

Fiscal Topics in IDEA

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Agenda

- IDEA Funding Overview
- Budgets, MOE, and Excess Cost
- State Special Education Expenditure Report
- CCEIS/CEIS
- Time and Effort
- Miscellaneous Topics in IDEA



Overview

What is IDEA?

- The Individuals with Disabilities Education Act (IDEA) is a law that makes available a free appropriate public education to eligible children with disabilities throughout the nation and ensures special education and related services to those children.
- IDEA authorizes:
 - Formula grants
 - IDEA B for ages 3 through 21
 - IDEA Pre-K for ages 3 through 5
 - Discretionary grants



Who qualifies?

- To be covered under IDEA, a child with a disability must meet two criteria:
 - 1) The child must have a qualifying disability.
 - 2) The child must require special education and related services as a result of the disability in order to benefit from public education.





Acronyms

- CEIS- Coordinated Early Intervening Services (34 C.F.R. § 300.226)
- CCEIS- Comprehensive and Coordinated Early Intervening Services (34 C.F.R. § 300.646)
- FAPE- Free Appropriate Public Education
- IDEA-Individuals with Disabilities Education Act
- LEA- Local Education Agency
- MOE- Maintenance of Effort (34 C.F.R. § 300.203)
- SNS- Supplement Not Supplant
- SSEER- State Special Education Expenditure Report
- UGG- Uniform Grants Guidance



Budgets, MOE, and Excess Cost

How is IDEA funding determined?

- IDEA funding is allocated to LEAs annually based on:
 - the total number of students with disabilities in the state, and
 - the level of need of students with disabilities who are identified in one of the 14 disability categories defined by IDEA.
- LEAs budget IDEA funds annually in the CFA
 - IDEA funds are meant to supplement not supplant state and local spending on special education.
 - Funds must be obligated within 27 months of allocation.



Allowable Costs



Necessary

A cost is “necessary” if it meets an important program objective – it must address an existing need (2 C.F.R. §§ 200.403(a), 200.404).



Reasonable

A cost is “reasonable” if, in its nature and amount, it does not exceed that which would be incurred by a prudent person (2 C.F.R. §§ 200.403(a), 200.404).



Allocable

Once the cost has been determined to be allowed...It must be allocable. A cost is allocable to a particular Federal award if the goods or services involved are assignable to that Federal award in accordance with the relative benefits received (2 C.F.R. § 200.405(a)).

Allowability?

- Allowable costs are those that support special education and related services, such as
 - salaries and benefits of special education staff, and
 - materials and adaptive technology.
- Unallowable costs are those costs that support general education, such as the following:
 - Routine supplies for all students
 - General student behavior expenses for students not related to students with disabilities
 - Renovation costs that would benefit all students



IDEA Requirements

- Federal guidelines require LEAs to provide a free education to each student prior to spending IDEA funding to have and maintain eligibility for the funding. This is accomplished using two separate but related tests:
 - Maintenance of Effort
 - Excess Cost
- States are required to track compliance and maintain supporting documentation for MOE and Excess Cost.
- LEAs that meet MOE and Excess cost requirements will meet supplement not supplant requirements.



IDEA- Maintenance of Effort

- For the purposes of establishing the LEA's eligibility for IDEA Part B funds, the SEA must determine that the LEA budgets at least the same amount for the education of children with disabilities from at least one of the following sources as the LEA spent for that purpose from the same source for the most recent fiscal year:
 - Local funds only
 - Combination of state and local
 - Combination of state and local funds on a per capita basis
- 34 C.F.R. § 300.203(a)(1)



IDEA- Maintenance of Effort

- The Subsequent Years Rule
 - “[T]he level of expenditures required of the LEA for the fiscal year subsequent to the year of the failure is the amount that would have been required in the absence of that failure not the LEA’s reduced level of expenditures.” 34 C.F.R. § 300.203(c)(1)



IDEA- Maintenance of Effort

- If an LEA does not meet MOE requirements by actual amounts spent (per pupil or total expenditures) but can document compliance through exceptions allowable by law, documentation must be provided to the SEA.
 - Examples of allowable exceptions (34 C.F.R. § 300.204)
 - Voluntary departure or departure for just cause of special education personnel
 - Decrease in enrollment of students with disabilities
 - Termination of costly long-term purchases such as the acquisition of equipment



IDEA- Maintenance of Effort

- If an LEA does not meet MOE requirements by actual amounts spent and cannot document compliance through allowable exceptions, the LEA must repay, with non-federal funds, the amount by which it failed to meet MOE.
 - Reclassify expenditures from Fund 142 Federal Projects to Fund 141 General Purpose, or
 - Issue a check from Fund 141 General Purpose to SEA to reimburse federal funds
- An LEA may not receive an IDEA subgrant if it does not budget at least as much as expended in the most recent year that it met MOE.



IDEA- Excess Cost

- The second test for IDEA compliance is excess cost, which states that LEAs must show that they are spending at least the minimum per students for all students prior to spending IDEA funds.
- These funds may be spent in conjunction with other funding, such as state and local funds, as long as the overall expenditures meet or exceed the average per pupil expenditure amount.
- 34 C.F.R. § 300.16



IDEA- Excess Cost

- Excess requires LEAs to calculate the per-pupil amount spent for each student K-12 and ensure that the minimum amount is spent for each student based on a fiscal year.
 - The minimum amount calculation is spelled out in Appendix A to Part 300.
- The per-pupil amount for Elementary (K-8) and Secondary (9-12) costs is calculated separately.
- Once the minimum amount per student is calculated, the LEA must show that it spent that amount in the previous annual period.



IDEA- Excess Cost

- Possible consequences for the LEAs that do not meet excess cost requirements:
 - Written finding of noncompliance and requirement of a corrective action plan to ensure the LEA spends the minimum required amount of funds for students with disabilities prior to spending IDEA funds in the future.
 - Ineligibility to receive an IDEA subgrant.
 - Some IDEA funds may be deemed unallowable and would be returned to the State of Tennessee, to return the funds to the US Department of Education. *See* 20 U.S.C § 1234a.
 - The Tennessee Department of Education (department) may then collect the unallowable amount from the LEA



IDEA- MOE and Excess Cost Best Practices

- It is important to submit required data timely and accurately for all reports, including the CFA, SSEER and the State Funds FER.
- Make sure to enter all IEP information into TN Pulse and ensure that the December 1 child count information is correct.
- Prior to closing books annually, ensure that you are meeting Special Education MOE and that expenditures for all costs are properly recorded
- Ensure that the December 1 report salary information is coded to schools correctly.



State Special Education Expenditure Report

SSEER

What is the SSEER?

- The SSEER documents all the financial expenditures for a fiscal year (July 1-June 30) for the instructional and related service needs of special education students from general-purpose special education funds.
 - Include expenditures from Funds 141 and 145
- LEA's documentation for meeting MOE
- Embedded in the CFA
- Due on October 1



What's Included?

- All the financial expenditures for a fiscal year (July 1-June 30) for the instructional and related service needs of special education students from general-purpose special education funds.
- Typical accounts:
 - 71200
 - 72220
 - 72710
 - Other functions may also be included depending on the services provided, such as psychologists and nurses



What's Not Included?

- Expenditures for services provided to students who qualify for special education services in categories not recognized at the federal level. Those include the following:
 - Expenditures for services provided to gifted students.
 - Expenditures for functionally delayed students. These **may** be included if a determination is made that students would have qualified under one of the categories of disabilities recognized at the federal level.
- Expenditures for services related to 504 plans



Best Practices

- The finance director and the special education director should work together to complete the SSEER.
- Staff should track expenditures throughout the year to ensure the LEA is on track to meet MOE.
- Final expenditures included on the SSEER should be analyzed **before** year-end to ensure compliance and avoid adjustments to both general purpose and federal budgets that may result in FER revisions.
- Document the process.



Coordinated Early Intervening Services (CEIS) and Comprehensive Coordinated Early Intervening Services (CCEIS)

What is Coordinated Early Intervening Services (CEIS)

- Voluntary set-asides to provide services to help children who need additional academic or behavioral support
- Serves only children (K-12) with an emphasis on K-3 not currently identified as needing special education or related services.
- Allowable activities:
 - Professional development
 - Educational and behavioral evaluations, services, and supports



What is comprehensive Coordinated Early Intervening Services (CCEIS)

- Mandatory set-asides used to address areas of disproportionality for LEAs identified as significantly disproportionate for one or more racial/ethnic groups based on:
 - identification
 - educational environment; and/or
 - discipline.
- Serves ages 3 through grade 12
- Cannot be limited to only students with disabilities
- Activities must address the factors contributing to the significant disproportionality and address a policy, practice, or procedure identified by the LEA as contributing to the significant disproportionality.

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Comparison

Voluntary CEIS	Mandatory CCEIS
34 C.F.R. § 300.226	34 C.F.R. § 300.646
Triggered by need	Triggered by significant disproportionality determination
May reserve up to 15%	Must reserve exactly 15%
Grades K-12	Ages 3- grade 12
Students not yet identified	Students identified and nonidentified



Budgeting for CEIS and CCEIS

- Budget CEIS/CCEIS in IDEA as a Transfer Out (99100 590) to Fund 141- General Purpose.
- Budget expenditures in Fund 141.
 - Required to use a cost center or similar coding to track expenditures.
- Request reimbursements to Fund 141 from IDEA based on cost-centered expenditures.
- Request reimbursement from IDEA as a Transfer Out (99100 590).
- Record reimbursement to Fund 141 as a Transfer In (49800).
- CEIS and CCEIS budgets that remain in IDEA sub-funds should also be tracked with a cost center or separate sub-fund.



Time and Effort

Time and Effort

- ALL employees whose salaries are paid in whole or in part with federal funds must have time and effort documentation.
- Charges (salaries, wages, stipends, bonuses, benefits) to Federal awards must be based on records that accurately reflect the work performed. 2 C.F.R. § 200.430(g)
- Employees funded by state and/or local funds for salaries included in the special education maintenance of effort (MOE) calculation (cost-sharing requirements) must maintain time and effort documentation. 2 C.F.R. § 200.430(g)(4)



Minimum Standard for Documentation

- Charges for salaries must be based on records that accurately reflect the work performed.
 - Be supported by a system of internal controls that provides reasonable assurance that charges are accurate, allowable, and allocable
 - Be incorporated into official records
 - Reasonably reflect total activity for which the employee is compensated (not to exceed 100 percent)
 - Encompass all activities (federal and non-federal)
 - Comply with all established accounting policies and practices
 - Support distribution among specific activities or cost objectives



Cost Objective

- What is a cost objective?
 - A program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. (2 C.F.R. § 200.1)
- What is a single cost objective?
 - A *single work activity* that may be funded by one or more funding sources
- What is a multiple cost objective?
 - More than one *set of work activities*, each of which is allowable under and chargeable to particular federal program(s) and state or local sources



Time and Effort

- Examples of time and effort documentation
 - Semi-Annual Certification: Employee with 100 percent of time on one Federal award or cost objective
 - Personnel Activity Report (PAR): Employee with time on more than one Federal award or cost objective
 - Time Sheet
- Payroll may be based on budget estimates.
- Payroll charges based on budget estimates must be reconciled after the fact to actual work performed.



Semi-Annual Certification

- Employee with work funded 100 percent by a single cost objective or a federal grant.
- Must be completed at least every six months
 - January 1-June 30: Signed and dated **after** June 30
 - July 1-December 31: Signed and dated **after** December 31
- Signed by employee (or supervisor with direct knowledge or work being performed)
- Reflect after-the-fact distribution of actual activity
- Account for 100 percent of the time for which each employee is compensated



Personnel Activity Report (PAR)

- Employee is funded partially on one or more grant cost objectives: two federal grants, one federal and one non-federal grant
 - Exception: If the employee has the same weekly schedule and 100 percent of their time could be charged to a Federal award, do not complete a PAR, complete a semi-annual assurance instead.
- Must be completed monthly and coincide with pay periods



Continue: Personnel Activity Report (PAR)

- Must be supported by records (calendars, written records of activity for each day/week)
- Be signed by employee, dated after the end of the month
- Be after-the-fact distribution of actual activity, not a budget estimate
- Account for 100 percent of employee's activity



Reconciliation Procedures

- Reconcile actual costs to budgeted distributions
 - Budget estimates may be used for interim accounting purposes, provided estimates produce reasonable approximations of activity performed.
 - **Budget estimates do not qualify as support for charges to awards.**
 - If using budget estimates to charge salaries to awards, salaries charged to awards must be adjusted to reflect the actual distribution of time.
- Conduct semi-annual reconciliations of Semi-Annual Certification forms and PAR forms with budgeted distributions.
- Make any necessary adjustments (journal entries) to the Federal award based on reconciliations.



Discussion

- If I am a special education assistant who has the same daily schedule of special education activities, but my salary is funded through both General Purpose and IDEA Part B, would I be required to complete a Personnel Activity Report (PAR) or Semi-Annual Certification? Why?

Semi-Annual Certification

- It is one cost objective, and the assistant has the same daily schedule of special activities. Just because they are paid out of two funding sources does not mean it is multiple cost objectives. The SPED assistant should have a copy of their schedule along with the certification.

Miscellaneous Topics

High-Cost Reimbursements

- Additional funds for high-cost students with disabilities are subject to the availability of federal funds as specified in 34 C.F.R. § 300.704(c) and Tenn. Code Ann. § 49-10-113(b). These additional federal funds are distributed to school systems based on special education expenditures from general-purpose funds.
- To qualify for an IDEA high-cost reimbursement, the general-purpose expenditures must be three (3) times the state average per-pupil expenditure.
- Any funds received must be budgeted and expended in general-purpose funds in 71200 and/or 72220 functions.



State Special Education Transportation

- State Special Schools Transportation Reimbursement Request amounts vary annually based on funding availability.
- Reimbursement amount must be deducted from the SSEER.



Inventory

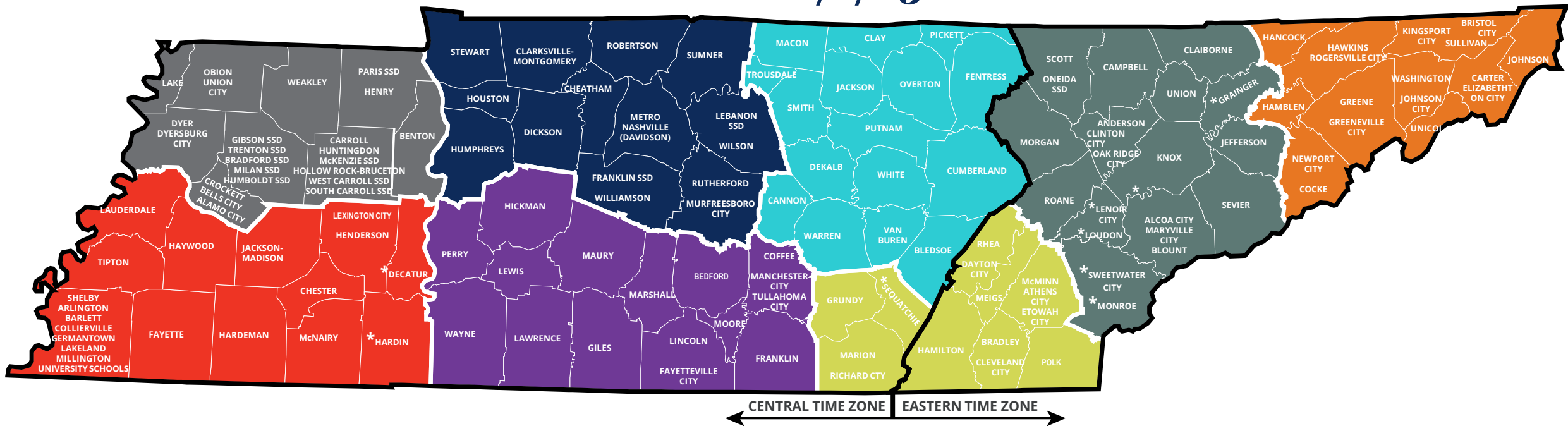
- Follow the LEA policies and procedures for equipment.
- Inventory purchased and disposed of with IDEA funds is no longer required to be sent to TDOE at year-end.
- Inventory records will be reviewed during the monitoring process.



Resources

Regional Finance Consultant District Map

As of 10/1/25



Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
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*District assigned to a finance consultant in a different CORE region.

Regional Finance Consultant District Assignment

As of 10/1/2025

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
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Districts: Alamo City Bells City Benton County Bradford SSD Carroll County Crockett County Dyer County Dyersburg City Gibson County SSD Henry County Hollow Rock-Bruceton SSD Humboldt SSD Huntingdon SSD Lake County McKenzie SSD Milan SSD Obion County Paris SSD South Carroll SSD Trenton SSD Union City Weakley County West Carroll SSD	Districts: Achievement Schools Arlington SSD Bartlett SSD Chester County Collierville SSD Fayette County Germantown SSD Hardeman County Haywood County Henderson County Jackson-Madison County Lakeland SSD Lauderdale County Lexington City McNairy County Millington Shelby County Tipton County University Schools WTSD	Districts: Cheatham County Charter Schools Commission Dickson County Dept. of Children Services Dept. of Corrections Franklin SSD Houston County Humphreys County Lebanon SSD Metro-Nashville Montgomery County Murfreesboro City Robertson County Rutherford County Stewart County Sumner County TN School for Blind Williamson County Wilson County	Districts: Alvin York Institute Bledsoe County Cannon County Clay County Cumberland County DeKalb County Fentress County Jackson County Macon County Overton County Pickett County Putnam County Smith County Trousdale County Van Buren County Warren County White County *Sequatchie County	Districts: Bedford County Coffee County Fayetteville City Franklin County Giles County Hickman County Lawrence County Lewis County Lincoln County Manchester City Marshall County Maury County Moore County Perry County Tullahoma City Wayne County *Decatur County *Hardin County	Districts: Athens City Bradley County Cleveland City Dayton City Etowah City Grundy County Hamilton County Marion County McMinn County Meigs County Polk County Rhea County Richard City *Lenoir City *Loudon County *Monroe County *Sweetwater City	Districts: Alcoa City Anderson County Blount County Campbell County Claiborne County Clinton City Jefferson County Knox County Maryville City Morgan County Oak Ridge Oneida SSD Roane County Scott County Sevier County TSDK Union County	Districts: Bristol City Carter County Cocke County Elizabethton City Greene County Greeneville City Hamblen County Hancock County Hawkins County Johnson City Johnson County Kingsport City Newport City Rogersville City Sullivan County Unicoi County Washington County *Grainger County

*Districts assigned to a finance consultant in a different CORE region.

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Resources

- **Tennessee Department of Education** [Education \(tn.gov\)](https://education.tn.gov)
- **Tennessee State Board of Education** [Rules, Policies and Guidance \(tn.gov\)](https://rules.tn.gov)
- **ePlan TDOE Resources** eplan.tn.gov/
 - [Property Record Template](#)
 - [Reimbursement Requests Overview](#)
 - [TN LEA Internal Controls Risk Assessment Template](#)
 - [TN LEA UGG Policies and Procedures](#)
- **Tennessee Comptroller of the Treasury** [Comptroller of the Treasury - Comptroller.TN.gov](https://comptroller.tn.gov); [Manuals \(tn.gov\)](#)
- **Tennessee General Assembly** [Legislation - TN General Assembly](#)
- **County Technical Assistance Service (CTAS) Record Retention** <https://www.ctas.tennessee.edu/eli/departments-education-records>
- **Electronic Code of Federal Regulations** [eCFR :: Home](#)
- **Tennessee Code Annotated** [Tennessee Code Unannotated – Free Public Access | Main Page \(lexis.com\)](#)

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