

Technical Assistance Manual

FICAM

FISCAL COMPLIANCE, ACCOUNTABILITY, AND MONITORING



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Section I: Purpose and Authority for Fiscal Compliance and Accountability

Overview

The Utah State Office of Education (USOE) has a responsibility under both Federal and State law to monitor implementation of the Individuals with Disabilities Education Act (IDEA) by local education agencies (LEAs) through a system of general supervision that enforces requirements and ensures continuous improvement. The National Center for Special Education Accountability Monitoring specifies the components of the IDEA Part B General Supervision system:

- State Performance Plan (SPP)
- Policies, Procedures, and Effective Implementation
- Data on Processes and Results
- Targeted Technical Assistance and Professional Development
- Effective Dispute Resolution
- Integrated Monitoring Activities
- Improvement, Correction, Incentives, and Sanctions
- Fiscal Management

This Technical Assistance Manual integrates the Utah procedures and mechanisms for distribution and reporting with the use of Federal IDEA Part B flow-through and other funds, as well as State special education funding, to assist LEAs to meet the accountability requirements for IDEA Part B and State special education funds. The USOE Special Education Section (USOE SES) Fiscal Compliance and Accountability Technical Assistance Manual (FiCAM) supports LEAs in making connections between effective fiscal management and improvement of performance outcomes for children and youth with disabilities in the State.

Federal and State Authority for Special Education Funding Accountability

The USOE fiscal compliance and accountability requirements for Federal funds are based on the IDEA and the Education Department General Administrative Regulations (EDGAR) containing the post-award requirements for financial management. A State must account for Federal funds using fiscal control and accounting procedures for the USOE and LEAs sufficient to (1) permit preparation of reports and (2) permit the tracing of funds to the level of expenditures to show such funds have not been used in violation of the restrictions and prohibitions of the relevant statute (*EDGAR 34 CFR §80.20(a)*).

In addition, State authority is found in the Utah Code Annotated (UCA), both general requirements applied to all Federal funds and specific requirements under the IDEA Part B. The UCA requires the USOE and the Utah State Board of Education (USBE) to develop and implement Administrative Rules with respect to accountability for Federal funds, as well as accountability for State special education funds.

Authority for Federal Special Education Funding Accountability

An awarding agency (USOE) may review the adequacy of the financial management system of any applicant (LEA or public agency) for financial assistance prior to or any time after an award is granted (*EDGAR 34 CFR §80.20(c)*).

Administrative Responsibilities of SEA and LEAs

- Compliance with statutes (*34 CFR §76.700*)
- Fiscal control and fund accounting (*34 CFR §76.792*)
- Period of fund obligation (*34 CFR §76.703, 707–711*)

Allocation of Funds to LEAs (*34 CFR §76.51; 34 CFR 300.705; USBE SER IX.*)

- Adjustment of allocation for new LEAs (*34 CFR §76.796–797*)

Allocation of Funds to Charter Schools (*34 CFR §76.785–794; 34 CFR 300.705; USBE SER IX*)

Allowable Activities and Costs

- Ensure LEAs use IDEA funds to pay for allowable activities of providing special education and related services (*34 CFR §§300.16 and 300.202; USBE SER IX.B.3; OMB Circular A-133*)
- Ensure LEAs use IDEA funds to pay excess costs of providing special education and related services (*34 CFR §§300.16 and 300.202; USBE SER IX.B.3; OMB Circular A-133*)
- Use of Funds (*34 CFR §76.760–761*)
- Allowable Costs (*34 CFR §80.22*)
- Equipment (*34 CFR §80.32*)
- Supplies (*34 CFR §80.33*)
- Acquisition of Real Property (*34 CFR §76.533; 34 CFR §80.30*)

Comprehensive Early Intervening Services (CEIS)

- Provide guidance in tracking and using CEIS funds (*34 CFR §300.226 and USBE SER IX.C*)
- Require reporting on CEIS (*34 CFR §300.226(d); USBE SER IX.C*)
- Direct the use of 15% of LEA IDEA allocation for CEIS when significant disproportionality is identified (*34 CFR §300.646(b)(2); USBE SER VIII.I.7.b(2)*)

Discretionary Projects to Higher Education (OMB Circular A-21)

Enforcement of Terms of Grant Awards (*34 CFR §80.43*)

- GEPA enforcement of legal requirements (*34 CFR §81*)

Excess Costs

- Calculate the amount that must be expended on education of students with IEPs before Federal IDEA Part B funds may be used for excess costs of special education and related services (34 CFR §300.202(a–b); USBE SER IX.B.3–5)
- Show the required amount was spent on the education of students with IEPs (34 CFR §300.202(b)(2)(i), 300.163(a), 300.175(b), 300.227(a)(2)(ii); USBE SER IX.B.3–5)

Financial Management Systems Standards (34 CFR §80.20–21)

- Equipment/Inventory Control (34 CFR §§80.32–80.33)
- Financial Management Systems (34 CFR §80.20(b) and 34 CFR §76.702)
- Allowable costs (see above)
- Time and Effort (OMB Circular A-87 and A-133)
- Timely Obligation and Liquidation (34 CFR §76.703, §76.707–76.710 and 34 §80.23)

General Cost Principles

- Ensure that costs are necessary, reasonable, [allowable], and allocable (OMB Circular A-87 and A-133; 34 CFR §80.22, §76.530, §74.27)

High-Cost Risk Pool Funds

- Ensure appropriate calculation and condition of funds used for high-cost programs of individual students with disabilities (USBE SER VIII.P.5(f))
- Ensure equitable distribution of the high-cost risk pool funds to LEAs (USBE SER VIII.P.5(f))

Indirect Costs (34 CFR §76.563–564, §76.569)

- General Management Costs—restricted rate (34 CFR §76.565)
- Fixed costs (34 CFR §76.566)

LEA Eligibility for IDEA Part B Flow through Funds

- LEA Application and Assurances (34 CFR §300.200; §76.300–304, §76.400–76.401; GEPA 34 CFR 81.1–45; 34 CFR §300.221; USBE SER IX.A.2)
- SEA review of LEA grant application and approval (34 CFR §76.400–401)
- Changes to approved program/budget (34 CFR §80.30)
- LEA Policies, Practices, and Procedures (34 CFR §300.201; USBE SER IX.A.1–4)

Maintenance of Effort (MOE)

- Ensure LEAs maintain effort, including exceptions and adjustments to MOE (34 CFR §§300.203–300.205; USBE SER IX.B.6–10)
- Prohibit reduction in MOE if LEA not meeting IDEA Part B requirements (34 CFR §300.608(a); USBE SER IX.B.11)

Monitoring and Reporting Program Performance (including fiscal) (34 CFR §80.40)

- Financial Reporting (34 CFR §80.41)
- Reporting Requirements for SEA and LEAs (34 CFR §76.720–722)
- Non-Federal Audit (34 CFR §80.26)
- Single Audit Requirements (OMB Circular A-87 and A-133)

Period of Availability (34 CFR §80.23)

- Closeout of Grant (34 CFR §80.50)

Private School Students (34 CFR §76.650–662)

- Determination of LEAs proportionate share of IDEA funds to be spent on equitable services (34 CFR §300.133 and USBE SER VI.B.3(a–d))
- Ensure proportionate share funds do not benefit a private school (34 CFR §300.141; USBE SER VI.B.11)
- Ensure appropriate use of public and private school personnel to provide equitable services (34 CFR §300.142 and USBE SER VI.B.12)
- Ensure proportionate share funds remain in control of LEA (34 CFR §300.144(a); USBE SER VI.B.14)

Procurement (34 CFR §80.36)

- Subawards to debarred and suspended providers (34 CFR §80.35, 85.25–1020)

Records Related to Grant Funds (34 CFR §76.730)

- Retention and access requirements for records (including fiscal) (34 CFR §80.42)

Schoolwide Programs

- Ensure appropriate calculation and condition of funds used for schoolwide programs (34 CFR §300.206 (a)–(b))
- Provide guidance in calculating and using schoolwide program funds
- Ensure that students with disabilities receive services in accordance with a properly developed IEP and are afforded all rights and services afforded under the IDEA (34 CFR §300.206(c))

SEA (USOE) Eligibility

- Standards (34 CFR §76.50, 76.201–202, 76.235, 76.500)
- SEA application and State plan to OSEP (34 CFR §76.100–106, §76.140–142)
- Subgrants (34 CFR §37)
- Maintenance of State Financial Support (34 CFR §300.163)

Supplement Not Supplant (SNS)

- Ensure IDEA funds supplement and do not supplant the level of other Federal, State and local funds (34 CFR §§300.162(c), 300.202(a)(3); USBE SER IX.B.3(c))
- Ensure LEAs do not commingle IDEA funds with State funds, and expend funds appropriately (34 CFR §300.162(b))

Authority for State Funding Accountability

Fiscal support for special education is provided by the State legislature under both the Utah Code Annotated (UCA) and under Utah State Board of Education (USBE) Administrative Rules (R277). Program and fiscal monitoring of LEAs is authorized by UCA and R277.

Allowable Direct Costs

- Direct costs of programs/services to identified students with disabilities (UCA 53A-17a-111(1–2); USBE SER X.A.7–8)

Dual Enrollment

- State Board Rules must provide for services for dual enrollment students (UCA 53A-11-102.5; R277-438)

Education Programs for Students with Disabilities

- USBE adoption of applicable Federal regulations and State Special Education Rules (R277-750)

Extended School Year

- Extended year program appropriation (UCA 53A-17a-112)

Federal Programs in Private Schools

- LEA districts' responsibilities (R277-426)

Indirect Costs for State Programs

- Standards for recovery of indirect costs of State-funded programs (R277-424)

Preschool Funding

- Preschool special education appropriation (UCA 53A-17a-112)

Space for Deaf and Blind Programs

- Districts provide class space for deaf and blind programs (UCA 53A-17a-111.5)

School Age Funding

- Calculation of weighted pupil units (WPU) for students with disabilities-LEA allocation (UCA 53A-17a-111)

Special Education Extended School Year

- Extended year program appropriation (UCA 53A-17a-112; R277-751)

State Funds for Special Education

- LEA responsible for providing FAPE for students with disabilities; funding support (UCA 53A-15-303)

Utah State Board of Education Internal Audit Procedure

- USBE responsibility for verifying audits of local school districts (and charter schools) (R277-116; UCA 53A-1-405; UCA 53A-1-402(1)(e); UCA 53A-17a-147(2); UCA 63I-5-101 through 401)

USOE Corrective Action and Withdrawal or Reduction of Program Funds

- USOE responsibility for ensuring program and fiscal compliance and actions for noncompliance by LEAs (R277-114)

USOE Delivery of Flow-Through Money

- USOE disbursement of both State-supported minimum school program and Federal funds (R277-423-1)

Section II: State Education Agency (SEA) Level Funding

Federal Funds under IDEA Part B

State Eligibility for IDEA Part B Funds

A State is eligible for assistance under the IDEA Part B for a fiscal year if the State:

1. Submits a plan that provides assurances to the Secretary of Education that the State has in effect policies and procedures to ensure that the State meets the provisions of IDEA Part B at 34 CFR §300.101–176.
2. Has in effect procedural safeguards to ensure that each public agency in the State meets requirements and that each public agency provides those safeguards to students with disabilities and their parents (*34 CFR §300.121*).
3. Monitors implementation of the IDEA Part B in LEAs and public agencies and annually reports on performance (*34 CFR §300.600*).
4. Has in place a performance plan that evaluates the State's efforts to implement the requirements and purposes of IDEA Part B and how the State will improve such implementation (*34 CFR §300.601*).

Maintenance of State Financial Support (MSFS)

A State must not reduce the amount of State financial support for special education and related services for students with disabilities, or otherwise made available because of the excess costs of educating those students, below the amount of the support for the preceding fiscal year. The Office of Special Education Programs (OSEP) reduces the allocation of funds under Section 611 of IDEA Part B for any fiscal year in which the State fails to comply with the maintenance of State financial support requirement by the same amount by which the State fails to meet the requirement. A State may not use funds paid to it under IDEA Part B to satisfy State law-mandated funding obligations to LEAs, including funding based on student attendance or enrollment, or inflation (*34 CFR §300.163*).

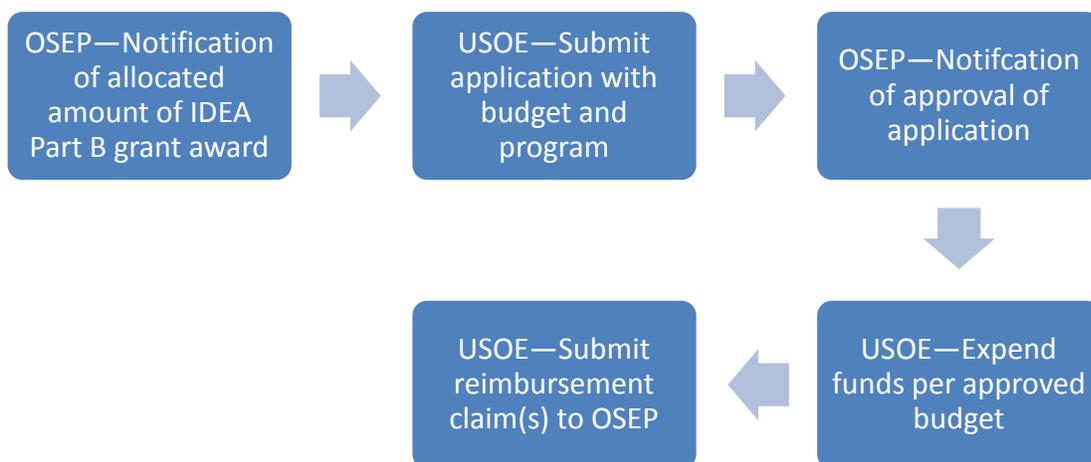
Prohibition Against Commingling

Funds paid to a State under IDEA Part B must not be commingled with State funds. The USOE uses a separate accounting system that includes an audit trail of the expenditure of funds under IDEA Part B paid to the State to ensure no commingling occurs (*34 CFR §300.162*).

Overview

IDEA Part B Federal Funding Process

Federal Funding Flow: OSEP to USOE



The table below provides a summary of the fiscal compliance and accountability requirements and timelines.

Step 1—Calculation, Allocation, and Availability of Funds		
Month	Date	Action
May	1	USOE posts IDEA Part B Annual Application on USOE website for 30 days of public comment.
June	30	USOE submits IDEA Part B Annual Application to OSEP.
September	30	USOE receives final grant award amount from OSEP.
Step 2—Requesting and Accessing IDEA Part B Flow Through Funds		
July	1	LEA Utah Consolidated Application (UCA) window opens for submission of LEA applications.
October	1	LEA UCA Application Part I due (Maintenance of Effort, Assurances, Excess Costs, Coordinated Early Intervening Services plan, Private School Proportionate Share, Budgets for New Allocation and Carryover, Expenditure Reports and Set Asides-Budget). LEAs are notified by the USOE as applications are submitted and approved.
Step 3—Reporting Expenditures and Carryover		
Yearly		USOE reports expenditures for reimbursement during fiscal year.
December	30	Previous Grant (Funds Awarded 30 Months Earlier) must be liquidated.

Calculation and Allocation of IDEA Part B Funds

Annually, OSEP informs the USOE of its estimated award amount of IDEA Part B funds in March. The final award amount is communicated in October.

Application Process

When the estimated award amount is received, the USOE drafts its IDEA Part B Annual Application and posts the document on the USOE website for comment from the public in May. After comments are reviewed and changes, if any, are made to the application, it is submitted to OSEP in June. Based on this estimated award from OSEP, calculation of USOE administrative and State-level activities set asides begins in accordance with IDEA statutes and regulations (*34 CFR §300.814–815*).

Allowable Activities and Costs

State-Level Use of IDEA Part B Section 611 (3–21) Funds (*34 CFR §300.704; USBE SER VIII.P.5*)

Administration. For the purpose of administering the IDEA Part B, including the high-cost fund, Section 619, and coordination of activities under IDEA Part B with other programs that provide services to student with disabilities and providing technical assistance to those agencies, the USOE reserves an amount that is no greater than the limit established by OSEP (*34 CFR §300.704(a)*).

Other State-Level Activities. The USOE also reserves a portion of the IDEA Part B allocation for other State-level activities, including both mandatory and optional activities (*34 CFR §300.704(b)*). Because Utah has established a high-cost fund to assist LEAs to provide services to students with disabilities with intensive needs, the USOE directs a portion of the funds for other State-level activities for this fund (*34 CFR §300.704(b)(1–2)*).

Mandatory State-Level Activities. Some portion of the amount reserved for other State-level activities must be used to carry out the following:

1. For monitoring, enforcement, and complaint investigation, and
2. To establish and implement the mediation process required by IDEA Part B, including providing for the costs of mediators and support personnel (*34 CFR §300.704(b)(3)*).

Other State-Level Activities. Funds reserved for other State-level activities are used to carry out any of the following activities:

1. For support and direct services, including technical assistance, personnel preparation, and professional development and training;

2. To support paperwork reduction activities, including expanding the use of technology in the IEP process;
3. To assist LEAs in providing positive behavioral interventions and supports and mental health services for students with disabilities;
4. To improve the use of technology in the classroom by students with disabilities to enhance learning;
5. To support the use of technology, including technology with universal design principles and assistive technology devices, to maximize accessibility to the general education curriculum for students with disabilities;
6. Development and implementation of transition programs;
7. To assist LEAs in meeting personnel shortages;
8. To support capacity building activities and improve the delivery of services by LEAs to improve results for students with disabilities;
9. Alternative programming for students with disabilities who have been expelled from school, and services for students with disabilities in correctional facilities, and charter schools;
10. To support development and provision of appropriate accommodations for students with disabilities, or the development and provision of alternate assessments that are valid and reliable for assessment the performance of students with disabilities under the Elementary and Secondary Education Act; and
11. To provide technical assistance to schools and LEAs, and direct services including supplemental educational service to students with disabilities in schools or LEAs identified for improvement under the ESEA on the sole basis of the assessment results of the disaggregated subgroup of students with disabilities, including providing professional development to special and regular education teachers who teach students with disabilities, based on scientifically based research to improve educational instruction in order to improve academic achievement to meet or exceed the objectives established by the State under ESEA (*34 CFR §300.704(b)(4)*).

The USOE SES, with input from LEAs and based on a review of data from the SPP-APR, including student assessment and other student results, uses funding for some optional activities as:

- (a) Statewide projects available to personnel from all LEAs, including Statewide personnel preparation programs, Statewide conferences, and professional development; and

- (b) LEA-level projects based on identified priorities for which an LEA may submit application through a Request for Proposal (RFP).

State-Level Use of IDEA Part B Section 619 (3-5) Funds (34 CFR §300.812; USBE SER VIII.Q.2)

OSEP determines and reports to the USOE annually an amount of the IDEA Part B Section 619 funding that may be used for administration and other state-level activities (34 CFR§300.812(a)).

Administration. For the purpose of administering the IDEA Part B Section 619, including the coordination of activities under IDEA Part B with other programs that provide services to students with disabilities and providing technical assistance to those programs, the USOE may reserve and use an amount that is no greater than the limit established by OSEP (34 CFR §300.813(a)).

Other State-Level Activities. Any portion of the reserved funds not used for administration must be used:

1. For support services, including establishing and implementing the mediation process which may benefit students with disabilities younger than 3 or older than 5, as long as those services also benefit students with disabilities ages 3 through 5;
2. For direct services to students with disabilities eligible for services under the IDEA Part B Section 619;
3. For activities at the State and local levels to meet the performance goals established by the State in the SPP/APR; or
4. To supplement other funds used to develop and implement a Statewide coordinated services system designed to improve results for students and families, including students with disabilities and their families, but not more than one percent of the amount received by the State under Section 619 for the fiscal year (34 CFR §300.814(a–d)).

The USOE Executive Budget Committee makes final budgeting decisions for State-level activities aligned with IDEA allowable expenses for SEAs. Prior to USOE internal procurement and expenditure, USOE procedures are followed and forms are required to be submitted and approved by the USOE Accounting Department and the Superintendent. These forms include:

- C-4 Bank Transfers (monthly allotments that are automatically transferred).
- C-7 Expenditure Approval (for specific events, professional development or meetings that can be one-time events or a year-long series of meetings).

- C-8 Purchase Authorization (Over \$2,000 needs a 3rd bid or sole source documentation for tangible items for one-time services). The USOE Special Education Department Fiscal Analyst maintains a database of these funds and tracks them with running balances as reimbursement requests are received, reviewed, and paid.
- C-20 Awarded Funds Approval (year-long State-level activity projects that are awarded through an RFP process).
- C-20 Awarded Funds Approval (for IDEA Part B distribution to LEAs).

The USOE activities related to local program improvement are distributed through an RFP process and an application from LEAs or other agencies. Applications are reviewed by the USOE Special Education Committee and compared to the project standards in the RFP.

State Level Nonsupplanting

Funds paid to a State under IDEA Part B must be used to supplement the level of Federal, State, and local funds (including funds not under the direct control of the USOE or LEAs) expended for special education and related services provided to students with disabilities under IDEA Part B and in no case to supplant those Federal, State, and local funds (*34 CFR §300.162*).

Distribution of IDEA Part B Funds to LEAs

All remaining IDEA Part B funds are distributed to LEAs and other public agencies, if any, who provide special education to Utah students with disabilities as described in Section I of this document. Funding decisions of the USOE may be appealed by an LEA through the procedures in Appendix F.

Reporting Requirements

The USOE reports on the use of IDEA Part B funds through data submissions to ED Facts as well as reimbursement requests and reports on the program descriptions in its annual application. In addition, the USOE reports results of compliance and student performance to OSEP and the public through the SPP-APR.

Period of Availability

Expenditures are reported by budget category and any carryover is subject to the 27-month Tydings period for use. All IDEA Part B funds awarded to the USOE must be liquidated within 30 months of the award.

USOE requires that each LEA submit request for reimbursement at least twice annually, on or before July 30 and September 30 of each year.

Late Liquidation of IDEA Part B Funds

New October 2007 Department of Education policy allows States to submit requests to the appropriate program office OSEP for late liquidations up to eighteen months after the end of the obligation period. After the eighteen-month period expires, the Department will no longer entertain late liquidation requests except under extraordinary circumstances or in cases involving lengthy construction contracts.

Obligation, Liquidation, and Procurement

Standards for the SEA for obligation, liquidation, and procurement are contained in the State procedures and EDGAR 34 CFR §80.36. See www.purchasing.utah.gov for more detailed information.

Disbursement (Reimbursement) Process

After the annual application is approved by OSEP, the USOE Accounting Department begins to request reimbursement for expenditures in a process that is similar to the way LEAs request reimbursement from the USOE. Reimbursement is requested through the G5 system on a regular basis, at least quarterly.

State Funds for SEA

State Funds for USOE

State special education funds are distributed to LEAs who provide special education to students in Utah. The USOE does not receive any state special education funding.

Section III. Monitoring of SEA

Federal Monitoring

Federal USOE (SEA) Internal Monitoring

The activities and functioning of the USOE SES is funded wholly by the IDEA Part B State grant. LEAs receive funding as flow through from the Federal IDEA Part B grant and from the State. The USOE SES' fiscal compliance, accountability, and monitoring system for IDEA Part B funds includes internal monitoring of the USOE processes and procedures for use of IDEA Part B funds for administrative and State-level activities including mandatory functions and discretionary projects.

Area	Procedure
Allowable Activities	The USOE Special Education Section must ensure that expenditures are made for allowable activities at the SEA level.
Allowable Costs	The Special Education Section must ensure that expenditures are made for allowable costs at the SEA level, including purchases, salaries, and the payroll certification process.
Maintenance of State Financial Support (MSFS)	The USOE monitors maintenance of financial support at the State level by close contact with the USOE Superintendent and Finance Department, as well as consultation with the Utah Legislature Education Budget Committee to review any proposed changes to State funding statutes and formulae.
Procurement/ Suspension and Debarment	The USOE follows the State of Utah procurement processes based on commonly accepted accounting practices. Vendors are checked for suspension or debarment prior to contracts being let.
Program Income	If the SEA charges fees or requires payments from subrecipients, the funds are collected and tracked. All such funds are reinvested in the special education program as shown in the State Annual (Fiscal) Program Report.
Reporting	The SEA submits all reports and data to OSEP in a timely manner as shown in Indicator 20 of the IDEA Part B Annual Performance Report (APR).
Subrecipient (LEA) Monitoring	See details on pages 22–24.

OSEP conducts a desk audit of each State's IDEA Part B programs on a rotating schedule, as well as conducting an on-site monitoring visit usually every five years at a minimum. The most recent audit included three components: General Supervision, Data Management, and Fiscal Accountability. The OSEP monitors examine the USOE's fiscal accountability and monitoring processes for LEAs and other subgrantees, as well as reviewing the adequacy of the State-level use of IDEA Part B funds and the State-level audit.

The Division of School Finance and Business shall conduct an on-site audit review of fiscal records in every LEA in the State. The results of these reviews are shared with USOE SES for the primary purposes of coordinating training of LEA personnel in recordkeeping procedures and incorporating the findings into UPIPS in order to reduce duplication of effort (*USBE SER VIII. V. 1(a–b)*).

State Monitoring

The State of Utah Auditor's Office and the USOE internal auditor test Federal and State programs on a regular basis. Audit findings at the State level are reported to the State Director of Special Education. Action is taken to correct procedures and practices that led to the audit findings.

Section IV. LEA Level Funding

General Overview of Funding Sources for LEAs

Sources of Funding for Special Education

Funding for special education at the LEA level comes from three main sources: State-level funds, local-level funds, and Federal-level funds.

Summary of Funding Sources for LEAs

	<i>Funding Source</i>	<i>Distributed to LEAs Based on</i>	<i>Data Source</i>
<i>Federal</i>	IDEA Part B 611	Base, population, and poverty	USOE Data Clearinghouse
	IDEA Part B 619	Base, population, and poverty	USOE Data Clearinghouse
	IDEA Part B State-level activities, LEA-level competitive grant projects	Request for Proposal (RFP)	RFP
	IDEA Part B High Cost Risk Pool funds	Percentage of cost when compared with all submitted costs	Data submitted to USOE Special Education Fiscal Specialist
<i>State</i>	Special Education Add-on Weighted Pupil Units (WPU)	Average Daily Membership (ADM) in special education and level of special education service	USOE Data Clearinghouse
	Special Education Self-Contained WPUs	Average Daily Membership (ADM) in special education and level of special education service	USOE Data Clearinghouse
	Special Education Preschool	December 1 count of 3- to 5-year-olds in preschool	USOE Data Clearinghouse
	Extended School Year (ESY) Program	Percent of total State population as reported on October 1, for LEAs who were required to provide ESY	USOE Data Clearinghouse
	State Programs High-Cost Funds	Percentage of cost when compared with all submitted costs	Data submitted to USOE Special Education Fiscal Specialist
	Special Educator Stipends	Legislative appropriation of \$200 per day plus benefits costs	Application and CACTUS information
<i>Local</i>	Local funds	Locally determined	Locally determined

Federal Funds IDEA Part B

LEA Eligibility for IDEA Part B Funds

In order to be eligible for funding under the IDEA Part B, the LEA must have on file with the USOE SES policies, procedures, and programs (including any documentation necessary to ensure implementation) that are consistent with the State policies and procedures in the Utah State Board of Education Special Education LEAs Rules (USBE SER)

(34 CFR §300.201). The minimum required components of these policies and procedures are detailed in the State Rules (*USBE SER IX.A.2(a–e)*). The LEA must also have on file with the USOE information to demonstrate that it will make available to parents of students with disabilities and to the general public all documents related to the eligibility of the LEA under IDEA Part B (34 CFR §300.212; *USBE SER IX.A.5*).

Any State agency, including LEAs that are public school districts and public charter schools, must demonstrate that all students with disabilities who are participating in program and projects funded under IDEA Part B receive a free appropriate public education (FAPE); and that those students and their parents are provided all the rights and procedural safeguards described in the State Rules. The LEA must submit a plan that provides assurances to the USOE that the LEA meets each of the other conditions of the IDEA Part B that apply to LEAs and public agencies (34 CFR §300.200; *USBE SER IX.A.6(a–b)*).

If OSEP determines that a State needs substantial intervention in implementing the requirements of IDEA Part B, or that there is substantial failure to comply with any condition of the State's or LEAs eligibility under IDEA Part B, it may recover funds (*GEPA section 452*), withhold in whole or in part further IDEA Part B payments to the State, refer the case to the Office of the Inspector General at the Department of Education, or refer the matter for appropriate enforcement action, which may include referral to the Department of Justice (34 CFR §300.604).

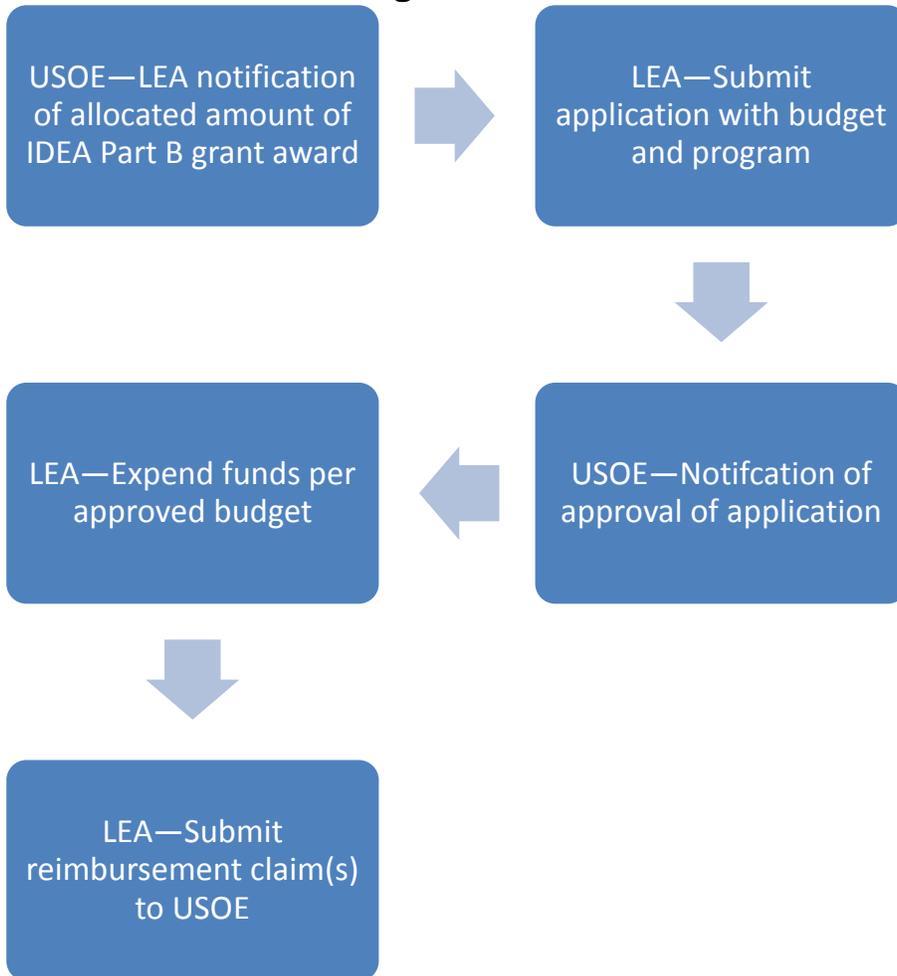
The USOE is afforded an opportunity for a hearing prior to withholding any IDEA Part B funds (34 CFR §300.180–183). The withholding will be limited to programs or projects, or portions thereof, which affected the determination. The USOE must not make further payments under the IDEA Part B to programs or LEAs that caused or were involved in the OSEP determination. Until the conditions that caused the initial withholding are substantially rectified, payments to the State under IDEA Part B will be withheld. Payments by the USOE to State agencies or LEAs whose actions were not the cause or not involved in the determination continue to be made (34 CFR §300.605 and §300.221).

Funding Overview

Federal IDEA Part B Funds

Federal funds for LEAs consist of IDEA Section 611 (for school age 3–21) and Section 619 (for preschool 3–5) and funds for competitive grant projects. The competitive grant funds are allocated on the basis of a Request for Proposal (RFP), with successful proposals funded and agencies notified after the USOE review of all applications is completed. Allocation of Federal funds is described in detail below.

Federal Funding Flow: USOE to LEAs



The table below provides a listing of the fiscal compliance and accountability requirements and timelines (fiscal year July 1 through June 30).

Step 1—Calculation, Allocation, and Availability of Funds		
Month	Date	Action
August	15	IDEA funding allocation estimate update distributed to Special Education Directors and Business Administrators and posted within the Utah Consolidated Application (UCA).
October	1	Fall enrollment report is submitted to the Data Clearinghouse for all students enrolled as of October 1.
October	31	Review and update Fiscal Compliance and Accountability Monitoring (FiCAM) checklists. Indicate completion of the review through the UCA. Submit Excess Costs Calculation Part I and Part II through the UCA. Submit a budget for IDEA expenditures through the UCA. Submit a plan and budget for Coordinated Early Intervening Services (CEIS) through the UCA, if the LEA intends to use up to 15% of IDEA funds for CEIS. Districts submit the description of Private School Proportionate Share services through the UCA.
November	15	Final LEA Allocations chart distributed to Special Education Directors and Business Administrators and posted in the UCA.
December	1	December 1 Child Count enrollment report is submitted to the Data Clearinghouse from data recorded in the Self Contained and Resource Attendance Management (SCRAM). Parentally placed private school eligible child count and children served count due (annually).
March	30	Preliminary IDEA allocations chart distributed to Special Education Directors and Business Administrators and posted online.
June	30	Corrective Action Plan (CAP) and Program Improvement Plan (PIP) annual UPIPS updates due to USOE Special Education Monitoring Specialist.
Step 2—Requesting and Accessing IDEA Funds		
July	1	UCA is available for application development. LEAs may begin requesting reimbursement for qualifying expenditures.
September	30	At least one request for reimbursement must be submitted for expenditures against the prior year allocation to avoid forfeiture of funds.
October	31	UCA application must be complete, including approval by USOE Specialist.
June	30	At least one request for reimbursement must be submitted for expenditures against the current year allocation.
Step 3—Reporting Expenditures and Carryover		
September	30	Final date for all expenditures against the allocation of two years prior. Funds are available for 27 months. For example, the allocation from the 2009–10 school year (available July 1, 2009) must be spent before September 30, 2011.
December	30	Previous grant (funds awarded 30 months earlier) must be liquidated. For example, reimbursement for expenditures between July 1, 2009 and September 30, 2011 must be requested by November 15, 2011 and the USOE must provide reimbursement to the LEA by December 30, 2011.

Calculation and Allocation

When the USOE receives its annual IDEA Part B flow-through award document from the Federal Office of Special Education Programs (OSEP), calculation of subgrant allocations for subrecipient public agencies is conducted in accordance with IDEA Part B statutes and regulations (§§300.700–705; §§300.814–817). Entities that receive subgrants of IDEA Part B flow-through funding are local education agencies (LEAs), including public school districts and public charter schools, and the Utah Schools for the Deaf and Blind (USDB). All LEAs must be current with UPIPS monitoring requirements, including correction of noncompliance within one year of notification, annual Corrective Action Plan (CAP) and Program Improvement Plan (PIP) reports, and desk audit submissions to be eligible for IDEA Part B funds.

State-Level Use of Funds

The USOE sets aside an amount for administrative funds to administer the IDEA Part B (611 and 619) special education program at the State level. The USOE also sets aside funds for USOE IDEA Part B (611 and 619) State-level activities. Both amounts are no greater than the limit established by OSEP.

After the set-aside described above, the remaining IDEA Part B (611 and 619) money is distributed to eligible LEAs for use in identifying, locating, evaluating, and providing services to eligible students with disabilities under the IDEA.

IDEA Part B Section 611 (3–21) Funds to LEAs

The USOE awards each eligible LEA the amount the LEA would have received under 611 for fiscal year 1999 if the State had distributed 75% of the grant for that year under 611(d). For each fiscal year after 1999, the USOE distributes funds to eligible LEAs, including public charter schools that operate as LEAs, even if the LEA is not providing services to students with disabilities (*USBE SER VIII.P.6(b.1)*).

For any fiscal year after 1999, the USOE, for any newly created LEA, divides the base allocation for the eligible LEAs that would have been responsible for serving the relative number of students with disabilities now served by the new LEA among the new LEA and affected LEAs based on the relative numbers of students with disabilities ages 3–21 currently provided special education by each of the LEAs. The USOE allocates and disseminates the remaining funds with 85% of the balance based on total LEA population and the final 15% of that balance based on poverty (*USBE SER VIII.P.6(b.2–3)*).

IDEA Part B Section 619 (3–5) Funds to LEAs

The USOE awards each eligible LEA serving preschool children ages 3–5 the amount the LEA would have received under 619 for fiscal year 1998 if the State had distributed 75% of the grant for that year under 619(c)(3). For each fiscal year after 1998, the USOE distributes funds to eligible LEAs, including public charter schools that operate as

LEAs (*USBE SER revised 2009, p.175*), even if the LEA is not providing services to students with disabilities (*USBE SER VIII.Q.5(a.1)*).

For any fiscal year after 1998, the USOE, for any newly created LEA, divides the base allocation for the eligible LEAs that would have been responsible for serving the relative number of students with disabilities now served by the new LEA among the new LEA and affected LEAs based on the relative numbers of students with disabilities ages 3–5 currently provided special education by each of the LEAs. The USOE allocates and disseminates the remaining funds with 85% of the balance based on total LEA population and the final 15% of that balance based on poverty (*USBE SER VIII.Q.5(a.2–3)*).

These allocated amounts are documented in an annual USOE distribution table using the October 1 total student count for the population calculation and the October 1 economic disadvantaged count from the prior year to calculate the poverty portion. The distribution tables are presented annually to LEA Special Education Directors and Business Administrators in draft form in the spring and finalized when the USOE receives an official award letter from the U.S. Department of Education in October.

Public Charter Schools

Upon establishing eligibility for IDEA Part B funding, funds are distributed to public charter schools that are LEAs in the same manner as to other LEAs in the State. Eligibility is determined by review of the charter school's charter for compliance with the IDEA and the USBE SER, as well as on-site monitoring during the charter school's first year of operation with students.

For public charter schools that are part of an LEA, the LEA must provide eligible students with funds and services in the same manner as it does to other students with disabilities in the LEA's jurisdiction.

The Special Education Finance Specialist reviews the October 1 and December 1 child counts from each new charter school annually. The USOE divides the base allocation for the LEAs that would have been responsible for serving those students with disabilities now being served by the new LEA among the LEA and affected LEAs based on the relative number of students with disabilities ages 3 through 21, and ages 6 through 21, as appropriate. This requirement took effect with funds available July 1, 2009 (*34 CFR §300.705(b)(1–3)*).

New and Expanding Charter School IDEA Part B Funding Procedure

1. Estimated award calculation (Published before July 1 of the First Operational Year prior to opening or expansion):
 - a. BASE: Allocation will be estimated based on 5% of the total enrollment cap used as the “Base” number.
 - b. POPULATION: Allocation will be estimated based on the enrollment (or growth) cap established by the State Board of Education used as the “Prior Year October 1” number.
 - c. POVERTY: Allocation will be estimated based on 5% of the total enrollment cap used as the “Economic Disadvantage” number.
2. Actual award adjustment (Published before March 1 during the First Operational Year or expansion year):
 - a. BASE: Allocation will be adjusted to reflect the actual enrollment of students with disabilities, as reported in the December 1 Child Count of Year 1. This number will be the BASE amount for the LEA until or unless the calculation for BASE is adjusted by the U.S. Department of Education Office of Special Education Programs.
 - b. POPULATION: Allocation will be adjusted to reflect the actual total enrollment, as reported in the October 1 Clearinghouse submission. This number will be used as the POPULATION number for the following year, with annual adjustment consistent with all LEAs.
 - c. POVERTY: Allocation will be adjusted to reflect the actual number of students reported as economic disadvantage, as reported in the October 1 Clearinghouse submission. This number will be used as the POVERTY number for the following year, with annual adjustment consistent with all LEAs.
3. Funding Sources:
 - a. Estimated award: Amounts will be funded by the IDEA Section 611 Formula distribution allocated to all LEAs.
 - b. Actual award adjustment: Any required adjustment will be funded as a component of State Level Activities.

Application Process

Requesting and Accessing IDEA Part B Funds

Each LEA must submit an LEA application as part of the Utah Consolidated Application (UCA), including agency identification and eligibility information, a series of assurances:

- Lobbying (*34 CFR Part 82*);
- debarment, suspension and other responsibility matters (*34 CFR Part 85*);
- drug-free workplace (*34 CFR Part 85, subpart F*);
- IDEA Part B implementation of requirements (*IDEA Amendments of 1997/2004/2008*)

Each LEA's allocation is populated in the UCA, the application for all Federal funding including IDEA Part B funds. By October 1 the LEAs submit their IDEA program plan and budgets for the upcoming year through the UCA. The program plan and budget are reviewed by the USOE Special Education Finance Specialist and, if appropriate, approved before an award letter is sent to the LEA within 15 days of receipt of the plan.

The UCA contains a Specialist Checklist for plan and budget review. The USOE updates the rubric to reflect changes and further systematize this process.

LEAs are notified of plans not approved, with details of problems in the program and budget plans. Corrections must be made and resubmitted within 15 days of notification of non-approval. The USOE staff provides technical assistance for this process. Updates to the UCA are available for data that may change throughout the school year as well as for the different data due dates on the timeline.

Allowability of Activities and Costs

Use of IDEA Part B Funds

LEAs must use IDEA Part B funds to pay for allowable activities of providing special education and related services for eligible students with disabilities. These funds must be used only to pay the excess costs of providing special education and related services to those students (*34 CFR §300.16 and §300.202; USBE SER IX.B.3; OMB Circular A-133, OMB Circular A-87, EDGAR 34 CFR §80.22*). A detailed list of allowable and unallowable costs under IDEA Part B is located in Appendix C of this document.

Permissive Use of Funds

Funds provided to the LEA under IDEA Part B may be used for the following activities:

1. For the costs of special education and related services provided in a regular education class or other education-related setting to a student with a disability in accordance with the student's IEP, even if one or more nondisabled student benefit from these services (incidental inclusion in services).

2. To develop and implement coordinated early intervening education services in accordance with USBE SER IX.C.
3. To establish and implement cost or risk-sharing funds, consortia, or cooperatives for the LEA itself, or for LEAs working together, to pay for high-cost special education and related services.
4. For case management activities, including the purchase of appropriate technology for recordkeeping, data collection, and related case management activities of teachers and related service personnel providing services described in IEPs for students with disabilities (*34 CFR §300.208*).

Parent's Private Insurance

An LEA may access a parent's private insurance proceeds only if the parent provides consent. Each time the LEA proposes to access the parent's private insurance, it must inform the parents that their refusal to permit the LEA to access their insurance does not relieve the LEA of its responsibility to ensure that all required services are provided at no cost to the parent. If the LEA is unable to obtain parental consent to use the parent's private insurance, or public benefits, or insurance when the parent would incur a cost for the specified service required under IDEA Part B to ensure FAPE, the LEA may use its IDEA Part B funds to pay for the service, or to pay the deductible or co-pay that the parent would have to pay if allowing use of the private insurance. Proceeds from public or private insurance are not treated as program income for the purposes of 34 CFR §80.25. Funds obtained from Medicaid reimbursement for individual services provided under the IDEA Part B will not be considered "State or local" funds for purposes of maintenance of effort (*34 CFR §300.154(e)*).

Reporting Requirements

Use of IDEA Part B funds is reported through the reimbursement requests, as well as specific plans related to program use of funds including Coordinated Early Intervening Services, Private School Proportionate Share, and Schoolwide Programs under ESEA Title I. See details below.

Period of Availability

Expenditures are reported by budget category and any carryover is subject to the 27-month Tydings period for use. All IDEA Part B funds awarded to the USOE must be liquidated within 30 months of the award. The award letter (C-20) specifies the CFDA number and the period of availability of the funds: 15 months plus the 12-month Tydings period, or 27 months in all.

Obligation, Liquidation, and Procurement

Procedures for obligation and procurement using IDEA Part B funds are contained in the Education Department General Administrative Regulations 34 CFR §80.36 and OMB Circulars A-87, and A-133.

Disbursement (Reimbursement) Process

Reporting Expenditures and Carryover

The USOE monitors expenditures through the Utah Consolidated Application (UCA), a system to monitor approved program budgets and expenditures. Grant progress at both the USOE and LEA levels is also monitored by USOE Internal Accounting, which has access to the G5 system and monitors grant expiration dates (The G5 system is the payment system used by the USOE to draw down Federal funds.).

LEAs submit requests for reimbursement through the UCA. Each reimbursement request must show funds actually expended by CFDA number, cost objective, and amount. All reimbursement requests are processed as received. Each transaction shows the reimbursement amount and the remaining balance tracked with the CFDA number and grant year in the UCA database. Reimbursement requests are reviewed by USOE staff with the checklist/rubric and approved as appropriate.

State and Local Funds

LEA Eligibility Under State Code

Each LEA in Utah is required to provide, either singly or in cooperation with other school districts or public institutions, a free appropriate education program for all students with disabilities who are residents of the district or who are enrolled in a public charter school (UCA 53A-15-303). State funds from the Minimum School Program Act are provided for each LEA that provides special education and related services to students with disabilities ages 3–21 (UCA 53A-17a-111; UCA 53A-17a-112).

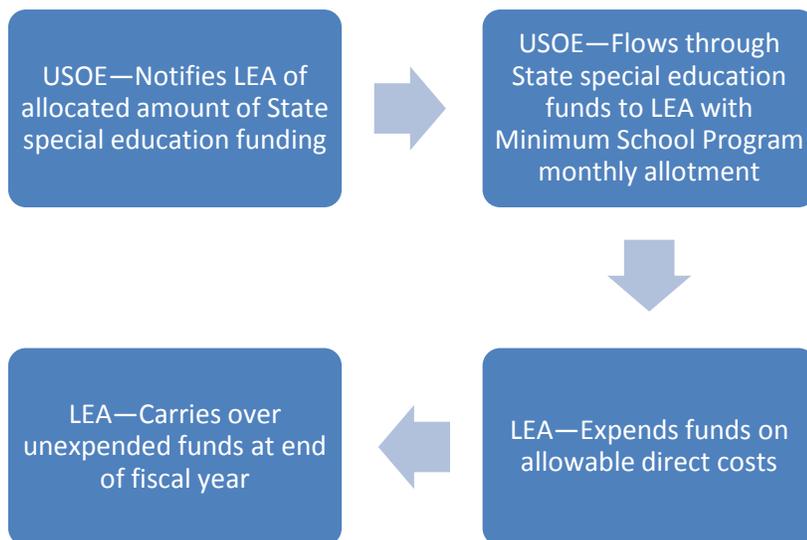
Overview

State-Level Funds

State funds for special education include the following:

- Add-on Weighted Pupil Units (WPU)
- Preschool WPU
- Self-Contained WPU
- Extended School Year (ESY) funds
- High Cost Risk Pool funds
- State Programs Funds

State Funding Flow: USOE to LEAs



Calculation and Allocation

Weighted Pupil Units (WPU)

Annually the Utah Legislature determines the value of the Weighted Pupil Unit (WPU), and this amount becomes the unit for basic State funding of educational programs in LEAs. The number of WPU allocated to any LEA varies by program and may be generated by formula instead of on a “per pupil” basis. Across programs, one of the primary elements of WPU calculations is the Average Daily Membership (ADM). ADM is calculated by adding the days of enrollment and dividing by the number of days in the school year (most LEAs have a 180-day school year). ADM allows the LEA to receive funding for all students who enter and exit during a school year, and is not limited to any single reporting date.

Add-on WPUs

State funds for special education are provided to each LEA through “Add-on WPUs.” The legislature, in recognizing that specialized instruction and related services incur expenses greater than regular education, provides an additional (add-on) WPU for each identified ADM of students with disabilities.

The Utah State Board of Education uses an LEA’s average number of special education add-on weighted pupil units determined by the previous five years’ average daily membership data as a foundation for the special education add-on appropriation (*UCA 53A-17a-111*). This calculation is adjusted for overall growth in the LEA. An LEA’s special education add-on WPUs for the current year may not be less than the foundation special education add-on WPUs.

The foundation is calculated as the average of special education ADM over the previous five years. Because of the timing for legislative processes and funding allocation, special education funding formulas are two years in delay. In this case, “previous” means the 5 year span between 7 and 2 years ago. Thus, funding for School Year 2011–12 is based on the 5 year average from 2005–06 through 2009–10. For schools with less than 7 years of enrollment history, the average of the number of years of enrollment is calculated.

Growth shall be added to the prior year special education add-on WPU, and growth WPU are determined as follows:

- The special education growth factor is calculated by comparing special education ADM from two years prior and special education ADM from one year prior. This rate is then compared with growth in the LEA total enrollment. The rate of growth in the special education program cannot exceed the rate of growth in total enrollment.
- The percentage determined for growth is multiplied by a factor of 1.53, and added to the prior year WPU.
- When calculating and applying the growth factor, a district’s total special education ADM for a given year is limited to 12.18% of the LEA’s total student ADM for the same year. The Utah State Board of Education has determined that charter schools are not subject to prevalence limits.
- In the event of declining enrollment, the growth factor may result in a reduction in funding. The reduction is restricted to the foundation (5 year averaging) amount.

If monies appropriated under this chapter for programs for students with disabilities do not meet the costs of LEAs for those programs, each LEA shall first receive the amount generated for each student with a disability under the basic program (*UCA 53A-17a-111*).

These WPU are determined as follows:

- Grade 1–12 students with IEPs that require 0–179 minutes per day of special education and related services generate one regular education WPU and one special education Add-on WPU.
- Kindergarten students with IEPs in half-day programs and who require 0–89 minutes per day of special education and related services generate .55 of one regular education WPU and .55 of one special education Add-on WPU.

Preschool WPU

Students with disabilities ages 3–5 who are enrolled in a preschool program in an LEA generate 1.47 WPU based on the December 1 count. Growth in funding for preschool

children with disabilities ages 3–5 is limited to 8 % over the prior year December 1 count (UCA 53A-17a-112).

Self-Contained WPUs

For students who are receiving more than 180 minutes per day of service, self-contained WPUs are generated as follows:

- Students with 180 minutes or more per day of special education and related services generate one Add-on WPU and one Self-Contained WPU.
- The total number of Self-Contained WPU for an LEA is equal to the Self-Contained ADM of two years prior.

Extended School Year (ESY) Funds

Extended school year services are for any student with disabilities who would not receive a free appropriate public education (FAPE) without having some specialized instruction and related services during breaks in the school year. Annual IEP team consideration of whether a student needs these services must be documented in the IEP (UCA 53A-17a-112).

The State provides some additional support for LEAs to help provide these services. Funding is distributed per WPU to all LEAs required by the IEP to provide ESY services during the prior school year. The number of WPU available to each LEA is based on the percentage of statewide enrollment (UCA 53A-17a-112).

State Programs

Special Education State Programs funding is available through reimbursement. This fund includes the state High Cost Risk Pool, funding for special education services provided in state institutions (such as eligible students incarcerated as adults), impact aid for districts, and Extended Year for Special Educator Stipends.

Allowability of Activities and Costs

State special education funds are restricted monies which must be spent for the education of students with disabilities. These funds may be spent only for direct costs. Direct costs are those elements of cost which can be easily, obviously, and conveniently identified with specific special education activities or programs, as distinguished from those costs incurred for several different activities or programs and whose elements are not readily identifiable with specific special education activities (UCA 53A-17a-111(2); USBE SER X.A.7).

The following object codes specify allowable direct costs of students with disabilities:

- 115 Properly licensed personnel in direct supervision or coordination of special education programs

- 131 Properly licensed teachers who teach students in special education programs/services
- 132 Substitute teachers
- 141 Social workers who work directly with students in special education programs/services
- 143 Properly licensed health personnel who are assigned to work with students in special education programs/services
- 144 Properly licensed persons qualified as psychologists who are used in identifying and evaluating students with disabilities and in instructional or treatment services
- 152 Secretarial personnel assigned to work directly with special education programs/services
- 161 Teachers' aides and paraprofessionals (including bus aides)
- 200 Employee benefits
- 210 State retirement
- 220 Social security
- 230 Local retirement (for individual special education employees)
- 240 Group insurance (licensed and classified personnel assigned to programs for students with disabilities-prorated if part-time)
- 270 Industrial Insurance—Workman's Compensation
- 280 Unemployment insurance (for individual special education employees)
- 290 Other employee benefits (for individual special education employees)
- 320 Contracted services and other costs for instructional programs which can be traced directly to special education programs/services without the need for proration
- 452 Rental of equipment for programs for students with disabilities
- 580 Approved travel for personnel in conjunction with their assignments to special education programs/services
- 610 Teaching supplies
- 641 Textbooks
- 644 Library books
- 650 Instructional media/materials (periodicals)
- 660 Audiovisual materials
- 730 Equipment for the special education programs/services

Examples of unallowable direct costs:

- 2300 Administration
- 2700 Pupil transportation (provided under the transportation program)
- 451 Rental of land and buildings

Unallowable function codes:

- 2600 Operation and maintenance of school plant (except a separate direct telephone line to the special education area/classroom specifically)
- 4000 Capital outlay, except for equipment for programs specifically for students with disabilities

Unallowable object codes:

- 451 Rental of land and buildings
- 520 Insurance on district property
- 800 Other objects (*USBE SER X.A.7–8*)

Reporting Requirements

There are no specific reporting requirements for expenditures of State special education funds. These funds are subject to fiscal monitoring and must be included with the LEA annual audit.

Period of Availability

State special education funds are available for the fiscal year in which they awarded. If not expended, they may be carried over to the following fiscal year.

Obligation, Liquidation, and Procurement

LEAs obligate funds during the period of availability and in alignment with State purchasing and procurement policies and procedures. This includes the use of purchases available on a State Cooperative Contract. See www.purchasing.utah.gov for more detailed information.

Disbursement Process

State special education funds are distributed to the LEAs along with other Minimum School Funds transmittal. Each LEA receives a monthly allotment which distributes the annual funds over a 12 month process. The LEA receives the funds before incurring any expenditures.

Local Funds

Local-Level Funds

If the State and Federal funds are not sufficient to cover the costs of providing FAPE for each identified student with disabilities in an LEA, the LEA is required to use local funds. Local funds may be funds from the regular education State funding, local voted leeway funds, or any other source available to the LEA.

Section V. SEA Monitoring of LEAs

Federal Fiscal Monitoring

State Audit of Federal Programs

The Division of School Finance and Business shall conduct an on-site audit review of fiscal records in every LEA in the State. The results of these reviews are shared with USOE SES for the primary purposes of coordinating the inservice training of LEA personnel in recordkeeping procedures and incorporating the findings into UPIPS in order to reduce duplication of effort (*USBE SER VIII. V. 1(a-b)*).

The Utah State Board of Education is responsible for verifying audits of financial and student accounting records of LEAs for purposes of determining the allocation of Uniform School Fund money (*UCA 53A-1-405*).

USOE Special Education Monitoring Process

Overview of Fiscal Monitoring Process

The Utah State Office of Education implements a fiscal compliance and accountability monitoring system for LEA processes and procedures for use of IDEA Part B flow-through and discretionary grant funds. The system includes three levels of subrecipient monitoring including LEAs and other agencies or organizations receiving funding:

- (1) Universal monitoring,
- (2) Sample-based monitoring, and
- (3) Risk-based monitoring.

LEA Self-Assessment

Each LEA will complete fiscal compliance checklists as part of a self-assessment and fiscal desk audit process. After the LEA has been notified of the approval of the IDEA funding application, in the first year the LEA completes the ***Initial General Fiscal Compliance Checklist*** (see Appendix) and submits it to the USOE by October 15. The checklist provides the opportunity for LEAs to explain how they are conducting their own compliance monitoring of fiscal requirements.

In addition, the checklist enables the LEA to indicate whether equitable services proportionate share for private school students, comprehensive early intervening services, schoolwide Title I programs, and/or high-cost students are part of their IDEA program and budgets. For those areas that do apply to the particular LEA, a more detailed self-assessment is also completed and submitted to the USOE by December 1.

In subsequent years, assurances on the checklist elements are included in the LEA IDEA Part B application. If the LEA is determined to be at risk, the Initial General Fiscal Compliance Checklist, as well as other relevant checklists, may be completed and submitted in another year.

The USOE Special Education staff reviews the checklist(s) and determines whether the LEA is “at risk” based on:

1. The checklist responses and annual certifications,
2. Information from fiscal data reports submitted to the USOE throughout the prior year(s),
3. UPIPS monitoring reports,
4. APR determination, and
5. The LEA’s single audit findings, if any, related to its special education program operations or any other programs.

Fiscal Compliance and Accountability Rubric

Area Evaluated	Description	Risk rating
Initial General Checklist	Complete and timely submission.	Low Medium High
Private Schools Proportionate Share Checklist	Complete and timely submission.	Low Medium High (NA)
Comprehensive Early Intervening Services Checklist	Complete and timely submission.	Low Medium High (NA)
Schoolwide Title I Programs Checklist	Complete and timely submission.	Low Medium High (NA)
High-Cost Risk Pool Checklist	Complete and timely submission.	Low Medium High (NA)
Information from fiscal data reports submitted to the USOE throughout the prior year(s)	Complete and timely submission. All costs are allowable.	Low Medium High (NA)
UPIPS monitoring reports	All compliance errors corrected within one year of notification. All CAPs and PIPs submitted on time. Annual Desk Audit data accurate and submitted on time.	Low Medium High
APR determination	Determination is “Meets Requirements” or significant progress has been made over past two years of determinations.	Low Medium High (NA)
Reduction of MOE	Requests for reduction of MOE may result in at risk alert.	Low Medium High
LEA’s single audit findings, if any, related to its special education program operations or to any other programs.	Findings will result in requests for additional information on special education expenditures and other fiscal procedures.	Low Medium High

Universal Monitoring

For LEAs not at risk, **annual** fiscal monitoring is conducted as the USOE reviews and approves IDEA annual program and budget applications for flow-through and set aside program funds; reimbursement requests; excess cost calculations; MOE calculation;

single audit findings, if any; disproportionality; and APR determination status. The reviews are conducted using a rubric (see Appendix).

Separate program and budget plans are maintained for CEIS, Proportionate Share Private School funds, IDEA funds within a schoolwide program under the ESEA, and any discretionary projects in the LEA. LEAs submit these budget and program plans as part of the UCA.

Sample-Based Monitoring

An annual **sample** of IDEA Part B subrecipients is monitored through additional desk audit criteria based on submission of additional information regarding budget expenditures and program implementation. The sampling will occur as LEAs submit requests for reimbursement or budget adjustments through the UCA. A sampling schedule will identify which type of additional documentation is required, and from which LEAs. The intent of the sample-based monitoring is to ensure that all LEAs have internal controls in place to monitor their special education funding.

Risk-Based Monitoring

If an LEA is **“at risk”** for violations of fiscal compliance and accountability requirements, the USOE may initiate verification procedures. These include requesting additional evidence on purchases and other expenditures, interviews with LEA special education and business administration personnel, auditing, and on-site visits. LEAs in risk-based monitoring will complete each of the relevant checklists related to fiscal accountability: General Fiscal, Private School, Comprehensive Early Intervening Services, Schoolwide Title I, and High-cost Risk Pool.

Copies of the LEA general ledger, as well as receipts, bid information, and other fiscal documentation, may be requested to review vendor eligibility, reimbursement requests versus actual expenditures during a time period, and allowable costs. If the review of risk reveals material weaknesses in internal controls, an improvement plan will be developed.

IDEA Part B Fiscal Elements Monitoring Details

SEA Procedures for Compliance and Accountability Monitoring of LEAs

IDEA Flow-Through Funds

- LEA Application and Assurances (34 CFR §300.200 and EDGAR 34 CFR §§76.400-76.401 and GEPA 34 CFR §300.221; USBE SER IX.A.2)
- Award letter from USOE to LEA

Allowable Activities

- Ensure LEAs use IDEA funds to pay for allowable activities of providing special education and related services (34 CFR §300.16 and §300.202; USBE SER IX.B.3; OMB Circular A-133)

Allowable Costs/Cost Principles

- Ensure LEAs use IDEA funds to pay excess costs of providing special education and related services (34 CFR §300.16 and §300.202; USBE SER IX.B.3; OMB Circular A-133)
- Ensure that costs are necessary, reasonable, [allowable], and allocable (OMB Circular A-87, EDGAR 34 CFR §80.22)

The USOE must determine that all LEAs, including charter schools operating as LEAs, are using IDEA Part B funds in accordance with IDEA Part B requirements. The USOE Special Education Section trains LEA special education staff on allowable costs and provides a checklist for self-monitoring and planning (see Appendix). Budgets are established around allowable costs and activities. The USOE School Finance Department also provides training to LEA Business Administrators on allowable costs.

In addition, the LEAs are subject to single-audit requirements. All audited financial statements and single-audit findings are reviewed and followed up on by the USOE Internal Audit and Finance Departments. Single-audit results are reported to the USOE Special Education Monitoring Specialist and considered as part of the UPIPS monitoring process.

The USOE reviews the UPIPS desk audit, CAP and PIP annual updates from LEAs and tracks them in the Indicator 15 database, as well as the LEA IDEA Part B application in the UCA. The IDEA Part B requirements, including allowable costs, are included on the review checklist completed by the Committee. Reimbursement requests undergo the same checks on allowable costs.

The Finance Department Annual Program Report (APR) contains fiscal compliance information for every LEA. Ongoing collaboration between the Finance and Special Education staff ensures communication of any concerns about allowability of costs that are reported in the APR. Both sections communicate with the LEA for any needed explanations and corrections.

Maintenance of Effort (MOE)

- Ensure LEAs Maintain Effort, including exceptions and adjustments to MOE (34 CFR §300.203–205; USBE SER IX.B.6–10)
- Prohibit reduction in MOE if LEA not meeting IDEA Part B requirements (34 CFR §300.608(a); USBE SER IX.B.11)

In order to ensure that LEAs maintain fiscal effort as required, the USOE Special Education Finance Specialist annually calculates the amounts for MOE from data found in the Annual Financial Report and Annual Program Report (AFR/APR). State and local expenditures reported under Special Education (Schedule B) are compared with the same figures from the previous year.

Amounts are taken from the AFR/APR submitted by each LEA business manager by October 1 of the following school year. APR records for all Utah LEAs can be found online at <http://www.schools.utah.gov/finance/Financial-Reports/Reports.aspx>.

1. State & Local Total Expenditure is pulled from:
 - a. Regular District Program, column BG (Total Expenditure & Other Uses) minus column N (Federal Revenue)
 - b. Pre-School (State), column BG (Total Expenditure & Other Uses) minus column N (Federal Revenue)
2. State & Local Per Pupil Expenditure is pulled from:
 - a. State & Local Total Expenditure divided by Child Count as reported by the LEA on the December 1 data clearinghouse submission.
3. Local Only Expenditure is pulled from:
 - a. Regular District Program, column F (Total Local Revenue)
 - b. Pre-School (State), column F (Total Local Revenue)
4. Local Only Per Pupil Expenditure is pulled from:
 - a. Local Only Expenditure divided by Child Count as reported by the LEA on the December 1 data clearinghouse submission.

*Please note the assumption that if local revenue is assigned to special education, it is expended. This is the only way that we currently have to effectively capture local expenditures. If an LEA intends to meet MOE through the Local Only option, the LEA must ensure that the APR reflects local revenue in the special education schedule.

The Special Education Finance Specialist determines whether MOE has been met by analyzing whether the total of local and State, or local-only expenditures, or the per pupil expenditure, equal to or greater than the previous year's expenditures. If the LEA uses local-only funds as the basis for its MOE calculation, the reference point for maintenance of effort is the most recent year local funds were used (34 CFR §300.201.b(2)). All methods (state and local total, state and local per pupil, local only total, local only per pupil) are calculated each year, and the LEA must meet the requirement in any one method in order to satisfy the requirement for MOE. Expenditures that were eligible for Medicaid reimbursement are not included as expenditures toward MOE, and should not be reported in the APR. LEA Special Education Directors should review the Fiscal AFR-APR with the business managers to ensure that all special education expenditures are properly reported.

If the LEA has not satisfied the MOE requirement, the LEA is informed of the requirement and the possible avenues for reduction. The USOE Special Education MOE Review Committee, consisting of the State Director of Special Education, the Special Education Finance Specialist, the State Audit and Finance Specialist, and the

State and Federal Compliance Coordinator. Requests for reduction of MOE are handled through the process detailed below.

Requests for Reduction in MOE

Based on the information provided in the APR, a preliminary determination is made in November of each year whether the LEA met MOE requirements for the previous fiscal year. If the LEA has not met the MOE requirement, a letter requesting additional information is sent to the LEA.

This letter requests information as indicated in the USOE MOE Technical Assistance Paper to see whether the LEA is eligible for any of the allowable methods for MOE reduction. The LEA has 30 days to provide the USOE Fiscal Specialist evidence of any qualifying details. This evidence is then reviewed by the MOE Committee, which makes a determination on the amount the LEA is allowed to reduce MOE.

When an LEA requests a reduction in MOE, the submitted justifications are examined for compliance with the allowable reasons for a change in MOE (§300.204–205) and LEAs are notified of the results of that examination. If an LEA reduces its maintenance of fiscal effort in a subsequent year, it must submit another request for such a reduction, along with evidence of why the reduction is requested. The USOE verifies that the reduction is legitimate by the same review process, letters, and requirements for program plan and budget as in the LEA application, as well as seeing that the reimbursement requests are followed (*USBE SER IX.B.6–10*).

MOE Adjustment Determination

For any fiscal year during which the IDEA Part B allocation received by an LEA exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures otherwise required for MOE by not more than 50 percent of the amount of that excess (*34 CFR §300.205*).

In order to determine whether the LEA is eligible for this MOE adjustment, the committee reviews the following required information:

- The LEA has calculated the increase in IDEA funds on the IDEA Part B Section 611 and Section 619 funds, as required.
- The LEA submitted justification for any reduction, up to 50% of the increase in IDEA funding over the previous year.
- The LEA is meeting requirements of the IDEA Part B, including attaining the APR determination of “Meets Requirements” (*34 CFR §300.608; USBE SER VIII.H.1–2*).
- If the LEA is using up to 15% of IDEA Part B flow-through funds for Coordinated Early Intervening Services, the amount the LEA may reduce MOE is limited to the amount being used for CEIS.

- The LEA has indicated that funds freed up by reducing the MOE by up to 50% of the increase in any fiscal year funding will be used for activities that could be supported under the Elementary and Secondary Education Act (e.g., hiring classroom teachers), as required.

If all criteria are met, the LEA is approved to reduce MOE by up to the calculated amount during the fiscal year, provided that the LEA complies with the following requirements:

- In subsequent years the LEA is required to maintain effort based on the reduced level, unless the LEA voluntarily increases the amount of its State and local expenditures. Therefore, if the LEA chooses to use the 50% (of the increase) reduction provision, the LEA is expected to project how the new MOE base will affect future financial support for special education programs and the provision of a free appropriate public education (FAPE) for students with disabilities. If an LEA reduces MOE, in combination with other factors, they may be come at risk for fiscal audit procedures and for additional UPIPS monitoring.
- The LEA is required to submit evidence of how the activities actually accomplished aligned with the proposal for use of freed-up funds. This report will be due by December 1 of the following year.

MOE Exception Determination (34 CFR §300.204; USBE SER IX.B.9)

The IDEA allows for reduction in MOE for the following reasons:

1. The voluntary departure, by retirement or otherwise, or departure for just cause, of a special education or related services personnel.
2. A decrease in the enrollment of children with disabilities.
3. The termination of the obligation of the LEA to provide a program of special education to a particular child with a disability that is an exceptionally costly program because the child:
 - a. Has left the jurisdiction of the LEA;
 - b. Has reached the age at which the obligation of the LEA has terminated; or
 - c. No longer needs the program of special education.
4. The termination of costly expenditures for long-term purchases, such as acquisition of the equipment or the construction of school facilities.
5. The assumption of cost by the high-cost fund operated by the State Education Agency (USOE) (34 CFR §300.204; USBE SER VIII.P.5(f)).

Consequences of Noncompliance With MOE

There are consequences if an LEA does not comply with the MOE requirement for reasons other than the five listed above. After reasonable notice and an opportunity for a hearing, if the USOE finds that an LEA is failing to comply with the nonsupplanting and MOE provisions of IDEA, the LEA shall meet with USOE to submit a plan for approval which describes how the LEA will meet its obligation to the USOE for the amount by which the LEA failed to meet MOE, and how the LEA will meet the MOE requirements in subsequent years. Failure to complete this action or failure to carry out a USOE-approved plan will render the LEA ineligible to receive any IDEA Part B funds until the USOE has verified that the LEA is complying with these requirements.

The USOE prohibits an LEA from exercising its authority to reduce MOE when the LEA's Special Education APR determination is less than "meets requirements" or when the LEA is unable to establish and maintain programs of FAPE for eligible students with disabilities. Examples of conditions that may result in a prohibition of MOE reduction include uncorrected noncompliance, unresolved findings from UPIPS monitoring, unresolved questioned costs as reported in single audit findings, noncompliance with fiscal requirements, dispute resolution, and LEA policies, procedures, and practices. The request to reduce MOE may also be denied because the LEA has not provided adequate allowable justification for the reduction.

If the MOE reduction request is approved, then the LEA's application IDEA Part B program plan and budget submitted in the UCA is compared with the approved reduction. The USOE maintains records of the request for reduction of MOE, documentation, and formal USOE response in the MOE Review Committee files.

In the event of an MOE adjustment allowed in years when the LEA receives and increase in Federal funds, The LEA must report expenditures of IDEA Part B funds freed up from reduction in MOE for the same fiscal year as the reduction. LEA reimbursement requests are also required to indicate which expenditures are related to the ESEA-supported activities supported with the funds made available from the reduction in MOE. LEAs are required to use a USOE-developed tracking form to document ESEA activities. The LEA sets-up a self-determined program number to track the use and amount of the "freed-up" funds.

Supplement Not Supplant

- Ensure IDEA funds supplement and not supplant the level of other Federal, State and local funds (*34 CFR §300.162(c), §300.202(a)(3)*)
- Ensure LEAs do not commingle IDEA funds with State funds and expend funds appropriately (*34 CFR §300.162(b)*)

The USOE ensures that funds provided under IDEA Part B are used to supplement State, local and other Federal funds expended for special education and related services provided to children with disabilities and not to supplant those funds. For example, the LEA may not use IDEA Part B funds to pay for textbooks for a student with

disabilities that are provided for all students in the same course. A supplemental cost might be additional textbooks or materials purchased specifically for the student with a disability in a general education course that are needed in order to address that student's specific needs related to the disability. A book covering the same topic but at a lower reading level is one example. Each LEA application for IDEA Part B funds in the UCA is reviewed by USOE Special Education staff with a rubric to verify that IDEA Part B funds are used to supplement state and local funds.

Per guidance from U.S. Department of Education, Office of Special Education and Rehabilitation Services, April 2009, if Maintenance of Effort requirements are met, then the "supplement not supplant" requirements are met.

Excess Costs

- Calculate amount that must be expended on education of students with IEPs before Federal IDEA Part B funds may be used for excess costs of special education and related services (*34 CFR §300.202(a-b); USBE SER IX.B.3-5*)
- Show the required amount was spent on the education of students with IEPs (*34 CFR §300.202(b)(2)(i), §300.163(a), §300.175(b), §300.227(a)(2)(ii); USBE SER IX.B.3-5*)

Each LEA must complete the excess cost calculation for elementary schools and for secondary schools (separately) to determine:

- **Part I:** The amount of State and local funds that must be spent on the education of students with disabilities in the LEA before IDEA Part B funds for the excess costs of specialized instruction and related services are expended.
- **Part II:** Whether the required amount of general and special education funds from State and local sources has been spent on the education of students with disabilities before IDEA Part B funds were expended for the excess costs of special education. (See detailed calculation instructions and examples of Part I and Part II in Appendix). If any concerns arise with the LEA's calculation and reporting of excess costs, these are considered "at risk" factors for fiscal compliance and accountability monitoring.

Equitable Services (Proportionate Share for Private School Students)

- Determination of LEA's proportionate share of IDEA funds to be spent on equitable services (*34 CFR §300.133 and USBE SER VI.B.3(a-d)*)
- Ensure proportionate share funds do not benefit a private school (*34 CFR §300.141 and USBE SER VI.B.11*)
- Ensure appropriate use of public and private school personnel to provide equitable services (*34 CFR §300.142 and USBE SER VI.B.12*)

Ensure proportionate share funds remain in control of LEA (*34 CFR §300.144(a) and USBE SER VI.B.14*)

The USOE must ensure that public school district LEAs expend the required proportionate share of their IDEA Part B Section 611 and Section 619 funds to provide equitable services to children with disabilities placed by their parents in private schools. The USOE requires public school district LEAs to hold an annual consultation meeting with all private schools within their jurisdiction and boundaries.

The consultation meeting must include information on the following:

1. The child find process, including how parentally placed private school students suspected of having a disability can participate equitably and how parents, teachers, and private school officials will be informed of the child find process.
2. The determination of the proportionate share of Federal funds available to serve parentally placed private school students with disabilities, including the determination of how the proportionate share of those funds was calculated.
3. The consultation process among the LEA, private school officials, and representatives of parents of parentally placed private school students with disabilities, including how the process will operate through the school year to ensure that parentally placed students with disabilities identified through the child find process can meaningfully participate in special education and related services.
4. How, where, and by whom special education and related services will be provided including a discussion of the types of services, including direct services and alternate service delivery mechanisms and how special education and related services will be apportioned if funds are insufficient to serve all parentally placed private school students, as well as how and when those decisions will be made.
5. How, if the LEA disagrees with the views of the private school officials on the provision of services or the types of services, the LEA will provide to the private school official a written explanation of the reasons why the LEA chose not to provide services directly or through a contract.

Written affirmations from each private school, or records of the LEA's attempts to consult with the private school, to document that this consultation has occurred are collected during the UPIPS monitoring process.

Each school district must expend a proportionate share of IDEA funding on some or all of the IDEA-eligible students placed by their parents in private elementary and secondary schools within the LEA boundaries. The calculation and the amount of the proportionate share is reported to the USOE within the UCA Application for IDEA Part B

funds, and reviewed as part of the UPIPS monitoring process. If any proportionate share funds are not expended during the year calculated, they must be carried over to the next year and must remain in the budget for private school participation funding.

The USOE Special Education Fiscal Specialist receives proportionate share data from the USOE Special Education Monitoring Specialist and reviews the LEA proportionate share expenditures to ensure that the calculation is accurate, that the services are appropriate, and that the served students are reported to student accounting through uploads to the USOE Data Clearinghouse.

Verification that LEAs have allocated this proportionate share is accomplished as the private school student budget is submitted in the UCA. The LEA is responsible to retain records describing the services provided to students with disabilities in private schools and the amount available to pay for those services. Expenditures and reimbursement for private school services are tracked separately from other IDEA Part B funds by the LEA. If there are any concerns that services on Individual Service Plans (ISPs) are not being provided as reported in the private school budget and reimbursement requests, an on-site visit to the private school(s) may be conducted. Random visits to private schools with parentally placed students with disabilities may also be conducted during UPIPS visits to the LEA.

The USOE must ensure that an LEA maintains control over all property, equipment, and supplies purchased with IDEA Part B funds used for children who are placed in private schools by their parents. LEAs are required to document procedures for inventory of such property, equipment, and supplies in private schools. If any irregularities in the inventory procedure are suspected, the USOE may ask for a copy of the inventory details for a given year or years (*USBE SER VI.B.14*). Records of purchases for private school students are to be tested as part of the LEA annual auditing process. Equipment inventory may be reviewed during UPIPS or fiscal monitoring site visits.

In accordance with regulations at 34 CFR 300.133(s), State and local funds may supplement, but not supplant, the proportionate share of Federal funds required to be expended for students with disabilities placed by their parents in private schools. If an LEA had previously used State and local funds to provide equitable service to students with disabilities placed by their parents in private schools and now uses Federal IDEA Part B funds, the LEA must meet the maintenance of effort requirements. The exceptions to MOE do not apply to such funds.

Students attending for-profit private schools are not included in the proportionate share calculation, nor are they eligible for equitable services. However, the SEA's responsibility for identification, location, and evaluation of students who are in need of special education and related services does include students with disabilities attending for-profit schools. The SEA will determine which public agency is responsible for conducting child find for these students.

Coordinated Early Intervening Services (CEIS)

Provide guidance in tracking and using CEIS funds (*34 CFR §300.226 and USBE SER IX.C*)

- Require reporting on CEIS (*34 CFR §300.226(d) and USBE SER IX.C*)
- Direct the use of 15% of LEA IDEA allocation for CEIS when significant disproportionality is identified (*34 CFR §300.646(b)(2); USBE SER VIII.1.7.b(2)*)

Each LEA may decide to use up to 15% of the IDEA Part B funds, including both Section 611 and Section 619, to provide CEIS to students not identified as having disabilities. This decision is documented in the LEA Special Education Policy and Procedures Manual submitted to the USOE. A detailed plan for the use of these funds that meets the requirements of the IDEA Part B and the USOE is submitted and reported on annually. Complete CEIS instructions are contained in the Disproportionality and Coordinated Early Intervening Services Technical Assistance Manual on the USOE website at <http://www.schools.utah.gov/sars/DOCS/resources/ceis1-10.aspx>.

If an LEA decides to change its policy about using funds for CEIS, a corrected Special Education Policy and Procedures Manual must be submitted to the USOE for approval. However, an LEA that has previously used funds for CEIS must still track the students who received services under its CEIS plan for the following two years and report to USOE annually on any students who subsequently were identified as students with disabilities. This ensures that the USOE can appropriately monitor the use of funds for CEIS in all LEAs. In order to determine that LEAs are using IDEA Part B funds for CEIS in accordance with IDEA Part B requirements, the Special Education Fiscal Specialist and other staff members review the CEIS plan, requests for reimbursement, and annual report on the outcomes of the CEIS plan. The CEIS Implementation Report is due October 31 of each year.

Significant Disproportionality

When an LEA is found to have significant disproportionality, the LEA is required to spend 15% of its IDEA Part B funds on CEIS. The Disproportionality and Coordinated Early Intervening Services Manual contains details of requirements for significant disproportionality and CEIS and a timeline for USOE monitoring and reporting. The CEIS Plan and mandatory 15% budget and reimbursement requests are reviewed to ensure alignment with requirements for services to students not eligible under the IDEA, allowable CEIS costs, and correct amounts. Verification of CEIS program implementation is conducted during UPIPS on-site visits and fiscal monitoring processes. Verification may also be triggered by concerns about the content or fiscal aspects of the LEA's IDEA or CEIS program.

Schoolwide Programs

- Ensure appropriate calculation and condition of funds used for schoolwide programs (*34 CFR §300.206 (a)–(b); USBE SER IX.B.12(a–b)*)

- Provide guidance in calculating and using schoolwide program funds
- Ensure that students with disabilities receive services in accordance with a properly developed IEP and are afforded all rights and services afforded under the IDEA (*34 CFR §300.206(c); USBE SER IX.B.12(d)*)

A Title I school that meets certain criteria of economic need may choose to implement a schoolwide program. The LEA may then use funds, including funds from IDEA Part B, to upgrade a school's entire educational program order to improve the academic achievement of all students, particularly those who are the lowest performing. The amount of IDEA funds used in a schoolwide program may not exceed the amount of IDEA Part B funds received by the LEA for that fiscal year, divided by the number of students with disabilities in the LEA and multiplied by the number of students with disabilities participating in the schoolwide program. These funds must be considered as IDEA Part B funding for purposes of the calculations required for excess costs and supplanting. (See OSEP letter to Manasevit, August 2004.)

The USOE monitors to ensure that IDEA Part B funds do not completely lose their identity as they must:

- Meet excess cost calculation,
- Still meet all programmatic requirements of IDEA,
- Follow supplement/nonsupplant requirements, and
- Meet MOE requirements.

High Cost Risk Pool Funds

- Ensure that if the USOE reserves funds for high cost risk pool no funds are used for administration (*34 CFR §300.704 (c)*)
- Ensure the USOE risk pool plan defines high need student with a disability (including the financial impact (*34 CFR §300.704 (c)(3)(i)*))
- Establish eligibility criteria for LEA to participate in risk pool funds (*34 CFR §300.704 (c)(3)(i)(B)*)
- Disburse funds only for costs of educating a high-need child with a disability (*34 CFR §300.704 (c)(4)(ii)*)

The USOE reserves funds under IDEA Part B Section 611 for an LEA Risk Pool in the amount of at least 10% of the IDEA set-aside funds each year. This funding is supplemented by Special Education-State Program funds. USOE tracks Federal and State high-cost monies separately. All of the distributed funds are reserved for direct

services and provided to the LEAs based on documented need. Funds from the High Cost Risk Pool (both State and Federal) are available on a reimbursement basis. Neither the USOE nor any LEA uses any of the Risk Pool funds for administration.

Each LEA with students with disabilities whose individual program cost totals more than three times the Utah Average Per Pupil Expenditure (APPE) (as defined in the ESEA section 9101) is eligible to participate in the high-cost risk pool. The Utah APPE is reported in the Superintendent's Annual Report. The APPE for FY10 is \$6,255. The threshold for participation in the High Cost Risk Pool in FY12 is \$18,765. The LEA submits a summary of the costs associated with each qualifying student's special education and related services, due to the USOE in June of each year.

Distribution of the High Cost Risk Pool funds to LEAs is based on the LEA application documenting the number of students whose programs exceed the amount above and the details of direct services expenditures for each student. Funding is distributed annually proportionate to the demonstrated need in each LEA. Data collected for reimbursement far exceeds available funding. Funds are distributed based on a ratio or percentage based on (1) total amount of reimbursement requested by all LEAs, (2) divided by funds available.

LEAs must not request State or Federal High Cost Risk Pool funds as reimbursement for any costs that otherwise would be reimbursed by as medical assistance for a student with a disability under the State Medicaid program under Title XIX of the Social Security Act (34 CFR 300.704(c)(8)).

Charter Schools That Are Public Schools of an LEA

These schools are subject to the same fiscal accountability procedures as LEAs.

- Training and Technical Assistance (TA) papers, phone consultation, and mentoring are provided by the USOE Special Education Section and the Finance Section for LEAs with questions.
- Audit exceptions in any of these areas trigger actions including changes in the LEA APR determination status, UPIPS compliance status, and possible withholding of funds until the exceptions are resolved.

Additional Fiscal Requirements

- Equipment/Inventory Control (*EDGAR 34 CFR §80.32–.33*)
- Financial Management Systems (*EDGAR 34 CFR §80.20 and EDGAR 34 CFR §76.702*)
- Time and Effort (*OMB Circular A-87*)

- Timely Obligation and Liquidation (*EDGAR 34 CFR §76.703, §76.707–.710 and 34 CFR §80.23*)
- LEA Policies, Practices, and Procedures (*34 CFR §300.201 and USBE SER IX.A.1–4*)

State Fiscal Monitoring

The single audit conducted annually for each LEA reviews compliance with State code and regulations for expenditures of State and Federal special education funds.

The Division of School Finance and Business shall conduct an on-site audit review of fiscal records in every LEA in the State. The results of these reviews are shared with USOE SES for the primary purposes of coordinating the professional development of LEA personnel in recordkeeping procedures, determining fiscal monitoring risk, and incorporating findings into UPIPS determinations (*USBE SER VIII.V.1(a–b)*).

The Utah State Board of Education is responsible for verifying audits of financial and student accounting records of LEAs for purposes of determining the allocation of Uniform School Fund money (*UCA 53A-1-405*).

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VI. Appendix

Appendix A: Acronyms and Definitions

Acronyms

APR	Annual Performance Report
APR	Annual Program Report (Fiscal Expenditures)
ARRA	American Recovery Reinvestment Act
CAP	Corrective Action Plan
CEIS	Coordinated Early Intervening Services
CFR	Code of Federal Regulations
CPA	Certified Public Accountant
EDGAR	Education Department General Administrative Regulations
ESEA	Elementary and Secondary Education Act
FAPE	Free Appropriate Public Education
GEPA	General Education Provisions Act
IDEA	Individuals with Disabilities Education Act
IEP	Individualized Education Program
LEA	Local Education Agency
MOE	Maintenance of Effort
MSFS	Maintenance of State Financial Support
OMB	Office of Management and Budget
OSEP	Office of Special Education Programs
PAR	Personnel Activity Report
PsPs	Private School Proportionate Share
SEA	State Education Agency
SES	Special Education Services
SPP	State Performance Plan
PIP	Program Improvement Plan
UCA	Utah Code Annotated
UCA	Utah Consolidated Application
USC	United States Code
USBE	Utah State Board of Education
USBE SER	Utah State Board of Education Special Education Rules
USOE	Utah State Office of Education

Definitions

A-87 (OMB CIRCULAR) Cost Principles for State, Local and Indian Tribal Governments (August 1997)

A-122 (OMB CIRCULAR) Audits of States, Local Governments, and Nonprofit Institutions (June 1997)

A-133 (OMB CIRCULAR) Audits of States, Local Governments, and Nonprofit Institutions (June 1997)

ALLOCATION In regard to Federal programs, the amount of money an entity is entitled to under a Federal grant award.

ALLOWABLE COST A cost which is appropriately charged to a Federal program. To be allowable, a cost must be necessary and reasonable, be allocable (i.e., chargeable in relation to service given) under the Federal award, be authorized or not prohibited by State or Local laws, conform to OMB Circular A-87, be consistently treated as are other costs of the entity, be treated in accordance with generally accepted accounting principles, not be used for matching in another program, be net of applicable credits, and be properly documented.

APPLICANT A party requesting a grant or sub-grant.

APPLICATION A written request for a grant or sub-grant.

AUDIT FINDING Deficiencies reported by the auditor in the audit report's schedule of audit findings and questioned costs.

AUDIT RESOLUTION Corrective action taken by a sub-grantee and verified by the grantee in response to a finding of noncompliance or questioned cost listed in a sub-grantee's audit report.

AWARD (FEDERAL) Federal financial assistance that non-Federal agencies receive directly from Federal agencies or indirectly from pass-through entities. Does not include moneys used for procurement of goods and services under contracts.

AWARDING AGENCY With respect to a Federal grant, the Federal agency; with respect to a sub-grant, the party making the sub-grant.

BUDGET PERIOD The budget period for the USOE administered grants is usually the State fiscal year, July 1 to June 30.

CARRYOVER Unexpended funds from an award may, within statutory limits, be "carried over" and added to the project allocation of the following year.

CASH MANAGEMENT Reasonable procedures which must be established for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursements by grantees and sub-grantees.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE Federal publication listing Catalog of Federal Domestic Assistance (CFDA) number of each Federal assistance program. The number assigned to a Federal program in the Catalog of Federal Domestic Assistance. Number is in this format: XX.XXX

COMMINGLING Depositing funds in a general account without the ability to identify each specific source of funds used for expenditures. Commingling of Federal funds is generally not allowed.

COMPLIANCE SUPPLEMENT Guidance for auditing Federal program requirements, published by the U.S. Government. Specific program requirements are addressed.

COST PRINCIPLES General policies for allowability of costs charged to Federal programs are specified in OMB Circular A-87 for Federal programs administered by the USOE.

DIRECT COST Cost identifiable to a particular program, and charged to a particular State or Federal program award. Direct costs are the opposite of indirect costs.

DISCRETIONARY GRANT A grant award not based on a formula or legislative mandate and requiring approval by the USOE.

ENCUMBRANCES Legal obligations for goods ordered but not yet received as of June 30 or the end of the budget period.

EQUIPMENT For Federal grants, tangible, nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

EXCESS COSTS Under the Individuals with Disabilities Education Act (IDEA) 34 CFR 300.184, excess cost is defined as “those costs that are in excess of the average annual per student expenditure in an LEA during the preceding school year for an elementary or secondary school student, as may be appropriate...” Calculation of excess costs and general requirements can be found under 34 CFR 100.184 and 34 CFR 300.185.

FISCAL YEAR The State fiscal year is July 1 through June 30. The Federal fiscal year is October 1 to September 30.

GRANT PERIOD Depending on the type of grant, the grant period for most USOE-administered grants is July 1 to June 30 or July 1 to September 30.

GRANTEE The entity that a grant is awarded and that is accountable for the use of funds provided. The grantee is the entire legal entity, even if only a particular component of the entity is designated in the award document (34 CFR 80).

INDIRECT COST A cost which is incurred for a common or joint purpose benefiting more than one cost objective, which is not readily assignable to a specific program being benefited. Indirect costs are charged to various programs and “pooled.” The INDIRECT COST RATE for an LEA must be approved annually by USOE. The LEA may charge the rate to approved Federal programs by multiplying direct charges by the approved rate.

JOURNAL ENTRY OR JOURNAL VOUCHER (JV) A transaction made to correct or adjust a previous transaction. When a JV involves more than one fund, the clerk must notify the county treasurer of the adjustment.

MAINTENANCE OF EFFORT (MOE) the requirement placed upon many Federally funded grant programs that the State Education Agency (USOE) and local education agencies (LEA) demonstrate that the level of State funding and the level of Local expenditures remain at least the same or more than the previous year. MOE may be calculated as total expenditures of an LEA or as a per pupil expenditure.

MAJOR PROGRAM Federal program determined by the auditor to be a major program in accordance with OMB Circular A-133. For entities with total Federal assistance between \$100,000 and \$1 M, any program for which the entity spent \$300,000 or more in a year or 3 percent of total Federal program expenditures (34 CFR, attachment to Appendix of Part 80).

MANAGEMENT DECISION Evaluation by the Federal pass-through entity of the audit findings and the issuance of a written decision as to what corrective action is necessary.

OBLIGATION Orders placed, contracts awarded, and goods and services received but not paid for by June 30 or the end of the grant period.

PASS-THROUGH ENTITY Non-Federal entity which provides a Federal award to a sub-recipient.

PRIOR APPROVAL Documentation evidencing consent prior to incurring specific costs.

PRIVATE SCHOOL—Nonprofit An organization which regularly offers education at the elementary or secondary level, which is exempt from Federal income taxation under section 501 of the Federal internal revenue code of 1954, as amended, which conforms to the Civil Rights Act of 1964.

PROJECT NUMBER A number assigned by the SEA to identify a specific State or Federal grant project that has been awarded to a legal entity.

REIMBURSEMENT Payment received by a sub-grantee for work or services performed or other allowable expenditures already incurred for a grant project.

SINGLE AUDIT An audit in accordance with OMB Circular A-133 that covers both the entity's financial statements and the Federal awards.

SUBRECIPIENT A government, agency or other organization which receives Federal financial assistance under a grant award through a State or Local government. Does not include an individual who is a beneficiary of the program.

UNEXPENDED FUNDS Amounts of award not obligated by the end of the project period. Unexpended funds must be refunded to the USOE at the end of the project period.

UNLIQUIDATED OBLIGATIONS Amount of obligations incurred which have not yet been paid.

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Appendix B: FiCAM Self-Assessment Checklists

FiCAM Checklist—Initial General Fiscal Compliance

Allowable Costs/ Allowable Activities	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
How does the LEA ensure that expenditures are made for allowable activities and allowable costs as defined in the award letter for IDEA flow-through or a discretionary project? How does the LEA's accounting system track IDEA funds separately from other funds?	<ul style="list-style-type: none"> • Review allowable costs checklist • Compare costs with budget lines and award letter • Review actual account of expenditures for Federal budgets, specifically IDEA Part B funds • Review accounting processes and procedures • CPA single audit findings 			
Reimbursement	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
How does the LEA ensure that funds are requested from the USOE after expenditures are actually made?	<ul style="list-style-type: none"> • Compare reimbursement request with award period prior to submitting 			
Equipment/Real Property Management	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
If equipment purchases over \$5,000 are made, has the LEA sought and received pre-approval from the USOE? What are the LEA's asset tracking procedures for assets purchased with Federal funds?	<ul style="list-style-type: none"> • Copies of approval requests, if any • Identify LEA processes and procedures for itemizing and tracking inventory 			

Time and Effort	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
Are time and effort documentation on file for all LEA staff employed during the fiscal year whose salaries were paid with IDEA Part B Federal funds? If employees work on multiple cost objectives, are Personnel Activity Reports (PARs) prepared and signed regularly by the employee?	<ul style="list-style-type: none"> Identify staff salaries paid for using IDEA Part B Federal funds Review Time and Effort documentation on file for identified staff Review Personnel Activity Report for identified staff 			
Maintenance of Effort (MOE)	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
How does the LEA ensure that maintenance of effort (MOE) requirements are monitored and achieved? What is the LEA's internal method of controlling MOE?	<ul style="list-style-type: none"> Describe LEA processes for controlling MOE Review MOE calculation submitted 			
Supplement Not Supplant	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
How does the LEA monitor the supplement not supplant requirements of the IDEA?	<ul style="list-style-type: none"> Describe LEA process for monitoring SNS 			
Period of Availability	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
How does the LEA ensure that funds are spent within the period of availability defined by the grant award?	<ul style="list-style-type: none"> Compare reimbursement request with award period prior to submitting Describe LEA procedure 			

Procurement/ Suspension and Debarment	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
<p>How does LEA ensure that all purchases follow State procurement processes?</p> <p>How does the LEA ensure that vendors are not suspended or debarred?</p>	<ul style="list-style-type: none"> • LEA procurement policies • Review bids and awards • Review records of suspension and debarment checks 			
Reporting	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
<p>How does the LEA ensure that all required reports and data submitted to the USOE in a timely manner? How does the LEA ensure that data collected is correct and accurate?</p> <p>Has the LEA completed the annual excess costs calculation and submitted it to the USOE?</p>	<ul style="list-style-type: none"> • Review LEA data and reports calendar • Describe internal data checking procedures • Review excess costs document submitted to USOE 			
Grants Management	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
Does the LEA use IDEA Part B funds for Comprehensive Early Intervening Services?	<ul style="list-style-type: none"> • If yes, complete targeted CEIS checklist (October 15, 2010) 			
Are there private schools located within the LEA boundaries?	<ul style="list-style-type: none"> • If yes, complete Proportionate Share Private Schools checklist (October 15, 2010) 			
Does LEA have Title I schoolwide programs in some schools?	<ul style="list-style-type: none"> • If yes, complete Title I Schoolwide Programs checklist (December 2010) 			

Does LEA participate in High-Cost Risk Pool funds?	<ul style="list-style-type: none"> If yes, complete High-Cost Risk Pool checklist (December 2010) 			
Fiscal Accountability Requirements				
IDEA	<p>34 CFR §300.718 Acquisition of equipment and construction or alteration of facilities</p> <p>34 CFR §300.208 Permissive use of IDEA Part B funds</p> <p>34 CFR §300.202 Use of amounts of IDEA Part B funds, including excess cost requirements</p> <p>34 CFR §300.162(b) Requirements prohibiting the commingling of IDEA Part B funds</p> <p>34 CFR §300.133 Expenditure of IDEA Part B funds for children placed in private schools by their parents</p> <p>34 CFR §300.144 Public control of materials, equipment and property purchased with IDEA Part B funds for use in private schools</p>			
EDGAR	<p>34 CFR §80.22 Allowable costs</p> <p>34 CFR §80.23 Period of availability of funds</p> <p>34 CFR §76.702 Fiscal control and fund accounting procedures</p> <p>34 CFR §76.707 When obligations are made</p> <p>34 CFR §76.708 When certain subgrantees may begin to obligate funds</p> <p>34 CFR §76.709 Funds may be obligated during a “carryover period”</p> <p>34 CFR §76.710 Obligations made during a carryover period are subject to current statutes, regulations, and applications</p> <p>34 CFR §80.20 Standards for financial management systems</p> <p>34 CFR §80.22 Allowable costs</p> <p>34 CFR §80.23 Period of availability of funds</p> <p>34 CFR §80.26 Non-Federal audit</p> <p>34 CFR §80.41 Financial reporting</p>			
OMB Circular A-133	<p>Federal Awards Expended (§____.205(a))—page 9;</p> <p>Allowable Cost (§____.230(a))—page 12;</p> <p>Unallowable Cost (§____.230(b))—page 13;</p> <p>Subpart E (Scope of Audit)—pages 24–28;</p>			
OMB Circular A-133 Compliance Supplement	<p>Section C: Cash Management</p> <p>Section L: Reporting</p> <p>Section M: Subrecipient Monitoring</p>			
OMB Circular A-87	<p>Appendix A Allowable Costs</p> <p>Appendix B Selected Items of Cost</p>			
OMB Circular A-122				

FiCAM Checklist—Coordinated Early Intervening Services (CEIS)

Coordinated Early Intervening Services (CEIS)	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
If the LEA has been determined to have <u>significant disproportionality</u> , did the LEA reserve 15% of total IDEA Part B 611 and 619 funds for comprehensive CEIS?	<ul style="list-style-type: none"> • Review CEIS plan • Verify budgeted and/or actual expenditures reported against accounting logs 			
Did the LEA use the funds required to be reserved for comprehensive CEIS due to significant disproportionality for students, particularly, but not exclusively, in those groups that were significantly overidentified?	<ul style="list-style-type: none"> • Review CEIS plan • Verify budgeted and/or actual expenditures reported against accounting logs 			
Did the LEA use CEIS funds voluntarily or by requirement set aside for CEIS for allowable activities?	<ul style="list-style-type: none"> • Verify actual expenditure reports by comparing to accounting logs • Verify CEIS expenditures were used to provide services to non-identified students and not students with IEPs. • Verify CEIS funds were accounted for separately from IDEA funds. 			

Coordinated Early Intervening Services (CEIS)	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
Does the LEA using CEIS funds voluntarily or by requirement use those funds to supplement, not supplant, other Federal, State and local funds including funds made available under the ESEA?	<ul style="list-style-type: none"> • Verify actual CEIS expenditures reported were not previously paid from other funding sources. • Verify actual CEIS expenditures were not used to implement mandated activities. • Was MOE met? If yes, the LEA meets supplement not supplant rule. 			
Has the LEA, using CEIS funds voluntarily or by requirement, met the requirements for local maintenance of effort?	<ul style="list-style-type: none"> • Was the LEA eligible to use the 50% reduction in MOE? (Was the LEA at Meets Requirements for year in question?) • If so, did the LEA use the up to 50% reduction in MOE to reduce local effort, and were CEIS funds expended taken into consideration? 			
Does the LEA use CEIS funds to provide services to only those students, in grades K through 12, who are not identified as needing special education and related services, but who need additional support to succeed in the general education environment?	<ul style="list-style-type: none"> • CEIS logs of services or other documentation of services provided • Documentation of CEIS activities implemented - professional development provided, personnel hired, materials purchased, assessments used to identify students needing support 			

Coordinated Early Intervening Services (CEIS)	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
Has the LEA timely and accurately reported to the State on (1) the number of students who receive CEIS and (2) the number of students who receive CEIS and subsequently receive special education and related services?	<ul style="list-style-type: none"> Verify the number of students reported receiving CEIS - LEA application compared to actual student enrollment minus special education enrollment (child count of students by building or grade level targeted in CEIS plan) 			
CEIS Fiscal Accountability Requirements				
<ul style="list-style-type: none"> Ensure LEA uses no more than 15% of IDEA Part B funds for any fiscal year, less reductions to MOE under § 300.205, if any (34 CFR § 300.226(a)). Require LEA to annually report reporting on number of students who received CEIS and the number of students who received CEIS and subsequently received special education and related services in the next two years (34 CFR § 300.226(d)). Ensure LEA uses CEIS funds on allowable CEIS activities, including coordination with ESEA, and only for students who are not currently identified as needing special education or related services (34 CFR § 300.226(a), (b) and(e)). Direct the use of 15% of LEA IDEA allocation for CEIS when significant disproportionality is identified, particularly on children in those groups that were significantly overidentified (34 CFR §300.646(b)(2)). 				

FiCAM Checklist—Private School Proportionate Share (PsPs)

Private School Proportionate Share (PsPs)	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
<p>Is documentation on file to detail the proportionate amount of funds spent on services provided to nonprofit private school students with disabilities?</p> <p>Is there documentation on file to substantiate the number of non-profit private school students submitted to the State for funding purposes?</p>	<ul style="list-style-type: none"> • Review Private Schools Proportionate Share Amount Calculation Form • Review accounting logs, written affirmations from nonprofit private schools, invoices, contact logs • Verify PsPs funds were accounted for separately from IDEA funds • Locate students served-child count data submitted to USOE on Private Schools Proportionate Share Form • Compare count with SIS SCRAM data uploaded 			
<p>Did the LEA expend the required proportionate amount of their Section 611 and Section 619 funds on providing special education and related services to children with disabilities placed by their parents in private nonprofit elementary and secondary schools located in the LEA?</p>	<ul style="list-style-type: none"> • Compare PsPs expenditure reports submitted to USOE against actual accounting logs to verify amount of PsPs expended and carryover amounts • Review student ISPs to verify services were accurately listed and were not used to meet the general needs of the nonprofit private school or its students 			

Private School Proportionate Share (PsPs)	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
<p>Does the LEA maintain control over all IDEA Part B funds, property, equipment, and supplies used for children who are placed in nonprofit private schools by their parents?</p>	<ul style="list-style-type: none"> • Determine PsPs funds used for purchasing materials/equipment via expenditure reports or accounting logs • Locate property records, inventory lists, material reports by school • Identify written policies and/or notifications • Verify property is removable, without remodeling 			
<p>If the LEA used public school personnel to provide equitable services, were the services provided necessary services beyond the existing level of instruction provided by the nonprofit private school?</p> <p>If the LEA used non-profit private school personnel to provide equitable services, were services performed outside of the regular duty hours and under the supervision of the LEA?</p>	<ul style="list-style-type: none"> • Review CACTUS for personnel qualifications, not required to be HQ • Locate and verify services through service records for students • Locate and verify services records of private school personnel 			

Private School Proportionate Share (PsPs)	Methods/Documentation Examples	Yes	No	Documentation Provided/Reviewed
Did the LEA use State and local funds to supplement, not supplant, the proportionate amount of Federal funds required to be expended for students with disabilities placed in nonprofit private schools by their parents?	<ul style="list-style-type: none"> Review proportionate share budget and reimbursement requests Ensure any carryover remains in proportionate share budget for following year 			
PsPs Fiscal Accountability Requirements				
<ul style="list-style-type: none"> Determine LEA's proportionate share of IDEA funds to be spent on equitable services (34 CFR § 300.133). Ensure proportionate share funds do not benefit a private school (34 CFR § 300.14 and USBE SER VI.B.11). Ensure appropriate use of public and private school personnel to provide equitable services (34 CFR § 300.142 and USBE SER VI.B.12). Ensure proportionate share funds remain in control of LEA and equipment is used only for IDEA Part B and is removable (34 CFR § 300.144(a) and USBE SER VI.B.14). Ensure that State and local funds supplement, not supplant, the proportionate share of Federal funds (34 CFR §300.133(d)). 				
PsPs Related Programmatic Requirements				
<p>The major provisions regarding students with disabilities enrolled by their parents in private, including religious, elementary and secondary schools are located in the statute at section 612(a)(10)(A) and in the regulations at 34 CFR §§300.130-300.144 and are summarized in the sections below.</p> <ul style="list-style-type: none"> Agency responsibility for conducting child find activities and provision of services (34 CFR §§300.131–300.132). Consultation requirements (34 CFR §300.134). Written affirmation of timely and meaningful consultation (34 CFR §300.135). Data collection requirements (34 CFR §300.132(c)). Determination and provision of equitable services (34 CFR §§300.137-300.138). Services plans for students with disabilities receiving equitable services (34 CFR §§300.132(b), 300.137(c) and 300.138(b)). Permission for delivery of services at the private schools by LEAs, to the extent consistent with law (34 CFR §300.139(a)). 				

PsPs Related Programmatic Requirements (cont.)

- Non-availability of an individual entitlement of parentally placed private school students to special education and related services (34 CFR §300.137(a)).
- Complaint procedures for private school officials regarding consultation (34 CFR §300.136).
- Right to file due process complaints regarding child find and state complaints regarding equitable participation requirements (34 CFR §300.140).
- Prohibition of separate classes based on school enrollment or religion under certain circumstances (34 CFR §300.143 and [USBE SER VI.B.13](#)).

LEA Initial General Fiscal Checklist Explanation and Details

Key:

SPED = Special Education Administration **ACC** = Accounting Department

BS = Business Manager **DS** = Data Systems Department

HR = Human Resources

SPED	BS/ACC /DS/HR	SECTION I: ALLOWABLE ACTIVITIES AND ALLOWABLE COSTS	Comments
X		<p>1. Are the costs of activities in the program budget aligned with the allowable costs taken from this IDEA grant <u>necessary and reasonable</u>?</p> <p>(Are they needed for the performance or administration of the grant, procured property at fair market prices, prudent, the minimum amount needed, and paid at a rate proven fair? Are they expenses targeted to valid programmatic or administrative considerations? Are they consistent with Education Department General Administrative Regulations [EDGAR]? Can each expenditure be comfortably defended?)</p>	
X	X	<p>2. Are direct costs identified specifically within a particular cost objective? (For example, salaries; purchased services.)</p> <p>Are indirect costs calculated correctly?</p> <p>(Indirect costs are those that have been incurred for common or joint purposes and are not readily assigned to a cost objective. The USOE determines the LEA indirect cost rate allowed on Federal expenditures; indirect costs are calculated on the total of direct costs.)</p>	
	X	<p>3. Have the direct and indirect costs been allocated where appropriate?</p> <p>(Each expense can be charged to a program only in proportion to the value received by the specific program.)</p>	
	X	<p>4. Are the expenses legal under State and Local laws?</p> <p>(If expenses are not legal under State law, they cannot be paid with Federal funds.)</p>	

SPED	BS/ACC /DS/HR	SECTION I: ALLOWABLE ACTIVITIES AND ALLOWABLE COSTS (CONT.)	Comments
	X	5. Are the expenses in accordance with GAAP (Generally Accepted Accounting Principles)? (Net of applicable credits, e.g., rebates, insurance refunds, payment adjustments.) <ul style="list-style-type: none"> • Are costs consistent with Federal cost principles? 	
	X	6. Are the expenses adequately documented? (Amount of grant award funds, how funds are used, records that show compliance, records that show performance, any other records for effective audit. Office of Management and Budget circulars detail specific costs; see A-87.)	
X	X	7. Are actual expenditures compared to budgeted amounts on a routine basis?	
	X	8. Is there a system in place to track ARRA funds and 2009 IDEA funds separately? (ARRA and 2009 IDEA are added together, but tracked separately.)	
SPED	BS/ACC /DS/HR	SECTION II: CASH MANAGEMENT — REIMBURSEMENT	Comments
X	X	Is the LEA requesting funds after expenditures are made? (IDEA funds are available only on a reimbursement basis.) <ul style="list-style-type: none"> • Is there an approved plan and budget for the grant award? • Is prior approval requested for budget changes of 10% or \$100,000; or when there is a change in scope or object key personnel, or a contract with third party to administer a program? 	
SPED	BS/ACC /DS/HR	SECTION III: ELIGIBILITY	
X		Has the USOE determined the LEA eligible to be for IDEA Part B funds?	

SPED	BS/ACC /DS/HR	SECTION IV: EQUIPMENT AND REAL PROPERTY MANAGEMENT	Comments
X	X	<p>1. If equipment purchases over \$5,000 are made, has the LEA sought and received preapproval from the USOE?</p> <p>(Equipment = tangible personal property; useful life of more than one year; acquisition cost of \$5,000 or more. IDEA equipment includes books, non-consumable materials, etc. if total of \$5,000 or more.)</p>	
	X	<p>2. What are the LEA's asset tracking procedures for assets purchased with Federal funds?</p> <ul style="list-style-type: none"> • Are adequate controls in place to account for location of equipment, custody of equipment, and security of equipment? • Do property records include a description, serial number or other ID, title information, acquisition date, cost, percent of Federal participation, location, use and condition, and ultimate disposition? • Is a physical inventory conducted at least every two years? • What kind of control system is in place to prevent loss, damage, and theft? <p>(All incidents of things missing must be investigated. If police report exists, keep on file.)</p> <ul style="list-style-type: none"> • How does agency protect against unauthorized use of property? • When property is no longer needed, are disposition rules followed? (Transfer to another Federal program; over \$5,000—pay Federal share; under \$5,000, no accountability.) 	
SPED	BS/ACC /DS/HR	SECTION V: DAVIS-BACON ACT	Comments
	X	<p>Is any proposed construction cost consistent with EDGAR and approved by the USOE if \$5,000 or over?</p> <p>(Note: Generally LEA may not use Federal funds for acquisition of real property or construction.)</p> <ul style="list-style-type: none"> • If construction is approved, is LEA complying with the Davis-Bacon labor laws?* 	

SPED	BS/ACC /DS/HR	SECTION VI: TIME AND EFFORT	Comments
X	X	<p>1. Are Time Certification Records prepared and available?</p> <p>(Semi-annual certification that employee worked on one federal project [cost objective], as appropriate. Signed by employee and supervisor.)</p>	
X	X	<p>2. Personnel Activity Report (PAR)</p> <p>(For employees paid from more than one project, including at least one federal project. Prepared at least monthly, account for total activity, signed by employee, and must coincide with pay period.)</p>	
SPED	BS/ACC /DS/HR	SECTION VII: MAINTENANCE OF EFFORT	Comments
X	X	<p>1. How does the LEA ensure that maintenance of effort (MOE) requirements are monitored and achieved? What is the LEA's internal method of controlling MOE?</p> <ul style="list-style-type: none"> • Is the agency budget for the education of children with disabilities at least the same total or per capita amount as the LEA spent for that purpose from the same source (State and local funds) for the most recent prior year for which information is available? • Has agency ensured that no expenditures from funds provided by and accounted for directly to the Federal government are included in MOE? (MOE may be reduced if special education or related service personnel have departed due to retirement or termination of employment for just cause; a decrease in the number of students with disabilities; assumption of a cost by the USOE high-cost fund; termination of an especially high-cost program for a student when student ages out, leaves the LEA's jurisdiction, or no longer needs the program; or termination of costly expenditures for long-term purchases.) 	

SPED	BS/ACC /DS/HR	SECTION VII: MAINTENANCE OF EFFORT (CONT.)	.Comments
X	X	<p>1. How does the LEA ensure that maintenance of effort (MOE) requirements are monitored and achieved? What is the LEA's internal method of controlling MOE? (CONT.)</p> <ul style="list-style-type: none"> Is any reduction in MOE due to allowable costs? (Allowable costs include departure of special education or related service personnel; a decrease in the enrollment of children with disabilities; assumption of cost by the USOE high-cost fund; termination of the agency's obligation to provide a program of special education to a particular child with disability that is an exceptionally costly program because the child left the agency's jurisdiction, aged out, or no longer needs special education; or termination of costly expenditures for long-term purchases such as acquisition of equipment or construction of school facilities.) 	
X	X	<p>2. MOE optional LEA flexibility: if LEA has increase in IDEA funds, LEA may reduce level of expenditures by not more than 50% of the increase; and, the amount of MOE reduction must be expended on activities that could be paid for by ESEA funds. If USOE reduces MOE, LEA may only reduce MOE by the amount of reduction received in State funds. Amount LEA spends on EIS must be included in calculating the maximum amount that the LEA may reduce its MOE level.</p>	
X	X	<p>3. See detailed explanation of MOE beginning on page 36.</p>	
SPED	BS/ACC /DS/HR	SECTION VIII: SUPPLEMENT NOT SUPPLANT (SNS)	Comments
X	X	<p>1. How does the LEA monitor the supplement not supplant requirements of the IDEA?</p> <ul style="list-style-type: none"> Does agency determine supplant using these three considerations: (1) Is the cost required to be made available under other Federal, State, or local laws? (2) Was the cost provided with non-Federal funds in the prior year? (3) Were costs for IDEA students paid for by IDEA funds for the same services provided to non-IDEA students by other funds? 	

SPED	BS/ACC /DS/HR	SECTION VIII: SUPPLEMENT NOT SUPPLANT (SNS) (CONT.)	Comments
X	X	<p>1. How does the LEA monitor the supplement not supplant requirements of the IDEA? (CONT.)</p> <ul style="list-style-type: none"> • Can agency show the service would not be provided if the Federal funds were not available? (Then it would not be supplanting.) • Can agency show there are no non-Federal sources available for this year for these services? (Then it would not be supplanting.) 	
X	X	<p>2. ARRA Guidance: If LEA maintains or exceeds local and State expenditures for special education and related services (MOE), then IDEA Part B funds are considered to be supplementing, not supplanting, and LEA has met both its MOE and SNS requirements.</p>	
SPED	BS/ACC /DS/HR	SECTION IX: PERIOD OF AVAILABILITY	Comments
X	X	<p>1. How does the LEA ensure that funds are spent within the period of availability defined by the grant award?</p> <ul style="list-style-type: none"> • Are funds obligated (transaction is made that requires payment) during period of availability, i.e, (during period for which grant award is approved?) • Does the Tydings amendment apply to IDEA Part B funds (additional 12–15 months of availability?) • Are obligations/transactions linked to funds during period of availability? 	
X	X	<p>2. Are all obligations liquidated (settling an obligation by paying funds). within 90 days after end of period of availability?</p>	
SPED	BS/ACC /DS/HR	SECTION X: PROCUREMENT/SUSPENSION AND DEBARMENT	Comments
	X	<p>1. How does LEA ensure that all purchases follow State procurement processes?</p> <ul style="list-style-type: none"> • Are all procurement transactions conducted with full and open competition? • Is there a written code of conduct for all employees engaged in the award and administration of contracts? Does it address conflicts of interest? Does it have protest procedures to handle disputes? 	

SPED	BS/ACC /DS/HR	SECTION X: PROCUREMENT/SUSPENSION AND DEBARMENT (CONT)	Comments
	X	<p>1. How does LEA ensure that all purchases follow State procurement processes? (CONT.)</p> <ul style="list-style-type: none"> • Does the agency refrain from unreasonable requirements on vendors to qualify to do business requiring unnecessary experience or excessive bonding, noncompetitive pricing practices, noncompetitive awards to consultant on retainer, organizational conflicts of interest, specifying a brand name, and in-State or local preferences? • Is a cost or price analysis performed in connection with every procurement action, including contract modifications? • Is an independent estimate made before receiving bids or proposals? • Are there written vendor selection procedures in place? • Do all solicitations include a clear and accurate description of technical requirements, identify all requirements the vendor must fulfill, and identify evaluation factors? • Do all contracts supported with Federal funds contain required provisions: remedies for breach, sanctions and penalties; termination for cause and convenience; compliance with Federal statutes and executive orders; reporting requirements; patent rights; copyrights; access by Federal agency to records of contractor; and records retained for three years after final payment? • Are noncompetitive proposals used only when the good or service is available only from a single (sole) source, in a public emergency, when the awarding agency authorizes, or after soliciting number of sources and competition is deemed inadequate? (Ensure persuasive and adequate documentation to facilitate audit.) • Are adequate records retained to document the rationales for the method of procurement, the selection of contract type, contractor selection or rejection, and basis for contract price? 	

SPED	BS/ACC /DS/HR	SECTION X: PROCUREMENT/SUSPENSION AND DEBARMENT (CONT)	Comments
	X	<p>2. Are contracts limited to responsible contractors who possess the ability to perform successfully, including contractor integrity, compliance with public policy, record of past performance, and financial and technical resources?</p> <ul style="list-style-type: none"> • Are contracts with vendors over \$25,000 verified to see if the vendor has been suspended or debarred? • Check the following website for vendors that are suspended or debarred: http://www.epis.gov/. 	
SPED	BS/ACC /DS/HR	SECTION XI: REPORTING	Comments
X	X	1. How does the LEA ensure that all required reports and data are submitted to the USOE in a timely manner?	
X	X	2. How does the LEA ensure that data collected are correct and accurate?	
X	X	<p>3. Has the LEA completed the annual excess costs calculation and submitted it to the USOE?</p> <ul style="list-style-type: none"> • Is LEA using the spending threshold calculation method in Appendix A of the regulations to determine excess costs? • Has LEA calculated elementary and secondary costs separately? • Has LEA spent minimum average amount on education of students with disabilities before using IDEA Part B funds? • Are all costs consistent with IDEA program rules for allowable costs and activities? 	
SPED	BS/ACC /DS/HR	SECTION XII: GRANTS MANAGEMENT	Comments
X	X	<p>4. Does the LEA use IDEA Part B funds for Comprehensive Early Intervening Services (CEIS)?</p> <ul style="list-style-type: none"> • If yes, is 15% of CEIS calculated from total funds (IDEA + ARRA) or IDEA only? (Either is allowed.) • Has a current CEIS plan and budget been submitted to the USOE and approved? 	

SPED	BS/ACC /DS/HR	SECTION XII: GRANTS MANAGEMENT(CONT.)	Comments
X	X	<p>4. Does the LEA use IDEA Part B funds for Comprehensive Early Intervening Services (CEIS)? (CONT.)</p> <ul style="list-style-type: none"> • Does the plan include how agency identifies students who are not currently identified as students with disabilities and who need additional academic and behavioral support to succeed in a general education environment, and how agency tracks students receiving early intervening services for two years after EIS was provided to see if students are determined eligible for special education? 	
X	X	<p>5. Parentally Placed Private School Proportionate Share</p> <p>Are there private schools located within the LEA boundaries?</p> <ul style="list-style-type: none"> • How is the agency conducting and tracking Child Find activities in private schools similar to the Child Find activities conducted for the LEA's public schools students? (This cost is not considered in determining proportionate share.) • How does the agency determine the number of eligible children with disabilities parentally placed in private schools? Where and how is annual consultation with the private schools within district boundaries conducted? Where are consultation documents located, including written affirmations from private school representatives? • Is the proportionate share for private schools calculated before setting aside funds for comprehensive early intervening services (CEIS) activities? • How does agency ensure that the proportionate share of IDEA funds is expended first, before any State and local funds are used for students with disabilities in private schools? • How is any carryover in the proportionate share of funds not expended in the end of the fiscal year tracked? How is expenditure of carryover in following year ensured? 	

SPED	BS/ACC /DS/HR	SECTION XII: GRANTS MANAGEMENT(CONT.)	Comments
		<p>Are there private schools located within the LEA boundaries? (CONT.)</p> <ul style="list-style-type: none"> • Are funds used for equitable participation of students in private schools tracked, and does LEA maintain control and administration of such funds? • Can any equipment or property that is part of the equitable services be removed from a private school without remodeling? • How does agency ensure that no funds are used for repairs, minor remodeling, or construction of a private school? • How does agency ensure that private school proportionate share of total funds is used appropriately? 	
X	X	<p>Does the LEA have Title I schoolwide programs in some schools?</p> <ul style="list-style-type: none"> • Provide schoolwide flexibility. (Use IDEA funds to upgrade a school's entire educational program in order to improve achievement of all students, especially lowest achieving. All IDEA programmatic requirements must still be met: procedural safeguards, child find, provision of FAPE. IDEA Part B funds must be identified for excess cost calculation and supplement not supplant requirement (MOE)). 	
X	X	<p>Does the LEA participate in high-cost risk pool funds?</p> <ul style="list-style-type: none"> • Has the LEA submitted the annual report of students costing more than three times the average per pupil cost for special education and related services and supports? 	

** The Davis-Bacon and Related Acts (DBRA) apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000, including contracts paid by IDEA Part B funds, for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. DBRA contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. The DBRA direct the Department of Labor to determine such locally prevailing wage rates. For prime contracts in excess of \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular rate of pay for all hours worked over 40 in a work week.*

Appendix C: Allowable Costs

IDEA Part B Grants

For a particular cost to be allowed, it must be an excess cost of providing special education and related services. Only allowed costs may be charged to the IDEA Part B Section 611 (3–21) or Section 619 (3–5) entitlement grants (including IDEA Recovery funds).

When determining whether a cost is an excess cost, ask the following guiding questions:

1. In the absence of special education needs, would this cost exist?
If the answer is...
 - No*, then the cost is an excess cost and may be eligible.
 - Yes*, then the cost is not an excess cost and is not allowed.
2. Is this cost also generated by students without disabilities?
If the answer is...
 - No*, then the cost is an excess cost and may be eligible.
 - Yes*, then the cost is not an excess cost and is not allowed.
3. If it is a child specific service, is the service documented in the student's IEP?
If the answer is...
 - Yes*, then the cost is an excess cost and may be eligible.
 - No*, then the cost is not an excess cost and is not allowed.

For a particular cost to be allowed, it also must be *necessary* and *reasonable* 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 Office of Management and Budget (OMB) Circular A-87 (<http://www.whitehouse.gov/omb/circulars/a087/a087-all.html#attb>).

Any individual charged to a Federal grant must keep time and effort reporting whether or not it is a semi-annual certification or monthly personnel activity reports (PAR). Semi-annual certification is completed by those individuals who have a single-cost objective; monthly personnel activity reports are completed by individuals who have multiple-cost objectives and who are employed by charter schools. Under IDEA, any individual who is not 100% special education would need to complete monthly PARs. Time and effort reporting are a part of the allowable costs as defined by the Office of Management and Budget.

The chart below lists budget items for IDEA Part B flow-through or preschool entitlement grants. The list includes only items that have prompted additional discussion or guidance. If an item is not listed, it still may be allowed. The items that are allowed may not be charged to funds budgeted for coordinated early intervening services (CEIS).

Allowable Costs for IDEA Entitlement and IDEA Recovery Grants

Symbol Key:



Always allowed



Allowed, but special requirements or additional information required



Never allowed

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
<input checked="" type="checkbox"/>		ADAPTIVE EDUCATION: Salary and fringe benefits.	The salary and fringe benefits of a teacher holding a Special Education License from USOE are allowed for the time the teacher provides instruction to a class of special education students.
<input checked="" type="checkbox"/>		ADVERTISING: Costs associated with advertising in media such as newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals.	Allowed for IDEA-related recruitment of personnel, procurement of goods and services, and other specific purposes necessary to meet the requirements of the IDEA grant.
<input checked="" type="checkbox"/>		AIDES/PARAPROFESSIONALS: Salaries and fringe benefits.	Aides/paraprofessionals must be employees of an LEA or other agency providing public education for students with disabilities. Aides/paraprofessionals must work under the supervision of an appropriately licensed special education teacher and perform duties for which they are trained.
		ALTERNATIVE SCHOOLS or EDUCATION PROGRAMS: Alternative or adaptive school structures and teaching techniques.	Alternative schools/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 funding may be used ONLY for the special education-related costs.
<input checked="" type="checkbox"/>		ASSISTIVE TECHNOLOGY DEVICES: Used to increase, maintain or improve the functional capabilities of a student with a disability.	
		AUDIT COSTS: Audits required by the Single Audit Act.	The costs of auditing the IDEA required by, and performed in accordance with, the Single Audit Act, as implemented by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" are allowable. Other IDEA audit costs are not allowed as direct costs. They are included in the indirect cost rate. Only the costs for the IDEA portion of the Single Audit may be charged to IDEA. IDEA Single Audit costs are budgeted under Purchased Services—Single Audit (IDEA portion), which is coded 231700, object 310.
<input checked="" type="checkbox"/>		AUTOMATIC DOOR OPENERS: Purchase and installation.	Purchase and installation of automatic door openers is allowed if needed to provide access for a student with a disability. They should be budgeted under remodeling.

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
	<input checked="" type="checkbox"/>	BUILDING CONSULTATION TEAMS: Salaries and fringe of team members, costs associated with meeting expenses, stipends, travel.	These meetings are not devoted to the identification, evaluation, or placement of students with disabilities, or the provision of special education services; therefore, meeting costs are not allowed.
<input type="checkbox"/>		BUS PURCHASE, LEASE or RENTAL: Vehicle purchase or lease, insurance, repair, and maintenance. See "Transportation Costs—Special Education"	Vehicles must be used ONLY to transport students with disabilities who require special assistance in transportation (special transportation or additional transportation), including students with disabilities attending regular classes. A detailed description is required in the grant budget.
<input type="checkbox"/>		BUS DRIVER: Salaries and fringe benefits.	The salary and fringe benefits of a bus driver are allowed ONLY for the time the driver transports students with disabilities who require special assistance in transportation (special transportation or additional transportation), including students with disabilities attending regular classes.
<input checked="" type="checkbox"/>		CHILD FIND ACTIVITIES: Costs associated with public awareness, notices, screening.	Child find activities are allowed for identification of students with disabilities.
	<input checked="" type="checkbox"/>	CLASSROOM SPACE RENTAL: Costs associated with renting extra classroom space for special education students due to overcrowding.	LEAs may not use federal funds to rent extra classroom space to alleviate overcrowding, e.g., paying rent for a trailer used as a portable special education classroom.
<input checked="" type="checkbox"/>		CLERICAL SUPPORT: Salaries and fringe benefits.	Only the actual time spent supporting special education is allowed. If the position is not dedicated 100% to special education, clerical work must be documented by personnel activity reports as required by OMB Circular A-87.
<input checked="" type="checkbox"/>		COLLEGE CREDITS FOR SPECIAL EDUCATION INSTRUCTIONAL STAFF	Tuition is allowed as a fringe benefit for special education instructional staff. Budget this item as improvement of instruction (221000) under the salaries and fringe benefits object (100s/200s).
<input type="checkbox"/>		COMPUTERS FOR STUDENTS	Acquisition of computers are NOT an excess cost, and therefore not allowed, if the LEA has decided to equip classrooms in a school and simply charges the IDEA grant a prorated amount based upon the number of students with disabilities in the school. The equipment is an excess cost when related to the unique needs of a particular student with a disability. It may be provided in a regular education class or other education-related setting, even if one or more nondisabled students benefit. When the equipment is no longer needed to meet the unique needs of a student with a disability, it must be managed or disposed of in accordance with 34 CFR 80.32, Education Department General Administrative Regulations. http://edocket.access.gpo.gov/cfr_2004/julqtr/pdf/34cfr80.32.pdf

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
<input type="checkbox"/>	<input type="checkbox"/>	COMMUNICATION DEVICES FOR STAFF: Costs associated with lease or purchase and charges for use of desk phones, cell phones, pagers and radios.	Communication devices are allowed ONLY for special education activities. If a device also is used for other non-special education activities, documentation is required of the extent to which it is used for special education and the other activities. Costs for personal use are not allowed.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	COMPUTER NETWORKS: Costs associated with an LEA's computer networks.	LEAs' computer networking costs are provided district-wide and are not excess costs of special education.
<input type="checkbox"/>	<input type="checkbox"/>	CONSTRUCTION: Constructing facilities or altering existing facilities.	Costs for construction or alteration of facilities must be excess costs of 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 ADA requirements are not allowed. Costs must be necessary and reasonable. LEAs must have prior approval from USOE to use IDEA funds for construction.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	CONSULTANT SERVICES: Costs associated with contracted services from a consultant.	LEAs may contract with consultants to provide information about methods, techniques, and strategies to use for students with disabilities or advice to staff for a particular student.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	CONTRACTED SPECIAL EDUCATION or RELATED SERVICES	LEAs may contract for special education or related services as direct services to students from private individuals or agencies other than an LEA. LEAs providing special education services to parentally placed private school students may also contract with through contract with an individual, agency, organization, or other entity for special education services.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	CURRICULUM DEVELOPMENT: Costs associated with substitutes, release time, or extended contract.	Costs related to substitute teachers, release time, and extended contract for development of curriculum for special education students are allowed for both regular and special education staff.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	DISTRICT ADMINISTRATORS: Salaries and fringe benefits.	The salary and fringe benefits of a district administrator cannot be charged to federal grants even if the administrator is providing special education support and is appropriately licensed (OMB Circular A-87, Attachment B, #19).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	EDUCATIONAL INTERPRETERS: Salaries and fringe benefits. See also "Foreign Language Interpreters for Students" See also "Foreign Language and Sign Language Interpreters for IEP Meetings"	Educational interpreters may be employees of an LEA or private practice educational interpreters. Interpreters must be licensed.

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
		EQUIPMENT—CAPITAL: Equipment to support special education and related services.	LEAs must receive prior approval from USOE to use IDEA 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 LEA has established a level less than \$5,000 for capital equipment, then equipment that meets the LEA's definition must be budgeted as capital equipment. A detailed description is required in the IDEA flow-through grant budget application and must include the equipment type and the number of units for the cost identified with that line item.
<input checked="" type="checkbox"/>		EQUIPMENT—NON-CAPITAL: Equipment to support special education and related services.	Budget equipment that does not meet the definition of capital equipment here.
		EQUIPMENT—SECURITY: Cameras and other devices.	Acquisition of cameras and other security devices are NOT an excess cost, and therefore not allowed, if the LEA has decided to equip classrooms in a school or its buses and simply charges the IDEA grant a prorated amount based upon the number of students with disabilities in the school. The equipment is an excess cost when related to the needs of a particular student with a disability in accordance with the student's IEP. It may be provided in a regular education environment or other education-related setting, even if one or more nondisabled students benefit. When the equipment is no longer needed to meet the IEP needs of a child with a disability, it must be managed or disposed of in accordance with 34 CFR 80.32, Education Department General Administrative Regulations. http://edocket.access.gpo.gov/cfr_2004/julqtr/pdf/34cfr80.32.pdf
<input checked="" type="checkbox"/>		EXTENDED SCHOOL YEAR (ESY): Personnel, supplies, equipment, transportation, and any other services identified in the student's IEP.	The need for ESY must be documented in the student's IEP.
<input checked="" type="checkbox"/>		EVALUATIONS: Personnel, supplies, or contracted services.	
	<input type="checkbox"/>	FOREIGN LANGUAGE INTERPRETERS FOR STUDENTS: Salaries and fringe benefits or contracted costs.	Providing interpreters for students who have limited English proficiency is a responsibility of the LEA and not considered an excess cost of special education.
<input checked="" type="checkbox"/>		FOREIGN LANGUAGE AND SIGN LANGUAGE INTERPRETERS FOR IEP MEETINGS: Salaries and fringe benefits or contracted costs.	LEAs may contract with a private vendor for interpreter services for IEP meetings. Expenditures related to IEP meetings are considered an excess cost of special education.

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
		FURNITURE: Desks, tables, chairs, file cabinets.	LEAs may purchase student or staff desks, tables, and chairs, file cabinets, and other furniture for use in spaces dedicated to special education programs, such as resource rooms. LEAs may only purchase student furniture for use in a regular education classroom if the furniture is adapted to the specific needs of a student with disability. Examples of such furniture are wheelchair-accessible desks and adjustable tables or workstations. When furniture purchased with IDEA funds is no longer needed for the special education program or for a student with a disability, it must be managed or disposed of in accordance with 34 CFR 80.32, Education Department General Administrative Regulations. http://edocket.access.gpo.gov/cfr_2004/julqtr/pdf/34cfr80.32.pdf
		GUIDANCE COUNSELORS: Salaries and fringe benefits. See also "Act 221" in the Information section.	Guidance counselors must be employees of an LEA or contracted with LEA. Costs must be IEP-driven or related to the evaluation of a student. Day-to-day costs of services provided to all students are not allowed. Only the actual time spent supporting special education is allowed. If the position is not dedicated 100% to special education, guidance counselors must document their work with personnel activity reports as required by OMB Circular A-87.
		IEP TEAM COORDINATORS: Salaries and fringe benefits.	Salaries and fringe benefits of staff who coordinate a LEA's IEP system, train staff, and review IEPs are allowed. Only the actual time spent coordinating IEPs is allowed. If the position is not dedicated 100% to special education, IEP coordinators must document their work with personnel activity reports as required by OMB Circular A-87.
		INDIRECT COSTS: Costs incurred to benefit more than one program or objective not readily assignable to the programs.	The LEA's indirect cost rate is calculated by the USOE.
		INTERNS: Costs associated with interns working in the school district.	Only the cost of special education services provided by licensed special education teachers or providers is allowed.
		JOB COACHES: A job coach works directly with a student with a disability in a work site to help the student learn the specific requirements of the job; learn work-related activities and requirements; and learn appropriate work-related behaviors.	Students who have an IEP may participate in vocational experiences if it is determined appropriate for them at their IEP meeting. A job coach must work under the direction and supervision of a LEA special education staff. Job coaches may be provided through contract with an individual, agency, organization, or other entity.

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
	<input checked="" type="checkbox"/>	LEGAL EXPENSES: Attorney fees for IDEA state complaints, due process hearings, representation at IEP team meetings, facilitated IEP team meetings, mediation sessions, or any student-specific consultation.	Cash awards that are negotiated as part of mediation, or that are required as the result of a due process hearing, may not be paid with IDEA funds.
<input checked="" type="checkbox"/>		LEGAL EXPENSES—PROFESSIONAL DEVELOPMENT / POLICY DEVELOPMENT: Contracted staff training, in-service, or policy development and review.	
<input checked="" type="checkbox"/>		MAINTENANCE OF SPECIAL EDUCATION EQUIPMENT: Assistive technology devices; copying machines, printers, elevators, etc.	If the equipment is used for special education only, the cost of maintaining the equipment may be charged to the IDEA grant.
	<input checked="" type="checkbox"/>	MEDICAID SCHOOL-BASED SERVICES PROGRAM: Costs for claiming Medicaid funds, including third-party administrators.	The costs for 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, because they are not necessary for the performance of the IDEA grant (OMB Circular A-87, Appendix items C.1a., C.2a., and F.3.b.).
<input type="checkbox"/>		NURSE—SCHOOL-BASED: Salaries and fringe benefits for LEA employees or costs for contracted nursing services. See also “Act 221” in the Information section.	Costs must be IEP-driven or related to the evaluation of a student. Day-to-day costs of nursing services provided to all students are not allowed. Only the actual time providing related services required by IEPs or performing evaluations is allowed. If the position is not dedicated 100% to special education, school nurses must document their work with personnel activity reports as required by OMB Circular A-87.
<input checked="" type="checkbox"/>		OCCUPATIONAL THERAPISTS (OT) and OT ASSISTANTS: Salaries and fringe benefits for LEA employees or costs for contracted OT services.	
<input checked="" type="checkbox"/>		OFFICE EQUIPMENT: Equipment used by special education staff.	Allowed if the equipment is exclusively used by special education staff.

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
		<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>LEAs may rent space for alternative special education programs under the following limited circumstances: the special education program must be housed off district property; it must serve only students with disabilities; and it must be required as part of the child's placement. A detailed description is required in the grant budget.</p>
		<p>OPEB: Costs associated with Other Post-Employment Benefits.</p>	<p>Post-retirement health benefits of currently employed staff may be equitably charged to federal funds based on the actuarially determined GAAP compliant expense, if an irrevocable trust is in place. When a district establishes a legal trust to fund their OPEB liability, the contribution is considered a fringe benefit. It is coded to the appropriate individual function and object 218.</p> <p>The "pay-as-you-go" method may not be charged as a direct cost but may be covered as part of the indirect.</p> <p>For additional information on OPEB and OMB Circular A-87, please see www.dpi.wi.gov/sped/pdf/OPEB-IDEA.pdf.</p>
		<p>PARAPROFESSIONALS: Salaries and fringe benefits.</p>	<p>Paraprofessionals must work under the supervision of an appropriately licensed special education teacher and perform duties for which they are trained.</p> <p>Paraprofessionals paid with IDEA funds are to work directly with students with disabilities, and may not be assigned as support to a general education class as a whole. Paraprofessionals who are assigned to a general education class as general support are to be paid from general education funds, even if that class includes students with disabilities.</p>
		<p>PARENT LIAISONS: Salaries and fringe benefits or contracted services.</p>	<p>Salary and fringe benefits are allowed ONLY to the extent the parent liaison provides support to parents of students with disabilities. If the position is not dedicated 100% to special education, parent liaisons must document their work with personnel activity reports required by OMB Circular A-87.</p>
		<p>PHYSICAL THERAPISTS (PT) and PT ASSISTANTS: Salaries and fringe benefits for LEA employees or costs for contracted PT services.</p>	

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
		POLICE LIAISON: Salaries and fringe benefits for LEA employees or costs for contracted police liaison services.	<p>Costs must be unique services provided only to students receiving special education services. The day-to-day cost of services to the entire student population or a portion of the cost of services provided to the entire student population is not an allowable cost.</p> <p>Only the actual time spent supporting special education is allowed. If the position is not dedicated 100% to special education, LEA-employed police liaisons must document their work with personnel activity reports as required by OMB Circular A-87.</p>
<input checked="" type="checkbox"/>		PARENTALLY-PLACED PRIVATE SCHOOL STUDENTS—SPECIAL EDUCATION AND RELATED SERVICES: Equitable services.	Equitable services may be provided by employees of a school district or through contract with an individual, agency, organization, or other entity. For additional information on equitable services, view http://www.dpi.wi.gov/sped/bul06-03.html .
<input checked="" type="checkbox"/>		PLAYGROUND EQUIPMENT: Accessible playground equipment.	The additional costs of making a playground accessible to students with disabilities are allowed. Additional equipment or the additional cost of acquiring accessible equipment may be funded. The equipment may be used in a regular education setting, even if one or more nondisabled students benefit.
<input checked="" type="checkbox"/>		PRESCHOOL TUITION: Tuition paid to non-LEA preschool programs.	Tuition for a preschool program is allowed if charged for a placement made by an LEA to provide a student with FAPE. Only the cost of the time necessary to provide FAPE is allowed, including time when special education services are provided by LEA staff in the preschool setting. If the parent enrolls the student in the non-LEA preschool program for additional time, the parent is responsible for the tuition, and the cost of the additional time is not allowed.
	<input checked="" type="checkbox"/>	PRINCIPALS OR ASSISTANT PRINCIPALS: Salaries and fringe benefits.	Salaries for principals and assistant principals may not be charged to the IDEA grant. If an individual is employed as a part-time principal and also as a part-time special education teacher or provider, the salary and fringe benefits for teaching special education or providing other special education services may be charged to the IDEA grant. The individual must document the work with personnel activity reports as required by OMB Circular A-87.
<input checked="" type="checkbox"/>		PROFESSIONAL DEVELOPMENT: Costs associated with registration fees, travel, conference expenses, and providers.	Registration fees, travel, and conference expenses associated with special education in-service training of regular education and special education staff are allowed.

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
		PSYCHOLOGISTS— SCHOOL-BASED: Salaries and fringe benefits. See also “Act 221” in the Information section.	School psychologists must be employees or contracted services for private practice school psychologists for direct services to students. Costs must be IEP-driven or related to the evaluation of a student. Day-to-day costs of services provided to all students are not allowed. Only the actual time spent supporting special education is allowed. If the position is not dedicated 100% to special education, school psychologists must document their work with personnel activity reports as required by OMB Circular A-87.
<input checked="" type="checkbox"/>		PSYCHOLOGISTS— STUDENT EVALUATIONS: Contractual costs.	Allowed only for a psychologist to provide evaluation services.
		REMODELING: Costs associated with remodeling due to the unique needs of a student or students with a disability.	Remodeling costs must be excess costs of special education. Remodeling must meet the needs of one or more students with disabilities. Remodeling costs for the general purpose of bringing facilities into compliance with Section 504 and ADA requirements are not allowed. Costs must be necessary and reasonable. LEAs must have prior approval from USOE to use IDEA funds for remodeling.
		RENT—FACILITIES: Costs associated with renting off-site locations for special education programs. Costs are allowed under limited circumstances.	LEAs may rent space for alternative special education programs under the following limited circumstances: the special education program must be housed off district property; it must serve only students with disabilities; and it must be required as part of the student’s placement. A detailed description is required in the grant budget.
<input checked="" type="checkbox"/>		SECRETARIAL STAFF: Salaries and fringe benefits.	Only the actual time spent supporting special education is allowed. If the position is not dedicated 100% to special education, secretarial work must be documented by personnel activity reports required by OMB Circular A-87.
		SECURITY CAMERAS or OTHER SECURITY MEASURES See also “Equipment— Security”	Generally, security cameras are not an excess cost of special education. However, when the camera or other device is purchased for a vehicle used only to provide special transportation to students with disabilities, it is allowed.

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
		SMART BOARDS	<p>Acquisition of SMART boards are NOT an excess cost, and therefore not allowed, if the LEA has decided to equip classrooms in a school and simply charges the IDEA grant a prorated amount based upon the number of students with disabilities in the school.</p> <p>The equipment is an excess cost when related to the needs of a student with a disability in accordance with the IEP. It may be provided in a regular education class or other education-related setting, even if one or more nondisabled students benefit. When the equipment is no longer needed to meet the IEP needs of a student with a disability, it must be managed or disposed of in accordance with 34 CFR 80.32, Education Department General Administrative Regulations. http://edocket.access.gpo.gov/cfr_2004/julqtr/pdf/34cfr80.32.pdf</p>
		SOCIAL WORKERS— SCHOOL BASED: Salaries and fringe benefits.	<p>School social workers must be employees or contracted for private practice social workers to provide school social work services directly to students.</p> <p>Costs must be IEP-driven or related to the evaluation of a student. Day-to-day costs of services provided to all students are not allowed. Social workers must be appropriately licensed to deliver services they are assigned.</p> <p>Only the actual time spent supporting special education is allowed. If the position is not dedicated 100% to special education, social workers must document their work with personnel activity reports as required by OMB Circular A-87.</p>
		SOCIAL WORKERS— STUDENT EVALUATIONS: Contractual costs.	Allowed only for a social worker to provide evaluation services.
		STAFF DEVELOPMENT: Costs associated with registration fees, travel, conference expenses, and providers.	Registration fees, travel, and conference expenses associated with special education in-service training of regular education and special education staff are allowed. In addition, LEAs may coordinate IDEA funds with funds from other sources (e.g., Title I ESEA) in school-wide staff development activities to improve outcomes for all students. In school-wide staff development activities, IDEA funds may be used for the total cost of professional development in the same proportion as the number of special education and related service personnel receiving professional development is to the total school personnel participating.

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
<input checked="" type="checkbox"/>		STIPENDS FOR STUDENTS WITH DISABILITIES: Costs associated with student workers charged under salaries or purchased services.	A student must receive the minimum wage if she/he 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, paid positions may remain unfilled and regular employees may be relieved of their normal duties. A student may receive less than the minimum wage if she/he is not in an employment relationship. A student is not in such a relationship if the student works as part of an educational activity for the benefit of the student, the student does not displace a regular employee, and the student works under close supervision.
	<input type="checkbox"/>	STUDENT CONSULTATION TEAMS: Salaries and fringe of team members, meeting expenses, stipends, travel.	These meetings are not devoted to the identification, evaluation, or placement of students with disabilities, or the provision of special education services students or issues; therefore, meeting costs are not allowed.
<input checked="" type="checkbox"/>		STUDENT EVALUATIONS: Personnel, supplies, or contracted services.	
<input checked="" type="checkbox"/>		SUBSTITUTE TEACHERS: Salaries and fringe benefits.	Substitute teacher costs are allowed for special education teachers. Substitute teacher costs are allowed for regular education teachers performing duties such as attending special education inservice training, attending IEP team meetings, or engaging in planning meetings or consulting with special education teachers to benefit students with disabilities.
	<input type="checkbox"/>	SUMMER SCHOOL: Salaries and fringe of instructors, aides, paraprofessionals, adaptive equipment, transportation, supplies or any other costs related to a student with disabilities attending summer school. See also "Extended School Year (ESY)."	Summer school classes are not special education, because they are not required; they are not based upon the student's individual needs, and they do not require an IEP. Thus, they are not excess costs of providing special education. See Bulletin #96.01.
	<input type="checkbox"/>	SUPERINTENDENTS (DISTRICT ADMINISTRATORS): Salaries and fringe benefits.	The salary and fringe benefits of superintendents cannot be charged to federal grants, even if the superintendent is providing special education support and is appropriately licensed (OMB Circular A-87, Attachment B, #19).
<input checked="" type="checkbox"/>		TEACHERS—SPECIAL EDUCATION: Salaries and fringe benefits.	Special education teachers must be employees of an LEA or contracted for instructional services, if properly licensed under the USOE.

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
		<p>TEACHERS—REGULAR EDUCATION: Salaries and fringe benefits.</p> <p>See also “Substitute Teachers.”</p>	<p>Regular education teachers may be paid to attend special education in-service activities and IEP meetings. Time must be documented in a Personnel Activity Report</p> <p>Instructional costs of regular education teachers are not allowed, even when students with disabilities are assigned to that teacher.</p> <p>Instructional costs of a teacher with both special education and regular education licensure are allowed only when the teacher is assigned as a special educator.</p> <p>If the teacher is assigned as a general educator the salary (or a portion of salary) may not be charged to IDEA, even if the teacher has a sizeable number of students with disabilities assigned to the class.</p>
		<p>TECHNOLOGY STAFF: Salaries and fringe benefits for LEA employees or costs for contracted IT services.</p>	<p>LEA technology staff expenses for programming or maintaining special education and related services databases and applications are allowed and may include coordination or administration of technology services.</p> <p>Private contracts for special education database maintenance or programming also are allowed.</p> <p>If the position is not dedicated 100% to special education, then the individual must document his/her work with personnel activity reports as required by OMB Circular A-87.</p>
		<p>TIMEOUT ROOMS: Construction or alteration of facilities.</p>	
		<p>TRANSITION SERVICES—PRESCHOOL: Costs associated with preschool transition activities.</p>	<p>Services must be identified in the student’s IEP. These costs may also be incurred when school is not in session.</p>

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
<input checked="" type="checkbox"/>		<p>TRANSITION—EMPLOYMENT SKILLS: Costs associated with work experiences, job coaches, acquisition of employment skills.</p>	<p>LEAs may contract with agencies to facilitate the acquisition of employment skills for students with disabilities typically ages 18–21. The transition services must be identified in students' IEPs. The costs also may be incurred when school is not in session.</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 of special education teachers, who must prescribe instruction and evaluate the results of instruction.</p> <p>LEAs also may pay student stipends for work in school either as salary under object 100 or as contracted services under object 300.</p>
<input checked="" type="checkbox"/>		<p>TRANSITION—INDEPENDENT LIVING SKILLS: Rental of property used for developing independent living skills.</p>	<p>LEAs may lease property from individuals or agencies for teaching independent living skills required by students' IEPs. The rent is listed under object 500.</p>
<input checked="" type="checkbox"/>		<p>TRANSPORTATION COSTS—SPECIAL EDUCATION: Costs incurred by the LEA for transporting students with disabilities.</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>
<input checked="" type="checkbox"/>		<p>TRANSPORTATION—CONTRACTED FOR SPECIAL EDUCATION: Costs associated with private agencies, other LEAs, or parents.</p>	<p>A contract with parents is allowed if the transportation is to transport a students with a disability who requires special assistance in transportation (special transportation or additional transportation), including a student with a disability attending regular classes.</p>
<input checked="" type="checkbox"/>		<p>TUITION FOR SPECIAL EDUCATION INSTRUCTIONAL STAFF</p>	<p>Tuition is allowed as a fringe benefit for special education instructional staff. Budget this item as improvement of instruction under the salaries and fringe benefits object (100s/200s).</p>
<input type="checkbox"/>		<p>TUITION: Tuition for placement by an LEA to provide a student with FAPE.</p>	<p>Generally, tuition is allowed if charged for a placement made by an LEA to provide a student with FAPE. However, only the excess cost of providing special education services is allowed. The teachers must hold proper USOE licenses. The services must be provided consistent with an IEP; at no cost to parents; and under the supervision of the Local Education Agency.</p> <p>Tuition is allowed for placement in a Utah or out of state private school. The school must be listed with the USOE and approved for LEA placements.</p> <p>Tuition for a preschool program; see “Preschool Tuition” above.</p>

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
<input checked="" type="checkbox"/>		TUITION—TECHNICAL COLLEGE CLASSES FOR STUDENTS WITH DISABILITIES: Tuition to a local technical college for a special education program for a student with a disability.	These expenses are allowed if the program is required by the IEP and the student receives high school credit.
		TUTORING: Salaries and fringe benefits or stipends related to special education instructional service for students with disabilities only.	Instruction must be provided by a licensed special education teacher or an aide may provide services under the direction of a licensed special education teacher.
<input checked="" type="checkbox"/>		UNEMPLOYMENT INSURANCE:	Employer expenses for unemployment insurance granted as fringe benefits 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 LEA employees.
		VEHICLE PURCHASE, LEASE or RENTAL: Vehicle purchase or lease, insurance, repair, and maintenance. See also “Transportation Costs—Special Education.”	Vehicles must be used ONLY to transport students with disabilities who require special assistance in transportation (special transportation or additional transportation), including students with disabilities attending regular classes. A detailed description is required in the grant budget.
		WORKER’S COMPENSATION	Employer expenses for worker’s compensation granted as fringe benefits under established written policies are allowable. Worker’s compensation benefits must be allocated to the grant in a manner consistent with the pattern of benefits for all LEA employees.

Additional OMB circular A-87 costing principles:

Not Allowed: **Entertainment.** Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

Not Allowed: **Contributions and donations.** Contributions and donations, including cash, property, and services, by governmental units to others, regardless of the recipient, are unallowable.

Appendix D: Excess Costs

Excess Costs

Authority

- Calculate the amount that must be expended on education of students with IEPs before Federal IDEA Part B funds may be used for excess costs of special education and related services (*34 CFR §300.202(a–b); USBE SER IX.B.3–5*).
- Show the required amount was spent on the education of students with IEPs (*34 CFR §300.202(b)(2)(i), 300.163(a), 300.175(b), 300.227(a)(2)(ii); USBE SER IX.B.3–5*).

Purpose

The purpose of the Federal requirement for excess costs calculation is to enable local education agencies (LEAs) to show that they have spent the LEA average per pupil amount from State and local general and special education funds on the education of students with disabilities before spending IDEA Part B funds on the excess costs of the specialized instruction and related services for the student with disabilities.

The education of a student with disabilities incurs costs above and beyond those costs of educating a student with no special needs. These allowable costs include teachers trained and licensed to provide instruction with specialized curriculum, methods, adaptations, assessment, and other specific skills; special equipment and materials; related services such as speech, occupational and physical therapy; and other costs.

- Nearly all students with disabilities receive basic (regular) education as well as some amount of special education. Students with disabilities receive only the amount of special education needed to enable them to make progress; few need or receive specialized instruction for the whole school day or week (*34 CFR 300.320(a)(4)*).
- Even students with disabilities who are in special classes are provided some basic or general education that must be paid for by State and local general education funds. Such costs must, for example, include general education teacher salaries for classes where students with disabilities are educated with nondisabled students for part of the school day.
- State and local special education funds are included in the cost of education of students with disabilities that must be demonstrated before using IDEA Part B funds for the excess costs of special education.

Excess Costs Regulations

The Federal requirements in IDEA Part B include calculation of the “excess costs” of special education. Each LEA is responsible for calculating the amount of those excess costs annually (*34 CFR §300.202(b)(2)(ii)*).

Definition of Excess Costs (34 CFR §300.16)

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 [regular education] per student expenditure in an LEA during the preceding school year for an elementary school or secondary school student, as may be appropriate, and that must be computed after deducting:

(a) amounts received under IDEA Part B, under Part A of Title I of ESEA, and under Title III Parts A and B of the ESEA, and

(b) any State or local funds expended for programs that would qualify for assistance under any of the parts described in (a) of this section, but excluding any amounts for capital outlay or debt service.

Use of Amounts (34 CFR §300.202)

General

Amounts provided to the LEA under IDEA Part B must be expended in accordance with applicable provisions and must be used only to pay the excess costs of providing special education and related services to students with disabilities, and must be used only to supplement State, local, and other Federal funds and not to supplant those funds.

Excess costs requirement

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 student with a disability, except that the excess cost requirement does not prevent an LEA from using Part B funds to pay for all of the costs directly attributable to the education of a student with a disability in any of the ages 3, 4, 5, 18, 19, 20 or 21, if no local or State funds are available for nondisabled students of these ages. The LEA must comply with the nonsupplanting and other requirements of Part B in providing the education and service for these students.

An LEA meets the excess cost requirement if it has spent at least a minimum average amount for the regular education of its students with disabilities before funds under IDEA Part B are used. The amount is determined in accordance with the definition of excess costs above and may not include capital outlay or debt service.

Calculating Excess Costs for Elementary and Secondary Students

The LEA must compute the minimum average amount **separately** for students with disabilities in its elementary schools and for students with disabilities in its secondary schools. LEAs may not compute the minimum average amount it must spend on the education of students with disabilities based on a combination of the enrollments in its elementary schools and secondary schools.

Each LEA defines Elementary and Secondary by its own configuration of grade levels.

- Elementary: K–5, K–6, and so on.
- Secondary: 5–12, 6–12, 7–12, and so on.

For post-high school students:

- Some students with disabilities continue education services until they age out at 22 or until they receive a regular high school diploma.
- These students may be receiving some regular education and some special education services during these years.
- Costs of education for some post-high school students with disabilities may be entirely paid from special education funds.

Excess Costs Calculation

Calculation of excess costs is conducted on the funding from the fiscal year previous to the year reported. The calculation of excess costs is made up of two parts:

Part I. Calculation of the amount that the LEA must spend on the regular education costs of educating students with disabilities before it can spend IDEA Part B funds on the excess costs of special education.

Part II. Determining how much the LEA actually did spend on the regular education costs of educating students with disabilities to ensure that it was equal to or exceeded the required amount.

In order to determine the average expenditure per student for elementary and secondary separately, the following is provided as guidance for LEAs in allocating funds to elementary and secondary schools.

Excess Cost Allocation Instructions

For most costs the most preferable allocation would be based upon school location codes. If all costs are not separated by school location codes, then the following guidance is provided.

Function Number and Title	Area	Description
Function 1000—Instructional	Salaries	Costs of teacher salaries and instructional aides should be allocated by location. There is no alternative for salaries in the 1000 function.

	Benefits	If fringe benefits are not allocated for the 1000 function the Social Security costs should be calculated based upon the salaries at the school level. The retirement and other fringe benefits should be allocated based upon the teacher salaries as a whole for the level (elementary vs. secondary) and allocated to the instruction function.
	Contracted services	There should be adequate documentation to allocate the costs by level based upon the purchase orders and invoices from contractors.
	Supplies	There should be adequate documentation to assign supply purchases to the school location and then allocate costs by level.
	Equipment	There should be adequate documentation to assign equipment purchases to the school location and then allocate costs by level.
	Dues and fees	There should be adequate documentation to assign dues and fees costs to the school location and then allocate costs by level.
	All other 800 object codes should be charged to other functions and allocated based upon the instructions for that function. Other objects would include things such as indirect costs or other training codes.	
Function 2100— Support Services Students	Salaries	Where personnel work at a school location, the salaries should also be coded to the school location. Where there are itinerant workers who do not work on a regular basis at a set location but are assigned day to day based upon needs, their salaries should be allocated based upon student population counts by level (elementary vs. secondary).
	Benefits	If fringe benefits are not allocated for the 2100 function the Social Security costs should be calculated based upon the salaries at the school level. The retirement and other fringe benefits should be allocated based upon the teacher salaries as a whole for the level (elementary vs. secondary) and allocated to the Support Services Students function.
	All other costs if not directly attributed to the schools should be divided based upon the student populations in elementary and secondary schools.	
Function 2200— Support Services Staff	Salaries	Direct services such as media centers should be charged to the school level. All other costs such as staff inservice and other curriculum uses should be divided based upon student population in elementary and secondary schools.

	Benefits	If fringe benefits are not allocated for the 2100 function, the Social Security costs should be calculated based upon the salaries at the school level. The retirement and other fringe benefits should be allocated based upon the teacher salaries as a whole for the level (elementary vs. secondary) and allocated to the Support Services Staff function.
		All other costs if not directly attributed to the schools should be divided based upon the student populations in elementary and secondary schools.
Function 2300— Support Services District Administration		All costs in this function should be divided between elementary and secondary based upon the student populations in elementary and secondary schools.
Function 2400— Support Services School Administration		All costs in this function should already be coded to a school level, and therefore no allocation of costs in this function other than those at the school level would be appropriate.
Function 2500— Support Services Central		All costs in this function should be divided between elementary and secondary based upon the student populations in elementary and secondary schools.
Function 2600— Support Services— Operation and Maintenance of Plant	Salaries	All direct services such as custodial salaries should already be charged directly to the school level. Any other salaries such as LEA maintenance salaries should be divided based upon student population in elementary and secondary schools.
	Benefits	If fringe benefits are not directly allocated for the 2600 function, the Social Security costs should be calculated based upon the salaries at the school level. The retirement and other fringe benefits should be allocated based upon the staff salaries as a whole for the level (elementary vs. secondary) and allocated to the Support Services Operation and Maintenance of Plant function.
	Contracted Services	Contracted services which have not been directly charged to a school level should be divided based upon the student populations in elementary and secondary schools.

	Utilities	Most utility services are tied to a metering system of some sort. All metered utilities should be directly charged to the school and divided for this calculation based upon the school level. For any unmetered utilities such as irrigation water or other bulk-type charges, the costs should be charged based upon the school using the utilities. If a utility is shared because two or more schools are close enough in proximity to share the service, the utility cost should be divided between the sharing schools based upon student population and counted in the costs for the respective level, either elementary or secondary.
	Materials and Supplies	All materials and supplies used in the schools should be directly charged to the school's location and divided based on the school level. For maintenance materials and supplies, if a job costing system is in place the materials should be charged to the locations receiving the services. If no job costing system is in place the maintenance materials and supplies costs should be divided based upon student population and counted in the costs for the respective level either elementary or secondary.
	All Equipment	Any equipment purchased at for school use should be charged to the school level. All maintenance equipment should be divided based upon the student population and counted in the costs for the respective level either elementary or secondary. (This only applies to equipment purchased and charged to the General Fund.)
Function 2700— Support Services Student Transportation		All costs under this function should be divided based upon the student population and counted in the costs for the respective level, either elementary or secondary.

Excess Costs Calculation Examples

PART I—AVERAGE EXPENDITURE PER STUDENT

Elementary Example, Part I

The following example shows how to compute the average per pupil amount an LEA must spend for the education of each of its elementary school students with disabilities before it may use funds under IDEA Part B for the excess costs of special education.

- A. Determine the total expenditure for elementary school students from all sources (Local, State, Federal (including IDEA Part B)) in the previous school year.
- B. Exclude capital outlay and debt service.
- C. Exclude certain other Federal, State, and Local funds.
- D. Determine the average annual per pupil expenditure for elementary school students for the previous year, including students with disabilities.
- E. Determine the total minimum amount of funds that the LEA must spend on the education of elementary school students with disabilities.

A.	Expenditures from state funds	\$ 6,000,000
	Expenditures from local funds	\$ 500,000
	Expenditures from federal funds	\$ 600,000
	Total expenditure from all sources	\$ 7,100,000
B.	Capital outlay & debt service	\$ 60,000
	Total expenditure less capital outlay and debt service	\$ 7,040,000
C.	Expenditures from IDEA Section 611 (3-21) funds	\$ 200,000
	Expenditures from IDEA Section 619 (3-5) funds	\$ 250,000
	Expenditures from ESEA Title I-A funds	\$ 50,000
	Expenditures from ESEA Title III-A & B funds	\$ 500,000
	Expenditures from state special education funds	\$ 100,000
	Expenditures from local special education funds	\$ 50,000
	Expenditures from state or local funds used for Title I-A	\$ -
	Expenditures from state or local funds used for Title III-A & B	\$ -
	Subtotal: restricted program expenditures for schools	\$ 1,150,000
	Total expenditures, minus capital outlay, debt service, and other federal, state & local funds	\$ 5,890,000
D.	Total ADM student enrollment (all students)	800,000
	Average annual per student expenditure	\$ 7,363
E.	Total ADM students with disabilities	100,000
	Average annual per student expenditure	\$ 7,363
	Total minimum amount the LEA must spend on the education of students with disabilities from state and local funding sources, before using IDEA funds to offset the Excess Costs of special education	\$ 736,250

The same procedure must be followed for calculation of excess costs for students with disabilities in the LEA's secondary schools.

Secondary Example, Part I

The following example shows how to compute the average per pupil amount an LEA must spend for the education of each of its secondary school students with disabilities before it may use funds under IDEA Part B for the excess costs of special education.

- A. Determine the total expenditure for secondary school students from all sources (Local, State, Federal (including IDEA Part B)) in the previous school year.
- B. Exclude capital outlay and debt service.
- C. Exclude certain other Federal, State, and Local funds.
- D. Determine the average annual per pupil expenditure for secondary school students for the previous year, including students with disabilities.
- E. Determine the total minimum amount of funds that the LEA must spend on the education of secondary school students with disabilities.

A.	Expenditures from state funds	\$ 7,000,000
	Expenditures from local funds	\$ 500,000
	Expenditures from federal funds	\$ 700,000
	Total expenditure from all sources	\$ 8,200,000
B.	Capital outlay & debt service	\$ 70,000
	Total expenditure less capital outlay and debt service	\$ 8,130,000
C.	Expenditures from IDEA Section 611 (3-21) funds	\$ 250,000
	Expenditures from IDEA Section 619 (3-5) funds	\$ -
	Expenditures from ESEA Title I-A funds	\$ 50,000
	Expenditures from ESEA Title III-A & B funds	\$ 500,000
	Expenditures from state special education funds	\$ 100,000
	Expenditures from local special education funds	\$ 50,000
	Expenditures from state or local funds used for Title I-A	\$ 50,000
	Expenditures from state or local funds used for Title III-A & B	\$ -
	Subtotal: restricted program expenditures for schools	\$ 1,000,000
	Total expenditures, minus capital outlay, debt service, and other federal, state & local funds	\$ 7,130,000
D.	Total ADM student enrollment (all students)	700,000
	Average annual per student expenditure	\$ 10,186
E.	Total ADM students with disabilities	110,000
	Average annual per student expenditure	\$ 10,186
	Total minimum amount the LEA must spend on the education of students with disabilities from state and local funding sources, before using IDEA funds to offset the Excess Costs of special education	\$ 1,120,429

Calculation Form

Calculation forms are available on the USOE website at www.schools.utah.gov/sars/Finance/Fiscal-Monitoring.aspx. Several formats are available to meet the needs of the LEA, but each calculator will result in the same minimum amount.

In order to use the calculators, the total LEA costs must be available for:

- Total of all Federal, State, and local expenditures for elementary and secondary separately.
- Capital outlay and debt service for elementary and secondary students separately.
- Title I and Title III costs for elementary and secondary students separately.
- Any State or local funds used for any Title I and/or Title III program for elementary and secondary students separately.
- State and local special education funds for elementary and secondary students separately.

PART II — DETERMINING ACTUAL EXPENDITURES

Once the amount of State and local funds to be spent on the education of students with disabilities is calculated, the amount actually expended is determined using data from the LEA's Financial Annual Program Report (APR). The expenditures must be calculated separately for elementary and secondary in order to compare with the elementary or secondary amount calculated in Part I.

This is an example of determining expenditures using programs in which elementary students might participate:

Step 1. Calculate the prevalence rate of students with disabilities for elementary schools (separate from rate for secondary).

Step 2. Take the amount spent on students in elementary grades as defined by the LEA from the APR in the each funding program in which elementary students with disabilities participate:

- APR State Special Education Expenditures
- APR Local Special Education Expenditures (if any)
- APR Total General Education Expenditures
- APR Quality Teaching
- APR Trustlands
- APR Nurse
- APR Education Salary Adjustment

- APR Special Education Teacher Extended Year Days
- APR Extended Day Kindergarten
- APR K–3 Reading
- APR Teacher Materials and Supplies
- APR Food Service
- APR State At-Risk Programs
- Any other State and local funds that the LEA has expended on general education programs in which students with disabilities participated

Step 3. Multiply each expenditure amount by the prevalence rate for elementary students with disabilities.

Step 4. Total the actual expenditures for the education of students with disabilities.

Step 5. Compare with the required expenditure amount from Part I.

Elementary Example, Part II

Step 1. This LEA has defined elementary for the excess costs calculation as grades K–6 and the amount of non-Federal funds calculated in Part I that needs to be spent on the education of students with disabilities was \$736,000. The LEA has 800 students enrolled in grades K–6. The LEA has 100 students with disabilities in grades K–6. The prevalence of elementary students with disabilities is $100/800 = 12.5\%$.

Steps 2–4.

Program for Grades K–6	Total Amount	Prevalence of Students with Disabilities	Amount on SpEd
State Special Education Expenditures (Less Capital Outlay)	\$500,000		\$500,000
APR Local Special Education Expenditures	\$10,000		\$10,000
APR Total General Education Expenditures	\$3,248,000	12.5%	\$406,000
APR Quality Teaching	\$125,000	12.5%	\$15,625
APR Trustlands	\$40,000	12.5%	\$5,000
APR Nurse	\$6,000	12.5%	\$750
APR Education Salary Adjustment	\$259,000	12.5%	\$32,375
APR Special Education Teacher Stipends	\$7,500		\$7,500
APR Extended Day Kindergarten	\$35,000	12.5%	\$4,375
APR K–3 Reading	\$93,000	12.5%	\$11,625
APR Teacher Materials and Supplies	\$14,000	12.5%	\$1,750

APR Food Service	\$387,000	12.5%	\$48,375
APR State At-Risk Programs	\$9,400	12.5%	\$1,175
Total non-Federal funds spent for education of students with disabilities			\$1,044,550

Step 5. Compare with the required expenditure amount from Part I.

Amount required to be spent on the education of elementary students with disabilities before using IDEA Part B funds for the excess costs of special education.	\$736,250
Amount of actual expenditures from above (must be equal to or greater than line above).	\$1,044,550

The LEA has exceeded the required expenditure amount of expenditures for the previous fiscal year and therefore may use IDEA Part B funds for the excess costs of special education of elementary students with disabilities.

Secondary Example, Part II

Step 1. This LEA has defined secondary for the excess costs calculation as grades 7–12 and the amount of non-Federal funds calculated in Part I that needs to be spent on the education of secondary students with disabilities was \$1,120,350. The LEA has 700 students enrolled in grades 7–12. The LEA has 110 students with disabilities in grades 7–12. The prevalence of secondary students with disabilities is $110/700 = 15.7\%$.

Steps 2–4.

Program for Grades 7–12	Total Amount	Prevalence	Amount on SpEd
State Special Education Expenditures (Less Capital Outlay)	\$350,000		\$350,000
APR Local Special Education Expenditures (if any)	\$5,000		\$5,000
APR Total General Education Expenditures	\$4,562,000	15.7%	\$716,234
APR Quality Teaching	\$146,000	15.7%	\$22,922
APR Trustlands	\$25,000	15.7%	\$3,925
APR Nurse	\$4,500	15.7%	\$707
APR Education Salary Adjustment	\$524,000	15.7%	\$82,268
APR Special Education Teacher Days	\$16,000	15.7%	\$2,512
APR Recreation Levy	\$620,000	15.7%	\$97,340
APR School Activity	\$940,800	15.7%	\$147,706
APR Teacher Materials and Supplies	\$63,000	15.7%	\$9,891
APR Food Service	\$321,000	15.7%	\$50,397

APR State At-Risk Programs	\$5,000	15.7%	\$785
APR State Adult High School	\$330,500	15.7%	\$103,699
Total			\$1,593,386

Step 5. Compare with the required expenditure amount from Part I.

Amount required to be spent on the education of secondary students with disabilities before using IDEA Part B funds for the excess costs of special education.	\$1,120,429
Amount of actual expenditures (must be equal to or greater than line above).	\$1,593,386

The LEA has exceeded the required expenditure amount and therefore may use IDEA Part B funds for the excess costs of special education of secondary students with disabilities.

The excess cost calculations for Part I and Part II for elementary and secondary are to be submitted to the USOE SES Fiscal Specialist by December 1 of each year.

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Appendix E: Time and Effort Accounting

Time and Effort Reporting for Federal Programs

Questions and Answers

What is the authority for this requirement?

Time and effort reporting is required under the Federal Office of Management and Budget's Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, Attachment B, Selected Items of Cost, Item 11, Compensation for Personnel Services.

When is time and effort reporting required?

Time and effort reporting is required when any part of an individual's salary is charged to a Federal program or used as match for a Federal program.

What type of reporting is needed?

If the employee is paid from a single-cost objective, semiannual certification is needed; if the employee is paid from multiple-cost objectives, monthly time reports or Personnel Activity Reports (PARs) are needed.

What is a semiannual certification?

A statement the employee worked solely on activities related to a single-cost objective, completed at least every six months and signed by the employee or supervisor with first-hand knowledge of the work performed.

What is a monthly time report (PAR)?

A monthly time report accounts for the employee's total time/activity, prepared and signed at least monthly by the employee, and reflects actual—work performed (not time or work budgeted).

What about employees who work for schoolwide programs under the ESEA?

A schoolwide plan ***must*** specify programs to be included. A schoolwide program is a single-cost objective, so if employee works 100% on programs combined then group or individual semiannual certification is required. If employee works partially on programs combined and partly on those not combined, then a monthly time report (PAR) is needed.

<http://www.whitehouse.gov/omb/circulars/a087/toc.html> — OMB A-87

Time and Effort Certification

Federal regulations require employees whose salaries are paid from a single Federal program to file written documentation at least twice a year certifying that the employee's actual duties are consistent with the specific Federal program requirements for that Federal funding source. The signed forms should be kept on file with the LEA.

Sample Personnel Activity Report forms are available on the USOE website at <http://www.schools.utah.gov/sars/Finance/Fiscal-Monitoring.aspx>. Each LEA may design a form that fits their payroll and personnel policies and practices. The report must meet the following minimum requirements (OMB A-87):

- Reflect an after-the-fact reporting of the actual activity for each employee, not an estimate based on percentages or budgeted time distribution
- Prepared at least monthly for employees paid from more than one funding source, or at least twice annually for employees paid 100% from a single Federal program
- Account for the total activity of the employee
- Signed by the employee

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Appendix F: USOE Appeals Procedures Regarding IDEA Funding Decisions

At least annually (and more frequently if needed), each LEA will receive a written initial notification of LEA status and amount of IDEA funding. The written notification will include a copy of the LEA data used in making the decision (e.g., fiscal, child count, monitoring, receipt of complete LEA application for funds, etc.).

The USOE-SES decision will become final 30 days after the date of the notification, if LEAs do not respond with a written appeal. A written appeal may be filed if the LEA has documentation to support that the information/data the decision is based upon is inaccurate.

To file a written appeal of the IDEA funding decision, please contact the USOE State Director of Special Education in writing within 30 days of receiving the IDEA funding letter. Please include a statement regarding the decision and/or data to be reviewed in the appeal and include documentation supporting the claim. Written appeal requests and documentation should be sent to:

Utah State Office of Education Special Education Services
Attn: State Director of Special Education
P.O. Box 144200
250 East 500 South
Salt Lake City, UT 84114-4200

Upon receipt of a written appeal, the USOE-SES will provide the LEA with an opportunity for a hearing and convene a committee to review the appeal and documentation submitted by the LEA. Upon completion of the review by the committee, the USOE-SES will provide a written response to all written appeals within 30 days. This decision will be final.

The issue of appeals based on fiscal and funding matters occurs in several places in the IDEA Part B Federal regulations and in USBE SER.

1. If the SEA finds an LEA to be in noncompliance with the provisions of the IDEA, the SEA must not make any final determination that the LEA is not eligible for assistance under Part B without first giving said LEA reasonable notice and an opportunity for a hearing (*34 CFR §300.155*).
 - a. If the USOE determines that a LEA or State agency is not eligible for funds under Part B, then the USOE must notify the LEA or State agency of that determination and provide the LEA or State agency with an opportunity for a hearing (*34 CFR §300.221*).
 - b. Within 30 days after it receives a request for a hearing the USOE shall hold a hearing on the record and shall review its actions. No later than 10 days after the hearing, the USOE shall issue its written ruling, including findings of fact and reasons for the ruling. If the USOE determines that its action was contrary to State or Federal statutes, regulations or rules that govern the program the USOE shall rescind its action (*USBE SER VIII.R.4(a-d)*).

2. The LEA in providing for the education of students with disabilities within its jurisdiction, must have in effect policies, procedures, and programs that are consistent with State policies and procedures (*34 CFR §300.201*).
3. If the SEA, after reasonable notice and an opportunity for a hearing, finds that an LEA or State agency that has been determined to be eligible under this subpart is failing to comply with any requirement for eligibility (*34 CFR §300.201–213; USBE SER IX.A-1*), the SEA must reduce or must not provide any further payments to the LEA or State agency until the SEA is satisfied that the LEA or State agency is complying with that requirement (*34 CFR §300.222(a)*).
 - a. Any LEA in receipt of a notice described in section 1 above, shall, by means of public notice, take the measures necessary to bring the pendency of an action pursuant to this section to the attention of the public within the jurisdiction of the agency (*34 CFR §300.222(b)*).
 - b. The SEA must consider any decision resulting from a hearing held under the procedural safeguards in 34 CFR §300.511 through 300.533 that is adverse to the LEA or State agency involved in the decision (*34 CFR §300.222(c)*).
4. If the SEA determines that the LEA or State agency:
 - a. Has not provided the information needed to establish the eligibility of the LEA under Part B of the IDEA, or elected not to apply for its Part B allotment.
 - b. Is unable to establish and maintain programs of free appropriate public education that meet the requirements of these Rules.
 - c. Is unable or unwilling to be consolidated with one or more LEAs in order to establish and maintain the programs.
 - d. Has one or more students with disabilities who can best be served by a regional or State program or service delivery system designed to meet the needs of these students.

Then the USOE must use the payments that would otherwise have been available to an LEA or to a State agency to provide special education and related services directly to students with disabilities residing in the area served by that LEA, or for whom that State agency is responsible (*34 CFR §300.227*). (The SEA may provide special education and related services under USBE SER VIII.Q.1 in the manner and at the locations as the SEA considers appropriate. The services must be provided in accordance with Part B of the IDEA.)

Times and situations when the SEA might decide to act in a way that affects LEA funding:

- Local policies, procedures and programs not submitted, not consistent with State policies and procedures; changes to local policies, procedures and programs not submitted for approval (*34 CFR §300.201*).
- Excess costs requirements not calculated and submitted; evidence of meeting excess costs not submitted (*34 CFR §300.202*).
- Maintenance of effort: MOE reduction is denied. MOE is miscalculated. (except now SEA will calculate) (*34 CFR §300.203–204*).
- Schoolwide ESEA (if any): plan not submitted, funds not tracked, students not provided with identification, evaluation, eligibility, and FAPE (*34 CFR §300.206*).
- Personnel development: LEA not ensuring that personnel to carry out Part B are appropriately and adequately prepared (*34 CFR §300.217*).
- Early intervening services (if any): plan submitted, students tracked for two years (*34 CFR §300.208*).
- Purchase of materials under NIMAC and NIMAS (*34 CFR §300.210*).
- Information not provided to SEA relating to information on performance of students with disabilities (*34 CFR §300.211*).
- Not making public documents relating to the eligibility of the LEA (*34 CFR §300.212*).
- Records not kept linking for migratory students with disabilities (*34 CFR §300.213*).
- Compliance errors not corrected within one year.
- Not meeting the requirements of Part B, including the targets in the SPP, USOE must prohibit the LEA from reducing the LEA's maintenance of effort for any fiscal year (*34 CFR §300.608*).
- Unallowable costs included in budgets related to special education programs and/or services.
- Misclassified students whose evaluation report does not support or substantiate the classification of a disability condition will be considered erroneously classified not eligible to be counted for State or Federal funds (*USBE SER X.D.1*).
- LEA thinks any funding decision is based on inaccurate data.