

NORTH DAKOTA DEPARTMENT OF PUBLIC INSTRUCTION

MANAGING FEDERAL TITLE FUNDS - NOW AND UNDER ESSA

*A LOOK AT THE CROSS-CUTTING REQUIREMENTS FOR ACCEPTING AND
EXPENDING FEDERAL FUNDS*

By: Laurie Matzke, Assistant Superintendent
Student Support & Innovation

Importance

As a School District Business Manager, why is this important to me?

The business manager **must** sign off on all of the following:

- All LEA financial reports for federal programs
- All LEA Budget Revisions for federal programs
- All LEA Addendums for federal programs
- All Budget Applications for federal programs

Today's Topics



- Federal Title Funding
- Allowability
- Financial Reporting
- Upcoming Deadlines
- Resources Available
- New ESSA Law

Federal Title Funding

- Federal Title Programs/Funds Available
- Allocations -
www.nd.gov/dpi/SchoolStaff/fiscal/Allocations/
- Additional Funding Opportunities
 - Program Improvement
 - Title I Reallocated
 - Title II Reallocated
 - Title VI
 - Small Rural School Achievement Program
 - McKinney-Vento Homeless Program

Allowability

- Necessary and Reasonable
- 7 Standards for Financial Management
- General Policies (Handout)
- Common Fiscal Concerns (Handout)
- Non Allowable Expenditures
- Questionable Expenditures
- Supplement, not Supplant

Allowability: Necessary and Reasonable Test

- The necessary and reasonable test - costs must be necessary and reasonable for the proper and efficient performance and administration of the grant.
 - Necessary – does the cost address an existing need and can the LEA prove it?
 - Reasonable – can the cost pass the ‘prudent person’ test? Is it reasonable in the nature and cost of the expense?

Allowability: Standards for Financial Management Systems

- EDGAR 80.20 details the 7 standards for financial management systems for federal grants
- All SEA and LEA systems must follow these standards *at a minimum*
 - Financial Reporting
 - Accounting Records
 - Internal Controls
 - Budget Control
 - Allowable Cost
 - Source Documentation
 - Cash Management

Allowability: Non Allowable Uses of Title Funds

- All Title funds must be used for expenditures that are supplemental, reasonable, and necessary to operate a Title program. Districts and schools must keep focused on the ultimate goal, which is enhancing student achievement.
- Entertainment
- Gift Cards
- Base Curriculum

Allowability: Questionable Uses of Title I Funds



- Furniture
- Incentives
- P.E. Equipment
- Field Trips
- English Language Learners

Financial Reporting

- Local Budget/State Budget Match
- Tracking Federal Funds (Handout)
- Financial Reports (Handout)
- Cost Codes (Handout)
- Carryover
- Contracts (Handout)

Financial Reporting: Tracking Federal Funds

- Worksheet was created as a guideline
- Some programs have federal and local expenditures; need to track separately
- REAP into Title I, must maintain separate budget for REAP and Title I – two separate project codes
- The NDDPI strongly encourages schools to use these codes for consistency - NDFARMS
- Found on the NDDPI website at:
www.nd.gov/dpi/uploads/173/trackfunds.pdf

Financial Reporting: Carryover Funds

- School districts are given a grant award for a one-year time period (July 1 – June 30). When the school is unable to spend the entire grant award amount during that time period, carryover may be an option.
- The federal Title programs have a limitation on how much of the initial grant can be carried over and used during the next school year.

- Title I (Varies see table)
- Title IIA – 50%
- Title III – No limit
- REAP – 50%

If your allocation for the current school year is	Your maximum carryover percent of the current year's allocation
Over \$50,000	15%
Over \$45,000	20%
Over \$40,000	25%
Over \$35,000	30%
Over \$30,000	35%
Over \$25,000	40%
Over \$20,000	45%
\$20,000 or Less	50%

Financial Reporting: Carryover Funds (Cont)

- Carryover funds from the previous school year are added to the current year allocation to create a new budget for the current school year
- Carryover is spent like regular federal funds, but the NDDPI will reimburse using old funds first (FIFO)
- If carryover exceeds limits for Title IIA and REAP, it is forfeited
- If carryover exceeds limits for Title I, school has two options:
 - School can request a waiver to keep excess carryover once every three years
 - Funds are forfeited and reallocated through an application process

Upcoming Deadlines

- Final Financial Report for Title I, Title IIA, Title III tentatively due on July 11, 2016
- Final Request for Funds tentatively due July 11, 2016
 - Need to ensure all bills are paid before submitting final report and reimbursement request – no penalty for late request; just receive payment later
- End of year budget revisions should be cleaned up by June 30, 2016
- Consolidated Application for Federal Title Funding is due Friday, August 26, 2016

Resources Available

- The NDDPI website www.nd.gov/dpi
- Title I Fiscal Tool Kit (coming soon)
- Fiscal Resources
www.nd.gov/dpi/SchoolStaff/FTP/FiscalResources/
- *Consolidated Application Guidance*
www.nd.gov/dpi/SchoolStaff/FTP/ConApp/
- *General Requirements for Federal Programs Manual*
www.nd.gov/dpi/SchoolStaff/fiscal/FederalRequirements/
- Fast Fact Series www.nd.gov/dpi/SchoolStaff/FTP/fastfacts/
- Feel free to contact me or your contact person anytime!!
www.nd.gov/dpi/uploads/126/contacts.pdf

Every Student Succeeds Act (ESSA)



- Reauthorizes ESEA and replaces NCLB
- Last revised 13 years ago
- Passed by Congress December 10, 2015
- The ESSA law takes effect July 1, 2017

ESSA: Federal Title Programs

- Title I Part A: Program for Districts (§1000)
 - Part B: State Assessment Grant (§1201)
 - Part C: Migrant Education (§1301)
 - Part D: Neglected & Delinquent (§1401)
- Title II Part A: Supporting Effective Instruction (§2101)
 - Part B: National Activities (§2201)
- Title III Part A: Language Instruction for English Learners (§3001)
- Title IV Part A: Student Support and Academic Enhancement Grants (§4001)
 - Part B: 21st CCLC Programs (§4201)
- Title V Part B: Rural Education Initiative (§5201)
- Title VI Part A: Indian Education (§6101)
- Title VII: Impact Aid Program (§7001)
- Title VIII Part F: General Provisions – Private Schools (§8501)
- Title IX: Education of Homeless Children and Youth (§9101)

ESSA: Highlights of the New Law

- Greatly decreases the role of the federal government in K-12 education
- States have much more authority to make decisions, select standards and assessments, and determine means of accountability
- States are expected to set high standards and create a rigorous accountability system
- States are also responsible for enforcing many requirements
- The “big acronyms” have been eliminated
 - No more AYP, HQT, or SES
- Increases state and local flexibility in the use of federal funds
- Provides limitations on authority of U.S. Department of Education (USDE) secretary

ESSA: So What's Next

- Superintendent Baesler established ESSA Planning Committee
- ESSA Statewide Planning Committee begins May 2016
- Generate State ESSA Plan – Submit to USDE in January 2017
- ESSA Website: www.nd.gov/dpi/SchoolStaff/FTP/ESSA/





Thank you!!!

Feel free to contact me:

Laurie Matzke

lmatzke@nd.gov

701-328-2284

ESSA email:

dpiessa@nd.gov