

## Temporary Emergency Impact Aid for Displaced Students (revised September 13, 2018)

School districts and independent auditors must follow the following financial reporting guidance for the receipt of The Temporary Emergency Impact Aid for Displaced Students (Emergency Impact Aid), (CFDA number 84.938C). This federal program provides funds to assist with the cost of educating public and non-public students being educated in New Jersey as a result of having been displaced by Hurricanes Harvey, Irma, and Maria, or the 2017 California wildfires for which a major disaster or emergency has been declared (covered disaster or emergency).

The purpose of the funds is to support the fiscal year 2017-2018 educational costs and related needs of students displaced by a covered disaster and enrolled in a New Jersey public or non-public school. Any New Jersey public school district that has enrolled at least one student displaced by a covered disaster or emergency during the 2017-2018 school year, or that has a local non-public school that enrolled at least one student displaced by a covered disaster were eligible to apply for these federal funds through the New Jersey Department of Education (NJDOE). Determinations of awards were made by the NJDOE during August of 2018 with an anticipated disbursement date to the districts/charter schools during September 2018.

Emergency Impact Aid funds are 100% federal revenue funds to be recorded as a receivable and recognized as revenue for the fiscal year ended June 30, 2018. Please be aware that in accordance with Generally Accepted Governmental Standards Board (GASB) Statement No. 33 paragraph 19 (as amended by GASBS 65 paragraph 10) this award is a government-mandated nonexchange transaction for which the eligibility requirements for revenue recognition have been met at June 30, 2018 and may only be used to reimburse the district or nonpublic school for expenses already incurred during the 2017-2018 school year. Please refer to frequently asked question distributed with the application for funding regarding expense eligibility and other related issues (e.g. unobligated funds must be returned to the federal government) established for this federal award. Also at the time of application, districts were advised to maintain complete expenditure records for audit.

Recipients must record and report the Emergency Impact Aid revenue and corresponding expenditures in Fund 20 for the 2017-18 fiscal year. New Jersey districts must transfer eligible actual 2017-2018 general fund expenditures to Fund 20 using an available special revenue fund general ledger program code in their general ledger system. Amounts are to be included and reported as "Other Federal Projects" in the district's general ledger and Audsum, using an available revenue code in the 4500 series, "Other Restricted Grants-In-Aid from the Federal Government through the State", and an available program code in the range 450 through 469, "Other Federal Projects".

Table 1  
Line Item instruction

Fund 20 category	Line Item Description	General Ledger Account number	Audsum line number
Revenue	Other Revenues from Federal Sources	20-45XX	Audsum line 825
Expenditures	Federal Projects- Other	20-4XX-XXX-XXX	Audsum lines 88681-88700

The district must also report the expenditures in the “budgetary expenditures” column of the June 30, 2018 *Schedule of Expenditures of Federal Awards*, under CFDA number 84.938C

Detailed documentation of transfers to Fund 20 accounts should be maintained by the district. **Please note, Emergency Impact Aid funds are federal funds and if a district chooses to transfer the expenditures for salaries of staff who participate in Teacher’s Pension and Annuity Fund (TPAF), the district (verified by the independent auditor) must include the salaries funded by this federal award in the calculation of the reimbursement back to the state for the cost of fringe benefits paid by the state and charged to a federal program as required under N.J.S.A. 18A:66-90.**

The following is reiterated from the New Jersey guidance document that accompanied the distribution of the formal application for funds provided to districts, and included for reference of allowable expenditures transferred to Fund 20:

#### Use of Funds

*For what activities and services may an LEA or non-public school expend program funds?*

These entities may use program funds to provide instructional opportunities for displaced students who enroll in their schools and for expenses the recipient incurs in serving displaced students. Examples of allowable expenses include:

- a) Paying the compensation of personnel, including teacher aides, in schools enrolling displaced students;
- b) Identifying and acquiring curricular material and classroom supplies;
- c) Acquiring or leasing mobile educational units or leasing sites and spaces (to the extent that those costs are not met by FEMA);
- d) Providing basic instructional services for displaced students, including tutoring, mentoring, or academic counseling;
- e) Paying reasonable transportation costs;

f) Providing health and counseling services; and

g) Providing education and support services.

The recipients may use these funds for pre-award costs, including the reimbursement of expenditures incurred prior to the receipt of a grant.

*Must those activities and services be specifically related to serving displaced students?*

While the activities and services provided with Emergency Impact Aid funds must be related to serving displaced students, there is no requirement that they be provided only to those students.

For instance, one of the allowable activities under the law is provision of basic instructional services. There is no requirement that program funds be used to provide those services only to displaced students; rather, LEAs may use the funds to support regular classroom programs in which both displaced and other students participate. Similarly, the law authorizes the use of funds for reasonable transportation costs. LEAs are under no obligation to use these funds to transport only displaced students. They may instead use the money to support their regular transportation budget, taking care to ensure that the transportation needs of displaced students are met.

Additional information is available at: <https://www2.ed.gov/programs/eia/faq.html>