

INDIVIDUALS WITH DISABILITIES  
EDUCATION IMPROVEMENT ACT  
PART B  
(IDEA OF 2004)

GUIDELINES

Basic Flow-Through (ages 3-21)  
Preschool Flow-Through (ages 3, 4 and 5)



## TABLE OF CONTENTS

### PART

I.	PROGRAM ACRONYMS AND DEFINITIONS	1
II.	GENERAL PROVISIONS	4
III.	FLOW-THROUGH FUNDS DISTRIBUTION	5
IV.	FLOW-THROUGH APPLICATION INFORMATION	7
V.	POST-AWARD REQUIREMENTS	18
VI.	TIMELINES	22
VII.	ONLINE APPLICATION PROCEDURES	
	A. Stevens Amendment	
	B. Budgeting Indirect Costs on Fixed Grant Awards	
	D. Excess Cost Regulations	
	E. Services for Children Enrolled in Private Schools	
	F. Sample Private School Affirmation of Consultation Letter	
	G. Quick Reference of Commonly Requested Costs	

**PART I**  
**PROGRAM ACRONYMS AND DEFINITIONS**

**ACRONYMS**

Basic Flow-Through	FT
Comprehensive System of Personnel Development	CSPD
Education Department General Administrative Regulations	EDGAR
Free Appropriate Public Education	FAPE
Fiscal Year	FY
Individuals with Disabilities Education Improvement Act of 2004	IDEA 2004
Individuals with Disabilities Education Act, Part B	IDEA-B
Local Education Agency	LEA
New Jersey Administrative Code	N.J.A.C.
New Jersey Department of Education	NJDOE
New Jersey Statutes Annotated	N.J.S.A.
No Child Left Behind Act of 2001	NCLB
Office of Grants Management	OGM
Office of Special Education Programs	OSEP
Preschool Flow-Through	PS
State Education Agency	SEA
United States Department of Education	USDOE

**DEFINITIONS**

**Amendment:** a change made by the LEA to the budget or scope of an approved application for which the LEA has received a Notification of Grant Award.

**Carry-Over:** IDEA-B funds which the recipient has not obligated by the end of the project period for which the funds were awarded. These funds remain available for continued use for expenditures during the next project period.

**Chart of Accounts:** account classifications (dimensions) comprising the coding of accounts in New Jersey school financial operations to conform to the Generally Accepted Accounting Principles (GAAP), as stated by the National Council on Governmental Accounting.

**Consortium Application:** a joint consolidated application submitted by a lead LEA in which two or more eligible LEAs combine their allocations to provide comprehensive services to students with disabilities.

**Early Intervening Services** - services for students in kindergarten through grade 12 (with a particular emphasis on students in kindergarten through grade 3) who have not been identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general education environment in accordance with section 613(f).

**Excess Cost:** 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.

**Fiscal Year:** refers to grant period which runs from September 1– August 31 of the grant year.

**Flow-Through Funds:** the portion of IDEA-B funds that each LEA is entitled to receive on a formula basis as mandated by IDEA of 2004.

**Free Appropriate Public Education:** special education and related services, which are provided to a child with disabilities in conformity with an individualized education program at no cost to the parents.

**Indirect Cost:** expenses incurred by the LEA for services included in the IDEA-B project, which are not directly identifiable with a federal program such as bookkeeping, accounting, purchasing, personnel and utilities. The cost to be charged to this program is calculated by applying the NJDOE *approved* Indirect Cost Rate (restricted rate only) to the application award amount.

**Indirect Cost Rate:** the ratio of total indirect costs to total direct costs, based on the LEA's actual expenditures, exclusive of any extraordinary or distorting expenditures such as capital outlay. Districts may obtain an approved calculated rate by completing and submitting an ["Application for Indirect Cost Rate"](#) to the NJDOE on an annual basis. State-operated programs must use the NJDOE established rate.

**Instructional Equipment:** equipment for use by students with disabilities and instructional staff for direct instruction. This includes tangible personal property (excluding computer software and kits), exclusive of real property, having a useful life of more than one year and an acquisition cost of more than **\$2000** per unit including shipping and handling and/or installation charges.

**Instructional Supplies:** materials used to provide direct services to students with disabilities; this includes equipment with a unit cost of \$2000 or less. **All instructional computer software and kits, regardless of cost, are considered "instructional supplies."**

**Local Education Agency:** a public board of education or other public authority having administrative control of schools in a city, township or other political subdivision of the state.

**National Instructional Materials Center (NIMAC)** – a central federal repository and clearing house established by IDEA 2004 for the specific purpose of coordinating and providing core instructional materials for the blind, visually impaired and print disabled students in a standard format (NIMAS).

**Noninstructional Equipment:** equipment used to provide other than direct services to students with disabilities. This includes tangible personal property (excluding computer software and kits), exclusive of real property, having a useful life of more than one year and an acquisition cost of more than **\$2000** per unit including shipping and handling and/or installation charges.

**Noninstructional Supplies:** materials used to provide other than direct services to students with disabilities, including equipment with a per unit cost of **\$2000** or less, such as noninstructional reference books, assessment tools and/or other administrative supplies. **All noninstructional computer software and kits, regardless of cost, are considered "noninstructional supplies."**

**Nonoperating Districts:** local school districts that have no schools, but have one or more children residing within their jurisdiction.

**Nonpublic Proportionate Share:** a portion of the IDEA allocation set aside for services to parentally placed students with disabilities in private schools. This amount is developed by a specific formula found in the manual.

**Nonpublic Schools:** see Private Schools.

**Supplement not Supplant:** the use of funds provided under IDEA-B by the LEA to increase (supplement) the level of state and local funds expended for the education of students with disabilities and in no case to replace(supplant) those state and local funds on an aggregate basis.

**Pre-Award Costs:** Those allowable expenditures that occur between July 1 and September 21 of the award year. These expenditures may be permitted within the grant with prior notice to OGM and upon receipt of an approval.

**Private Schools:** schools which provide elementary or secondary education, as determined under state law, for students **placed by their parents or legal guardians**, that are controlled by other than the public authority. This includes secular and nonsecular schools.

**Project Period:** the time period during which programs may be conducted and obligations may be authorized. The project period for the IDEA-B Online Application can be found on the front page of the Consolidated section of the online grant.

**Revisions:** changes to an application requested by NJDOE during the application review process to ensure an approvable application. The changes are required prior to the approval by the county and/or the OGM reviewer.

**Schoolwide Program:** a program in which Title I funds are used to upgrade the entire educational program of a high-poverty school and in which Title I funds may be combined with funds from other federal, state and local sources. For this application there is a permissive use of IDEA-B funds for schoolwide programs, within certain limitations. (See Utilization of Funds Section for more information).

**State Agency:** an institution or party of the state which has direct responsibility established under state law *N.J.S.A. 18A:7B-1 et. seq.*; for providing free public education to students with disabilities in schools or programs operated by the state. For IDEA-B funding purposes, certain state agencies are considered LEAs.

**Students with Disabilities:** pupils ages 3-21, evaluated and classified in accordance with *N.J.A.C. 6A:14*.

**Tydings Amendment** - the Tydings Amendment, Section 412(B) of the General Education Provisions Act, 20 U.S.C. 1225(B), authorizes that any funds not obligated at the end of the federal funding period shall remain available for obligation for an additional period of 12 months.

## **PART II**

### **GENERAL PROVISIONS**

#### **PURPOSE**

These guidelines establish policies and procedures for the use of funds awarded under the Individuals with Disabilities Education Improvement Act of 2004, Part B (IDEA-B 2004). The guidelines delineate responsibilities for requesting, controlling and reporting the use of the funds. The application form is included for requesting and allocating these funds.

#### **SCOPE**

The provisions of IDEA-B 2004, with respect to the right to a free appropriate public education (FAPE) and all other rights and protections for students with disabilities and their parents, are applicable to all public and private education agencies in the state, including charter schools, to the extent that students with disabilities are enrolled in these facilities. Under the supervision of the New Jersey Department of Education (NJDOE), the provisions of these guidelines apply to all education agencies.

#### **STATUTES/REGULATIONS**

Federal and state regulations establishing the authority and parameters for these guidelines:

##### Federal:

- 20 U.S.C. 1400, *et seq.*, Individuals with Disabilities Education Improvement Act of 2004 (IDEA 2004) P. L. 108-446 and 34 CFR Part 300.1 *et seq.*, the regulations implementing IDEA 2004 (August 3, 2006);
- Section 8136 of P.L. 100-463, Department of Defense Appropriations Act (Stevens Amendment), has government-wide application to grant recipients of all federal agencies (See Appendix A);
- Education Department General Administration Regulations (EDGAR) 34CFR Parts 74, 75, 76, 77, 79, 80, 81, 82, 85, 86, 97, 98 and 99.
- General Education Provisions Act (GEPA) 20 U.S.C. 1221 *et seq.*
- OMB Circular A-133

##### State:

- *N.J.S.A.* Title 18A:46-1 *et seq.* and *N.J.S.A.* 46A-1 *et seq.* mandate programs and services for students with educational disabilities enrolled in the public and private schools of New Jersey;
- *N.J.A.C.* 6A:14-1 *et seq.* provides regulatory requirements pursuant to the above statutes;
- *N.J.A.C.* 6:3-6 provides regulatory requirements regarding pupil records.

#### **APPLICATION**

Each Local Education Agency (LEA) must ensure that they make a free appropriate public education available to all students with disabilities residing in the jurisdiction of the LEA, whether or not the LEA is receiving funds under IDEA-B.

In accordance with 34 CFR Part 300, Section 300.200 Condition of assistance: An LEA is eligible for assistance under Part B of the Act for a fiscal year if the agency submits a plan that provides assurances to the SEA that the LEA meets each of the conditions in Secs. 300.201 through 300.213.

(Authority: 20 U.S.C. 1407)

**PART III**  
**FLOW-THROUGH FUNDS DISTRIBUTION**

**STATE ENTITLEMENT**

**Basic (Permanent Formula)** – Section 611(e)(1) establishes the base year for the award which is then combined with a poverty and census factor pursuant to Section 611(e)(3). If the amount available for allocations to states under paragraph (1) is equal to or greater than the amount allocated to the states under this paragraph for the preceding fiscal year, those allocations shall be calculated as follows:

- (A) (i) Except as provided in subparagraph (B), the Secretary shall –
  - (I) allocate to each State the amount it received for the base year;
  - (II) allocate 85 percent of any remaining funds to States on the basis of their relative populations of children aged 3 through 21 who are of the same age as children with disabilities for whom the State ensures the availability of a free appropriate public education under this part; and
  - (III) allocate 15 percent of those remaining funds to States on the basis of their relative populations of children described in subclause (II) who are living in poverty.

**Preschool (Permanent Formula)** - Section 619(b) (2) states that if the amount available for allocations to the states under paragraph (1) is equal to or greater than the amount allocated to the states under this section for the preceding fiscal year, those allocations shall be calculated as follows:

- (I) allocate to each State the amount it received for fiscal year 1997;
- (II) allocate 85 percent of any remaining funds to States on the basis of their relative populations of children aged 3 through 5; and
- (III) allocate 15 percent of those remaining funds to States on the basis of their relative populations of all children aged 3 through 5 who are living in poverty.

**STATE DISTRIBUTION OF IDEA-B ENTITLEMENT FUNDS**

The State Education Agency (SEA) shall distribute entitlement funds as prescribed in the Individuals with Disabilities Education Improvement Act of 2004. The SEA is required to distribute funds as follows:

**Basic**

Subsection 611(f)(2) of IDEA 2004 requires that:

The State shall first award each agency the amount that agency would have received for the base year (FY 1999) if the state had distributed 75% of its grant for that year. After making that allocation, the State shall allocate 85% of any remaining funds on a basis of relative populations of children enrolled in public and private elementary and secondary schools within the agency's jurisdiction; and allocate 15% of those remaining funds to those agencies in accordance with their relative numbers of children living in poverty, as determined by the SEA.

**Preschool**

Subsection 619 (g) of the IDEA 2004 requires that from FY 1998 onward, funds be distributed as follows:

The State shall first award each agency the amount that agency would have received for FY 1997 if the state had distributed 75% of its grant for that year. After making that allocation, the State shall allocate 85% of any remaining funds on a basis of relative numbers of children enrolled in public and private elementary and secondary schools within the agency's jurisdiction; and allocate 15% of those remaining funds to those agencies in accordance with their relative numbers of children living in poverty, as determined by the SEA.

**PART IV**  
**FLOW-THROUGH APPLICATION INFORMATION**

**LEA ELIGIBILITY**

As of FY 2005, to receive payments under IDEA-B, each eligible LEA (school district, charter school and state agency) must submit an original application *online* for Basic and/or Preschool funding:

- IDEA Sec. 613(a) - A local educational agency is eligible for assistance under this part if such agency demonstrates to the satisfaction of the State educational agency that it meets the following conditions:
  - (1) Consistency with State Policies – The local educational agency, in providing for the education of students with disabilities within its jurisdiction, has in effect policies, procedures and programs that are consistent with the State policies and procedures established under section 612.
- *N.J.A.C. 6A:14-1.2(a)* – Each LEA board of education and state agency program that acts as a **district of residence** is eligible for assistance under IDEA Part B for a fiscal year by having a special education plan that demonstrates to the satisfaction of the Department of Education through its county office of education (county office) that it meets the conditions of 6A:14-1.2(b) – (f). The plan shall consist of policies, procedures, assurances, a comprehensive system of personnel development, data collection, and an application that describes the use of the Part B funds. Such components of the plan shall be consistent with the approved State Plan for Special Education and this chapter.
- Each LEA board of education shall have policies, procedures and programs in effect to ensure the components as identified in *N.J.A.C. 6A: 14-1.2 (b) 1-14* and shall have provided written assurance of its compliance with same. ***All first year charter schools must have programs approved and policies and procedures submitted to the county office in order to be eligible for funds through this section.***

**NONACCEPTANCE OF FUNDS**

All LEAs eligible to receive IDEA funds (Basic and/or Preschool) that do not wish to apply to receive these funds **must** submit the online **NONACCEPTANCE OF FUNDS**.

**ALLOCATION**

The maximum amount of flow-through funds to which the LEA may be entitled in any Fiscal Year (Basic and Preschool) is based on federal criteria identified in Part III of these guidelines.

## UTILIZATION

**Basic and Preschool** - funds provided under IDEA-B may only be used for the excess cost of providing special education and related services to students with disabilities. Funds **shall** be used for the following:

- to provide a FAPE for students with disabilities ages 3-21 (Basic) and ages 3, 4 and 5 (Preschool); and
- to initiate, expand or supplement special education and related services including vocational education services for students with disabilities currently receiving educational services.

These funds may be used to stimulate the development of comprehensive, quality programs and services, to demonstrate innovative practices and procedures, and to encourage educational reforms that will enhance the learning potential of students with disabilities. A variety of activities for special education and related services can be supported under IDEA-B if such activities are designed to meet the needs of participating students with disabilities. For example, a district may need to develop and/or modify curriculum to be aligned with the Core Curriculum Content Standards. IDEA-B funds can be used to provide funds for teachers doing summer curriculum work, substitute teachers that allow release time for teachers, and/or training for teachers.

### Permissive Use of Funds

Section 613(a)(4) (A) states that IDEA-B funds provided to local education agencies under this part may be used for the following activities:

- (i) Services and aids that also benefit nondisabled children – To cover the costs of special and related services and supplementary aids and services provided in a regular class or other education-related setting to a child with a disability in accordance with the individualized education program of the child, even if one or more nondisabled children benefit from such services.
- (ii) Early intervening services – To develop and implement coordinated, early intervening educational services in accordance with subsection (f):
  - (1) In general.--A local educational agency may not use more than 15 percent of the amount such agency receives under this part for any fiscal year, less any amount reduced by the agency pursuant to subsection (a)(2)(C), if any, in combination with other amounts (which may include amounts other than education funds), to develop and implement coordinated, early intervening services, which may include interagency financing structures, for students in kindergarten through grade 12 (with a particular emphasis on students in kindergarten through grade 3) who have not been identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general education environment.
  - (2) Activities.--In implementing coordinated, early intervening services under this subsection, a local educational agency may carry out activities that include--
    - (A) professional development (which may be provided by entities other than local educational agencies) for teachers and other school staff to enable such personnel to deliver scientifically based

academic instruction and behavioral interventions, including scientifically based literacy instruction, and, where appropriate, instruction on the use of adaptive and instructional software; and (B) providing educational and behavioral evaluations, services, and supports, including scientifically based literacy instruction.

(3) Construction.--Nothing in this subsection shall be construed to limit or create a right to a free appropriate public education under this part.

(4) Reporting.--Each local educational agency that develops and maintains coordinated, early intervening services under this subsection shall annually report to the State educational agency on--

(A) the number of students served under this subsection; and

(B) the number of students served under this subsection who subsequently receive special education and related services under this title during the preceding 2-year period.

(5) Coordination with elementary and secondary education act of 1965.--

Funds made available to carry out this subsection may be used to carry out coordinated, early intervening services aligned with activities funded by, and carried out under, the Elementary and Secondary Education Act of 1965 if such funds are used to supplement, and not supplant, funds made available under the Elementary and Secondary Education Act of 1965 for the activities and services assisted under this subsection

- (iii) High cost education and related services - To establish and implement cost or risk sharing funds, consortia, or cooperatives for the local educational agency itself, or for local educational agencies working in a consortium of which the local educational agency is a part, to pay for high cost special education and related services.

Section 613(a)(4) (B) states that IDEA-B funds provided to local education agencies under this part may also be used for the following activity:

Administrative case management.--A local educational agency may use funds received under this part to purchase appropriate technology for recordkeeping, data collection, and related case management activities of teachers and related services personnel providing services described in the individualized education program of children with disabilities that is needed for the implementation of such case management activities.

### **National Instructional Materials Access Center (NIMAC) (Section 613 (a)(6))**

Purchase of instructional materials.—

(A) In general.--Not later than 2 years after the date of enactment of the Individuals with Disabilities Education Improvement Act of 2004, a local educational agency that chooses to coordinate with the National Instructional Materials Access Center, when purchasing print instructional materials, shall acquire the print instructional materials in the same manner and subject to the same conditions as a State educational agency acquires print instructional materials under section 612(a)(23).

(B) Rights of local educational agency.--Nothing in this paragraph shall be construed to require a local educational agency to coordinate with the National Instructional Materials Access Center. If a local educational agency chooses not to coordinate with the National Instructional Materials Access Center, the local educational agency shall provide an

assurance to the State educational agency that the local educational agency will provide instructional materials to blind persons or other persons with print disabilities in a timely manner (within the **Assurances Section of the online application**).

**Schoolwide Programs** - a local educational agency may use funds received under this part for any fiscal year to carry out a schoolwide program under section 1114 of the Elementary and Secondary Education Act of 1965, except that the amount so used in any such program shall not exceed--

- (i) the number of children with disabilities participating in the schoolwide program; multiplied by
- (ii) (I) the amount received by the local educational agency under this part for that fiscal year; divided by  
(II) the number of children with disabilities in the jurisdiction of that agency.

**For example:** an LEA reports 10 students with disabilities involved in a Title I schoolwide program and 100 students with disabilities on its Annual Data Report. The percentage of funds that may be used is 10/100 or 10 percent (.10). This figure is then multiplied by the total amount of Basic funds received to get the maximum amount allowed to support approved Title I schoolwide programs under the Basic portion of the application.

When completing all applications and forms, Abbott districts must use Function & Object code 520-930. Non-Abbott districts who have identified IDEA-B funds to support approved Title I schoolwide programs should contact the Office of Grants Management for assistance in completing the budget portion of the online application.

#### Funding for IDEA Services for Parentally Placed Pupils in Private (nonpublic) Schools

Subsection 612 (a) (10) (A) (I) of IDEA 2004 states the following regarding children enrolled in private (nonpublic) schools by their parents and applies to the Basic and Preschool combined application:

Amounts to be expended for the provision of those services [special education and related services] (including direct services to parentally placed private school children) by the local educational agency shall be equal to a proportionate amount of federal funds made available under this part [IDEA-B].

Child Find activities including initial evaluation, in accordance with 34 CFR §300.451(a) **cannot** be included when determining the amount of service [34 CFR §300.453(c)] provided to students with disabilities in nonpublic schools.

#### **Computation of Proportionate Share:**

**BASIC** - the proportionate share amount of Part-B funds is equal to the number of nonpublic students with disabilities ages 3-21, as reported on the Annual Data Report of October 15, divided by the total number of students with disabilities ages 3-21 [public + nonpublic], as reported on the Annual Data Report of October 15, multiplied by the total IDEA-B Basic allocation for the LEA.

**PRESCHOOL** - the proportionate amount of Part-B funds is equal to the number of nonpublic students with disabilities ages 3-5, as reported on the Annual Data Report of October 15, divided by

the total number of students with disabilities ages 3-5[public + nonpublic] , as reported on the Annual Data Report of October 15, multiplied by the total IDEA-B Preschool allocation for the LEA.

The required proportionate share of the IDEA-B allocation in both the Basic and Preschool programs **must be reserved** for the provision of services. The law goes on to state that (V) State and local funds may supplement and in no case shall supplant the proportionate amount of Federal funds required to be expended under this subparagraph.

### **Consultation**

All applicants must consult with representatives of students with disabilities [34 CFR §300.454(b)] enrolled in private schools, located within the LEA, **prior to the development** of the IDEA-B application. Sufficient time must be allowed between the meeting date and the submission of the project proposal for board approval to submit the application to the SEA. These dates will be reviewed to verify that consultation with representatives of the nonpublic school students occurred and that the needs of students with disabilities enrolled in private schools were considered in making decisions concerning the application prior to the development of the project proposal.

Applications will be returned to LEAs for resubmission to the board if it is determined that the LEA did not consult with representatives of students with disabilities parentally placed in private schools prior to the submission date.

If the LEA has determined that there are **no students** with disabilities enrolled in private early childhood programs, elementary or secondary schools within the district's geographical area, they should complete the ZERO Nonpublic Count certification of child find activities.

### **MAINTENANCE OF FISCAL EFFORT**

Funds provided to the LEA under Part B of IDEA may not be used to reduce the level of expenditures for the education of students with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year. Maintenance of fiscal effort is demonstrated by meeting the excess cost and nonsupplanting requirements.

#### **Ability to Treat Federal Funds as Local Funds in Certain Fiscal Years**

For any fiscal year for which amounts appropriated, at the federal level, to carry out section 613(a)(2)(A)(ii) and (iii) exceed \$4,100,000,000, an LEA may treat as local funds, for the purpose of such clauses, up to 50 % of the funds it receives under Part B that exceeds the amount it received under Part B for the previous fiscal year [613(a)(2)(C)(i)].

**Notwithstanding Section 613(a)(2)(C)(ii), if an SEA determines that an LEA is not meeting the requirements of Part B, the SEA may prohibit the LEA from treating funds received under Part B as local funds under that section for any fiscal year.**

#### **Excess Cost Requirement**

An LEA must spend a certain minimum amount in providing a FAPE for students with disabilities before IDEA-B flow-through funds are used. This ensures that students with disabilities served with IDEA-B funds have at least the same amount spent on them, from sources other than IDEA-B funds, as do children in the LEA taken as a whole.

When the LEA can show that it has on the average spent the minimum amount for the education of its students with disabilities, it has met the excess cost requirement of 34 CFR 300.180-186 and all additional costs are considered excess costs.

The minimum amount for each LEA, charter school, and state agency program is computed under a statutory formula (Appendix D).

#### Supplement not Supplant Requirement

LEAs may not use IDEA-B flow-through funds to take the place of (supplant) state and local funds which have been used previously to provide FAPE or meet the goal of full educational opportunity. IDEA-B funds are to supplement state and local efforts.

The nonsupplanting requirement of IDEA is met when the LEA can show that the total amount or average per capita amount of state and local school funds budgeted by the LEA for expenditures in the current fiscal year for the education of students with disabilities is at least equal to the total amount or average per capita amount of state and local funds actually expended for the education of students with disabilities in the preceding fiscal year.

### **BUDGETARY CONSTRAINTS**

In order to increase the direct services provided to students with disabilities through these funds, NJDOE has established the following fiscal parameters:

#### Personnel Services - Employee Benefits(Function & Object Code: 200-200)

All LEAs budgeting federal grant funds for salaries of full- and part-time staff, who participate in the Teacher's Pension and Annuity Fund (TPAF), must include TPAF and Federal Insurance Contribution Act (FICA) contributions in the federal grant budget. A minimum **percent** of each salary or portion of a salary budgeted in the IDEA-B application must be budgeted for TPAF/FICA benefits for employees who contribute to TPAF. This percentage is established by the OGM prior to the opening of the online entitlement grant. **For those employees earning more than their base salary (after school, summer), an additional 7.65 percent of the wages in excess of the base salary must be budgeted for FICA.** Other benefits may also be budgeted; however, all TPAF, FICA and other fringe benefits must be budgeted in proportion to the allocated federal salary.

In accordance with *N.J.S.A. 18A:66-90*, an adjusting memo from the Finance Office in the NJDOE is issued each year to confirm the actual rates for TPAF/FICA. At that time, LEAs have the opportunity to amend their entitlement grants, if the fiscal changes fall into the requirement for an amendment, to reflect the actual TPAF/FICA amounts according to post-award requirements in effect.

#### Equipment

Effective July 1, 2001, the capitalization threshold used by school districts and charter schools in the State of New Jersey is increased to more than \$2000 per unit. Revised pages 72 and 73 of *The Uniform Minimum Chart of Accounts (Handbook 2R2) for New Jersey Public Schools* were attached to a memo that was distributed by the Division of Finance, dated January 11, 2001. If an LEA business administrator needs clarification of whether an item should be classified as equipment or supply, the LEA's auditor should be consulted.

Some federal, state and local laws and regulations, usually in the form of funding programs, may present conflicting criteria for distinguishing between supplies and equipment. The criteria below are based on a combination of the most practical guidelines from these laws and regulations. Unless otherwise bound by federal, state or local law, LEAs should use these criteria in their supply/equipment classification decisions in this federal grant.

Equipment is any instrument, machine, furniture, apparatus or set of articles, which meets **all** of the following criteria:

1. It retains its original shape, appearance and character with use;
2. It does not lose its identity through fabrication or incorporation into a different or more complex unit or substance;
3. It is nonexpendable- that is, if the item is damaged or some of its parts are lost or worn out, it is more feasible to repair the item than to replace it with an entirely new unit;
4. Under normal conditions of use, including reasonable care and maintenance, it can be expected to serve its principal purpose for at least one year; and
- 5. The item costs more than \$2000.**

An item should be classified as a supply if it does not meet **all** of the equipment criteria listed above. All instructional and noninstructional computer software and kits, regardless of cost, are considered supplies. **Equipment may NOT be lumped into one amount for one item as a place holder. Each Unit must be identified separately.**

#### Expenditure Parameters

All budget items are subject to individual application review and must demonstrate that proposed expenditures are for services to students with disabilities. **All new programs and facilities funded through this application must have written approval from the county office of education in accordance with state mandates prior to final approval of the grant.**

Equipment and supplies purchased with Preschool IDEA-B funds must be developmentally appropriate for three-, four- and five- year-old students with disabilities.

Lease purchase agreements must be consistent with *N.J.A.C. 6:22A-1.1 et seq.*, Approval of Lease Purchase Agreements.

Split funding of salaries and equipment between Basic and Preschool grants is allowed if the following parameters are met:

- The portion of time allocated to each grant for funded personnel and the amount obligated on the respective Budget Detail pages must be clearly indicated. Documentation to demonstrate and verify these implemented activities must be maintained by the LEA. The portion of time and dollars allotted to each grant must be substantiated. Activities funded from the Preschool project must reflect services for three-, four- and five- year-old students with disabilities.
- For equipment purchased through split funding, documentation to verify appropriate use must be maintained by the LEA. Amounts apportioned out of preschool funds must be proportionate to the amount of services provided for three-, four- and five- year-old students with disabilities.

Split funding is allowed between IDEA-B grants (Basic and Preschool) and other funding sources provided that documentation is maintained to demonstrate the portion of time, activities and budgeted amounts allotted to the IDEA-B grants.

- LEAs **must** proportionally split fund positions funded by IDEA-B for those employees who participate in regular education activities, for example, participation in School Resource Committees or crisis intervention with pupils who are not classified.

Nonallowable Costs (See **OMB Circular A-87**)

1. Salaries for day or child care.
2. Costs budgeted for screening of the general student population including kindergarten and preschool screening **other than** Child Find activities.
3. Salaries for custodial and/or security personnel.
4. Purchase and/or service of vehicles for noninstructional use.
5. Motivational incentives for staff such as cash or cash-value awards.
6. Meals, other than coffee, danish or student snacks, unless the meals are necessary for direct instructional purposes.
7. Rental of meeting rooms, conference rooms and/or administrative offices.
8. Rental, lease and/or purchase of portable facilities for child study teams and/or noninstructional use.
9. Funds for utilities or telephone costs other than for direct instruction.
10. Cash stipends for pupils.
11. Board attorney fees or reimbursement of other attorney fees.
12. Renovation of noninstructional areas.
13. Funding of religious workshops or instruction. Federal regulations specify that funds and property may be used to benefit students with disabilities in private schools, but only for educational services.

## **ACCOUNTING PROCEDURES**

Effective July 1, 1993, NJDOE regulations require that all LEAs prepare budgets and submit expenditure reports according to *the Uniform Minimum Chart of Accounts (Handbook 2R2) for New Jersey Public Schools* referred to as the Chart of Accounts. The online application budget detail sections reflect the coding of accounts consistent with *Generally Accepted Accounting Principles* (GAAP). The handbook describes the coding of accounts in New Jersey school financial operations.

The coding system, with its multidimensional structure, creates a common language for use in recording, reporting and controlling the activities of school districts.

Appendix G is a "Quick Reference of Commonly Requested Costs". This list was designed to assist in placing costs within the appropriate compressed GAAP codes. This is not a complete list but one that uses the most often requested items. This is a general list and items suggested may not be allowable with in this grant (see nonallowable list above).

The Budget Summary is used to show aggregate amounts for each expenditure category in the project budget. The Budget Detail pages delineate and clarify expenditures for the purpose of reviewing and monitoring the project's activities. Each LEA business office has a copy of the handbook. **Budgets must be completed in conjunction with the LEA's business office to ensure consistent categorization of expenditures.** Improper coding of expenditures is considered to be in noncompliance with *N.J.A.C. 6:20-2A.2(m)*. Instances of noncompliance noted by auditors must be reported in the "Auditor's Management Report."

LEAs **may not** commingle IDEA-B funds with other federal, state or local funds. This essential requirement is to maintain the fiscal identity of each IDEA-B award (**i.e., Basic, Preschool and Carry-Over**). This requirement is satisfied by the use of an accounting system that includes an "audit trail" of the expenditures for each project awarded. Separate bank accounts are not required.

## PERIOD OF OBLIGATION

In accordance with EDGAR, 34 CFR Part 76.708, LEAs may begin to obligate IDEA-B funds on the later of the following dates:

- the beginning of the project period (September 1), subject to the receipt of the federal award by the NJDOE; or
- the date that the application is submitted electronically in substantially approvable form

unless otherwise directed by the Office of Special Education.

Reimbursement for obligations is subject to final approval of the application. If the LEA expends funds on nonallowable costs prior to application approval, the LEA is responsible for covering those costs from other funds.

The project period for the IDEA-B Combined Basic and Preschool, effective as of the 2014 Online Application, is July 1- June 30. **All funds must be obligated by June 30th of the project period and liquidated by September 30th of the same year.** Carry-over/Overpayment funds must be budgeted within an amendment to the current application within 30 days of the final approval of the final report. These funds will be used to pay expenditures first before new funds are released (FIFO).

## CONSORTIUM APPLICATION PROCEDURES

LEAs may apply for funds individually or as part of a consortium with other LEAs. LEAs serving students with disabilities from several jurisdictions and receiving funds from sending LEAs, including nonoperating districts, may submit consortium applications. The NJDOE will award the aggregate of funds allocated by participating agencies to the applicant agency. Agencies may participate in a consortium application as follows:

1. LEAs joining other LEAs to provide more comprehensive services must contribute all (100 percent) of their Basic and/or Preschool entitlement to the consortium project;
2. Nonoperating districts must join with the LEA of their choice or not accept funds.

The consortium applicant is responsible for the obligation and expenditure of all funds awarded, as well as maintenance of all required records. The consortium applicant is also responsible for submitting all financial reports (i.e., Final Expenditure Report (FER), Amendments etc.). Funds awarded to a consortium applicant cannot be dispersed to a participating LEA(s).

### **SUBMISSION OF THE ONLINE APPLICATION**

The electronic application procedures are located within the online grant system. Due dates are established in the allocation memo to the LEA from the Office of Special Education.

## **APPLICATION REVIEW**

The NJDOE, through a two tier system, will review applications and request revisions. The NJDOE will also determine approval or deny applications, notify appropriate agencies and process approved applications so that LEAs may request reimbursement.

Specifically, the review will ensure that the:

1. LEA's policies and procedures, as required by IDEA 1997 and New Jersey Special Education regulations, have been received by the county office of education.
2. submitted policies and procedures of the consortium applicant will serve to meet the requirement for nonoperating districts to have submitted policies and procedures.
3. LEA has received written county office approval for any new programs;
4. maintenance of effort and excess cost requirements are met;
5. services described are allowable costs;
6. funds will be used to serve only students with disabilities ages 3-21 (Basic) and ages three-, four- and five- (Preschool); or used for other allowable expenditures in accordance with the law and regulations;
7. consortium applications meet all consortium requirements;
8. application is complete, including required dates, assurances and it meets nonpublic participation requirements;
9. LEA is in compliance with the requirements of *OMB Circular A-133 Compliance Supplement* (Circular A-133)

The application **will not** be processed for award unless the previous year's final report has been submitted and approved.

## **APPROVALS, DISAPPROVALS AND PROCEDURES FOR APPEAL**

The NJDOE approves requests that meet statutory requirements. Upon approval, the NJDOE electronically notifies the LEA that the grant has been approved.

The NJDOE may disapprove requests failing to meet any statutory requirements, but in all such cases, the NJDOE will give reasonable notice and an opportunity for an appeal to the applicant before disapproving a request for funds.

## **PART V** **POST-AWARD REQUIREMENTS**

The applicant is responsible for the use of all funds awarded and for the maintenance of project records for three (3) years following the completion of the activity for which the funds were used. In addition, the applicant is responsible for submitting all Amendment Applications and Final Reports in a timely manner.

### **CIRCULAR A-133**

The *OMB Circular A-133 Compliance Supplement* (Circular A-133) contains the procedures and requirements that must be used in the administration of all federal applications and programs, including those authorized under the Elementary and Secondary Education Act (ESEA), or subject to the General Education Provisions Act (GEPA) or both.

All applicants applying for federal funds should be familiar with the requirements listed in this circular **before** completing the application to incorporate allowable activities such as Consolidation of Administration Funds, Coordinated Services Projects and Schoolwide Programs.

All recipients of federal funds must comply with the federal audit requirements. A LEA's annual audit must meet the criteria listed in the *OMB Circular A-133 Compliance Supplement*. New Jersey Department of Education (NJDOE) auditors annually review selected LEAs for compliance with Circular A-133. The entire circular can be obtained at the federal Web site at <http://www.whitehouse.gov/omb/grants>.

### **AMENDMENTS**

All amendments to applications must be electronically submitted no later than 30 days prior to the implementation of the proposed changes. The LEA must provide a brief but specific justification as to why funds will not be expended as originally approved in the Comments tab. Final Amendment Applications must be received by the county office of education ***no later than May 31 of the original grant period and/or carry-over period. Amendment Applications received after that date may not be approved.*** Once the Amendment Application is submitted in substantially approvable form, the LEA may begin to obligate and expend these funds. If the LEA funds activities in the Amendment Application that are not approved by NJDOE, the LEA is responsible for those costs incurred.

An Amendment Application must be submitted:

- for changes between expenditure categories cumulatively transferred among expenditure categories in excess of 10 percent of the total approved budget. LEAs are responsible for monitoring the cumulative 10 percent level of fiscal changes. The calculation starts again with the revised budget once approved;
- when budgeting expenditures in a category for which no funds were previously budgeted or approved;
- for changes in the scope of activities;
- to budget any carryover/overpayment in the current grant cycle; and

- All amendments must be consistent with the district's approved policies and procedures and benefit students with disabilities.

## **FINAL REPORTS**

### **Final Report**

Funds expended in a fiscal year are to be reported on the Electronic Combined Basic and Preschool Final Report.

It is important to remember that the LEA's fiscal year and grant year end on June 30<sup>th</sup>. The final report must show funds expended during the entire project period which includes the June 30<sup>th</sup> audited amounts.. All funds must be obligated by the end of the project period and liquidated within 90 days thereafter.

Occasionally, there are circumstances in which the LEA's expenditures conflict with the expenditures originally reported on the final report. If the LEA made an error on the final report originally submitted, the following steps must be taken to correct the documents.

1. The LEA must submit a revised final report with the correct financial data accompanied by an explanation in Amendment Comments about why the error occurred.

### **Carry-Over/Overpayment Amendment**

In accordance with the Tydings Amendment, IDEA funds remain available for continued use during the next project period. The LEAs must complete a Final Expenditure Report by September 30<sup>th</sup> of the initial Project Year and indicate the amounts to be carried over. Upon OGM approval these amounts will transfer into the current project period. The district may then amend their current approved online application to budget the additional funds.

If carry-over funds are requested, the reasons describing why the funds were not expended during the original project period must be reported in the Final Report. If LEAs have unexpended nonpublic proportionate share funds they **must** carry them over for continued use for students parentally placed in private schools by their parents. The program will determine what amounts are to be carried into the second year or switched to public.

## REFUNDS TO THE NJDOE

If in the Final Report the program has determined that funds should be returned/released to the NJDOE, the LEA must provide a brief, but specific statement as to why the funds were not expended during the project period [ text box on the Expenditures Tab].

All school districts, charter schools and vocational schools must send a check payable to the "Treasurer, State of New Jersey" for the refund amount and mail with a copy of the Expenditures Summary page of the Electronic Final Report to:

New Jersey Department of Education  
Office of Budget and Accounting  
Revenue and Grant Accounting  
PO Box 500  
Trenton, NJ 08625-0500

**Important**



State agencies should not send refund checks, but rather process the transfer of funds through the state accounting system. Contact the Office of Budget and Accounting for assistance if necessary.

## DOCUMENTATION REVIEW

During any school year, documentation regarding several project periods is reviewed to determine compliance with specific indicators as follows:

Compliance Requirement	Documents Reviewed
Federal funds are used for the excess costs of providing special education and related services to pupils with disabilities.	The Office of Grants Management (OGM) annually reviews maintenance of local effort, state fiscal effort and the assurance pages of the application.  Office of Budget and Accounting performs a quality control review of each agency's annual single audit report.
Applicant agencies comply with and use funds in accordance with the NJDOE state plan and applicable statutes, regulations and approved applications.	County Office and OGM review all applications and budget pages.  Budget and Accounting performs a quality control review of each agency's annual single audit report.
Changes in the application are made by the agency in accordance with the IDEA Guidelines.	County Office and OGM review all amendment applications.
Fiscal control and fund accounting procedures are used to ensure proper disbursement for accounting of Part B funds.	Budget and Accounting performs a quality control review of each agency's annual single audit report.
Reports to the DOE are submitted electronically as directed to enable the DOE to maintain federal audit files for compliance purposes.	County Office and OGM annually review Final Report.
Verification of requirement compliance and expenditures	Onsite Monitoring and Desk Audits

**PART VI**  
**TIMELINES FOR IDEA GRANTS**

<b>IDEA-B Consolidated Basic/Preschool Electronic Application</b>	<b>45 days following the release of the grant</b>
<b>Amendments to applications</b>	<b>No later than June 30<sup>th</sup> of the grant year</b>
<b>Final Reports</b>	<b>90 days following the close of the grant year</b>

All applications and reports are electronic and available to the district through the Electronic Grant System. Contact your county office of education or the Office of Special Education (OSEP) at 609-984-4953, for assistance. **DO NOT** send paper copies of the electronic submission to the county or the Office of Special Education.

**PART VII**

**Online Application Resources**

- A. Stevens Amendment
- B. Budgeting Indirect Costs in Fixed Grant Awards
- C. Excess Cost Requirement
- D. Services for Children Enrolled in Private Schools
- E. Sample Private School Affirmation of Consultation Letter
- F. Quick Reference of Commonly Requested Costs

**STEVENS AMENDMENT**

Section 8136 of the Department of Defense Appropriations Act (P.L. 104-134, Sec.507) states:

When issuing statements, press releases, requests for proposals, bid solicitations and other documents or announcements describing this project the recipient shall state clearly:

- the percentage of the total cost of the project that will be financed with federal money;
- the dollar amount of federal funds for the project; and
- the percentage and dollar amount of the total cost of the project that will be financed by non-governmental sources.

**BUDGETING INDIRECT COSTS IN FIXED GRANT AWARDS**  
**Excerpts from the “Local Education Agency Indirect Cost Manual”**

- A.** Fixed or entitlement grants are grants that give the grantee a predetermined amount of funds based on an established indicator (e.g., number of students in a program). All federal entitlement programs are fixed grants.
- B.** Steps to be followed in calculating the maximum amount of indirect costs that can be included in a fixed grant budget are as follows:
1. Determine the amount of grant funds to be used for capital outlay expenditures and subtract that amount from the grant award.
  2. Let 100 percent equal direct cost and add to the 100 percent the indirect cost.
  3. Take the figure obtained in step B-1 and divide that figure by the figure obtained in step B-2. The result will be the maximum amount of direct costs that can be charged to the grant in order to receive the maximum amount of indirect costs.
  4. Subtract from the figure obtained in step B-1 the amount obtained in step B-3. The result is the maximum amount of indirect cost that can be charged to the grant.
  5. Budgeted expenditures for capital outlay plus the figures obtained in steps B-3 and B-4 should equal the total of the fixed grant award.
- C.** The following is an example of the procedures outlined in paragraph B above:

Assume that a district received a \$100,000 federal entitlement grant and the district plans to budget \$5,000 of this grant for capital outlay purposes. Also assume that the district has an indirect cost rate of 2 percent (.0200).

1. \$100,000 (grant award), minus \$5,000 (capital outlay) = \$95,000.
2. 1.00 (100 percent = direct costs) plus .0200 (indirect costs) = 1.0200.
3. \$95,000  
 $1.0200 = \$93,137$  (maximum amount of the grant that can be budgeted as direct costs in order to budget for maximum amount of indirect cost).
4. \$95,000 minus \$93,137 = \$1,863 (maximum amount of indirect costs that could be claimed against grant).
5. Capital outlay + direct costs + indirect costs = Total grant.  
 $\$5,000 + \$93,137 + \$1,863 = \$100,000.$

**NOTE:** The above example shows how to calculate the maximum amount of indirect costs that could be claimed against a grant; however, the amount of indirect costs actually paid for a fixed grant will depend on the actual amount of direct costs actually incurred for the grant. In no case can the amount of actual direct costs plus calculated indirect costs plus capital outlay costs exceed the total amount of the fixed grant award.

**EXCESS COST REQUIREMENT****COMPUTATION OF MINIMUM AMOUNT**

The **average annual per-student expenditure** a local educational agency must spend under 34 CFR Part 300.184-185 for the education of each of its students with disabilities is computed as follows:

- A) Add all expenditures of the local educational agency in the preceding school year, except capital outlay and debt service:
- (1) for elementary school students, if the child with a disability is an elementary school student; **or**
  - (2) for secondary school students, if the child with a disability is a secondary school student.
- B) Excess costs may be computed after deducting the following amounts spent for elementary school students or for secondary school students, as the case may be:
- (1) Amounts received –
    - (i.) Under Part B of IDEA;
    - (ii.) Under Part A of title I of the Elementary and Secondary Education Act of 1965 (ESEA), reauthorized as the No Child Left Behind Act of 2001 (NCLB); or
    - (iii.) Under Part A of Title III of that Act; and
  - (2) Any State or local funds expended for programs that would qualify for assistance under any of those parts, such as --
    - (i.) Programs for students with disabilities;
    - (ii.) Programs to meet the special educational needs of children who are educationally deprived; and
    - (iii.) Bilingual education programs for children with limited English proficiency.
- C) Divide the result under paragraph B of this section by the number of elementary or secondary students, as appropriate, enrolled in the agency in the preceding school year.
- D) Multiply the result of paragraph C of this section by the number of students with disabilities and report the resulting amount in item 9c and 9d on page 1 of the Combined Basic and Preschool application.

Excess costs are those costs of special education and related services that exceed the average minimum amount.

## EXCESS COST COMMENT

The following example shows how a local educational agency computes the average minimum amount it must spend for the education of each of its students with disabilities, under 34 CFR Part 300.185. This example follows the formula in 34 CFR Part 300.184. **Under the statutes and regulations, the local educational agency must make one computation for students with disabilities in its elementary schools and a separate computation for students with disabilities in its secondary schools.** The computation for students with disabilities would be done as follows:

- A. First, the LEA must determine its total amount of expenditures for elementary school students from all sources (local, state and federal including IDEA-B) in the preceding school year. Only capital outlay and debt service are excluded.

**Example:**

An LEA spent the following amounts last year for **all** elementary school students (including elementary school students with disabilities):

(1)	From local tax funds. . . . .	\$ 2,750,000
(2)	From state funds. . . . .	7,000,000
(3)	From federal funds. . . . .	<u>750,000</u>
		\$ 10,500,000

Of this total, \$500,000 was for capital outlay and debt service relating to the education of elementary school students. This must be subtracted from total expenditures:

Total expenditures for elementary school students	\$10,500,000
(less capital outlay and debt service)	<u>- 500,000</u>
equals	\$10,000,000

- B. Next the LEA must subtract amounts received –
- (i.) Under Part B of IDEA;
  - (ii.) Under Part A of Title I of the Elementary and Secondary Education Act of 1965 (ESEA) reauthorized as the No Child Left Behind Act of 2001 (NCLB); or
  - (iii.) Under Part A of Title III of that Act.

**Example:**

The LEA received the following amounts for elementary school students last year:

(1) IDEA-B Entitlement Funds	\$ 500,000
(2) From funds under Part A of Title I of IASA	\$ 300,000
(3) From an IDEA-B discretionary grant	\$ 200,000
(4) From a grant for a bilingual education program under Part A of Title III of the Elementary and Secondary Education Act of 1965 (IASA)	<u>100,000</u>
	Total \$1,100,000

- C. Next the LEA must subtract any state or local funds expended for programs that would qualify for assistance under any of those parts, such as --

- (i.) Programs for students with disabilities;

- (ii.) Programs to meet the special educational needs of children who are educationally deprived; and
- (iii.) Bilingual education programs for children with limited English proficiency.

**Example:**

- (1) From a special state program for children who are educationally deprived  
\$200,000
- (2) From state funds for the education of students with disabilities (Chapter 193)  
\$500,000
- (3) From a locally funded program for students with disabilities \$200,000  
\$900,000

D. These amounts (B + C) are subtracted from the LEA's total expenditure for elementary school students computed above (see section "A" above):

$$\begin{array}{r}
 \$10,000,000 \\
 - \quad \underline{2,000,000} \\
 \hline
 \$ \quad 8,000,000
 \end{array}$$

E. This amount must be divided by the average number of students enrolled in the elementary schools of the agency last year (including students with disabilities).

**Example:**

Last year, an average of 8,000 students was enrolled in the agency's elementary schools. The number of students must be divided into the amount computed in the above paragraph:

$$\frac{\underline{\$8,000,000}}{8,000 \text{ students}} = \$1,000 \text{ per student}$$

This figure is the minimum amount the LEA must spend (on the average) for the education of each of its students with disabilities. Funds under IDEA-B may be used only for costs over and above this minimum.

F. The minimum amount of expenditures required prior to the use of IDEA-B funds is calculated by multiplying the APPE (average per-pupil expenditure) by the average number of students with disabilities enrolled in the elementary schools of the agency last year.

**Example:**

If the LEA has 100 elementary school students with disabilities, it must keep records adequate to show that it has spent at least \$100,000 for the education of those students (100 students times \$1,000/student), not including capital outlay and debt service.

This \$100,000 may come from any funds except funds under IDEA-B, subject to any legal requirements that govern the use of those other funds.

If the LEA has secondary school students with disabilities, it must do the same computation for them. However, the amounts used in the computation would be those that the LEA spent last year for the education of secondary school students, rather than for elementary school students.

### **Limitation on use of Part B funds**

The excess cost requirement prevents an LEA from using funds provided under Part B of the act to pay for all of the costs directly attributable to the education of a child with a disability. 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 child 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 children in that age range. However, the LEA must comply with the nonsupplanting and other requirements of Part-B in providing the education and services for these children.

### **Treatment of Federal funds in certain fiscal years**

34 CFR Part 300.233 (a)(1) states that for any fiscal year for which amounts appropriated to carry out Section 611 of the Act exceeds \$4,100,000,000, an LEA may treat as local funds up to 50 percent of the amount of funds it receives under Part B of the act that exceeds the amount it received under Part B of the act for the previous fiscal year. In addition, the requirements of nonsupplanting (§ 300.230 (c)) and maintenance of effort (§ 300.231) do not apply with respect to the amount that may be treated as local funds under §300.233. **LEAs determined to NOT “Meet Requirements” will be unable to use this option.**

### **34 CFR Part 300.185 Computation of Excess Costs - Consortium Application**

The minimum average amount under 34 CFR Part 300.184, if two or more LEAs submit a consortium application, is the average of the combined minimum average amounts determined under 34 CFR Part 300.185 in those agencies for elementary or secondary school students, as the case may be.

**CHILDREN WITH DISABILITIES ENROLLED BY THEIR PARENTS IN PRIVATE SCHOOLS**  
**(§§ 300.130-144) (Distributed under separate cover)**

Sufficient time should be allowed between the CONSULTATION and the submission of the project proposal for board approval to submit the application to the SEA. These dates will be reviewed to verify that consultation with private school representatives and that the needs of students with disabilities enrolled in private schools were considered in making decisions concerning the application prior to the development of the project proposal. Applications will be returned to LEAs for resubmission to their board of education if it is determined that the LEA did not consult with representatives of students with disabilities parentally placed in private schools prior to the submission date.

- Charter schools, state agencies and vocational schools are not responsible for this requirement.
- County vocational schools may seek private school participation in conjunction with the districts from which they receive students.
- All districts, including nonoperating, participating in a consortium application must seek private school participation in conjunction with the applicant district.

**Allowable Costs**

The LEA may:

- provide services to designated students with disabilities on-site at a child's private school, including a religious school, to the extent consistent with the law.
- if necessary for a designated student with disabilities to benefit from or participate in the specific services provided, a private school student with a disability must be provided transportation from the student's school or home to a site other than the private school and from the service site to the private school or home. LEAs are not required to provide transportation from the home to the private school. The cost of this transportation may be included in the calculation of meeting the proportionate share.
- use funds available to make public school personnel available in other than public facilities consistent with 34 CFR §300.142.
- use funds available under section 611 or 619 of IDEA-B to pay for services of an employee of the private school to provide services under 34 CFR §300.142 if the employee performs the services outside of his or her regular hours of duty and if the employee performs the services under public supervision and control.

**Fiscal Restrictions**

An LEA may not use funds under section 611 or 619 of IDEA-B for classes that are organized separately on the basis of school enrollment or religion of the students if the classes are at the same site and the classes include students enrolled in public schools and students enrolled in nonpublic schools.

An LEA may not use funds provide under section 611 or 619 of IDEA-B to finance the existing level of instruction in a private school or to otherwise benefit the private school. The LEA shall use the funds to meet the special education and related services needs of students enrolled in nonpublic

schools but not for the needs of a private school or the general needs of the students enrolled in the nonpublic school.

### **Fiscal Control**

LEAs are to retain control over the federal funds and may not transfer funds directly to representatives of the students with disabilities in nonpublic schools, according to 34 CFR 76.651(a)(3). The subgrantee [LEA] shall maintain continuing administrative direction and control over funds and property that benefit students enrolled in private schools. Equipment and supplies purchased for use with students with disabilities in nonpublic schools remains the property of the LEA and should be returned when no longer needed by the student with a disability.

**SAMPLE PRIVATE SCHOOL AFFIRMATION OF CONSULTATION LETTER**

SAMPLE

(Date)

Dear (Private School Representative):

(LEA(s) name(s) \*) school district(s) will soon be making application for grant funds for students with disabilities allocated under the Individuals with Disabilities Education Act, Part B (IDEA-B).

IDEA-B requires LEAs to expend a proportionate share of grant funds on services to students with disabilities enrolled in private schools by their parents. The application process requires that we consult with representatives of these students to ascertain the educational needs that might be met through this project.

Consultation with representatives of the eligible students attending your facility occurred on (Insert Date of Consultation). At this time needs were discussed and taken for consideration.

The district has decided to provide the following services for these students:

(List the services to be provided)

Please sign the bottom of this letter acknowledging the consultation and the determination of service provision and return to my attention at:

(District information)

Sincerely,

Responsible District Staff

---

School: \_\_\_\_\_

Person Certifying: \_\_\_\_\_ Date: \_\_\_\_\_

I am certifying that the \_\_\_\_\_ school district has consulted with representatives of students determined eligible to discuss the need for services through this project.

## QUICK REFERENCE OF COMMONLY REQUESTED COSTS

**NOTE:** This document is a quick reference of GAAP function and object codes to be used by applicants of entitlement grants when constructing a grant application budget. It is based upon The Uniform Minimum Chart of Accounts (Handbook 2R2), issued by the Department of Education in 1992. Consult the governing entitlement program Guidelines for specific allowable and non-allowable costs and additional budget information.

March 2001

**Exp  
endit  
ure  
Cate  
gory**

Function & Object Code	
<b>Advertising</b>	200-500
<b>Benefits</b>	200-200
<b>Books (including shipping &amp; handling)</b>	
Reference & Library	200-600
Textbooks & Workbooks (student use)	100-600
<b>Conferences/Workshops</b>	
Staff Registration fees	200-500
Hotel, Meals, Travel	200-580
<b>Consultants (includes travel &amp; expenses)</b>	
Educational, working directly with students	100-300
Professional, Technical	200-300
<b>Copying/Duplicating</b>	200-500
<b>*Equipment (includes delivery &amp; installation)</b>	
Instructional	400-731
Noninstructional	400-732
<b>Field Trips</b>	
Admission fees	100-800
Transportation (bus rental)	200-500
Food	200-600
<b>Food</b>	
Catering	200-500
Misc. Refreshments	200-600
<b>Graphic Design</b>	
Consultant fees	200-300
Vendor	200-300
<b>Indirect Costs</b>	200-860
<b>Expenditure Category</b>	<b>Function &amp; Object Code</b>

<b>Internet access and videoconferencing (line charges, use charges)</b>	
Instructional	100-500
Noninstructional	200-500
<b>Leases/Rentals</b>	
Instructional equipment	100-500
Noninstructional equipment, vehicles	200-400
<b>Maintenance Contracts</b>	
Vehicles & Equipment	200-400
<b>Postage</b>	200-500
<b>Printing</b>	200-500
<b>Repairs &amp; Maintenance</b>	
Vehicles & Equipment	200-400
<b>Salaries (full or part-time)</b>	
Instructional	100-100
Noninstructional	200-100
<b>Schoolwide Programs</b>	
Abbott Districts	520-930
<b>Software</b>	
Instructional	100-600
Noninstructional	200-600
<b>Substitutes</b>	100-100
<b>Supplies</b>	
Instructional (classroom)	100-600
Noninstructional	200-600
<b>Teachers or Aides, (full or part-time employees of applicant)</b>	
Contracted salary & additional comp.	100-100
Curriculum work	200-100
<b>Telephone</b>	200-500
<b>Travel (Staff)</b>	200-580

Hotel, Meals

200-580

---

---

---

---

---

---

**Expenditure Category**

**Function & Object Code**

**Tuition**

**Students**

100-500

**Staff**

200-500

---

---

**Vehicle**

**Gas**

200-600

**Insurance & Repairs**

200-500

**\*NOTE: To be identified as equipment (rather than supplies), an item must meet all of the following criteria:**

1. *It retains its original shape, appearance and character with use,*
2. *It does not lose its identity through fabrication or incorporation into a different or more complex unit or substance,*
3. *It is non-expendable; that is, if the item is damaged or worn out, it is more feasible to repair the item than to replace it,*
4. *Under normal conditions of use, including reasonable care and maintenance, it can be expected to serve its principal purpose for at least one year; and*
5. *The unit cost of the item is more than \$ 2000.*