Board Policy 7235: Fiscal Accountability and Federal Grant Funds

Status: ADOPTED

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The District must ensure fiscal accountability at each phase in the use of Individuals with Disabilities Education Act (IDEA) Part B and Elementary and Secondary Education Act (ESEA) funds. The purpose of this policy is to ensure that the District complies with the State Department of Education requirements described in the Idaho State Department of Education IDEA Funding Manual.

Use of IDEA Part B Funds

The District shall use IDEA funds only to pay excess costs of providing special education and related services to children with disabilities. A cost is determined to be an excess cost of providing special education only if it meets each of the following criteria:

1. The cost would not exist in the absence of special education needs;
2. The cost is not also generated by students without disabilities; and
3. If the cost is specific to a particular child, there is documentation of whether that child is on an Individual Education Plan (IEP).

The Board directs the Superintendent to establish procedures and internal controls to ensure that IDEA Part B funds are used only for allowable, excess costs of providing special education and that these costs are accounted for in the proper function/program codes described in 34 CFR 300.202-205. These procedures and controls shall also ensure the accuracy of the District's Excess Cost Calculation, as required by 34 CFR 300.16 and Appendix A to 34 CFR 300.

The Special Education Director and the Business Manager approve all IDEA Part B expenditures (purchase orders, invoices) following the process described in the written procedures for determining allowability of cost (cost principles).

Use of ESEA Funds

The District shall use ESEA funds only to pay for items of cost that meet the standards of 2 CFR 200.403-405 for allowability, reasonableness, and necessity. Additionally, expenses with funding for each program must be closely aligned with the program's goals.

Time and Effort Reporting

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In order to determine if personnel costs are allowable under IDEA Part B or ESEA, the District shall maintain auditable "time and effort" documentation that shows how each employee paid with any IDEA Part B funds or ESEA program funds spent their compensated time. Such work shall be documented on the time and effort forms. The forms shall be kept for employees paid in full or in part with federal funds or whose salary is used to meet a matching requirement in a federal program. Such documents are written reports of the distribution of an employee's time between cost objectives to align the distribution of employee costs with allowable activities for applicable federal programs.

The Board directs the Superintendent to establish a system for time and effort reporting that complies with the requirements of CFR 200.430(g) and with the 7235P Written Compensation Procedure.

Maintenance of Effort Under IDEA Part B

ONLY REQUIRED FOR DISTRICTS THAT USE ONLY LOCAL FUNDS FOR THE CALCULATION OF MAINTENANCE OF EFFORT

In order to ensure that the requirement of maintenance of effort is met, the Board directs the Superintendent to establish a means of tracking and reporting local expenditures separate from the expenditure of State funds. This is to be done for the purpose of verifying that local funds are used for special education expenditures.

Parentally-Placed Private School Children

The District must ensure that it is providing the appropriate portion of IDEA Part B funds to children receiving special education at private schools within the boundaries of the District. To accomplish this, the Board directs the Superintendent to establish procedures to accurately track and report expenditures for services provided to parentally-placed private school children.

The special education director and the business manager shall keep accurate records of all expenditures charged to the parentally-placed private school children budget. The documentation should be traceable to the financial report and available for inspection if requested.

Property Procurement and Tracking

The Board directs the Superintendent to establish written procedures to ensure that the District's mechanism for procurements using IDEA Part B or ESEA grant funds conforms to the standards outlined in 34 CFR 80.36 and with Policy 7400 Miscellaneous Procurement Standards and any related procedures. The Board also directs the Superintendent to establish a system to maintain adequate inventory management of property purchased with IDEA Part B or ESEA grant funds.

Property records in the inventory management system should include, at a minimum:

1. Property description;
2. Identification number;
3. Source of funding (including the federal award identification number);
4. The title holder
5. Acquisition date and cost;
6. The percentage of the federal agency contribution towards the original purchase;
7. The location, use, and condition of the property; and
8. Any ultimate disposition data including the date of disposal and sale price of the property.

In addition to the above information, the inventory management system should ensure that all source documents in support of the above information are maintained throughout the life and disposition of the equipment. These records should be updated frequently so that every piece of equipment purchased with federal funds can be accounted for at any given time.

Appeal of Claims of Noncompliance

If a federal agency finds the District has not complied with the requirements of a federal grant, and the Board disagrees with the finding, the Board may direct the Superintendent to object to or appeal the remedy the federal agency seeks to impose, as described in 2 CFR 200.342.

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Legal References	Description
2 CFR § 200.313	Equipment
2 CFR § 200.342	Opportunities to Object, Hearings, and Appeals
2 CFR § 200.405	Allowability Principles
2 CFR §§200.430	Time and Effort
34 CFR §§300	Appendix A Excess Costs Calculation
34 CFR §§300.132-133	Provision of Services for Parentally-Placed Private School Children with Disabilities
34 CFR §§300.16	Excess Costs
34 CFR §§300.202-205	Use of Amounts
34 CFR §§80.36	Procurement
34 CFR §§80.42	Retention and Access Requirements for Records
Fiscal Accountability Checklist:	For Sub-Recipients of IDEA Part B Funds

Other References	Description
Idaho State Department of Education	IDEA Part B Funding Manual
ISBA Policy Services	https://www.idsba.org/member-services/policy/

Cross References

Code	Description
7400	Miscellaneous Procurement Standards
7400	Miscellaneous Procurement Standards
7400	Miscellaneous Procurement Standards
7400	Miscellaneous Procurement Standards
7400	Miscellaneous Procurement Standards