

**Technical Guide**

**for**

**Special Education Cost**

**Documentation**

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Department of Education

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# Technical Guide for Special Education Cost Documentation

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## Technical Guide for Special Education Cost Documentation

### I. Staff Documentation Requirements for State Funding

Vermont State Board of Education Manual of Rules and Practices (VSBE) Rule 2366.2 defines what special education expenditures for **K-12 resident students** are allowable for State funding formula reimbursement. A large portion of special education expenditures are staff costs. This includes instructional staff, related service staff and administrative staff. For allowable costs, the rules generally consider staff cost allowable “for the time they carry out special education responsibilities.” As many schools hire staff to do more than one function, or they end up performing multiple functions, it is necessary to document what portion of time meets the allowable cost rules as being “for the time they carry out special education responsibilities.” Carrying out special education responsibilities does not include Educational Support System (ESS) responsibilities; the salaries and benefits of staff performing ESS work are only allowed on a limited basis using the 20% additional time provision or under the “Small Group Rule”.

Sections I through IX outline a process for school districts to use in order to claim allowable special education costs as defined by the State Board Rule. It is necessary that school districts set up a system to ensure that a staff member’s salary and benefits are charged to the appropriate funding sources that match the various functions that he or she actually performs during the year. This involves a system for tracking the functions the staff are actually performing and charging their salary and benefits accordingly.

#### ***A. Change in Eligible Cost Rules around Staff Cost Effective for School Year 2010-2011***

Effective in June 2010, there was a change to VSBE Rule 2366.2.1 relating to the salary and benefits of special education instructional staff that qualifies as allowable K-12 expenditures for State funding formula reimbursement. School districts and supervisory unions needed to implement this change for the 2010-2011 school year. The prior version of rule 2366.2.1 included provisions for “core staff” as the means to allow flexibility for special education staff to serve students on EST and 504 plans. Each school district was allowed a full-time equivalent (FTE) number of professionals and aides that could be assigned each year to specific mainstream special instruction staff members. The FTE used was based on special education mainstream staff employed in school years 1990-91 and 1991-92.

## **1. 20% Rule Replaces the Core Staff Rule**

The new version of the eligible cost rule for special education instructional staff allows some flexibility to charge special education staff performing mainstream instructional services to special education for the time they provide non-special education services. The rule allows up to an additional 20% of an individual staff person's special education time for providing certain non-special education services. The specific activities allowed during the additional 20% are:

- 1) Performing consultation to assist with the development and provide management of 504 and EST plans and
- 2) Providing instructional services required by 504 and EST plans.

Please note that this does not include time spent performing evaluations of students specifically for determining EST plan and EST plan services.

## **2. Co-Teaching Allowed**

There was also a change in the VSBE Rule 2360.3.1 in the definition of special education services to include co-teaching as a special education service if certain criteria are met. For the portion of time that a special education teacher spends co-teaching to be considered a special education service the following conditions must be met:

- 1) Co-teaching must be performed by a licensed special education teacher jointly with a general education teacher in the general education classroom.
- 2) The IEPs of one or more students in the general education classroom must include co-teaching as a service for the subject area(s) being co-taught.
- 3) A plan for implementing co-teaching must be submitted and approved by Karin Edwards, Co-Director of Special Education at the Department of Education prior to implementation.

The limitations of the small group rule under VSBE Rule 2366.2.1(a)(1) do not apply to co-teaching. In other words, the licensed special educator's time spent co-teaching is considered an allowable cost as long as the above conditions are met – regardless of the total number of students in the classroom. The small group rule is still included in the eligible cost section of the rules.

### ***B. Staff Required to Have Staff Documentation***

Staff documentation is required for all staff whose salary and benefits are reported as eligible K-12 costs on the Special Education Expenditure Reports. The appropriate staff documentation must be prepared by each staff member. The documentation is used to calculate the amount of salary and benefits charged as eligible cost and must be retained to document the claim for reimbursement. Staff documentation must be maintained for the following types of special education instructional staff providing K-12 special education services:

1. Special education teachers and program aides (additional 20% rule applies),
2. Adaptive Physical Education Teachers (additional 20% does not apply), and
3. Individual Aides (additional 20% does not apply).

Also staff members providing related services as required by individual students' IEPs need to document their time:

1. Speech/language pathologists and speech aides (Please note that Speech/language professionals and speech aides are included here as related service staff as they are coded to function code 2150 and not in the 1000 series. For determining eligible costs, the 20% additional cost rule applies to speech staff but not to any of the staff listed below.)
2. Occupational Therapists and Certified Occupational Therapy Assistants,
3. Physical Therapists,
4. Behavior Specialists,
5. Psychologists,
6. Appropriately credentialed staff members performing special education evaluations,
7. Home-School Coordinators,
8. Social Workers,
9. Staff contracted through Success Beyond Six contracts or other contracts unless they either provide detailed invoices or have contracts for serving an individual student, and
10. Other staff providing other IEP services including transition services.

Also staff members who perform special education administration functions at the building level need to document their time:

1. Building-based Special Education Administrators and
2. Out-of-District Coordinators.

If the school district uses contracted staff (hired under separate service agreements) for K-12 special education functions, then **staff documentation is required for the contracted service providers only if their bills do not provide detailed information on an on-going basis.**

Detailed invoices are the preferred form of documentation for contracted staff. A detailed invoice would include for each date of service:

- a brief description of the service,
- the amount of time spent providing the service,
- the student(s) being served and
- the cost.

If the contracted staff person is working strictly with one student to perform IEP services and the contract clearly identifies the student and service, then the invoices would just need to show the amount of service performed under the contract for each day and any other information needed to calculate the amount to be paid. *See Section IX for more detail.*

### ***C. Staff Documentation Requirements for School Year Services***

The basic staff documentation requirements for school year services are:

- **For professionals who work according to an established schedule:** a schedule which covers the employee's required work time for one school week covering five days. The weekly schedule needs to be collected two times during the year – one for each of the following periods:
  - 1) September – October and
  - 2) January – February.
  
- **For paraprofessionals and aides who work according to an established schedule:** a schedule which covers the employee's paid time for one school week covering five days. The weekly schedule needs to be collected at least two times during the year. In addition, a weekly schedule needs to be collected whenever there is a significant change in the employee's schedule. The weekly schedules required as a minimum are for each of the following periods:
  - 1) September – October and
  - 2) January – February.

*The supervisory union has the option of having the above staff complete time studies instead of providing schedules.*

- **For staff who only periodically provide special education services or whose work or caseload varies significantly over the year** (such as building-based special education administrators, psychologists, behavior specialists and home-school coordinators), time is documented differently. The supervisory union has the option for these staff members of requiring either on-going time documentation or time studies prepared for three separate points during the school year. Each time study needs to cover one work week of five days.
- **For all staff completing staff documentation:** a caseload list for the full school year showing all the students served and each student's type of plan (IEP, 504, EST or other) that requires the service being provided.

**Please note that the above staff documentation used for State funding is not usually acceptable for documenting salary and benefits for staff time charged to federal grants. Please refer to Section X for the specific federal staff documentation requirements.**

#### *D. Staff Documentation for Extended Year Services*

For summer or extended year services, documentation normally consists of a separate contract showing the specific duties and the maximum amount the person is authorized to earn during the period. Also, employees should submit time sheets detailing the number of hours actually worked each day, with their signature. If the contract does not identify the specific students being served, it should be noted on the time sheet or as an attachment. If the employee is hired to perform more than one type of duty, the time sheet should show the hours separately for each of the services being performed. The person responsible for supervising their work needs to approve the time sheet. See sample Personnel Activity Report for summer services charged to federal grants on page 61 for the level of detail needed.

#### *E. Special Education Administration Staff Employed at Supervisory Union Level*

For special education administration staff hired at the supervisory union level, the job description is used as the basis for determining allocation of time allowed for State funding reimbursement. The job descriptions for the special education administration staff should be kept on file for each fiscal year with other staff documentation. Please note that if the staff person has duties other than special education duties, the department expects that a portion of

the staff person's salary and benefits needs to be charged to a funding source appropriate for those duties. For example, if the special education administrator also serves as the Title I Coordinator, the portion of the time that relates to the Title I Coordinator function needs to be charged to a source other than special education.

**The current job description does not fulfill the documentation requirements for Federal funds which are covered in Section X. Staff funded with federal funds must document their time either through Periodic Time Certifications or Personnel Activity Reports depending on whether their salary and benefits are paid solely from one federal grant for a single cost objective or not.**

***F. Medicaid Claims Submission Not Considered Special Education Administration***

The time that special education staff spends submitting Medicaid claims is not considered a special education responsibility. It is considered a Medicaid administration function and the reasonable costs of administering the Medicaid claims process can be charged to the Medicaid reinvestment funds granted to the supervisory union pursuant to 16 V.S.A. § 2959a (e).

**II. Additional 20% Rule Replaces “Core Staff” Rule for Instructional Staff**

Effective for FY-2011, VSBE Rule 2366.2.1 was changed to eliminate the “core staff” provision that had been in effect since FY-94. The change was made as the “core staff” full-time equivalent (FTE) allocations by school districts were based on staff employed during school years 1990-1991 and 1991-1992 and no longer reflected the staffing currently needed and it was difficult for school districts to administer.

The new rule allows as eligible cost for State K-12 special education funding formula for **special education instructional staff:**

- (2) In addition to the time for carrying out special education responsibilities, up to 20% of a special education staff member's time may be claimed, if that staff spends the additional time performing consultation to assist with the development of and providing instructional services required by:
  - (i) A plan pursuant to Section 504 of the Rehabilitation Act; or
  - (ii) A plan for children who require additional assistance in order to succeed in the general education environment as determined by the Educational Support Team;

***A. 20% Rule Limited to Special Education Instructional Staff***

There are a number of principles that apply to the additional 20% rule:

**1. Professional staff must be licensed special educators.**

The additional 20% only applies to professionals providing special education instructional services that are licensed as special education teachers (Special Educator, Consulting Teacher, Intensive Special Education Teacher, Teacher of the Blind and Visually Impaired, Teacher of the Deaf and Hard of Hearing) or as licensed educational speech language pathologists. In the rest of this section, we will refer to these as licensed special educators.

**2. Non-professionals must be providing services under the supervision of a licensed special educator excluding 1:1 paraprofessionals.**

For the 20% rule to apply to aides, para-educators or paraprofessionals (by whatever name), the non-professional staff member must be supervised by a licensed special educator. This does not include paraprofessionals who work one on one with an individual student.

**3. Staff members must be providing specialized instruction or speech services to K-12 students as required by their IEPs for a portion of their school year work schedule.**

The additional 20% only applies to staff members who are providing K-12 special education instruction as required by students' IEPs and is limited to school year services; **it does not apply to extended school year services.** Therefore licensed special educators who do not actually provide IEP instructional services are not subject to the additional 20% rule. One example would be an out-of-district coordinator whose duties are limited to case managing students placed outside of their home school district but does not actually provide any instruction. Another example would be a special educator whose responsibility was solely performing special education evaluations and providing training to other staff members. Neither of these special educators is actually providing specialized instruction.

***B. Services Allowable Under 20% Additional Rule***

The allowable services that can be covered by the additional 20% rule are developing and managing EST and 504 plans for individual students and providing instructional services required by EST and 504 plans. This can include the time spent by special educators in reviewing the information on students found eligible for EST or 504 services to be able to

provide consultation on services needed and attending meetings to develop the EST or 504 plans. It can also include the time spent by special educators and paraprofessionals in providing instructional services that are included in the EST or 504 plans and by special educators in managing those services. Evaluations for determining EST Plans and 504 Plans are not covered by this rule.

### *C. Calculation of Additional 20%*

The additional 20% is calculated **based on the portion of time that the individual staff person spends carrying out special education responsibilities** compared to the time spent providing services relating to 504 and EST under the additional 20% rule. The first step is a review of the staff documentation that the employee prepares to determine the amount of time that falls under each of the following three categories:

1. Time relating to allowable K-12 special education responsibilities which includes co-teaching time and time that is allowable under the small group rule,
2. Time potentially allowable under the 20% rule (see B. above) for K-12 students, and
3. Unallowable K-12 special education time.

The schedule/time study review section will go into more detail about the process for reviewing staff documentation to categorize the time into the three categories.

Next the additional 20% is calculated to determine the total portion of the employee's time that can be claimed for special education funding formula reimbursement under VSBE Rule 2366.2.1. The calculation to determine what portion of the potentially allowable EST/504 time falls within the 20% rule is to multiply by 0.2 the time spent providing special education services (1. above). If the result is greater than or equal to the actual amount of time spent providing potentially allowable EST and 504 services, then all of that time is allowable. If the result of the multiplication is less than the actual amount of time spent providing potentially allowable EST and 504 services, then only the additional 20% is allowed. See examples below.

#### **Example 1**

The first example is a full-time special educator who spends her time all on K-12 students with her responsibilities split between special education and EST and 504 responsibilities that are potentially allowable. Her schedule showed 30 hours performing special education allowable services and 4 hours performing potentially allowable EST/504 services.

Total Time Worked On Weekly Schedule	34 Hours
1. Hours worked – Special Education Allowable	30 Hours
2. Hours worked – EST/504 Potentially Allowable	4 Hours
3. Hours worked – Unallowable	0 Hours
Maximum 20% Additional Time (Calculated as the amount of Sped Allowable in 1. above multiplied by .2)	6 Hours
EST/504 Allowed (Actual hours in 2. above up to the maximum calculated on line above)	4 Hours
Total Hours Allowed for K-12 Formula Funding	34 Hours
% of Time Allowed for K-12 Formula Funding	100%

As the 20% for this staff person is calculated as 6 hours for allowable EST/504 services and she only spent 4 hours actually performing potentially allowable EST/504 services, the 4 hours spent performing EST/504 services are allowed. Since all of her time is allowed, 100% of the special educator’s salary and benefits are allowable K-12 formula cost.

**Example 2**

In the second case, a paraprofessional spent 20 hours performing allowable special education responsibilities, 6 hours providing instruction in accordance with EST/504 plans and 8 hours performing non-special education duties.

Total Time Worked On Weekly Schedule	34 Hours
1. Hours worked – Special Education Allowable	20 Hours
2. Hours worked – EST/504 Potentially Allowable	6 Hours
3. Hours worked – Unallowable	8 Hours
Maximum 20% Additional Time (Calculated as the amount of Sped Allowable in 1. above multiplied by .2)	4 Hours
EST/504 Allowed (Actual hours in 2. above up to the maximum calculated on line above)	4 Hours
Total Hours Allowed for K-12 Formula Funding	24 Hours
% of Time Allowed for K-12 Formula Funding	70.6 %

The additional 20% is calculated as 4 hours so the amount that can be claimed for this paraprofessional is 4 hours for EST/504 allowable work for a total of 24 hours allowed or 70.6% of the paraprofessional’s salary and benefits being formula eligible cost.

**Example 3**

The third example is a Speech Aide who works 18 hours a week with 10 hours spent on potentially allowable K-12 special education, 1 hour spent providing EST/504 services for K-12 student and 7 hours spent in the preschool program.

Total Time Worked On Weekly Schedule	18 Hours
1. Hours worked – Special Education Allowable	10 Hours
2. Hours worked – EST/504 Potentially Allowable	1 Hours
3. Hours worked – Unallowable	7 Hours
Maximum 20% Additional Time (Calculated as the amount of Sped Allowable in 1. above multiplied by .2)	2 Hours
EST/504 Allowed (Actual hours in 2. above up to the maximum calculated on line above)	1 Hours
Total Hours Allowed for K-12 Formula Funding	11 Hours
% of Time Allowed for K-12 Formula Funding	61.1 %

The 20% is calculated as 2 hours but since only 1 hour was spent on EST/504 services, the total allowable time is 11 hours which would result in 61.1% of the paraprofessional’s salary and benefits being K-12 formula eligible cost. In this case the remaining 38.8% would be reported as preschool special education cost.

***D. Limits to Use of 20% Rule***

There are a number of ways that the 20% rule flexibility **can not** be used:

1. *The 20% rule does not apply to special education staff providing **preschool** services.*

The 20% rule is one of the eligible cost rules for the special education funding formula which only covers kindergarten through 12<sup>th</sup> grade services. Therefore, it only applies to time that special education instructional staff provide services to kindergarten through 12<sup>th</sup> grade students. Also the additional 20% time allowed for EST and 504 functions listed above can only be used to provide those services to kindergarten through 12<sup>th</sup> grade students.

2. *The 20% rule does not apply to special education staff providing special class instruction in a self-contained or separate day program (also known as alternative programs).*

The 20% rule is designed to cover mainstream special educators and does not extend to providing a student’s basic education for their whole school day or a significant portion of that day. Therefore, the 20% rule does not apply to special education instructional staff providing instructional services in a self-contained or separate day program.

3. *The 20% rule does not apply to related service staff other than speech staff.*

The 20% rule is designed specifically for instructional services which includes speech services as part of the core special education instructional services. The rule does not apply to other related services such as counseling, occupational therapy, physical therapy or behavioral support/intervention.

4. *The 20% rule does not apply to individual aides.*

The 20% rule only applies to instructional staff which does not include individual aides. There is a separate section of the eligible cost rules relating to individual aides which does not include an additional 20% provision.

5. *The 20% rule does not apply to staff working during extended school year periods.*

The 20% rule only applies to instructional staff working during the school year. A staff member working during extended school year periods does not generate additional 20% time to cover services to non-special education students.

### III. Time Documentation for Special Education Staff

#### A. Documentation for Professional Staff with Regular Schedules

For special education teachers and related service professionals who are assigned and perform work based on an established schedule, the staff documentation requirement for school year 2011-2012 is a set of two schedules which reflect the work that the staff member is performing.

1. Required Documentation: The documentation required for each professional staff member is a weekly schedule at two points in time - once each during:
  - a. September to October and
  - b. January to February.

Each schedule must clearly indicate which of the above periods it was in effect.

2. Period Covered: Each of the two schedules must cover the professional’s **required work time for one school week** (Five days - Monday through Friday).
3. Required Information: For each time block, the schedule must indicate the activity to which the staff member is assigned and normally performs along with a list of the students being served. For instructional time blocks, the name of the subject being taught along with the students being served is sufficient. The activity for other non-instructional blocks may be general as it shows what normally happens during the period and students if appropriate. The following shows a sample-completed block for instructional services:

	Monday
Block 1 Starting at <b>7:45</b> Ending at <b>8:25</b>	<u>Reading</u> <i>Andy Ants, Connie Camp, Martin Mills</i>

The following is a sample completed co-teaching block showing “co-teaching” with the subject being taught and the name of the regular education teacher who shares the co-teaching responsibilities, the student(s) receiving the service based on their IEP(s) and total number of students in the general education classroom during the co-teaching time:

	Monday
Block 3 Starting at <b>9:15</b> Ending at <b>9:55</b>	<u>Co-Teaching Math w/ Mrs. Mallow</u> (12 students) <i>Andy Ants, Connie Camp</i>

4. Signatures: Schedules should have an assurance that *“I certify that this schedule is an accurate reflection of the work that was assigned and normally performed during this period.”* The schedule must be signed by the professional, then reviewed and signed by the professional’s supervisor.

5. Caseload List: A caseload list **for the full school year** must be attached to the schedules. See F of this section for more detail.

***B. Documentation for Paraprofessionals, Para-educators, and Aides with Regular Schedules***

For non-professional staff performing special education responsibilities and who are assigned and perform work based on an established schedule, the staff documentation required for school year 2011-2012 is a set of two schedules which reflect the work that the staff member is performing with the same requirements as professional staff. For non-professional staff, the schedule needs to reflect the time for which the staff person is paid. There are a couple of additional requirements to document the time for paraprofessionals.

1. Additional Schedules When Significant Changes Happen: If there is a significant change to the paraprofessional's schedule, the new schedule with its effective date is to be included as part of the staff member's documentation.
2. Required Signatures: The signatures required on a paraprofessionals schedules are the employee, the employee's supervisor as well as the principal's.

*Please note that the supervisory union has the choice of using two one-week time studies instead of the two sample schedules. If the supervisory union elects to require time studies, it will apply to the special education staff for the supervisory union as well as its member school districts*

A sample schedule covering one week is as follows:

<b>Employee – Schedule</b>					
<b>For School Year <u>2011 – 2012</u></b>					
<b>Name:</b> <u>Nancy Nicholby</u>		<b>For Week of:</b> <u>9/23/2011</u>			
<b>Position:</b> <u>Special Educator</u>					
<b>School District:</b> <u>City Elementary School</u>					
Below indicate the assigned work that you perform during your work day. For professionals, the time covered by the schedule needs to include the required work hours under your contract. For paraprofessionals, the time covered needs to include the time for which you are paid. Use one block for each different activity and use as many blocks as needed to cover your work day. In each block, indicate the activity being performed - for instructional periods, indicate the subject being taught and the students being taught. For other activities, provide a brief description and indicate students if the activity relates to specific students. For more details on completing the form, you can refer to the <a href="#">Technical Guide for Special Education Cost Documentation</a> .					
<i>Enter time for each block</i>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>Period 1</b> Starting at <u>8:15</u> Ending at <u>9:05</u>	<u>Reading</u> <b>Paul P.</b>	<u>Math</u> <b>Dennis D</b> <b>Martin M</b> <i>Kathy K</i>	8:15-8:45 <u>Writing</u> <b>Kara K</b> 8:50-9:30 <u>Case Management</u>	<u>Reading</u> <b>Paul P.</b>	<u>Math</u> <b>Dennis D</b> <b>Martin M</b> <i>Kathy K</i>
<b>Period 2</b> Starting at <u>9:10</u> Ending at <u>9:55</u>	<u>Math</u> <b>Steve S</b>	<u>Math</u> <b>Steve S</b>	9:35-9:55 <u>Prep for Grade 1&amp;2 Math Groups</u>	<u>Math</u> <b>Steve S</b>	<u>Math</u> <b>Steve S</b>
<b>Period 3</b> Starting at <u>10:00</u> Ending at <u>10:45</u>	<u>Math - Gr 1</u> <b>Kara K</b> <i>Mandy M</i> <i>Patsy P</i>	<u>Math - Gr 1</u> <b>Kara K</b> <i>Mandy M</i> <i>Patsy P</i>	<u>Math - Gr 1</u> <b>Kara K</b> <i>Mandy M</i> <i>Patsy P</i>	<u>Math - Gr 1</u> <b>Kara K</b> <i>Mandy M</i> <i>Patsy P</i>	<u>Math - Gr 1</u> <b>Kara K</b> <i>Mandy M</i> <i>Patsy P</i>
<b>Period 4</b> Starting at <u>10:50</u> Ending at <u>11:05</u>	<u>LUNCH</u>	<u>LUNCH</u>	10:50 to 11:15 <u>LUNCH</u>	<u>LUNCH</u>	<u>LUNCH</u>
<b>Period 5</b> Starting at <u>11:10</u> Ending at <u>11:30</u>	<u>Recess Duty</u>	<u>Recess Duty</u>	11:15 to 11:30 <u>EST Meeting</u>	<u>Recess Duty</u>	<u>Recess Duty</u>
<b>Period 6</b> Starting at <u>11:35</u> Ending at <u>12:15</u>	<u>Math - Gr 2</u> <i>Peter P</i> <i>Sam S</i>	<u>Math - Gr 2</u> <i>Peter P</i> <i>Sam S</i>	<u>Math - Gr 2</u> <i>Peter P</i> <i>Sam S</i>	<u>Math - Gr 2</u> <i>Peter P</i> <i>Sam S</i>	<u>Math - Gr 2</u> <i>Peter P</i> <i>Sam S</i>
<b>Period 7</b> Starting at <u>12:20</u> Ending at <u>1:00</u>	<u>Reading</u> <b>Andy A</b>	<u>Prep time for Math Groups</u>	<u>Reading</u> <b>Steve S</b>	<u>Reading</u> <b>Steve S</b>	<u>Sped Case Management</u>
<b>Period 8</b> Starting at <u>1:05</u> Ending at <u>1:45</u>	<u>Preparation Time for Reading</u>	<u>Math</u> <b>Paul P</b>	<u>Prep Time for Individ. Math and Co-teaching</u>	<u>Math</u> <b>Paul P</b>	<u>Sped Case Mgt. including IEP meetings</u>
<b>Period 9</b> Starting at <u>1:50</u> Ending at <u>2:30</u>	<u>Reading</u> <i>Emily E</i> <b>Connie C</b> <b>Andy A</b>	<u>Reading</u> <i>Emily E</i> <b>Connie C</b> <b>Andy A</b>	<u>Co-Teach Math with Mary Kay (17 Students)</u> <b>Paul P, Steve S</b>	<u>Reading</u> <i>Emily E</i> <b>Connie C</b>	<u>Reading</u> <i>Emily E</i> <b>Connie C</b> <b>Andy A</b>
I certify that this schedule is an accurate reflection of the work assigned and normally performed during this period.					
Employee's signature: <i>Nancy Nicholby</i>			Date: <i>9/27/2011</i>		
Supervisor's signature: <i>Kelsey Ross</i>			Date: <i>9/27/2011</i>		
For paraprofessional's schedules: Principal's signature:			Date:		

### ***C. Documentation for Staff without Regular Schedules***

Different documentation requirements apply to staff members:

- 1) who only perform special education responsibilities for part of their time or**
- 2) whose schedules vary significantly from day to day or week to week.**

The staff members who most often fall into this category are staff providing services to students with behavioral issues as these students may or may not qualify for special education services. Also the specific services provided may vary significantly from day to day so that the schedule would probably not be representative of their school year work. Building-based special education administrators should use this form of staff documentation.

The supervisory union has the choice of requiring one of two types of documentation for these staff members. The supervisory union may require on-going staff documentation which requires information on each day of the school year that the employee is scheduled to work. The other option is for supervisory unions to require three one-week time studies. The instructions relating to time studies are in Section E starting on page 20.

### ***D. On-Going Staff Documentation***

On-going time documentation means that the employee documents the time that he/she works for the entire period for which they are paid – whether school year, calendar year or some other variation.

1. **Required Documentation:** The documentation can be in the form of a record such as an appointment book that the staff member uses to track the work they are performing. See page 18 for a sample. Regardless of whichever form of documentation is used, a summary sheet (page 19) needs to be prepared showing for each day - the total number of hours worked and the number of hours spent on eligible K-12 special education work to use to calculate the portion of salary and benefits chargeable as eligible K-12 special education cost. The summary form must include the appropriate signatures. The other option is for the staff member to use the Department's suggested form for on-going staff documentation. A sample completed form for this option is shown on page 17.
2. **Period Covered by Schedule:** Each school day that the employee is scheduled to work during the school year for employees with school year contracts. For staff who are contracted for a different number of days, the period covered is their contract work time.

3. Required Information: For each time block charged to special education, the record needs to show a brief notation of the work being performed during that school period or service block. This is repeated for all of the time blocks to cover the complete work day. As this is a record of the actual work performed, the activity stated for blocks should be specific. For example, a block relating to counseling for a specific student would include the name of the student. Time spent on case management would indicate the specific student(s) as well as what the specific activity was such as parent contact, review of student progress, notices for re-evaluation, etc. As the purpose is to document allowable special education time, the detail relating to non-special education is not important – it is up to the school district whether that is important to them for other reasons. If the on-going documentation form used does not include a summary of the work performed such as is the case with an appointment book, then a summary form needs to be completed showing for each day the total hours worked and the number of hours spent providing eligible K-12 special education services.
4. Signatures: The time documentation needs to be signed by the staff member and their supervisor. If it is in the form of an appointment book, the staff member will need to sign the summary form. If this form of documentation is used, copies of the pages of the appointment book need to be kept with the other staff documentation.
5. Caseload List: A caseload list for the full school year must be attached to the staff time documentation.

On page 17, there is a sample completed Employee On-Going Time Documentation covering one week. On page 18, there is a sample of an employee's appointment book for one day. The sample Summary of On-Going Time Documentation is on page 19. The Summary form could be adjusted to satisfy the requirements of a Personnel Activity Report if one of the funding sources for the person with on-going time documentation is federal funds.

*Please note that the supervisory union has the choice of using three one-week time studies instead of the on-going time documentation. The supervisory union can decide which method of documentation will be used for individual staff members that do not have regular schedules – some staff members may be required to do on-going documentation while others may be required to document their time through the three time studies, each covering one week.*

**Employee On-Going Time Documentation**  
**For School Year 2011 – 2012**

**Name:** Warren Worthington **For Week of:** 9/23/11  
**Position:** Psychologist  
**School District:** City School District

The following shows the total number of hours worked each day and the hours spent performing K-12 special education work. Prepare this for each week that Special Education work is performed.

Day	Total Hours Worked	Hours Performing Special Ed. Work	K-12 Special Education Work Performed		
			Time Period	Service	Students Served
Monday	7	4.5	8:00-9:00	evaluation	Moe Miller
			10:00-10:30	counseling	Tom Tortuga
			11:00-1:00	evaluation	Billy Blaze
			1:00-2:00	Group counseling	Andy Argyle, Sam Stamps, Carly Cotton, Theo Thimble
Tuesday	7.5	6	7:45-8:15	counseling	Carly Cotton
			9:00-9:30	counseling	Roger Ratchet
			10:00-2:00	scoring eval	Moe Miller
			2:00-3:00	scoring eval	Billy Blaze
Wednesday	7	2.75	8:00-10:15	IEP meeting	Dina Dart
			12:30-1:00	counseling	Sam Stamps
Thursday	7	2	7:45-8:15	counseling	Theo Thimble
			9:00-9:30	counseling	Paul Picasso
			10:00-10:30	counseling	Yolanda Yew
			2:00-2:30	counseling	Frieda Filch
Friday	7.5	5.25	7:30-9:00	evaluation	Ira Inkling
			9:00-10:30	IEP meeting	Zoe Zipper
			12:30-1:45	IEP meeting	Eddie Ezzard
			2:00-2:30	counseling	George Gershwin
			2:30-3:00	counseling	Harriet Hamilton
<b>Total for Week</b>	<b>36</b>	<b>20.5</b>	<b>56.9%</b>	<b>= % of week spent on K-12 special education work</b>	

The above information is an accurate reflection of the work that I performed during this period.

Employee's Signature	<i>Warren Worthington</i>	Date:	<i>9/27/11</i>
Supervisor's Signature	<i>Betty Ross</i>	Date:	<i>10/1/2011</i>

Neena Thurman-Domino, School Psychologist

<b>Monday, September 19, 2011</b>	
7:00	
7:15	
7:30	
7:45	
8:00	<u>Counseling</u> - Hank McCoy (504 Plan)
8:15	↓
8:30	
8:45	↓
9:00	<u>Group Counseling</u> - Bob Russo (IEP), Scar Turpin (Reg. Ed.),
9:15	Vi Lock (IEP), Bucky Barnes (IEP), Steve Rogers (Reg. Ed.)
9:30	<u>Morning Break</u>
9:45	<u>Psychological Evaluation as Part of Special Education Evaluation</u> - Jamie Braddock
10:00	↓
10:15	
10:30	↓
10:45	<u>Score Evaluation Results</u> - Jamie Braddock
11:00	↓
11:15	<u>Counseling</u> - Maris Morlak (IEP)
11:30	↓
11:45	
12:00	<u>Group Counseling</u> - Vera Vidal (IEP), Shirlee Bryant (EST),
12:15	Shevaun Haldane (EST)
12:30	↓
12:45	LUNCH BREAK
1:00	LUNCH BREAK
1:15	<u>Meet w/ Pepper Potts (classroom teacher) re: Behavior Plan</u>
1:30	for Tom Cassidy (IEP).
1:45	↓
2:00	<u>IEP Meeting</u> - Kimberly Schau
2:15	↓
2:30	
2:45	<u>Counseling</u> - Alison Blaire (504 Plan)
3:00	↓
3:15	
3:30	
3:45	
4:00	
4:15	
4:30	
4:45	
5:00	

### Summary for On-Going Time Documentation

**Name:** Neena Thurman-Domino  
**Position:** Psychologist  
**School District:** City School District  
**For School Year:** 2011 – 2012

*Staff who document their time on an on-going basis using an appointment book or other record of work performed on a daily basis (but not using the DOE On-Going Time Documentation form) need to use this form to summarize their time worked for each day. The summary is to be reviewed by the staff member's Supervisor then signed and filed with the business office along with copies of the appropriate pages of the appointment book or other record to serve as staff documentation for special education funding purposes.*

For each work day, summarize the time worked from your appointment book or other record of your work. Show the number of hours spent providing K-12 Special Education, Preschool Special Education and Non-Special Education work. The "Total Hours" equals the hours worked excluding any lunch or other breaks.

DATE	K-12 Special Education Eligible Hours	PreSchool Special Education Hours	Non Sped Hours	Total Hours
9/19/2011	4.3	0	2.2	6.5
9/20/2011	2	0	4.5	6.5
9/21/2011	5	0.5	1	6.5
9/22/2011	4.7	0	1.8	6.5
9/23/2011	2.8	0.25	3.45	6.5
<b>Week 1 Totals</b>	<b>18.8</b>	<b>0.75</b>	<b>12.95</b>	<b>32.5</b>
9/26/2011	3.5	0.5	2.5	6.5
9/27/2011	2	0	4.5	6.5
9/28/2011	3	0.5	3	6.5
9/29/2011	4.7	0	1.8	6.5
9/30/2011	2.8	0.25	3.45	6.5
<b>Week 2 Totals</b>	<b>16</b>	<b>1.25</b>	<b>15.25</b>	<b>32.5</b>
10/3/2011	3.5	0.5	2.5	6.5
10/4/2011	2	0	4.5	6.5
10/5/2011	5	0.5	1	6.5
10/6/2011	4.7	0	1.8	6.5
10/7/2011	6	0.25	.25	6.5
<b>Week 3 Totals</b>	<b>21.2</b>	<b>1.25</b>	<b>10.05</b>	<b>32.5</b>
10/10/2011	3.5	0.5	2.5	6.5
10/11/2011	2	0	4.5	6.5
10/12/2011	5	0.5	1	6.5
10/13/2011	4.7	0	1.8	6.5
10/14/2011	2.8	0.25	3.45	6.5
<b>Week 4 Totals</b>	<b>18</b>	<b>1.25</b>	<b>13.25</b>	<b>32.5</b>

**I certify that this schedule is an accurate reflection of the work performed during this period.**

Employee's Signature: <i>Neena Thurman-Domino</i>	Date: <i>10/18/2011</i>
Supervisor's Signature: <i>Betty Ross</i>	Date: <i>10/19/2011</i>

### ***E. Time Study Form of Staff Documentation***

The second option for staff documentation for staff without regular schedules is using time studies. Time studies are very similar to schedules except time studies provide more specific information based on what actually happened during each day by instructional block or period instead of what was scheduled to happen. For example, a special educator's schedule may be to provide math instruction to a 1<sup>st</sup> grade group during period 3 each Monday. However, if the 1<sup>st</sup> grade schedule is changed because the first grade is doing a special project, then the time study would reflect what actually happened during that period while a schedule would show what is expected to happen on a normal basis.

1. *Required Documentation:* The documentation required under this option is three time studies, each covering a one-week period during the school year. Each one-week time study will document the work for five school days – Monday through Friday. The preference is to have the time studies at three different points in the school year with one in the September to October period, one in January to February period and a third one during any other period.
2. *Period Covered by Time Study:* The time study documentation for each of the three sample weeks needs to cover five work days for the employee. If an employee is not working or doing something other than their normal duties for any of the days chosen as the time study period, then the staff member should document the same weekday of the following week. For example, if Sally is out sick on Wednesday of the week designated for the time study, she would document her time for the following Wednesday. For professionals, the time documented through the time study should cover their required work hours. For paraprofessionals, the time documented should be the total time for which the employee is paid.
3. *Required Information:* For each time block, the time study must indicate the activity that the staff member performed as well as the students to which the activity related. For an instructional period, the activity would be the subject being taught. For non-instructional periods, it should be specific such as “preparation for period 2 math class” or “IEP meeting for A.S”. Because a time study reflects what actually happened instead of what was scheduled, it should be specific. Instead of just saying “case management”, the time block should state what specific component of case management was happening along with the student(s) to which it related. If it was preparation, the specific subject and period

or student that the preparation relates to should be indicated along with the word “preparation”.

4. Signatures: Each time study needs to be signed by the staff member and their supervisor. The form needs to have an assurance such as “*The above information is an accurate reflection of the work performed during this period.*”
5. Caseload List: A caseload list for each staff member must be filed with the time studies reflecting the students served during the whole school year.

#### ***F. Caseload List Required for All Staff Completing Staff Documentation***

Every staff member completing staff documentation must also fill out a caseload list for the full school year showing all the students served and the type of plan (IEP, 504, EST or other) for each student that requires the service being provided. The one exception is that for co-teaching assignments, the caseload list only needs to list the names of students receiving IEP services during the co-teaching blocks and not the names of all the students in the general education class. The information required is the student’s name, ID number and an indication as to whether the services being provided to the student are based on the student’s IEP, 504 plan, EST plan or for some other reason. If the service being performed is part of a special education evaluation, place a check in the “Other” column and add a notation indicating “special education evaluation.” If no explanation is given for students with a check in the “Other” column, it will be assumed that they are a regular education student without an IEP, 504 plan or EST plan.

It is also important to have a separate designation for preschool students, if the staff person serves both preschool and K-12 students as this information is needed during the review process.

A sample completed caseload list is on the following page.

<b>Employee - Caseload List</b>					
<b>For School Year 2011 – 2012</b>					
<b>Name:</b>		Nancy Nicholby			
<b>Position:</b>		Special Educator			
<b>School</b>					
<b>District:</b>		City Elementary School			
List below all of the students that you served for the school year indicated above. For each student served, indicate whether the service being provided was based on a plan (IEP, 504 plan or EST plan) or for another reason. For other, please provide a brief explanation such as special education evaluation.					
<i>Note: You do not need to include the names of non-sp ed students served through co-teaching activities.</i>					
Student's Name and ID Number		Services Being Provided Based On:			
		IEP	504 Plan	EST Plan	Other - Explain
<b>Andy Ants</b>	<b>XXXXXXXX</b>	X			
<b>Ben Buckle</b>	<b>XXXXXXXX</b>	X			
<b>Connie Camp</b>	<b>XXXXXXXX</b>	X			
<b>Dennis Dear</b>	<b>XXXXXXXX</b>	X			
Emily Erks	XXXXXXXX				Title I eligible but no Title I time
<b>Jimmy Jones</b>	<b>XXXXXXXX</b>	X			
<b>Kara Kute</b>	<b>XXXXXXXX</b>	X			
<i>Mandy Mills</i>	<i>XXXXXXXX</i>			X	
<b>Martin Mills</b>	<b>XXXXXXXX</b>	X			
<i>Peter Panda</i>	<i>XXXXXXXX</i>			X	
<b>Paul Pelt</b>	<b>XXXXXXXX</b>	X			
<i>Patsy Pine</i>	<i>XXXXXXXX</i>			X	
<i>Sam Smiles</i>	<i>XXXXXXXX</i>		X		
<b>Steve Smith</b>	<b>XXXXXXXX</b>	X			
(Please note for this example - <b>Bold denotes students receiving IEP services;</b> <i>Italic denotes students receiving services required by 504 or EST plans;</i> Regular font indicates students without a plan.)					

## IV. Review of Schedules/Time Studies by Supervisors

The schedules/time studies prepared by special education staff members should be reviewed during the school year to make sure that all the necessary information is provided. It is important to do it soon after completion as it is difficult for staff to remember specifics at a much later date. The following lists a set of suggested steps for reviewing schedules.

### A. *Review for Missing Information Prior to Supervisor's Approval*

Prior to signing the schedule/time study, the supervisor should check for the following items:

#### 1. Time covered

- ✓ Does the schedule/time study cover five days each for one of the two periods September – October and January -February? Or is it an additional schedule because of a significant change in a paraprofessional's schedule?
- ✓ Does the schedule/time study cover the professional's required work time for each day?
- ✓ Does each day of the schedule/time study cover the time for which the paraprofessional or aide was actually paid?

#### 2. All time accounted for

- ✓ Do all blocks on the schedule/time study list the beginning and end times?
- ✓ Are time intervals between blocks a standard amount of time or are there unusual amounts of time unaccounted for between blocks?

#### 3. Activities/subjects

- ✓ Do all blocks on the schedule/time study list an activity (subjects for instructional periods)?
- ✓ Is the terminology clear and not in language that someone not working in the school would understand? If lunch is indicated, is it clear whether it is the employee's lunch or lunch duty?

#### 4. Students

- ✓ Do all instructional blocks on the schedule/time study list the students being served?

#### 5. Co-Teaching Blocks Have All Required Information

- ✓ Do the co-teaching blocks indicate the required information: subject being taught, name of the regular education teacher, names of students receiving IEP services, and number of students in the classroom?

6. Caseload list complete

- ✓ Does the caseload list all students served during the year, along with an indication of the reason the service is provided - IEP, 504 Plan, EST Plan, or another reason?

7. Preschool students

- ✓ Has the staff member indicated which, if any, of the students on his/her caseload are preschool students?

**B. Adding Missing Information**

When the schedule/time study has been reviewed, it should be returned to the employee with a request to add the missing information. If the employee is unavailable to add the information, the employee's supervisor may add the missing information. The additions should be added in a way that it is clear that they were provided by a different person such as using a different color pen.

**C. Helpful Hints**

Some school districts or supervisory unions may request that staff take additional steps that help with the review of the schedules. Some of these include:

1. Having staff color code the students listed in the time blocks of the schedules based on whether the service is provided pursuant to an IEP, EST or 504 plan, EEE or regular education (no plan) allowing for easier review to determine blocks disallowed, what should be charged as preschool cost and what could qualify for 20% additional time;
2. Having case managers attach copies of current IEPs for the students that they case manage so that the specific IEP services can be easily verified.

The supervisory union may also want to verify that all professionals are licensed special educators for the grades they work with or are appropriately qualified if an educator's license is not required for their position.

**V. Calculating Allowable Portion of Staff Time Based on Documentation**

The purpose of having each special education staff person prepare documentation of how they spend their time is to determine what portion of his/her salary and benefits can be reported as K-12 special education eligible cost. The staff time documentation needs to be reviewed and used to calculate the portion of each employee's salary and benefits that are eligible K-12 costs on the final Special Education Expenditure Report for the year.

**A. Calculating Time Worked by the Employee**

To determine what portion of a person’s salary is allowable, the first step is to determine the amount of time worked for the period covered by the staff documentation. This should include the time from the beginning to the end of each day for the employee excluding time between periods and time used for allowable employee breaks such as lunch breaks. The calculation of actual time worked is used in the calculation of percentage allowed for formula reimbursement.

For the sample schedule (page14), the employee works each day from 8:15 to 2:30 (6 hours and 15 minutes) with a 15-minute lunch break and a total of 40 minutes attributed to time between periods. The time worked is calculated as 5 hours and 20 minutes or 320 minutes per day of “work” time. For the week shown on the sample schedule, the work time totaled 1,600 minutes. This is calculated for each day of the week and used as the base for the week to determine what portion of the employee’s salary and benefits is allowable.

**Time Worked Calculation (For Weekly Schedule on Page 14):**

Day of Schedule	Time from Beginning to End of Work Day	Less Lunch & Break Time	Less Time Between Periods	Work Time for Day
Monday	6 hours, 15 minutes	15 minutes	40 minutes	320 minutes
Tuesday	6 hours, 15 minutes	15 minutes	40 minutes	320 minutes
Wednesday	6 hours, 15 minutes	15 minutes	40 minutes	320 minutes
Thursday	6 hours, 15 minutes	15 minutes	40 minutes	320 minutes
Friday	6 hours, 15 minutes	15 minutes	40 minutes	320 minutes
Total for Week				1600 minutes

For this example, 1,600 minutes of work time is used as the base for calculating the percentage of allowable K-12 special education time for this employee for her fall work schedule.

**B. Reviewing Time to Determine What is Allowable K-12 Special Education Staff Time**

The schedule or time study needs to be reviewed to determine what portion of work time falls into the following categories:

1. allowable K-12 special education time,
2. potentially allowable EST/504 time, and
3. unallowable for Special Education K-12 formula reimbursement.

A supervisory union may want to divide the unallowable time into more categories for funding purposes. For example if some of the unallowable time is for preschool special education services, the supervisory union may want to add that as a category in addition to the ones above.

1. **Allowable K-12 Special Education time** includes time that the staff person is providing services required by students' IEPs, including related preparation time and case management of special education students' IEP services for K-12 students. Allowable time includes co-teaching time that meets the criteria of being special education services (see page 2). This category also includes services which fall under the small group rule. To qualify under the small group rule, the group must consist of eight or fewer students. If the majority (over 50%) of the students in the small group are receiving the service provided by the special education staff as an IEP required service, then 100% of the time block is allowed. The small group rule applies to the same instructional staff as the additional 20% rule. For services provided in a group situation in which the majority is not receiving the services by the special education staff as an IEP required service, then a portion of the time is allowed based on the number of the students receiving the service as an IEP required service to the total number of students in the group. For example, if a Speech Pathologist was providing articulation services to a group of five students and for two students it was an IEP required services, then 40% ( $2/5$ ) of the time block would be allowable special education time.

Allowable special education time also includes time spent on special education evaluations and IEP development as they are integral parts of special education. Also allowed are school events in which all staff must participate such as school assemblies and fire drills. Up to 15 minutes a day is allowed for home room or TA time.

2. **Potentially Allowable EST/504 time** includes time spent developing and managing EST and 504 plans for individual students. This also includes time spent by special educators in reviewing information on students found eligible for EST and 504 services in order to provide consultation on services needed and attending meetings to develop the EST and 504 plans. Potentially allowable time also includes time spent providing instructional services required by EST and 504 plans. Excluded from this category are any evaluations that were not part of a special education evaluation.

3. **Unallowable for Special Education K-12 formula reimbursement** include all general duties with the one exception of providing up to 15 minutes a day of homeroom or TA time. All services to non-special students or to students that are not required by their IEPs are unallowable unless they are provided through a co-teaching situation or fall under the small group rule. Services to preschool students are unallowable with the exception of participation in the IEP meeting for a student if the IEP will extend into his/her kindergarten year.

For the sample schedule shown on page 14 and caseload list shown on page 22, the following shows the result of the review for Monday in detail. This assumes that all of the services being provided to students with IEPs are services required by the students' IEPs. The preparation time for reading shown in period 8 is 100% allowed as all of the reading time on the schedule is allowable special education time.

Category	# of Minutes	Periods
1. Allowable K-12 Special Education time	230 minutes	100% of period 1, 2, 7, 8 & 9 33% of period 3
2. Potentially Allowable EST/504 time	70 minutes	67% of period 3 100% of period 6
3. Unallowable K-12 Special Education formula eligible	20 minutes	Period 5
Total Work Time	320 minutes	

The same analysis is done for each of the five days of the weekly schedule and is shown below for the sample time study.

Day of Schedule	Number of Minutes by Cost Category			Total Minutes for Day
	1. K-12 Sped	2. EST/504	3. Unallowable	
Monday	230 minutes	70 minutes	20 minutes	320 minutes
Tuesday	198 minutes	102 minutes	20 minutes	320 minutes
Wednesday	194 minutes	126 minutes	0 minutes	320 minutes
Thursday	210 minutes	70 minutes	40 minutes	320 minutes
Friday	230 minutes	70 minutes	20 minutes	320 minutes
Total for Week	1,062	438	100	1,600

**C. Calculating Additional 20% for Instructional Staff**

The additional 20% is calculated for staff qualifying under the rule by multiplying the number of special education allowable time from the weekly schedule by 0.2 or 20%. If the actual 20% additional is not more than the potentially allowable EST/504 time, then all of the potentially allowable EST/504 time will be allowed. If the potentially allowable EST/504 time is greater than the additional 20% calculated, then the amount allowed is the amount calculated as the additional 20%. The 20% is calculated for each week separately.

Total Time Worked On Weekly Schedule	1,600 Minutes
1. Hours worked – Allowable Special Education	1,062 Minutes
2. Hours worked – Potentially Allowable EST/504	438 Minutes
3. Hours worked – Unallowable	100 Minutes
Maximum 20% Additional Time (Calculated as the amount of Sped Allowable in 1. above multiplied by .2)	212 Minutes
EST/504 Allowed (Actual hours in 2. above up to maximum calculated on line above)	212 Minutes
Total Hours Allowed for K-12 Formula Funding	1,274 Minutes
% of Time Allowed for K-12 Formula Funding	79.6%

**D. Audit Guidelines for Schedule/Time Study Review**

When the Department of Education audit staff review the schedules and times studies, they use some standard guidelines to question the use of staff time that seem outside of the normal range. This time will be shown as disallowed unless additional information is provided during the audit process. The following is a list of the guidelines used by the auditors:

- 1. Time allowed for employee lunch is generally limited to 30 minutes per day unless the master negotiated agreement sets different conditions for employees’ lunch breaks.** The general rule in the schools appears to be a maximum of 30 minutes for lunch so if more time is allowed to a specific employee, an explanation should be provided if an exception has been made by the school district. It is important that the schedules differentiate between the employee’s lunch break and lunch duties so that the lunch break is not disallowed.

2. ***Time allowed for employee breaks is limited to two fifteen minute breaks for a full-time employee per day.*** This is a general rule and if the school district has made different arrangements with a specific employee, the specifics of that arrangement would need to be provided to the auditors.
3. ***Up to 15 minutes per day is allowed for Teacher Advisory (TA) or home room responsibilities.*** In many schools, all professional staff members are assigned responsibilities for TA or home room. The department allows up to 15 minutes a day for this general education responsibility. However, if the school has a longer period than 15 minutes, the amount in excess of 15 minutes per day is disallowed as a regular education responsibility.

#### ***E. Other Provisions for Determining Allowable Time***

In addition to the above criteria, there have been a number of decisions made concerning allowable time and unallowable time which are listed below:

1. **Covering general duties such as recess duty, lunchroom duty, bus duty, etc.** is not an allowable special education cost. These are necessary for the whole student body and should be covered by general education funds.
2. **Coverage for lunch and recess for individual special education students** is considered an allowable special education cost only if the service is required by the student's IEP. The IEP would need to clearly state that the student is to receive services during those specific periods or is to receive individual aide services for the whole school day. If the service is not required by the student's IEP, it will not be considered an allowable cost.
3. **Whether time special education staff spent attending meetings is allowable depends on the purpose of the meeting.** When the schedules are completed, it is important to include the purpose of regularly scheduled meetings. The following includes some general guidelines regarding what is considered allowable:
  - Staff meeting time is allowable if all staff are required to attend.
  - Meeting of special education staff for in-service training or to work on special education projects are considered allowable.

- IEP meetings and other meetings related to the special education process are allowable.

- 4. Providing services to parentally placed students in accordance with a services plan is not an allowable special education cost.** Under IDEA-B, supervisory unions are required to use the pool of IDEA-B funds designated as proportionate share funds to provide special services to students who have been determined eligible for special education and who are attending, at parental expense, an independent school located within the supervisory union boundaries or being home-schooled within the supervisory union boundaries. After consultation with representatives of the independent schools and parents, the supervisory union develops a plan for using the IDEA-B proportionate share funds to provide special education and related services to this group of eligible students. Services need not be provided to all students. A services plan is written for each student who will be receiving services from the proportionate share funds. The proportionate share funds are the only funds that school districts are required to use for this purpose. If they choose to spend beyond the proportionate share amount of their IDEA-B grants, the expenditures for special education and related services for parentally placed students are not formula eligible costs and must be reported as ineligible whether it is the cost of school district staff or for contracted service providers.
- 5. The allowable special education cost rules only apply to special education provided to the school district's kindergarten through 12<sup>th</sup> grade resident students or provided to Vermont State-placed students being educated by the school district for otherwise allowable special education costs not reimbursed under the State-placed student funding mechanism.** This means that the formula reimbursement does not apply to students placed by other states or that are Vermont students but not residents of the school district. For students placed by other states in Vermont, there should be an agreement under the interstate compact concerning payment for the student's educational costs and payment should come from the sending state. Also, formula reimbursement is not intended to cover the special education cost for non-resident students which would include children of staff members that you allow to attend the school where the parent teaches even though they are not resident students.

***F. Calculation of Allowable Salary and Benefits and Adjusting Transactions***

The percentage allowed is calculated as the average from the staff documentation that is required for that individual. For example, if the staff person had a regular schedule and their fall staff documentation resulted in 79.8% being allowed and the winter staff documentation showed 85.6%, then the average or 82.7% would be allowed for the year. This percentage is used to determine what portion of the special education staff person's salary and benefits for the year can be charged as eligible K-12 special education expenditures. The following shows what the calculation would be under different situations.

1. **For Professionals Using Schedules for Staff Documentation:** use the average for the two schedules.
2. **For Paraprofessionals and Aides Using Schedules for Staff Documentation:** use the average for the schedules used to document the time for the school year.
3. **For Staff Without Regular Schedules:** use the average of the special education percentage for the on-going documentation for the year or the average of the three time studies depending on which form of documentation the supervisory union required.

It is usually necessary to adjust the amount charged as an eligible special education cost based on the calculation of what is allowable for the school year. The amount of an employee's salary and benefits charged to special education codes in the accounting system may not match what is calculated as allowable cost using the staff documentation. The adjustments to reflect the actual percentage of special education cost by special education employee can be done in one of two methods:

1. **Adjust the salaries and benefits in the accounting system to reflect the appropriate amount of special education salaries and benefits.** If a special education employee's "% of Time Allowed for K-12 Formula Funding" averaged to 82.7% for the year that percentage would be used to calculate the amount of his/her salary and benefits allowed. If the employee's salary was \$42,200 for the school year and the benefits were \$17,040, then \$34,899.40 of the employee's salary and \$14,092.08 of benefits would be charged as eligible special education costs. The disallowed portion of the salary and benefits should be charged off to a funding source appropriate for the work being performed. If the staff person's salary and benefits were set up at the beginning of the year to be charged to special education at a percentage different from the amount calculated based on the

schedule, then an adjustment needs to be made to adjust that once the allowable percentage has been calculated based on the staff documentation information. So, if the employee with the sample schedule had been charged off to special education at 90% from the beginning of the year based on an estimate, once the schedule information was complete an adjustment would need to be made to charge an additional 7.3% of her salary and benefits to non-special education sources prior to completing the final Special Education Expenditure Report for the year. **Please note that any journal entries used to record the adjustments must have detailed backup showing the calculation for each employee.** This detail will be needed for special education audits.

- 2. If the school district chooses not to adjust its accounting records for special education adjustments, a spreadsheet needs to be created showing, by employee, the total salaries and benefits, the adjustment percentages, and the special education eligible salaries and benefits.** *(See example on page 33.)* Please note that for employees charged to federal grant funds the adjustment must be made in the accounting records. See page 55 for the federal requirements.

If the school district chooses to use the spreadsheet approach, the department recommends using the spreadsheet already developed for salary reconciliation for special education expenditure report audits. Using the salary reconciliation spreadsheet will save time and mean that part of the work of preparing for an audit will already be done should the district be selected for audit. Please feel free to contact Lynne Carpenter for a template of this spreadsheet at 828-0561 or [lynne.carpenter@state.vt.us](mailto:lynne.carpenter@state.vt.us).

**SAMPLE SALARY AND BENEFIT RECONCILIATION**

SUPERVISORY UNION OR SCHOOL DISTRICT

FY-2011

**CALCULATION OF SALARY AND BENEFITS BASED UPON REVIEW OF STAFF DOCUMENTATION**

1000-100 DIRECT INSTRUCTION

NAME	Assignment or Title	*Total Salary	SPED % Based On Staff Documentation	SPED Salary	Employer Share FICA	Total	Total	Unemp.	OTHER PLEASE EXPLAIN	Total	Benefits
				Charged to SEER based On Staff Documentation		Employer Paid Health Insurance	Employer Paid Dental			Employer Paid Benefits	charged to SEER based on Staff Documentation
Teresa Smith	Integration Facilitator	51,000.00	0.50	10,000.00	765.00	12,000.00	650.00	24.00		13,439.00	6,719.50
Jan Jones	Resource Room Teacher	45,000.00	0.32	3,840.00	293.76	5,900.00	650.00	14.40		6,858.16	2,194.61
Joseph Jones	Resource Room Teacher	47,000.00	0.90	32,400.00	2,478.60	5,900.00	650.00	43.20		9,071.80	8,164.62
Andrea Apple	Consulting Teacher	55,000.00	0.80	28,000.00	2,142.00	12,500.00	650.00	42.00		15,334.00	12,267.20
Berry Fine	Para – Student #####	16,000.00	0.60	1,800.00	137.70	3,800.00	650.00	3.60		4,591.30	2,754.78
Penny Frame	Behavior Spec. Para	19,000.00	0.57	3,990.00	305.24	12,000.00	650.00	8.40		12,963.64	7,389.27
				<b>80,030.00</b>							<b>39,489.98</b>

\*This is total salary for each person from all sources, regular education, special education, Title, etc.

**FUNDING SOURCES OF TOTAL SALARIES**

NAME	Assignment or Title	*Total Salary	LOCAL	IDEA B			OTHER EXPLAIN	*Total Salary
				IDEA B	PRESCHOOL	TITLE		
Teresa Smith	Integration Facilitator	20,000.00	5,000.00	5,000.00	3,000.00	7,000.00	20,000.00	
Jan Jones	Resource Room Teacher	12,000.00	4,000.00			8,000.00	12,000.00	
Joseph Jones	Resource Room Teacher	36,000.00	36,000.00				36,000.00	
Andrea Apple	Consulting Teacher	35,000.00	35,000.00				35,000.00	
Berry Fine	Para – Student #####	3,000.00	3,000.00				3,000.00	
Penny Frame	Behavior Spec. Para	7,000.00	3,500.00		3,500.00		7,000.00	

**NOTE:** For the 1000 function codes, the expenditures on the reconciliation should match the final Special Education Expenditure Report for the year. This schedule should be used for all other salaries charged to the SEER, i.e. 2100-2700. For these function codes, the salaries and benefits are combined with other object codes so there will not be an exact match to the SEER but the general ledger printouts will provide the breakdown by object codes.

## **VI. Retention of Staff Documentation Materials and IEPs for State Funding**

The Department is recommending that the staff documentation materials generated for State funding be retained for three years after the end of the fiscal year to which they pertain. Also the IEPs for students who have moved to other school districts should be available for the auditors to review. If the IEP information is not maintained electronically, the copies of the IEPs that were in place while the student was in the supervisory union should be kept when the records are sent on to the new school district.

## **VII. Special Education Tuition or Per Pupil Costs for Special Education Programs**

Another significant cost of special education is the cost of tuition to special education programs. The costs allowable for State funding formula reimbursement under VSBE Rule 2366.2.1 relate only to K-12 students and must be required by the child's IEP or pursuant to a settlement agreement and are as follows:

- (e) The portion of non-collaborative tuition of special education programs and excess costs charged by public schools which relate to allowable costs;
- (f) The collaborative tuition for special education programs charged by public LEAs;
- (g) Tuition and all reasonable and necessary costs of placement, as defined in Rule 2366.2.5, excluding any general education tuition in an independent school approved for the purpose of providing special education in accordance with 16 V.S.A. §2958(e) and Rule 2228, et seq.

Vermont school districts and independent schools can operate special education programs and charge tuition to school districts sending students to those programs. Independent schools in Vermont need to be approved by the Vermont State Board of Education under VSBE Rule 2228 in order to provide special education services. The State Board approval is limited to serving specific categories of disability. For out-of-state independent schools, the requirement is that "it must be approved by the host state for the purpose of providing special education and related services to children within that state." There are only two circumstances under which Vermont school districts are allowed to pay for tuition to independent schools that are not approved for special education: (1) under an order from a court or from a due process hearing pursuant to VSBE Rule 2365.1.6 requiring such a payment and (2) an approved exception by the Commissioner in an independent school pursuant to VSBE Rule 2228.2(2).

Tuition is a charge for a package of the special education services provided to a group of students for a significant portion of the day (usually at least half of a school day) which includes instruction in the core academic areas. There is a separate provision under (c) of the same statute allowing districts to charge for “excess special education costs” beyond those covered by tuition. An excess cost charge is for services that are for a lesser period of time, is usually either an individual service or a smaller group of services and may be provided individually or to a group of students.

There is some confusion on what is considered a special education program. A special education program is a package of specialized instruction and related services that are provided to students required by the students’ IEPs. Specialized instruction needs to be provided by licensed special educators. If instruction is provided by both special educators and regular educators, then the tuition rate needs to be divided between the regular education portion (Program 100, Regular Education) and the special education portion (Program 211, Special Education Eligible for Reimbursement or Program 212, Special Education Ineligible for Reimbursement) even if all the students being served are IEP students. Also the student’s IEP needs to specifically list the components of the program that are required as special education services in order for the special education tuition portion to be eligible for special education formula reimbursement.

### *A. Types of Special Education Tuition Programs*

#### **1. Collaborative Program**

Supervisory unions may jointly operate programs under a collaborative (16 V.S.A. §267) agreement. There are some specific requirements for collaborative programs under VSBE Rule 2366.6. The reimbursement for collaborative programs is allowed for the total tuition charge as long as the overhead costs do not exceed 20% of the total program cost. (See VSBE Rules 2366.2.1(f) and 2366.2.6(2)). The accounting for a collaborative program should be done through an enterprise fund (Program code 940, Special Education Collaborative).

#### **2. Non-Collaborative Program**

A school district may operate programs necessary for the education of its students. This may include special education programs which it may charge tuition for to other school districts that send students. Although the program costs may include non-allowable costs such as building related costs, only the portion of the tuition relating to allowable special education costs can be claimed for funding formula reimbursement. When tuition is announced or charged, the percentage of cost that relates to allowable special education cost must be shown on the announcement or the invoice.

### **3. Independent School Day Programs**

Independent schools in Vermont need to be approved by the Vermont State Board of Education under VSBE Rule 2228 in order to provide special education services. The State Board approval is limited to serving specific categories of disability. For out-of-state independent schools, the requirement is that “it must be approved by the host state for the purpose of providing special education and related services to children within that state.” Independent schools in Vermont must submit annually the rates it proposes to charge for special education tuition to the Department of Education under VSBE Rule 2228.7.

### **4. Independent School Residential Placements**

Residential placement is defined by 16 V.S.A. §2942 (5) as follows:

"Residential placement" means the placement of an eligible child, as part of an individualized education plan, in a 24-hour residential facility within or outside Vermont which provides educational services consistent with the child's plan.

School districts are required to provide notice to the Department of Education under 16 V.S.A. §2958 of potential residential placements and limits the State funding to approved residential facilities. The residential review process is covered in VSBE Rule 2366.9.2.1. The payment process for tuition for residential placements is the same as for other tuitions with the one addition of the residential review process. The failure to follow the rules concerning the residential review process could result in the loss of State formula funding for the cost of a residential placement.

A residential placement required by an IEP is one means of providing a free appropriate public education (FAPE) which means that it is provided at public expense without charge. However, what the school district is required to provide is special education and related services as well as costs that are necessary to provide those services. This does not mean that school districts are required to pay each and every charge that may be billed by a residential facility. For example, charges for medical services are the responsibility of the student's parents. Also charges that are not essential to the student's education program may legitimately be charges that the parents would pay such as clothing, allowance, and extra fees for recreation options.

#### ***B. Reviewing and Tracking Tuition Payments by Paying (Sending) School District***

School districts need to have a system for reviewing and tracking the tuition payments that they make especially for special education services. The first review should be to determine if all the required information is on the invoice submitted. Besides the vendor information and invoice date, each charge on a tuition invoice should include:

- 1) Name of the student that each charge relates to,
- 2) Period covered by the invoice with actual beginning and ending dates,
- 3) Name of the tuition program,
- 4) Rate for the program and amount being billed and basis for pro-rating if appropriate, and
- 5) The percentage of the cost being billed that relates to allowable special education cost for tuition to non-collaborative programs operated by public schools.

It is important that the tuition (and excess special education cost) invoices are reviewed by someone who has knowledge of the special education placements and access to students' IEPs.

The person coding the invoices needs to assure the following:

- 1) The school district paying the bill is responsible for the student's cost because they are resident students or State-Placed in that district,
- 2) The services were actually provided to the student,
- 3) The dates of services are accurate for that student,
- 4) The services provided through the program are required by the student's IEP that covers the period being billed (otherwise not an allowable special education cost),
- 5) The rate being billed is the correct rate for the program the student attends and does not exceed the announced rate, and
- 6) The amount being billed has been correctly calculated.

The three object codes used for tuition are:

Object Code	Description
561	Tuition to VT Public Schools
564	Tuition to Out-of-State Independent and Public Schools
566	Tuition to VT Independent Schools

The department recommends that school districts create a record of the payments made for tuition (and excess cost) by student. This type of system can ensure that duplicate payments are not made for the same student for the same program or different programs for the same period of time. The tracking system for a fiscal year can include the student's name, placement, and each payment made relating to that student's placement. The payment information should include invoice date, period covered by the invoice, approved rate, amount paid and date paid. Any payments for regular education tuition should indicate the difference in coding. This can be summarized at the end of the fiscal year and used to verify the amount charged on the final Special Education Expenditure Report as special education tuition.

The following shows an example of a spreadsheet used to track tuition and excess cost:

Student	Placement	Invoice Date	Service Billed	Period Billed	Rate for Service	Amount Paid	Date Paid	Codes
Tom Jones	Project SOAR	10/07/11	Sped Tuition	08/29/11-10/21/11	\$59,580 year	\$14,895	11/04/11	211-566
Tom Jones	Project SOAR	10/07/11	Speech	08/29/11-10/21/11	\$4,800 year	\$1,200	11/04/11	211-595
Bob Smith	BFA	09/06/11	Reg. Ed. Tuition	08/29/11-1/20/12	\$13,400 year	\$6,700	09/15/11	100-561
Bob Smith	BFA	11/04/11	Individual Aide- 5.5 hours/day	08/29/11-10/21/11	\$13.50/hr + benefits	\$5,346	12/01/11	211-594

### *C. Procedures for School Districts/Supervisory Unions Relating to Tuition Charges for Special Education Programs They Operate*

#### **1. Announced Tuition Rate**

Under subsection (b) of 16 V.S.A. §826, school districts and independent schools meeting the school quality standards are required to announce their tuition rates for the upcoming year on or before January 15<sup>th</sup>. The department provides a template for developing a special education tuition rate for public school programs. The process involves developing, for the upcoming school year, a budget and an estimated student FTE who will receive services from the program. The budget of the program includes the estimated costs for the staff that will provide instructional services that are part of the program. This will include the salary and benefits for staff for the portion of time they provide program services. The budget will also include the cost of related services that will be provided as part of the program.

The district or supervisory union offering the program needs to decide which related services are part of the program and are covered by the tuition rate and which will be billed separately as excess special education cost. This usually depends on how integral the related services are to the program and whether the related services are required by all or almost all of the students in the program. For whatever related services are considered part of the program, the estimated cost of providing those services is part of the program budget.

Overhead which are generally unallowable costs for facilities and general administration can be added to the estimated cost. For non-collaborative programs, these will be reflected in the portion of tuition that is ineligible for State special education funding. For collaborative programs, these non-direct program costs are eligible for State special education funding if they do not represent more than 20% of the total program costs. The costs attributed to the program need to be based on specific cost allocation principles unless the costs relate solely to the program. If the program is housed in a separate building for which rent is paid, then the program cost would include the rent and other building related costs such as electricity, fuel oil, and janitorial services. If the program is housed in a school owned building and the district wants to include the building cost in the tuition, then the costs attributed to the program for heat, lights, etc. need to be prorated based on square footage.

Once the total program costs have been calculated, the costs need to be divided between the amounts that are allowable special education costs and non-allowable or regular education costs. The non-allowable costs can not be charged to special education except that collaborative programs can include the overhead costs up to 20% of the total program costs. The receiving (billing) district needs to clearly indicate on all invoices for non-collaborative tuition the percentage that relates to non-allowable costs and/or regular education costs.

The total program cost needs to be divided by the FTE of students who will participate in the program to calculate the estimated per pupil tuition rate for a full-time student. All students participating in the program should be included in the FTE count. The number of students as well as the portion of the school day that they would likely be in the program needs to be estimated for the FTE count. The total FTE of the program is calculated by adding up the portion of the day for each student who is expected to be in the program. For example, if the program was expected to have four students full-time and five students half-time, then the total FTE would be 6.5 students.

The announced special education tuition rate is calculated by dividing the program cost by the FTE of the students. It is important to remember that the tuition rate announced is the maximum that can be charged for the program. The rate actually charged can be less than announced rate but can not be greater than the announced rate. For all non-collaborative programs, the percentage of the total cost that relates to special education eligible costs needs to be shown in the tuition announcement. This is not necessary for collaborative tuitions as long as the portion of the program costs for overhead cost is 20% or less.

Since the rate can vary significantly based on the student count, it is important to announce a rate that will cover the cost if there is a possibility that the student count could be reduced. The tuition rate is announced under 16 V.S.A. §826 (a). The tuition announcement needs to include a description of the services to be provided for each program and the rate for the upcoming school year. It should also state whether the program is a collaborative program or non-collaborative. For non-collaborative programs, the announcement should include the percentage of the costs that are ineligible for State special education funding.

## **2. Tracking Requirements for Special Education Tuition Programs**

A school district, supervisory union or independent school that operates a special education program for which tuition is charged needs to track the costs of the program. For collaborative programs, VSBE Rule 2366.6.2 requires specifically that an enterprise fund be used for tracking the expenditures of a collaborative program. For non-collaborative programs, the school district operating the program can use separate account codes within their general fund for tracking.

A school district, supervisory union or independent school that operates a special education program for which it charges tuition also needs to maintain a record of the students participating in the program. For each school year, the record of students needs to include the date each student entered the program and the date they exited the program as well as the portion of the time that they are in the program. It should also indicate the name of the school district that is responsible for providing their education (sending school district).

## **3. Calculating Tuition Rate Based on Actual Costs and Students**

The school district or supervisory union operating the program needs to verify toward the end of the year that the tuition rate is the actual rate per FTE for the program for the school year. The percentage of allowable special education cost also needs to be recalculated toward the end of the year based on actual cost. The documentation showing the final calculations needs to be maintained as backup information for the final Special Education Expenditure Reports for the year and may be reviewed by auditors. It is best if the recalculation can be done prior to the final invoices being sent out. If the tuition rate was not confirmed prior to the final invoices being sent, any adjustments to invoices for the year need to be done as soon as possible after the end of the year. *It is important that final information is provided in a timely manner so that all school districts can report the final amount of special education tuition expenditures and revenue when preparing the final Special Education Expenditure Reports on August 1<sup>st</sup> for the year ending June 30<sup>th</sup>.*

## **4. Tuition Invoices for Special Education Programs**

The school district, supervisory union or entity designated to do billing for a collaborative program needs to prepare invoices to the sending school districts for the cost of students being served by the special education program. The invoice should clearly identify:

- 1) Name of the student each charge relates to,
- 2) Period covered by each charge with beginning and ending dates,
- 3) Name of the tuition program,
- 4) Rate for the program,
- 5) The amount being billed including basis for pro-rating if appropriate, and
- 6) The percentage of the cost being billed that relates to allowable special education cost for non-collaborative programs.

**D. Examples of Special Education Program Budgets**

Below are two examples of alternative programs that serve special education students. The first one is a “pure” special education program while the second one is a mixed program.

# 1 – Special Education Program with Special Education Staff serving only special education students

The first example shows a hypothetical special education program that provides special education services as well as job placements and counseling services for the students who attend. This program has only special education students placed in accordance with their IEPs. The tuition includes transportation to and from the job placement but transportation to and from school is the sending school district’s responsibility.

Function Code	Object Code	Description for Expenditures	Budget Amount
<b>Instruction Services Detail</b>			
1000	100	Special Educator/Program Director – Jack Jones	\$62,340
1000	100	Special Educator – Mandy Morris	\$35,640
1000	100	Special Educator – Tim Thomas	\$42,560
1000	100	Substitutes	\$2,300
1000	200	Benefits	\$52,850
1000	500	Staff travel reimbursement	\$1,100
1000	600	Instructional Materials	\$3,200
<b>Related Service Detail</b>			
2140	100	Behavioral Specialist – Brian Barrows	\$23,000
2140	100	Behavioral Assistant for Job Placements – various	\$22,000
2140	200	Benefits	\$17,000
2140	300	Contract psychological services	\$25,000
2700	500	Transportation to job sites	\$4,000
<b>Building Related Cost Detail</b>			
2600	440	Rental of Space	\$22,000
2600	410	Utilities	\$13,000
2600	420	Janitorial Services	\$6,000
<b>Total Estimated Program Costs</b>			<b>\$331,990</b>
<b>Estimated Student Enrollment:</b>			
	10	Full-time students	10
	6	½ time students	3
<b>Total Estimated Student FTE</b>			<b>13</b>
<b>Estimated Tuition Rate for Full-time Student</b>			<b>\$25,538</b>
Please note that the school district might choose to announce tuition somewhat higher than the rate calculated if they are unsure that the student enrollment will actually be the 16 students or 13 student FTEs. The announced rate is the maximum that a school district can charge.			

The final information that needs to be calculated is the percentage that relates to eligible cost. For collaborative programs, the whole tuition rate can be considered eligible for formula reimbursement as long as the percentage of cost that is ineligible is 20% or less of the total

program costs. For non-collaborative programs, all of the tuition invoices need to clearly state the percentage that is eligible for formula reimbursement. The following shows the calculation for the program shown above.

Function Code	Amount Eligible Cost	Amount Ineligible Cost	Total
1000	\$199,990	\$0	\$199,990
2140	\$87,000	\$0	\$87,000
2700	\$4,000	\$0	\$4,000
2600	\$0	\$41,000	\$41,000
Program Total	\$290,990	\$41,000	\$331,990
<b>Estimated % of Tuition Considered Eligible</b>			<b>87.7%</b>

The calculations should be redone at the end of the year to ensure that:

- 1) The tuition rate charged does not exceed the actual per pupil cost for a full-time student and
- 2) The percentage of eligible cost is based on the actual cost for the year.

*If the final billing for the year has already been done when these calculations are made, the receiving school district needs to send a final invoice to the sending school districts to provide them with the amount of any adjustments for the year and the final eligible percentage for that year's tuition charge.*

For this example, we will assume that the above amounts represented the calculations based on the actual cost and student counts for the year. The receiving school district charges tuition to the sending school districts but does not bill itself for the students from its own district. The receiving school district would split the program cost between the eligible and ineligible columns and the tuition revenue would be split by the same percentage. This would leave the portion of eligible costs that covered the district's own students in the eligible column so that these costs would be receiving formula reimbursement.

The sending school district would be able to claim 87.7% of the tuition that they paid as eligible and report the balance as ineligible on the Special Education Expenditure Report.

#2 – Alternative Program with Special Education and Regular Education Staff serving a combination of Special Education and Regular Education Students

The second example below shows an alternative program which has both regular education and special education staff and students placed in accordance with their IEPs as well as students placed based on their 504 plans.

Function Code	Object Code	Description for Expenditures	Budget Amount
Instruction Services Detail			
1000	100	Special Educator/Program Director – Jack Jones	\$62,340
1000	200	Benefits for Jack Jones	\$13,540
1000	100	Aide for Behavioral support	\$22,000
1000	100	Substitutes for Aide	\$4,000
1000	200	Benefits for Aide	\$17,000
1000	500	Staff travel reimbursement	\$1,100
1000	100	Regular Educator – Mandy Morris	\$35,640
1000	100	Regular Educator – Tim Thomas	\$42,560
1000	100	Substitutes for Regular Educators	\$2,300
1000	200	Benefits	\$39,310
1000	600	Instructional Materials	\$3,200
Related Service Detail			
2140	100	Behavioral Specialist – Brian Barrows	\$23,000
2140	300	Contract psychological services	\$25,000
Building Related Cost Detail			
2600	440	Rental of Space	\$22,000
2600	410	Utilities	\$13,000
2600	420	Janitorial Services	\$6,000
<b>Total Estimated Program Costs</b>			<b>\$331,990</b>
Estimated Student Enrollment:			
<b>IEP</b>	<b>504</b>	<b>Type of students</b>	<b>Total</b>
8	2	Full-time	10
2	4	½ time students	3
<b>Total Estimated Student FTE</b>			<b>13</b>
<b>Estimated Tuition Rate for Full-time Student</b>			<b>\$25,538</b>
<b>% of Program Enrollment Relating to Special Education</b> (Calculated by dividing the FTE of special education students in the program to the total student FTE count for the program.)			<b>69%</b>
Please note that the school district might choose to announce tuition somewhat higher than the rate calculated if they are unsure that the student enrollment will actually be the 16 students or 13 student FTEs. The announced rate is the maximum that a school district can charge.			

The final information that needs to be calculated is the percentage that relates to special education eligible cost, regular education cost and ineligible cost.

Function Code	Amount Eligible Special Ed. Cost	Amount Regular Ed. Cost	Amount Ineligible Cost	Total
1000	\$119,980	\$123,010	\$0	\$242,990
2140	\$48,000	\$0	\$0	\$48,000
2600	\$0	\$0	\$41,000	\$41,000
Program Total	\$167,980	\$123,010	\$41,000	\$331,990
<b>Breakdown by Category</b>	<b>50.6%</b>	<b>37.1%</b>	<b>12.3%</b>	

The calculations should be redone at the end of the year to ensure that:

- 1) The tuition rate charged does not exceed the actual per pupil cost for a full-time student and
- 2) The percentage split in the program is based on the actual cost for the year.

*If the final billing for the year has already been done when these calculations are made, the receiving school district needs to send a final invoice to the sending school district to provide them with the amount of any adjustments for the year and the final percentages that apply to the tuition paid.*

For this example, we will assume that the above amounts represent the calculations based on the actual cost and student counts for the year. The receiving school district charges tuition to the sending school districts but does not bill itself for the students from its own district. The receiving school district would report on their Special Education Expenditure Report 69% (based on the portion of the cost that relates to IEP students) of the **eligible** special education costs for the program as only that portion relates to providing services to special education students. The reported eligible costs for the program would be \$82,786 (69% of \$119,980) for instructional costs and \$33,120 (69% of \$48,000) for related services. The school district may include 69% of the ineligible cost if they choose. For tuition revenue they would only report 50.6% (based on the cost breakdown between special education vs. regular education vs. ineligible cost) of the tuition received for students placed based on their IEPs. (The receiving school district would not show the tuition revenue for the 504 students.)

The sending school district would report as eligible tuition 50.6% of the tuition charged for the students placed in the program in accordance with their IEPs as eligible cost on their Special Education Expenditure Report. They would not report any cost for 504 students as that cost is not a special education cost.

#### ***E. Allowed Overhead Costs for Special Education Tuition Programs***

A special education program budget may include both direct costs that are incurred specifically for the program such as program staff salary and benefits and instructional materials used in the program and indirect or overhead costs. The indirect or overhead costs are allowed to be charged to the sending districts for all special education programs but there is a difference in what is considered an allowable cost for Special Education Formula funding depending on whether the cost is a collaborative program or not. For a collaborative program, 100% of the tuition for the program is allowable for Special Education Formula funding as long as all of the instruction provided is specialized instruction and the overhead costs are not more than 20% of the total program costs. If the program is not a collaborative program, then only the portion of the tuition that relates to eligible cost is allowable for Special Education Formula funding. The decision on whether to include indirect or overhead costs in a tuition rate is the receiving school districts choice.

In addition to the direct program cost, the programs are allowed to charge indirect or overhead costs that benefit the program or students in the program. If the costs relating to certain functions are charged as direct program costs, then the program budget can not also be charged for those same services as overhead costs. For example, if all of the building related costs are charged as direct costs, no allocation would be allowed for 2600 Plant services for the program. Also if certain costs are charged to federal funds, then those costs can not be included in the program budget. If all speech services in a school district are charged to federal funds, then those services

could not be included in the tuition calculation by that school district even if the program included speech services.

As part of the Announced Tuition process, there is a worksheet for calculating Special Education Tuition rates. There are specific rates established as defaults in Handbook II by function code as shown below.

Function Code	Function Code Description	Allocation Rate
2100's	Student support services	ADM Rate
2200's	Instructional staff support	FTE Rate
2300's	General administration	COST Rate
2400's	School administration	COST Rate
2520's	Business services	ADM Rate
2600's	Plant-operation & maintenance	BUILD. Rate
2900's	Other support services	COST Rate

The formulae for calculating these rates are shown below. In these rate calculations, the count relating to the specific program is divided by the total count benefiting from the service which includes the count for the collaborative program.

ADM Rate	$\frac{\text{ADM for Special Education Program}}{\text{Total ADM}}$
COST Rate	$\frac{\text{Direct Program Cost for this Program}}{\text{Total of All Direct Program Costs}}$
FTE Rate	$\frac{\text{FTE Teaching Staff for this Program}}{\text{Total FTE Teaching Staff}}$
BUILDING Rate	$\frac{\text{Square Feet of Instructional Space for Program}}{\text{Total Square Feet of Instruction Space}}$

The final step is to do the actual calculation based on the undistributed cost for each category times the rate to calculate the amount that is included in the collaborative budget as overhead costs.

*Example #1 Allocation of Business Service Cost to a Collaborative*

If the business functions of a collaborative program were all handled by the host supervisory union, then the host supervisory union could include an overhead charge for business services in the collaborative budget. First the rate would be calculated based on the direct program costs of the collaborative program divided by the total direct program costs handled by the supervisory union's business function. The rate would be applied to the direct program cost of the collaborative to determine what portion could be covered by the collaborative program.

Description	Amount
Collaborative Program – Direct Cost	\$331,990
Total Direct Cost for Supervisory Union Entities	\$4,589,230
COST Rate	7.23%
Business Service Cost (Undistributed)	\$230,365
Overhead cost for Collaborative for Business Services	\$16,655

*Example #2 Allocation of Principal’s Office for Collaborative*

If the collaborative program is located on the grounds of the school district and the principal oversees the program administratively, then a portion of the costs for the principal’s office could be allocated to the program as an overhead cost. First the rate would be calculated based on the FTE of the teachers in the collaborative program to the total number of teachers under the principal’s supervision. The rate would be applied to the cost of the principal’s office.

Description	Amount
Collaborative Program – FTE Teaching Staff	3.0
Total School District – FTE Teaching Staff	35.3
FTE Rate	8.5%
Principal’s Office Cost (Undistributed)	\$190,605
Overhead cost for Collaborative for Principal’s Services	\$16,201

These examples happen to use collaborative programs as these programs almost always include indirect or overhead calculations while many other programs do not.

*Concepts for Applying Overhead Rates*

There are a number of concepts to keep in mind when including overhead costs in special education program budgets. Some of these are:

- ✓ *Only costs that reflect services provided to the tuition program or to the students in the tuition program can be charged as an overhead cost.*
- ✓ *The services charged to the tuition program must be provided to students and must be available to all students in the program regardless of whether or not they are residents of the host school district or host supervisory union.*
- ✓ *The service can not be charged as both a direct cost and indirect cost.*
- ✓ *If a portion of the costs are directly charged, the costs charged as overhead must be the specific costs that were not included in the direct charges.*
- ✓ *Costs charged to federal grants can not be charged as part of a special education tuition.*
- ✓ *The cost allocation must be based on actual costs. When the program budget is being developed, it will be based on estimates. However, if there are any significant changes, the calculation should be redone to reflect actual expenditures and counts.*

## VIII. Special Education Excess Cost

Vermont school districts and independent schools approved to provide special education services can charge excess special education cost under subsection (c) of 16 V.S.A. §826 which reads as follows:

**(c) Excess special education costs incurred by a district in providing special education services beyond those covered by tuition may be charged to the pupil's district of residence. However, only actual costs or actual proportionate costs attributable to the student may be charged.**

Under (d) of the same statute, the State Board is required to establish rules “relating to the methods and times of calculating excess charges.”

A school district or independent school may charge excess special education cost to sending school districts for non-resident students if the student is receiving IEP services which are not included in a tuition charge. Also under 16 V.S.A. 1622(g), a school district may charge for the special education services provided to a student who is being educated outside his/her district of residence based on a school choice agreement. Excess special education costs may also be charged by Technical Centers for special education services provided to students that are not part of their tuition rate. The key element is that the charge is for a special education service which means that it must be listed in the service section of a student’s IEP and be provided by appropriately credentialed staff.

An excess cost charge may be for any special education service but applies only to kindergarten through 12<sup>th</sup> grade services. Charges for preschool special education services should be considered contracted services instead of tuition and excess cost.

Any charge for K-12 special education services to individual students, other than a special education tuition, by a school district or independent school falls into the category of excess special education cost. Excess cost may be for a service provided to one student such as an individual aide. It may be for services provided to groups of students or to a mixture of individual and group services such as for speech services often provided individually and to groups during the course of a school day. It may be for a package of services such as specialized instruction and speech services as “mainstream special education services”.

### *A. Excess Cost Procedural Requirements*

VSBE Rule 2366.6.4 sets out requirements for charging excess special education costs. The first requirement is that **only allowable special education costs** as defined by VSBE Rule 2366.2 can be included in the calculation of excess cost. This is different from tuition calculation which allows the inclusion of unallowable special education cost such as building cost but requires that the invoices identify the percentage that is eligible. No ineligible costs can be included in the cost used for the excess special education cost calculation – the calculation can only include the special education allowable cost for providing the specialized instruction and related services.

VSBE Rule 2366.6.4 requires notification to the sending school district that will be paying for the service prior to the commencement of the service. This requires the receiving school district to provide notice so that (1) the sending school district can plan on the expense and (2) the sending school district can decide if there is a more cost effective way to provide the service. Prior to the rule being adopted, there had been instances when the receiving school district did not notify the sending school district prior to sending an end-of-year bill. The rule requires that receiving school districts that accept tuition students or school choice students provide

notification of the proposed excess costs for providing special education services to those students at the beginning of the school year. Notice for students who enroll later in the school year would be sent within a week or so after the student enrolls.

The notification is required to include:

- 1) Student’s name,
- 2) Service being provided along with the amount of service being provided,
- 3) Rate or fee that will be charged for the service, and
- 4) Billing schedule that the receiving school district will use.

***B. Calculation of Excess Cost***

The statutory language establishes the basic concept that excess cost charges need to be the actual costs of providing the service to the student. The statute does allow for charging proportionate costs i.e., the cost of a special education service prorated based on the number of students. VSBE Rule 2366.4 states:

(c) Excess cost shall be calculated based on the actual costs attributable to the child or the proportionate costs in accordance with Handbook for Financial Accounting of Vermont School Systems accounting and cost allocation procedures

Both the rule and the statutory language leave some latitude in how a school district calculates excess cost. Also there are a variety of ways that school districts bundle their special education costs to charge to other districts. It is important that districts use a valid method using the cost of special education services and the students receiving those services. Since many special education service providers may also provide services to students who do not have an IEP or whose IEP does not require that service, it is important that the calculation either include all students receiving the service or that the portion of the costs relating to non-special education services is eliminated from the calculation.

There are two methods for calculating excess special education costs to eliminate the cost of non-IEP services. The two methods are detailed below. The examples use speech services provided by a Speech Language Pathologist assisted by an SLP assistant serving both K-12 special education students and non-special education students.

**Method 1** – Use the total cost of the services and the total number of students provided service.

Costs for Speech Services for Current Year:	Amount
Salary for SLP and SLPA	\$79,000.00
Benefits for SLP and SLPA	\$25,900.00
Instructional materials	\$2,100.00
Total Cost for Speech Services	\$107,000.00
Count of all Students provided speech services by providers	50
Average Speech Cost per Student	\$2,140/student

**Method 2** – Use only the portion of costs related to providing the services to students as required by their IEPs and the count of those students receiving the service pursuant to their IEPs.

Costs for Speech Services for Current Year:	Amount
Salary for SLP and SLPA	\$79,000.00
Benefits for SLP and SLPA	\$25,900.00
Instructional materials	\$2,100.00
Total Cost for Speech Services	\$107,000.00
% of time spent providing K-12 IEP driven special education services	86%
Cost of Speech Services for K-12 Students receiving services based on their IEPs	\$92,020.00
Number of K-12 Students provided IEP speech services by providers	40
Average IEP Speech Cost per K-12 Student	\$2,300/student

There is a benefit to using method number 2 if the students receiving the service based on IEPs are generally receiving a greater amount of services than other students being served. However it can be difficult to calculate the amount of time spent providing K-12 special education services if the services are being provided in groups including special education students receiving IEP services along with students receiving services for other reasons.

Once the excess cost rates are calculated for various services for the year, the notices can be sent by the receiving school district. The rates for services such as an individual aide can be the actual salary and benefits paid to the employee(s) to provide the service. The notice should indicate the estimated rate of pay for the staff members performing the service and estimated benefits for the year. It is important to provide the sending school district with as accurate information as possible about the cost of the special education services for which they will be billed.

***C. Confirming Rates Used Reflect Actual Costs***

In order to provide notice to sending school districts as services are commencing, the receiving district is often using rates based on estimated costs and estimated student counts. ***Before the final invoices for the year are prepared, the receiving school district should confirm that the rates that they estimated early in the school year are still accurate.*** This simply means that the calculation is redone using actual information or information that is very close to actual. The actual calculation needs to take into account the average number of students that received the service as well as the portion of the year that they received the service. The receiving school district should keep track of the students that are receiving the services as well as the portion of the year each student received the service.

***D. Excess Cost Charges Exclude Costs Paid by Federal Funding***

A receiving school district can not charge costs to other school districts that it paid from federal funds. If the receiving school district had charged the portion of the staff cost relating to K-12 special education services (\$92,020 in example 2 above) to their IDEA-B grant funds, they could not charge any excess cost to sending school districts for those services. If the receiving school district had charged a portion of the SLP and SLPA cost in the example above to IDEA-B funds, then they could only bill as excess cost the portion of allowable K-12 costs not covered by federal funds.

***E. Invoices for Excess Special Education Cost***

The receiving school district needs to invoice the sending school districts for excess special education cost. The invoices should be sent based on the schedule in the excess cost notifications. Each invoice should clearly identify each amount showing:

- 1) Name of the student that the charge is for,
- 2) Period covered by the invoice with beginning and ending dates,
- 3) Each service or service package being billed,
- 4) Rate for each service or service package, and
- 5) The amount being billed for each service or service package.

If a school district receiving an excess cost invoice questions that the amount relates to the actual cost or the actual proportionate cost, the best practice is to provide them with a copy of the calculations. If the rate is a proportionate cost, it may be that the sending district has only one student and the one student has a relatively small amount of service compared to other students. For example, the student only receives speech services twice a week in a group with two other students instead of receiving any 1:1 service. The department encourages school districts to discuss these issues and come up with a reasonable solution using the statutory language as a guide.

***F. Reviewing and Tracking Excess Special Education Cost Payments by Sending (Paying) School Districts***

School districts need to have a system of reviewing and tracking the excess cost (and tuition) payments that they make for special education students. The first review should be to determine if the invoice has all the required information. Besides the vendor information and invoice date, each charge for an excess special education cost should include:

- 1) Name of the student that each charge relates to,
- 2) Period covered by the invoice with beginning and ending dates of service,
- 3) Description of what is being billed including the service(s) being provided, and
- 4) Charge for each service.

It is important that the excess special education cost invoices are reviewed by someone who has knowledge of the special education placements and access to the students' IEPs. There needs to be a system in place to check each of the following before the payment is approved:

- 1) The school district paying the invoice is responsible for the student's cost because they are resident students or State-Placed in the district,
- 2) The services were actually provided to the student,
- 3) The dates of service are accurate for the student,
- 4) The services provided are required by the student's IEP that covers the period being billed and are not part of a tuition charge,

- 5) The rates used for the billing are consistent with the notice of excess special education costs, and
- 6) The amounts billed are correctly computed.

The two object codes used for special education excess cost are:

Object Code	Description
594	Special Education Excess Cost to VT Public Schools
595	Special Education Excess Cost to Independent and Out-of-State Schools

The department recommends that school districts create a record of the payments made for excess cost (and tuition) by student. This type of system can ensure that duplicate payments are not made for the same student for the same period of time. The tracking system for a fiscal year should include the student’s name, placement, and each payment relating to that student’s placement. The payment information should include the invoice date, period covered by the invoice, approved rate, amount paid and date paid. Any payments coded to regular education should be indicated by the difference in coding. Tracking could be done using an Excel spreadsheet which allows for sorting the information by different columns. This can be summarized at the end of the year and used to verify the amount charged on the final Special Education Expenditure Report as excess cost.

The following shows one spreadsheet layout for tracking tuition and excess costs.

Student	Placement	Invoice Date	Service Billed	Period Billed	Rate for Service	Amount Paid	Date Paid	Codes
Tom Jones	Project SOAR	10/07/11	Sped Tuition	08/29/11-10/21/11	\$59,580 year	\$14,895	11/04/11	211-566
Tom Jones	Project SOAR	10/07/11	Speech	08/29/11-10/21/11	\$4,800 year	\$1,200	11/04/11	211-595
Bob Smith	BFA	09/06/11	Reg. Ed. Tuition	08/29/11-1/20/12	\$13,400 year	\$6,700	09/15/11	100-561
Bob Smith	BFA	11/04/11	Individual Aide- 5.5 hours/day	08/29/11-10/21/11	\$13.50/hr + benefits	\$5,346	12/01/11	211-594

***G. Reporting of Excess Special Education Cost Revenue by Receiving School Districts***

The excess cost charged to sending school districts needs to be deducted at the bottom of the Special Education Expenditure Report form. The sending school districts that actually pay for the excess cost are allowed to claim it as an allowable cost for formula reimbursement. The receiving school district must report the revenue that was received to offset the expense shown at the top part of the form. So if a school district, incurred \$92,020 for speech services that qualified as eligible cost but billed other districts \$11,500 for excess special education cost for speech services, the \$11,500 would need to be reported on the “Excess Costs from other LEA’s” line of the Special Education Expenditure Report.

## IX. Other Special Education Expenditures

The costs incurred other than payroll costs originate from invoices. It is important that the invoices contain the information necessary to clearly document the service being performed or the goods being provided. The information needed for documentation should be provided by the vendor and only the coding and approval should need to be added by the school district or supervisory union paying the invoice. If a vendor does not provide the required information, it is important that the school district or supervisory union work with the vendor to ensure that all of the appropriate information is provided. The school district may want to include their invoicing requirements in their contracts or as an attachment to their purchase orders.

### *A. Basic Invoice Requirements*

All invoices must meet the requirements of a permanent record so anything prepared in pencil is not acceptable. Also the following information needs to be included.

1. Vendor information should clearly show on the invoice. This includes the complete name of the vendor and their contact information. If the invoice is printed on vendor's letterhead or billhead, it should include the vendor's name, mailing address and telephone number. If the invoice is printed on plain paper, the invoice should include all of the vendor's information at the top of the invoice and it should be signed by the vendor or a vendor representative.
2. Invoice date should be clearly indicated after the vendor information.
3. Itemization of services or goods by date of service or delivery date should be included in the body of the invoice. See detail below by type of invoice.
4. Student names if the services relate to specific students.
5. Unit cost needs to be shown for each type of service or goods.
6. Any added costs need to be clearly indicated along with rate if applicable. This may include delivery or miscellaneous fees.
7. Total amount being billed should be clearly indicated at the bottom of the invoice.

**For any costs to be paid from federal funds, the payments need to be coded directly to those funds and the person who acts as grant manager for the federal program should sign off on the invoice.** It is not acceptable to pay the cost from general funds and then transfer the expense using journal entries, as that does not create an audit trail. End of the year adjusting/correcting entries can be done with journal entries but detailed documentation needs to show the specific invoices that are affected by the change in funding source.

### ***B. Requirements for Invoices from Contracted Service Providers***

For invoices for services provided by non-school employees, the itemization for the services needs to contain the elements listed below. **This information needs to be included by the vendor on the invoice provided to the school district.**

1. Description of service provided needs to be indicated. It is important that the description used matches with a service listed on the student's IEP if it is an individual student's IEP service. Also it is important that evaluations are listed as evaluations and not shown as a generic term such as psychological services, as the back-up documentation for the school district is quite different.
2. Dates of service need to be listed on the invoice showing each day that the service was provided. The only exception is when the same service is delivered to the same student for all school days; then the beginning and ending dates of the period can be shown instead of listing every school day in the period. However, it is not acceptable to use a month or quarter as the billing period if the student did not access services for the whole period. In that case, the period needs to reflect the actual beginning and ending date. For example, if a student is receiving tutoring daily but the services are ended on November 15<sup>th</sup>, then the quarterly invoice should state the specific ending date of services – i.e., “October 3, 2011 through November 10<sup>th</sup>, 2011” not “October 1, 2011 through December 31, 2011.”
3. Amount of service provided by date should show on the invoice if the cost is being computed based on the amount of time spent providing services. If the invoice is for services for which a flat rate is charged such as an evaluation, the specific amount of time would not need to be shown on the invoice.
4. Names of students being provided the service by date need to be indicated on the invoice. The only clear indication that the service was provided to specific students is if the vendor provides that information. It is not acceptable for school to add students' names to the invoices as it does not provide a clear audit trail. **Please note that although the students' names need to be redacted (deleted) from the invoice submitted to the school board for payment, a copy of the original invoice with the students' names must be kept in a confidential file for audit purposes.**
5. Billing rate and amount being billed should also show on the invoice. This allows the school district to check that the amount being billed is correctly calculated prior to paying the

bill. If the service has a flat rate such as for an evaluation, the invoice will only have the billed amount.

### ***C. Review of Invoices from Contracted Service Providers***

All invoices need to be reviewed to ensure that all of the required information is contained on the invoice. The invoices for contracted service providers need to be reviewed to determine which, if any, of the costs listed are for special education services. The specific items on the invoice for special education services need to be reviewed to make sure that the specific students being served are listed and that the service is an IEP service or part of a special education evaluation. This means that someone with access to students' IEPs needs to review and approve the invoices.

The costs need to be reviewed to determine if they are appropriately calculated and the coding needs to be assigned depending on whether the costs are for services for preschool or K-12 students. Also prior to approving an invoice there should be verification that the services were actually performed. If any of the costs are budgeted under federal or other grants, then the costs need to be directly coded to the grant account. Any non-special education costs (including services to non-special education students or for services not required by students' IEPs or special education evaluation plans) need to be coded to non-special education sources of funds. Also any special education preschool costs need to be clearly designated as preschool so that those costs can be appropriately reported on the Special Education Expenditure Report as "PreSchool".

### ***D. Travel Reimbursement***

For employee mileage reimbursement, the purpose of the mileage should be described. If all of the travel relates to the same function such as travel between buildings to provide services in different locations, then a general description can be used for the whole mileage claim. If the travel relates to different functions on different days, then the claim needs to state the description for each day.

If the travel is actually for transporting students, then the students being transported needs to be indicated for each date. Transportation must be listed on students' IEPs in order to be considered eligible for special education formula funding.

*E. Requirements for Other Invoices*

All other invoices need to have a clear description of what is being purchased whether it is supplies, equipment, training or mileage reimbursement to name just a few. For equipment or supplies, the invoice needs to show the delivery date. There should also be a purchase order that describes how the items being purchased relate to special education.

It is important that invoices clearly document what is being provided. Each invoice should show how it relates to special education or special education administration. It is acceptable to have purchase orders provide some of the explanation for training expenses or supplies. However, any cost that is eligible only because it is being provided to an individual student in accordance with his/her IEP must include of the name(s) of the specific student(s).

## **X. Staff Documentation Requirements for Federal Funds**

The staff documentation requirements in Sections I – VI above relate to documentation required for staff whose salary and benefits are reported as K-12 eligible cost on the Special Education Expenditure Reports. There are additional requirements for staff charged to federal funds. The department requested that the federal government allow Vermont school districts to use the time studies as staff documentation for IDEA-B grants. The federal government denied the request stating that the time span was not a sufficient size sample on which to base the year. Therefore, school districts need to keep the same documentation for staff charged to IDEA-B funds as to other federal grant funds. **The documentation required for federal grants does not replace the schedules/time studies required to document staff costs for State formula funding.**

The type of federal documentation an employee must complete depends on whether the employee is working “for a single federal award or cost objective” (OMB Circular A-87). If the employee’s time is charged **solely to a federal grant for a single cost objective**, then the staff documentation could be in the form of a Periodic Time Certification. However, if any time is spent on non-special education activities or the employee’s time is split between two or more cost objectives, then he/she must complete Personnel Activity Reports for the period that his/her time is charged to the federal grant. Personnel Activity Reports are also used if the staff person is charged to more than one federal grant or to a federal grant and another source of funds.

### ***A. Who Can Complete Periodic Time Certifications***

If a special education staff member meets one of the two categories below for his/her school year work, he/she can document time through Periodic Time Certifications:

- 1) provide only special education services (no EST/504 time or other non-special education time) and/or special education administration for students ages 3-21 and paid 100% from IDEA-B Basic grant funds with no proportionate share funds or Coordinated, Early Intervening Services. The special education work can include co-teaching as long as it falls under the State definition under VSBE Rule 2360.3.1 and it can include staff providing special education services to a small group of eight or fewer students as long as the majority are receiving the service being provided as an IEP service.

*(However, the time studies or sample schedules done for the Special Education Expenditure Reports should be used to break the cost down between K-12 and Preschool even if charged 100% to an IDEA-B grant.)*

- 2) Provide only EEE services and/or preschool special education administration and paid 100% from either the IDEA-B Basic or IDEA-B PreSchool grant. The PreSchool work is only allowed to be charged 100% to the grant if it is allowable under the guidance on allowable Early Childhood Education Program staff.

If the employee is performing any non-special education work, which includes any time that is only allowable under the Additional 20% Rule, then Periodic Time Certifications can not be used for federal staff documentation. Also if the employee is performing K-12 and EEE services and paid from multiple funding sources (for example, IDEA-B Basic and IDEA-B PreSchool or IDEA-B Basic and state special education formula funding), then the Periodic Time Certifications can not be used. Any employee who is providing special education and related services to students in accordance with a services plan can not document their time through Periodic Time Certifications, as their time performing special education and related services required by the students' services plans must be tracked and billed to the separate grant for proportionate share funds.

*Note: The Department is interpreting federal regulations to mean that services allowed as K-12 eligible cost under the Small Group Rule and special educators providing services through co-teaching would be eligible under IDEA-B.*

### ***B. Instructions for Completing Periodic Time Certification Forms (For Sample, see page 59)***

1. Period Covered – **For staff employed under school year contracts**, the certifications need to be done on a semester basis. In other words, the dates on the certification would be the first and last dates of the semester. For those staff on school year contracts that also perform summer services, the documentation needs to be separate as their work is covered under two separate agreements and the work is often different for the summer and the school year.

**For staff employed on a twelve-month contract**, it is allowable to have two periodic certifications – one for each half of the year that the employee works i.e., one for the period July 1<sup>st</sup> through December 31<sup>st</sup> and one for January 1<sup>st</sup> through June 30<sup>th</sup>.

2. Description of the work performed that falls under the grant award needs to be shown on the certification. Please note that there is a written description of the work being performed on the sample. The wording used can be taken from the wording on the IDEA-B grant budget item that lists the individual staff person's salary. It should indicate the services that the person will be providing and whether the services are for preschool students, K-12 students or both ranges i.e. ages 3-21.
3. Signature – The employee's signature is required on the certification. The supervisor's signature and grant manager's signature are also recommended.
4. Timing for Completion - The certification must be done soon after the period covered by the certification. It can not be done prior to the completion of the period as the employee can not certify what work they will be doing – only the work that they have actually done.

### ***C. Personnel Activity Report Forms (For Samples, see Page 60 and 61)***

All staff charged to federal funds who do not fit the criteria for documenting their time through certifications, must document their time using Personnel Activity Reports. This after-the-fact documentation is required for any period that the staff person's salary and benefits are charged to federal funds. This documentation is required for staff charged to multiple grants or multiple costs objectives under the same grant or a combination of federal and other funds. Please note that proportionate share and coordinated early intervening services are considered separate cost objectives from the other allowable uses of IDEA-B funds and need to be documented as separate functions even though the funding source is the same. This type of documentation is also to be used for any staff providing extended school year services and can also serve as a time report to verify that the employee performed the work.

The Personnel Activity Report “must reflect an after the fact distribution of the actual activity of each employee” and “must account for the total activity for which each employee is compensated” (OMB Circular A-87). The employee needs to record the total amount of time they worked. The time worked needs to be reported by the different functions the employee performs which will include the function that is charged to the federal grant(s).

The Personnel Activity Report “must be prepared at least monthly and must coincide with one or more pay periods, and (d) They must be signed by the employee.” (OMB Circular A-87)

***D. Reconciling Personnel Activity Reports to Accounting Records and Retention***

OBM Circular A-87, 8.h.(5)(e) provides the following guidance on reconciling the accounting records with the Personnel Activity Reports:

- (i) The governmental unit’s system produces reasonable approximation of the activity actually performed;
- (ii) At least quarterly comparisons of actual to budgeted costs are done. Adjustments may be recorded annually if the quarterly comparisons show the difference between budgeted and actual are less than ten percent; and
- (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

The journal entries used to adjust the salary and benefit charges to actual time worked need to have detailed backup showing how the calculation was done.

**Please note it is not acceptable to use end of the year journal entries to transfer costs to federal grants as a general procedure.** The costs need to be charged as they are incurred with end-of-year entries reserved for making final adjustments to keep expenditures within budgeted amounts or to recode expenses that were missed at the time of payment.

***E. Retention of Staff Documentation and Accounting Records for Federal Grants***

The record retention requirement for federal grant documentation is five years.

**PERIODIC TIME CERTIFICATION FOR STAFF**

PAID SOLELY FROM A SINGLE FEDERAL GRANT FOR A SINGLE COST OBJECTIVE

To: Federal Grant File - IDEA-B Basic 4226 Grant  
From: Janice Jackson  
Date: January 14, 2012  
Subject: Certification for Staff Charged to Grant

In accordance with OMB Circular A-87, Attachment B, Section 8 (h) 2, this is to certify that the employee listed below performed the following responsibilities (include an indication of the services provided, students served by grant level and type of plan, if applicable): Special education services for K-12 students per IEPs, related case management and administration, and special education evaluations K-12

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and his/her salary and benefits were charged to the federal grant as indicated below:

Employee: Betty Brown

Employee's Position or Title: Special Educator

Employed:  Full-time

Part-time -  Hours per week

Employer (School District or Supervisory Union): City Elementary School

Period Covered By Certification (Indicate Dates of School Semester for School Year Staff or Semi-Annual Period for Full Year Staff):

Beginning Date: August 29, 2011

Ending Date: January 14, 2012

Federal Grant Charged to: IDEA-B Basic 4226 Flow Through Grant

Account #: 26-211-01-1200-100/1200-200

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**SIGNATURES**

Employee's Signature: Betty Brown Date: Jan. 19, 2012

Supervisor's Signature: Janice Jackson Date: Jan. 20, 2012

Grant's Manager: Michael Manager Date: January 31, 2012

Sample Personnel Activity Report for One Week of School Year Services:

<b>Employee Personnel Activity Report/Time Sheet</b>					
Employee:	Sally Smith				
Position:	Speech/Language Pathologist				
School District:	City School District				
Period Covered:	September 26-30, 2011				
<p>The following shows the <b>hours</b> worked each day for each function and funding source:                      Minutes are shown as decimal equivalents - i.e., 0.5 hours equals 30 minutes; 0.25 - 15 minutes.                      For ESY services, indicate the students served as well as the subject or activity being performed.</p>					
Function, Funding Source & ESY Detail:	Monday	Tuesday	Wednesday	Thursday	Friday
<b>Function and Funding Source:</b> PreSchool Special Ed Speech Services IDEA-B 4226-01 Grant  <b>ESY - indicate Students/Activity/Subject:</b>		2.50		2.50	
<b>Function and Funding Source:</b> Preschool Regular Ed Speech local funds  <b>ESY - indicate Students/Activity/Subject:</b>		2.00		2.00	
<b>Function and Funding Source:</b> K-12 Speech Services Formula Eligible Cost  <b>ESY - indicate Students/Activity/Subject:</b>	6.50	2.00	6.50	2.00	6.50
<b>Function and Funding Source:</b> Services for Parentally-Placed IDEA-B 4226-02 Grant  <b>ESY - indicate Students/Activity/Subject:</b>			1.00		
<b>Total Hours Worked</b>	6.50	6.50	7.50	6.50	6.50
<i>I verify that the above information is a correct representation of the time worked for this period.</i>					
Employee Signature:	<i>Sally Smith</i>			Date:	<i>10/3/2011</i>

Sample Personnel Activity Report for One Week of Summer Services:

<b>Employee Personnel Activity Report/Time Sheet</b>					
Employee:	Sally Smith				
Position:	Speech/Language Pathologist				
School District:	City School District				
Period Covered:	July 11 - 15, 2011				
<p>The following shows the <b>hours</b> worked each day for each function and funding source:                      Minutes are shown as decimal equivalents - i.e., 0.5 hours equals 30 minutes; 0.25 - 15 minutes.                      For ESY services, indicate the students served as well as the subject or activity being performed.</p>					
Function, Funding Source & ESY Detail:	Monday	Tuesday	Wednesday	Thursday	Friday
<b>Function and Funding Source:</b> Speech Services IDEA-B 4226-01 Grant <b>ESY - indicate Students/Activity/Subject:</b> Tim Thompson 1:1 Articulation	1.00		1.00		1.00
<b>Function and Funding Source:</b> Speech Evaluation IDEA-B 4226-01 Grant <b>ESY - indicate Students/Activity/Subject:</b> John Johnson, Jr. Tues. Evaluation & travel time & Thurs - report writing		1.75		1.25	
<b>Function and Funding Source:</b> Speech Services at EEE program IDEA-B 4228-01 Grant <b>ESY - indicate Students/Activity/Subject:</b> Robert Rose, Tessa Tills & Ken Kool Small group speech	1.00	1.00	1.00	1.00	1.00
<b>Function and Funding Source:</b>  <b>ESY - indicate Students/Activity/Subject:</b>					
<b>Total Hours Worked</b>	2.00	2.75	2.00	2.25	2.00
<i>I verify that the above information is a correct representation of the time worked for this period.</i>					
Employee Signature:	<i>Sally Smith</i>			Date:	<i>7/15/2011</i>