



CIFR 2023 Fiscal Webinar: Introduction to IDEA Part C Fiscal Requirements (Part 2 of 2)

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Presenters

Beth Cole

- TA Liaison, CIFR

Vera Stroup-Rentier

- TA Liaison, CIFR

What We Do

The **Center for IDEA Fiscal Reporting (CIFR)** helps states improve the quality of their collection, reporting, analysis, and use of IDEA Part C and Part B fiscal data.

Part C reporting requirements supported by CIFR:

- Indirect cost/cost allocation plan information
- Maintenance of effort (MOE)
- Use of funds

Agenda

- Fiscal Requirements and the Grant Application
- Managing the Part C Grant
- Maintenance of Effort (MOE)
- Resources
- State Discussion

Fiscal Requirements and the Grant Application

Assurances: Section II.B of Grant Application

In addition to the Part C regulations, you assure adherence to the following in Section II.B of the grant application:

- Payor of last resort
- System of payment
- Control of funds and property
- Reports and records on how funds are spent
- Prohibition against supplanting (MOE)
- Fiscal controls
- Indirect costs and rent

Section III of Application

- A. Description of Use of Federal IDEA Part C Funds for the State Lead Agency (LA) and the Interagency Coordinating Council (ICC) (Personnel)
- B. Maintenance and Implementation Activities for the LA and the ICC
- C. Direct Services (Funded by Federal IDEA Part C Funds)
- D. Activities by Other State Agencies
- E. Description of Optional Use of IDEA Part C Funds
- F. Totals

Section III Budget Considerations

- What data do you use to develop your Part C budget?
- When do you begin that process?
- What LA staff are involved in the budget development?
- Do you gather input from interested groups to make Part C budget decisions or revise the budget?
- In what ways do you consider equity when planning your budget decisions?

Use of Funds Requirements That Impact Budget Development

- Prior approvals
 - Budget changes that exceed 10 percent of total grant award
 - Equipment with a per unit cost equal to and greater than \$5,000
 - Participant support costs, including training and travel costs for nonemployees
 - Construction or renovation of facilities
 - Rent, occupancy, or space maintenance costs
- Prohibition against supplanting and commingling
- Indirect costs

Section IV.B. Restricted Indirect Costs

Under the supplement and not supplant requirements (34 CFR §303.225(c)) a state may not charge indirect costs to the Part C grant except through a

- restricted indirect cost rate (34 CFR §§76.560–569), or
- cost allocation plan developed on a restricted basis (34 CFR §303.225(c)).

Managing the Part C Grant

Managing the IDEA Part C Grant

States must have a finance system that enables the Part C program to:

- Ensure that the funds are used appropriately and in a timely manner
- Meet the supplement and not supplant and payor of last resort requirements
- Effectively track the obligation and liquidation of federal funds
- Monitor and correct noncompliance

Obligating Part C Funds

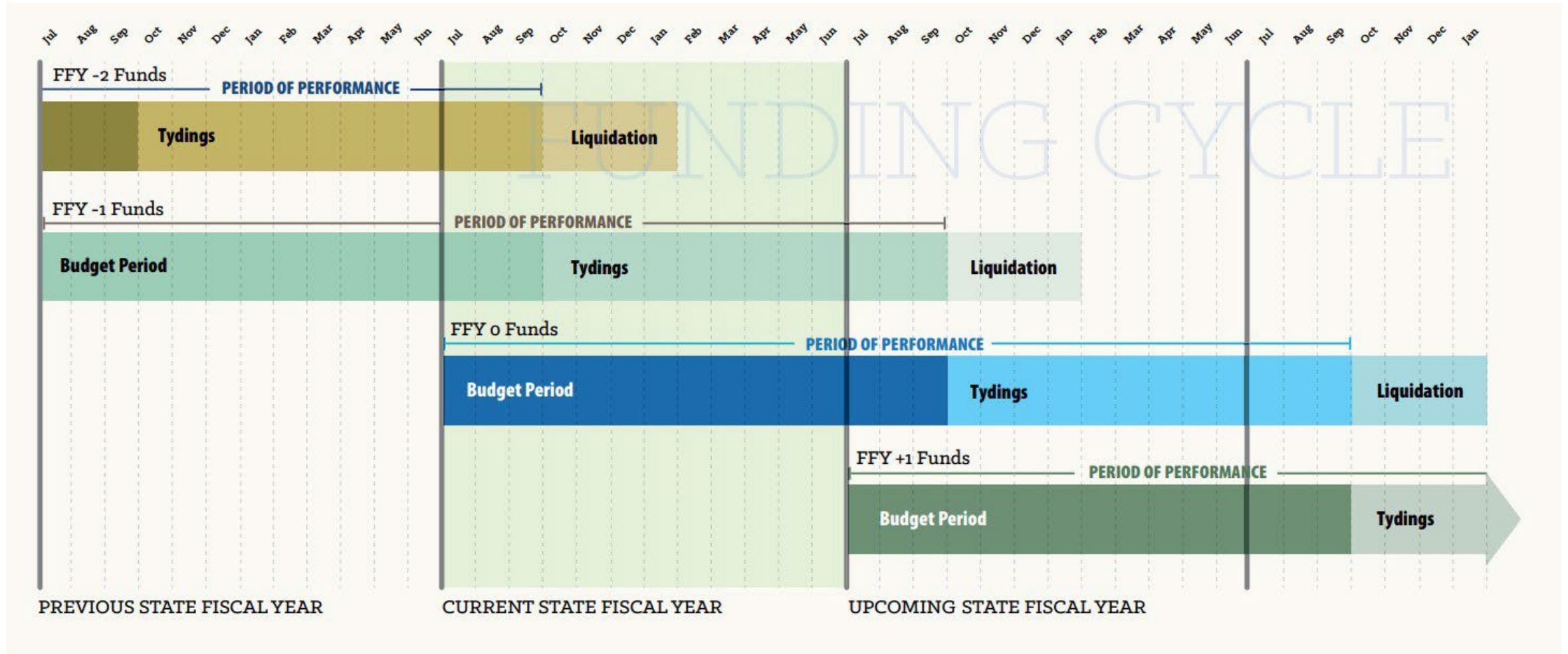
- What written policies and procedures do you have that address payment and fiscal reporting requirements for Part C funds?
- What fund disbursement procedures do you have that include fiscal controls and checks and balances to ensure the allowable, necessary, and reasonable use of Part C funds?
- What training and technical assistance do you provide to contractors and/or providers so they understand the use of funds requirements for Part C funds?

Part C Grant Timelines

There are two phases of a grant:

- Period of Performance (27 months)
 - Budget Period (15 months)
 - Tydings Period (12 months)
- Liquidation Period (120 days)

The Part C Grant Funding Cycle



Maintenance of Effort

Maintenance of Effort (MOE)

Part C funds are to be used to supplement the level of state and local public funds expended for infants and toddlers with disabilities and their families.

These funds may NOT supplant the state and local funds (34 CFR §303.225).

How MOE Is Measured

To meet the supplement and not supplant requirement:

“...the total amount of State and local funds budgeted for expenditures in the current fiscal year for early intervention services for children eligible under this part and their families must be at least equal to the total amount of State and local funds actually expended for early intervention services for these children and their families in the most recent preceding fiscal year for which the information is available.”

34 CFR §303.225(b)

Demonstrating Compliance With the Part C MOE Requirement

To demonstrate compliance a state must:

- budget at least the same amount of state and local public funds as it expended in the *most recent preceding fiscal year for which information is available*; and
- expend at least the same amount of state and local public funds as it expended in *the prior fiscal year*.

What Should Be Considered MOE

MOE calculations should include:

- State appropriations for Part C
- State matching funds for administration or direct services such as Medicaid and Temporary Assistance for Needy Families (TANF) as applicable
- State funds budgeted and/or expended by other state agencies to provide Part C early intervention services, implement Part C activities, and perform Part C functions and additional local public funds such as tax levies and funding from school districts

What Is Not Considered MOE

- Private Funding Sources
 - United Way
 - Private Insurance
 - Private Contributions/Endowments
 - Proceeds from Fundraisers
 - Parental Cost Participation Fees
- Federal Medicaid/SCHIP Funds
- Others?

Allowances for MOE

An allowance may be made for:

- “a decrease in the number of infants and toddlers who are eligible to receive early intervention services under this part, and
- “unusually large amounts of funds expended for such long-term purposes as the acquisition of equipment and the construction of facilities.”

34 CFR §303.225(b)(1-2)

Resources

Resources (1)

- [Quick Reference Guide on Use of IDEA Part C Funds](#)
- [Understanding the IDEA Part C State Grant Funding Cycle and Different Fiscal Years](#)
- [Quick Reference Guide on IDEA Part C Maintenance of Effort](#)
- [IDEA Part C Annual Grant Budget Calculator](#)
- [Quick Reference Guide on Restricted Indirect Costs and Cost Allocation Plans for IDEA Part C Grants](#)
- [Engaging Part C State Interagency Coordinating Councils in Fiscal Discussions](#)

DaSy Resources

- [Use of Fiscal Data for Fiscal Management of State Part C Systems](#)

State Discussion

Discussion

- What questions do you have?



Contact Us



Web

cifr.wested.org

Email

cifr_info@wested.org

LinkedIn

[linkedin.com/groups/13978790/](https://www.linkedin.com/groups/13978790/)