

PURPOSE

In accordance with federal law and State Department of Education guidance, the district is responsible for ensuring fiscal accountability at each phase in the use of Individuals with Disabilities Education Act (IDEA) Part B funds. This policy and its accompanying procedure establish school district requirements and guidelines for time and effort reporting and maintenance of effort commitments for all federally funded programs/projects.

USE OF IDEA PART B FUNDS

The district will 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, it is documented that the child is on an Individual Education Program (IEP).

The board of trustees directs the superintendent or designee 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 Part 300. The special education director and the business manager [or title for other fiscal manager] shall approve all IDEA Part B expenditures (e.g. purchase orders, invoices) following the process described in the written procedures for determining allowability of cost (cost principles).

TIME AND EFFORT REPORTING

Federal requirements provide that salaries and benefits charged to a federal award(s) must be based on appropriate documentation that accurately reflect the work performed. All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities. Covered employees include staff working at the District level, such as program directors, central-level administrators, and business officials, as well as staff working at the school level, such as classroom teachers. This also includes an employee whose salary is paid with state or local funds but is used to meet a required "match" in a federal program. Effort reporting is a required process by the federal government to verify that direct charges for salaries and benefits to federally sponsored programs are reasonable and reflect actual work performed. This requirement applies to all federal awards and sub-awards, including those received directly from the federal government, unless specifically exempted by the Office of

Management and Budget (OMB). Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable and properly allocated;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
- Encompass both federally assisted and all other activities compensated by the district on an integrated basis;
- Comply with the established accounting policies and practices of the district; and
- Support the distribution of the employee's salary or wages among specific activities or costs objectives if the employee works on: (i) more than one federal award; (ii) a federal award and non-federal award; (iii) an indirect cost activity and a direct cost activity; (iv) two or more indirect activities allocated using different allocation bases; or (v) an unallowable activity and a direct or indirect cost activity.

TIME AND EFFORT REPORTING REQUIREMENTS

Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages must be supported by semi-annual certifications that the employees worked solely on that program for the period covered by the certification. These semi-annual certifications must be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation unless a statistical sampling system or other substitute system has been approved by the federal agency granting the funds.

Failure to verify time and effort within the certification period or improper allocation of employee's time according to contractual agreement can lead to breach of contractual agreement, loss of future awards, and adverse public image. Criminal charges may be brought against an individual who certifies a falsified report (Federal False Claims Act).

The board of trustees directs the superintendent or designee to establish a system for time and effort reporting that complies with the requirements of OMB Circular A-87 and OMB Circular A-133 and with the district's time and effort reporting procedure (Policy 877P1). *Documentation shall be provided on forms 877F1, 877F2 and 877F3 or in substantially similar forms.*

MAINTENANCE OF EFFORT [Only required for districts that use only local funds for the calculation of maintenance of effort]

To ensure that the requirement of Maintenance of Effort is met, the board of trustees directs the superintendent or designee to establish a means of tracking and reporting local expenditures separate from the expenditure of State funds. The purpose of this requirement is to verify that local funds are used for special education expenditures.

PARENTALLY PLACED PRIVATE SCHOOL STUDENTS

Federal law requires the district to 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 verify the district is in compliance with this obligation, the board of trustees directs the superintendent or designee to establish procedures to accurately track and report expenditures for services provided to parentally placed private school children. The special education director and business manager [or other district fiscal manager] are directed to 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 of trustees directs the superintendent or designee to establish written procedures to ensure that the district's mechanism for procurements using federal funds conforms to federal requirements and with district policy and procedures relating to procurement. In addition, the board directs the superintendent or designee to establish written procedures to ensure that the district's mechanism for procurements using IDEA Part B funds conforms to the standards outlined in 34 CFR §80.36 and with district policy and procedures relating to procurement. The board further directs the superintendent or designee to establish a system to maintain adequate inventory management of property purchased with IDEA Part B funds or other federal funds. Such inventory management shall include, at a minimum, the following:

1. Property description;
2. Identification number;
3. Source of funding;
4. Acquisition date and cost;
5. The location, use, and condition of the property; and
6. 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 property. These records should be updated frequently so that every piece of equipment purchased with federal funds can be accounted for at any given time.



LEGAL REFERENCE:

Idaho Code Sections

33-2001 *et seq.* – Education of Exceptional Children

2 CFR §200.430 – Time and Effort

34 CFR §80.36 – Procurement

34 CFR §80.42 – Retention and Access Requirements for Records

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 §300, Appendix A – Excess Costs Calculation

CROSS-REFERENCE:

850 – Purchasing

850P1 – Supplemental Purchasing Procedures

850.30 – Purchasing Services or Personal Property

ADOPTED: June 1, 2007

AMENDED:

**Language in text set forth in italics is optional.*