Special Education
Allowable Use of Funds

LEA Training
Presenter(s)

Anthony Mukuna
Senior Program Associate
WestEd

Mari Shikuzawa
Program Associate
WestEd

Sara Doutre
Senior Program Associate II
WestEd
Session Objectives

- Understanding of critical federal and state regulations governing allowable use of funds in Special Education
- Locate and tag related resources
- Understanding the concepts of obligation and period of performance
- Develop the ability to use a decision tree to determine allowability of costs
Agenda

- Regulations Governing Allowable Use of Funds
- Factors Determining Allowable Cost
- Obligations of Funds
- Allowable Cost Decision Trees
- Do It Yourself (Test Your Knowledge)
- Resources
Question 1

How would you rate your knowledge of allowable use of funds under IDEA?

a. Very strong
b. Strong
c. Fair
d. Weak
Acronyms

CFR – Code of Federal Regulation
IDEA – Individuals with Disabilities Education Act
EDGAR – Education Department General Administrative Regulations
SWD – Students with Disabilities
LEA – Local Educational Agency
UGG – Uniform Grant Guidance
USBE – Utah State Board of Education
FFP – Federal Financial Participation
Introduction

Regulations Governing Allowable Use of Funds
Federal Regulations

Understanding the Structure
Federal Regulations

• A United States Code (U.S.C.) is a law that has been passed by the US Congress
• A Code of Federal Regulation (CFR) is the interpretation of the law by the relevant federal agency
• A non-regulatory guidance is the interpretation of the regulation by the relevant federal agency
Federal and State Grant Management Laws and Regulations

Title 20 USC Chapter 33 IDEA Part B

34 CFR Part 300

Education Department General Administrative Regulations (EDGAR)

Uniform Grant Guidance
2 CFR Part 200; Part 180; Part 3474 & Part 3485

State Program Administration Regulations
34 CFR Part 75-79.81.82.84.86 & 97-99

State of Utah Education Codes

USBE Administrative Rules and Policies
Question 2

Which one of the following is a state or federal law and/or regulation governing Allowable Use of Funds under IDEA?

a. IDEA  
b. EDGAR  
c. State of Utah Education Codes  
d. All the above
Allowability of Cost

Factors for determining allowability under IDEA and EDGAR
Use of Funds

34 CFR §300.202

• Must be used only to pay the excess costs of providing special education and related services to children with disabilities.

• Must be used to supplement State, local, and other Federal funds and not to supplant those funds.
Excess Cost Requirements

34 CFR §300.202(b)

- Prevents an LEA from using IDEA funds to pay for all of the costs directly attributable to the education of a child with a disability.

- Does not prevent an LEA from using Part B funds to pay for all of the costs directly attributable to the education of a child with a disability, if no local or State funds are available for nondisabled children of these ages.

- However, the LEA must comply with the nonsupplanting and other IDEA requirements.
34 CFR §300.164 Waiver of the Requirement

- Funds paid to a State under Part B of the Act must be used to supplement and not supplant other Federal, State, and local funds expended for special education and related services.

- Except as provided under 34 CFR §300.202 through 300.205 which cover *Use of Amount and LEA MOE*. 
Allowable Cost Criteria

- Necessary, reasonable and allocable to the special education program
- Consistent with policies and procedures.
- Consistency of treatment i.e., indirect cost.
- Not a cost used to meet other cost sharing or matching requirements.
- Be adequately documented.
- Incurred during the approved budget period

2 CFR §200.403
Definitions of Criteria

• A cost is necessary if it is helpful and appropriate for your program or activities IRS Definition Publication 535.

• A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under similar circumstances.

• A cost is allocable to a particular Federal award if the goods or services involved are chargeable or assignable to that Federal award in accordance with relative benefits received.
Definitions of Criteria (cont’d)

• Consistency of treatment of a cost. If a secretary salary is treated as an indirect cost for one federal grant, it cannot be treated as direct cost for IDEA.

• Cost not used to meet other cost sharing or matching requirements. IDEA federal expenditures cannot be used for Medicaid state match.

• Adequate documentation. A cost must be supported by invoice, purchase order, contracts or time and effort for salaries.
Question 3

Which of the following is not a criteria for allowable costs under Uniform Grant Guidance?

a. Reasonable and necessary
b. Consistent treatment
c. Allocable and adequately documented
d. Less expensive
Obligation of Funds

Individuals with Disabilities Education Act (IDEA) and Education Department General Administrative Regulations (EDGAR) Requirements
Obligations are orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.
Obligations and Reimbursements

**34 CFR §76.708**

LEA may start to obligate funds from the later of the following two dates:

- The date that the State may begin to obligate funds.
- The date that the LEA submits its application to the State in substantially approvable form.

SEA may not reimburse an LEA for obligations until a final approval of the application.
### Obligations Timing

**34 CFR §76.707**

<table>
<thead>
<tr>
<th>If the obligation is for—</th>
<th>The obligation is made—</th>
</tr>
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<tbody>
<tr>
<td>(a) Acquisition of real or personal property</td>
<td>On the date on which the State or subgrantee makes a binding written commitment to acquire the property.</td>
</tr>
<tr>
<td>(b) Personal services by an employee of the State or subgrantee</td>
<td>When the services are performed.</td>
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<tr>
<td>(c) Personal services by a contractor who is not an employee of the State or subgrantee</td>
<td>On the date on which the State or subgrantee makes a binding written commitment to obtain the services.</td>
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<tr>
<td>(d) Performance of work other than personal services</td>
<td>On the date on which the State or subgrantee makes a binding written commitment to obtain the work.</td>
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<tr>
<td>(e) Public utility services</td>
<td>When the State or subgrantee receives the services.</td>
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<tr>
<td>(f) Travel</td>
<td>When the travel is taken.</td>
</tr>
<tr>
<td>(g) Rental of real or personal property</td>
<td>When the State or subgrantee uses the property.</td>
</tr>
</tbody>
</table>
Obligations

- Expenditures incurred during the approved budget period.
- Obligations must occur during the performance period of the grant.

What is a period of performance?
Period of Performance

2 CFR §200.77

Period of performance means the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award.
IDEA Grant Period of Performance

Period of Performance is a 27-month period when LEA can obligate IDEA funds and includes:

- **Forward Funding Period** of three (3) months: July 1, 2020 - September 30, 2020.
- **Award Year Funding Period** of twelve (12) months: October 1, 2020 - September 30, 2021.
- **Tydings Funding Period** of twelve (12) months period carry over for expenses not obligated in the fiscal year for which they were appropriated: October 1, 2021 - September 30, 2022.
Question 4

How long is the IDEA performance period?

a. Three (3) months Forward Funding Period
b. Twelve (12) months Award Year Funding Period
c. Twelve (12) months Tydings Period for carry over
d. Twenty-seven (27) months
Allowable Cost Decision Trees

Decision Matrix in Three (3) Steps
Question 5

An LEA wants to buy a helicopter for a child with disabilities in a special education program. Is this an allowable expense for IDEA Part B funds?

a. Yes
b. No
c. It depends
Decision Matrix

- Allowable use of funds framework
- Three (3) steps decision matrix
- Decision trees will help gather necessary information to make an informed decision
- Let’s take a look!
IDEA Statutes and Regulations Decision Tree

Is the cost allocable or attributable to the special education program?

In the absence of a special education program, would the LEA have incurred the cost?

Is the cost an excess cost of providing special education and related services?

Are there restrictions imposed for the cost by the Federal program?

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Passed
UGG and EDGAR Decision Tree

Is the cost adequate during the performance period?

- Yes
  - Stop here or find alternate funding
- No
  - Is the cost obligated during the performance period?
    - Yes
      - Is the cost also charged to Maintenance of Effort funds?
        - Yes
          - Stop here
        - No
          - Passed
    - No
      - Stop here or find alternate funding

Is the cost also charged to Maintenance of Effort funds?

- Yes
  - Stop here
- No
  - Stop here or find alternate funding

Is the cost adequately documented?

- Yes
  - Stop here or find alternate funding
- No
  - Is the cost reasonable, necessary, allocable, and consistent with LEA policies and procedures?
    - Yes
      - Stop here or find alternate funding
    - No
      - Start here or find alternate funding

Stop here or find alternate funding

Stop here
# IDEA Federal and State Funds

<table>
<thead>
<tr>
<th>IDEA Federal Funds</th>
<th>State Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Purchase Allowable</td>
<td>No Capital Purchase Allowed</td>
</tr>
<tr>
<td>LEA MOE requirement for eligibility</td>
<td>No LEA MOE requirement for eligibility</td>
</tr>
<tr>
<td>One year Carryover (Tyding Period)</td>
<td>Twenty (20%) Carryover</td>
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</tbody>
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For more details, see the Allowable Use of Funds manual
Do It Yourself

Practice Your Knowledge with a Decision Matrix
Test Your Knowledge

Allowable Use of IDEA Funds

Services
Special Education Staff Salary

Cost associated with salaries and benefits of Special Education Director, Teacher, Paraprofessional → Allowed
Secretarial Staff

Costs associated with salaries and benefits for special education secretary staff

May be allowed
Only for the actual time spent supporting special education

The work must be documented in accordance with Policies and Procedures as outlined in 2 CFR 200.430(i)
Occupational Therapists (OT) and OT Assistants

Costs associated with salaries and benefits for LEA employees or costs for contracted OT services

Allowed
Nurse - School Based

Costs associated with salaries and benefits for LEA employees or costs for contracted nursing services

May be allowed
Costs must be IEP-driven or related to the evaluation of a child

Not Allowed
For day-to-day costs of nursing services provided to all students
Superintendent/Administrator Salary

Costs associated with salaries and fringe benefits of superintendent

Not allowed
It is not an excess cost of special education. LEAs have administrators regardless.
Teachers – General Education

Costs associated with salaries and fringe benefits of general education teachers

Not allowed
Instructional costs of regular education teachers are not excess cost of special education

May be allowed
Teachers may be paid to attend special education in-service activities and IEP meetings
Business Manager Salary

Costs associated with salaries and fringe benefits of business manager

Not allowed
Not a direct cost of the program
2 CFR 200.413
Test Your Knowledge

Allowable Use of IDEA Funds

Equipment
Automatic Door Openers

Costs associated with the purchase and installation

May be allowed
Only if purchase and installation of automatic door openers is needed to provide access for a child with a disability
Equipment - Capital

Costs of equipment to support special education and related services

May be allowed
USBE SES prior approval needed. Capital equipment is equipment with a useful life of more than one year that costs $5,000 or more per unit
2 CFR 200.439 (b)(2)
Equipment - Noncapital

Costs of equipment to support special education and related services

Allowed
No prior approval needed for special education equipment not meeting the definition of capital equipment
Computers For Students

Costs of the acquisition of computers for students

Not allowed

Acquisition of computers are NOT an excess cost, and therefore not allowed if the LEA has decided to equip all classrooms in a school and simply charges the IDEA grant a prorated amount based upon the number of children with disabilities in the school.

May be allowed

Computer purchase must be related to a specific need for the education of students with disabilities.
Bus Purchase, Lease Or Rental

Costs of the vehicle purchase or lease, insurance, repair, and maintenance

May be allowed
With USBE prior approval.
Only for vehicle to transport children with disabilities who require special assistance in transportation
Remodeling Or Construction

Costs associated with remodeling due to the unique needs of a student or students with a disability

May be allowed
With USBE prior approval: Remodeling costs must be excess costs of special education. Remodeling must meet the needs of one or more children with disabilities 2 CFR 200.439 (b)(1)

Never allowed
Remodeling costs for the general purpose of bringing facilities into compliance with Section 504 and ADA requirements are not allowed
Playground Equipment

Costs associated with accessible playground equipment

May be allowed
The additional costs of making a playground accessible to children with disabilities are allowed with USBE prior approval. The equipment may be used in a regular education setting, even if one or more nondisabled children benefit.
Allowable Use of IDEA Funds

Other Costs
Medicaid Billable Expenses - FFP

Costs of Medicaid Billable Expenses
Federal Financial Participation (FFP)

Never allowed
The costs are already paid with other federal funds so they cannot be charged to IDEA. Double dipping!!
Medicaid Billable Expenses - State Match

Costs of state/local share of Medicaid billable expenses
State Match

Not allowed
State match charged to IDEA is no longer state match
2 CFR 200.403 (f)
Child-find Activities

Costs associated with public awareness, notices, screening

Allowed
Child find activities are allowed for identification of children with disabilities
Advertising Cost

Costs associated with advertising in media
Newspapers, radio, and television, direct mail, exhibits, electronic or computer transmittals

May be allowed
Recruitment of personnel, procurement of goods and services, and other specific purposes necessary to meet the requirements of the IDEA grant
Legal Expenses

Costs of 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

Not allowed
Purchase of Meals

Costs of meals purchase

Not allowed
Meals purchased for staff meetings or sponsored training/conference/events

May be allowed
Purchase related to student special education activities in accordance to an IEP
Indirect Costs

Costs incurred to benefit more than one program or objective not readily assignable to the programs

May be allowed
If the LEA has a negotiated indirect cost rate
2 CFR 200 Appendix III
Opportunities for Individualized Support

WestEd offers the following support to LEA staff:

- One-on-One Coaching
- Review of Policies & Procedures
- Technical Support and Guidance
Final Question

Is your LEA interested in participating in a workshop/coaching session during the summer law conference? (Single Choice)

a. Yes
b. No
c. Maybe
Federal Resources

Title 20 USC Chapter 33
IDEA Part B - Assistance for Education of All Children with Disabilities

34 CFR Part 300
Assistance to States for the Education of Children with Disabilities

2 CFR Part 200
Uniform Administrative Requirements

34 CFR Part 75-79
Education Department General Administrative Regulations (EDGAR)
USBE Resources

USBE Rules Manual Section X

Special Education Funding

Utah Code

Section 53F-2-307

Section 53F-2-308
Thank you

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