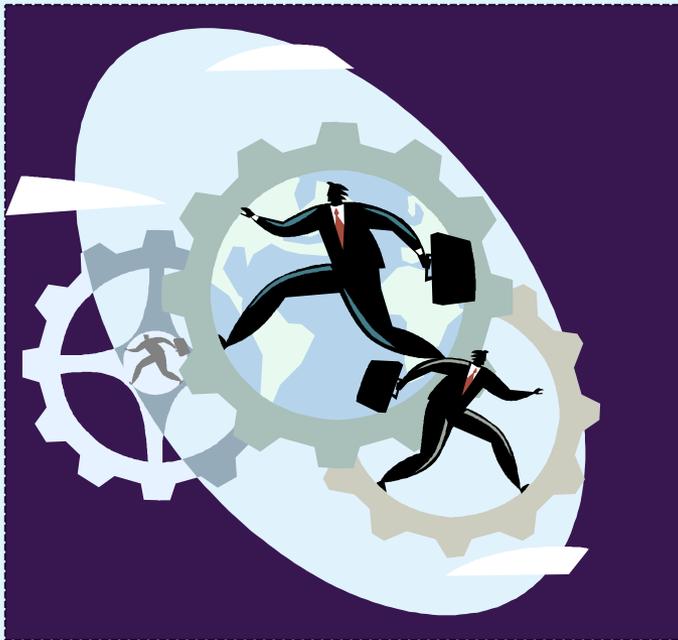


Federal Funding

1



OVERVIEW OF FEDERAL REGULATIONS

Education Acts

2

- A law enacted with a purpose of improving education opportunities for children
 - Elementary and Secondary Education Act – ESEA
 - Individuals with Disabilities Education Act – IDEA
- Acts have many programmatic requirements
- Who should fund it?
 - States / Local Communities mostly
 - Federal

Regulations

3

- How do we get the money to meet the purpose?
 - Create rules!
- An Act's regulations have fiscal rules specific to its program
 - IDEA has “Maintenance of Effort” rules that are specific to IDEA, but not applicable to Title I, which has its own rules
 - Title I has rules on how funds are distributed to schools, IDEA not that specific

Regulations

4

- Common rules that make sense to apply to several programs are not repeated within each Act's regulations, but are covered by the Education Department's General Administrative Regulations – EDGAR
 - How equipment is managed, used, and disposed
 - Rules on funds that are used at private schools
 - Definition of a grant “obligation”

OMB Circulars

5

- Office of Management and Budget's broad guidance that applies to certain types of grant funding
 - Non-Profits
 - Hospitals and Universities
 - Local Governments
- School Districts are local governments, so we adhere to OMB Circular A-87

OMB Circulars

6

- **A-87**
 - Allowable Costs
 - Time & Effort Reporting
 - Direct and Indirect Costs

Triage

7

Is a cost allowed under an Act?

- Check the Act's regulations to make sure the cost is allowed under the program
- If yes, check OMB Circular A-87 to make sure the cost is allowed to be paid with federal funds
- Check EDGAR to see if the cost is referenced with any specific rules

Example

8

Can an LEA use IDEA funds to purchase a vehicle?

IDEA:

- Funds must be used only to pay the excess costs of providing special education and related services to children with disabilities
- If the Secretary determines that a program authorized under Part B of the Act will be improved by permitting program funds to be used to acquire appropriate equipment, or to construct new facilities or alter existing facilities, the Secretary may allow the use of those funds for those purposes.

Example

9

OMB Circular A-87:

- Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5000 or more have the prior approval of the awarding agency.
- Have to be charged to grant during the period in which the grant is available

Example

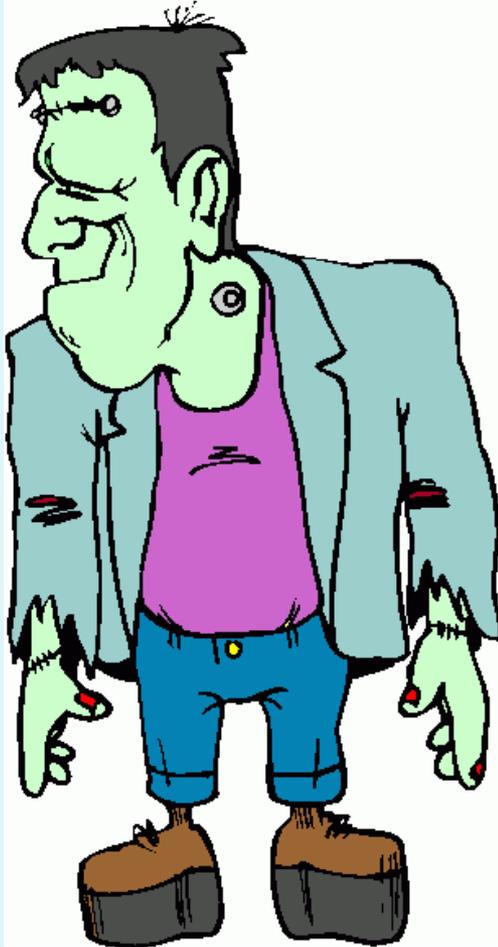
10

EDGAR Part 80:

- Outlines rules for procurement
- Identifies who must hold title to the equipment
- Lengthy description on how equipment must be inventoried, managed, and disposed of when no longer needed by the program
 - Matches OMB Circular A-87 language that equipment purchased with federal funds may be sold and the proceeds used to purchase replacement equipment

Piecing It All Together

11



- Sometimes, not pretty
- Implementation leads to a realization there are gaps
- Rely on “big picture” for consistency