

The North Dakota Department of Public Instruction (NDDPI) has been working closely with the US Department of Education to clarify the requirements for carryover for districts whose allocation is \$30,000 and above.

Requirements for Carryover Funds and the 20-20 Spending Obligation Rule

For LEAs receiving an allocation of \$30,000 or more, it is expected that the LEA will meet the 20-20 Spending Obligation Rule within the fiscal year the funds were awarded. The 20-20 Spending Obligation Rule indicates that the LEA must use:

1. At least 20 percent of funds for activities to support well-rounded educational opportunities (ESEA section 4107);
2. At least 20 percent of funds for activities to support safe and healthy students (ESEA section 4108); and
3. A portion of funds for activities to support effective use of technology (ESEA section 4109).

For those LEAs that did not expend all their Title IV funds, the percent difference will need to be expended in the next year's consolidated application through carryover.

For example: LEA receives a \$30,000 FY18-19 Title IV-A allocation, and their consolidated application is approved as meeting the 20-20 Rule. However, during the final financial process, the LEA reports having only spent 15% of the planned 20% of their allocation on Well-Rounded Education activities and is wanting to carryover the 5% remainder to FY19-20. In doing so, this 5% of carryover MUST be spent within the Well-Rounded Education category to meet the funding requirements of the previous year.

The FY19-20 consolidated application would need to have "at least the minimum 20% toward Well-Rounded Education" PLUS the additional 5% of carryover budgeted toward the Well-Rounded Education category.

LEAs must have an internal process in place to track these funds and the percentages spent within each of the required areas