

Grand Valley School Business Officials Meeting  
Kent ISD  
Grand Rapids, Michigan

MAINTENANCE OF  
EFFORT, EXCESS COST,  
AND OTHER UPDATES



Office of Special Education

October 6, 2017

Office of Special Education (OSE)

# IDEA Grant Award/Allocations

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- ❑ Federal Government distributes IDEA Part B grants to State Education Agencies (SEA).
- ❑ The Michigan Department of Education (MDE) distributes IDEA Part B grants to Intermediate School Districts (ISDs).
- ❑ ISDs may or may not distribute IDEA Part B funds to their LEAs/PSAs.

# Uniform Guidance Definitions

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- § 200.86 Recipient: Recipient means a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients. See also § 200.69 Non-Federal entity.
- § 200.69 Non-Federal entity: Non-Federal entity means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

# Uniform Guidance Definitions

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- § 200.92 Subaward: Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

# Uniform Guidance Definitions

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- § 200.93 Subrecipient: Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

# Responsibilities

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- The **Recipient** and the **Subrecipient** are responsible for ensuring all the requirements of the grant are met.

# Responsibilities

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- When the MDE receives the direct grant from the United States Department of Education (ED), the MDE is the Recipient and responsible for ensuring all the requirements of the Part B grant are met in Michigan, both programmatic and fiscal.
- When the MDE distributes the IDEA Part B funds to the ISDs, the ISDs are the Subrecipients and responsible for ensuring all the requirements of the grant are met, programmatic and fiscal across the jurisdiction of that ISD, whether those funds are or are not distributed to their LEAs/PSAs.

# OSEP Fiscal Monitoring Memo

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- United States Department of Education, Office of Special Education Programs (OSEP) Fiscal Monitoring Memo
- 5 Findings
  - Excess Cost – develop process to test
  - Proportionate Share – compliance in the aggregate at the ISD level
  - Maintenance of State Financial Support – State level MOE – develop process
  - LEA MOE Eligibility Test – previously addressed through grant assurance statement; new Regulations require States to receive information. Must be done in the aggregate.
  - LEA MOE Compliance 50% adjustment – the 50% adjustment is at the ISD in the aggregate and not considered at the LEA level.
  - The OSEP Fiscal Monitoring Report is the first time the IDEA fiscal requirements must be met at the ISD (subrecipient) level. OSE fiscal processes have been moving in this direction since 2010. OSEP has been providing further clarification.



# Maintenance of Effort

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- Local School District Maintenance of Effort – Eligibility and Compliance
  - What does this mean for the ISD?
  - What does this mean for the LEAs/PSAs?

# Proportionate Share

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- Proportionate Share – Calculation of the amount and compliance
  - What does this mean for the ISD?
  - What does this mean for the LEAs?

# Excess Cost

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- Excess Cost – Calculation of the threshold and compliance
  - What does this mean for the ISD?
  - What does this mean for the LEAs/PSAs?

# Purpose

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- Understand the definitions of Recipient and Subrecipient
- Understand the responsibility to ensure grant requirements are met
- Understand how the fiscal requirements of IDEA are met
- Understand the responsibility of the ISD and the relationship to their LEAs/PSAs
- Understand that the responsibility of the ISD is both fiscal and programmatic

# Questions

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# Contact Information

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