



EL DORADO
CHARTERSELPA
Special Education Local Plan Area

Fiscal Year End Close

Reference Guide

2020-21

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Year-End Check-List

Pre-Closing

☐ *Prior year items reconciled/cleared/posted*

- Accounts Receivable
- Accounts Payable
- Prepaid Expenditures
- Audit Adjustments

☐ *Review Current year items*

- AP/PR Cancel/Stale Dated/NSF checks – clear items to date
- Check bank account balances to see if any monies should be moved and deposited to the County Treasury (i.e. Cafeteria, etc.)
- Revenues received properly classified
- Revenues received on track with expectations
- Review expenditures for program compliance
- Assets added/removed from inventory
- Physical inventory taken
- Adjust stores to match physical count (i.e. cafeteria)

☐ *Gather information needed for close*

- Classroom Units (CUs)
- Full Time Equivalent (FTEs)
- If there is transportation:
 - Pupils Transported (PTs)
 - Number of buses to transport pupils daily

Special Ed Expenditures

- ☐ Confirm all contractor/vendor invoices have been received and posted
- ☐ Confirm all supply invoices for special education have been received and posted
- ☐ NPS or NPA payables, if any, have been established
- ☐ Confirm federal funds have been fully spent
 - Make necessary transfers between state/federal

Closing Entries

- ☐ Suspend accounts cleared as appropriate
- ☐ Prepaid expenditures recorded
- ☐ Book expenditure accruals
- ☐ Record Admin Fee entries
 - Post credit to Revenues
 - Post debit to Expenditures
- ☐ Income Re-Allocation
 - For CMOs using income re-allocation, ensure revenues and cash have been moved accordingly

- ☐ Complete all transfers between programs
- ☐ Direct support costs allocations (Special Ed)
 - Use EDCOE template to help calculate direct support costs
 - Allocate approved costs
 - Book Special Ed allocated transfer
 - Confirm transfer is in balance
 - If using SACS acct string check that object 5710 nets to zero
- ☐ Indirect costs
 - Total all program costs, including direct support
 - Use CDE approved rate
 - Book Indirect costs transfer
 - If using SACS acct string, check that object 7310 nets to zero

Expenditure and MOE review

- ☐ Review MOE calculation
- ☐ Review and complete exemptions worksheet

Balance Sheet Accounts

Cash in County Treasury or Bank Account

- Final Cash Reconciliation should be complete prior to year end
- Confirm all special education cash received matches cash flow
 - Contact the Charter SELPA business office with any discrepancies

Prepaid Expense

Payments made in advance of the receipt and use of services.

Step 1 – Reverse (or adjust) any Prior Fiscal Year closing entries

For example, insurance premiums paid in the *Prior Fiscal Year* for the *Current Fiscal Year* of \$1,500. The accrual entry in the *Prior Fiscal Year* was:

		Resource	Object	Goal	Function	
DR	Prepaid Expense	xxxx	9330			\$ 1,500
CR	Cash	xxxx	9110	xxxx	xxxx	\$ 1,500

Step 2 – Reversing the entry in the Current Fiscal Year

		Resource	Object	Goal	Function	
DR	Insurance	xxxx	5400			\$ 1,500
CR	Prepaid Expense	xxxx	9330	xxxx	xxxx	\$ 1,500

Step 3 – Establish Current Fiscal Year Prepayment

For example, insurance premiums paid in the *Current Fiscal Year* for the *Subsequent Fiscal Year* of \$2,000:

		Resource	Object	Goal	Function	
DR	Prepaid Expense	xxxx	9330			\$ 2,000
CR	Cash	xxxx	9110	xxxx	xxxx	\$ 2,000

Prior Year Items

Prior year items should be reconciled, cleared and posted. The following accounts should have a zero (\$0) balance before posting any entries for the current year close.

- Accounts Receivable from prior year
 - The Charter SELPA will publish payments made to charters for prior year revenues. Reconcile this to accounts receivable.
- Accounts Payable from prior year
 - Unpaid payables from prior year may impact current year expenditures.
- Prepaid Expenditures
 - Any expenditure paid in the prior year for the current year will need an entry to record the expenditure in the current year and clear the prepaid account.

Accounts Receivable

Current year revenue accounts that have not received all of the cash before the close of the fiscal year should have a receivable set up.

For example, Special Education revenues of \$2,000 generated in the Current Fiscal Year, but not received until the Subsequent Fiscal Year would be posted like this:

		Resource	Object	Goal	Function	
DR	Accounts Receivable	6500	9200			\$ 2,000
CR	Special Ed Revenue	6500	8xxx	5xxx	xxxx	\$ 2,000

Accounts Payable – Current Liabilities

Amounts due for services rendered and goods received on or before the close of the fiscal year require entries to establish a payable. For example, a Special Education vendor invoice of \$2,000 for services in the Current Fiscal Year, but not paid until the Subsequent Fiscal Year would post like this:

		Resource	Object	Goal	Function	
DR	Vendor Expense	6500	5xxx	5xxx	xxxx	\$ 2,000
CR	Accounts Payable	6500	9500			\$ 2,000

Revenue

Special Education Revenue

Special Education funding comes in three forms: federal, state, and mental health (ERMHS [Educationally Related Mental Health Services]). Report federal, state, and ERMHS apportionments received from the SELPA separately. This may require additional tracking.

Resource	Various codes used for Federal SpEd Revenue (Object 8xxx)	
3310	Special Ed: IDEA Basic Local Assistance	8181
	(local contributions will use 8980)	8980
3327	Special Ed: IDEA Mental Health	8182
	(local contributions will use 8980)	8980

Resource	Various codes used for State SpEd Revenue (Object 8xxx)	
6500	Special Education	8792
	(local contributions will use 8980)	8980
6512/6546/6547	Special Education: State Mental Health	8590
	(local contributions will use 8980)	8980

Final Revenue Calculations

Final state income calculations are based on P-2 certified ADA. This is published by CDE at the end of June and the Charter SELPA will publish final state revenues once this certification is complete. Federal and mental health revenues will be published once final expenditure reports are completed near the end of July.



Tip: Federal funds should be fully spent each year. Recommend salaries for consistency or vendor payments.

Accounts Receivable

Accounts receivable entries will be needed to record all deferral amounts not yet received. The Charter SELPA will include these amounts in the final income data. Entries to establish receivables may look like this:

		Resource	Object	Goal	Function	
DR	Accounts Receivable	6500	9xxx			\$ 1,500
CR	State Spec. Ed. Rev.	6500	8792	5xxx	xxxx	\$ 1,500

Federal Revenue

Special Education IDEA (Individuals with Disabilities Education Act) provides an annual grant to each SELPA. This grant is based on a formula that includes the following elements: historical base, prior year enrollment, and prior year poverty count. The allocation plan distributes these funds based on prior year enrollment.

Federal IDEA funds can be used for any special education-eligible expenditure to support the special education program including assessments, costs related to IEP services, and special education administration. Federal funds must be fully

spent by June 30 each year. We recommend salaries or contracted services to ensure the funds are fully spent. See the expenditure section for additional details on eligible expenditures.

State Revenue

Special Education state funds provide an annual apportionment to the Charter SELPA based on the average statewide target rate. This rate is funded per current year ADA. Other funds that are also considered state funds include Low Incidence and Risk Pool. Risk Pool funds are state revenues that have been identified in the EDC Charter SELPA Allocation Plan. This is not a funding source from the state, but available SELPA funds the CEO Council has approved to be available.

State funds can be used for any special education eligible expenditure to support the special education program including assessments, costs related to IEP services, and special education administration. See the expenditure section for additional details on eligible expenditures.

Low Incidence

SELPAs receive a small amount of additional funds for students with Low Incidence services. Students that are eligible to potentially access these funds are those who qualify for special education under the following disability categories:

- Orthopedic impairment (OI)
- Deaf/Hard of Hearing (DEAF/HH)
- Deaf/Blind (DB)
- Visually Impairment (VI)
- Multiple Disability (MD)

This funding is available to assist in providing materials and services for students who have a low incidence disability per the Education Code under the following definitions:

- Materials Definition:
 - Since the use of these funds is limited to expenditures on books, materials, and equipment, for students with low incidence disabilities, the purchase must relate to the unique educational needs resulting from the low incidence disability as indicated in the IEP of eligible students. For example, regular textbooks and workbooks would not qualify in contrast to low vision aids, digital media, large print or Braille books for students who are visually impaired.
 - Low incidence funds are to be used only to supplement, and not to supplant other available funding for books, materials and equipment provided through the base program for general education and/or special education students. For example, basic computers or other basic technology should not be purchased with low incidence funds unless it can be clearly demonstrated to fulfill a specialized function, format or adaptation directly related to the low incidence disability. General education or other special education funding should be used for purchasing such basic items.
- Services Definition:
 - The use of these funds is limited to expenditures supporting low incidence specialized services such as "interpreters, note takers, readers, transcribers, and others who provide specialized services to students with low incidence disabilities pursuant to EC §56026.5. These specialized services must relate to the unique educational needs resulting from the pupil's low incidence disability or disabilities. Low incidence

specialized service funds are to be used to supplement, and not to supplant existing services. (i.e., to provide additional services beyond those funded through the base program or another agency).

- The assessment of a pupil, including the assessment of a pupil with a suspected low incidence disability, shall be conducted by persons knowledgeable of that disability. Special attention shall be given to the unique educational needs, including, but no limited to, skills and the need for specialized services, materials and equipment consistent with guidelines established pursuant to § 56136.

2020-21 Funding Parameters:

- Final funding determination will be announced prior to year-end for the per student request for materials and/or services, with a minimum claim level of \$600.
- All requests for funding must be submitted by May 1 to be eligible for reimbursement. Only IEPs agreed to after May 1 will be considered on a case-by-case basis.
- Funding parameters will be reviewed annually and may be revised for more flexibility if large balances exist, or revised with more limited parameters if shortfalls exist.

Low Incidence funding is posted as additional state revenue:

		Resource	Object	Goal	Function	
DR	Cash	xxxx	9110			\$ 1,500
CR	State Special Ed Revenue	6500	8792	5xxx	xxxx	\$ 1,500

Expenditures

Background

The federal Individuals with Disabilities Education Act (IDEA) requires that mental health services be provided to students with disabilities in order for them to access their education. In January 2010, mental health as a related service for students with IEPs became the responsibility of schools to provide. Previously, County Mental Health had been responsible.

To meet this responsibility, SELPAs began to receive Mental Health Funding. Districts, County Offices, and Charter schools began to implement mental health programs and services. Charters in the SELPA were trained in the importance of identification of educationally related mental health services (ERMHS) in the IEP process; it is critical for the charter SELPA to show a linkage between IEP documented services and requests for reimbursement for mental health services. Charters then began building mental health programs and seeking mental health service providers.

El Dorado County Charter SELPA allocation plan has identified three levels of service for educationally related mental health services (ERMHS) that will be reimbursed. Mental health guidelines are available on the website. Final expenditure reporting is required for each of the levels to receive funding.

Use of Funds

ERMHS funding is restricted to services for students with ERMHS identified on their IEP. Please reference the guidelines published on our website for details on building a program, identification of services, and qualified staffing.

Funding Levels 2020-21

ERMHS Level 1

1. \$10/prior year P-2 ADA

ERMHS Level 2

1. 95% funding of the lesser of:
 - a) \$3,000 per eligible ERMHS service based on the December 1 SEIS count; or
 - b) 2020-21 budget request
 - c) Final expenditures
2. \$100K is allocated for Level 2 transportation, and indirect costs for Level 2 are allowed.

ERMHS LEVEL 3

For all Level 3 categories, students must meet ED eligibility criteria, and be identified in SEIS with ED as primary or secondary disability.

1. Level 3 Site Based Structured Therapeutic Program (95% funded).
2. Level 3 NPS ERMHS (95% funded). Eligible ERMHS expenditures only. Educational costs are the responsibility of the charter member.
3. Level 3 NPS Residential Room and Board (100% funded). In addition to eligible ERMHS expenditures, room and board costs for eligible placements are also reimbursed.

Revised NPS/Residential Expenditure Reporting & Cash Flow

1. Cash distributions for Level 3 will be based on reported expenditures only. No funds are released without submission of certified expenditure reports.
2. Expenditures may be reported quarterly.
3. Expenditure reports should bear a reasonable relationship to the budget request.

Special Education Expenditures

Eligible Expenditures

Special Education expenditures are those that support the special education program and IEP services. Eligible expenditures include assessments, costs to implement an IEP, and administrative costs for a director/supervisor including the special education support staff. These costs may include teachers and aides that support IEPs, CDE certified NPA/NPS vendors, and special education administrators. Allocated costs are also eligible expenditures. See Allocated cost section for more details.

Allowable Special Education Expenditures

Expenditures related to implement and support the special education services identified on students' individualized education plan (IEP) are allowable expenditures. These services can be identified as either state or federal expenditures, provided federal requirements have been met. These costs must be tracked separately from the general education costs.

Comprehensive Coordinated Early Intervening Services (CCEIS)

The CDE annually identifies certain LEAs as having disproportionate representation based on a calculation methodology explained in the Annual Performance Report (APR FFY2011). Any district with noncompliant policies, procedures, or practices as a result of inappropriate identification is identified and a corrective action plan implemented.

Additionally, CDE identifies LEAs as having significant disproportionality pursuant to the requirements of the Individuals with Disabilities Education Act (IDEA). This calculation includes race or ethnicity with respect to the identification of children with disabilities; the identification of children in specific disability categories; the placement of children with disabilities in particular educational settings; or the incidence, duration, and type of disciplinary actions, including suspensions and expulsions. Calculation methodology utilizes district data for SSP Indicators 9, 10, and 4b. These LEAs are required to use 15 percent of IDEA funds for CCEIS.

LEAs may also choose to use up to 15 percent of IDEA funds for CCEIS without being significantly disproportionate, however this may not be used without meeting maintenance of effort (MOE) or in conjunction with reducing the MOE base by 50% of the increase in federal funds.

Administrative Contract Fees

Administrative contract fees and the associated revenue should be posted at year end. This amount will be finalized at year end based on P-2 certified ADA. Entries to establish the administrative contract fees may look like this:

		Resource	Object	Goal	Function	
DR	Admin Contract Fee	6500	5xxx	5xxx	xxxx	\$ 1,500
CR	State Special Ed Revenue	6500	8792	5xxx	xxxx	\$ 1,500

Rate Protection Fees

Rate Protection fees are a deduction for charters in their first year of membership and should be posted at year end. This amount will be finalized at year end based on P-2 certified ADA. Entries to establish the administrative contract fees may look like this:

		Resource	Object	Goal	Function	
DR	Rate Protection Fee	6500	5xxx	5xxx	xxxx	\$ 1,500
CR	State Special Ed Revenue	6500	8792	5xxx	xxxx	\$ 1,500

Personnel Activity Report

Costs of salaries and wages are usually an allowable charge to programs with a restricted funding source. However, LEAs are normally required to have time documentation to support the charging of their salaries and wages to a restricted source. Reporting requirements can be found in detail in the CSAM Procedure 905.

Written policies and procedures are essential to implementing an effective time reporting system. The state and local unit of government should develop instructions for (1) the completion of PARs; (2) the approval cycle that is required; (3) the processing of completed forms; and (4) the internal review process that will be established to ensure compliance. Generally, the information should be in sufficient detail to permit an understanding of how the system will operate from the point the time is expended, to the point the time is recorded in the accounting records and charged to federal awards.

Single Cost Objective

A set of work activities may be considered a single cost objective when both the service(s) being performed and the population(s) being served are allowable under any of the programs supporting the cost objective (i.e., the funding sources are homogeneous such as special education). This means that if a single employee is 100% special education but split funded between state and federal funds, there is still a “single” cost objective of those funds.

Employees who work solely on a single federal award or cost objective need only complete a periodic certification. Pursuant to OMB Circular A-87, Attachment B, Section 8(h)(3), the periodic certification must:

- Be prepared at least semiannually.
- Be signed by the employee or the supervisory official having firsthand knowledge of the work performed by the employee.
- State that the employee worked solely on that single federal program or cost objective during the period covered by the certification.

Multiple Cost Objectives

When an employee works on more than one award and the activities performed may not be considered a single cost objective, the employee is considered to work on multiple cost objectives. Employees who work on multiple activities or cost objectives of which at least one is federal must complete a personnel activity report (PAR) or equivalent documentation (OMB Circular A-87, Attachment B, Section 8[h][4], [5], and [7]). A PAR may be as detailed as a document that identifies the employee’s activity daily by hours, or it may be as simple as a report of the total hours or percentage of hours spent in each categorical program or cost objective. The level of detail can generally be determined by the diversity and variation of the employee’s work activities. The safest approach is to provide more documentation rather than less. Samples of both types of documentation are available within CSAM Proc 905 and this appendix.

Non-Public Agency (NPA)/Non-Public School) NPS

LEAs may contract for services to support implementing an IEP. When a service is contracted, the vendor must be certified with CDE. The LEA should confirm with the NPA/NPS they are a certified vendor and confirm using CDE’s website <http://www.cde.ca.gov/sp/se/ds/>. Vendors are certified each calendar year, so LEAs must check status each January to confirm renewal. Special Education funds may not be used for vendors that have not been certified.

§ 3051. Standards for Designated Instruction and Services (DIS) and Related Services.

- (1) Designated instruction and services and related services may be provided to individuals or to small groups in a specialized area of educational need, and throughout the full continuum of educational settings.

- (2) Designated instruction and services and related services, when needed are determined by the IEP. All entities and individuals providing designated instruction and services and related services shall be qualified pursuant to sections 3060-3065 of this title.
- (3) All entities and individuals providing designated instruction and services and related services shall be either:
 - (A) Employees of the school district or county office, or
 - (B) Employed under contract pursuant to Education Code sections 56365-56366, or
 - (C) Employees, vendors or contractors of the State Departments of Health Services or Mental Health, or any designated local public health or mental agency.

Note: Authority cited: Sections 33031, 56100 and 56366.1, Education Code. Reference: Sections 56363, 56365 and 56366, Education Code; and 34 C.F.R. Section 300.12.

Allocated Costs

Direct Charged vs. Allocated Costs

Direct-Charged Costs - Costs that are charged to a program at the time of expenditure, or that are distributed from Goal 0000 (general education program) to the program on the basis of specific documentation (e.g., time sheets, work orders, invoices), are referred to as direct- charged costs.

Allocated Costs (Direct Support and Indirect Costs) - Costs that are accumulated in a Goal 0000 (general education program) cost pool and are subsequently distributed to programs on the basis of standard allocation factors (full-time-equivalents, classroom units, or pupils transported) are referred to as allocated costs. This usually applies to costs of support-type activities, such as instructional or school administration, pupil transportation, and plant maintenance and operations.

Direct Support Costs relate to the peripheral services necessary to maintain the instructional programs, including supervision of instruction, library, classroom technology, school administration, pupil support services, plant maintenance and operations, facilities rentals and leases, and pupil transportation. Support costs may be direct-charged to a goal if proper documentation exists; more commonly, however, they are accumulated in Goal 0000 (general education program), Undistributed, and subsequently allocated to programs on the basis of standardized program cost allocation factors.

Central administration costs (Indirect Costs) are farthest removed from the classroom, but are still necessary for programs to operate. These agency-wide costs, including budgeting, personnel, accounting, centralized data processing, school board, and superintendent, are collected in Goal 0000 (general education program), Undistributed, and then distributed proportionately to all programs on the basis of a central administrative ratio (Indirect Cost Rate percentage).

Other costs, such as debt service, transfers between agencies, and facilities acquisition and construction, are not associated with individual programs for cost accounting purposes.

Direct Support

Allocating Direct Support

The eligible costs that can be allocated are limited to specific categories, such as listed below. Please see CSAM procedure 910 for details.

When allocating direct support, three cost allocation factors provide the basis for allocating to programs the different types of support service costs:

- 1) Full-Time-Equivalent Teachers (FTEs)
 - a) Instruction Supervision
 - b) School Administration (Principal)
 - c) Pupil Support Services (School Nurse)
 - d) Library, Media, Technology
- 2) Classroom Units (CUs)
 - a) Plant Maintenance and Operations
 - b) Facilities Rents and Leases
- 3) Pupils Transported (PTs)
 - a) Pupil Transportation (not common for charter schools)

Posting of direct support transfers would use object code range 5700-5799 (typically a charter would use object 5710). Record the transfer of costs for services, other than indirect costs, between resources, goals, functions, and/or funds. The object code 5710 is used for both the credit and debit entry, so the object code nets to zero at year-end.

This account is also used to record transfers of administrative costs on any basis other than the indirect cost rate. Entries to post direct support costs to special education may look like this:

		Resource	Object	Goal	Function	
DR	Special Ed Direct Support	6500	5710	5001	8100	\$ 1,500
CR	General Ed Costs	0000	5710	0000	8100	\$ 1,500

Debit to expenditures to special education would include the state special education resource code 6500 (no direct support changes to federal programs or mental health), use a special education goal, and function codes usually remain as they were originally posted. Credit to original expenditures would be resource 0000 (general education) and goal 0000 (undistributed).

Indirect Costs

Indirect costs are agency wide general management costs not readily identifiable with a particular program, but necessary for the overall operation of the agency (e.g. costs of accounting, budgeting, payroll preparation, personnel management, purchasing, warehousing, and centralized data processing).

Indirect Cost Rate

Indirect costs are distributed to programs using the indirect cost rate. The indirect cost rate is the ratio (expressed as a percentage) of the adjusted indirect costs to the direct base costs. CDE issues the allowable rate a charter school or district can use. Statewide rate can only be used for a start-up (first year) charter school. If a rate has not been issued by CDE, indirect costs may not be charged and the charter may contact CDE to request a rate. A multiyear list of indirect cost rates is posted online annually at: <http://www.cde.ca.gov/fg/ac/ic/index.asp>

The amount of allowable indirect costs charged to a grant or entitlement program is determined by actual expenditures during a fiscal year, not by the entitlement. To calculate the indirect cost to be charged to a program, multiply the actual expenditures in the direct charged expenses, plus direct support costs (objects 1000 – 5999), less sub-agreements (object 5100) by the allowable indirect cost rate. For sub-agreements, the first \$25,000 can be coded to object 5800 and subject to indirect, while the remainder is charged to object 5100 (see Procedure 330 CSAM pages 20-21).

Direct Costs - Special Education

Salaries and Benefits	\$ 80,000
Supplies	\$ 5,000
Contractors (OT, PT, etc.)	\$ 50,000
	<u>\$ 135,000</u>

Direct support	\$ 12,500
	<u>\$ 147,500</u>

Indirect Costs

Indirect Cost (rate: 5% x \$147,500)	\$ 7,375
Total Special Education	<u>\$ 154,875</u>

Debit to expenditures to special education would include the state special education resource code 6500 (no direct support changes to federal programs); object code for indirect costs is 7300, use a special education goal, and the function codes needs to be 7210. Credit to original expenditures would be resource 0000 (general education) and goal 0000 (undistributed), with the object code 7300 and function code 7210. Entries may look like this:

	Resource	Object	Goal	Function	
Special Ed Indirect Costs	6500	7300	5001	7210	\$ 1,500
General Ed Costs	0	7300	0	7210	\$ 1,500



Tip: Federal funds should be fully spent each year. Recommend salaries for consistency or vendor payments.

Coding Details

Confirm all special education expenditures are recorded and tracked for state, federal, and mental health separately. Remember to track mental health levels individually, as they will be reported back to the SELPA separately.

Additional tracking will be requested for the following types of special education expenditures:

- Severely Disabled Student Services
- Non-Severely Disabled Student Services
- Supplemental Aids
- Special Day Class
- Transportation
- Low Incidence
- Administration

Using SACS account code structure, the goal and function codes can help track the special education expenditures.

Goal Codes

For charter schools, expenditures will typically be coded as follows:

- 5001 – Special Education
- 5760 – Special Education ages 5-22

Function Codes

To further delineate expenditure tracking, function codes may be used. For charter schools with account code structures that will support this level of tracking, there are several function codes available. Below are some examples and descriptions. For a full list of goal and function codes, please reference the California Schools Accounting Manual on CDE's website. Expenditures will typically be coded with the function codes as follows:

- 1000–1999 INSTRUCTION
 - 1000 General Instruction
 - 1110 Special Education: Special Day Class
 - 1120 Special Education: Resource Specialist/Education Specialist
 - 1130 Special Education: Supplemental Aids and Services in Regular Classrooms
 - 1180 Special Education: Nonpublic Agencies/Schools (NPA/S)
 - 1190 Special Education: Other Specialized Instructional Services
- 2000–2999 INSTRUCTION-RELATED SERVICES
 - 2100 Instructional Supervision & Administration
 - 2110 Instructional Supervision
 - 2150 Instructional Admin. Special Projects
 - 2420 Instructional Library, Media, Technology
 - 2490 Other Instructional Resources
 - 2700 School Administration
- 3000–3999 PUPIL SERVICES
 - 3110 Guidance and Counseling Services
 - 3120 Psychological Services
 - 3130 Attendance and Social Work Services

- 3140 Health Services
- 3150 Speech Pathology and Audiology Services
- 3160 Pupil Testing Services
- 3600 Pupil Transportation
- 3700 Food Services
- 3900 Other Pupil Services

As an example, coding a teacher who works with five SH and five NSH in a “pull-out” mode would look like this:

RESOURCE	OBJECT	GOAL	FUNCTION	Amount
6500	1100	5750	1110	\$ 25,000
6500	1100	5770	1110	\$ 25,000

RESOURCE 6500 is State Special Education

OBJECT 1100 is Certificated Teacher Salaries

GOAL 5750 is severely disabled and goal 5770 is non-severely disabled. The salary may be coded to one goal during the year and split between goals at year-end when the ratio of service between severe and non-severe students is documented.

FUNCTION 1110 is used for special day class - pull out services that may be provided to students who are normally found in separate classes or general education classes.

Year-End Local Contribution

Local Contribution

When expenditures exceed revenue (which they will), a local contribution is needed to cover the difference. A local contribution is made by a transfer of funds from unrestricted revenues (general education program) to the special education program. On a statewide basis, LEAs pay for approximately 40% of the costs of special education. Entries to post the local contribution to special education may look like this:

	Resource	Object	Goal	Function	
Unrestricted Revenue	0000	8980	0000	0000	\$ 1,500
Special Ed Local Contribution	6500	8980	5001	0000	\$ 1,500

Debit to unrestricted revenues would use resource code 0000 (general education) and object code 8980, and would include zeros for both goal and function.

Credit to special education revenue would use resource code for special education program (either 6500, 3310, or 6512) and use object code 8980. Goal would be 5001 for special education and the function would be 0000. The object code 8980 is used for both the credit and debit entry, so the object code nets to zero at year-end.

Unspent Funds

We recognize there are unique circumstances where an LEA may have unspent funds. A new charter entering into the SELPA may not have the level of special education costs experienced by other LEAs. We also recognize that some charters, by the nature of the students they serve, may have special education costs that are below the statewide averages and their special education student population may be below Charter SELPA averages.

Per our allocation plan, LEAs with unspent funds at year-end will need to justify a budget for the subsequent year that includes the carryover, plus state and federal funding. In some instances, the justification will not be sufficient for the charter LEA to receive federal funds in the following year. There is specific language in our allocation plan regarding unspent funds. If a charter has more than 25% of revenue unspent, they will be placed into reimbursement-based funding in the following year. Please let the Charter SELPA business office know as soon as possible if there may be unspent funds at year-end.

Maintenance of Effort (MOE)

The MOE is a requirement of Part B IDEA (Individuals with Disabilities Education Act). Funds shall not be used, except in specified situations, to reduce the level of expenditures for the education of children with disabilities made by the LEA from state and local funds or from local funds only, below the subsequent year's level. This test must be met on either an aggregate or a per capita basis. Section 1413 of Title 20 of the United States Code, Title 34, Section 300.203 of the Code of Federal Regulations, and Education Code Section 56205.

Definition

A federal requirement of receiving federal funds, each charter LEA must spend each year (from state and local sources) at least what was spent in the subsequent year (with allowable exceptions). Additionally, each charter LEA must budget (state and local sources) for the next year at least what was spent in the subsequent year (with allowable exceptions).

Subsequent Year Rule Definition

The rule, as provided in final § 300.203(c), applies to LEAs that fail to maintain effort and provides that, in the fiscal year after an LEA fails to maintain effort, the level of effort the LEA must meet under § 300.203 is the level of effort that would have been required in the absence of that failure, not the LEA's actual reduced level of expenditures. This rule provides that if one of the four tests does not pass, the following year's MOE will be tested against that comparison year in which that test did pass.

Who is responsible to pass?

Each individual LEA receiving federal funds must pass MOE for both the current year and budget year. The SELPA must also pass both tests.

Costs may be reduced, however. If costs are reduced to a special education budget (or expenditures) in a given year, be careful to ensure that maintenance of effort requirement has been met.

What happens if an LEA does not meet the MOE requirement?

EDCOE works closely with each LEA to ensure there are no issues with passing. A pre-test is encouraged in the spring to identify any possible issues prior to year-end close. If an LEA does not meet the MOE budget year requirement, it will not be eligible for federal special education funding. At the end of the year, it is also the responsibility of the state to compare the actual special education expenditures for that year with the actual expenditures of the comparison year. If the LEA does not meet this MOE requirement, it will be billed for the repayment of federal funds equal to the amount by which it reduced state and local spending.

Failure to Meet Actuals to Actuals:

- OSEP (Office of Special Education Programs) has clarified that the SEA (State Education Agency, meaning CDE), must invoice an LEA that has not met maintenance of effort. The invoice will be directed to the SELPA for collection.
- CDE would notify the SELPA prior to sending invoice to ensure all exemptions have been applied

Failure to Meet Actuals to Budget:

- As a SELPA we must demonstrate meeting MOE in order to receive a grant that is not modified.
- Should an LEA fail to meet budget MOE, it is the responsibility of the SELPA administrative unit to ensure the LEA will meet prior to disbursing funds.

Federal Exemptions

The federal requirement to meet maintenance of effort allows for a few exemptions that can reduce the prior year base. The basis to these exemptions is that services to students have not been reduced. The exemptions are as follows:

- The voluntary departure or departure for just cause of special education or related services personnel, whether replaced or not by qualified, lower salaried staff.
- A decrease in the enrollment of children with disabilities; the SELPA no longer has the obligation to provide one or more exceptionally costly special education programs to student(s) because they:
 - Have left the jurisdiction of the SELPA;
 - Have reached the age at which the SELPA is no longer required to provide free appropriate public education (FAPE) to the student(s);
 - No longer need the program of special education.
- The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of facilities.

Additionally, if an LEA has an increase of federal funds from the prior year to the current year, up to 50% of the increased revenue can be used to reduce the prior year base. If this option is applied to the test, the amount used to pass MOE must be tracked in the unrestricted funds (general education program) for allowable ESEA expenditures. These expenditures are classroom type activities. This activity will need to be reported to CDE. Examples are available in the appendix. If this exemption is used, then no federal funds can be used for Early Intervening services (or response to intervention).

Application of Exemptions

As part of the year-end documentation, EDCOE will include a document that calculates the comparison year expenditures and local contribution to the current year expenditures and local contribution. The calculation for budget data is also compared to current year. Exemptions are applied in the MOE calculation to all four tests. Although only one test is needed to pass MOE, considering the subsequent year rule, we recommend applying exemptions to meet as many tests as possible.

MOE Subsequent Year Rule

Below is an example of the Maintenance of Effort Subsequent Year Rule. The rule is effective dating back to 2011-12, which means we must review data from that fiscal year. The comparison data used in 2018-19 is the preceding year in which that method passed MOE.

Charter A	Comparison for				
	2018-19	2017-18	2016-17	2015-16	2014-15
Sate/Local	\$ 474,851	\$ 474,851	\$ 474,800	\$ 474,229	\$ 395,598
Sate/Local per Capita	\$ 7,409	\$ 6,567	\$ 6,587	\$ 7,409	\$ 7,064
Local Only	\$ 165,751	\$ 79,275	\$ 111,216	\$ 165,751	\$ 140,350
Local Only per Capita	\$ 2,506	\$ 1,101	\$ 1,545	\$ 1,545	\$ 2,506

Based on the table above, the MOE requirement for 2018-19 is based on data from different years. We review the data for each year (after adjusting for eligible exemptions) and determine the greatest value for each test.

Charter A	Pass	2018-19	2018-19 Pupil Count	Comparison for 2018-19	Year of Comparison
Sate/Local	TRUE	\$ 475,102		\$ 474,851	2017-18
Sate/Local per Capita	FALSE	\$ 6,987	68	\$ 7,409	2015-16
Local Only	TRUE	\$ 167,200		\$ 165,751	2015-16
Local Only per Capita	FALSE	\$ 2,459	68	\$ 2,506	2014-15

Maintenance of Effort only needs to pass one test to meet the requirement. Recognizing that the comparison data may date back several years, we recommend passing as many tests as possible.

MOE Test Example

Below are examples of Maintenance of Effort tests (local expenditures are represented by the local contribution):

Example 1

Expenditures	2018-19 Actuals	Comparison Data		
Federal	\$ 50,000	\$ 30,000		
State	\$ 195,000	\$ 190,000		
Local	\$ 39,000	\$ 40,000		
Total	\$ 284,000	\$ 260,000		
MOE Calculations			Variance	Test Result
State	\$ 195,000	\$ 190,000		
Local	\$ 39,000	\$ 40,000		
MOE Calculation	\$ 234,000	\$ 230,000	\$ 4,000	MET
Local Only	\$ 39,000	\$ 40,000	\$ (1,000)	NOT MET

In the example above, state and local expenditures combined meet the maintenance of effort test; however the local only does not meet. Only one test needs to meet in order to meet the MOE requirement, so in this example, the charter would be meeting the MOE requirement.

Example 2

Expenditures	2018-19 Actuals	Comparison Data		
Federal	\$ 50,000	\$ 30,000		
State	\$ 185,000	\$ 190,000		
Local	\$ 42,000	\$ 40,000		
Total	\$ 277,000	\$ 260,000		
MOE Calculations			Variance	Test Result
State	\$ 185,000	\$ 190,000		
Local	\$ 42,000	\$ 40,000		
MOE Calculation	\$ 227,000	\$ 230,000	\$ (3,000)	NOT MET
Local Only	\$ 42,000	\$ 40,000	\$ 2,000	MET

In the example above, state and local expenditures combined do not meet the maintenance of effort test; however, the local only does meet. Only one test needs to meet in order to meet the MOE requirement, so in this example, the charter would be meeting the MOE requirement.

Example 3

Expenditures	2018-19 Actuals	Comparison Data		
Federal	\$ 50,000	\$ 30,000		
State	\$ 185,000	\$ 190,000		
Local	\$ 42,000	\$ 40,000		
Total	\$ 277,000	\$ 260,000		
MOE Calculations			Variance	Test Result
State	\$ 185,000	\$ 190,000		
Local	\$ 42,000	\$ 40,000		
MOE Calculation	\$ 227,000	\$ 230,000	\$ (3,000)	NOT MET
Pupil Count	24	25		
Per Pupil Calculation	\$ 9,458.33	\$ 9,200.00	\$ 258	MET

In the example above, state and local expenditures combined do not meet the maintenance of effort test; however, when compared as a per pupil calculation, the test is met. Only one test needs to meet in order to meet the MOE requirement, so in this example, the charter would be meeting the MOE requirement.

Example 4

Expenditures	2018-19 Actuals	Comparison Data		
Federal	\$ 50,000	\$ 30,000		
State	\$ 165,000	\$ 190,000		
Local	\$ 39,000	\$ 40,000		
Total	\$ 254,000	\$ 260,000		
MOE Calculations			Variance	Test Result
State	\$ 165,000	\$ 190,000		
Local	\$ 39,000	\$ 40,000		
MOE Calculation	\$ 204,000	\$ 230,000	\$ (26,000)	NOT MET
Pupil Count	24	25		
Per Pupil Calculation	\$ 8,500.00	\$ 9,200.00	\$ (700)	NOT MET
Local	\$ 39,000	\$ 40,000		
Pupil Count	24	25		
Per Pupil Calculation	\$ 1,625	\$ 1,600	\$ 25	MET

In the example above, neither the state and local expenditures combined, the combined per pupil, or the local only calculations meet the maintenance of effort test; however, when the local only is compared as a per pupil calculation, the test is met. Only one test needs to meet in order to meet the MOE requirement, so in this example, the charter would be meeting the MOE requirement.

Exemptions

Exemptions should be applied whenever any test isn't passing. Maintenance of Effort only needs to pass one test to meet the requirement. Recognizing that the comparison data may date back several years, we recommend passing as many tests as possible.

The voluntary departure or departure for just cause of special education or related services personnel whether replaced or not by qualified, lower salaried staff. The exemptions are applied to all comparison data and then used for the MOE calculation. The template provided by EDC Charter SELPA includes all test methods.

Allowable Exemptions		
Lower paid staff		
1.0 FTE salary/benefits ins 2015-16	\$	95,900
1.0 FTE replaced salary/benefits	\$	85,000
Reduction in Base Amount	\$	10,900
Termination of Costly Program/Service		
NPS Student moved out of School	\$	22,000
Total Reduction to Base	\$	32,900

Expenditures	2018-19 Actuals	Comparison Data		
Federal	\$ 50,000	\$ 30,000		
State	\$ 165,000	\$ 190,000		
Local	\$ 39,000	\$ 40,000		
Total	\$ 254,000	\$ 260,000		
MOE Calculations			Variance	Test Result
State	\$ 165,000	\$ 190,000		
Local	\$ 39,000	\$ 40,000		
MOE Calculation	\$ 204,000	\$ 230,000	\$ (26,000)	NOT MET
Pupil Count	25	25		
Per Pupil Calculation	\$ 8,160.00	\$ 9,200.00	\$ (1,040)	NOT MET
Local	\$ 39,000	\$ 40,000		
Pupil Count	25	25		
Per Pupil Calculation	\$ 1,560	\$ 1,600	\$ (40)	NOT MET
Exemptions Applied			Variance	Test Result
State	\$ 165,000	\$ 190,000		
Local	\$ 39,000	\$ 40,000		
Allowable Exemptions		\$ 32,900		
MOE Calculation	\$ 204,000	\$ 197,100	\$ 6,900	MET
Pupil Count	24	\$ 25		
Per Pupil Calculation	\$ 8,500.00	\$ 7,884.00	\$ 616	MET
Local	\$ 39,000	\$ 40,000		
Allowable Exemptions		\$ 32,900		
Adjusted Local Only	\$ 39,000	\$ 7,100	\$ 31,900	MET
Pupil Count	24	25		
Local Only per Pupil	\$ 1,625	\$ 284	\$ 1,341	MET

Excess Cost

Amounts provided to an LEA under IDEA Part B (formerly PL94-142) may only be used to pay the excess costs of providing special education and related services to children with disabilities. Excess costs are those costs for the education of an elementary school or secondary school student with a disability that are in excess of the average annual per student expenditure in an LEA during the preceding school year for an elementary school or secondary school student, as may be appropriate. An LEA must spend at least the average annual per student expenditure on the education of an elementary school or secondary school child with a disability before IDEA Part B funds are used to pay the excess costs of providing special education and related services.

Definition

Federal law requires that federal special education funds (IDEA Part B/PL 94142) are to be spent for “Excess Costs”. Excess cost is a requirement to spend (on special education students) at the state and local level an amount equal to what is spent on general education, prior to spending federal dollars.

The calculation is not based on special education pupil counts, but on full time equivalents. This data is pulled from SEIS (Special Education Information System). At the time the IEP data is entered into the system, the amount of time spent in special education and in general education is identified. It is important this data is entered correctly to ensure the “Excess Costs” calculation is using the correct percentage of time in special education.

Excess Cost vs. Local Contribution

Excess cost is a different calculation from Local Contribution where Special Education Revenue less Special Education Expenditures = Local Contribution. Excess cost is a requirement to spend (on special education students) at the state and local level an amount equal to what is spent on general education, prior to spending federal dollars.

Who is responsible to pass?

Each LEA receiving federal funds must pass this calculation. EDCOE Charter SELPA will perform the calculations on behalf (at year-end) of all partners and distribute so the data can be reviewed for accuracy. Each charter CFO will need to sign and return to the SELPA business department. Should EDCOE Charter SELPA need additional information to complete the calculation, the charter will be contacted. Most Charters will pass the “Excess Costs” test because the calculation is using the special education FTE count and not the full pupil count. This can typically reduce a pupil count by 50% to 90%, which becomes the dividing factor to the special education expenditures.

Calculation elements are:

- Current Year State and Local Special Education Expenditures
- Prior Year General Fund per Student Expenditures
- Prior Year CBEDS
- Prior Year Special Education Expenditures
- Prior Year Special Education Pupil FTE data

PY Total Expenditures	\$ 17,567,375	
PY Special Ed Expenditures	\$ 1,047,624	
	<u>\$ 16,519,751</u>	
PY CBEDS (enrollment)		2014
Avg. Cost/Student	\$ 8,202	
PY Pupil Count		160
Special Ed FTE		4.06
CY State and Local SpEd Expenditures	\$ 1,047,213	
Minimum Expenditures to Meet (FTE x Avg Cost/Student)	<u>\$ 33,302</u>	
is positive, Excess Cost is MET	\$ 1,013,911	



Reminder: CFO and Special Ed Director must both sign the Excess Cost Test!

Appendix

ESEA Report by School Services of California

When offsetting existing contributions using the 50% provision, be mindful that each LEA will need to report how the funding is used to support activities allowed under ESEA/NCLB. The following are the programs that should be considered along with a sample of allowed activities listed below:

ESEA/NCLB Program	Example of Allowed Activities
Title I, Part A	Supplemental support activities-extended school day, extended school year, summer school, instructional materials, instructional aides, staff development, academic coaching, preschool, etc.
Title I, Part B – Even Start/Family Literacy	Training, instructional support, supplemental programs
Title I, Part B – Reading First	Training, instructional materials, supplemental programs, and staff
Title I, Part C – Migrant Education	Programs and services targeted to migrant students summerschool, afterschool, extra teachers/aides, specialized programs
Title I, Part D – Neglected and Delinquent	Programs and services targeted to students serviced by community court schools and other facilities for neglected and delinquent children-examples of allowed uses are the same as Title I
Title I, Part F – Comprehensive School Reform	Support and promote progress towards academic goals for students-training, extra staff (teachers, aides, pupil services, etc.), instructional materials, extra learning time, etc.
Title II, Part A – Teacher and Principal Quality	Class-size reduction, professional development, academic coaching
Title III – English Learner Support	Supplemental support activities for English Learner students - extended school day, extended school year, summer school, instructional materials, instructional aides, staff development, academic coaching, etc.
Title IV, Part A – Safe and Drug-Free Schools	Training, campus security, counselors, etc.
Title IV, Part B – 21 st Century Schools	Afterschool programs (staff, instructional materials, snacks, etc.)
Title V – Innovative Programs	Professional development, class-size reduction, instructional materials, pupil support-very broad flexibility
Title X - Homeless	Supplemental support activities targeted to meet the unique needs of homeless students-extra staff, training, specialized programs, etc.

As the list of allowable activities for ESEA/NCLB programs shows, almost everything short of basic operations and administration can fit into an ESEA-allowed activity. LEAs will have to report the use of this flexibility. Since it will not be coded as a "special education" expense, the LEA will need to locally track/define these expenditures within the general education program.

The purpose of this subchapter is to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging State academic achievement standards and state academic assessments. This purpose can be accomplished by:

- (1) ensuring that high-quality academic assessments, accountability systems, teacher preparation and training, curriculum, and instructional materials are aligned with challenging State academic standards so that students, teachers, parents, and administrators can measure progress against common expectations for student academic achievement;
- (2) meeting the educational needs of low-achieving children in our Nation's highest- poverty schools, limited English proficient children, migratory children, children with disabilities, Indian children, neglected or delinquent children, and young children in need of reading assistance;
- (3) closing the achievement gap between high- and low-performing children, especially the achievement gaps between minority and nonminority students, and between disadvantaged children and their more advantaged peers;
- (4) holding schools, local educational agencies, and States accountable for improving the academic achievement of all students, and identifying and turning around low-performing schools that have failed to provide a high-quality education to their students, while providing alternatives to students in such schools to enable the students to receive a high-quality education;
- (5) distributing and targeting resources sufficiently to make a difference to local educational agencies and schools where needs are greatest;
- (6) improving and strengthening accountability, teaching, and learning by using State assessment systems designed to ensure that students are meeting challenging State academic achievement and content standards and increasing achievement overall, but especially for the disadvantaged;
- (7) providing greater decision-making authority and flexibility to schools and teachers in exchange for greater responsibility for student performance;
- (8) providing children an enriched and accelerated educational program, including the use of schoolwide programs or additional services that increase the amount and quality of instructional time;
- (9) promoting schoolwide reform and ensuring the access of children to effective, scientifically based instructional strategies and challenging academic content;
- (10) significantly elevating the quality of instruction by providing staff in participating schools with substantial opportunities for professional development;
- (11) coordinating services under all parts of this subchapter with each other, with other educational services, and, to the extent feasible, with other agencies providing services to youth, children, and families; and
- (12) affording parents substantial and meaningful opportunities to participate in the education of their children.

EXEMPT REDUCTIONS TO MAINTENANCE OF EFFORT IDEA Regulations 34 Code of Federal Regulations § 300.204		
Local Education Agency (LEA) Name		Special Education Local Plan Area (SELPA)
Name of Person Completing Report		Telephone & Fax Numbers
Maintenance of Effort (MOE) Shortfall from LEA MOE Calculation (LMC-A or LMC-B) Worksheet	\$0.00	FY xxxx/xxxx
<p><i>The LEA may reduce the level of expenditures below the level of the preceding fiscal year if the reduction is attributable to any of the following reasons. Provide specific details and dollar amounts. If the total justifications equal/exceed the MOE shortfall, fiscal effort has been maintained for the reporting year.</i></p>		
1. The voluntary departure, by retirement or otherwise, or departure for just cause, of certificated and/or classified special education or related services personnel (does not include contract non-renewal or staff lay-off due to budget shortfall).		\$0.00
ENTER INFORMATION on the <i>detail reduction 1</i> tab; totals will carry forward to this section		
2. A decrease in enrollment of children with disabilities.		\$0.00
ENTER INFORMATION on the <i>detail reduction 2</i> tab; totals will carry forward to this section		
3. The termination of the obligation to provide a program of special education to a particular child with a disability that is an exceptionally costly program because:		\$0.00
A. Child has left the jurisdiction of the agency; OR B. Child has reached the age at which the obligation of the agency to provide free appropriate public education (FAPE) to the child C. No longer needs the program of special education		
ENTER INFORMATION on the <i>detail reduction 3</i> tab; totals will carry forward to this section		
4. The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities (must have per unit cost of \$5,000 or more).		\$0.00
ENTER INFORMATION on the <i>detail reduction 4</i> tab; totals will carry forward to this section		
TOTAL ALLOWABLE EXEMPTIONS TO MOE		\$0.00
(must equal amount of total exemption reductions entered in Section 1 of the LMC-A or LMC-B)		
<i>CDE Use Only</i>		
California Department of Education, Special Education Division, April 23, 2015		

Local Education Agency (LEA) Name		Special Education Local Plan Area (SELPA)			
0		0			
<p align="center">EXEMPT REDUCTIONS TO MAINTENANCE OF EFFORT</p> <p>1. The voluntary departure, by retirement or otherwise, or departure for just cause, of certificated and/or classified special education or related services personnel (does not include contract non-renewal or staff lay-off due to budget shortfall).</p>					
<p align="center">DEPARTING</p>					
No. Position Title	Employee Name	Reason for Leaving	Salary	Benefits	Total
1.					\$0.00
2.					\$0.00
3.					\$0.00
4.					\$0.00
5.					\$0.00
6.					\$0.00
7.					\$0.00
8.					\$0.00
9.					\$0.00
10.					\$0.00
11.					\$0.00
12.					\$0.00
13.					\$0.00
14.					\$0.00
15.					\$0.00
16.					\$0.00
17.					\$0.00
18.					\$0.00
19.					\$0.00
20.					\$0.00
21.					\$0.00
22.					\$0.00
23.					\$0.00
24.					\$0.00
25.					\$0.00
26.					\$0.00
27.					\$0.00
28.					\$0.00
29.					\$0.00
30.					\$0.00
Departing Total			\$0.00	\$0.00	\$0.00
<p align="center">REPLACED BY</p>					
No. Position Title	Employee Name		Salary	Benefits	Total
1.					\$0.00
2.					\$0.00
3.					\$0.00
4.					\$0.00
5.					\$0.00
6.					\$0.00
7.					\$0.00
8.					\$0.00
9.					\$0.00
10.					\$0.00
11.					\$0.00
12.					\$0.00
13.					\$0.00
14.					\$0.00
15.					\$0.00
16.					\$0.00
17.					\$0.00
18.					\$0.00
19.					\$0.00
20.					\$0.00
21.					\$0.00
22.					\$0.00
23.					\$0.00
24.					\$0.00
25.					\$0.00
26.					\$0.00
27.					\$0.00
28.					\$0.00
29.					\$0.00
30.					\$0.00
Replacement Total			\$0.00	\$0.00	\$0.00
1. Departure Net Difference			\$0.00	\$0.00	\$0.00

Local Education Agency (LEA) Name 0	Special Education Local Plan Area (SELPA) 0
EXEMPT REDUCTIONS TO MAINTENANCE OF EFFORT	
2. A decrease in enrollment of children with disabilities.	
A. Current Year Special Ed. Unduplicated Pupil Count (SEMA or SEMB, Section 3, Line A4, Column A)	
B. Prior Year Special Ed. Unduplicated Pupil Count (SEMA or SEMB, Section 3, Line A4, Column B)	
C. Difference (only applicable if negative)	not applicable
D. Fractional decline (Line 2C (expressed as positive) divided by Line 2B)	0.00000%
E. Prior Year Expenditures from State and Local Sources (SEMA or SEMB, Section 3, Line A3, Column B)	
F. Allowable decline in expenditures related to decline in pupil count (Line D x Line E)	\$0.00
2. Decrease in Enrollment	\$0.00
California Department of Education, Special Education Division, April 23, 2015	

Local Education Agency (LEA) Name 0		Special Education Local Plan Area (SELPA) 0	
EXEMPT REDUCTIONS TO MAINTENANCE OF EFFORT			
3. The termination of the obligation to provide a program of special education to a particular child with a disability that is an exceptionally costly program because:			
A. <i>Child has left the jurisdiction of the agency; OR</i>			
B. <i>Child has reached the age at which the obligation of the agency to provide free appropriate public education (FAPE) to the child has terminated; OR</i>			
C. <i>No longer needs the program of special education</i>			
	Student Name	Reason (indicate A, B, or C)	Total
1.			\$0.00
2.			\$0.00
3.			\$0.00
4.			\$0.00
5.			\$0.00
6.			\$0.00
7.			\$0.00
8.			\$0.00
9.			\$0.00
10.			\$0.00
11.			\$0.00
12.			\$0.00
13.			\$0.00
14.			\$0.00
15.			\$0.00
16.			\$0.00
17.			\$0.00
18.			\$0.00
19.			\$0.00
20.			\$0.00
21.			\$0.00
22.			\$0.00
23.			\$0.00
24.			\$0.00
25.			\$0.00
26.			\$0.00
27.			\$0.00
28.			\$0.00
29.			\$0.00
30.			\$0.00
3. Total of Termination of Obligation			\$0.00
California Department of Education, Special Education Division, April 23, 2015			

Local Education Agency (LEA) Name 0		Special Education Local Plan Area (SELPA) 0
<p align="center">EXEMPT REDUCTIONS TO MAINTENANCE OF EFFORT</p> <p>4. The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities (must have per unit cost of \$5,000 or more).</p>		
	Description of Expenditure	Total
1.		\$0.00
2.		\$0.00
3.		\$0.00
4.		\$0.00
5.		\$0.00
6.		\$0.00
7.		\$0.00
8.		\$0.00
9.		\$0.00
10.		\$0.00
11.		\$0.00
12.		\$0.00
13.		\$0.00
14.		\$0.00
15.		\$0.00
16.		\$0.00
17.		\$0.00
18.		\$0.00
19.		\$0.00
20.		\$0.00
21.		\$0.00
22.		\$0.00
23.		\$0.00
24.		\$0.00
25.		\$0.00
26.		\$0.00
27.		\$0.00
28.		\$0.00
29.		\$0.00
30.		\$0.00
4. Total Termination of Costly Expenditures		\$0.00
California Department of Education, Special Education Division, April 23, 2015		

California School Accounting Manual

Procedure 905 Documenting Salaries and Wages**Sample Personnel Activity Report**

Personnel Activity Report (PAR)			
Period Covered ¹ : _____		Fiscal Year: _____	
Employee Name: _____			
School/Division/Department: _____			
Cost Objective/Program Title	Account/Resource Code	Hours Worked ²	Percentage of Hours Worked
Project A	1111	35	21.7% (35÷161)
Project B	2222	60	37.3% (60÷161)
Project C	3333	56	34.8% (56÷161)
Program Administration	4444	10	6.2% (10÷161)
Total Hours Worked	n/a	161	100.0%
Compensated Time Off	n/a	7	n/a
Total Compensated Time ³	n/a	168	n/a

By signing below, I hereby certify that this report is an after-the-fact determination of actual effort expended for the period indicated and that I have full knowledge of 100 percent of these activities.

Employee: _____ Date: _____

1. This report must be prepared at least monthly and must coincide with one or more pay periods.
2. This report must be based on actual time worked, not budget estimates.
3. This report must account for the total activity for which each employee is compensated.

Caution:

- This sample form works well in those situations when an employee's time spent on programs is fairly predictable and does not vary much during the month. For employees whose time is unpredictable and varies significantly from day to day, a more detailed personnel activity report may be appropriate. Hourly time accounting is the method most accepted by auditors, and the safest approach is always to provide more documentation rather than less.
- During auditing and monitoring reviews, LEAs may be required to provide additional documentation to substantiate the percentages and hours reported, such as work schedules, job duty statements, or calendars.
- This sample form may not include sufficient detail to meet the time documentation requirements of specific programs, such as the requirements related to state mandated costs or the direct services to students and administrative costs requirements of Title I, Part A.

Procedure 905 Documenting Salaries and Wages

Sample Periodic (Semiannual) Certification for an Individual Employee Working on a Single Cost Objective

Semiannual Certification¹

Period Covered²: _____ Fiscal Year: _____

Employee Name: _____

School/Division/Department: _____

Cost Objective/ Program Title	Account/Resource Code	Percentage of Effort
Program ABC	1111	100%

By signing below, I hereby certify that this report is an after-the-fact determination of actual effort expended for the period indicated and that I have full knowledge of 100 percent of these activities.

Employee or Supervisory Official³: _____ Date: _____

- This sample certification:
 - Is for employees working solely (100 percent) on a single cost objective charged to federal or state programs or from a single nonfederal categorical program used in meeting cost-sharing or matching requirements of federal awards.
 - May not meet certain program requirements, such as the direct services to students and administrative costs requirements of Title I, Part.
- Certification must be prepared at least semiannually and cover the entire period of the certification (e.g., six months for a semiannual certification).
- This certification must be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee. Pursuant to a recommendation by the United States Department of Education and to facilitate good internal control, LEAs may wish to require both signatures.


Procedure 905 Documenting Salaries and Wages

Sample Blanket Periodic Certification for Multiple Employees Working on a Single Cost Objective

Blanket Periodic Certification ¹		
Period Covered ² : _____ Fiscal Year: _____		
School Name: _____		
The following individuals have worked 100 percent of their time during the last six months under a single cost objective.		
Cost Objective Name: _____		
Cost Objective Account/Resource Number: _____		
Position	Printed Name	Signature ³
Teacher A	_____	_____
Teacher B	_____	_____
Teacher C	_____	_____
Instructional Assistant	_____	_____
Tutor	_____	_____
Guidance Counselor	_____	_____
<p>By signing below, I hereby certify that this report is an after-the-fact determination of actual effort expended for the period indicated and that I have full knowledge of 100 percent of these activities.</p> <p>Supervisory Official³ Signature: _____ Title: _____</p> <p>Supervisory Official Printed Name: _____ Date: _____</p>		
<ol style="list-style-type: none"> 1. This sample certification: <ul style="list-style-type: none"> • Is for employees working solely (100 percent) on a single cost objective charged to federal or state programs. • May not meet certain program requirements, such as the direct services to students and administrative costs requirements of Title I, Part A. 2. This certification must be prepared at least semiannually and cover the entire period of the certification (e.g., six months for a semiannual certification). 3. This periodic certification must be signed by the employee or by the supervisory official having firsthand knowledge of the work performed by the employee(s). To maximize the intent of the blanket semiannual time certification, it is acceptable to design it with only the supervisory official's signature block. 		

Procedure 905 Documenting Salaries and Wages

Sample Periodic Certification for an Employee Working on Multiple Cost Objectives on a Predetermined Schedule

Periodic Certification ¹		
Period Covered ¹ : _____		Fiscal Year: _____
Employee Name: _____		
School/Division/Department: _____		
Type of Schedule: Daily _____ Weekly _____ Biweekly _____ Monthly _____ Other _____		
Cost Objective/ Program Title	Account/ Resource Code	Distribution of Time
Project A	1111	48.7%
Project B	2222	11.5%
Project C	3333	39.8%
Time ²		100.0%
<p>By signing below, I certify that I performed work consistent with the attached schedule(s) and as distributed in the above percentages during the certification period.</p> <p>Employee: _____ Date: _____</p>		
<p>By signing below, I hereby certify that this report is an after-the-fact determination of actual effort expended for the period indicated and that I have full knowledge of 100 percent of these activities.</p> <p>Supervisory Official³ Signature:  _____ Date: _____</p> <p>Supervisory Official Printed Name: _____ Title: _____</p>		
<ol style="list-style-type: none"> 1. This certification must be prepared at least semiannually and cover the entire period of the certification (e.g., six months for a semiannual certification). 2. This report must account for the total activity for which each employee is compensated. 3. This certification must be signed by the employee and by a supervisory official having firsthand knowledge of the work performed by the employee. Both signatures are required. 		

Procedure 905 Documenting Salaries and Wages

Sample Predetermined Schedule

Employee Name: _____ Period Covered: _____

Position: _____ School/Division/Department: _____

Monday	Tuesday	Wednesday	Thursday	Friday
8:00–8:30 Consult with staff regarding Title I students/curriculum	8:00–8:30 Consult with staff regarding Title I students/curriculum	8:00–8:30 Consult with staff regarding Title I students/curriculum	8:00–8:30 Consult with staff regarding Title I students/curriculum	8:00–8:30 Consult with staff regarding Title I students/curriculum
8:30–8:45 Break	8:30–8:45 Break	8:30–8:45 Break	8:30–8:45 Break	8:30–8:45 Break
8:45–9:15 Special ed. support	8:45–9:15 Special ed. support	8:45–9:15 Special ed. support	8:45–9:15 Special ed. support	8:45–9:15 Special ed. support
9:15–10:00 Small-group reading	9:15–10:00 Small-group reading	9:15–10:00 Small-group reading	9:15–10:00 Small-group reading	9:15–10:00 Small-group reading
10:00–10:30 Small-group math	10:00–10:30 Second grade Title I reading	10:00–10:30 Small-group math	10:00–10:30 Second grade Title I reading	10:00–10:30 Small-group math
10:30–11:00 Second-grade Title I reading/math	10:30–11:00 Second grade Title I math	10:30–11:00 Second-grade Title I reading/math	10:30–11:00 Second-grade Title I math	10:30–11:00 Second-grade Title I reading/math
11:00–11:30 Lunch break	11:00–11:30 Lunch break	11:00–11:30 Lunch break	11:00–11:30 Lunch break	11:00–11:30 Lunch break
11:30–11:45 Individual special ed. student catch-up	11:30–11:45 Individual special ed. student catch-up	11:30–11:45 Individual special ed. student catch-up	11:30–11:45 Individual special ed. student catch-up	11:30–11:45 Individual special ed. student catch-up
11:45–12:35 Small-group math	11:45–12:35 Small-group math	11:45–12:35 Small-group math	11:45–12:35 Small-group math	11:45–12:35 Small-group math
12:35–1:05 Small-group writing	12:35–1:05 Small-group writing	12:35–1:05 Small-group writing	12:35–1:05 Small-group writing	12:35–1:05 Small-group writing
1:05–1:20 Break	1:05–1:20 Break	1:05–1:20 Break	1:05–1:20 Break	1:05–1:20 Break
1:20–1:40 Title I prep	1:20–1:40 Title I prep	1:20–1:40 Title I prep	1:20–1:40 Title I prep	1:20–1:40 Title I prep
1:40–2:30 First grade Title I reading/math	1:40–2:30 First grade Title I reading/math	1:40–2:30 First grade Title I reading/math	1:40–2:30 First grade Title I reading/math	1:40–2:30 First grade Title I reading/math
2:30–3:00 Title I lesson planning	2:30–3:00 Title I lesson planning	2:30–3:00 Title I lesson planning	2:30–3:00 Title I lesson planning	2:30–3:00 Title I lesson planning
3:00–3:30 Title I student learning plan follow-up	3:00–3:30 Bus duty	3:00–3:30 Title I student learning plan follow-up	3:00–3:30 Bus duty	3:00–3:30 Title I student learning plan follow-up

Procedure 910 Program Cost Accounting

The CAC ratio, expressed as a percentage, represents total central administration costs divided by direct-charged and allocated costs from all funds that historically benefit from the administrative services. The resulting ratio, or percentage, can then be multiplied by a program's total direct-charged and allocated costs to arrive at the amount of central administration costs applicable to that program.

Other Costs

Other costs refers to those costs that are not associated with a specific goal. They include the food service, enterprise, facilities acquisition and construction, and other outgo functions. For purposes of program cost accounting, these costs are kept separate, even if the agency direct-charges the costs to a specific goal in its accounting records.

Allocating Support Costs Using Allocation Factors

The benefit provided to instructional programs by a support service function varies with the type of support provided. The benefit to programs from certain support services varies in relation to the number of instructional staff receiving the support. The benefit to programs from other support services varies in relation to the amount of space occupied by the instructional program or the number of students being served.

Three cost allocation factors provide the basis for allocating to programs the different types of support service costs:

1. Full-Time-Equivalent Teachers (FTEs)
2. Classroom Units (CUs)
3. Pupils Transported (PTs)

Through a determination of the counts of each factor by program, Goal 0000 costs can be proportionately distributed to each goal.

Allocation Factors

Factor	Definition
Full-Time-Equivalent (FTE) Teachers	<p>The full-time-equivalent (FTE) teacher allocation factor is the number of full-time-equivalent teachers serving (assigned) in each instructional program (goal). An assignment is a specific responsibility, classroom assignment, or course section taught.</p> <p>Teachers or assistant teachers (certificated or classified) should be included in the FTE count if they carry active student registers and their services generate average daily attendance (ADA). Certificated and classified employees providing special education designated instruction</p>

Procedure 910 Program Cost Accounting

Factor	Definition
	<p>services and carrying active student registers should also be included in the FTE count.</p> <p>Full-time equivalency is determined on the basis of the number of hours (i.e., of actual instruction of students) that constitutes a full-time teaching assignment for the agency. Taking the ratio of assignment hours to the number of hours that constitutes a full-time assignment calculates the FTE.</p> <p>The four common categories for assignments are:</p> <ol style="list-style-type: none"> 1. <i>Single assignment:</i> A full-time teacher assigned to a single goal is counted as 1.0 FTE for that goal. 2. <i>Split assignment:</i> A full-time teacher assigned to two or more goals is split between the goals on the basis of the proportionate share of hours in each assignment. For purposes of determining the number of FTEs to be allocated to each assignment, preparation periods, supervision, noon duty, individualized educational program (IEP) assessments, and other ancillary assignments are to be disregarded in the FTE calculation. Study halls are considered a regular class assignment. 3. <i>Semester assignment:</i> A full-time teacher assigned to programs of one semester or less is counted as a 0.5 FTE. Full-time teachers assigned to programs of more than one semester are counted as 1 FTE. 4. <i>Part-time assignment:</i> Prorate, using the preceding basic definition. For example, a teacher instructing in a program on a one-fourth time basis would be counted as a .25 FTE. <p>Totaling the computed number of FTE teacher units determines the FTE teacher count for each instructional goal. If applicable, FTE teacher counts may also be calculated for the community services and child care and development services goals.</p> <p>Include in the count those teachers who are assigned to programs operated in the district but who are not employed by the district (e.g., those in special education or regional occupational center/program classes in which the teachers are paid by the county office). These FTE counts are to be recorded in the nonagency activities educational program.</p> <p>For consistency, the FTE teacher count may be developed at any time after classes have been established for the second semester. In a large district, an efficient way to compile the total FTE units may be to have each</p>

Procedure 910 Program Cost Accounting

Factor	Definition
	<p>administrator complete a count and then to combine the information into a composite worksheet. Care must be taken to ensure that more than one site administrator does not report the same FTE units.</p> <p>FTE Functions: FTE factors are used to allocate costs in instruction-related functions (2100, 2420, 2490, and 2700) and pupil services functions (3110, 3120, 3130, 3140, 3150, 3160, and 3900).</p>
Classroom Units (CU)	<p>The classroom unit (CU) allocation factor is the number of units of space occupied by each program. The CU provides a method of converting each program's square footage into a standardized allocation factor. Although the term <i>classroom unit</i> was derived from using an "average" classroom as the basis for the measurement, all types of space are included in the CU count, not just classrooms.</p> <p>When calculating CUs, count space that is occupied by an identifiable function or activity. If multiple programs share an area, the CU is allocated to each program on the basis of the percentage of hours the room is used by each program. Report noninstructional programs that occupy space in district administration facilities as part of the district administration program.</p> <p>Common-use areas are considered to benefit all programs and are not included in the calculation of CUs. They include areas such as school offices, media centers, libraries, corridors, restrooms, faculty rooms, unoccupied rooms, and outdoor areas (swimming pools, ball fields).</p> <p><i>Instruction and office areas.</i> For "people-occupied" areas, such as instruction or office space, a room that falls within the general range of 800 to 1,100 square feet counts as one (1.0) CU. Areas that fall outside this range are converted to CUs by dividing the actual square footage by 960, which is the size of a typical classroom. For example, a room occupying 1,200 square feet is 1.25 CU (1,200 divided by 960). Examples of areas converted to CUs by using 960 might include large areas, such as science labs, computer labs, multipurpose rooms, and gymnasiums; small areas, such as cubicles for speech therapy; and agency-wide administration facilities.</p> <p><i>Operational areas.</i> Buildings such as maintenance shops, warehouses, and transportation facilities generally require approximately one-third the amount of maintenance and upkeep required for spaces used for students and other services. Convert these operational areas to CUs by dividing</p>

Procedure 910 Program Cost Accounting

Factor	Definition
	<p>square footage by 2,880 (960 x 3). Partially enclosed spaces, such as sheds or patios, may be excluded from the calculation.</p> <p><i>Food services.</i> In the area of food services, only the kitchen and serving areas are counted as CUs. The eating area is considered common space and is omitted from the calculation unless other activities occur in this area. If a multipurpose room is used for part of the day for classes and part of the day as the eating area, the CUs for the portion of the day attributable to classes are assigned to the appropriate program, and the portion attributable to food services is omitted.</p> <p>CU Functions: CU factors are used to allocate costs in the plant services functions (8100 and 8700).</p>
Pupils Transported (PT)	<p>The pupils transported (PT) allocation factor is the number of students transported in the year, which is determined by counting the number of students in each program transported from home to school. This factor represents the number of students, not the number of trips.</p> <p>Special education pupils receiving home-to-school transportation may be counted in the special education program only if their IEPs require home-to-school transportation. Otherwise, these children will be counted as regular students. Pupils who receive home-to-school transportation to attend schools <i>other than their neighborhood schools</i> because of requirements of their IEPs should also be counted as special education PTs.</p> <p>PT Function: PT factors are used only to allocate costs in Function 3600, Pupil Transportation.</p>

Note: Effective 2004–05, the workstation allocation factor used during earlier stages of SACS implementation is no longer a part of program cost accounting. Costs reported in Function 7700, Centralized Data Processing, by definition should be agency-wide and are a central administrative cost for program cost reporting and indirect cost purposes. Data processing costs that support instructional programs (e.g., computers in the classroom, instructional computer labs, instructional networks, library computers) should be charged to Function 2420, Instructional Library, Media, and Technology, or Function 1000, Instruction. If all data processing costs are accumulated in Function 7700 (for example, because one data processing person provides technology services for all functions), any instruction-related costs must be reclassified using Object 5710, Transfers of Direct Costs, to Function 2420 or 1000, as appropriate. The amount of instruction-related costs to transfer may be determined by work orders or a count of workstations.