative services, equipment or materials for eligible parentally placed students with disabilities, or training for private school teachers and other private school personnel.

LEAs are prohibited from using the set-aside amount for administrative costs, the costs of child find and the evaluation process of parentally placed private school students.

§ 300.132 (c) "...Each LEA must maintain in its records and provide to the SEA the following information...."

- The number of children evaluated;
- The number of children determined to be children with disabilities; and
- The number of children served

NOTE: In Arkansas, home school children are also required to be included in the calculation.

Dollar amounts must be calculated for both 619 funds and 611 funds. The combined amounts for ages 3 – 5 and ages 3 – 21 represent the total amount that must be set aside. The total required amount will be spent out of 611 funds.

Funds must be set-aside during the Grant Period and funds not expended during the first year of the Grant Period must be carried over to the second year of the Grant Period. Any funds not expended during the first 24 months of the Grant Period may be spent on expenditures not related to parentally placed private school students.

The following is an example of how the private school proportionate share is calculated.

School Age		
1	Number of eligible children with disabilities in the District (School Age Only) (December 1, 2021 School Age Child Count)	0
2	Number of parentally placed and/or home school eligible children with disabilities in private schools or home school located in the district. This includes all parentally placed private and home school students with disabilities including those who do not have a service plan. Use Private School Survey Questions 4 & 5.	0
3	Total IDEA Part B 611 Preliminary Allocation to the District FY21-22 H027A210018 FY22 VI-B Allocations - July 2021 20210723140052.pdf (arkansas.gov)	\$0.00
4	Average allocation per eligible child (#3 divided by #1)	#DIV/0!
5	Amount to be expended for parentally placed children and home school children with disabilities (PSPS) (#4 multiplied by #2)	#DIV/0!
Early Childhood		
1	Number of eligible children with disabilities in the District (Early Childhood Only) (December 1, 2021 EC Child Count)	0
2	Number of parentally placed private school or home school students that are 5 years old on December 1, 2021 that live within the district boundaries. Use Private School Survey Questions 6 & 7.	0
3	Total IDEA Part B 619 Preliminary Allocation to the District FY21-22 H173A200021 FY22 Fed Preschool - July 2021 20210723142149.pdf (arkansas.gov)	\$0.00
4	Average allocation per eligible child (#3 divided by #1)	#DIV/0!
5	Amount to be expended for parentally placed children and home school children with disabilities (PSPS) (#4 multiplied by #2)	#DIV/0!
Total Amount to be budgeted to IDEA Part B 611 (Fund 6702) for PSPS =		
#DIV/0!		

APPENDIX H FISCAL MONITORING GUIDE

The Division of Elementary and Secondary Education's (DESE)- Office of Special Education (OSE) monitoring process is designed to

- a. ensure Local Education Agencies (LEAs) and state-sponsored educational programs comply with Individuals with Disabilities Education Act of 2004 (IDEA) requirements,
- b. identify compliance barriers that may negatively impact student results, and
- c. identify technical assistance needs.

The monitoring process is designed to assess the degree to which the above is being fulfilled. In addition, the monitoring process provides an opportunity for DESE to provide technical assistance to school entities, in order to strengthen their program administration and improve the quality of programs through proper fiscal accountability. As per Section 2 CFR §200.332(b), DESE must evaluate each sub-recipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the sub-award for the purpose of determining the appropriate monitoring actions.

The Division of Elementary and Secondary Education (DESE) teams (Standards for Accreditation, Gifted and Talented, Alternative Education, Migrant, English Learners, Counseling, and Health) aligned monitoring procedures across the agency to include four tiers that have similar actions per tier to build consistency in assisting districts. The OSE Finance personnel work collaboratively with other sections within the Office of Special Education (OSE) and across divisions within the DESE to carry out the overall supervision of special education and related services. By working in partnership with other sections and units, the OSE Finance State Education Advisors (SEA) can coordinate with other units in assisting district-level administrators in developing and implementing staff in-service and personnel development training designed to meet the needs of individual districts, specific geographic areas throughout the state, and, if needed, on a statewide level. This partnership can also impact training areas that receive emphasis in the higher education teacher preparation training programs. The OSE Finance unit works to ensure that each student has access to FAPE by the LEA meeting fiscal obligations under IDEA, Education Department General Administrative Regulations (EDGAR) and OMB Uniform Guidance.

DESE-OSE follows up with the LEA to ensure compliance with regulations in every tier of fiscal monitoring. DESE has the authority under Section 452 of the General Education Provisions Act (GEPA) to withhold, in whole or in part, any further payments of IDEA funds to an LEA that fails to correct identified non-compliance. Before withholding IDEA funds, the LEA must have reasonable notice and an opportunity for a hearing. Pending the hearing's outcome, DESE may suspend payment to the LEA and suspend the LEA's authority to obligate funds, or both. Withholding or suspending funds is limited to the programs or projects (or portions thereof) that affected the determination. In addition to these actions, DESE may utilize any other authority available to it to enforce the requirements of IDEA, including a referral to the DESE Standards and Systems Support Unit for review of compliance with the rules governing standards for accreditation.

Letters of notification are sent to LEAs in September, if on the cycle. This letter notifies the LEA of its monitoring dates and provides a brief overview of monitoring requirements. If a LEA is identified for monitoring after the letters are sent in September, a letter will be sent as quickly as possible once the need for monitoring is established. The Division of Elementary and Secondary Education, Office of Special Education (DESE-OSE), uses a tiered monitoring and technical assistance system, which includes a focus on results. This system is designed to (a) ensure LEAs comply with IDEA requirements; (b) identify barriers that may negatively impact student results; and (c) identify technical

assistance needs.

The LEA will be notified in writing of the specific circumstances and the recommended remedies required to move the LEA to a point of substantial compliance through a compliance action plan (CAP). CAPs will include a scheduled ZOOM meeting with the LEA Supervisor of the LEA. Within the meeting, the following will be discussed:

1. Discussion of any non-allowable costs and why the costs were unallowable and how the LEA can repay those unallowable costs to the agency
2. Discussion of the need for changes in policies and procedures to prohibit the repeat of any findings
3. Discussion of the need for training of all personnel who are involved in the decision-making process of how IDEA, Part B funds are utilized and the content of the training
4. Discussion of any additional components to include in the "Compliance Action Plan" prior to ADE-DESE OSE approval.
5. Discussion of any questions and/or concerns that the LEA may have about the findings

The Office of Special Education will notify the Arkansas Legislative Audit Educational Institution Deputy Legislative Auditor regarding any issues of non-compliance and provide a copy of the CAP.

A district that does not complete the requirements of the CAP within the designated time enters a status of long-standing non-compliance. The State Education Agency (SEA) will issue a letter to the district informing them of the status and outlining the next required corrective actions, sanctions, or enforcement actions. The actions will include a timeline and monthly review for the completion of each required action. The SEA will review the reasons for the non-compliance, the overall status and progress on the CAP, and other data to determine if additional requirements related to IDEA Part B budgets will be enforced. Required or enforcement actions could include:

- Mandatory technical assistance
- Increased reporting requirements
- Required use of funds for specific actions

Tier 1 – Desk Monitoring

All LEAs are monitored annually through various data collection activities and desk reviews. Annual components include:

1. June 1st Application
2. October 1st Budget
3. End of Year Budget
4. Maintenance of Effort Calculation
5. Excess Cost Calculation
6. Private School Proportionate Share (PSPS) Survey & Expenditures
7. Use of allowable functions in the budgets submitted
8. Monthly review of Arkansas Legislative Audit Synopsis: Committee on Educational Institutions
9. Monthly review of CCEIS expenditures via expenditure audit trails of Function 1297
10. Letters to LEAs requesting repayment of special education funds to the agency

The SPED Finance team reviews these documents to ensure that the documents are submitted on a timely basis and that the information presented on the documents is correct. Technical assistance is provided to LEAs based on the review of documents on how to correct the documents to ensure compliance. DESE-OSE can issue a compliance action plan due to areas identified through Tier 1 – Desk Monitoring, including timely and accurate data.

The SPED Finance team also identifies the risk for each LEA as follows:

- 1. Change in Superintendent/Open-Enrollment Public Charter School Director**

The fiscal monitoring team will pull data from the ADE School Personnel Directory information concerning district superintendents/open-enrollment public charter school directors from the current school year and compare that data to the data from the previous monitoring data pull. A request for new superintendents will also be sent to the Director of Learning Services and Operations at AAEEA. LEAs with a new superintendent/charter school director for the current year will be assigned twenty (20) points. LEAs with a superintendent/charter school director in the second year of their position will be assigned fifteen (15) points.
- 2. Change in General Business Manager/District Treasurer**

The fiscal monitoring team will pull data from the ADE School Personnel Directory information concerning general business manager/district treasurer from the current school year and compare that data to the data from the previous monitoring data pull. A request for new general business managers/district treasurers will also be sent to the Director of Financial Services at AAEEA. LEAs with a new general business manager/district treasurer will be assigned fifteen (15) points. LEAs that have a general business manager/district treasurer in their second year of their position will be assigned ten (10) points.
- 3. Change in LEA Supervisor**

The program monitoring team will pull data from the ADE School Personnel Directory information concerning LEA Supervisor from the current school year and compare that data to the data from the previous monitoring data pull. A request for new LEA Supervisor will also be sent to the Director of Financial Services at AAEEA. LEAs with a new LEA Supervisor will be assigned fifteen (15) points. LEAs with a LEA Supervisor in their second year of their position will be assigned ten (10) points.
- 4. Fiscal Distress, Early Intervention or Less than 350 Status, Level 4 or 5 Intensive Support**

Email will be sent to the Fiscal Services and Support Coordinator in the Finance Office to obtain a list of districts in fiscal distress, early intervention or less than 350 student status. Email will be sent to the OCSS SPED Coach to obtain information about any issues that any Level 4 or Level 5 Intensive Support school entity had in the last year. LEAs that are classified as a Level 5 intensive-support LEA or classified in Fiscal Distress will be assigned thirty-five (35) points. LEAs that are classified as a Level 4 intensive-supported entity or classified in Early Intervention status will be assigned twenty-five (25) points. LEAs that are classified as Less Than 350 (having a total student count of less than 350 after the 3rd quarter) will be assigned fifteen (15) points.

5. History of late submission of required data or financial information (including Maintenance of Effort (MOE))

The fiscal monitoring team will review a Google document that lists each school entity's submission of reports to the SPED Finance unit. LEAs with one instance of late submission of required data or financial information will be assigned five (5) points; with two instances of late submission will be assigned ten (10) points; with three instances of late submission will be assigned fifteen (15) points, and four (4) or more instances will be assigned twenty (20) points.

6. Review of PSPS Survey and Expenditures

The fiscal monitoring team will cross reference the LEA's PSPS survey count against Cycle 4 data. LEAs that have errors in the PSPS survey count will receive (5) five points. The fiscal monitoring team will request the written affirmation signed by representatives of participating private schools that timely and meaningful consultation has occurred when the LEA has not expended the proportionate share by the end of the carry-over period. LEAs that do not have written affirmation that consultation with participating private schools will receive five (5) points.

7. Review of CCEIS funds (Involuntary for CCEIS identified school entities)

The fiscal monitoring team will process the expenditure audit trail for CCEIS funds and ensure that proper program codes (267 and 269) have been used and that 15% of their preliminary federal allocations for those program codes have been budgeted and expended and review the previous four years of CCEIS Carryover Worksheets to ensure that the school district has not spent more than the 15% allowed. The fiscal monitoring team will also review for any unallowable expenditures that the LEAs may have expended that violates the "supplement not supplant" requirements. LEAs that have any inaccurate calculations will receive twenty (20) points. LEAs that have unallowable CCEIS expenditures will receive twenty (20) points. LEAs that have not liquidated the carryover by the end of the 27-month requirement will receive twenty (20) points.

8. Review of calculation of Maintenance of Effort (MOE)

The fiscal monitoring team will review the LEA's calculation of maintenance of effort in determining if appropriate expenditures were used and if the appropriate exceptions have been calculated correctly. LEAs that have failed to meet the maintenance of effort requirement will receive ten (10) points.

9. Review of letters requesting LEA to return funds to the agency

The fiscal monitoring team will review any letters that have been addressed to the LEA requiring the LEA to return funds to the agency for the following reasons:

1. Not meeting maintenance of effort (MOE)
2. Not meeting CCEIS requirements
3. Any other repayment of funds (i.e., using Fund 6702 for third-party Medicaid billing services)

LEAs that have had to return funds for not meeting maintenance of effort (MOE) will receive fifteen (15) points. LEAs that have had to return funds for not meeting CCEIS requirements will receive ten (10) points. LEAs that have had to return funds for any other reasons will receive ten (10) points per occurrence. The LEA is required to complete a Compliance Action Plan (CAP) for each occurrence in which funds were returned to the agency. Within the CAP, the LEA will be required to attend selected technical assistance (TA) trainings provided by the Office of Special Education Finance.

Based upon the rubric for Tier 1, if a non-CCEIS identified LEA has more than 40 points, then the LEA will be moved into Tier 2 Monitoring. If a CCEIS-identified entity has more than 60 points, then the LEA will be moved into Tier 2 Monitoring.

VARIABLES OF SCORING RUBRIC	Risk Value	Yes	No	Score
Change in Superintendent/ESC Director/Open-Enrollment Public Charter School Director – first year in position	20			
Change in Superintendent/ESC Director/Open-Enrollment Public Charter School Director – second year in position	15			
Change in General Business Manager/District Treasurer – first year in position	15			
Change in General Business Manager/District Treasurer – second year in position	10			
Change in LEA Supervisor of school entity – first year in position	15			
Change in LEA Supervisor of school entity – second year in position	10			
District been classified as a Level 5 intensive support entity, or in fiscal distress, or has been taken over by the State	35			
District been classified as a Level 4 intensive support entity or has been selected for early intervention	25			
District been classified as a school entity that has less than 350 students	15			
History of late submission of required data or financial information (example(s): Part B Application, Budget Amendments, Annual Report, Surveys, and Maintenance of Effort) within the last four years – one instance of late submission	5			

History of late submission of required data or financial information (example(s): Part B Application, Budget Amendments, Annual Report, Surveys, and Maintenance of Effort) within the last four years – two instances of late submission	10			
History of late submission of required data or financial information (example(s): Part B Application, Budget Amendments, Annual Report, Surveys, and Maintenance of Effort) within the last four years – three instances of late submission	15			
History of late submission of required data or financial information (example(s): Part B Application, Budget Amendments, Annual Report, Surveys, and Maintenance of Effort) within the last four years – four (4) or more instances of late submission	20			
LEA has failed to meet the maintenance of effort requirement	10			
Inaccurate or unverifiable reporting on PSPS survey within the last two years (beginning 23-24 monitoring cycle)	5			
Unverifiable reporting of meaningful consultation with participating Private Schools within the last two years (beginning 23-24 monitoring cycle)	5			
LEA has had to repay funds to the agency due to not meeting maintenance of effort (MOE)	15			
LEA has had to repay funds to the agency for other reasons besides not meeting maintenance of effort (MOE) (10 points per occurrence)	10			
FOR CCEIS IDENTIFIED SCHOOL ENTITIES				

Inaccurate or unverifiable reporting of actual expenditures and carryover of CCEIS funds within the last four years	20			
Issues related to unallowable expenditures of CCEIS funds	20			
Issues related to the liquidation of the CCEIS funds within the last four years	20			
LEA has had to repay funds to the agency due to not meeting CCEIS requirements	10			
Subtotal for CCEIS	70			
Subtotal for Tier 1 (maximum points allowed) without CCEIS possible points	150			

Tier 2 – High-Risk LEAs and Cyclical Monitoring

Each year, selected LEAs will begin in the cyclical monitoring tier (Tier 2), which utilizes the self - assessment that is completed in MYSPED and has a maximum of 20 school days, excluding state holidays, to complete. The Monitoring and Program Effectiveness (MPE) team typically determines the timeframes during the summer months.

Beginning in the 2021 - 2022 school year, Tier 2 includes a random selection of no more than five LEAs that may or may not be on the cycle for the year. LEAs selected for a random Tier 2 monitoring may be asked to complete any of the fiscal and/or program monitoring activities described in this document or may have a focused area of review. The SPED monitoring team makes determinations annually regarding this random selection and activity. The random selection will be made via a number generator.

The Tier 2 monitoring is identified through risk checklist results, results of previous fiscal monitoring, consultation with other units within the Office of Special Education and/or identified through the established four-year monitoring cycle. The SPED Finance team will also complete the following:

1. **Review of responses on the Self-Assessment**
Review the self-assessment report received from the LEA after forty-five (45) days from receipt of email. If more than 10 points on the self-assessment, the LEA will be assigned ten (10) points.
2. **Private Audit**
Email will be sent to the Deputy Legislative Auditor for Educational Institutions of the Arkansas Legislative Audit to obtain a list of school entity that have chosen to utilize a private auditor

rather than the use of Arkansas Legislative Audit for the previous fiscal year. LEAs with a private audit will be assigned ten (10) points.

3. Inadequate Management of Funds or Failure to Comply with Federal and State Requirements

Email will be sent from Arkansas Legislative Audit with a synopsis attached each time the Joint Legislative Audit Committee meets and files audits. The fiscal monitoring team will review those synopses for any LEA with audit findings. LEAs that have three (3) or more non-federal audit findings will be assigned twenty (20) points. LEAs that have one (1) or two (2) non-federal audit findings will be assigned ten (10) points.

4. LEA has federal audit findings (includes management letter issues) in the last four years.

Email will be sent from Arkansas Legislative Audit with a synopsis attached each time the Joint Legislative Audit Committee meets and files audits. The fiscal monitoring team will review those synopses for any LEA with federal audit findings. LEAs that have federal findings will be assigned twenty (20) points.

5. LEAs that have repeat federal audit findings in the last four years

Email will be sent from Arkansas Legislative Audit with a synopsis attached each time the Joint Legislative Audit Committee meets and files audits. The fiscal monitoring team will review those synopses for any LEA with repeat federal award audit findings over the last four years. LEAs that have more than two (2) repeat federal award audit findings will be assigned twenty-five (25) points. LEAs that have one (1) or two (2) repeat federal award audit findings will be assigned fifteen (15) points.

6. LEA has procedures in place for monitoring and evaluating the expenditures to determine whether they are compliant

The fiscal monitoring team will review, during the fiscal monitoring cycle, the financial policy manual of the school entity on the school entity’s website. Entities that have no procedures will be assigned ten (10) points.

7. Incompletion of corrective action plan by designated deadline

The fiscal monitoring team will review the corrective action plan, if required at the last monitoring of the school entity, and all supporting documentation with the corrective action plan. School entities with an incomplete corrective action plan will be assigned ten (10) points.

8. LEA does not attend required technical assistance (training)

The fiscal monitoring team will review the registrations of LEAs for technical assistance training for the prior year. LEAs that have not attended (1) one training will be assigned five (5) points. LEAS that have not attended (2) two or more trainings will be assigned (10) points per missed training.

Based upon the rubric for Tier 2, if a LEA has more than 40 points and additional documentation is needed to get clarification on the data submitted, then the LEA will be moved into Tier 3 Monitoring. The school entity will be notified by the SPED Finance team.

VARIABLES OF SCORING RUBRIC	Risk Value	Yes	No	Score
-----------------------------	------------	-----	----	-------

Review of responses on the Self-Assessment (10 or more points = YES)	10			
District had a private audit in the last four years	10			
In the school entity's history, there have been inadequate management of funds or failure to comply with federal or state requirements in the last four years. Three (3) or more non-federal audit findings	20			
In the school entity's history, there have been inadequate management of funds or failure to comply with federal or state requirements in the last four years. One (1) or two (2) non-federal audit findings	10			
School entity has federal audit findings (not repeat) in the last four	20			
School entity has repeat federal audit findings in the last four years – three (3) or more findings	25			
School entity has repeat federal audit findings in the last four years – one (1) or two (2) findings	15			
District does not have procedures in place for monitoring and evaluating the expenditures to determine whether they are compliant	10			
Incompletion of corrective action plan by designated deadline	10			
LEA has not attended one (1) technical assistance training	5			
LEA has not attended two (2) or more technical assistance trainings (10 points per occurrence)	10			

Subtotal for Tier 2 (maximum points allowed)	150				
--	-----	--	--	--	--

Tier 3 – Increased Review of Data or Evidence

In the event that an increased review of the data or evidence becomes necessary, the SPED Finance team will review all expenditure audit trails of Funds 6702, 6703, 6704 and 6710. The SPED Finance team will also complete the following:

- 1. School Entities that have made numerous journal entries within the last four years**
 The fiscal monitoring team will process expenditure audit trails for all funds that are being monitored and review all journal entries that have been made in those funds. LEAs with multiple journal entries that are increasing and reducing the expenditures with no description of the reason for the journal entries and/or the journal entry is being completed to transfer funds to/from a fund that is unallowable will be assigned twenty (20) points.
- 2. Inaccurate calculation of budget amendments, which will include failure to comply with the 10% variance requirement**
 The fiscal monitoring team will review any budget amendments that have been submitted and determine if the amendments were submitted correctly and had supporting documentation attached regarding the amendment. LEAs with inaccurate calculations of budget amendments will be assigned twenty (20) points.
- 3. Reviewing CEIS funds (Voluntary)**
 The fiscal monitoring team will process the expenditure audit trail for CEIS funds and ensure that proper program codes (264 and 265) have been used if CEIS funds were budgeted. If the CEIS funds have been budgeted, the LEA should not budget more than 15% of their preliminary federal allocations for those program codes have been budgeted and expended. LEAs that have any inaccurate calculations will receive twenty (20) points. If the LEA has obligation issues of those funds, the LEA will receive twenty (20) points.
- 4. Review of Private School Proportionate Share (PSPS) funds**
 The fiscal monitoring team will process the expenditure audit trail for PSPS funds and ensure that proper program codes (266 and 268) that have been used and ensure that PSPS funds are used before state and local funds are used. School entities that have any inaccurate calculations will receive fifteen (15) points. School entities that have obligation issues will receive fifteen (15) points.
- 5. Review expenditures requiring SPED Finance approval**
 The fiscal monitoring team will process expenditure audit trails and review for any purchases that were made for equipment, buses, construction, and out-of-state travel and ensure that approval was received from the SPED Finance Unit. LEAs that have unauthorized expenditures for equipment, buses, construction and/or out-of-state travel will receive ten (10) points each for those areas.
- 6. Review all salaried positions that require a time certification report**

The fiscal monitoring team will review time certification reports for all salaried positions (certified and classified) that are paid from IDEA Part B funds Section 611 and 619. The team will conduct a sample review to ensure that the appropriate percentage of time has been correctly calculated. Any errors identified in the sample review will lead to a review of all identified positions. LEAs that have incorrectly calculated the percentage per fund will receive (5) points each for each violation.

Based upon the rubric for Tier 3, if a LEA has more than 60 points and additional documentation shows unallowable costs have occurred, then the LEA will be moved into Tier 4 Monitoring. The LEA will be notified by the SPED Finance team of the specific circumstances that moved the LEA to Tier 4 Monitoring.

VARIABLES OF SCORING RUBRIC	Risk Value	Yes	No	Score
LEA has made numerous journal entries without description and/or is being completed to make unallowable transfer of funds within the last four years	20			
Inaccurate calculation of budget amendments within the last four years	20			
Inaccurate reporting of actual expenditures and carryover of CCEIS funds within the last four years	20			
Issues related to the obligation of the CCEIS funds within the last four years	15			
Inaccurate reporting of actual expenditures and carryover of Private School Proportionate Share funds within the last four years	15			
Issues related to the obligation of the Private School Proportionate Share funds within the last four years	15			
Unauthorized expenditures regarding equipment within the last four years	10			
Unauthorized expenditures regarding buses within the last four years	10			

Unauthorized expenditures regarding construction within the last four years	10			
Unauthorized expenditures, regarding out-of-state travel within the last four years	10			
Incorrect calculation of percentage of time allotted to each fund in time certification (5 points per employee)	5			
Subtotal for Tier 3 (maximum points allowed)	150			

Tier 4 – Onsite Monitoring

School entities can be selected for onsite monitoring based on

- (1) a request from the Superintendent and/or Commissioner of DESE; or
- (2) self-identification, disproportionality data, data and results of self-monitoring; or
- (3) LEA has moved from a Tier 3 level of monitoring due to unallowable costs that are found after the Tier 3 monitoring review; or
- (4) other risk factors that may not be specifically mentioned in this document

Specific programs that always have on-site monitoring include:

- a. All state agency programs
 1. Division of Youth Services
 2. Corrective Education
 3. Arkansas School for the Blind
 4. Arkansas School for the Deaf
 5. Conway Human Development Center
- b. New charter schools and/or school districts during their second year of operation

The SPED Finance team will examine the school entity's expenditure audit trails of other special education funds such as high-cost occurrence and LEA special education supervisor for compliance to federal and state requirements.

The SPED Finance team will examine a sample of the special education fixed assets for tag identification, reporting of special education-related assets within the fixed asset ledger, and adherence to disposal policies as outlined in C.F.R. § 200.313 and § 200.439.

The SPED Finance team will also examine all procurement policies that the district utilizes for special education purchases specifically reviewing the processes of:

1. Selection criteria for placing vendors on the approved supplier list outside of TIPS/TAPS vendors
2. Purchase order approval process
3. Process of receiving goods and reporting of the movement of goods from person receiving the goods to the purchaser of the goods
4. Reviewing internal control processes to ensure unauthorized or fraudulent purchases are not occurring

Also, the team will review the procurement processes to ensure that the processes comply with C.F.R. § 200.320.

The State Education Agency (SEA) and LEA will work together to delineate on-site monitoring activities, which will include all fiscal-oriented documentation (i.e., invoices, purchases orders, etc.). Areas of potential non-compliance identified in the validation check will be reported with the other monitoring data.

The SPED Finance team and the LEA will discuss the recommendations required to move the LEA to a point of substantial compliance.

APPENDIX I
Allowable Costs for IDEA Entitlement Grants

Expenditure Guidelines for IDEA Part B School Age and Early Childhood Funds

This guide has been designed to assist school entities (all entities that are local education agencies and state-sponsored educational programs that receive IDEA Part B Section 611 and Section 619 funds) in determining the appropriate use of funds for Special Education expenses with the IDEA grant.

For a particular expenditure to be allowed on IDEA grants, it must be an excess cost of providing Special Education and related services. Only allowable expenditures may be charged to the IDEA Part B School Age (Program Code 611) or Preschool (Program Code 619) entitlement grants.

Allowable IDEA costs must be ***necessary, reasonable and allocable*** for proper and efficient performance and administration of the grant. A cost is reasonable if it does not exceed what a district would normally incur in the absence of federal funds. Additional guidance about standards for determining costs for federal grants is available from the OMB UGG 2 CFR, Part 225.

The salaries and wages of any employee charged to a federal grant, including IDEA, must be supported by time and effort documentation that accurately reflects the work performed and supports the amounts claimed against the grant. "Standards for Documentation for Personnel Expenses" are set forth by the OMB (2 CFR § 200.430(i)






The following chart lists common function codes that are allowable, require an explanation, or not allowable










Symbol Key







 Allowable










Requires an explanation










 Not Allowable








ACCOUNT CODE LISTING FOR Special Education Common Function Codes Used		
	Function Code	Description
	1210	Itinerant instruction. Instruction provided by an educational specialist who serves children with disabilities and their teachers in generally more than one school, in their homes or in hospitals. Examples: Consulting Teacher or Designee
	1211	Consulting Teachers
	1212	Itinerant Speech Pathologist
	1213	Braille Instructors
	1214	Home Bound

	1215	Educational Interpreters for the Deaf
	1218	Private School Proportionate Share Consulting Teacher. Must use program code 268 required current year or program code 266 required carryover funds.
	1220	Resource Room. Services are provided by a resource teacher who works with students with disabilities assigned to the regular classroom more than half of the school day.
	1228	Private School Proportionate Share Resource Room. Must use program code 268 for required current year or program code 266 required carryover funds.
	1230	Special Class - 1:15 Ratio. A student with a disability who receives Special Education services in a special class for at least half of the school day.
	1240	Special Class - 1:10 Ratio. A student with significant impairments who receives Special Education services for at least half of the school day.
	1250	Special Class – 1:6 Ratio. A severely impaired student with a disability where the student is assigned to a special class at least half of the school day due to programming needs that necessitate a low pupil-to-teacher ratio.
	1253	Integrated Classroom
	1260	Separate Day School – Private. Purchased Services Only. A student with a disability who spends at least half of the school day in a private day school for contracted services since the student's needs cannot be met in a regular school

	1270	Residential Day School – Private. Purchased Services Only. A student with a disability who requires residential services in order to receive appropriate Special Education services where at least half of the school day is spent in a private residential school for contracted services.
	1285	Special Education Co-Teach. Expenditures for the Special Education teacher in classrooms that use both a “regular education” teacher and a “Special Education” teacher in the classroom at the same time for instruction purposes.
	1290	Preschool – Special Needs. A preschool student with a disability who receives Special Education instruction in a public or private preschool program. Use object code 65910 when using a cooperative for preschool services.
	1297 (only with Source of Fund 6702) (with an approved CEIS application)	Coordinated Early Intervening Services. For students in K-12, with a particular emphasis on K-3, who have not been identified as needing Special Education or related services but who need additional academic and behavioral support to succeed in a general education environment. *CEIS Application must be preapproved. Current Year Required CEIS Funds must be coded to Program Code 269. Required Carryover Funds must be coded to Program Code 267. Current Year Voluntary CEIS Funds must be coded Program Code 265. Voluntary Carryover Funds must be coded to Program Code 264.
	2140	Psychological Services. Activities concerned with administering psychological tests and interpreting the results, gathering and interpreting information about student behavior, working with other staff members in planning school programs to meet the special needs of students as indicated by psychological tests and behavioral evaluation; and planning and managing a program of psychological services, including psychological counseling for students and staff.
	2141	Supervision of Psychological Services. Directing, managing and supervising the activities associated with psychological services.

	2142	Psychological testing. Activities concerned with administering psychological tests, standardized tests, and inventory assessments of ability, aptitude, achievement, interests and personality and their interpretations.
	2145	Behavior Support Specialist
	2150	Speech Pathology and Audiology Services. Activities that identify, assess, and provide services for children with speech, hearing, and language impairments
	2152	Speech Pathology. Activities that identify children with speech and language disorders; diagnosis and appraise specific speech and language disorders; refer problems for medical or other professional attention; and provide required speech services.
	2153	Audiology. Activities that identify children with hearing loss; determine the range, nature and degree of hearing function; refer problems for medical attention; involve auditory training, speech reading (lip reading) and speech conservation; and administer programs of hearing conservation.
	2154	Hearing Impaired Interpreter. Activities associated with the interpretation of speech and hearing impaired students
	2158	Private School Proportionate Share Speech Pathology Must use Program Code 268 Required Current Year or Program Code 266 Required Carryover Funds
	2160	Physical and Occupational Therapy. Services provided by a qualified physical therapist and/or occupational therapist directed toward improving, developing or restoring function impaired or loss through illness, injury or deprivation as outlined in the student's individual IEP.
	2168	Private School Proportionate Share Physical & Occupational Therapy Must use Program Code 268 Required Current Year or Program Code 266 Required Carryover Funds.

	2180	School Based Mental Health. Activities associated with comprehensive mental health services performed by qualified mental health professionals in the school setting.
	2213	Instructional Staff Training/Professional Development. Activities associated with the professional development and training of instructional personnel.
	2230	Instructional Technology
	2292	Special Education Director, LEA/director's classified staff that helps oversee and administrate the total SPED program
	2296	SPED Preschool Director
	2710	Supervision of Student Transportation Services
	2720	Vehicle Operation including bus purchases and other student transportation services. A bus purchase must be preapproved by SPED Finance before purchasing.
	2730	Monitoring. Those activities concerned with supervising students in the process of being transported between home and school and between school and school activities. Such supervision can occur while students are in transit and while they are being loaded and unloaded and it includes directing traffic at the loading stations.
	2740	Vehicle Servicing and Maintenance. Activities involved in maintaining student transportation vehicles. These include repairing vehicle parts; replacing vehicle parts; and cleaning, painting, fueling, and inspecting vehicles for safety.

	2760	Student Transportation Security. Installation of GPS, security monitoring devices (e.g. cameras, metal detectors)
	2990	Medicaid State Match. Medicaid State Match must be budgeted in State/Local funds and in object range 65910.
	4710	Building Improvement for Instructional Services. Construction/Renovation must be preapproved by SPED Finance. A Request for Construction form is available in Indistar.
	4720	Building improvement for Non-Instructional areas. Construction/Renovation must be preapproved by SPED Finance. A Request for Construction form is available in Indistar.
	5500	Indirect Cost
	5501	Administration Charge. Administration costs that are charged by co-ops/districts to federal, state and/or local grants that specify in writing that an administrative cost rate will be allowed by the specified grant. Administration costs are costs incurred by cooperatives/districts that are not directly attributable to a specific school or for a specific activity. Object code 68410 is only allowed with this function code. The maximum administration charge is 5% of expenditures.
	5904	All Federal funds (Fund 6) refunded to the Arkansas Department of Education must be charged to function 5904. Function 5904 replaces 5901 with any fund 6xxx entry.

Use of the following function codes in Special Education programs will result in questions and requests for clarification or additional information. Use of these codes must only be for services provided for children with disabilities.

PLEASE NOTE THAT THIS LIST IS NOT ALL INCLUSIVE.









Requires an explanation	1256	Regular Classroom
Requires an explanation	1280	Other Private. Purchased services only. A student with a disability who requires instruction provided by private agencies or individuals not specified above
Requires an explanation	1295	Separate Day School - Public. A student with a disability who spends at least half of the school day in a public day school since the student's needs cannot be met in a regular school
Requires an explanation	1299	Other - Special Education. Special Education instructional programs not included above. Example: ESY
Requires an explanation	1565	Dyslexia (only allowed for the pro-rata share for students with an IEP that receive Dyslexia services)
Requires an explanation	2111	Supervision of Attendance and Social Work Services (Required). The activities associated with supervising and managing attendance and social work.
Requires an explanation	2113	Social Work. The activities associated with investigating and diagnosing student problems arising out of the home, school or community, group services for the child/parent, interpreting the problems of students for other staff members, and promoting modification of the circumstances surrounding the student relating to the problem.
Requires an explanation	2120	Guidance Services. Activities involving counseling students and parents; consulting with other staff members on learning problems; evaluating the abilities of students; assisting students as they make their own educational and career plans and choices; assisting students in personal and social development; providing referral assistance; and working with other staff members in planning and conducting guidance programs for students. Guidance services may include supervision services, counseling services, appraisal services, student record services, and placement services





Requires an explanation	2121	Supervision of Guidance Services (Required). Activities associated with directing, managing, and supervising guidance services.
Requires an explanation	2122	Counseling. Activities concerned with the relationship between one or more counselors and one or more students: understand their educational, personal and occupational strengths and limitations; relate their abilities and aptitudes to educational and career opportunities; utilize their abilities in formulating realistic plans; achieving satisfying personal development.
Requires an explanation	2123	Appraisal. Activities used in assisting students in assessing their progress in career development.
Requires an explanation	2124	Information. Activities for disseminating educational, occupational, and personal information to acquaint students with the curriculum, and educational and vocational opportunities and requirements.
Requires an explanation	2125	Record Maintenance. Activities for compiling, maintaining and interpreting cumulative student records.
Requires an explanation	2126	Placement. Activities that help place students in appropriate situations while they are at school.
Requires an explanation	2129	Other Guidance Services. Guidance services which are not classified above.
Requires an explanation	2130	Health Services. Physical and mental services that are direct instruction, included are activities that provide students with appropriate medical, dental, and nursing services.
Requires an explanation	2131	Supervision of Health Services (Required). Activities associated with directing and managing health services.
Requires an explanation	2133	Medical. Activities concerned with the physical and mental health of students.
Requires an explanation	2134	Dental. Activities associated with dental screening, dental care and orthodontic activities
Requires an explanation	2139	Other Health Services. Health services not classified above.

Requires an explanation	2155	Interventionist, therapist, specialist, reading interventionist, certified teacher, tutor or paraprofessional not working directly with students.
Requires an explanation	2159	Other Speech Pathology and Audiology Services. Other activities associated with speech pathology and audiology services not classified above.
Requires an explanation	2170	Parental involvement. Activities that support the educational process of students through the involvement of parents.
Requires an explanation	2190	Other Support Services – Students. Other support services to students not classified above.
Requires an explanation	2191	Supervision of Students – Non-Instructional. Includes all supervisory aides that are non-instructional (outside the classroom) to include bus duty, cafeteria duty, playground duty, etc.
Requires an explanation	2210	Function 2210 is a general education code for improvement of instructional services. Please use function 2213 for SPED Instructional Staff Training/Professional Development.
Requires an explanation	2211	Supervision of Improvement Instructional Services (Required) . Activities associated with directing, managing and supervising the improvement of instructional services.
Requires an explanation	2212	Instructional and Curriculum Development (includes Curriculum Specialist). Activities that aid teachers in developing the curriculum, preparing and utilizing Special Education curriculum materials, and understanding and appreciating the various techniques which stimulate and motivate students.
Requires an explanation	2219	Other Improvement of Instructional Services. Activities for improving instruction other than those classified above.
Requires an explanation	2290	Other Support Services – Instructional Staff. Services supporting the instructional staff not classified above.
Requires an explanation	2299	Other Support Services – Instructional Staff
Requires an explanation	2512	Budgeting. Activities concerned with budget planning, formulation, control and analysis.

Requires an explanation	2610	Operation of Buildings. Activities concerned with keeping the physical plant clean and ready for use. They include operating lighting and HVAC systems and doing minor repairs. Also included are the costs of building rental and property insurance.
Requires an explanation	2900	Other Support Services

THE FOLLOWING FUNCTIONS ARE NOT ALLOWED FOR USE IN Special Education





	1105	Preschool. Arkansas Better Chance (ABC) provides learning experiences for educationally deprived children ages 3-5.
	1110	Kindergarten. Learning experiences for students 5 and 6 years old.
	1120	Learning experiences generally for students in grades 1 through 6 but may include up to grade 8.
	1130	Middle/Junior High. Learning experiences for grades 5 through 9.
	1140	High School. Learning experiences generally for grades 9 through 12 but may include grades 7 and 8.
	1150	Athletics. Any athletic program which is organized primarily for the purpose of competing with other schools, public or private, or any athletic program which is subject to regulation by Arkansas Activities Association.
	1170	Summer School.
	1196	Homebound Instruction.





	1197	Residential Day School – Private. Purchased Services Only. A student who requires residential services in order to receive appropriate services where at least half of the school day is spent in a private residential school for contracted services. (Non-Disabled Students).
	1500-1599	(Compensatory Education – See page 20 of Arkansas Financial Accounting Handbook)
	1900-1990	Non-allowable unless pre-approved by ADE
	2315	Legal







The following chart lists budget items for the IDEA Part B School Age Section 611 or Early Childhood Section 619 entitlement grants. The list is not exhaustive, and includes mostly those items that have surfaced over time and that have prompted additional discussion or guidance. Note that allowable budget items may not be charged to funds budgeted for coordinated early intervening services (CEIS).






Symbol Key














 **Allowable**  **Allowed, but Special Requirements or Additional Information is Required**  **Not Allowable**





Allowable ?	Budget Item	Special Requirements or Additional Information
	ADAPTIVE EDUCATION – Physical Education, Music or Art: Salary and benefits employed by a school entity	Salary and benefits of a physical education, music or art teachers are an allowable expense as related to services described on a student’s IEP.
	ADVERTISING: Costs associated with advertising in media such as newspapers, radio, television, direct mail, or electronic.	Allowed for IDEA-related personnel recruitment, procurement of goods and services, publishing notice of destruction of Special Education records, publishing notice of child find, and other specific purposes necessary to meet the requirements of the IDEA grant.
	AIDES: Salary and benefits of staff employed by a school entity, as well as, private vendor contracted staff	Aides must work under the supervision of an appropriate licensed Special Education teacher and perform duties consistent with the role of an aide, while not assuming the role of a teacher.
	ALTERNATIVE SCHOOLS OR ALTERNATIVE EDUCATION PROGRAMS: Alternative of adaptive school structures and teaching techniques.	Alternative schools or education programs are generally regular education schools or programs for students at risk of school failure. Therefore, the costs associated with them are not allowed. However, the costs of Special Education services for students participating in such programs are allowable costs. IDEA Part B funding may







		only be used for the Special Education related costs of education.
	APPLICATIONS (APPS): Costs associated with digital applications for devices such as tablets	Digital applications for devices such as tablets that provide supplemental support to students with disabilities may be funded with IDEA Part B.
	ASSISTIVE TECHNOLOGY (AT) – DEVICES: Any item, piece of equipment, of product system (software) used to increase, maintain, or improve the functional capabilities for a student with disabilities.	Assistive technology should be listed on a student's IEP.
	ASSISTIVE TECHNOLOGY (AT) – SERVICES: Services, including any service that directly assists a student with an IEP in the selection, acquisition, or use of an assistive technology device.	Assistive technology services include: <ol style="list-style-type: none"> 1. evaluation of a student's needs, including functional assessment of the student in the student's customary environment; 2. purchasing, leasing, or otherwise providing for the acquisition of AT devices for the student; 3. selecting, designing, fitting, customizing, adapting, applying, maintaining, repairing, or replacing AT devices; 4. coordinating and using other therapies, interventions, or services with AT devices, such as those associated with existing education and rehabilitation plans and programs; 5. training or technical assistance for the student, or when appropriate, the family of the student; and/or 6. training or technical assistance for education professionals.
	ATTORNEY'S FEES – PARTY TO AN ACTION: Attorney fees for IDEA state complaints, due process	Legal fees for IDEA state complaints, due process hearings, representation at IEP Team meetings, facilitated IEP meetings, mediation sessions, or any student-specific











	hearings, representation at IEP Team meetings, facilitated IEP meetings, mediation sessions, or any student-specific consultation.	consultation are not allowed . This includes legal fees for depositions, expert witnesses, settlements, or other related costs. IDEA Part B funds may not be used to pay attorney fees related to disciplinary actions. IDEA Part B funds may not be used to pay retainer fees.
	ATTORNEY FEES – DOCUMENT PROCESSING	
	ATTORNEY’S FEES – PROFESSIONAL DEVELOPMENT or POLICY DEVELOPMENT: Costs associated with the provision of training or policy development conducted by an attorney.	IDEA Part B funds may be used for the costs of an attorney providing training to LEA staff on Special Education-related law. This does not include any student-specific consultation (see ATTORNEY’S FEES – PARTY TO AN ACTION). IDEA Part B funds may be used also for the costs of an attorney providing consultation with regard to the development of the school entity’s Special Education policies and procedures. For the policy consultation cost to be allowed, it must be itemized on the invoice as separate from district-wide policy development.
	AUDIT COSTS: Costs associated with contracting independent auditors.	 The costs of auditing the IDEA Part B funds as required by OMB Circular A-133 Single Audit Act are allowable. Only the costs for the IDEA Part B portion of the Single Audit may be charged to IDEA Part B funds.  Audit costs related to state aid or Medicaid are not allowed as direct costs on the IDEA grants.
	AUDIOLOGIST: Salary and benefits of staff employed by a school entity, as well as, private vendor contracted staff	




	<p>AUTOMATIC DOOR OPENERS: Purchase and installation.</p>	<p>Allowed if necessary to provide access to a student with a disability.</p>
	<p>BUS PURCHASE, LEASE, OR RENTAL: Vehicle purchase or lease, insurance, repair, and maintenance.</p> <p>See also TRANSPORTATION COSTS – Special Education</p>	<p>Vehicles may be used only for Special Education-related activities. This includes transporting students to and from school if the student’s IEP requires specialized transportation. Vehicles purchased with IDEA Part B funds may also be used to transport students during the school day if related to their Special Education and related services. Vehicles may also be used by Special Education staff. These restrictions apply even if only a portion of the vehicle cost is covered with IDEA Part B funds.</p> <p>School entities must receive prior approval from DESE to use IDEA Part B funds for capital equipment.</p>
	<p>BUS DRIVER: Salary and benefits of staff employed by a school entity.</p>	<p>Salary and benefits of a driver are allowed only for the time the driver transports students with disabilities who required either specialized transportation per the students’ IEP or transportation related to the delivery of Special Education instruction of related services.</p>
	<p>CHILD FIND ACTIVITIES: Costs associated with public awareness, notices, and screening.</p>	<p>Child find activities are allowed for identification of students with disabilities. HOWEVER,</p> <p>🕯 Child find costs cannot be included in proportionate share amount that is set aside for private schools.</p>
	<p>CLASSROOM SPACE RENTAL: Costs associated with renting extra classroom space for Special</p>	<p>School entities may not use IDEA Part B grant funds to rent extra classroom space to alleviate overcrowding, e.g., paying rent for a trailer used as a portable Special Education classroom.</p>





	Education students due to overcrowding.	
 	CLERICAL SUPPORT: Salary and benefits of staff employed by a school entity.	<p> Only the actual time spent supporting Special Education is allowed and must be based on time and effort records that accurately reflect the work performed (2 CFR § 200.430(i)).</p> <p> If the position supports other programs such as pupil services or Medicaid, the individual’s full salary and benefits cannot be charged to the IDEA grant.</p>
	COLLEGE CREDITS – Special Education COURSEWORK: Cost of tuition. See TUITION FOR Special Education STAFF	<p>IDEA Part B funds may be used to reimburse staff of the school entity for the cost of higher education credits related to Special Education instruction and related services</p> <p> Costs must not be applied to any individual used for purchase services.</p>
 	COMPUTING DEVICES FOR STUDENTS: The cost of computers, laptops, tablets, etc.	<p> Computing devices for students are considered an excess cost when related to the unique needs of a student with a disability.</p> <p> Acquisition of computing devices are NOT an excess cost, and therefore are not allowed, if the school entity has decided to provide computing devices for all students and simply charges the IDEA grant a prorated amount based upon the number of students with disabilities in the school.</p>
 	COMPUTING DEVICES FOR STAFF: The cost of computers, laptops, tablets, etc.	 Computing devices for Special Education staff are allowed if the individuals work solely in the area of Special Education or, if the device will be used solely for Special Education purposes.




		<p> Costs for personal use of devices are never allowed.</p> <p>Positions that serve students with and without disabilities, e.g., social workers, guidance counselors, etc., should not have the purchase of their computing devices charged to the Special Education grant. Purchases are not excess costs of Special Education.</p>
	<p>COMMUNICATION DEVICES FOR STAFF: Costs associated with lease or purchase and charges for use of desk phones, cell phones, pagers and radios.</p>	<p>Communication devices are allowed ONLY for Special Education activities. Outside of incidental use, if a device will also be used for non-Special Education activities, the cost should not be charged to the flow-through or preschool grant.</p>
	<p>COMPUTER NETWORKS: Costs associated with a school entity's computer or IT network.</p>	<p>School entity's computer or IT networking costs are provided entity-wide and are not considered excess costs of Special Education.</p>
	<p>CONSTRUCTION: Constructing facilities or altering existing facilities.</p>	<p>Costs for construction or alteration of facilities must be related to the excess cost of providing Special Education. A project must meet the needs of one or more students with disabilities. Costs for the general purpose of bringing facilities into compliance with Section 504 and Americans with Disabilities Act (ADA) requirements are not allowed. Only the costs of making a room accessible or costs specific to the delivery of Special Education programs can be charged to the IDEA grant.</p> <p>School entities must receive prior approval from DESE and DESE-OSE to use IDEA Part B funds for construction.</p>
	<p>CONSULTATION – NOT DIRECT STUDENT SERVICES: Costs associated with contracted services from a consultant.</p>	<p>School entities may contract with consultants to provide information about methods, techniques, and strategies to use for students with disabilities or for a particular student's Special Education program.</p>




		 Services provided by a consultant directly to a student should not be budgeted as “consultation”.
	CONTRACTED Special Education INSTRUCTION or RELATED SERVICES from a PRIVATE VENDOR: Services contracted by a school entity from an entity other than a school entity.	
	CONTRACTED SERVICES – PARENTALLY PLACED PRIVATE SCHOOL STUDENTS	<p>School entities using IDEA Part B funds to provide Special Education services to parentally–placed private school students with disabilities attending school in the district – inclusive of home schooled students – may do so through contract with an individual, agency, organization, or other entity.</p> <p> The school entity may not contract directly with the private school; however, to provide Special Education services to a parentally–placed school student.</p>
	COORDINATED EARLY INTERVENING SERVICES (CEIS)	<p>CEIS include professional development for educators and other school personnel, or scientifically-based academic and behavioral interventions for students ages 3 -21, who do not have an IEP under IDEA but who need additional academic and behavioral supports to succeed in general education. See 34 CFR § 300.226.</p>
	CRISIS PREVENTION TRAINING: Costs associated with staff attending training or costs related to “training the trainer”.	<p>Crisis prevention training is not considered to be an excess costs of Special Education since it is a universal training designed to help all staff and students. Unless the training is provided only to Special Education staff, the total cost of the training cannot be charged to the IDEA grant.</p>




		<p> As with any professional development/training, the cost of training Special Education staff on any topic is an allowed cost that can be charged to the IDEA grant. The amount charged to the IDEA grant must be prorated by the number of Special Education staff attending.</p> <p> If a staff person is not considered Special Education staff, IDEA Part B funds cannot be used to pay for the individual to become a crisis prevention trainer.</p>
	<p>CURRICULUM DEVELOPMENT: Costs associated with substitutes, release time, or extended contract</p>	<p>Costs related to the use of substitutes, release time, and extended contract to enable staff to devote time to the development of curriculum for Special Education students is allowed for both regular and Special Education staff.</p>
 	<p>ADMINISTRATOR or SUPERINTENDENT or DIRECTOR: Salary and benefits of staff employed by a school entity</p>	<p> If the administrator is a part-time Special Education administrator and part-time administrator for other matters, then the individual must document the work with personnel activity reports as required by OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)</p> <p> The salary and benefits of an administrator cannot be charged to federal grants even if the administrator is providing Special Education support and is appropriately licensed (2 CFR § 200.444)</p>
 	<p>DUE PROCESS HEARINGS: Costs of conducting a due process hearing.</p>	<p>Funds may be used to pay costs of conducting a due process hearing, e.g., costs of space used for the hearing, if any.</p> <p> Funds may not be used to pay a party's legal fees or related costs such as depositions, expert witnesses, settlements, or other related costs.</p>








	<p>EDUCATIONAL INTERPRETERS: Salary and benefits of staff employed by a school entity, as well as, private vendor contracted staff.</p> <p>See also FOREIGN LANGUAGE INTERPRETERS FOR STUDENTS</p> <p>See also FOREIGN LANGUAGE AND SIGN LANGUAGE INTERPRETERS FOR IEP MEETINGS</p>	
	<p>ENTERTAINMENT: Amusement, social activities</p>	<p>Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the IDEA grant or with prior written approval of DESE. 2 CFR §200.438</p>
	<p>EQUIPMENT – CAPITAL: Equipment to support Special Education and related services</p>	<p>School entities must receive prior approval from DESE to use IDEA Part B funds for capital equipment. Capital equipment is equipment with a useful life of more than one year that costs \$5,000 or more per unit. If the school entity has established a level of less than \$5,000 for capital equipment, the school entity must use the lower threshold and budget the items as capital equipment.</p> <p>A detailed description is required in the grant budget. Detailed descriptions for capital equipment must include the equipment type and the number of units for the cost identified with the line item.</p>





		Capital equipment purchased with IDEA Part B funds must be used only for the authorized purpose of IDEA until the equipment no longer meets the Special Education program needs (2 CFR § 200.313)
	EQUIPMENT – NON-CAPITAL: Equipment to support Special Education and related services	<p>Equipment that has a useful life of more than one year but does not meet the definition of capital equipment is considered non-capital.</p> <p>Non-capital equipment purchased with IDEA Part B funds must be used only for the authorized purpose of IDEA until the equipment no longer meets the Special Education program needs (2 CFR § 200.313)</p> <p>Prior approval for non-capital equipment is not required by IDEA. However, the school entity will need to have the item on an approved budget before a purchase can be made.</p>
	EQUIPMENT – SECURITY: Cameras, door locks, GPS, fences and other devices See SECURITY MEASURES	<p> The equipment is an allowable excess cost when related to the needs of a student with a disability. It may be provided in a regular education environment or other education-related setting, even if one or more students without disabilities benefit. An example of such allowed cost would be the installation of a fence around the playground due to the unique needs of a student with a disability. Students with disabilities must be able to participate in the general education program and school entities may need to invest in additional safety measures to meet this requirement.</p> <p> Acquisition of security devices is NOT an excess cost, and therefore is not allowed, if the school entity has decided to equip classrooms in a school or its buses with</p>






		security devices and charges the IDEA grant a prorated amount based upon the number of students with disabilities in the school.
	EXTENDED SCHOOL YEAR (ESY): Personnel, supplies, equipment, transportation, and any other services identified in the student's IEP. See also SUMMER SCHOOL	The need for ESY must be documented in a student's IEP.
	EVALUATIONS – Special Education: Personnel, supplies, or contracted services	The costs of conducting Special Education evaluations for students are eligible for IDEA Part B reimbursement.
	FOOD PURCHASES	<p>The Office of Special Education Programs (OSEP) has a very high standard for justification of the use of IDEA Part B grant funds for food and these purchases are audited very closely. Please refer to the following regarding food purchases:</p> <ol style="list-style-type: none"> 1. Food purchases for meetings are to be used with extreme caution. Guidance does not prohibit using IDEA Part B grant funds <i>IF</i> they are mandatory to the success of the meeting. For example, if there is not a place nearby for participants to get meals or that it would limit the purpose of the meeting if participants had to leave to get meals and refreshments. It is the same for a working lunch, you can use IDEA Part B funds to provide a working lunch, but you must have <u>VERY CLEAR JUSTIFICATION</u>. The safe answer is that you do not use IDEA Part B funds. The use of general funds for these purposes is preferred. However, if you choose to do so you must keep detailed documentation as to why you provided the meals






		<p>and why it was necessary for the success of the meeting. It then becomes the auditor's call if it was necessary.</p> <ol style="list-style-type: none"> 2. Food purchases such as candy/snacks for students are <u>NOT</u> allowed unless they are directly tied to a particular student's IEP. If this is the case, accurate documentation must be kept, and you must provide an explanation with the purchase. 3. Food purchases while transporting a student to and/or from treatment may be allowable depending on the timing of the trip, who was required to go and if the costs were reasonable and necessary in support of the student's receipt of services in his/her IEP. As with the others, documentation must be kept on file and an explanation must be provided with the purchases.
	<p>FOREIGN LANGUAGE INTERPRETERS FOR STUDENTS: Salary and benefits of staff as well as private vendor contracted staff.</p>	<p>Providing interpreters for students with limited English proficiency is a responsibility of the school entity and is not considered an excess cost of Special Education.</p>
	<p>FOREIGN LANGUAGE AND SIGN LANGUAGE INTERPRETERS FOR IEP MEETINGS: Salary and benefits of staff, as well as, private vendor contracted staff.</p>	<p>School entities may use IDEA Part B funds to pay staff or to contract with a private vendor for interpreter services for IEP meetings. Expenditures related to IEP meetings are considered an excess cost of Special Education.</p>
	<p>FOREIGN LANGUAGE TRANSLATION: Salary and benefits, as well as, private vendor contracted staff.</p>	<p>School entities may use IDEA Part B funds to pay staff or to contract with a private vendor for foreign language translation services related to Special Education-specific materials. This includes translation of notices, IEPs, evaluations, etc.</p>








	<p>FURNITURE or APPLIANCES</p>	<p>School entities may purchase student or staff desks, tables, chairs, file cabinets, washing machines, and other furniture or appliances for use in spaces dedicated to Special Education programs, such as resource rooms or life skills classrooms.</p> <p>School entities may only purchase student furniture for use in a regular education classroom if the furniture is adapted to the special needs of a student with a disability. Examples of such furniture are wheelchair accessible desks and adjustable table workstations.</p> <p>When using IDEA Part B funds to purchase furniture for Special Education staff, the school entity should be aware of the OMB Uniform Administrative Requirements considerations for allowability of cost:</p> <ol style="list-style-type: none"> 1. Are the costs necessary to meet the objectives of IDEA? 2. Is the amount of the costs reasonable? 3. Did the school entity consider its responsibilities to the school entity, its students, the public, and the government?
	<p>GIFT CARDS</p>	<p>IDEA Part B grant funds should NEVER be used to purchase gift cards or gift certificates of any kind. This is not an allowable expense.</p>
	<p>GUIDANCE COUNSELORS: Salary and benefits of staff employed by a school entity</p>	<p><input checked="" type="checkbox"/> Costs must be IEP-driven or related to the evaluation of a student. Only the actual time spent supporting Special Education is allowed.</p> <p>If the position is not dedicated 100% to Special Education, then the guidance counselor must document their work</p>








		<p>with personnel activity reports as required by OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)</p> <p> Costs associated with day-to-day services provided to all students are not allowed.</p>
	<p>IEP DESIGNEE: Salary and benefits of staff employed by a school entity</p>	<p>The salary and benefits of an individual serving as an IEP Coordinator are allowed for the time that the individual spends supporting the IEP process and performing tasks related to procedural compliance and must be based on time and effort records that accurately reflect the Special Education work performed (2 CFR § 200.430(i)).</p>
 	<p>IEP or Special Education ADMINISTRATIVE SOFTWARE: Costs associated with entity-wide software programs for IEP or student case management</p>	<p> Costs of IEP or Special Education case management software can be charged to the IDEA grant if the actual cost of the program is known. Many school entities contract with IT vendors for Student Information System software, but any cost of this system must be itemized as Special Education-only to qualify for IDEA Part B funding.</p> <p> Costs to support software programs that are used for Medicaid SBS billing are not allowed costs on the IDEA grant. See MEDICAID SCHOOL-BASED SERVICES PROGRAM for more information.</p>
	<p>INCENTIVES FOR BEHAVIOR (INCLUDING POSITIVE BEHAVIORAL INTERVENTIONS AND SUPPORTS (PBIS))</p>	<p>IDEA Part B grant funds should rarely be used for incentives, including those used for PBIS. It is usually best to use general funds for incentives. The only exception to this is if an incentive is tied directly to a particular student's IEP. If this is the case, documentation must be kept on file and it must be clearly identified with the purchase.</p>






	<p>INDIRECT COSTS: Costs incurred to benefit more than one program or objective not readily assignable to the programs.</p>	<p>The indirect cost rate is set by DESE.</p>
	<p>JOB COACHES: Salary and benefits of staff employed by a school entity, as well as, private vendor contracted staff.</p>	<p>Students who have an IEP may participate in vocational experiences, if it is determined appropriate for them at their IEP meeting.</p> <p>A job coach works directly with a student with a disability in a work site to help the student learn specific requirements of the job, learn work-related activities and requirement, and learn work-related behaviors.</p> <p>If the school entity contracts with a job coach, the individual must work under the direction or supervision of the school entity.</p>
	<p>MAINTENANCE OF Special Education EQUIPMENT: Assistive technology devices, instructional equipment, copying machines, printers, elevators, vehicles, etc.</p>	<p>If the equipment is used for Special Education only, the cost of maintaining the equipment must be charged to the IDEA grant.</p>
	<p>MEDICAID SCHOOL-BASED SERVICES PROGRAM: Costs for claiming Medicaid funds, including third-party administrators.</p>	<p>The costs of administering the Medicaid School-Based Services (SBS) program, including fixed fees charged by third party administrators, are eligible costs under the SBS program, either as direct costs or through the non-restricted indirect cost rate. Costs for administering the Medicaid SBS program may not be charged to the IDEA grant. (2 CFR § 200.403 (a); 2 CFR § 200.404(a); and 2 CFR Part 200)</p>








	<p>NURSE (SCHOOL BASED): Salary and benefits of staff employed by a school entity or private vendor contracted service.</p>	<p><input checked="" type="checkbox"/> Salary and benefits for school-based nurses are allowed for the time a nurse is providing IEP-driven services or Special Education evaluations.</p> <p>If the position is not dedicated 100% to Special Education, then the nurse must document his or her work with personnel activity reports as required by OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).</p>
	<p>OCCUPATIONAL THERAPIST (OT) and OCCUPATIONAL THERAPY ASSISTANT: Salary and benefits of staff employed by a school entity or private vendor contracted staff.</p>	<p>For the provision of services to students identified with an educational disability only.</p>
	<p>OFFICE EQUIPMENT: Equipment used by Special Education staff.</p>	<p>Equipment is allowed, if the equipment is used exclusively by Special Education staff.</p>
	<p>OFF-SITE Special Education PROGRAMS: Costs associated with renting off-site locations for Special Education programs. Costs are allowed under limited circumstances.</p>	<p>School entities may rent space for certain Special Education programs under the following limited circumstances:</p> <ol style="list-style-type: none"> 1. the Special Education program must not be housed on district property; 2. it must serve students with disabilities; and 3. it must be a required part of students' placement
	<p>ORIENTATION AND MOBILITY TEACHER: Salary and benefits of staff employed by the school entity or private vendor contracted staff.</p>	






	<p>PARAPROFESSIONALS: Salary and benefits of staff employed by a school entity or private vendor contracted staff</p>	<p>Paraprofessionals must be employees of a school entity. Paraprofessionals must work under the supervision of an appropriately licensed Special Education teacher and perform duties consistent with the role of a paraprofessional, while not assuming the role of a teacher.</p>
	<p>PARENT LIAISON: Salary and benefits of staff employed by a school entity or private vendor contracted staff</p>	<p>Salary and benefits are allowed only for the time that the individual spends providing support to parents of students with disabilities. If the position is not dedicated 100% to Special Education, a parent liaison must accurately reflect the Special Education work performed. (2 CFR § 200.430(i))</p>
	<p>PHYSICAL EDUCATION: Salary and benefits of staff employed by a school entity</p>	<p>Unless the teacher works only with students with disabilities, any salary and benefits charged to the IDEA grant must be based on time and effort records that accurately reflect the Special Education work performed. (2 CFR § 200.430(i))</p>
	<p>PHYSICAL THERAPIST (PT) and PHYSICAL THERAPY ASSISTANT: Salary and benefits of staff employed by a school entity or private vendor contracted staff.</p>	<p>For the provision of services to students identified with an educational disability only.</p>
	<p>PARENTALLY-PLACED PRIVATE SCHOOL STUDENTS Special Education AND RELATED SERVICES: Equitable services</p>	<p>Equitable services (also called proportionate share services) may be provided by employees of a school entity. In addition, federal law specifically permits provision of equitable services to parentally-placed private school students with disabilities through contract with individual, agency, organization, or other entity.</p> <p>See Administrative Advisory SPED 2018-1: Guidance and Workbook for Calculating and Providing Proportionate Share Services for Students with Disabilities Placed By Their Parents in Private Schools for more information.</p>





	<p>PLAYGROUND EQUIPMENT: Accessible playground equipment.</p>	<p>The additional costs of making a playground accessible to students with disabilities are allowed. Additional equipment or the additional cost of acquiring accessible equipment can be paid for with IDEA Part B funds. The equipment may be used in a regular education setting, even if one or more students without disabilities benefit.</p>
	<p>PRESCHOOL TUITION: Tuition paid to non-school entity preschool programs or parent reimbursement for preschool tuition.</p>	<p> Tuition for a preschool program is allowed if charged for a placement made by a school entity to provide a student with FAPE. Only the cost of time necessary to provide FAPE is allowed, including time when Special Education services are provided by school entity staff in the preschool setting.</p> <p> If the parent enrolls the student in the non-school entity preschool program for additional time, the parent is responsible for the tuition, and the cost of additional time is not allowed.</p>
	<p>PRINCIPALS or ASSISTANT PRINCIPALS: Salary and benefits of staff employed by a school entity.</p>	<p>Salaries for principals and assistant principals may not be charged to the IDEA grant. The principal position is not an excess cost of providing Special Education.</p>
	<p>PRIVATE PLACEMENT TUITION: Tuition for placement of a student in a non-public facility by a school entity to provide a student with FAPE.</p>	<p>Generally, tuition is allowed if charged for a placement made by a school entity to provide a student with FAPE. The services must be provided consistent with an IEP, at no cost to parents, and under the supervision of the school entity.</p>
	<p>PROFESSIONAL DEVELOPMENT: Costs associated with registration fees, travel, conference expenses, and providers</p>	<p>Registration fees, travel, and conference expenses associated with Special Education in-service training of regular education and Special Education staff are allowable costs.</p> <p>Registration fees, travel, and conference expenses associated with any professional development provided to</p>






		Special Education staff is allowed (such as training on core curriculum). The amount charged to the IDEA grant should be prorated by the number of Special Education staff attending.
 	PSYCHOLOGIST <i>School Based Services</i>: Salary and benefits of staff employed by the school entity	<p> Costs must be IEP-driven or related to the evaluation of a student. Only the actual time spent supporting Special Education is allowed.</p> <p>If the position is not dedicated 100% to Special Education, then the psychologist must document their work with personnel activity reports as required by OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. (2 CFR Part 200).</p> <p> Costs associated with day-to-day services provided to all students are not allowed.</p>
	PSYCHOLOGISTS <i>Student Evaluations</i>: Private vendor contracted costs.	IDEA Part B funds can pay for the costs of outside evaluations done by private vendor psychologists for the purpose of child find, evaluation, or reevaluation.
	PUBLIC PLACEMENT TUITION: Tuition for placement of a student in a public agency by a school entity to provide a student with FAPE.	Generally, tuition is allowed if charged for a placement made by a school entity to provide a student with FAPE. The services must be provided consistent with a student's IEP, at no cost to parents, and under the supervision of the school entity.
	READING and READING INTERVENTIONS TEACHER: Salary and benefits of staff employed by a school entity	<p>Salary and benefits are allowed for the time that the reading intervention teachers are providing dedicated specialized reading instruction consistent with a student's IEP.</p> <p>The time charged to the IDEA grant must be based on time and effort records that accurately reflect the Special Education work performed. (2 CFR § 200.430(i))</p>





	<p>RELATED SERVICES</p>	<p>Includes audiology services; psychological services; physical therapy; occupational therapy; speech therapy recreation, including therapeutic recreation; social work services; counseling services, including rehabilitation counseling; orientation and mobility services; medical services as may be required to assist a student with a disability to benefit from Special Education; speech and language services; transportation; and travel training.</p> <p>Related services must be documented on a student's IEP.</p>
	<p>REMODELING: Altering existing facilities</p>	<p>Costs for altering facilities must be excess costs of Special Education. A remodeling project must meet the needs of one or more students with disabilities.</p> <p>Costs must be necessary and reasonable. School entities must have prior approval from DESE to use IDEA Part B funds for remodeling.</p> <p> Remodeling costs for the general purpose of bringing facilities into compliance with Section 504 and the Americans with Disabilities Act (ADA) are not allowed.</p>
	<p>RENT – FACILITIES: Costs associated with renting off-site locations for Special Education programs. Costs are allowed under special circumstances.</p>	<p>School entities may rent space for certain Special Education programs under the following limited circumstances:</p> <ol style="list-style-type: none"> 1. the Special Education program must not be housed on district property; 2. it must serve students with disabilities; and 3. it must be a required part of students' placement
	<p>SECRETARIAL STAFF: Salary and benefits of staff employed by a school entity.</p>	<p>If the position supports other programs such as pupil services or Medicaid billing, the staff member's full salary and benefits may not be charged to the IDEA grant.</p>






		<p>Only the actual time spent supporting Special Education is an allowable cost.</p> <p>If the position is not dedicated 100% to Special Education, work must be documented with personnel activity reports as required by OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. (2 CFR Part 200).</p>
 	<p>SECURITY MEASURES: Cameras, door locks, GPS, fences, and other devices</p>	<p> The equipment is an allowable excess cost when related to the needs of a student with a disability. It may be provided in a regular education environment or other education-related setting, even if one or more students without disabilities benefit. An example of such allowed cost would be the installation of a fence around the playground due to the unique needs of a student with a disability. Students with disabilities must be able to participate in the general education program and school entities may need to invest in additional safety measures to meet this requirement.</p> <p> Acquisition of security devices is NOT an excess cost, and therefore is not allowed, if the school entity has decided to equip classrooms in a school or its buses with security devices and charges the IDEA grant a prorated amount based upon the number of students with disabilities in the school.</p>
 	<p>SMART BOARDS</p>	<p> The equipment is an excess cost when related to the needs of a student with a disability in accordance with the student's IEP. It may be provided in a general education class or other education-related setting, even if one or more students without disabilities benefit. When the</p>







		<p>equipment is no longer needed to meet the IEP needs of the student with a disability, it must be managed or disposed of in accordance with 34 CFR § 80.32, Education Department General Administrative Regulations.</p> <p>⚠ Acquisition of SMART Boards are not an excess cost, and therefore are not allowed if provided in General Education.</p>
 	<p>SOCIAL WORKERS <i>School Based</i>: Salary and benefits of staff employed by a school entity.</p>	<p> Costs must be IEP-driven or related to the evaluation of a student. Only the actual time spent supporting Special Education is allowed.</p> <p>If the position is not dedicated 100% to Special Education, then the psychologist must document their work with personnel activity reports as required by OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).</p> <p>⚠ Costs associated with day-to-day services provided to all students are not allowed.</p>
	<p>SOFTWARE – INSTRUCTIONAL: Costs associated with computer software or online instruction.</p>	<p>Instructional software, including online instruction, may be paid for with IDEA Part B funds if the software is being used to deliver specialized instruction to student’s IEP.</p> <p>Laptops and items of useful life of more than one year should have an inventory control number for safeguard reasons.</p>
	<p>Special Education EVALUATIONS: Personnel, supplies, or contracted services</p>	<p>IDEA Part B funds can pay for the costs of performing evaluations for the purposes of child find, evaluations, or reevaluations.</p>


	<p>SPEECH/LANGUAGE PATHOLOGIST: Salary and benefits of staff employed by a school entity, as well as, private vendor contracted staff.</p>	
	<p>STAFF DEVELOPMENT and IN-SERVICE TRAINING: Costs associated with registration fees, travel, conference expenses, and providers</p>	<p>Registration fees, travel, and conference expenses associated with Special Education training of regular education or Special Education staff are allowed.</p> <p>Registration fees, travel, and conference expenses associated with any professional development provided to Special Education staff is allowed (such as training on core curriculum).</p> <p>School entities may coordinate IDEA Part B funds with funds from other sources (e.g., Title I ESEA) for entity-wide staff development activities to improve outcomes for all students. In such activities, IDEA Part B funds may be used for the total cost of professional development in the same proportion as the number of Special Education and related services personnel receiving professional development in which the school personnel is participating.</p>
	<p>STUDENT WORKERS – STIPENDS: Costs associated with students with disabilities employed by the LEA per the student’s transition plan.</p>	<p>A student must receive the minimum wage if the student is in an employment relationship. In an employment relationship, the student provides services of immediate benefit to the employer – services that would otherwise be provided by a paid employee. As a result of the student’s activities, the paid position may remain unfilled and regular employees may be relieved of their normal duties.</p>
	<p>SUBSTITUTE TEACHERS: Salaries and benefits for school entity</p>	<p>Substitute teacher costs are allowed for Special Education teachers.</p>

	employees or costs for contracted substitute teacher services	Substitute teacher costs are allowed for regular education teachers performing duties such as attending Special Education in-service training, attending IEP Team meetings, or engaged in planning meetings or consulting with Special Education teachers to benefit students with disabilities.
	SUMMER SCHOOL: Salaries and benefits for instructors, aides, paraprofessionals, adaptive equipment, transportation, supplies, or any other costs associated with students with disabilities attending summer school	<p>Summer classes are not required and; therefore, not considered Special Education.</p> <p>Summer school is not the same as Extended School Year (ESY), which may take place during the summer months and is allowable.</p> <p>Transition services for students with disabilities may occur during the summer months and are unrelated to summer school.</p>
	SUPPLIES: All tangible property other than non-capital and capital equipment	<p>Supplies purchased with IDEA Part B funds must be used only for the authorized purpose of IDEA (Special Education).</p> <p> A prorated amount of school entity-wide supply costs charged to the IDEA grant based on the percentage rate of students with disabilities is not allowed.</p>
	TEACHERS – Special Education: Salary and benefits of staff employed by a school entity.	
	TEACHERS – REGULAR EDUCATION: Salary and benefits of staff employed by a school entity.	 Regular education teachers may be paid to attend Special Education in-service activities and IEP meetings. If the teacher is paid with Special Education funds, then the individual must document their work with personnel activity reports required by OMB Uniform Administrative

		Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) .
	TECHNICAL COLLEGE CLASSES for STUDENTS WITH IEPs: Cost of tuition	The costs are allowed if the program is required by the student's IEP and the student receives high school credit for the course.
	TECHNOLOGY STAFF: Salary and benefits of staff employed by a school entity or costs for contracted IT Services	<p>School entity technology staff for programming or maintaining Special Education and related series databases and applications are allowed and may include coordination and administration of technology services.</p> <p>Only actual time spent supporting Special Education databased maintenance or programming is allowed. If the individual is paid with Special Education funds, then the individual must document their work with personnel activity reports required by OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).</p> <p>Private vendor contracts for Special Education database maintenance or programming is also allowed.</p>
	TRANSITION SERVICES – PRESCHOOL: Costs associated with preschool transition services	Services must be identified in the student's IEP. These costs may also be incurred when school is not in session.
	TRANSITION – EMPLOYMENT SKILLS: Costs associated with work experiences, job coaches, and acquisition of employment skills	<p>School entities may contract with agencies to facilitate the acquisition of employment skills for students with disabilities. The transition services must be identified on students' IEPs. The costs may also be incurred when school is not in session, e.g. summer.</p> <p>Contracted transition services must be provided under the supervision of appropriately licensed Special Education teachers. Transition agency staff may not assume the role</p>

		<p>of Special Education teachers, who must prescribe instruction and evaluate the results of instruction.</p> <p> Under the Workforce Innovation Opportunity Act (WIOA), contracts or other arrangements with agencies for the purpose of having a student with a disability participate in a program in which the student is engaged in subminimum wage employment is prohibited. This includes job training or completing work tasks for which the agency typically pays other employees subminimum wages under a Department of Labor subminimum wage 14(c) certificate. A school entity will not be permitted to enter into contracts or other arrangements with agencies for the purpose of supporting or operating a program under which a student with a disability is engaged in subminimum wage employment (Section 511 of WIOA).</p>
	<p>TRANSITION – INDEPENDENT LIVING SKILLS: Rental or purchase of property used for development of independent living skills.</p>	<p>School entities may rent, lease, or purchase property from individuals or agencies for teaching independent living skills required by students' IEPs.</p>
	<p>TRANSLATION SERVICES: Costs incurred by the school entity for translating Special Education documents into the native language of the student's parents.</p>	<p>School entities may use IDEA Part B funds to pay staff or contract with a private vendor for foreign language translation services related to Special Education-specific materials. This includes translations of notices, IEPs, evaluations, etc.</p>
	<p>TRANSPORTATION COSTS – CONTRACT WITH PARENTS: Costs incurred by the parent for transporting their student per the IEP.</p>	<p>A contract with parents regarding transportation is allowed if it is to transport a student with a disability who requires specialized transportation and the IEP team has determined that the parent should provide the transportation.</p>
	<p>TRANSPORTATION COSTS – Special Education: Costs incurred</p>	<p>Allowable Special Education transportation costs include repair or servicing of Special Education vehicles, insurance, mileage, and bus driver and bus aide costs.</p>

	by the school entity for transporting students with disabilities	
	TUITION FOR Special Education STAFF: Cost of tuition.	Tuition is allowed as a fringe benefit for Special Education instructional staff to advance their degree, if related to Special Education or related services; or, as a means to train staff to become qualified to teach Special Education.
	TUITION – TECHNICAL COLLEGE CLASSES for STUDENTS WITH DISABILITIES: Cost of tuition	The costs are allowed if the program is required by the student’s IEP and the student receives high school credit.
	UNEMPLOYMENT INSURANCE: Costs of employer expenses	Employer expenses for unemployment insurance granted as a fringe benefit under established written policies are allowable. Unemployment insurance costs must be allocated to the grant in a manner consistent with the pattern of benefits for all school entity employees.
	VEHICLE PURCHASE or LEASE or RENTAL: Vehicle purchase or lease, insurance, repair and maintenance. See also TRANSPORTATION COSTS – Special Education	Vehicles must be used only for Special Education related activities. This includes transporting students to and from school, if the student’s IEP requires specialized transportation. Vehicles purchased with IDEA Part B funds may also be used to transport students during the school day if related to their Special Education and related services. School entities must receive prior approval from DESE and DESE-OSE to use IDEA Part B funds for capital equipment.
	WIRELESS NETWORKING: Costs related to installing and maintaining a wireless network to access the Internet.	 The costs of installing and maintaining a wireless network are eligible costs, if the need for wireless is driven by the needs of the Special Education program. These types of needs include online IEPs, tables, and other technical assistance devices that require wireless access.

		<p>⚠ Installing or maintaining a wireless network school entity-wide and charging a proportion back to the Special Education program is not allowed.</p>
	<p>WORKERS' COMPENSATION: Costs of employer expenses.</p>	<p>Employer expenses for workers' compensation are granted as fringe benefits for Special Education staff under established written policies are allowable. Workers' compensation benefits must be allocated to the grant in a manner consistent with the pattern of benefits for all school entity employees.</p>

