

IDEA Part B Federal Regulations Quick Reference

USE OF FEDERAL IDEA PART B FUNDS	THINGS TO CONSIDER	RESOURCES
General Information	<ul style="list-style-type: none"> • LEAs must create a system for coding and tracking Federal, State, county, and local special education expenditures separately • Federal funds cannot be obligated until the Budget Application has been substantially approved (submitted) or July 1st, whichever is later • LEAs must follow the obligation table in 34 CFR Part 76.707 when obligating Federal funds • IDEA requires all expenditures paid with IDEA funds be directed 100% towards special education; otherwise the cost must be prorated unless the benefit to non-special education students is incidental and justifiable • Federal funds may only be used to pay the excess costs of providing special education and related services to students with disabilities 	Special Education Expenditure Coding
Direct vs. Indirect	<ul style="list-style-type: none"> • Direct costs are those that can be identified specifically for a particular program, such as special education, or compensation of the employees who provide special education program services <ul style="list-style-type: none"> ▪ Direct costs may include salaries, benefits, purchased services, equipment, capital outlay, materials/supplies ▪ Direct costs must be budgeted in the Budget Application by function and object code • Indirect costs are those costs incurred for common uses for two or more programs and, therefore, are not identifiable with a particular program <ul style="list-style-type: none"> ▪ Indirect costs may be cost incurred for services, materials, supplies and or equipment that are common to two or more programs ▪ Indirect costs typically support administrative overhead functions such as accounting, payroll, human resources, purchasing, facilities management/maintenance, utilities, etc. • All coding of Direct and Indirect costs should follow the MO Accounting Manual 	General Federal Guidance Manual
Salaries/Benefits	<ul style="list-style-type: none"> • Payroll documentation must support staff paid with Federal funds (tracked with appropriate source and project codes) • Must complete Time and Effort documentation for staff whose salary and/or benefits is paid with any portion of Federal funds • The obligation period for staff begins on the <u>date the work is performed</u>; Staff to be paid with Federal funds cannot begin work until the Budget Application has been submitted or July 1st, whichever is later • If the LEA does not issue teacher contracts that coincide with the fiscal year, ensure the appropriate fiscal year grant funds are utilized when paying salaries/benefits (new year grant funds can NOT be utilized to pay prior year teacher contracts) • Staff listed on the SDAC Medicaid claiming should not be paid with Federal funds 	Time and Effort Guidance
Purchased Services	<ul style="list-style-type: none"> • The LEA must have and follow a written procurement procedure for purchased services (e.g. contracted OT, PT, transportation services) • The LEA must maintain documentation to support that the procurement procedure was followed (e.g. bids, quotes, documented rationale for the method of procurement chosen, selection/rejection of vendors, debarred/suspended search results) • The LEA must ensure Federal funds are not utilized to pay a debarred/suspended vendor by verifying status with the Federal government • The obligation period for purchased services begins on the <u>date the contract is signed by both parties</u>; Contracts for purchased services to be paid with Federal funds cannot be signed until the Budget Application has been submitted or July 1st, whichever is later 	Special Education Fiscal Monitoring Guide Verify debarred/suspended status of vendors at: https://oig.hhs.gov
Materials/Supplies	<ul style="list-style-type: none"> • The obligation period for materials/supplies begins on the <u>date the purchase order is created</u>; Purchase orders for materials/supplies to be paid with Federal funds cannot be created until the Budget Application has been submitted or July 1st, whichever is later • Materials/Supplies purchased with Federal funds should be a necessary and reasonable cost to operate the special education program or provide services to students with disabilities • Materials/Supplies purchased with Federal funds should be easily identifiable as a special education material/supply by an audit trail 	
Equipment	<ul style="list-style-type: none"> • Equipment is defined as an article of non-expendable property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit • Prior approval is required before the obligation of funds can be made for equipment purchases; Approval can be obtained through the Budget Application on the Capital Outlay page under the Equipment section • The obligation period for equipment begins on the <u>date the purchase order is created</u>; Purchase orders for equipment to be paid with Federal funds cannot be created until the Budget Application has been submitted or July 1st, whichever is later • Must maintain inventory listing for equipment paid with Federal funds; inventory listing must include all required components (description, serial number or other identification number, cost, FAIN, funding source, percentage paid with Federal funds, who holds title, acquisition date, location, use and condition, disposition date) • All equipment must be tagged with a physical label not easily removable which includes inventory identification number and identified as the property of the special education program • A physical inventory of the equipment must be taken once every two years • Must follow equipment disposition requirements 	Special Education Fiscal Monitoring Guide General Federal Guidance

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Capital Outlay	<ul style="list-style-type: none"> • Capital outlay is defined as construction, renovation, purchase of real estate or purchase of vehicles • Prior approval is required before the obligation of funds can be made for capital outlay purchases; Approval can be obtained through the Budget Application on the Capital Outlay page under the Non-Equipment section • The obligation period for capital outlay begins on the <u>date the contract is signed by both parties</u>; Contracts for capital outlay purchases to be paid with Federal funds cannot be signed until the Budget Application has been submitted or July 1st, whichever is later • Capital outlay must be used for original approved purpose for as long as it is needed for that purpose • Capital outlay may not be disposed of until disposition approval is obtained by DESE 	Special Education Fiscal Monitoring Guide General Federal Guidance
Coordinated Early Intervening Services (CEIS)	<ul style="list-style-type: none"> • Up to 15% of the IDEA Part B Federal funds may be used for CEIS provided to students in K-12 who have not yet been identified as needing special education services, but are in need of additional academic and/or behavioral supports to succeed in the general education environment • Must code CEIS expenditures to function code 1223, source code 4, and project code 44100 • Expenditure and student data information must be submitted to DESE through the IDEA Part B Final Expenditure Report (FER) in ePeGS • If IDEA Part B Federal funds are not utilized for providing services to students in K-12 who have not yet been identified as needing special education services, but are in need of additional academic and/or behavioral supports to succeed in the general education environment, the services are considered general education services (not special education) and are not included in MOE 	CEIS Information
Proportionate Share	<ul style="list-style-type: none"> • Portion of IDEA Part B Federal funds that must be reserved and spent to provide special education services to parentally placed private, parochial, and home schooled students with disabilities, aged 5-21, who have been evaluated and determined eligible for special education and related services • Must code proportionate share expenditures paid with IDEA Part B Federal funds to function code(s) 1224 and/or 2557 (transportation), source code 4, and project code 44100 • Child find and evaluation costs cannot be charged to proportionate share but may be charged to regular IDEA Part B Federal funds using function code 2329 • Child find activities should be similar to the activities performed for public school students of the LEA and should be completed in a comparable time period (beginning of school year) • Services must be provided at a neutral site • Salary and benefits for personnel providing services to both public school and private, parochial, or home schooled students must be prorated • Supplies and/or equipment purchased with proportionate share funds are the property of the LEA and the LEA must keep title to and exercise administrative control over • Must spend entire proportionate share amount of IDEA Part B Federal funds before State or local revenue can be utilized for services • Any unspent current year proportionate share funds must be carried over to the next fiscal year • Documentation to support proportionate share expenditures must be maintained (e.g. student roster, home school declarations, service plans, proportionate share services log) 	Proportionate Share Information
Federal Award Identification Spreadsheet	<ul style="list-style-type: none"> • The Uniform Grant Guidance (UGG) requires LEAs to identify all federal grant awards, either within the accounting system or outside of the system, with all required components: <ul style="list-style-type: none"> • Federal Award Identification Number (FAIN) • CFDA Title and Number • Fiscal Year of Award • Name of the Federal Awarding Agency • Name of the Pass-Through Entity • Accounting Code Used to Identify Grant Expenditures 	General Federal Guidance
Justification Statement	<ul style="list-style-type: none"> • All travel expenditures paid with Federal funds must have a justification statement contained within the source documentation (e.g. purchase order, invoice, meal/hotel receipt, check) to indicate why the travel was pertinent to grant activities • All working lunches paid with Federal funds must have a justification statement contained within the source documentation (e.g. purchase order, invoice, receipt, check) to indicate there was a genuine time constraint requiring working lunch, the portion of the agenda covered during lunch was substantive and integral to the overall purpose of meeting/conference, and the cost of the working lunch was reasonable 	Allowable Use of Funds Section of the Special Education Fiscal Monitoring Guide
Written Policies/Procedures	<ul style="list-style-type: none"> • Travel Policy • Allowability Procedure • Cash Management Procedure • Procurement Procedure <ul style="list-style-type: none"> • Mandatory Disclosures including <ul style="list-style-type: none"> ✓ Conflict of Interest ✓ Gratuity • Time and Effort Procedure 	General Federal Guidance

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Maintenance of Effort (MOE)	<ul style="list-style-type: none"> • Maintenance of Effort (MOE) is the amount of State, county, and/or local funds the LEA must spend in support of special education • There are two components to MOE, the eligibility standard and the compliance standard <ul style="list-style-type: none"> ▪ The eligibility standard indicates a LEA must budget at least the same amount or more for special education as the LEA spent for the most recent fiscal year for which information is available, unless allowable exceptions or adjustments apply, in order to be eligible for the next fiscal year grant award ▪ The compliance standard indicates a LEA must not reduce the level of expenditures for special education below the level of expenditures from the previous fiscal year unless allowable exceptions or adjustments apply • Do not include any expenditures paid with Federal funds (IDEA Federal, ECSE Federal, High Need Fund Federal, Assistive Technology Federal) in MOE 	Maintenance of Effort Information
IDEA Part B Payments	<ul style="list-style-type: none"> • Federal funds may be requested twice each month up to the approved budgeted amount based on availability of funds from the U.S. Department of Education and State Budget Allotments • Payments may only be requested on a reimbursement basis for the purpose and condition of the grant and include <u>actual cumulative year-to-date expenditures up to the payment request submission date</u> • Payment requests cannot be submitted until an initial Budget Application has been approved 	Payment Requests