



ARKANSAS
DEPARTMENT
OF EDUCATION

Arkansas Association of Federal Coordinators

May 4-6, 2010

Financial & ARRA Updates

SFSF Update

- SFSF Phase II application provided to the USDOE on January 11, 2010.
- Two processes: Phase II application & Revision to Phase I Budget Allocations.
- Feedback received for some minor changes three weeks ago on the state plan (not just about \$\$).
- Revisions were made and returned.
- Waiting for full approval by USDOE on how much of the 33% can be allocated to the LEAs.
- The majority of the 33% will be reserved for the LEAs.

Other ARRA Funds

- All Title I, IDEA and IDEA PK funds are available now.
- Title I
 - Waivers
 - 15% carry-over clarification
 - RANK ORDER
 - Equitable distribution
- Invest in Innovation – About 10 from Arkansas submitted letters of intent.
- Race to the Top – MOUs released Tuesday!! **Must be returned by MAY 19.**

Submissions and Revisions

- ADE started receiving ARRA plans in May of 2009.
- Currently, several LEAs who still have plans in conditional status (55 out of 282 LEAs).
- All plans need to be in accepted status ASAP!!
 - Project narratives (WHAT)
 - Goal justifications (HOW)
- Revisions – every first full week of each month.
- The Monthly Status Update has been changed to a Quarterly Status Update. The calendar is updated on the Recovery website.
 - Jobs (quarterly)
 - Vendor (cumulative)

Davis Bacon & Buy American

- REMINDER: Federal contract requirements applicable to all construction contracts where ANY amount of federal funds are used.
- Certified contractor payrolls must be retained by the LEA for at least three years after the completion of the contract. (See Commissioner's Memo COM-10-132.)
- Davis Bacon and Buy American information can be found on the Recovery Website.
- Buy American includes the following kinds of materials (not usually technology):
 - Iron
 - Steel
 - Manufactured Goods

Compliance & Auditing Issues

- FIN-10-072
 - This Commissioner's Memo describes additional compliance monitoring by the school district on ARRA transactions.
 - Assurances and checklists have been provided in the Commissioner's Memo.
 - A school official must check the allowable activity or activities and sign the form for invoices of \$2500 or more.
 - A form will be completed for each employee funded by ARRA.

MOST LEAs WILL NEED TO UPDATE THEIR CCR REGISTRATION WITHIN THE NEXT COUPLE OF MONTHS. PLEASE CHECK!!

Communication

- Recovery Website
 - Calendars
 - Plans (updating system)
 - Frequently Asked Questions & Directions (APSCN)
 - Periodically check back for updates and revisions
- ARRA Listserv (similar to FMS/SMS Listservs)
 - **ALL ARRA CONTACTS, SUPERINTENDENTS AND DIRECTORS SHOULD SIGN ON.**
 - All others in the districts who want information can also sign on.

Rank Order - ARRA

- Section 1113(c) of the Title I regulations require LEAs to allocate funds to eligible attendance areas or schools in rank order on the basis of the total number of children from low-income families. When considering its entire Title I allocation, each LEA must consider Title I regular and Title I ARRA funds combined. Section 200.77 of the Title I regulations lists the activities for which a district is either required or authorized to reserve funds; the reservation is not intended to fund basic program operation.
- The ADE must ensure that, for the 2009–2010 and 2010-2011 school years, LEAs have met requirements related to rank order, allocations to schools and allowable reservations when considering their entire Title I allocation.
- Commissioners Memo will be forthcoming on these details.

Title V-A

Source of Funds - 6520

- The transfer of funds into the program by an LEA is not sufficient to “authorize” continuation of the program past September 30, 2009. Thus an LEA that has transferred FY 2008 funds into Title V-A must obligate them by September 30, 2009 or, to the extent permissible, transfer them back out of the program in order to continue obligating them.
- Any funds reported in APSCN ending balances for Period 13 of FY10, will be returned, no exceptions.

(See letter attached to David DeSchryver from Joseph Conaty, USDOE)

Title VI-Federal – Procedures to Access REAP/SRSA Grant Funds

- Beginning in mid-April, 2010, the U.S. Department of Education Grants Management System (G5) will begin disbursing grant funds via the U.S. Treasury Department, rather than directly through the Federal Reserve as in the past. The Treasury requires that we include your Tax Payer Identification Number (TIN) with each payment.
- **Therefore, in order to access your Federal REAP/SRSA grant funds from the Department, you must have a registered DUNS and TIN number with the Central Contractor Registration (CCR) database.** (Letter from REAP Team is attached.)

Parental Involvement – Set-aside

- Section 1118(a)(3)(A) of the ESEA requires that LEAs with a Title I, Part A allocation greater than \$500,000 must reserve not less than one percent of their Title I, Part A allocation to carry out parental involvement activities.
- Section 200.65 of the Title I regulations requires LEAs to calculate from these funds the amount available for parental involvement activities for families of private school students based on the proportion of private school students from low-income families residing in Title I attendance areas.
- The LEA then must distribute to its public schools at least 95 percent of the remainder, leaving the balance of the reserved funds for parental involvement activities at the LEA level.
- Any funds related to this requirement that the LEA does not use that year must be carried over into the next fiscal year and used for parental involvement activities.
- So, when the set aside is not completely expended in one school year, the funds remaining at the end of the school year for this set aside are to be carried over into the next fiscal year as a set aside and added to the next year's required set aside.

Non-Budgeted Reserves

- Section 1126(c) of the ESEA requires an SEA, if it determines that the amount of a grant a local educational agency would receive under sections 1124, 1124A, 1125, and 1125A of the ESEA is more than the LEA will use, to make the excess amount available to other LEAs in the State that need additional funds in accordance with criteria established by the SEA.
- LEAs must budget all of the funds, and anything not spent at end of year is carryover. Deducting the 15% allowable carryover at the beginning of the year and not budgeting is not allowed.

FY10 END OF YEAR REIMBURSEMENTS

- Expenditures will be pulled July 5, 2010 for reimbursements through June 30, 2010.
- Period 13 adjustments to increase Title I expenditures for FY 10 will be reimbursed based on electronically submitted documentation in PDF format.
- Send documentation for Period 13 adjustments to Glenda Cupples in the FGM office at Glenda.Cupples@arkansas.gov

2010-11 Payments will be based on Negative Fund Balance Reports

- Title I (6501) – Quarterly Reports will be required for monitoring purposes by the FGM Unit.
- Title II-A (6756)
- Title III (6761)
- Title IV-A (6781) – 25% allowable carryover
- Title VI-State (6784)

ACSIP Federal Coordinator and General Business Manager

- The person (Federal Coordinator) budgeting funds in ACSIP and the person (General Business Manager) actually making payments should work together to be sure the budget is completed correctly and that expenditures are coded correctly. When discrepancies are found, they must be reconciled.
- ACSIP Federal Coordinator and General Business Manager should work together since payments will be made per negative fund balance, and both must balance.

Life Span of Federal Funds Elementary & Secondary Education Act

- Federal education funds from ESEA have a life span of 27 months from the time the funds are made available to the state.
 - Other words 85% must be spent within the first 15 months and remaining 15% in the next 12 months.
- Funds allotted to the state on July 1, 2010, will be available for expenditure or obligation in an approved ACSIP plan until September 30, 2012.
- Any funds not spent or obligated are returned.

OBLIGATION AND LIQUIDATION TIMELINES

FEDERAL FUNDS

- **SCHOOL YEAR 2007-2008:**
- Begin July 1, 2007 - time line for obligation ends September 30, 2009 and must be liquidated by December 31, 2009.
- **SCHOOL YEAR 2008-2009:**
- Begin July 1, 2008 - time line for obligation ends September 30, 2010 and must be liquidated by December 31, 2010.
- **SCHOOL YEAR 2009-2010**
- Begin July 1, 2009 - time line for obligation ends September 30, 2011 and must be liquidated by December 31, 2011.
- **SCHOOL YEAR 2010-2011:**
- Begin July 1, 2010 - time line for obligation ends September 30, 2012 and must be liquidated by December 31, 2012.
- **SCHOOL YEAR 2011-2012:**
- Begin July 1, 2011 - time line for obligation ends September 30, 2013 and must be liquidated by December 31, 2013.

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