

MEMORANDUM

August 7, 2013

TO: Members of the MVSEC Executive Advisory Board

FROM: Carla Cumblad, Executive Director

RE: Grants Update

IDEA

The initial IDEA Part B and Preschool grants have been submitted by July 15 (the new deadline) and have been returned for minor changes. On July 2, ISBE issued a memo (attached) that prohibits the use of grant funds for benefits if the salaries are paid in local funds. This is a change in procedure from the state. Most of the changes to the grants are in this area.

	Allocation (Part B)	Funds Approved	Preschool Allocation	Funds Approved
D101	1,010,476	1,010,393	27,681	27,681
D301	534,926	534,926	5,096	5,096
D302	698,958	668,798	14,899	14,899
D303	2,029,040	2,029,040	56,807	56,807
D304	897,438	897,438	21,314	21,314
TOTAL	5,170,838	5,140,595	125,797	125,797

Salary and Benefit Costs in IDEA Grants

The purpose of this message is to provide clarification on payment of salary and benefits from IDEA grants. Following a review of OMB Circular A-87—Cost Principles for State, Local and Indian Tribal Governments (Attachment B, Section 8, subsection a) and Article 16 of the Illinois Pension Code (40 ILCS 5/16-158(c)), it has been determined that paying salaries from a local funding source and the associated benefits from a federal funding source is NOT allowable. The cost of benefits in the form of employer contributions or expenses for social security, employee life, health, unemployment and workers' compensation insurance, pension costs, and other similar benefits, are allowable to be paid with federal dollars provided such benefits are granted under established written policies. Any entity using IDEA flow-through or pre-school funds for staff benefits can only do so if the proportionate share of staff salary was also included in the IDEA grant. For example, it would be allowable to include the full salary and full benefits for an employee in the IDEA grant or 50% of the salary and 50% of the associated benefits in the IDEA grant. It would NOT be allowable to pay salary from local sources and benefits from the IDEA grant or to pay 50% of the salary from local sources and 100% of the benefits from the IDEA grant.

Please note that the federal TRS benefits for FY14 will be 35.41%. Links to OMB Circular A-87 and Article 16 of the Illinois Pension Code are included below. For questions, please contact your grant coordinator either at 217/782-5589 or via e-mail. Tammy Greco at tcreco@isbe.net, Betty Hendrickson at bhendric@isbe.net, Felicia Malloy at fmalloy@isbe.net, Gary Miller at gmill@isbe.net.

http://www.whitehouse.gov/omb/circulars_a087_2004/#8