

# Site-Based Expenditure Reporting Supplementary Resource

## *Reporting Federally Funded Expenditures*

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# Guidance Focus: Reporting Federally Funded Expenditures

- **Overview** of Site-Based Expenditure Reporting.
- Specific **requirement** associated with disaggregation of funding source.
- **Identifying** federally funded expenditures.
- How to handle **special situations**:
  - Federal Impact Aid
  - Medicaid reimbursements
  - Food service reimbursements

# Special Note – School-Level Finance Survey

- Beginning in FY 2024, all reporting entities are responsible for two site-based financial reports: SBER and SLFS
- This Supplementary Resources relates to SBER only. Please see the annual Site-Based Financial Reporting guidance document on ISBE's [webpage](#) for more information about SLFS.

# Reporting Requirement for Disaggregation of Funding Sources

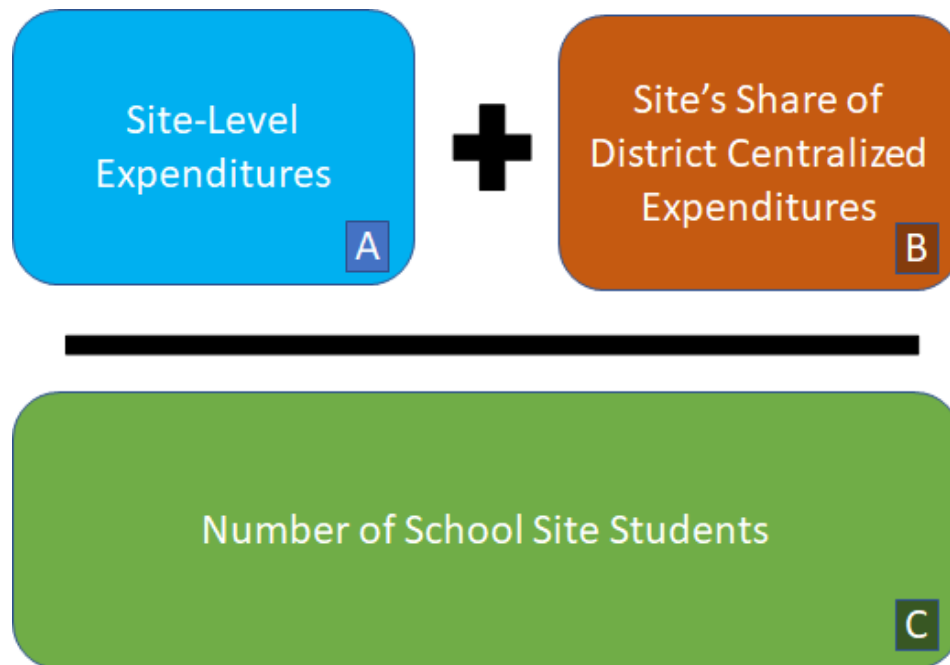
# ESSA Site-Based Expenditure Reporting: Fund Disaggregation

ESSA requires that SEAs report on their Report Card:

*“The per-pupil expenditures of Federal, State, and local funds, including actual personnel expenditures and actual non-personnel expenditures of Federal, State, and local funds, disaggregated by source of funds, for each local educational agency and each school in the State for the preceding fiscal year.”*

# Formula: Calculating Total Per-Pupil Expenditures for Each School

Per-pupil expenditures reported for each school:



Sections A and B must be disaggregated by source of funds – federal vs. state/local (with state and local combined).

Privately-funded expenditures, such as philanthropically funded expenditures, should be included in the state/local category.

# Guidance Focus: Reporting Federally Funded Expenditures

Sites	Student FTE Enrollment	Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures			Exclusions	Total Expenditures
		Federal	State and Local	Subtotal	Federal	State and Local	Subtotal	Federal	State and Local	Total		
PK Ctr	50	\$500	\$8,020	\$8,520	\$660	\$3,514	\$4,175	\$1,160	\$11,534	\$12,695		
ES1	300	\$344	\$5,148	\$5,493	\$529	\$2,781	\$3,310	\$874	\$7,929	\$8,803		
Charter ES	250	\$634	\$7,563	\$8,197	\$127	\$986	\$1,113	\$761	\$8,549	\$9,310		
MS1	250	\$320	\$5,356	\$5,676	\$361	\$3,499	\$3,861	\$681	\$8,855	\$9,536		
HS1	320	\$458	\$6,910	\$7,368	\$371	\$2,919	\$3,290	\$829	\$9,829	\$10,658		
<b>LEA</b>	<b>1,170</b>	<b>\$439</b>	<b>\$6,313</b>	<b>\$6,752</b>	<b>\$370</b>	<b>\$2,620</b>	<b>\$2,990</b>	<b>\$809</b>	<b>\$8,933</b>	<b>\$9,742</b>	<b>\$2,330,361</b>	<b>\$13,728,071</b>

Illinois Report Card visualizations are limited to these data and contextual data. LEAs may also optionally submit narratives and notation of allocation methodologies.

# Identifying Federally Funded Expenditures



# Identifying Federally Funded Expenditures

Expenditures funded by **revenues from federal sources in [Part 100 \(Table C\) \(4000s\)](#)**, including expenditures from federal pandemic relief funds, are considered federally funded expenditures.

Connecting funding source to expenditures requires either:

1. Accounting codes for source of funds.
2. Offline tracking. (See Appendix at the end of this presentation for additional details.)

Typically, districts track source of funds in their ledger for federal grant reporting purposes.\* If not, they likely have another tracking mechanism. For Site-Based Expenditure Reporting purposes, districts may want to also connect funding source to expenditures **by location**.

*\*Reminder: Site-Based Expenditure Reporting does not impact any other grant reporting.*

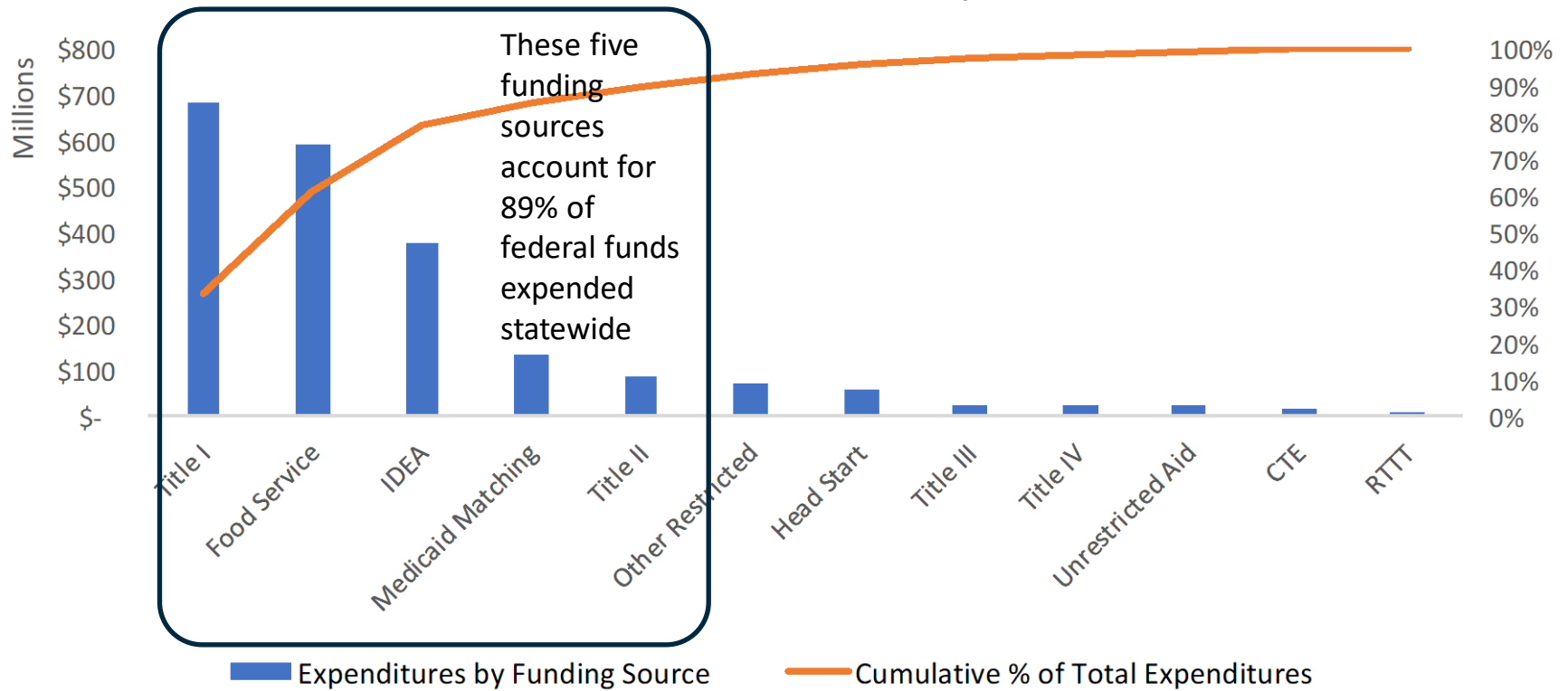
# Recommended: Use Accounting Codes for Source of Funds and Location

	A	B	C	D	E	H	I	K	L	M				
1	<b>Example District</b>													
2	<b>FY19 Budget - line item detail</b>													
3														
4	FDTLOC	FUNC	OBJ	SJ	FD	LOC	FUNC	OBJ	Source	FD name	FUNC name	OBJ name	FY19 Budget Amount	
5	10E097	1110	1200	00	000000	10	097	1110	1200	000000	EDUCATION FUND	ELEMENTARY	SUBST/TEMP SALARIES	76,200
6	10E043	1110	1100	00	000000	10	043	1110	1100	000000	EDUCATION FUND	ELEMENTARY	CERTIFIED SALARIES	909,200
7	10E043	1110	1110	00	000000	10	043	1110	1110	000000	EDUCATION FUND	ELEMENTARY	NON-CERTIFIED SALARIES	58,300
8	10E024	1110	1100	00	000000	10	024	1110	1100	000000	EDUCATION FUND	ELEMENTARY	CERTIFIED SALARIES	68,500
9	10E024	1110	1110	00	000000	10	024	1110	1110	000000	EDUCATION FUND	ELEMENTARY	NON-CERTIFIED SALARIES	50,300
10	10E044	1110	1100	00	000000	10	044	1110	1100	000000	EDUCATION FUND	ELEMENTARY	CERTIFIED SALARIES	1,433,200
11	10E044	1110	1110	00	000000	10	044	1110	1110	000000	EDUCATION FUND	ELEMENTARY	NON-CERTIFIED SALARIES	88,300
12	10E044	1110	1111	00	000000	10	044	1110	1111	000000	EDUCATION FUND	ELEMENTARY	CLERICAL SALARIES	18,600
13	10E097	1110	2110	00	000000	10	097	1110	2110	000000	EDUCATION FUND	ELEMENTARY	RETIREMENT	4,200
14	10E097	1110	2111	00	000000	10	097	1110	2111	000000	EDUCATION FUND	ELEMENTARY	TRS ADDL BOARD PAID	700
15	50E097	1110	2160	00	000000	50	097	1110	2160	000000	MUNICIPAL RETIREMENT &	ELEMENTARY	BD SHARE MEDICARE	1,000
16	10E043	1110	2110	00	000000	10	043	1110	2110	000000	EDUCATION FUND	ELEMENTARY	RETIREMENT	89,900
17	10E043	1110	2111	00	000000	10	043	1110	2111	000000	EDUCATION FUND	ELEMENTARY	TRS ADDL BOARD PAID	14,100
18	10E043	1110	2220	00	000000	10	043	1110	2220	000000	EDUCATION FUND	ELEMENTARY	BD PORTION INSURANCE	110,200
19	10E024	1110	2110	00	000000	10	024	1110	2110	000000	EDUCATION FUND	ELEMENTARY	RETIREMENT	6,800
20	10E024	1110	2111	00	000000	10	024	1110	2111	000000	EDUCATION FUND	ELEMENTARY	TRS ADDL BOARD PAID	1,100
21	10E024	1110	2220	00	000000	10	024	1110	2220	000000	EDUCATION FUND	ELEMENTARY	BD PORTION INSURANCE	16,100
22	10E044	1110	2110	00	000000	10	044	1110	2110	000000	EDUCATION FUND	ELEMENTARY	RETIREMENT	141,500
23	10E044	1110	2111	00	000000	10	044	1110	2111	000000	EDUCATION FUND	ELEMENTARY	TRS ADDL BOARD PAID	22,400
24	10E044	1110	2220	00	000000	10	044	1110	2220	000000	EDUCATION FUND	ELEMENTARY	BD PORTION INSURANCE	182,100
25	50E043	1110	2120	00	000000	50	043	1110	2120	000000	MUNICIPAL RETIREMENT &	ELEMENTARY	BD SHARE IMRF	6,300

In this example, the district uses *LOC* for location code and *Source* for a funding source identifier. This increases the number of accounting lines, but at end of year reporting can be developed by adding these two dimensions.

# The Largest Federal Funds are Likely Already Tracked for Grant Reporting Purposes

FY16 Total Illinois District AFR Expenditures



# Federal Stimulus Funding for COVID-19

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed and signed into law, establishing funds through which LEAs may apply for and receive federal dollars. Subsequent acts were passed and signed into law on December 27, 2020, and March 11, 2021, establishing similar funds through which LEAs may apply for and receive federal dollars.

Expenditures from federal pandemic relief funds must be included and reported as federally funded, either within per-pupil calculations or as a reported exclusion, following the usual guidance on expenditure reporting.

# Special Circumstances Related to ESSER

## Reimbursements for Prior Fiscal Year Expenditures

- Any Elementary and Secondary School Emergency Relief (ESSER) dollars received in FY 2023 for the reimbursement of state/local expenditures made in a prior fiscal year will not be captured in the FY 2023 Site-Based Expenditure Report due to their being reimbursements rather than expenditures in FY 2023. (The original expenditures should have been captured in the report for the associated fiscal year.) All FY 2023 expenditures funded by ESSER will be captured in this FY 2023 report and should be reported as federally funded.

## Small Business Loans

- Some charter schools may receive federally guaranteed loans for small businesses through the CARES Act or other federal stimulus funds related to COVID-19. Per usual guidance, any repayment of those loans should be counted within the lump sum of exclusions (Function 5000: Debt Services). Any expenditures paid with the loan proceeds should be reported according to usual reporting guidance.

# Recommendations for Handling Special Circumstances

# Handling Special Circumstances with Federal Funds

- In general, expenditures paid for with federal funds should be included in the Federal columns of the Reporting Table. However, there are situations where applying this rule of thumb is not straightforward:
  - **Unrestricted Federal Funds (Federal Impact Aid):** These funds may be more difficult to associate expenditures to because they are discretionary.
  - **Some Reimbursements (Food Service, Medicaid):** Due to fund processes and reimbursement timing, federal funds are not always directly associated with current year expenditures.
- For these “special circumstances,” ISBE offers *recommendations* for how to account for these expenditures.

# Expenditures Funded with Federal Impact Aid Must Be Reported as Federally Funded

- Because Federal Impact Aid is unrestricted, it can be used for any district expenditure – but expenditures paid for with these funds still ***must be reported as federal expenditures*** for reporting purposes
- In recognition of the difficulty of tracking these unrestricted funds, however, a district may continue to do a simple ***proportional calculation***:
  1. Separate out the easily identifiable federal fund spending (not including the Federal Impact Aid) from the state/local fund spending.
  2. Take the total Federal Impact Aid collections for the year and consider this to be the district's amount of discretionary spending from federal sources. Allocate the Federal Impact Aid dollars as federal fund spending to each school either:
    - On a per-pupil basis, or
    - Based on the portion of discretionary spending assigned to each school.
  3. Now that the Federal Impact Aid dollars are allocated as federal fund spending, subtract those dollars from each school's respective state/local fund spending.



# Funding Source Flexibility for Certain Circumstances

## From the guidance:

LEAs may report expenditures reimbursed by federal funding, where the total amount of reimbursement is not fully known during the reporting year (such as Medicaid and food service reimbursements), **as federally funded, when viable.** Reporting the expenditures as state/locally funded is also acceptable if such reporting would necessitate overly burdensome retroactive federal coding. It is recommended that LEAs seeking to report these expenditures as federally funded calculate their claims for the year and use the estimated amount of reimbursement as the amount of federal expenditures to be reported. This calculation may be used as an estimate of the proportion of the expenditure that is federally funded. For example, if a district estimates that it will receive \$1 million in Medicaid funding, it can report \$1 million as equivalent federal expenditures, while the remaining balance will be reported as state/locally funded. As is the case with other instances within this guidance, the best rule of thumb is to allocate the dollars as best represents the district's actual service delivery.

# Food Service and Medicaid Reimbursements in Site-Based Expenditure Reporting

Two complicating factors:

<i>Challenge</i>	<i>Issue</i>	<i>Implication</i>
<b>Split Funding</b>	Eligible expenditures are typically only partially funded by federal funds.	These expenditures must be <u>split</u> for source of funds reporting between state/local and federal.
<b>Timing of Reimbursements</b>	Funding typically is not fully received until after the reporting period.	We must use a <u>proxy</u> for federally funded expenditures during the time period (e.g., current year revenues).

**Rule of thumb** – Be as accurate as possible without creating undue burden.

**Recommended general process:** Estimate the federally funded portion of expenditures using relevant data, such as current year funding or total claims. Then move this federally funded amount from the state/local columns to the federal columns.

- The following slides provide **example methodologies**; however, the LEA may calculate these expenditures in whatever way it deems appropriate, including as state/locally funded.

# Estimating the Portion of Food Service Expenditures Covered by Federal Funding

For some LEAs, food service may be fully federally funded; for others, costs of services may exceed federal funding. Districts in which costs of services exceed federal funding may consider the following approach as an example:

	Sites			Central	Total
	ES	MS	HS		
1 Identify total Food Service expenditures				\$ 1,000,000	\$ 1,000,000
2 Estimate the level of funding that can be expected*				\$ 800,000	\$ 800,000
3 Estimate the funding per qualifying pupil					
Qualifying pupils	350	200	250		800
Allocation per qualifying pupil					\$ 1,000
4 Allocate per qualifying pupil amount to federal expenditures at each school	\$ 350,000	\$ 200,000	\$ 250,000		\$ 800,000
5 Allocate remainder of expenditures across all students					
Total students	500	200	300		1,000
Allocation per student					\$ 200
4 Allocate per qualifying pupil amount to federal expenditures at each school	\$ 100,000	\$ 40,000	\$ 60,000		\$ 200,000
<b>Data for Reporting Table:</b>					
Site's share of Central Federal Expenditures	\$ 350,000	\$ 200,000	\$ 250,000		\$ 800,000
Site's Share of Central State/Local Expenditures	\$ 100,000	\$ 40,000	\$ 60,000		\$ 200,000

\*Methodology to be determined by district. Options include but are not limited to funds received in the fiscal year, or anticipated claims

# Estimating Federally Funded Expenditures Anticipated to be Reimbursed by Medicaid

- Medicaid reimbursements are claimed and received for **qualifying services for Medicaid-eligible students**. Typically, these are special education and administrative expenditures, which **may also be funded by federal IDEA funding, state/local funding, and other funding sources**.
- For various reasons, Medicaid revenues will not typically be received fully in the current fiscal year; therefore, we must **estimate the level of special education and administrative expenditures that will be considered federally funded**.
  - Reasonable “estimations” include funds received in the fiscal year, or claims
- Reimbursable expenditures **may be central or school level**, depending on the district’s staffing practices.
  - For example, a therapist may be central, shared by two or more sites, or site-specific; some of those expenditures (but not all, given Federal Medicaid Assistance Percentage) may be reimbursed through Medicaid.

# Medicaid Example for Expenditures that are Mostly Centralized

	Sites			Central	Total
	ES	MS	HS		
1 Estimate the total anticipated Medicaid reimbursements*				\$ 456,450	\$ 456,450
2 Distribute to sites based on a selected allocation methodology					
Ex: Medicaid eligible students with IEPs	40	20	25		85
Site- level allocation	\$ 214,800	\$ 107,400	\$ 134,250		\$ 456,450
<b>Data for Reporting Table:</b>					
Site's share of Central Federal Expenditures	\$ 214,800	\$ 107,400	\$ 134,250		\$ 456,450
Note that this amount would be moved from state-local funded to federal funded column					

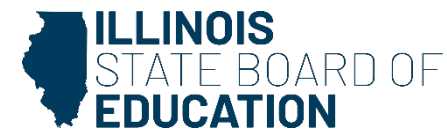
\*Methodology to be determined by district. Options include but are not limited to funds received in the fiscal year, or anticipated claims

# Medicaid Example for Expenditures that are Both Central and Site-Based

	Sites			Central	Total
	ES	MS	HS		
1 Identify the total expenditures that could be considered eligible for Medicaid reimbursement*	\$ 200,000	\$ 180,000	\$ 165,000	\$ 350,000	\$ 895,000
2 Estimate the total Medicaid fee-for-service reimbursement funding					\$ 456,450
3 Apply anticipated federal funding to sites based on a selected allocation methodology (Ex: Total reimbursable spend)	\$ 102,000	\$ 91,800	\$ 84,150	\$ 178,500	\$ 456,450
Remainder is state/locally funded	\$ 98,000	\$ 88,200	\$ 80,850	\$ 171,500	\$ 438,550
4 Central federal expenditures are allocated to sites based on a selected allocation methodology					
Ex: Medicaid eligible students with IEPs	40	20	25		85
Allocation of federally funded central expenditures	\$ 84,000	\$ 42,000	\$ 52,500		\$ 178,500
Allocation of state/locally funded central expenditures	\$ 80,706	\$ 40,353	\$ 50,441		\$ 171,500

**Data for Reporting Table:**

Site-level, State/Locally Funded	\$ 98,000	\$ 88,200	\$ 80,850	\$ 267,050
Site-level, Federally Funded	\$ 102,000	\$ 91,800	\$ 84,150	\$ 277,950
Site's share of Central, State/Locally Funded	\$ 80,706	\$ 40,353	\$ 50,441	\$ 171,500
Site's share of Central, Federally Funded	\$ 84,000	\$ 42,000	\$ 52,500	\$ 178,500



# Key Takeaways

- Expenditures funded by **revenues from federal sources in [Part 100 Table C \(4000s\)](#)** should be considered federally funded expenditures.
- It is recommended that LEAs **track federal expenditures by site through accounting codes** through the course of the fiscal year to support accurate and simplified calculation of Site-Based Expenditure Reporting.
- For expenditures where federal funding is not yet fully known, LEAs should approximate federal funding and make their **best attempt at accuracy without incurring undue burden**.

## For Further Information

- See resources available at [www.isbe.net/site-based](http://www.isbe.net/site-based).
- Send questions to [site-based@isbe.net](mailto:site-based@isbe.net).

*ISBE thanks Afton Partners for their contributions to the original version of this guidance.*



# Appendix: Offline Tracking

# Alternative: Offline Tracking

How could you approach disaggregation of funding source?

This process would be manual, but the following approach would result in accurate Site-Based Expenditure Reporting:

1. If no funding source is included in accounting, begin reporting with ***all dollars in the state/local columns*** for each site – for now.
2. For each federal fund, calculate the amount of expenditures that are funded federally A) at each site and B) at central.
3. For the resulting federally funded *centralized* expenditures, allocate them to sites based on a selected methodology.
4. Move the total federal amount from the state/local column to the federal column for each site.
5. Repeat for each federal funding source.

# Alternative: Offline Tracking

Example quantification of federal funding per pupil.

	Sites			Central	Total
	ES	MS	HS		
Sum up the value of federally-funded positions and other expenditures at each location	\$ 250,000	\$ 150,000	\$ 200,000	\$ 100,000	\$ 700,000
Proportionately allocate central expenditures to each site based on a selected methodology					
Ex: Title I eligible students*	250	125	200		575
Allocation of central expenditures	\$ 43,478	\$ 21,739	\$ 34,783		\$ 100,000

## Data for Reporting Table:

Site-level Federal Expenditures	\$ 250,000	\$ 150,000	\$ 200,000	\$ 600,000
Site's Share of Central Federal Expenditures	\$ 43,478	\$ 21,739	\$ 34,783	\$ 100,000

These amounts would be **moved** from the state/local columns to the federal columns in the reporting table for each site.