

Federal Programs & LEA Accounting AASBO Spring Meeting





Timely Spending



Liquidation



ESSER Allowability



Uses of Funds



Carryover/ES2



Indirect Cost



Timely Spending



ESSER Funding Breakdown

Deadlines	ESSER II	ARP ESSER	Notes
Services Must End By		September 30, 2024	
Revision Due Date		July 01, 2024	Note: The deadline for ARP ESSER was initially set for March 15, 2024. However, the date has been changed to allow time for revisions.
Final ES2 (drawdown)		December 16, 2024	
Prepaid Services Must End By	September 30, 2027	September 30, 2028	



Period of Performance

“The total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or budget periods.” (ARP ESSER: March 13, 2020 - September 30, 2024)

“Identification of the Period of Performance in the Federal award per § 200.211 (b) (5) does not commit the awarding agency to fund the award beyond the currently approved budget period.” 2 CFR 200.1



Period of Performance

- Funds must be obligated within the period of performance
- What does it mean to obligate funds?
 - “Financial obligations, when referencing a recipient’s or subrecipient’s use of funds under a Federal award, means orders placed for property and services, contracts and subawards made, and similar transactions that require payment.”
2 CFR 200.1
- When funds obligate depends on the type of cost.
- **Obligate ≠ liquidate**



When Obligations Are Made

If the obligation is for –	The obligation is made –
Personal services by an employee of the LEA (Object Codes 010-199 & 200-299)	On the date when services are performed
Personal services by a contractor who is not an employee of the LEA (Ex. Kelly Services) (Object Codes 300-399)	On the date the LEA makes a binding written commitment to obtain the services
Acquisition of real or personal property (Land or Building)	On the date the LEA makes a binding written commitment to acquire the property
Performance of work other than personal services (Ex. Professional Development, Subscriptions)	On the date the LEA makes a binding written commitment to obtain work
Travel	On the date when the travel is taken.

When Obligations Are Made

Services Can Continue Until...

NOTE: If a contract was properly obligated and liquidated by the required deadline and an LEA has pre-paid for services in the future, services by a contractor can continue until September 30, 2027 (ESSER II)/September 30, 2028 (ARP ESSER).

*****THIS DOES NOT INCLUDE CONSTRUCTION*****



Liquidation Extension



Late Liquidation

Q. 12: A State is required to assure through the grantee attestations within the liquidation extension request template that the subrecipients receiving liquidation extensions are low risk entities. How is “low risk” defined?

A: “Low risk” is defined by the State. As noted within the request template, a State uses the data available to it to determine risk. Such data may include results from internal risk assessments, single audits, or other data sources as selected by the State to determine whether the entity is subject to a high-risk designation. The State has flexibility in how it conducts this analysis but, as noted in the grantee attestation, a State must attest that it has conducted an analysis prior to including a subrecipient in the liquidation extension request.

[General-and-Technical-FAQs-for-CARES-Liquidation-Extension-Requests.pdf \(ed.gov\)](#)



Late Liquidation

The ALSDE is currently looking into the late liquidation process for ARP ESSER funds.

REMINDER: Only “low-risk” LEAs will be eligible to request late liquidations if the ALSDE requests and is granted late liquidations.



Risk Assessment

In order to assess the risk of LEAs within the State of Alabama, the Federal Programs Section of the ALSDE has created a Risk Assessment that uses some of the following indicators:

- Title I Budget Allocation
- Title I Carryover Percentage
- LEAs with NEW Federal Funds/Grants
- # of Federal Fund/Grant Sources
- Changes in Key Personnel (Superintendent/CSFO/Federal Programs Coordinator)
- eGAP Approval Date
- Findings from Last Compliance Monitoring Review
- Title I ES-2 Drawdown Percentage



ESSER Allowability



U.S. Department of Education FAQ Document

The U.S. Department of Education released an updated FAQ document in December 2022 that provides important information about potential allowable and unallowable uses of COVID-Relief funding.

Frequently Asked Questions
Elementary and Secondary School Emergency Relief Programs
Governor's Emergency Education Relief Programs



U.S. Department of Education
Washington, D.C. 20202

December 7, 2022 Update*

[Link to Document](#)



COVID-Relief Funds Allowability

Generally, in determining whether an activity is an allowable use of funds, an LEA must determine:

- 1) Is the use of funds intended to prevent, prepare for, or respond to the COVID-19 pandemic, including its impact on the social, emotional, mental health, and academic needs of students?
- 2) Does the use of funds fall under one of the authorized uses of ESSER or GEER funds?
- 3) Is the use of funds permissible under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards? In particular, is it necessary and reasonable for the performance of the ESSER or GEER grant?



REMINDER:

Food is unallowable, and all stipends/supplements must be for work performed off-contracted time.



Example Uses of ESSER Funds



ESSER Funding Category Ideas

Potential Categories for ESSER Funds

Personnel

Extended Day Programs

Facility Improvements

Professional Development

Curriculum Materials and Programs

Parent and Family Engagement

Other Potential Uses



Personnel

All personnel expenditures paid from Object Codes 010-199 must conclude by September 30th of the respective grant.

Ideas
Engagement Specialists – Home Visitations
Translators
After-School Personnel
Coaches (Instructional, Math, Literacy, etc.)
Interventionists
Retired Personnel
Mental Health Personnel

Ideas
Counselors
Art/Music Teachers
Lead or Master Teachers
Sign-On/Retention Bonuses
Transitional Grade Teachers (Grade 1.5, Grade 3.5, etc.)



Extended Day Programs

Ideas

Summer Learning Programs

NOTE: Several LEAs are paying teachers their daily rate of pay.

Twilight School for High School Students

Evening and Weekend Tutoring

(Location Examples: Libraries, Churches, etc.)

NOTE: Funds can be used for tutors, materials, space rental, etc.

Field Trips

Application Compliance: Must explicitly state “field trips” in the application. (Examples: McWane Science Center, Space & Rocket Center, Historical Sites, etc.) NOTE: Funds can be used for Entrance Costs, Charter Buses, Hotels, etc.)

College Visits

NOTE: Funds can be used for transportation, fees, etc.

Post-Secondary Transition Programs

Summer Kindergarten Academies

Facility Improvements

Ideas

Accessibility Improvements

(entrances for SPED students, handicapped parents, etc.)

Establish Health Clinics

NOTE: Funds can be used for facility improvements, services, space, equipment, supplies, etc.

Outdoor Classrooms

Restroom Renovations

(stall doors, kick plates, touchless sinks/dryers/soap dispensers, hygiene receptacles, etc.)

Safety/Security Equipment

Multi-Sensory Rooms

Engineering/Science Labs



Construction



Elementary and Secondary School Emergency Relief (ESSER) Construction Cost Assurances Form

As stated in the U. S. Department of Education's May 2021 FAQ, Construction is authorized under Title VII of the ESEA (Impact Aid) and therefore is an allowable use of ESSER funds. The broad Impact Aid definition of "construction" includes new construction as well as remodeling, alterations, renovations, and repairs under which many activities related to COVID-19 would likely fall.

In order for the Alabama Department of Education (ALSDE) to determine if your districts' proposed ESSER funded construction project has met the minimum requirements to be granted the status of "prior written approval" as defined in 2 CFR 200.407, the Local Education Agency (LEA) must execute the certification statements contained in this document.

By selecting each checkbox, the LEA assures by the digital signature all local, state, and federal laws and requirements will be adhered to.

- ☒ **The LEA agrees to all abide by all applicable regulations, and guidelines for the identified projects.** The LEA agrees to comply with state law regarding Construction Projects, which includes, but not limited to *Alabama Administrative Code Chapters 355-12-1, 355-13-1, 355-14-1, 355-15-1* and the procedures identified in the *Manual of Procedures of the State of Alabama Department of Finance, Real Property Management, Division of Construction Management*
- ☒ **The LEA assures that all construction activities, including renovations or remodeling, are necessary to prevent, prepare for, and respond to COVID-19.** The burden remains on the LEA to maintain the appropriate documentation that supports the expenditure.

B-9. May an LEA use ESSER and GEER funds to renovate, remodel, or construct athletic facilities, such as swimming pools, playing fields, or sports stadiums? (New December 7, 2022)

This would not be an allowable use of funds unless there is a connection between the expenditure and preventing, preparing for, or responding to COVID-19, considering the specific facts and circumstances of a project. Expenditures of ESSER or GEER funds must meet the overall purpose of the CARES, CRRSA, or ARP Act programs. In addition, the Department discourages LEAs from using these funds for new construction, as this use of funds limits an LEA's ability to meet other, more pressing needs related to the pandemic's impact on learning and the emotional and mental health and well-being of our children and youth. It is the responsibility of the grantee and subgrantee to ensure that, among other Federal requirements, any project is targeted to the overall purpose of the ESSER or GEER program, which is "to prevent, prepare for, and respond to" COVID-19. It is unclear, for example, how constructing a swimming pool is related to the pandemic or otherwise allowable under the CARES, CRRSA, or ARP Act.



As of the FY23 application, the Assurances Form must be completed before any approval in eGAP 2.0.



Professional Development

Ideas

Summer Collaborative Planning Sessions

New Teacher Training

NOTE: Funds can be used for speakers, room rentals, materials/supplies, off-contract stipends, etc.

Substitutes for Professional Development

(Enrichment Activities for the 2nd Half of the Day, etc.)

Permanent Substitutes

(Weekly/biweekly data/planning/PLC sessions, courses for certification, etc.)

Trainings to Address Specific Needs of Subgroups

Conference Attendance

After-School | Evening | Summer | Virtual Module PD

Certification and Credential Assistance

(Examples: Dual Enrollment, Advanced Placement, Credit Hours, Praxis, WorkKeys, etc.)

NOTE: Funds can be used for course registration and books/supplies.

Curriculum Materials & Programs

Ideas

Program Registration Fees for Student Participation
(AP, ACT, Dual Enrollment, CTE, etc.)

Author Visits

Sound Wall Tools and Training

LETRS/NUMBERS Supplies and Materials

Reading & Math Intervention Programs

****REMINDER**:**

Student fees can not be charged for
using any items/programs purchased
from Federal Funds.



Ideas

Musical Instruments and Other Fine Arts Supplies**

Special Population Supplies/Materials & Programs
(Special Education, Homeless, English Learners, etc.)

Subscriptions and Virtual Curriculum
(Programs, Textbooks, etc.)

Improved Classroom Libraries
(Library Books, Supplies/Materials, Book Vending Machines**, etc.)

Instructional Supplies and Materials
(Science and Lab Equipment, Intervention Materials, Assessments,
Kidney Tables, Dry Erase Boards, etc.)



Parent and Family Engagement

Ideas

Parent Engagement Training Sessions
(speakers, communication, activities after hours, etc.)

Parent Academies
(speakers, materials/supplies, etc. – no food)

Publish “Read at Home” Plans for Parents

Cradle to Kindergarten Program

Summer Parent Programs

Instructional Supplies and Materials
(decodable texts, trade books, manipulatives with activities, etc.)



Other Allowable Uses

Ideas

Attendance Supports

(transportation, non-incentive items, etc.)

Outstanding Lunch Balances & Student Fees

Electronic Student Transcript System

Video Conference Equipment and Software

Clothing Closet

Study Lounges

“Grow Your Own” Program

Partnerships with Community Agencies

(Big Brothers Big Sisters, Girls Inc., YMCA, Better Basics, Helping Families Initiative, etc.)



Other Allowable Uses

Ideas

Network Upgrades

Cyber Security Upgrades

Risk Assessments

Indirect Cost

LEAs can claim indirect on timely obligated direct costs at any point, even during the grant's liquidation period. The rate that is applied should be the LEA's current rate as of the obligation date of the direct costs.



Other Allowable Uses

Special Education Considerations

COVID-19 Impact Services

Extended School Year

Eliminating Evaluation Backlogs

Monitoring, Enforcement, and Compliant
Investigation/Mediation

Supporting SWD Expelled or in a Correctional Facility

Assistive Technology
(devices, labs, etc.)

Transition Support

Behavioral Interventionist



LEA Accounting



Terminology

Obligated

- Expended
- Goods received/on hand
- Invoice dated 9/30/2024 or before
- No encumbrances (0341)
- No deferred revenue (0271)
- No open purchase orders
- No ESSER expenditures after 9/30/2024

Liquidation Period

- The SDE's period to draw down all required funds to reimburse the LEAs.
- ARP ESSER ES-2s will be due by December 16, 2024, to give SDE time to draw down the funds.

Flow of Carryover

Final Expenditure Reports

- Financial Statement Approval
- Final Expenditure Reports Final Approved
- Carryover loads to each e-Gap application upon FER approval

E-Gap Applications

- E-Gap applications must have a revision to include the budget for carryover
- Applications must be final approved by program staff to move the carryover amounts to the ES-2's

ES-2s

ARP ESSER FUNDS

- ES-2 completion and approval allow funds to be paid to LEA

NON-ESSER FUNDS

- ES-2 completion/approval **and** Systemwide Budget Amendment approval allows funds to be paid (this is why we recommend submitting a first amendment once financials are approved)

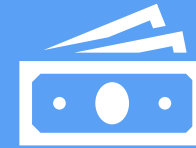
ES-2's



The deadline to submit ES-2s for carryover funds is December 16, 2024, including paper ES-2 for LETRS.



Paper ES-2s must be originals, so you are required to mail them to the ALSDE.



Federal funds are on a reimbursement basis. The best practice is to request funds monthly as you spend the funds.

Recouping Indirect Cost

- You must have an Unrestricted Rate for each year you are recouping.
- Each year of expenditures will use that Fiscal Year's UR Rate – FY2022 expenditures can charge the FY2022 UR Rate.
- You will exclude object codes 324, 5XX and 70X (others may be excluded as well).
- Calculate each year separately, deduct any expenditures coded to object 910, and recoup the difference in 2024.

Manual Indirect Cost Spreadsheet

	4298 Allocation	9,084,511.72
Less:		
Expenditures Excluded		
5xx	4,032,197.71	
9xx (exclude 910)		
324		
461		
464		
61x		
627		
69x		
7xx		
	<hr/>	
		<hr/>
		4,032,197.71
		5,052,314.01
		<hr/>
		1.0966
Divided by		<hr/>
Indirect Cost Base		4,607,253.34
Maximum Indirect Cost	9.660%	445,060.67
Equipment		<hr/>
Allocation		5,052,314.01
Indirect Cost Expensed in FY2023		250,000.00
Additional Indirect Cost Allowed		195,060.67

Technical Assistance

**ESSER II:
ESSERroundII@alsde.edu**

**ARP ESSER:
ARPPapps@alsde.edu**

Questions

