

**Coffeeville School District**  
**FISCAL POLICIES AND PROCEDURES**

**VII. Excess Cost Requirement**

Excess costs are those costs associated with 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 ALL elementary school or secondary school students. [34 CFR 300.202(b)] 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 funds under Part B of the Act are used to pay the excess costs of providing special education and related services. That amount may not include capital outlay or debt service.

For a particular cost to be allowable, it must be an excess cost of providing special education and related services. Only allowable costs may be charged to IDEA Part B or Preschool grants. In addition, in order for the cost to be allowable, it must be necessary and reasonable for proper and efficient performance and administration of the grant. A cost is reasonable if it does not exceed what a district would normally incur in the absence of Federal funds.

IDEA's excess cost requirement prevents an LEA from using Part B funds to pay ALL of the costs directly attributable to the education of children with disabilities, with the following exception:

The regulations in IDEA §300.202(b) permit an LEA to use Part B funds to pay for all of the costs directly attributable to the education of a child with a disability in the age ranges of 3-5 and 18-21, only if no local or State funds are available to provide for the education of children WITHOUT disabilities of those same age ranges. In such cases, the LEA must comply with the non-supplanting and other requirements of Part B in providing the education and services for these children.

CSD will adhere to the guidelines established for utilizing IDEA, Part B funds, with regards to personnel must be utilized in accordance with the applicable provisions of Part 300. Time distribution documentation for all Federally-funded employees is a standard requirement for payroll activity and personnel activity reports. Fringe benefits are an allowable expense if the following conditions exist:

They are provided under established written policies  
The costs are equitably allocated to all related activities, including Federal awards; and  
The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit.

Employees can either be fully funded using IDEA grant funds or partially funded using a combination of Federal and local or State funds. Both options, and the specific requirements for each, are described below.

***Single Federal Award or Cost Objective***

CSD Special Education Department will use a portion of their IDEA grant funds to pay 100 percent of the salaries and employee benefits for some of their special education staff. In this case, when employees are expected to work solely on a single Federal award or cost objective, a periodic certification for each of these employees must be made supporting their salaries and wages. This documentation must show that the employee worked solely on IDEA activities for the period of the certification.

The required certifications must:

Be prepared at least semi-annually  
Be signed by the employee; and  
A supervisory official having firsthand knowledge of the work performed by the employee.

[Circular A-87 Attachment A; 34 CFR §300.202(a)]

A sample semi-annual certification form is included in the Appendices under Section Two.

***Multiple Activities or Cost Objective***

CSD will allocate IDEA grant funds to pay a portion or percentage of the salaries and employee benefits for some of their special education staff, when necessary. In this case, when employees work on multiple activities or cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports (PAR) or equivalent documentation that meets the following standards:

- They must reflect an after-the-fact distribution of the actual activity of each employee, in accordance with their job description;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed and dated by the employee and the employee's immediate supervisor.

LEAs often refer to these employees as split-funded. An example of a split-funded employee could be a special education director that is 50 percent funded from the IDEA grant and 50 percent funded from district funds. The special education director performs special education duties 50 percent of the time and performs district test coordinator duties for the 50 percent funded from district funds. All positions funded partially from IDEA funds and partially from non-IDEA funds must be included in the LEAs' approved budget. In addition, employee benefits for split-funded staff must be prorated based on the funding ratio. The LEA must be able to verify that benefits are charged to the appropriate funding source for those salaries paid with multiple funding sources. [Circular A-87 Attachment A]

Extreme caution must be adhered to by all LEAs when deciding to split-fund employees to avoid supplanting. LEAs must be able to demonstrate that it would not have provided a service in question with IDEA funds had those funds not been available.