Individuals with Disabilities Education Act (IDEA)

Excess Cost Requirement

Questions and Answers

Expenditure Detail Report

1. A cooperative does not levy taxes and is not required to have a fund 20 (operations and maintenance) as all those expenses are under education fund 10. Do we as a cooperative need to separate them from fund 10 so they can be reported under fund 20 by the district?

Response: No, the expenditure detail report should reflect how the cooperative reported expenditures on their Annual Financial Report (AFR). If all IDEA expenditures are reported in education fund 10 of the AFR, then the cooperative will report them to each member district as education fund 10.

2. As a cooperative, in accordance with our joint agreement with our member districts, we keep a portion of each district’s IDEA funds as an administration fee which covers the cost of the psychologists that work in our districts. How do I determine the amount of IDEA funds that should be assigned to each district to cover the portion of the administration fee that includes the psychologists’ salaries? Can I go line by line through my AFR and determine the percentage of IDEA funds that should be assigned each member district that correlates to the percentage of the IDEA students in their district within the cooperative?

Response: A more exact representation would be to go through the time and effort sheets or the related service providers’ schedules to identify the percentage of time psychologists spent in each district and then apply that percentage to the calculation of the salaries and benefits each district should provide. The cooperative will need to review records to verify how each district's federal IDEA allocation was spent in FY14. Note: We do not consider psychologists to be administration.

3. Our cooperative keeps all IDEA funds with the exception of the district’s proportionate share amount; that amount is flowed to them as a subgrant. Does the cooperative report all IDEA funds, except the subgrant amounts, on the white lines of the expenditure detail report?
Response: No, the money expended by the cooperative on the member district’s behalf is put in the shaded cells. The white cells will account for the subgrant amount and will be reflected in the district’s AFR.

4. If the majority of the IDEA funds for operations and maintenance was strictly for cooperative office costs including the office staff, should we do a percentage for each district based on a formula? Technically, these costs are expended on behalf of the districts.

Response: The cooperative will need to determine the operations and maintenance amount spent by the cooperative on behalf of each district (e.g., a proration based on student population with that procedure documented for audit records).

5. Do both the member district and the cooperative to which it belongs complete the expenditure detail report?

Response: Both entities will need to work together to complete one expenditure detail report for each member district. Member districts will need to coordinate with the cooperative to ensure that all IDEA expenditures are captured and entered correctly from the IDEA expenditure detail report form to the excess cost worksheet. Stand-alone districts will not complete the IDEA expenditure detail report form.

6. The form says to attach expenditure detail reports which are hundreds of pages long. Is that what you want?

Response: The expenditure detail report noted is the IDEA expenditure detail report completed by a cooperative and its member districts and is specific to the IDEA excess cost worksheet. That form will generally be one or two pages.

7. How do cooperatives account for the carryover period?

Response: This process collects FY14 expenditures, which will be in the cooperative’s FY14 AFR. Carryover funds are disbursed to the cooperative; therefore, if the cooperative expends the carryover amount on each district’s behalf, the cooperative will have to identify the procedure used to identify how the carryover was expended for each member district.

8. Do cooperatives need to calculate capital outlay expenses for projects paid for from a savings account that should be covered by IDEA funds from the member districts?
Response: The cooperative will need to calculate the districts’ share of any FY14 capital outlay expenditures that were paid with IDEA funds.

9. As a cooperative, we keep a percentage of each member district’s IDEA allocation. Do we have to apportion back that percentage to each district and then figure out line by line on the expenditure detail report how to "assign" those cooperative IDEA expenditures back to each district?

Response: Yes, the cooperative will need to review records to verify how each district's federal IDEA allocation was spent in FY14.

10. The four blue boxes on the top of the expenditure detail report form are confusing, especially for the FY13 carryover. Are those required to determine the total IDEA expenditures?

Response: The purpose of the IDEA expenditure detail report form is to capture all of the FY14 IDEA expenditures. The four blue boxes at the top were added as prompts to account for all expenditures which include FY13 carryover funds. If that is causing a problem (e.g. result of a grant extension), don't worry about adding the carry over. The carry over is already included as part of the total expenditures. As long as all FY14 IDEA expenditures are entered, the form will calculate for the total expenditures.

11. We are a cooperative and need to know where do we separate our municipal expenditures on the expenditure detail report?

Response: Cooperatives that reported all FY14 IDEA expenditures in the educational fund (10) of the AFR do not need to separate municipal expenditures on the expenditures detail report form. Cooperatives that reported FY14 IDEA expenditures in multiple fund sections of the AFR (educational, O & M, transportation, municipal retirement/SS) will need to separate the municipal retirement/SS expenditures. The municipal/Social Security (SS) expenditures are combined with other benefits in object code 200 of the expenditure detail report form. The cooperative will need to reference local records to separate out any municipal/SS benefits paid with IDEA funds by the cooperative on behalf of the member district when transferring numbers from the expenditure detail report to sections A and B.
12. As a cooperative, is the amount that we enter for the district in the shaded (cooperative) area the entire cooperative's expenses, or is it prorated out for that district?

Response: The shaded amount on each IDEA expenditure detail report form must be the amount of FY14 IDEA grant funds that were expended for a district by the cooperative. That amount will not be a proration, but the amount of funds that were expended based on the district's need and their IDEA allocation. The cooperative will complete an expenditure detail report for each of their member districts.

13. On the expenditure detail report do we have to separate K-8 and 9-12 on this particular sheet?

Response: No, the expenditures identified on the expenditure detail report must be separated by elementary and secondary for unit districts when transferred to the IDEA excess cost worksheet. An alternative would be for the cooperative to complete two expenditure detail reports for a unit member district, one for elementary expenses and one for secondary expenses; however, this is not a requirement only a suggestion.

14. I'm confused on the white section and the shaded section of the expenditure detail report. Where does that information come from?

Response: The white section shows how the member district spent its IDEA subgrant funds which will be identified in the district's AFR. The shaded section is how the cooperative spent IDEA funds on behalf of the district (IDEA funds retained and expended by the cooperative). Cooperative and district financial records must be used for the expenditure detail report.

15. Do the districts need to get a copy of the expenditure detail report from the cooperative and forward the form with the excess cost form or does the cooperative forward the report to ISBE?

Response: Either option is allowable.

16. If we as the cooperative keep the majority of the IDEA grant funds and provide our member districts a small amount of money through subgrants for supplies, equipment, and workshops, then would we only need to list on the expenditure detail report those expenditures the cooperative either reimbursed the district for or paid directly on behalf of the cooperative?
Response: The expenditure detail report must include the amount spent by the district through subgrants (white section) and the amount spent by the cooperative on behalf of the district (shaded section) to total the amount of FY14 IDEA expenditures.

17. If we add amounts from a district's AFR and expenditure detail report, isn't that inflating them since they're listed in the AFR already?

Response: The IDEA expenditure detail report form has two purposes:
   a. To capture IDEA amounts expended by the cooperative on behalf of the member district (shaded portions) and add those amounts to the district's AFR amounts, in Sections A and B. Those shaded amounts are included in the cooperative’s AFR and will not be in the district's AFR.
   b. To capture all FY14 IDEA expenditures (Total Expenditures 2013-2014). The total expenditure amount is entered in the IDEA Part B (Flow-through) line of Section D. The member district of a cooperative will not include any AFR data in that line. The excess cost worksheet prompts the district to enter either the AFR data (stand-alone districts) or to enter the expenditure detail report data (member districts of cooperatives).

Elementary and Secondary Expenses

It is anticipated that there will be more prorating of expenditures for this first year than there will be in future years as districts/cooperatives refine their procedures for tracking elementary and secondary expenditures.

18. To break out elementary and secondary expenditures, can we use a percentage based on the student enrollment?

Response: The district can use some proration, but they may not prorate all expenditures based on student enrollment. The district can review its payroll records for service providers to determine the services provided to elementary versus secondary students. Additionally, operations and maintenance expenditures can be separated by building, given there are separate buildings for elementary and secondary students. There are more examples in the instructions regarding prorating for elementary and secondary expenses.

19. Can you provide an example of an acceptable record of the procedure/method used to determine proration?
Response: The IDEA excess cost instructions and the October, 2014 IDEA excess cost webinar both contain some examples of proration. Those are both available on the IDEA grant webpage. The district will need to determine the most representative way to prorate for its expenses and be able to withstand an audit.

20. How is a unit district supposed to use the AFR to complete the excess cost worksheet when the AFR is not broken out by elementary and secondary columns?

Response: Unit districts will need to use local records to break out expenditures by elementary and secondary (e.g., payroll records, purchase orders, capital projects, etc.). It will be beneficial to put procedures in place to track expenditures by elementary and secondary for future years and to withstand an audit.

21. We are a small unit district, and all our schools are in one building; therefore, we do not separate operations and maintenance by buildings, nor do we separate transportation costs. These are district-wide expenditures. How should we break these expenditures down?

Response: This would also be an area where the district would need to prorate the elementary and secondary operations and maintenance as well as the transportation expenditures by student population and keep a record of the procedures for that proration.

Data Sources

22. In section D, are personnel salaries and benefits for pre-kindergarten excluded?

Response: Yes.

23. When we are filling out Section D for state/local funds, do we have to determine the amount of money that was reimbursed prior to entering the amount?

Response: The district will need to determine the amount of state/local funds that were spent in FY14 for the areas in Section D. The excess cost worksheet does not collect data regarding when funds were generated, reimbursed, or distributed. The excess cost worksheet data is based on what was spent in FY14 (July 1, 2013 - June 30, 2014).

24. When calculating salaries, do we have to subtract the amount of reimbursement we received for each staff member?
Response: The excess cost worksheet calculates the expenditures from FY14. Do not subtract any reimbursement received.

25. Explain how local funds under section D are calculated.

Response: Use local financial records and the district’s AFR.

26. As a unit district with both an early childhood program and a transition program, should both of those expenses be removed before entering the data in the excess cost worksheet?

Response: The early childhood special education program expenditures are not a part of the excess cost calculation; therefore those expenditures should be removed. The expenditures for students in a transition program (ages 18 - 21) should be included in the excess cost calculation.

27. If we were in a cooperative last year (FY14) and now a stand-alone district, does the cooperative still do the expenditure detail report form?

Response: Yes, if the cooperative expended funds on the district's behalf for FY14.

28. In section D (state/local), should we include special education costs that are not covered by personnel reimbursement and summer school costs that are more than the reimbursement?

Response: Yes, section D is for reporting your state and local expenditures.

29. The Financial Reimbursement Information System (FRIS) reports revenues, but you are asking for expenditures? Where will we get this information?

Response: Districts will need to use their local records to verify their actual expenditures that generated those reimbursements.

30. Do we report what was expended or what was disbursed (paid) for room and board since there is a difference (we pay 100% and receive 50%)?

Response: The district will need to use local records to verify their actual expenditures.

31. As a cooperative, do I include salaries through August 31, 2014 that I reported on my final expenditure report, or am I only identifying salaries through June 30, 2014?
Response: You will only include FY14 expenditures (July 1, 2013 – June 30, 2014) as those will be included in the FY14 AFR.

32. What student counts do we use? Since the fall housing includes pre-kindergarten, do we subtract the number of pre-kindergarten students from the total?

Response: Districts will use the FY14 fall housing count which is from October 2013 and the child count submitted in December 2014. Yes, the pre-kindergarten students would be subtracted; the fall enrollment table on the ISBE webpage has the pre-kindergarten students already subtracted. Additionally, Harrisburg (iePoint) has developed reports to give districts an accurate child count based on the data submitted to Funding and Child Tracking System (FACTS) with the pre-kindergarten students removed from the count.

33. If my district was audited with regard to transportation revenues and must return some money, should I subtract from revenue even though I have not paid the money back yet?

Response: The IDEA excess cost calculation uses FY14 expenditures. Do not subtract any amounts for possible pay back.

34. How do we determine Title I expenses if we are a total Title I district?

Response: If a district has all school-wide Title I programs they will still have all of the expenditures listed on the excess cost worksheet.

35. Do we have to look for 2013-14 costs as the form is indicating 2014-15?

Response: To determine the excess cost threshold for the FY15 grant period, you will need to use the expenditures from the FY14 period.

36. Why are we using the special education student count from this year with last year’s expenditures?

Response: The purpose of the excess cost calculation is to identify the excess cost threshold for the current fiscal year. In order to do this a district must first calculate the average per pupil expenditure (APPE) from the previous year’s data and then multiply the current year’s IDEA child count to the APPE to determine excess cost for the current fiscal year.

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\text{FY14 expenditures ÷ FY14 students} = \text{APPE} \\
\text{APPE} \times \text{FY15 IDEA child count} = \text{FY15 excess cost threshold}
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37. Title I and III of the Elementary and Secondary Education Act (ESEA) are not part of our special education department and submit their own grants. Will entering their information in Section D affect our special education only numbers?

Response: No, the formula requires that expenditures for special populations be extracted from the excess cost threshold. These expenditures will reduce the excess cost threshold, but will not affect any special education counts.

38. Why does line 12 (Tort Fund) say no expenditure detail report?

Response: The Tort expenditures are not included in the IDEA expenditure detail report form. That statement is a prompt for member districts of cooperatives to use their local financial records.

39. If there are no exceptions like with Maintenance of Effort (MOE), how will the departure of high-cost students impact this new calculation? An example would be three students that are at a private facility ($40,000 each) in FY14 expenses and they are not in our district in FY15. That will reduce our total local expenditures but only reduce our December 1 child count by three. If there are no exceptions, will the district have to pay back the difference, or shortfall, with this calculation?

Response: Excess cost does not have exceptions; however, we don’t anticipate significant problems in meeting the excess cost threshold due to specific factors:

- The excess cost average per-pupil expenditure (APPE) formula is based on all expenditures, excluding debt services and capital outlay/non-capitalized equipment. The loss of high-cost students or retirement of high-salaried teachers will not have as much impact when distributed across the total costs and student population.
- The APPE deducts all special education costs.
- The excess cost threshold can fluctuate from year to year.
- Unlike MOE compliance, which compares two completed fiscal years, the excess cost threshold applies to the current year. In the event that a district has not met the excess cost threshold that district will have at least 5 months (February – June) to address any shortfall.

General

40. Please share what prompted this reporting requirement?
Response: This requirement has been in the IDEA since the 1970s; however, in the past we were able to meet the requirement through an assurance statement. Recently, OSEP stated that this method was insufficient and LEAs must document their excess cost calculation based on the regulations and the example provided in Appendix A of the IDEA.

41. Since this process requires districts and cooperatives to document procedures, is this just a uniform way of completing the excess cost worksheet so that it is the same from year to year? Alternatively, does the district need to adopt procedures as a board approved policy?

Response: The procedures need to be documented to ensure consistency from year-to-year and also to provide a record for an audit to identify how the calculations were derived. Board approval of the procedures is not a requirement by ISBE.

42. Does this worksheet replace or is it in addition to current reports (e.g., iePoint excess cost reimbursement, IDEA flow through grant quarterly expenditure reports, etc.)?

Response: The IDEA excess cost worksheet is not replacing any forms. It is a new process to document and verify that all districts expend IDEA funds for the excess cost of special education services. It should not be confused with any older forms used to claim "high-cost" students using a three times per capita formula.

43. To whom do we submit the completed forms to and in what format/media?

Response: The completed forms are submitted electronically to your district’s/cooperative’s grant coordinator via email.