

**Missouri Department of Elementary and Secondary Education  
Special Education Finance**

**Early Childhood Special Education Cooperative Fiscal Guidance**

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Fiscal guidance regarding federally funded K-12 cooperative/consortium structures has been developed and is posted on the School Finance website at: <http://dese.mo.gov/divadm/finance/topicsandprocedures/index.html>. However, since districts participating in Early Childhood Special Education (ECSE) cooperatives should not exchange federal funds, the guidance provided in the K-12 cooperative/consortium document does not apply to ECSE cooperatives. The following information is specific to ECSE cooperatives. For further information about the ECSE expenditures, please see the ECSE Expenditure Guide located at: <http://dese.mo.gov/divspec/Finance/sef-ECSEmanual.pdf>.

**Funding Structure**

Fiscal agents of ECSE cooperatives incur all costs associated with operation of the cooperative and complete the ECSE Expenditure Report (due September 17 every year) to request reimbursement from the State. Therefore, fiscal agents of ECSE cooperatives are not allowed to collect any fees from member districts on expenditures that are reimbursable by the State. The fiscal agent, however, may accept fees for items that are restricted or not reimbursed by the State (playground equipment, computers, career ladder, furniture, snacks).

**Equipment/Leases**

Equipment purchased by the fiscal agent and reimbursed through the ECSE program will remain with the fiscal agent as long as they operate the cooperative and should be used for ECSE students. If an ECSE student's IEP requires a particular piece of equipment that should remain with him/her when he/she moves into kindergarten, the domicile district must purchase the equipment with IDEA Part B funds. If a district's ECSE program is "closing" and the district is becoming a member of an ECSE cooperative, any equipment, materials, and supplies the district purchased with ECSE funds goes to the cooperative's fiscal agent. If the district withdraws from the cooperative, the equipment, materials, and supplies goes back to the district.

If the fiscal agent is leasing a modular unit to provide service to cooperative members, the ECSE program will reimburse the lease fee. If the fiscal agent district owns the modular unit, then rent will not be reimbursed.

**Changing Fiscal Agents**

If an ECSE cooperative decides to switch the fiscal agent to another district in the cooperative, the original fiscal agent district would continue to receive payments the year after any closure/change in fiscal agents since reimbursement is a year behind. As the fiscal agent operates the cooperative, they are incurring the costs until they receive reimbursement. So, as the fiscal agent, they will keep all reimbursement that comes from the ECSE program in the year following the closure/change in fiscal agents.

Any tangible equipment, supplies, and materials purchased with ECSE funds by the original fiscal agent must be transferred to the new fiscal agent. Vehicles and modular units will be reviewed on a case-by-case basis.

**Dissolving the Cooperative**

If the ECSE cooperative disbands/dissolves, any tangible equipment, supplies, and materials purchased with ECSE funds will remain with the fiscal agent who incurred the original cost of the items.

Member districts may apply for start-up funds and capital outlay to create their own programs, if needed. Start-up funds may be used for supplies and equipment for new classrooms or itinerant positions and must be claimed in the year the classroom or position was added.

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