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Presentation Notes

Topics to Be Covered

- Federal Requirements for Allowable Use of Funds
- Supplement Not Supplant Provisions
- Common Scenarios

Federal Statutory Authority

The allowability or unallowability of charges to the MEP and other federal formula grant funds are determined in reference to the following sources:

- ESEA - Title I, Part C – federal statute governing the Migrant Education Program
- Code of Federal Regulations (34 CFR)
- Education Department General Administrative Regulations (EDGAR) Parts 76 and 80
- Office of Management and Budget (OMB) Circular A-87
- Any other regulations or statute governing the use of federal education funds

Federal Cost Principle Basics

All Costs Must:

- Conform with federal law and grant terms
- Be legal under state and local law - If cannot do under state law, cannot pay with federal funds
- Be in accordance with Generally Accepted Accounting Principles (GAAP)
- Be necessary and reasonable for the performance or administration of the grant

- Be allocable - charged in proportion to the value received by the program. For example, if an LEA purchases a printer to use 50% in the MEP program and 50% in a state program, the LEA can only charge 50% of the cost to the MEP
- Be adequately documented – should include auditable documentation on the amount of funds from the grant used, how the funds are used, the total cost of the project, costs covered by other sources, and how the use is supplemental.

What Does "Necessary" Mean?

A cost is necessary when it is vital or required in order to meet the objectives of the grant or for the grant to be successful. It is not just a "nice to have."

What Does "Reasonable" Mean?

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Prudent: marked by wisdom or judiciousness; having or showing good judgment and restraint especially in conduct or speech (Merriam-Webster Dictionary)

Three Different Kinds of Cost

OMB Circular A-87:

- Costs that are allowable
- Costs that are allowable only with specific approval (specifically identified and budgeted in the grant application)
- Costs that are unallowable

Red Flags from Federal Program Monitors

Rarely Allowable:

- Field trips
- T-shirts, tote bags, promotional items
- Costs related to awards ceremonies

- Food costs

Never Allowable:

- Door prizes
- Rewards

Supplement, Not Supplant Provisions

What is supplementing?

Using federal funds to enhance or add to existing LEA programs and services

What is supplanting?

Using federal funds to replace other non-federal funds.

Migrant Education Program (MEP) funds are supplemental to all other funds - federal, state and local funds. Our migrant students are regular students who are entitled to all of the benefits and services received by the general student population. Our migrant students are eligible for many other programs and services through other funds sources. MEP funds should not be used to provide programs or services already provided through other fund sources.

MEP-Funded Staff – Questions to Consider

- What percentages of their salaries are paid with migrant funds?
- What are their duties and are they directly-related to serving migrant students?
- Are their duties supplemental?

Common Scenarios

Using MEP Funds: Questions To Consider

1. Is the activity or service tied to the Statewide Service Delivery Plan?
2. Are MEP funds first being used to target the identified needs of PFS students first?
3. Does the activity or service meet needs not addressed by other services or programs available?
4. Is the cost to provide the activity or service reasonable and necessary?

Scenario 1: Field Trips

Doubletree ISD has just completed a 4-week MEP-funded summer program for its migrant students. The program was focused on building math skills and now the LEA plans to use MEP funds to take students on a field trip to Fiesta Texas as a reward for completing the summer program. Teachers will be integrating a math lesson into the field trip so that it is instructionally-related.

☐ Allowable OR ☐ Unallowable

Additional Information Needed?

Scenario 2: Health Services

Through a needs assessment, Sunny ISD found that most migrant students do not get regular dental checkups. The LEA decided to set aside a portion of its MEP funds to cover dental services for its migrant students. A migrant student came into the nurse's office with a dental emergency that would require surgery. Sunny ISD would like to use the set aside funds to cover the student's surgery.

☐ Allowable OR ☐ Unallowable

Additional Information Needed?

Scenario 3: MEP-Funded Staff

Green Tree Elementary has been given an allotment of MEP funds from the district to serve its migrant students. Since they are a schoolwide campus, Green Tree has decided to use the migrant funds to split-fund the salaries of two paraprofessionals, the librarian and the school nurse – since they all work with migrant students at some time or another. The MEP funds will cover only 10% of their salaries, since migrant students comprise approximately 10% of the student population at Green Tree.

☐ Allowable OR ☐ Unallowable

Additional Information Needed?

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