



# **Illinois State Board of Education**

## **Individuals with Disabilities Education Act (IDEA)**

### **IDEA Grant Overview**

### **Special Education Directors' Conference**

**July 19, 2017**

**Illinois State Board of Education  
(ISBE)  
Technical Assistance  
and  
Resources**



## Topic/Question

## Contact

IWAS Technical Difficulties, e.g. problems with:

- Passwords
- Adding new users
- Adding amendments or subgrants



**Please reference the instructions in the egrant application.**

If additional assistance is needed, please contact the HELPDESK at (217)558-3600 or [helpdesk@isbe.net](mailto:helpdesk@isbe.net).

Programmatic IDEA Grant Questions

- Allowable expenses
- Grant timelines
- Excess Cost
- CEIS
- IDEA proportionate share
- On-going audits

Special Education Services – Grant Coordinators

[tgreco@isbe.net](mailto:tgreco@isbe.net)  
[fmalloy@isbe.net](mailto:fmalloy@isbe.net)



(217)782-5589

IDEA Maintenance of Effort (MOE)



Special Education Services – Pam Jurkoshek  
(217)782-5589

Fiscal Questions

- IDEA allocations
- IDEA proportionate share calculations
- **Expenditure reports**
- Indirect costs

Funding and Disbursements Division

<http://www.isbe.net/funding/html/special.ed.htm>

(217)782-5256

Application has been submitted. No more updates will be saved for the application.

<a href="#">Overview</a>	<a href="#">Applicant Information</a>	<a href="#">FFATA</a>	<a href="#">Maintenance of Effort</a>	<a href="#">Program Specific</a>	<a href="#">Budget Pages</a>	
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**Instructions are available in the Overview page.**

Overview

Form Type:

Program Requirements:

Application Due Date:

Payment Due Date:

Period:

Start Date:

End Date:

Expenditure Reports:

Financial Reporting:

Additional Information:

Instructions:

IDEA Part B Flow-Through

This program provides supplemental funds to ensure that all children with disabilities ages 3 through 21 receive services from qualified staff who provide services for special education students. This may include teachers, aides, administrative and instructional supplies, materials and equipment.

Federal entities

**Allocations programs.**

[Individuals with Disabilities Education Act \(IDEA\)](#)

[IDEA Final Regulations](#)

[Required Documentation](#)

[Treatment of](#)

As soon as possible

Prior to obligation

July 1 through

July 1 OR the

June 30 unless

Cumulative

It is necessary

and maintain

[Accounting Procedures](#)

[Instructions for the entire application in PDF format](#)

[Instructions](#)

**Instructions links are also available in these locations:**

- FFATA**
- Budget Pages (Allotment, Budget Detail, Budget)**
- Submit**
- Application History**
- Page Lock Control**
- Application Print**

# ISBE Resources



ISBE – [www.isbe.net](http://www.isbe.net)

Special Education Services -  
<https://www.isbe.net/Pages/Special-Education-Programs.aspx>

IDEA Grants - <https://www.isbe.net/Pages/IDEA-Part-B-Grant-Program-Information.aspx>

Rules - <https://www.isbe.net/Pages/Rules.aspx>  
Part 100 - accounting/budgeting/financial reporting/audits)  
<https://www.isbe.net/Documents/100ARK.pdf>

Fiscal Procedures Handbook -  
[https://www.isbe.net/Documents/fiscal\\_procedure\\_handbk.pdf](https://www.isbe.net/Documents/fiscal_procedure_handbk.pdf)

# **IDEA Flow-Through Grants**

## **General Information**

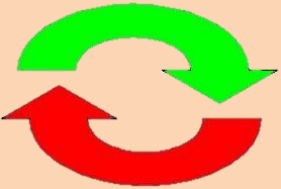


# IDEA-Focused



## IDEA grants are for special education expenses:

- Reasonable and necessary for grant purposes (2 CFR 200.403).
- Document/verify that IDEA funds expended were for special education costs:
  - Track the money
  - Withstand an audit
- School districts must expend local funds for special education services.



# **IDEA Funds Moving Between Cooperatives & Member Districts**

Keep track of the IDEA funds – show the money trail and verify how the funds were spent, this includes IDEA carryover funds

- Tuition is specific to students, i.e. not salary reimbursement to avoid federal TRS payments
- Nonpublic proportionate share funds must flow to the districts
- IDEA funds used for CEIS must flow to the districts



# Monitoring the IDEA Grants



Use IDEA funds in accordance with federal and state regulations.

ISBE – Responsible for subrecipient monitoring and general supervision requirements

Cooperatives – Responsible for subrecipient monitoring and use of federal funds

Districts – Responsible for use of federal funds

# Monitoring (cont.)

Oversight can prevent misuse of funds, audit findings, interest penalties, loss of carryover funds, and maintenance of effort & excess cost issues.

Familiarity with the grant requirements, timelines, and resources is beneficial to the districts and cooperatives.

 **Please share the IDEA grant team listserv notices.**

# Examples

ISBE	Cooperatives	Districts
<ul style="list-style-type: none"><li>• Two tier grant approvals</li><li>• Review/approval of construction projects</li><li>• Review of all MOE worksheets</li><li>• Review of all excess cost worksheets</li><li>• Conduct TMC audits</li><li>• Monitor professional development expenditures, including out-of-state travel</li><li>• Monitoring audit findings</li><li>• Annual update of instructions, forms, and documents</li><li>• Ongoing technical assistance and notification</li><li>• Current on federal and state requirements, seek guidance (OSEP), and share information</li></ul>	<ul style="list-style-type: none"><li>• Review IDEA subgrants</li><li>• Monitor/assist with MOE</li><li>• Monitor completion of excess cost worksheets, available as a resource</li><li>• Monitor TMC status</li><li>• Review and approval of expenditure reports</li><li>• Track use of IDEA funds</li><li>• Provide notification of impending timelines and updates on regulatory requirements</li><li>• Current on federal and state regulations</li><li>• Technical assistance resource</li><li>• Share ISBE notifications with member districts</li><li>• Ask questions/seek clarification about IDEA grant issues</li></ul>	<ul style="list-style-type: none"><li>• Be aware of federal allocations, carry over amounts, and the amount of IDEA funds expended</li><li>• Track local spending on students with IEPs</li><li>• Be aware of timelines</li><li>• Use the available resources</li><li>• Current on federal and state regulations (grants, prop. share, MOE, excess cost, etc.)</li><li>• Share notices and announcements from ISBE and cooperatives</li><li>• Ask questions, seek clarification about IDEA grant issues</li></ul>

# IDEA Grant Timelines

- July 1** Earliest start date for the IDEA grants
- September 30** Timeline for completing MOE
- May 31** Last date to submit an amendment for the regular IDEA grant period
- June 30** **End date** for the IDEA grants
- August 1** Last date to submit an amendment for any IDEA grant that has an **approved** extension
- August 31** End date for IDEA grants with an approved extension

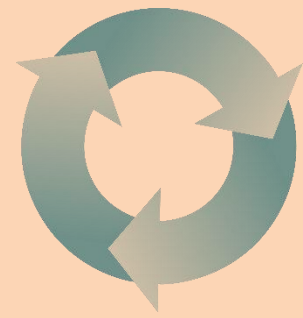
# **Timelines that Impact IDEA Grants**

**Timely and Meaningful Consultations (TMC)** - meetings held by May 31

**MOE Reduction** – Eligible districts opting to take a MOE reduction, must submit the MOE Reduction form to ISBE by September 29.

**Excess Cost** - Due at ISBE by the last working day of January (*January 31, 2018 for FY18*).

# IDEA Grant Period



The IDEA funds are specific to the fiscal year that they are provided.

While some items can be used for multiple years, all expenditures should be purchased for the current fiscal year.

# Working Within the Grant Period

- Obligating funds - substantially approvable grant (including subgrants) **submitted to ISBE**
- Start date for salaries/benefits is tied to the start date of the grant
- Budget for the current grant period
  - ESY and summer expenditures (note the timelines)
- Liquidation period – 90 days from the end of the grant



# Q and A

May a district use IDEA funds for July and August professional development costs?

Yes, but a June 30 end date creates challenges.

- Travel costs are incurred at the time they occur (e.g. hotels, meals, mileage, airfare). *\*Registration may be paid in the prior fiscal year.*
- Out of state travel requests require prior written approval from an IDEA grant coordinator.
  - Grant coordinators can't approve prior to July 1
  - Substantially approvable grant must be submitted with a July 1 start date.
  - No travel costs, including airfare, can be paid prior to July 1.



# Professional development activities that span two fiscal years (June/July)

## Options:

- Use IDEA funds to pay for registration & June travel costs and use local funds for the July costs.
- Pay for June costs with expiring IDEA grant and July costs with the new IDEA grant.
  - Substantially approvable grant with a July 1 start date
  - Best to have a contingency plan to pay July costs with another funding source.
- Extend the grant to August 31 - reasonable for special education in-service for all special educators; not so much for a conference attended by one or two staff members.

# Start Date - Cause and Effect Example

A district has an October 1 start date.

- Cannot claim reimbursement for any expenditures incurred from July 1 – October 1
- Delay in the reimbursement process
- May miss the quarterly expenditure report timeline, resulting in an audit finding
- Any July 1 – October 1 expenditures submitted for IDEA reimbursement would be questioned costs in an audit (financial adjustment or repayment)



# Q & A



May a three year license be charged to the IDEA grant?

Yes. Districts may purchase multiyear licenses, warranties, or subscriptions that begin during the fiscal year they are purchased.





## Q & A

May a district add classroom supplies/materials to the IDEA grant at the end of the grant period (e.g. last amendment in May)?

Yes, **if** the supplies/materials will be used within that grant period, i.e. used in the classroom by June 30.

- The district cannot use the IDEA grant funds to purchase items for the next school year.
- Unexpended IDEA funds carry over to the next fiscal year.

# IDEA Carryover Funds

Unused IDEA funds carry over to the next fiscal year.

Carryover funds:

- Are generally loaded in late summer/early fall
- Are noted on the allotment page of the grant
- Must be expended within the one-year carryover period
- Are attached to the districts that generated the funds
- Expended first (**first in, first out**)



## Q & A

Is special permission needed to use carryover funds?

No. Once the IDEA carryover funds are loaded in the system they may be used for any allowable IDEA expenses.

What is the limit on carryover amounts?

Districts can carry over 100% of their allocation. That is NOT recommended for any district.

\*Districts/cooperatives should monitor IDEA spending to avoid loss of unexpended carryover funds.

# Carryover - Cause and Effect Example

A district has historically carried over around a million dollars each year, about equal to the federal allocation.

If the district ever fails to expend the carryover amount, it will lose that portion of unexpended carryover funds.

FY18 Allocation	\$1,350,000
FY17 Carryover	\$1,000,500
FY18 – budgeted in grant	\$1,107,862
FY18 – actual expenditures	\$987,345
Unexpended carryover that is forfeited	<b>\$13,155</b>



# IDEA Grant Amendments

Amendments are required for:

- significant changes in program scope; or
- budgeting for more available funds (i.e. carryover); or
- purchases exceed the ISBE expenditure variance of **10%** or \$1,000 per object code, whichever is greater; or
- adding new expenditures.

**\*This includes changes in purchases of previously approved equipment.**

❖ Note changes in the amendment page

- Include subgrants with amendments



# Q & A



How often should a district or cooperative amend the IDEA grant?

There is no set amount or timeframe for grant amendments.

- Amend often enough to include new and necessary expenditures.
- Amend often enough to reflect staff changes or increases/decreases in expenses.
- **Must** amend if a decrease in the federal IDEA allocation causes a negative balance in the budgeted amount.

# **IDEA Flow-Through Grants**

## **Specific Information:**

- Professional Development**
- Coordinated Early Intervening Services (CEIS/EIS)**
- Nonpublic Proportionate Share**

# IDEA Funds and Professional Development



- At least 5% of the IDEA flow-through budget must be dedicated to professional development activities, i.e. budgeted and expended.
- IDEA-focused is the standard for all professional development activities.
- IDEA funded out-of-state travel for professional development is limited to LEA/cooperative employees.

# IDEA Funded

## Professional Development (cont.)

- Out-of-state travel
  - Submit the approval request at least one-week in advance of the event
  - All requirements apply, including reasonable and necessary for the purpose of the grant
- \*The out-of-state travel approval form is not required for travel within 50 miles of the Illinois border.
- When using IDEA funds to provide professional development hours for licensure renewal purposes, Illinois professional development provider requirements apply.




## Q & A

How is the 5% for professional development computed for cooperatives?

The 5% is based on total combined IDEA professional development expenditures in the cooperative and member district subgrants.

Professional development costs may be solely at the cooperative level, solely at the member district level, or a combination of both.

# IDEA Funds for Coordinated Early Intervening Services (CEIS)

- Voluntary for most grantees
- May use up to 15% of funds for CEIS:
  - for professional development, and
  - to provide evaluations, services and **supports** including scientifically-based literacy instruction.
- Must document and report to ISBE  OSEP:
  - how many students are served, and
  - how many students are later determined eligible under the IDEA.

# CEIS (cont.)



IDEA CEIS funds **cannot be used to supplant any activity that was previously funded by federal ESEA funds.**

- can supplement/add on to existing activities
- **cannot** replace previous funding with IDEA CEIS funds

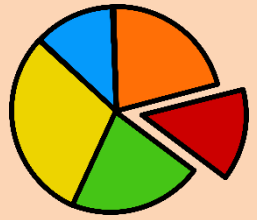
## CEIS and Voluntary MOE Reduction

When eligible districts opt to take a MOE reduction:

- CEIS expenditures count toward that total and
- the combined dollar amount for the MOE reduction and CEIS is limited to the smaller amount.

**Any district opting to take a MOE reduction must complete and submit the IDEA MOE Reduction form to its IDEA grant coordinator by September 29, 2017.**

# IDEA Proportionate Share



IDEA eligible nonpublic students, including homeschooled, generate IDEA proportionate share amounts. That portion of the IDEA funds must be expended on eligible students with IEPs.

- Direct/indirect services to the students
- Supports in conjunction with the direct/indirect services
  - Supplies, materials, equipment
  - Professional development for staff who work with the students with individualized services plans (ISPs)



# Budgeting for IDEA Proportionate Share

## Function Code 3700 and Nonpublic Proportionate Share Expenditures

Func. Code	Object Code	Expenditure
3700	100	Salaries for district staff providing direct or consultative proportionate share services, e.g. SLP, OT, PT, LBSI
3700	200	Benefits for district staff providing proportionate share services
3700	300	Purchased service, e.g. OT/PT from a private company or individual (note the name of the providing company)
3700	400, 500, 700	Supplemental supplies, materials, equipment needed to <b>support</b> the proportionate share services (owned/retained by the district)

## Function Code 4000 and Nonpublic Proportionate Share Expenditures

Func. Code	Object Code	Expenditure
4000	300	Direct/consultative special education and related services purchased from a cooperative, school district, public low incidence provider, state college or university, or local governmental body.

**Purchases from governmental entities would not include supplies, materials, or equipment.**



# Audits

- **Single Audits**
  - Respond in a timely manner, contact your grant coordinator with any questions
  - District and cooperative communication
  - Follow through on corrective action to avoid a repeat finding
  - **Audit findings impact LEA determinations**
- **State** – ISBE Federal and State Monitoring
  - Generally cyclical
  - Can be in response to “red flags”
- **Federal** - If no notification from ISBE, contact your grant coordinator

# Single Audits



- **When ISBE receives the A-133 audit findings the districts have already signed agreement to the findings and the plan of action.**
  - Communicate internally regarding audit findings
  - Member districts communicate with cooperative personnel and vice versa regarding audit findings
- Questioned costs are subject to repayment or budget adjustments.
- Districts can contact the IDEA grant coordinators during the audit process.



# Sample - Single Audit Findings

32 districts/cooperatives received Single Audit findings for IDEA flow-through and preschool grants.

63 Single Audit findings

The samples show the most common findings and one area that spiked since last year.

# Single Audits and Expenditures

(most frequent findings)

Findings	# of Times	Questioned Costs
Expenditures claimed twice	2	\$3,629 \$1,598
Time frame errors – wrong fiscal year, wrong quarterly report,	7	\$3,847 \$2,312 \$402
Expenditures did not match the general ledger or did not match the IDEA budget	20	\$18,089 \$12,862 \$4,718 <i>*\$1,672,956 discrepancy that was not a questioned cost</i>
Expenditure for another grant was reported to the IDEA flow-through	1	NA
No supporting documentation for expenditure(s)	2	\$537

# Single Audits – Findings We See Every Year

Finding	# of Times
Lack of segregation of duties	2
Inventory not updated or completed for multiple years	4
No time/effort sheets or time sheets	2
No policies/procedures to verify that vendors are not suspended or debarred	4
Lack of internal control, e.g. procedures in place to prevent/detect misstatements and maintain documentation	1

# Single Audits and Sub-recipient Monitoring

\* Finding area that increased the most

Findings	# of Times
No formal evaluation and documentation of member district risks	2
No segregation of duties between the cooperative and member districts	1
Flow-through payment to member districts not liquidated in a timely manner	1
No process in place to ensure timely and accurate expenditure reports (\$2,083 questioned costs)	2
Cooperative billed districts based on estimated costs, which resulted in overbilling the Federal Program	1
Cooperative does some sub-recipient monitoring, but doesn't follow up on audit findings and plans	1
Cooperative did not have a memorandum of understanding or other agreement present for sub-grantees	1
Cooperative did not properly utilize its internal control procedures over sub-recipient monitoring	1



**Supplement**

**Not**

**Supplant**

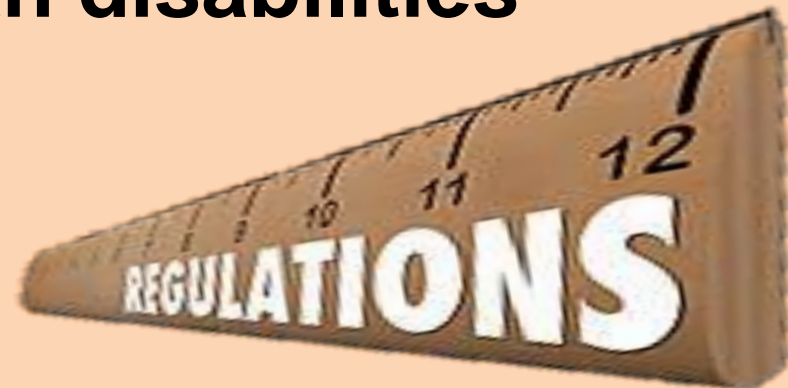




# **IDEA Grants Are Supplemental Funds**

**IDEA funds are to supplement, not replace or supplant, local spending on students with disabilities.**

- LEAs must maintain local fiscal effort**
- IDEA funds are for the excess cost of educating students with disabilities**



IDEA Excess Cost	IDEA MOE Compliance
Supplement not supplant requirement	Supplement not supplant requirement
<p>Expend local funds before using IDEA funds. *OSEP allows simultaneous spending of IDEA funds and local funds</p>	<p>Maintain, not decrease, local spending on students with IEPs, protection against budget cuts.</p>
<p>Excess cost establishes a current year target.</p> <p>The excess cost process uses prior year and current year data to establish an excess cost threshold for the current year. As a general supervision requirement, ISBE must also verify that the excess cost threshold established in the prior year was met.</p>	<p>MOE compliance is an after-the-fact comparison.</p> <p>The MOE compliance process uses data from two previous fiscal years to determine whether the district maintained local effort from one year to the next.</p>
<p>The federal regulations provide a step-by-step excess cost calculation that looks at all local spending on students with IEPs in comparison to spending on general education students with no supports.</p>	<p>The federal regulations provide the standard for MOE compliance. The MOE compliance process looks at specific special education expenditures to verify that MOE was met.</p>
No allowable exceptions	Specific allowable exceptions
<p>Failure to meet the excess cost threshold requires repayment of the shortfall with local funds.</p>	<p>Failure to maintain local effort requires repayment of the shortfall with local funds.</p>

# Maintenance of Effort (MOE)

- Local (local or state/local) spending on students with disabilities cannot decrease from year-to-year.
- Regulations specify allowable MOE exceptions:
  - Voluntary departure of staff
  - Termination of obligation to provide an exceptionally expensive program to a student or students with disabilities
  - Termination of costly expenditures for long-term purchases
- Also, if per capita remains the same, MOE is met.
- Failure to meet MOE requires repayment of federal funds in the amount of the MOE shortfall.

# **MOE - Eligibility and Compliance**

**MOE Eligibility** – A district is eligible to receive IDEA funds by maintaining local effort. This is based on a comparison of the most recent complete fiscal year (up to 2 years) with the current budgeted amounts. (Documented in the IDEA grant application)

**MOE Compliance** - Verification that a district maintained local effort based on a comparison of the finalized fiscal records for two years. (MOE worksheets are mailed to districts/cooperatives)

# Local Effort



When comparing fiscal years, IDEA maintenance of effort can be achieved through four options (maintain or increase):

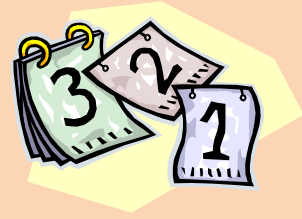
- State and local net expenditures
- Local net expenditures
- State and local per capita
- Local per capita

## **Local Only Expenditures**

The annual financial report (AFR), does not separate expenditures by state and local.

“Local only” IDEA MOE (no state expenditures), must be completed at the local level, with the supporting documentation provided to ISBE.

# Keeping It Timely



- **Don't let a negative MOE delay submitting an otherwise substantially approvable grant.**
- Resolve the MOE issue as soon as possible
  - Work with the ISBE grant team (Pam!!)
  - Avoid holding up approval and/or amendments
- MOE resolved by September 30<sup>th</sup> .
- Before throwing in the towel, contact the grant team.

# MOE – Cause and Effect Example



A cooperative increased the IDEA allotments to member districts, which has created concerns about MOE.

As long as the districts maintain their local spending, they should be fine.

- Use the increase for new or one-time large ticket special education costs.
- Districts will still have costs that were previously paid by the cooperative on behalf of the district.
  - Purchase those services from the cooperative/another service provider  
or
  - use the IDEA funds to provide the services directly.

*Either option should strengthen accountability of the funds for auditing purposes.*



Problems would occur if a district used IDEA funds to supplant local spending, e.g. moved all teacher and transportation costs to the IDEA grant and did not spend the “freed up” local funds on special education costs.

# IDEA Excess Cost

The IDEA grants are supplement funds for the excess cost of educating students with disabilities.

- Expend state/local funds before using IDEA funds. *OSEP allows concurrent spending.*
- Cannot use IDEA funds to pay 100% of special education costs. *Exception for students ages 3 – 5 and 18 – 21 when no state/local funds are available.*
- Spend at least the same minimum amount of state/local funds on students with disabilities as are expended on students with no supports.



# Excess Cost – An Ongoing Process

**September** (generally) – release of the IDEA excess cost worksheets/instructions.

**October** – AFRs are due, districts will have the data to complete most of the excess cost worksheet.

**December** – special education child count is due to ISBE, districts will have the final data needed to complete the IDEA excess cost worksheet.

**January** – the IDEA excess cost forms are due to ISBE by the last business day in January.

# FY18 Excess Cost

- No changes anticipated
- Simply updating fiscal year references and any AFR changes



# Q and A



Are districts required to use the annual financial report in completing the IDEA excess cost worksheet?

Yes. All districts must use the AFR to complete the IDEA excess cost worksheet.

May a district receive an extension for the January 31, 2017 deadline?

No. All IDEA excess cost worksheets are due the last business day of January.



# Excess Cost Notifications - FY17 Cycle

- Directors' Conference
- Additional IDEA grant presentations (IASBO, regional)
- September 20 release - listserv announcement
- Directors' Planning Calendar (Sept., Oct., Dec., Jan.)
- IAASE meetings (Sept., Nov., Feb.)
- ISAC meetings (April and Feb.)
- Emails from grant coordinators – Nov. 15 and 30
- Supt. Weekly Message Nov 7 – Jan 31 (11 messages)
- Jan 5 Midyear Reminders listserv announcement



# Looking Back at FY17

Isn't it nice that it is done.

Closed the federal MOE reduction audit



New federal audit findings (F&D and Fed/State)

CEIS reporting in the grant application worked well.

We survived the first year of GATA





# Tips for FY18

- Resolve MOE issues promptly
- Monitor local spending on special education
- Read and share ISBE announcements
- Use available resources
  - ❖ egrant instructions in the application
  - ❖ Fiscal Procedures handbook
  - ❖ IDEA grant webpage
- Contact the IDEA grant coordinators with questions

# Tips for FY18 (cont.)



- Keep track of the IDEA grant status
  - Avoid excessive carryover
  - Make certain all amendments are approved
- Provide sufficient details in grant applications
  - Note per unit cost for equipment
  - Include district threshold for non-capitalized equipment (object 700)
- Next spring, complete the GATA registration/prequalification requirements early

# New Since Last Year

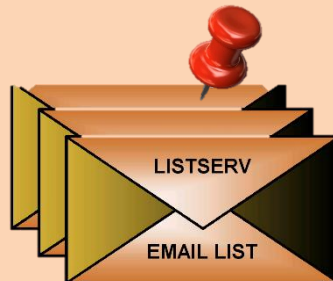


IDEA Grant webinar library

IDEA Grant Q & A Document



Listserv announcements are posted on the IDEA grant webpage





# Grant Changes



- 10% increase in an object code requires an amendment
- Indirect Cost Rate page added to the grant
- MOE Eligibility page revision - explanation required for exceptions
- Additional GATA pages

# Grant Changes (cont.)

Ready For Some  
Good News?

- Multi-year subscriptions, licenses, and warranties are allowed, make sure the subscriptions starts in the current fiscal year.
- Registration for a summer conference can be charged to the prior year grant. For example, registration for a July conference may be paid in March from the FY18 IDEA grant with the July travel costs paid from the FY19 IDEA grant.

# Renewed Focus for FY18



- Abstract page summarizes plan for the use of the supplemental IDEA funds. Not just a copy and paste from the prior year.
- IDEA excess cost, Section D - **Use the Expenditures section of the AFR and note the locations.**
- Function code 4000 for purchased services from governmental entities.
  - Include proportionate share services provided by cooperatives

# Grant Team Contact Information

Special Education Services – (217)782-5589

## IDEA Grant Coordinators

- Tammy Greco [tgreco@isbe.net](mailto:tgreco@isbe.net)
- Felicia Malloy [fmalloy@isbe.net](mailto:fmalloy@isbe.net)



## MOE Consultant

- Pam Jurkoshek [pjurkosh@isbe.net](mailto:pjurkosh@isbe.net)



**Questions**