

TITLE I

Fiscal Responsibilities

WHERE TO FIND RESEARCH MATERIAL
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1. Title I Laws (No Child Left Behind Act)
www.ed.gov/legislation/ESEA02/index.html
2. OMB Circular A-87, Attachment B
www.whitehouse.gov/omb/circulars/a087/a087_2004.pdf
3. EDGAR
<http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>
4. COMPLIANCE SUPPLEMENT
http://www.whitehouse.gov/omb/circulars/a133_compliance/04/04toc.html

Board Minutes

1. Resolution to Apply for Funds (Copy of Budget Statement attached)
2. Resolution to Accept the Funds
3. Appointment of Teachers - Name, Salary, School, Funding Percentage for each program (e.g.: Title I, local, etc)
4. Appointment of Secretaries, Aides, Program Directors, etc – Name, Salary, Work Location, Funding Percentage for each program (e.g.: Title I, local, etc)

Final Expenditure Reports

1. Must be consistent with Budget (amendments through County Office)
2. CANNOT move more than 10% of Total Funds or \$50,000 (whatever is less) without State Approval (through County Office)
3. CANNOT add a budget category without State Approval (through County Office)
4. CANNOT carryover more than 15% of Total amount received more than once every three years with State Approval
5. Must file separate final expense report for Carryover monies spent in current year

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Select Expenditures and Support Needed

SALARIES

Salary of Teachers, Aides, Directors, Supervisors, Secretaries, etc

1. Refer to OMB Circular A-87, Attachment B, Section 8(h), Support for Salary and Wages (Attachment A)
2. Language from OMB A-87, Attachment B, Section 8(h)
 - i. Where employees are expected to work solely on a single Federal award, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These **certifications** will be prepared at **least semi-annually** and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.
 - ii. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation that meets the following:
 - a. They must reflect an after-the-fact distribution of the actual activity of each employee
 - b. They must account for the total activity for which each employee is compensated
 - c. They must be prepared at least monthly and must coincide with one or more pay periods, and
 - d. They must be signed by the employee
 - e. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards
 - iii. All teachers must have valid teaching certificates

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iv. Effective January 8, 2002 all newly appointed paraprofessionals must:

- a. Have at least an Associates Degree or
- b. Have two years of college or
- c. Pass a State administrated exam with a rigorous standard of quality and demonstrate through formal assessment with knowledge and ability to assist in instructing; Reading, Writing, Math or Readiness or
- d. District administered assessment

Note: All existing paraprofessionals must obtain the degree within four years

In a Schoolwide Program all paraprofessionals (not just Title I funded) must meet the above standards.

v. See sample time sheets attached (Attachment B, C and C-1 (Schoolwide Program))

Select Expenditures and Support Needed GENERAL PURCHASES

1. Must have purchase orders
2. Purchase orders should indicate account number to be charged
3. Purchase orders should state "Title I" on them
4. Purchase orders should be signed by business administrator
5. If the purchase order is split between programs, the Title I amounts should be broken out and easily identifiable
6. Final invoice should tie to purchase order and/or reconcile to amount posted to Title I funds with amounts easily identifiable or reconcilable.

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Select Expenditures and Support Needed EQUIPMENT

1. Must maintain Master inventory listing (Attachment D)
2. Each school should maintain a subsidiary listing of Title I Equipment (Attachment E)
3. All Title I Equipment should be properly labeled as "TITLE I" or equivalent tracking system
4. Inventory records need to be kept for five years after disposition of equipment. See EDGAR Section 80.32 (Attachment F)

Select Expenditures and Support Needed EMPLOYEE BENEFITS

1. Teachers Pension and Annuity Fund Reimbursement (TPAF) ONLY applies to teachers contract salaries, supervisors, and program directors
2. TPAF does not apply to aids, secretaries or clerical, stipends, substitute teachers or summer teachers
3. All other benefits should be based on actual cost figures and not budgeted percentages

Salaries	Title 1	Other Federal	Total	Rate	Total
Contractual Salaries	352,808.00	-			
	352,808.00	-	352,808.00	6.68%	23,567.57
Amounts subject to SS	352,808.00	-	352,808.00	7.65%	26,989.81
Amounts only subject To Medicare			-	1.45%	-
	352,808.00				\$ 50,557.39

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POLICY STATEMENTS

Should have District Policies (Attachment G) on:

- Maintenance of Effort
- Comparability
- Supplement Not Supplant

MAINTENANCE OF EFFORT

(Must be done annually)

Computation (Attachment H)

Current Expenditures (Schedule B-2 of CAFR)

Less: Capital Outlay

Less: Community Services

Divided by: Average Daily Attendance

Compare to prior year (current year/prior year) and must be at least 90%

COMPARABILITY

(Must be done annually)

ONLY need to be done if LEA has schools of "Like Kind Grade Span or Groupings"

Computations (Attachment I)

Items needed to perform computation include:

- Short Form
 - Pupils enrolled
 - Full-time staff equivalent
- Long Form (if they did not pass the short form)
 - District-wide salary scale Instructional staff only
 - All employees at first range of scale (All employees salary will be on first step of pay scale (BA+30, MA+30, etc) NOT actual pay)

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SUPPLEMENT NOT SUPPLANT

1. Funds must Supplement local funds (Attachment J)
2. Supplement Defined: In the absence of Federal Funds would the funds have been spent (Prior year used to distinguishing factor)
3. If all students/classrooms are getting an item (e.g.: computer) then the district can't just pay for the Title I portion out of Title I funds.
4. Items purchased should not be used by non-Title I students
5. Presentations/Trips should not benefit non-Title I students

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Schoolwide Programs

Must have a plan in place that addresses programmatic issues or not a valid program and all expenses may have to be returned; Plan must include:

- A. Comprehensive needs assessment
 - B. Schoolwide reform strategies
 - C. Instruction by highly qualified teachers and other staff
 - D. Professional development for teachers and other staff
 - E. Strategies to increase parental involvement
 - F. Plans for assisting preschool children from early childhood programs to local elementary school programs
 - G. Measures to use teachers in the decisions about the use of assessments
 - H. Activities for providing effective, timely additional assistance to students experiencing difficulty in mastering high standards
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- 1. Time sheets – Most likely not if blending – further guidance coming
 - 2. Allocated on a percentage of total expenses for each school (must remove any unallowable expenses before the percentage allocation)
 - 3. More flexible in spending
 - 4. Done on a school by school, not district basis
 - 5. Not all schools spend what is allocated to them; the additional funds go to Administrative or other schools; but the amounts should be close and money should not be spent at Non-Title I schools.
 - 6. Audit will account for Title I funds, first at the district level to assure funds are reallocated to the school level appropriately, and then to run a sample test at the school level. Several key questions to be answered at the school level include:
 - i. Are there activities budgeted that support the intent of the law?
 - ii. Are supplemental services provided to the students enrolled in the school?

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Frequently Asked Questions

1. Time Sheets and Salaries
 - Substitutes – USDOE is clarifying this issue but their feeling is no since they are paying for the same service twice
 - Multiple Federal Grants – If someone works on multiple federal grants, must their salary be allocated to all the grants since it is one large federal pot of money – yes, since each is a separately funded program

2. Title I Set-Asides
 - Choice/SES – If no Choice than all SES, If no SES, then all Choice, If both minimum 5% for each and 10% district option. May use state or local money to meet this obligation – just be able to verify
 - Teacher and Paraprofessional Qualifications – Must set aside not less than 5% unless lesser amount is needed and can be documented that it is not needed. All teachers in Title I schools can benefit, not just Title I. May not use in Non-Title I schools.
 - Parental Involvement – Must show that at least 1% was spent on grants over \$500,000. Be able to document all parental involvement activities
 - Professional Development – Must set-aside 10% if school is identified as in need of improvement.
 - If Parental Involvement or Professional Development reserved, then proportional amount for nonpublic (Regulations 200.65(a))

Common Audit Findings

1. Personnel not listed in Board Minutes (with Title I percentage) – for Current Part A and Carryover
2. Lack of time sheets or signatures of employees/supervisors
3. TPAF being improperly calculated
4. Not performing Maintenance of Effort or Comparability
5. Lack of inventory records on perpetual basis
6. Equipment not being labeled
7. Improper payroll distribution (not prorated per payroll period)
8. Purchase orders not indicating Title I
9. Final expense reports not matching budgets for individual line items (adding or deleting a line item without State approval)
10. Policies not updated for appropriate public law
11. Supplanting on non-salaried purchases
12. Not spending according to approved application
13. Encumbering funds prior to the start of the grant period
14. Not liquidating funds within ninety days of the end of the grant period