Federal Education Grants Foundational Fiscal Requirements

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Time and Effort

Time and Effort

Time and Effort must be documented for all employees whose salaries are

- Paid in whole or in part with federal funds; or
- Used to meet match requirements

LEA's time and effort system must either comply with all requirements of 2 CFR § 200.430 or use Florida's approved substitute system.

Time and Effort – Florida's Substitute System

Employees who work on Single Cost Objective:

- At least semi-annual certification
- Signed and dated by employee or supervisor w/ first-hand knowledge

Employees who work on Multiple Cost Objectives:

- Personnel Activity Reports
  - Reflect after-the-fact distribution of actual activity
  - Accounts for total activity
  - Prepared 3 x per year
  - Signed and dated by employee

2 CFR § 200.430 – Standards for Documentation of Personnel Expenses

Records must reflect the work performed, and must:

- Be supported by a system of internal control that provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into the official records;
- Reasonably reflect the total activity for which the employee is compensated;
- Encompass both federal and all other activities;
- Comply with subrecipient's accounting policies and procedures;

2 CFR § 200.430 – Standards for Documentation of Personnel Expenses

Continued:

- Support the distribution of the employee's salary among specific activities or cost objectives;
- Budget estimates alone do not qualify as support, but may be used for interim accounting purposes if
  - The method used to estimate produces reasonable approximations of the activity performed;
  - Significant changes in the related work activity are promptly identified and entered into the records;
  - Internal controls are in place to make after-the-fact adjustments based on actual activities.
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Maintenance of Effort

ESEA - Maintenance of Effort

ESEA § 8521

For eligibility under ESEA entitlement programs,

Either:

- Per student amount of state and local funds; or
- Aggregate expenditures of state and local funds

for the preceding fiscal year, must be not less than 90 percent of the second preceding fiscal year**

ESEA - Maintenance of Effort

“Preceding Year” is a lag year.

Example from 34 CFR s. 299.5:

For the state fiscal year beginning July 1, 1995:

“preceding fiscal year” is the 12-month period ending on June 30, 1994, and the

“second preceding fiscal year” is the period ending on June 30, 1993.

Calculation

For MOE, state and local funds exclude:

- Community services
- Capital outlay
- Debt service
- Supplementary expenses for declared disaster
- Expenditures from federal funds

Consequences

- Funding will be reduced in proportion to the amount by which the LEA failed to meet the 90%, if:
  - LEA failed to meet 90% threshold; and
  - LEA also failed to meet 90% threshold in any one of the immediately preceding five years
- Waiver is possible

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Title I
Supplement Not Supplant

Resource: U.S. Department of Education Non-Regulatory Guidance, "Supplement Not Supplant Under Title I, Part A of the ESEA, as amended by ESSA" (June 2019)

Title I – SNS under ESSA

ESSA Sec. 1118(b)(1):

A [SEA] or [LEA] shall use Federal funds received under [Title I, Part A] only to supplement the funds that would, in the absence of such Federal funds, be made available from State and local sources for the education of students participating in programs assisted under [Title I, Part A].

Title I – SNS under ESSA

ESSA Sec. 1118(b)(2)

- No presumptions
- To demonstrate compliance, the LEA shall demonstrate that the methodology used to allocate state and local funds to each school receiving assistance under this part ensures that the school receives all the State and local funds it would otherwise receive if it were not receiving Title I funds.

Title I – SNS under ESSA

ESSA Sec. 1118(b)(3)

No LEA shall be required to

- Identify individual costs or services as supplemental
- Provide services through a particular instructional method or in a particular instructional setting to demonstrate compliance.

Title I – SNS under ESSA

Examples of Acceptable Methodologies (From 2019 ED non-regulatory guidance):

- Weighted per-pupil funding formula
- Staffing and Supplies, e.g.:
  - 1 teacher per 20 students ($65,000/teacher)
  - 1 principal per school ($120,000)
  - 1 librarian per school ($65,000)
  - 2 guidance counselors per school ($65,000/guidance counselor)
  - $825/student for instructional materials and supplies

Title I – SNS under ESSA
District-wide Expenditures

For state and local funds that an LEA does not allocate to schools, ESEA section 1118(b)(1) requires that the LEA conduct activities supported by such funds in a manner that does not take into account a school's Title I status.

ED non-regulatory guidance (June 2019)

Title I – SNS under ESSA Exclusion

An LEA need not comply with Title I SNS (i.e., need not have a methodology to allocate state and local funds) if it has:

- One school;
- A grade span with a single school; or
- Only Title I schools.

Title I – SNS under ESSA Exclusion

- ESSA sec. 1118(d)
- SEA or LEA may exclude from a supplanting determination supplemental state or local funds expended for programs that meet the intent and purposes of Title I, Part A.

Title I – SNS under ESSA Exclusion (cont.)

34 C.F.R. 200.79 – a program meets intent and purposes, if it either:

- Is implemented in a school with at least 40 % poverty;
- Is designed to promote schoolwide reform and upgrade the entire educational operation of the school; is designed to meet the educational needs of all students in the school, particularly those who are not meeting state standards; and
- Uses the state assessment system to review the effectiveness of the program; OR

Title I – SNS under ESSA Exclusion (cont.)

- Serves only students who are failing, or most at risk of failing, to meet state standards;
- Provides supplementary services to participating students designed to improve their achievement; and
- Uses the state assessment system to review the effectiveness of the program.

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Supplement Not Supplant
Non-Title I ESEA Programs

Supplement-Not-Supplant for Non-Title I ESSA Programs

For Non-Title I Programs, it is presumed that supplanting occurred if any of the following apply:

1. Required to be made available under other federal, state, or local laws.
2. Provided with Non-federal funds in the prior year.
3. Same services were provided to other students using non-federal funds.

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Comparability

Resource: ESEA § 1118(c)

ED NRG: Title I Fiscal Issues (February 2008) (Caution: parts of this NRG are outdated, but Comparability sections are ok)

Federal Requirement

An LEA may receive Title I funds only if it uses state and local funds to provide services in Title I schools that, taken as a whole, are at least comparable to the services provided in non-Title I funds.

If all schools in an LEA are Title I schools, the LEA must use state and local funds to provide services that, taken as a whole, are substantially comparable in each Title I school.

Comparability Requirement Is N/A

- When a district has only one building for each grade span (e.g., a district with one elementary, one middle, and one high school)
- When the district has only two schools – one of which is a large school and one of which is a small school

Schools Excluded from Comparability

- Schools with fewer than 100 students
- Schools with grade spans not served by Title I
- Schools outside the K-12 educational system

- Note that schools "skipped" in the rank-and-serve must maintain comparability, so must be treated as a Title I school in the comparability calculations

Annual Determination

- Every school must be comparable every year
  - Includes Charter Schools
- The calculation must be made early in the school year (generally just after Survey 2) so that a district can identify and correct any non-comparable Title I schools (no later than the beginning of the 2nd semester)
- Annual: FDOE collects policies & procedures and Attestation
- Bi-Annual: FDOE collects compliance data for each LEA every other year (Cycle A & Cycle B)

Methodology

- Pupil-Teacher Ratio (most common method)
  - The average number of students per instructional staff member in non-Title I schools compared to the pupil-teacher ratios of each Title I school.
  - The ratios in Title I schools should not be greater than 110 percent of the average for non-Title I schools.
- Per-Pupil Expenditures for Instructional Services (alternate method)
  - The amount of state and local funds allocated per pupil FTE for the purchase of instructional staff and materials.
  - The ratios of all non-excluded schools should fall between 90% and 110% of district average.

Groupings

- District can choose to use district-wide, grade span, or enrollment size.
- If the district chooses grade span, the number of grade spans should match the organization of the schools in that district.
- Enrollment size: can group by large and small, but only if there is a significant difference in the enrollment size between the largest and smallest.

Student/Staff Ratio – What Staff are Included?

- Instructional staff includes classroom teachers and other personnel who provide direct instructional services.
  - Includes, e.g., Music, Art, P.E. Teachers
- Other personnel who provide services that support instruction.
  - Guidance Counselors
  - Speech Therapists
  - Librarians
  - School Social Workers
- Instructional Paraprofessionals count as .5 FTE

What Staff Are NOT Included?

- The following staff are not considered instructional and should not be included:
  - Food service
  - Cafeteria or playground supervision
  - Personal care services
  - Non-instructional computer assistance
  - Non-instructional paraprofessionals
- Staff paid with Federal funds are not included.

Per-Pupil Instructional Expenditures

- Include State and Local Funds used for Instructional Staff and Materials
- May Exclude:
  - Federal Funds
  - Staff salary differentials for years of employment
  - Funds expended for language instruction
  - Excess costs for Students with Disabilities
  - State and local supplemental programs that meet intent and purposes of TIPA

Corrective Action

- If a district determines that one or more Title I schools is not comparable, the district should immediately make necessary staffing adjustments
- For example, adding an instructional position from state or local sources to the non-comparable Title I school

Property Records and Inventory

Inventory Controls

In Florida, LEAs must maintain property records and inventory for:

- Items over $5,000* having a useful life over 1 year (unless LEA has more restrictive policy)
- Small attractive items less than $5,000* must be

safeguarded. Recipients should have a written policy on how these items will be tracked and accounted for.

*for federal grants, threshold will increase to $10,000 beginning with grants issued in 2025-26

Property Records under 2 CFR § 200.313(d)

Property records must include:

- Description of the property;
- Serial number or other identification number;
- Source of funding for the property (including FAIN);
- Title holder;
- Cost;
- Acquisition date;
- % federal contribution towards original purchase;
- Location, Use and condition of property;
- Disposition data, including date of disposal and sale price

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Reasonable, Necessary, Allowable and Allocable

Reasonable, Necessary and Allowable

Reasonable - Cost is reasonable if it does not exceed amount a prudent person would pay under circumstances prevailing at time of purchase.

2 CFR § 200.404

Allowable - The cost is an authorized use of program funds under the applicable statute and grant award and not prohibited

Necessary - The cost is needed for the operation and performance of the program

Allocable

- The cost benefits the program in proportion to the amount paid by the program.
- The cost is distributed in accordance with the relative benefits received.
- De Minimis exception

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