

IDEA PART B SECTION 611 AND SECTION 619 EPEGS GUIDE BUDGET, PAYMENT, PROPORTIONATE SHARE FISCAL YEAR 2020

The purpose of this document is to provide guidance and step-by-step instructions for the web-based electronic Planning and electronic Grants System (ePeGS). Each section in this document will include information to assist LEAs in completing the required Special Education applications. While each section of the guide includes information to consider when completing the budget application, more detailed information regarding Federal funding requirements can be found in the [Special Education Fiscal Monitoring Guide and the General Federal Guidance](#).

TECHNICAL ASSISTANCE CONTACTS

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SECTION I: ACCESSING EPEGS

Guidance:

Access to ePeGS is provided by the User Manager (UM) of the LEA. The designated UM can add/delete/modify users or user access levels (View Only, Data Entry, or Authorized Representative). The user must have Authorized Representative permission to be able to submit on behalf of the LEA.

Instructions:

Step 1: Log into DESE Web Applications

- DESE Web Applications URL: <https://apps.dese.mo.gov/webLogin/login.aspx>
- Enter User Name and Password, then select Login button.

Step 2: Select ePeGS

Step 3: Select Funding Application Menu

Step 4: Select Special Education

Step 5: Select Spec Ed Part B Entitlement

Step 6: Select Year from Dropdown Box

- The LEA may access prior year and current year Budget Applications, Payment Requests, and Final Expenditure Reports (FER) from the Grant Summary screen.

SECTION II: BUDGET APPLICATION

CREATING AND SUBMITTING A BUDGET

- Budget applications are due July 1 each year.

Budget Application Instructions:

Step 1: Select Budget Application on the Grant Summary page

Step 2: Select Create Budget Application

Budget Grid Guidance:

Budgeting Federal K-12 Special Education and ECSE Expenditures

Available Federal Funds

- Most LEAs are allocated two grant awards each year; IDEA Part B 611 funds and IDEA Part B 619 funds.

Federal IDEA Part B 611 funds are for supports and services for students with disabilities ages 3-21. This allocation is broken into the following amounts:

- Current Year Part B 611 – this amount is intended for costs for K-12 public special education students.
- Coordinated Early Intervening Services (CEIS) – this amount is 15% of the LEA's IDEA Part B 611 and 619 funds that may be used for costs to support students who do not have IEPs but are struggling to succeed in the general education environment. The CEIS amount is part of the current year Part B 611 amount; it is not an amount in addition to the current year Part B 611 amount.
- Current Year Proportionate Share (Estimated) – this amount must be budgeted and spent on special education services for identified parentally placed private, parochial, or home school children with disabilities. The LEA where the private, parochial, or home school is located is responsible for services. This amount is not included in the current year Part B 611 amount. The final proportionate share amount is calculated on the prior year FER and must be budgeted once the prior year FER is approved.
- Early Childhood Special Education (ECSE) 611 – this amount is intended for costs for students with disabilities ages 3-5 served in an ECSE program. Only LEAs with a prior year 3-5 PK December 1 child count will have an ECSE 611 amount. If the LEA does not anticipate having ECSE expenditures, the ECSE 611 funds may be spent on K-12 special education expenditures.

Federal IDEA Part B 619 funds are for supports and services for students with disabilities ages 3-5. All LEAs with a kindergarten program receive an IDEA Part B 619 allocation.

- ECSE 619 – this amount may be budgeted for students with disabilities ages 3-5 served in an ECSE program, child find costs, costs for students with disabilities age 5 served in a kindergarten program, or for professional development for staff serving students with disabilities ages 3-5. The LEA may choose to forfeit a portion, or all of these funds, if they

cannot be spent on allowable costs. ECSE 619 funds cannot be forfeited after September 30.

- Any current year IDEA Part B 611 and 619 funds, including current year proportionate share funds, not obligated and spent by the end of the fiscal year (June 30) will carry over to the next fiscal year. Any ECSE 611 funds not spent in the first year will be included as IDEA Part B 611 carryover in the second year. If carryover funds are not spent by the second year they will be forfeited. The IDEA Part B 611 carryover, proportionate share carryover, CEIS carryover, and ECSE 619 carryover amounts will show as \$0.00 until the LEA has an approved prior year FER and creates a budget revision. Once the budget revision has been created, any applicable carryover amounts will display at the top of the budget grid page and can then be included in the budgeted amounts and obligated. Carryover funds cannot be obligated until the budget revision is submitted.

Obligating Federal Funds

- LEAs may not obligate IDEA Part B 611 or 619 funds until the initial budget application has been substantially approved (submitted) or July 1, whichever is later. The substantially approved date can be found on the budget application Submittal and Approval page.
- LEAs must follow the obligation table in 34 CFR Part 76.707 when obligating federal funds.

Budgeting Special Education Federal Expenditures

- The budgeted amounts on the budget grid should only include expenditures that will be obligated from the substantially approved budget application date through June 30 and paid with federal funds.
- Budgeted expenditures may not exceed the total funds available amount.
- Function code 1223 is for Coordinated Early Intervening Services (CEIS). It is the LEA's decision as to whether or not to budget any portion of CEIS funds in function code 1223, as long as the LEA does not have a finding of significant disproportionality. If the LEA has been identified by Office of Special Education as significantly disproportionate, the entire 15% amount calculated for Comprehensive Coordinated Early Intervening Services (CCEIS) must be budgeted in 1223, ECSE 611 CCEIS row (if using ECSE 611 funds for CCEIS), and/or ECSE 619 CCEIS row (if using ECSE 619 funds for CCEIS).
- The estimated current year proportionate share obligation amount must be budgeted in function codes 1224 and/or 2557-SPED on the initial budget application.
- Function code 1931 is for coding tuition for special education services to other LEAs in the State. LEAs do not pay tuition for IEP students to attend State institutions, such as Missouri School for the Blind (MSB), Missouri School for the Deaf (MSD), and Missouri Schools for the Severely Disabled (MSSD). Any payment to these institutions is considered Local Tax Effort (LTE). All LTE costs must be coded to function code 1911 and cannot be budgeted in function code 1931.
- Equipment items costing less than \$1,000 per unit are considered supplies (including computing devices) and must be budgeted under object code 6400.
- The salaries of administrative and clerical staff should normally be treated as indirect costs. However, direct charging of these costs may be appropriate only if all of the following conditions are met:
 - Administrative or clerical services are integral to a project or activity
 - Individuals involved can be specifically identified with the project or activity
 - Such costs are explicitly included in the budget
 - The costs are not also recovered as indirect costs

- IDEA Part B 611 and 619 funds consolidated into the schoolwide pool must be included on the LEA's initial ESEA and Part B budget application. Once the initial ESEA budget has been approved, changing the schoolwide option is not allowed. Set-aside amounts (proportionate share or CCEIS, if the LEA has a finding of significant disproportionality) cannot be included in the amount budgeted for the schoolwide pool.

Coding Special Education Federal Expenditures

- Special education expenditures must be coded in accordance with the [Missouri Financial Accounting Manual](#) and [Special Education Expenditure Coding Structure](#).
- All current year K-12 public special education, proportionate share, CEIS, and CCEIS expenditures paid with IDEA Part B 611 funds must be coded with source code 4 and project code 44100.
- All current year ECSE 611 expenditures for students with disabilities age 3-5 served in an ECSE program must be coded with source code 4 and project code 44200.
- All current year ECSE 611 expenditures for students with disabilities in grades K-12 must be coded with source code 4 and project code 44203.
- All current year ECSE 619 expenditures for students with disabilities age 3-5 served in an ECSE program must be coded with source code 4 and project code 44201.
- All current year ECSE 619 expenditures for students with disabilities age 5 served in Kindergarten must be coded with source code 4 and project code 44204.

Budget Grid Instructions:

Step 1: Budget K-12 special education public and non-public expenditures paid with IDEA Part B 611 funds

- In the top grid, enter all anticipated K-12 special education expenditures, including proportionate share and CEIS, if applicable, to be paid with IDEA Part B 611 funds.

Step 2: Budget ECSE expenditures paid with ECSE 611 funds

- In the ECSE 611 row, enter the cumulative amount of all anticipated expenditures to be paid with ECSE 611 funds.
- In the ECSE 611 CEIS or CCEIS row, enter all CEIS or CCEIS costs to be paid with ECSE 611 funds, if applicable.

Step 3: Budget ECSE expenditures paid with ECSE 619 funds

- In the ECSE 619 row, enter the cumulative amount of all anticipated expenditures to be paid with ECSE 619 funds.
- In the ECSE 619 CEIS or CCEIS row, enter all CEIS or CCEIS costs to be paid with ECSE 619 funds, if applicable.

Step 4: Enter amount of ECSE 619 funds to forfeit, if applicable

- If all or a portion of ECSE 619 funds will not be used during the year for ECSE, Kindergarten student with disability, professional development, or child find costs, the funds may be forfeited. The amount of forfeited ECSE 619 funds must be entered into the Forfeit Amount box. ECSE 619 funds cannot be forfeited after September 30.

Step 5: Select Save and Continue

Capital Outlay Guidance:

- The Capital Outlay page is for capital outlay expenditures only. This includes equipment and non-equipment. Equipment is defined as tangible, personal property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit. Acquisition cost for equipment is defined as the net invoice price of the equipment, including the cost of any modifications, attachments, accessories or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired. Non-equipment is defined as construction, renovation, purchase of real estate, or purchase of vehicles.
- Capital outlay costs need to be entered on the Capital Outlay page. Once entered and saved on the Capital Outlay page, the costs will display on the Budget Grid in under the appropriate function code with an object code of 6500.
- All capital outlay costs paid with federal funds must have prior approval by DESE through the budget application process.
- LEAs should note in the District/LEA Comment box if the equipment is required by a student's IEP.

Capital Outlay Page Instructions:

Step 1: Enter Equipment information, if applicable

- Select the appropriate special education program for the equipment purchase in the Area column.
- Enter a detailed description of the equipment to be purchased in the Description column.
- Enter the total cost of one unit of the equipment to be purchased in the Unit Cost column.
- Enter the number of units of equipment to be purchased in the Quantity column.

Step 2: Enter Non-equipment information, if applicable

- Comment areas, estimated purchase, project start, project finish and invoice submission date areas must all be completed if intended costs for non-equipment purchase are entered.
- The Total Column will automatically calculate the total cost for each line once the Save button is selected. The total dollar amounts saved on the Capital Outlay page will automatically populate to the appropriate function/object code area of the Budget Grid page.

Step 3: Agree to the certification statement

- The certification statement must be agreed to by checking the box.

Step 4: Select Save and Continue

Supporting Data Page Guidance:

- LEAs that choose to use IDEA Part B funds for CEIS must be aware of how this impacts the amount of funds that may be taken for a MOE adjustment and vice versa. The MOE adjustment/CEIS calculator is an informational tool to determine how budgeting for CEIS will impact the amount of MOE adjustment the LEA may take (and vice versa). These amounts are not saved or pulled into any other page or report. This section is not required to be completed.

- More information regarding the MOE adjustment and CEIS relationship can be found in the [MOE Adjustment Guidance](#) document.

Supporting Data Page Instructions:

Step 1: Enter Maintenance of Effort Adjustment/CEIS Tool information, if applicable

Step 2: Enter Special Education Cooperative Information

- If Yes is selected, complete the fiscal agent or member district information and select Save and Continue
 - If No is selected, Select Save and Continue.
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Maintenance of Effort (MOE) Guidance:

Budgeting Non-Federal K-12 Special Education and ECSE Expenditures

MOE Eligibility Requirement

- Maintenance of Effort (MOE) is the amount of state, local, and county funds spent on special education that must be maintained at the same amount or more each year. Local funds and county funds are combined and considered “local” funds for MOE. The MOE 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.
- LEAs must meet Maintenance of Effort in at least one of the following four areas:
 - Local Total Expenditures – includes county expenditures
 - State & Local Expenditures – includes county expenditures
 - Local Per Child Expenditures – includes county expenditures
 - State & Local Per Child Expenditures - includes county expenditures
- The LEA is not required to budget and spend county funds for MOE as long as the LEA meets MOE in one of the four areas.
- Budgeted MOE must include all ECSE and K-12 special education expenditures paid with state, local, and county funds the LEA anticipates from July 1 to June 30.
- Special education expenditures that will be paid with federal funds (Part B 611, ECSE 611, ECSE 619, federal High Need Fund, Assistive Technology, and Medicaid) must not be included in budgeted MOE. In addition, any local tax effort payments must not be included in budgeted MOE.
- The budgeted MOE amount only determines eligibility for the current year IDEA Part B grant award. The budgeted MOE amount is not pulled into the Part B FER or compared to the actual MOE amount reported on the Part B FER at the end of the fiscal year.
- The LEA can change the method it uses to meet the MOE eligibility standard from year to year.
- More information regarding MOE can be found on the [Special Education Maintenance of Fiscal Effort](#) webpage.

MOE Adjustment and Exceptions

- Eligible LEAs may take an adjustment to MOE to reduce the level of non-federal expenditures needed to meet MOE eligibility. In addition, there are five allowable exceptions to MOE that LEAs may take to reduce the level of non-federal expenditures needed to meet MOE eligibility.
- In the event that a LEA has an increase in the IDEA Part B allocation from the prior year to the current year, the LEA has the opportunity to reduce the MOE amount by up to 50% of the increase. The amount of MOE adjustment to take is at the discretion of the LEA.
- If a MOE adjustment is taken, any state, local, and/or county funds that are no longer dedicated to special education must be spent on activities authorized under the Elementary and Secondary Education Act (ESEA). The LEA must track the amount of “freed up” state, local, and/or county funds that are spent on ESEA activities in the general ledger.
- LEAs must compare the expenditures paid with state, local, and/or county funds in the previous year to those expenditures that will be paid with state, local, and/or county funds in the current year to determine if an allowable exception can be taken.
- If local and/or county funds were used to pay the expenditure in the prior year, then the reduction will apply to both the Local Only MOE amount and State and Local MOE amount. If state funds were used to pay the expenditure in the prior year, then the reduction will only apply to the State and Local MOE amount. Reductions to expenditures in the prior year paid with IDEA Part B 611, ECSE 611, and/or ECSE 619 funds cannot be claimed as an exception to MOE.
- The total amount of adjustment and exceptions reduces the MOE amount that the LEA must meet for the current year and future years until the LEA decides to voluntarily increase the MOE amount.
- LEAs may take the MOE adjustment and MOE exceptions in the same year.
- MOE Adjustment and Exceptions guidance can be found on the [Special Education Maintenance of Fiscal Effort](#) webpage.

Coding Special Education Non-Federal Expenditures

- Special education expenditures must be coded in accordance with the [Missouri Financial Accounting Manual](#) and [Special Education Expenditure Coding Structure](#).
- All current year K-12 special education expenditures paid with local funds must be coded with source code 1 and project code 12210.
- All current year ECSE expenditures paid with local funds must be coded with source code 1 and project code 12810.
- All current year K-12 special education expenditures paid with county funds must be coded with source code 2 and project code 12210.
- All current year ECSE expenditures paid with county funds must be coded with source code 2 and project code 12810.
- All current year K-12 special education expenditures paid with state funds must be coded with source code 3 and project code 12210.
- All current year ECSE expenditures paid with state funds must be coded with source code 3 and project code 12810.

Maintenance of Effort Grid Instructions:

Step 1: Enter estimate December 1 Child Count (ages 3-21)

- Select Save and Continue.

Step 2: Complete MOE State Only Grid

- Enter all anticipated K-12 special education and ECSE expenditures to be paid with state funds.
- If ECSE funds are included in Early Learning Blended Funding, provide an estimated amount of Blended Funding costs paid only with ECSE state funds under function code 3512.
- Select Save and Continue.

Step 3: Complete MOE County Only Grid

- Enter all anticipated K-12 special education and ECSE expenditures to be paid with county funds.
- If no county funds were budgeted for special education costs, the LEA will receive a Warning. The LEA is not required to budget county funds for MOE as long as the LEA meets the MOE eligibility requirement in at least one of the four areas. The FER may be submitted with a Warning displaying; no action by the LEA is required.
- Select Save and Continue.

Step 4: Complete MOE Local Only Grid

- Enter all anticipated K-12 special education and ECSE expenditures to be paid with local funds.
- Select Save and Continue.

Step 5: Complete MOE Adjustment and Exceptions

- Enter Adjustment to Maintenance of Effort amounts, if applicable.
- Enter Allowable Exceptions to Reduce Maintenance of Effort, if applicable.
- Select Save and Continue

Step 6: Review MOE Eligibility Calculations

- This is a view only page. Amounts displaying pull from MOE State Only, MOE County Only, MOE Local Only, and MOE Adjustments and Exceptions entered information and are compared to totals from previous years FERs. MOE must be met in at least one area.
- Select Next.

Submittal Instructions:**Step 1: Agree to Assurances**

- Before the budget application can be submitted, the LEA must read and agree to both the Core Assurances (if not already done) and Grant Specific Assurances by selecting the link and then selecting the Agree to Assurances button. Select Close to return to the Submittal and Approval page.

Step 2: Check for Edits

- While the budget can be submitted with Warnings, it cannot be submitted with Edits. If any Edits (E) display, the LEA must make the necessary corrections before the budget can be submitted.

Step 3: Enter any comments in the District/LEA Comment Box and select Save

Step 4: Submit

- Submit the Part B budget application to DESE for approval. ***Note: If the submit date is before July 1, the substantially approved date automatically sets to July 1. The LEA may not begin obligating IDEA Part B 611 or 619 funds prior to the substantially approved date.***

Step 5: Receive Approval/Disapproval Notification

- The LEA will receive an automated email from DESE indicating if the budget application was approved or disapproved. The email will be sent to the grant contact listed on Core Data Screen 3. DESE cannot change to whom this information is sent. LEAs must ensure that contact information reported in August Cycle Core Data Screen 3 is accurate and up-to-date. If the budget application is disapproved, DESE will send an explanation email. LEA will need to make the necessary corrections and resubmit.
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REVISING A BUDGET

Guidance:

- Budget revisions are necessary to include IDEA Part B 611, Proportionate Share, and ECSE 619 carryover funds after the prior year Part B FER has been approved. In addition, budget revisions are necessary to make any changes to how federal funds will be spent for the current year. Budget revisions must be completed by April 30 each year. It is not necessary to complete a budget revision for changes to MOE budgeted amounts.

Budget Revision Instructions:

Step 1: Select Create Revision

- If a budget revision is necessary, select the Create Revision link above the Activity Log on the right side of the screen on the Grant Summary Page under Budget Show.

Step 2: Revise the Budget Application

- Update the budget application pages where needed using the steps in Section II of this guide.

Step 3: Enter any comments in the District/LEA Comment Box and select Save

Step 4: Submit Budget Application Revision

- After all Edits have been corrected, select the Submit button.

SECTION III: PROPORTIONATE SHARE CARRYOVER RELEASE REQUEST

CREATING AND SUBMITTING A PROPORTIONATE SHARE CARRYOVER RELEASE REQUEST

- Proportionate share carryover release requests open January 1 and are due March 1 each year.

Guidance:

Releasing Unspent Proportionate Share Carryover Funds

- Proportionate share is the amount of IDEA Part B 611 funds the LEA must set aside to provide special education services to parentally placed private, parochial, and home schooled children with disabilities ages 5-21 who have been evaluated and determined eligible for special education services.
- The LEA where the private, parochial, or home school is located is responsible for locating, identifying, and evaluating private, parochial, and home schooled students between the ages of 5-21 with disabilities.
- Even though parents aren't required to declare home school services until the child is 7 years old, home schooled children with disabilities between ages 5-7 are also eligible for proportionate share services.
- No parentally placed private, parochial, or home school student with a disability has an individual right to receive some or all of the special education and related services that the child would receive if enrolled in a public school. Decisions about services to parentally placed private, parochial, or home school children with disabilities must be made in accordance with the consultation process.
- More information regarding proportionate share can be found on the [Part B Proportionate Share](#) webpage.

Proportionate Share Current Year Obligation

- DESE calculates an estimated current year proportionate share amount using the current year IDEA Part B 611 allocation amount and the following prior year data reported in MOSIS/Core Data Screen 11 (December 1 Child Count):
 - Private and home schooled eligible and served children (ages 5-21) (reported with an educational environment of "2100-Parentally Placed Private")
 - Public school children eligible and served (ages 5-21)

The estimated current year amount is on the top of the Part B Budget Application budget grid and can also be found on the [Funding/Allocations](#) webpage. The LEA must budget an amount greater than or equal to the proportionate share estimated current year obligation amount in function codes 1224 and/or 2557-SPED on the initial Part B budget application, due July 1.

- If the LEA would like to calculate a more accurate current year proportionate share amount, the LEA can enter the current year IDEA Part B allocation amount and the prior year data listed below into the [Proportionate Share Calculation Worksheet](#).
 - Private and home schooled eligible and served children (ages 5-21) as of December 1
 - Public school children eligible and served (ages 5-21) as of December 1
 - Private schooled children eligible but not served (ages 5-21) as of December 1
 - Home schooled children eligible but not served (ages 5-21) as of December 1
 - Public school children eligible but not served (ages 5-21) as of December 1

- The final proportionate share current year obligation amount is calculated on the prior year Part B Final Expenditure Report (FER) based on the current year IDEA Part B 611 allocation amount and the following prior year data:
 - Private and home schooled eligible and served children (ages 5-21) - *populated from MOSIS/Core Data Screen 11 (December 1 Child Count) educational environment of "2100-Parentally Placed Private"*
 - Private schooled children eligible but **not** served (ages 5-21) as of December 1 - *entered onto FER Supporting Data page*
 - Home schooled children eligible but **not** served (ages 5-21) as of December 1 - *entered onto FER Supporting Data page*
 - Public school children eligible and served (ages 5-21) - *populated from MOSIS/Core Data Screen 11 (December 1 Child Count)*
 - Public school children eligible but **not** served (ages 5-21) as of December 1 - *entered onto FER Supporting Data page*
- Once the prior year FER is approved, the LEA must create a budget revision to budget the final proportionate share amount, if different from the estimated amount budgeted on the initial budget application.
- If the LEA does not have a proportionate share obligation or carryover funds and a new student is found eligible during the year, the LEA is not obligated to provide services to this student. The LEA will report the new student in MOSIS/Core Data Screen 11 (December 1 Child Count) using the educational environment of "2100-Parentally Placed Private" which will then generate a proportionate share obligation for the next school year.

Non-Allowable Uses of Proportionate Share Funds

- Proportionate share funds cannot be used to pay for child find, initial evaluation, or reevaluation costs.
- Proportionate share funds cannot be paid directly to the private, parochial, or home school.
- Missouri case law and the Missouri Constitution prohibit the provision of personnel, services, materials, and equipment on the premises of a child's private school unless they are provided in a neutral site.
- Proportionate share funds cannot be used to meet the needs of a private school or the general needs of the students enrolled in the private school.
- Proportionate share funds cannot be used for repairs, construction, or minor remodeling of private school facilities.

Allowable Uses of Proportionate Share Funds

- IDEA does not require a LEA to spend the proportionate share only for direct services. Rather, through the consultation process described in 34 CFR §300.134, a determination must be made about how the available amount of funds will be utilized so the parentally placed private school or home schooled children with disabilities designated to receive services can benefit from the services offered. Depending on the discussions during the consultation process, local circumstances, and the amount of funds available to expend on services for this population of children, an LEA could determine, after timely and meaningful consultation that it will provide its population of parentally placed private school or home schooled children with disabilities with indirect services. These services could include consultative services, equipment, or materials for eligible parentally placed children with disabilities or training for private school teachers and other private school personnel.

- Proportionate share funds must be used to meet the special education and related services needs of parentally placed private school or home schooled children.
- The provision of equitable services must be provided by employees of the public school or through contract by the public school with an individual, association, agency, organization, or other entity.
- Special education and related services provided to parentally placed private school children must be secular, neutral, and nonideological.
- The LEA may provide transportation for students to receive proportionate share services at a neutral site.
- The LEA must keep title to and exercise continuing administrative control of all property, equipment, and supplies that the public LEA acquires with proportionate share funds for the benefit of private school children with disabilities.
- The LEA may use proportionate share funds to pay for services of an employee of the private school to provide services if:
 - the private school employee performs the services outside of his or her regular hours of private school duties;
 - the services are provided on public school grounds or a neutral site; and,
 - the employee performs the services under public supervision and control.

Spending Additional Non-Federal and Federal Funds

- After all the proportionate share current year and carryover funds have been spent to provide special education or related services to parentally placed private school children with disabilities LEAs may use state, local, or county funds to supplement (in addition to) and in no case supplant (replace) the federal proportionate share amount. Additionally, as long as the LEA meets all the other requirements of the IDEA, including providing FAPE to public school children with disabilities, it is permissible for the LEA to spend more than the minimum amount of IDEA Part B 611 funds on providing services to children with disabilities placed by their parents in private schools.
- Any supplemental state, local, or county funds spent on proportionate share services must be included in Maintenance of Effort (MOE) under 1224 or 2557-SPED.

Tracking Proportionate Share Expenditures

- LEA staff providing services should have their salaries/benefits prorated and coded separately in the general ledger under 1224 to account for the expenditure. The method of proration must be reasonable and justifiable. LEAs may use the [Proportionate Share Services Log Worksheet](#) to determine proration of proportionate share costs. Note: the Proportionate Share Services Log Worksheet should not be used for contracted services. The proportionate share amount for contracted services should be derived from the invoices received from the vendor (should be broken out by nonpublic and public students receiving services).
- Any other proportionate share expenditures (contracted therapy, equipment, etc.) must also be tracked separately and coded under 1224.
- Proportionate share transportation costs must be coded to function code 2557-SPED.
- The LEA must use source code 4 and project code 44100 to track the proportionate share expenditures paid with IDEA Part B 611 funds.
- If supplemental state, local, or county funds are used for proportionate share costs, the LEA must use source code 1 for local, 2 for county, and 3 for state paid expenditures. A project code of 12210 must be used for expenditures paid with local, county, or state funds.

More information on coding and tracking proportionate share expenditures can be found in the Part B Special Education Finance Guidance [Coding](#) section.

Documentation

The following documentation is required to support proportionate share expenditures:

- Student Roster (to include student name, name of private/parochial school, date of evaluation, date services started, type of services being provided, location of services, name of personnel providing services, number of service minutes, and prorated costs.)
- Home School Declarations
- Service Plans
- Consultation Records
- Documentation of Refused Services

Proportionate Share Carryover Funds

- Proportionate share carryover funds are proportionate share funds the LEA did not spend in the first year of obligation. These unspent funds carry over to the next fiscal year and must be budgeted and spent on proportionate share expenditures before any of the current year proportionate share obligation amount can be spent.
- A budget revision must be created once the prior year FER is approved to budget any proportionate share carryover funds.
- If the LEA cannot completely spend the carryover funds during the second year having met all requirements in 34 CFR §300.130-148, the LEA should complete a Proportionate Share Carryover Release Request in ePeGs to release the unspent carryover funds. Released proportionate share carryover funds can be spent on public students with disabilities within the LEA.
- If proportionate share carryover funds are not expended in the second year either on proportionate share expenditures or, after being released, on public school students with disabilities, the LEA will forfeit the funds.
- The LEA may request a release of any unspent carryover funds for the following reasons:
 - Parents of private, parochial, or home school students refused services
 - Private/parochial school(s) refused services
 - Student aged-out or graduated from private, parochial, or home school
 - Student no longer attends private, parochial, or home school
 - Proportionate share carryover funds exceeded the amount needed for services provided

Releasing Unspent Proportionate Share Carryover Funds

- If the current year estimated expenditures for proportionate share are less than the carryover amount, the LEA may request a release of the unexpended funds.

Example 1: Released Funds	
Carryover Amount (from previous year)	\$60,000
Estimated Expenditures for Current Year	\$50,000
Amount Available for Release (Carryover Amount – Estimate Expenditures)	\$10,000

- If the current year estimated expenditures for proportionate share are equal to or greater than the carryover amount, the LEA may NOT request a release of any carryover funds.

Example 2: NO Released Funds	
Carryover Amount (from previous year)	\$60,000
Estimated Expenditures for Current Year	\$70,000
Amount Available for Release (Carryover Amount – Estimate Expenditures)	\$0

Proportionate Share Carryover Release Request Instructions:

Step 1: Select Proportionate Share Carryover Release Request on the Grant Summary page

Step 2: Select Create Proportionate Share Carryover Release Request

Step 3: Enter the total number of eligible and served proportionate share students during the current school year

Step 4: Select Yes or No for each option to indicate the rationale for unexpended prior school year proportionate share carryover funds. At least one option must have Yes selected. A comment must be provided if Yes is selected for “Other”.

Step 5: Read the assurance statement, select Save

Step 6: Submit Proportionate Share Carryover Release Request

Step 7: Receive Approval/Disapproval Notification

- The LEA will receive an automated email from DESE indicating if the request was approved or disapproved. The email will be sent to the grant contact listed on Core Data Screen 3. DESE cannot change to whom this information is sent. LEAs must ensure that contact information as reported in August Cycle Core Data Screen 3 is accurate and up-to-date. If the Proportionate Share Release Request application is disapproved, DESE will send an explanation email. The LEA will need to make the necessary corrections and resubmit.

Step 8: Create Budget Application Revision

- Once the release form is approved the LEA will need to create a budget application revision to budget the released proportionate share carryover funds.

Step 9: Revise the Budget Application

- On the budget application revision, a checkbox indicating proportionate share prior year carryover funds have been released will display.
- The LEA is allowed to release up to the total amount of the prior year proportionate share carryover funds from function code 1224 and/or 2557-SPED and obligate the funds under another function code, such as 1221, for public school students with disabilities.

- The LEA may release only the amount of proportionate share carryover funds that will not be spent in the current school year on private, parochial, or home schooled students with disabilities.
- The proportionate share current year calculation amount in addition to any proportionate share carryover expenditures must remain budgeted under function code 1224 and/or 2557-SPED.
- Select Save and Continue.

Step 10: Submit the Budget Application Revision

- Navigate to the Submittal and Approval page. After all edits have been corrected select the Submit button.

Step 11: Receive Approval/Disapproval Notification

- The LEA will receive an automated email from DESE indicating if the application was approved or disapproved. The email will be sent to the grant contact listed on Core Data Screen 3. DESE cannot change to whom this information is sent. LEAs must ensure that contact information as reported in August Cycle Core Data Screen 3 is accurate and up-to-date. If the budget revision is disapproved, DESE will send an explanation email. The LEA will need to make the necessary corrections and resubmit.

SECTION IV: PAYMENT REQUEST

CREATING AND SUBMITTING A PAYMENT REQUEST

Guidance:

Requesting Reimbursement of Federal Funds

- Payment requests cannot be completed until an initial budget application for the corresponding fiscal year has been approved.
- Expenditures in the payment request can only be submitted where funds have been budgeted and expended for that fiscal year, based on the last approved budget application.
- **Actual cumulative year-to-date expenditures** must be entered in the payment request grid, as payment requests must be on a reimbursement basis for expenditures already paid by the LEA.
- The ePeGS system will automatically calculate the payment request amount based on the actual cumulative year-to-date expenditures minus the amount paid to date.
- A 10% variance in the payment request amount compared to the budgeted amount is allowed for each object code (column) total.
- Payments may be requested twice a month. Payment requests are due on the 1st and/or the 20th of each month by 11:59 p.m. regardless of the day of the week. More information can be found in the [Payment Request Deadlines](#) document.
- ***Payment requests cannot be submitted if a corresponding fiscal year budget application is in submitted status.***

Payment Request Instructions:

Step 1: Select Payment Request on the Grant Summary page

Step 2: Select Create Payment Request

Step 3: Enter Year-to-Date Grant Expenditures

- Expenditures can only be entered in the payment grid where funds have been budgeted in the last approved budget application.
- The LEA must enter year-to-date expenditures for all federal funds (IDEA Part B 611, ECSE 611, and ECSE 619) on each payment request, regardless if the LEA is only requesting payment from one source of federal funds on the current payment request.

Step 4: Select Save to Calculate Payment Amount

Step 5: Check Certification Box and Save

- If needed, enter comments in the District/LEA Comment box, check the certification box, and then select Save for the Submit button to appear.

Step 6: Submit Payment Request

- If the red Edit button appears, view the edits by selecting the Edit button. Edits (E) must be fixed before the LEA is allowed to submit. The Payment Request can be submitted if only Warnings (W) exist. Select the Submit button to submit the Payment Request.

Step 7: Receive Approval/Disapproval Notification

- The LEA will receive an automated email from DESE indicating if the payment was approved or disapproved. The email will be sent to the Special Education contact listed on Core Data Screen 3. Please note that DESE cannot change to whom this information is sent. LEAs must ensure that contact information reported in August Cycle Core Data Screen 3 is accurate and up-to-date. If the payment request is disapproved, DESE will send an explanation email. The LEA will need to make the necessary corrections and resubmit.
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REVISING A PAYMENT REQUEST

Guidance:

- If a payment request is in Submitted or Approved status, the LEA may revise the payment request by contacting the DESE fiscal contact for assistance. Revising a payment request will put the payment back in Created status and it will not be processed until it is resubmitted and approved.
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REQUESTING ADDITIONAL PAYMENTS

Instructions:

Step 1: Select Payment Request Show on the Grant Summary page

Step 2: Create Payment Request

- Select Create Payment Request link above the Activity Log on the right side of the screen on the Grant Summary Page under Payment Request Show. Additional payment requests can only be created and submitted after the last payment has been processed.

Step 3: Complete Payment Request

- Complete the payment request using the steps in Section IV of this guide.

Step 4: Submit Payment Request

- If the red Edit button appears, view the edits by selecting the Edit button. Edits (E) must be fixed before the LEA is allowed to submit. The Payment Request can be submitted if only Warnings (W) exist. Select the Submit button to submit the Payment Request.

Step 5: Receive Approval/Disapproval Notification

- The LEA will receive an automated email from DESE indicating if the payment was approved or disapproved. The email will be sent to the Special Education contact listed on Core Data Screen 3. Please note that DESE cannot change to whom this information is sent. LEAs must ensure that contact information reported in August Cycle Core Data – line up correctly. If the payment request is disapproved, DESE will send an explanation email. The LEA will need to make the necessary corrections and resubmit.