

**SPECIAL EDUCATION (IDEA PART B)
FEDERAL EXPENDITURE REQUIREMENTS**

- **Salaries**
 - Track which employees are paid with Federal funds
 - Time and effort documentation must be completed for staff paid with Federal funds:
 - Semi-Annual Time Certification Form
 - Personnel Activity Report
 - Substitute System Employee Certification Form
- **Proportionate Share**
 - Districts/LEAs must spend a proportionate amount of Part B funds on parentally-placed private school and home school children with disabilities, if applicable
 - Costs of child find must not be considered in proportionate share obligation
 - Must be coded separately to 1224 (services - may need to prorate time) or 2557-SPED (transportation)
 - Time and effort documentation must be completed for staff paid with proportionate share funds
- **Coordinated Early Intervening Services (CEIS)**
 - Districts/LEAs may use up to 15% of Part B funds to provide CEIS to students in K-12 not yet identified as needing special education services but need additional supports to succeed in the general education environment
 - Must complete CEIS Reporting Verification form on Supporting Data Page of Part B FER by Sept. 30 if CEIS funds are used
 - CEIS expenditures must be coded separately to 1223 (may need to prorate staff time)
 - Time and effort documentation must be completed for staff paid with CEIS funds
- **Equipment** (items with a unit cost of \$1,000 or more—not including construction/renovation/real estate/buses)
 - Prior approval is obtained on the Budget Application
 - Equipment records, also known as an inventory listing, must be maintained
 - Items less than \$1,000 per unit which are considered attractive or easily pilfered must also be included
- **Construction/Renovation/Real Estate/Buses**
 - Must have prior DESE approval before Federal funds can be obligated (Non-Equipment section on the Capital Outlay page of the ePeGS Budget Application)
- **Payments/Refunds**
 - Cash Management Improvement Act (CMIA) requires Federal funds requested to be already expended by the time the funds are received
 - Refunds require interest to be calculated and returned along with an explanation on how interest was calculated
- **General Information**
 - Must create a system for tracking Federal, State, and local special education expenditures separately (use a Project/Source Code to separate expenditures)
 - There are two components to MOE, the eligibility standard and the compliance standard.
 - The eligibility standard indicates a district/LEA must budget at least the same amount or more for special education as the district/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 district/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 Part B funds in Maintenance of Effort (MOE)
 - Excess Cost Requirement – Federal funds may only be used to pay excess cost of providing special education and related services to students with disabilities
 - Federal funds cannot be obligated until the budget application has been substantially approved (submitted)
 - IDEA requires all expenditures with IDEA funds to be directed 100% toward special education; otherwise the cost must be prorated unless the benefit to non-special education students is incidental and justifiable
 - District/LEA procurement policy must be followed for all purchases with Federal funds, including services, supplies, equipment, etc.
 - Federal paid employees must not be included in the SDAC Medicaid Pool