

Quick Tips

Essential information and/or interesting facts from Special Education Services, Alabama State Department of Education...

for Fiscal Responsibility



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ALLOWABLE COSTS FOR IDEA ENTITLEMENT GRANTS

Allowable Costs for IDEA Entitlement Grants

For a particular cost to be allowed, it must be an excess cost of providing special education and related services. Only allowed costs may be charged to the flow-through or preschool entitlement grants.

When determining whether a cost is an excess cost, ask the following guiding questions:

- **In the absence of special education needs, would this cost exist?**

If the answer is...

No, then the cost is an excess cost and may be eligible.

Yes, then the cost is not an excess cost and is not allowed.

- **Is this cost also generated by students without disabilities?**

If the answer is...

No, then the cost is an excess cost and may be eligible.

Yes, then the cost is not an excess cost and is not allowed.

- **If it is a child specific service, is the service documented in the student's IEP?**

If the answer is...

Yes, then the cost is an excess cost and may be eligible.

No, then the cost is not an excess cost and is not allowed.

For a particular cost to be allowed, it also must be:

- **Necessary-**

Is the expense necessary for the performance of the administration of the IDEA grant?

- **Reasonable-**

Is the expense a valid programmatic or administrative consideration? Is it a fair rate that can be proven and defended? A cost is reasonable if it does not exceed what a district would normally incur in the absence of federal funds.

- **Allocable-**

Cost must be in proportion to the value received and can only be for the benefit of special education. Authorized expenditures cannot benefit other programs other than through incidental benefit.

- **Adequately Documented**

Documentation must be clear: The amount and exactly how the funds are used, the total cost of the project, records showing performance and compliance that could facilitate an effective audit. All recipients of federal funds must be able to prove that the funds were spent correctly and all property purchased with federal funds must be tracked.

Additional guidance about standards for determining cost for federal grants is available from Office of Management and Budget (OMB)