

Guidance on Completing the American Recovery and Reinvestment Act (ARRA) Title I Application

May 2010

◆ **Introduction**

The American Recovery and Reinvestment Act of 2009 (ARRA) provided significant new funding for programs under Title I Part A of the Elementary and Secondary Education Act of 1965 (Title I). The purpose of these funds was to help improve teaching and learning for students most at risk of failing to meet state academic achievement standards. These funds created an unprecedented opportunity for educators to implement innovative strategies in Title I schools that improved education for at-risk students and closed the achievement gaps while also stimulating the economy.

◆ **General Information**

○ *Grant Period*

The grant period for spending these Title I ARRA funds is from the date the Title I ARRA Final Financial Report for year one is closed out until September 30, 2011.

○ *Electronic Application URL*

The North Dakota Department of Public Instruction has created a separate electronic application very similar to the existing consolidated application that districts will use to apply for the Title I ARRA funds. The budget revision and/or application can be accessed at <https://secure.apps.state.nd.us/dpi/starsStimulus/Login.aspx>. District and school personnel will use the same user ID and password that you use for the regular consolidated budget revision/application.

○ *Due Date*

Districts will have a window of time to close out year one Title I ARRA funding by completing a Title I ARRA Final Financial Report (SFN 7822). This window extends from May 1, 2010 through September 30, 2010. School personnel need to review the activities in the Title I ARRA application and determine the most opportune time to close out year one and then submit a Title I ARRA Final Financial Report for the funds sometime between May 1, 2010 – September 30, 2010.

The due date for submitting the budget revision/application to access funding through September 30, 2011 is on or before the date that the Title I ARRA Final Financial Report is submitted. Ideally, the budget revision/application should be submitted and close to approval before the Title I ARRA Final Financial Report is processed so that there is an easy, smooth transition into the subsequent year's funding. The final deadline to submit a budget revision/application for ARRA funding through September 30, 2011 is November 1, 2010.

- *Board Approval*
For districts completing a new application for Title I ARRA funding, the Title I ARRA application must be printed out and approved at a school board meeting. The application cannot be submitted without a date indicating when it was approved by the school board.

◆ **Approval Process**

- Each district has been assigned a Title I program staff member to answer Title I questions on the budget revision/application. This list is available at www.dpi.state.nd.us/title1/Legislative/stimulus/conappcontact.pdf on the Title I website.
- Your contact person's phone number and email address are included on the list. When you have your budget revision/application completed, you can email or call your Title I contact person to review it for accuracy. **Please do not press the submit button until your Title I contact person has informed you that your budget revision/application is approvable.**
- In the event that changes need to be made and you have NOT submitted the budget revision/application, district personnel will be able to access the budget revision/application and make the necessary changes. Not submitting until you are very confident there are no unresolved issues is a huge benefit to you.
- In the event that minor changes need to be made to your Title I ARRA budget and you have already pressed the submit button, we will need to have your budget revision/application unsubmitted in order for you to go back in to STARS and make changes. This causes a further delay in the approval process.
- After your Title I contact person has reviewed your Title I ARRA budget revision/application, it will be forwarded on to the Title I director for final approval.
- If changes need to be made, the budget revision/application will be given back to the Title I contact person to work with the district to make the necessary changes for approval.
- If the budget revision/application is approvable, your Title I contact person will instruct you to submit it, and the grant award will be completed and signed.
- Stephanie Gullickson, the department's grant manager, will email a grant award (districts over \$200,000 completing a new application) and final approval letter (all districts) once the state Title I office has approved each budget revision/application.

◆ **Pre Award Approval**

The state Title I office is no longer using the Pre Award approval form. Therefore, it is essential that you have your budget revision/application reviewed by your Title I contact person and have it in approvable form before you close out year one of ARRA. Approvable expenditures that occur after year one is closed out, but before the budget revision/application is officially approved, will be honored. However, if you incur expenditures before your budget revision/application is officially approved, and it is determined in the review process that they are not allowable expenditures, then the district will be responsible for those costs.

◆ **Allowable Uses**

The Title I ARRA funds follow the same rules and regulations as the federal Title I funds. Targeted assistance schools must follow the Title I targeted assistance regulations, schoolwide programs must follow the schoolwide regulations, and Title I private school programs must follow private school regulations. Listed below are links to the USDE regulations, the DPI guidance, and the allowable activities for these program options:

- Guidance Applicable to Both Targeted Assistance and Schoolwide
 - ✓ www.ed.gov/policy/gen/leg/recovery/guidance/title-i.pdf
 - ✓ www.dpi.state.nd.us/title1/springwkshp/expenditures.pdf
- Targeted Assistance
 - ✓ www.dpi.state.nd.us/title1/targeted/index.shtm
 - ✓ www.dpi.state.nd.us/title1/guidance.shtm
- Schoolwide
 - ✓ www.dpi.state.nd.us/title1/schlwide/index.shtm
 - ✓ www.dpi.state.nd.us/title1/guidance.shtm
- Private
 - ✓ www.dpi.state.nd.us/title1/nonpublic/index.shtm
 - ✓ www.dpi.state.nd.us/title1/nonpublic/guidance.pdf

◆ **Recommended Uses**

The following three documents are available on the website and are designed to give school personnel ideas on how to spend the additional Title I ARRA funds.

- Evidence-Based Ideas for Using Additional Title I Funds Under the Economic Stimulus Bill
www.dpi.state.nd.us/title1/Legislative/stimulus/additional_funds.pdf
- Ideas for Submitting an Application for Additional Program Improvement Funding
www.dpi.state.nd.us/title1/progress/ideas.pdf. Even though the ideas on this handout were generated for schools in improvement using program improvement funds, many of the activities are also applicable for Title I programming. Some of the ideas are not allowable for targeted assistance schools, so you still need to make sure that all proposed activities are allowable in your particular program.
- Using ARRA Funds to Drive School Reform and Improvement
www.ed.gov/policy/gen/leg/recovery/guidance/uses.doc. This USDE document was released on April 24, 2009.

◆ **Object Codes**

It is extremely important that the budgets on your local accounting records match those approved and on file in the state Title I office. The state Title I offices uses the North Dakota School District Financial Accounting and Reporting Manual (NDSDFARM) to determine the activities that go under each object code. District and school personnel need to review the following chart to familiarize themselves with the activities listed in each object code.

Object/ ID Code	Example	Object/ ID Code	Example
110	Professional salaries – salaries paid to certified individuals; includes substitute teacher salary.	580	Travel – Expenditures for staff travel, including mileage, airline tickets, taxi fares, meals, lodging.
120	Non-professional salaries – salaries paid to other staff that are not certificated; i.e., paraprofessionals, secretaries, teachers' aides, bus drivers.	600	Materials/Supplies – Expendable items that are consumed, worn out, or deteriorated in use; includes equipment that costs less than \$750, freight, books, school supplies.
200	Employee benefits – payments that are not part of gross salary made on behalf of employee; i.e., insurance, Social Security, retirement, unemployment compensation, Workers Compensation, annual leave, sick leave.	730	Equipment – Includes equipment that costs more than \$750 per item and computers, regardless of the cost.
300	Contracted services – purchased services for which the district has a contract on file. (includes speaker fees and professional development on site).	800	Dues, Memberships, Registration Fees, Subscription Fees, License Fees.
430	Maintenance – repair of equipment.	900	Indirect Costs.

◆ **Reservations**

Some districts were required to reserve funds off the top of their original Title I stimulus application. These funds include:

○ Parent Involvement

If the district's regular Title I allocation and the ARRA Title I allocation together total \$500,000 or more, districts were required to set aside 1% of their Title I allocation for parent involvement.

○ Program Improvement

Schools and districts identified for Title I program improvement were required to set aside 10% of their allocation for professional development.

Since the ARRA budget revision/application to expend Title I stimulus funds through September 30, 2011 is not a new allocation, but rather carryover funds, districts do not need to set aside these funds again for program improvement and professional development. However, if the entire set-aside amounts for program improvement and professional development listed on last year's application were not spent, then the district/school will need to include the unspent amounts on the new budget revision/application for funding.

◆ **Waivers**

When a district or its schools are identified for Title I program improvement, they must set aside a portion of the district's Title I allocation for program improvement related costs. All districts eligible for Title I funding received a one-time supplemental appropriation of Title I funds under the American Recovery and Reinvestment Act (ARRA) last year. The US

Department of Education (USDE) allowed states and districts to apply for a waiver with respect to the Title I ARRA funds. With an approved waiver, a district only had to set aside funds for the program improvement requirements out of their regular Title I allocation, not out of the ARRA stimulus allocation.

The North Dakota Department of Public Instruction submitted a waiver request on behalf of all North Dakota districts that received the Title I ARRA funds. Districts requesting and receiving a waiver must comply with very specific requirements outlined in our waiver approval letter from the USDE.

Districts and schools in improvement recently received an official waiver request form with instructions on how to complete and submit a waiver. This waiver must be submitted and approved before the ARRA Final Financial Report can be processed and approved.

◆ **Teachers – Credentials**

All Title I teachers must have a current and valid Title I credential number.

In a schoolwide program, any teacher that has been assigned the position of providing extra supplemental assistance to students must hold a valid Title I credential.

◆ **Title I Aides**

A Title I program staffed entirely by aides/paraprofessionals is not permitted. A Title I program must include a “highly qualified” Title I teacher to provide services to eligible students.

If a Title I teacher is to hold the caseload for all Title I students and oversee all services provided in a Title I program, then a Title I-paid aide must be under the direct supervision of a Title I-paid teacher in a targeted assistance program. If the Title I teacher is responsible for the lessons and evaluation of Title I students, then there must be clear supervision and communication between the Title I teacher and Title I aide/paraprofessional.

The NCLB Act focuses on using “highly qualified” teachers, especially in the Title I program. Therefore, a quality Title I program is one that employs more FTE time using “high quality” teachers than FTE time using Title I aides/paraprofessionals.

All aides/paraprofessionals listed on the application who work in a program supported with Title I funds must have a Title I paraprofessional certificate number. In a targeted assistance program, working in a program supported with Title I funds refers to those aides/paraprofessionals paid with Title I funds. In a schoolwide program, working in a program supported with Title I funds refers to all instructional aides in the building.

For more information on aides/paraprofessionals, go to www.dpi.state.nd.us/title1/aides.shtm on the Title I website.

◆ **Reporting Requirements**

To prevent fraud and abuse, support the most effective uses of ARRA funds, and accurately measure and track results, recipients must publicly report on how these funds are used. Due to the unprecedented scope and importance of this investment, ARRA funds are subject to additional and more rigorous reporting requirements than normally applies to other grants.

As a reminder, school districts MUST maintain a **separate** budget for this Title I funding source, as there are specific reporting requirements for the Title I ARRA funds. Listed below are the CFDA numbers for each funding stream so that your business manager can record them separately.

- Federal Title I Funds CFDA – 84.010
- Title I ARRA Funds CFDA – 84.389A

Each recipient that receives ARRA funds from a Federal agency must submit a quarterly report to that agency that contains –

- The total amount of recovery funds received from that agency;
- The amount of recovery funds received that were expended or obligated to projects or activities;
- A detailed list of all projects or activities for which recovery funds were expended or obligated; and
- Detailed information on any subcontracts or subgrants awarded by the recipient.

◆ **Budget Revisions**

- The Department of Public Instruction developed an electronic budget revision format that is linked to the electronic federal Title application budgets that school districts submit. This will help school districts submit budget revisions more efficiently and accurately. The application must be approved before budget revisions can be done.
- The department has created guidance/directions for completing a budget revision for federal Title programs. Log on to www.dpi.state.nd.us/resource/STARS/Reports/ConsolidatedBudgetRevision.pdf to access this document.
- All budget revisions must be submitted electronically on the STARS.
- School districts must submit a budget revision, and it must be approved by DPI staff before the revision is implemented by the district.
- Save often! There are “Save” buttons at the top and the bottom of the screen.
- Business managers must take the approved budget revisions they receive from the Title I office and change their accounting ledgers to match the approved budget. Failure to do this will result in an audit exception, which could jeopardize your Title I reimbursement. School districts can amend federal program budgets by board approval during the school year (NDCC 57-15-31.1).
- If you submit a budget revision on the STARS, you must provide a description of why the revision is needed in Section B on the form. Many budget revisions are submitted to the state Title I office with this space blank, causing a delay in the approval process.

◆ **Carryover**

The grant period for spending the Title I ARRA funds is from the date the Title I ARRA Final Financial Report for year one is closed out until September 30, 2011. At that time, districts will need to complete a Title I ARRA Final Financial Report and report the amount of Title I ARRA funds spent through September 30, 2011. Any remaining funds not spent as of September 30, 2011 will need to be returned to the USDE. There is no authority to spend Title I ARRA funds beyond September 30, 2011. Districts may close out their program before September 30, 2010 if all of their Title I ARRA funds have been expended.

◆ **General Title I Fiscal Policies**

- The dates of the reporting period of expenditures on the Request for Funds form should be the actual dates in which expenditures were incurred.
- School personnel should allow a two-week period to process all Title I Requests for Funds, Budget Revisions, and Mid-Year and Final Financial Reports. If there are problems that need to be addressed, a delay can be expected.
- The Title I authorized representative on file, along with the business manager, must sign all Title I financial documents.
- Indirect costs cannot be claimed for reimbursement until the end of the fiscal year. Indirect costs are only paid on actual expenditures minus any dollars spent on equipment and minus the amount of funds remaining on the unobligated line. Indirect costs are figured by adding the amounts listed in object codes 110 through 800 minus equipment object code 730 and any unobligated funds.
- It is imperative that the accounting ledgers kept at the school district's fiscal office match the approved budget on file in the state Title I office. Expenditures reported in column 2 on the Mid-Year and Final Financial Report must match the accounting ledgers at the school district office. Expenditures listed on these reports must be reported on the appropriate object code lines.
- Business managers must take the approved budget revisions they receive from the Title I office and change their accounting ledgers to match the approved budget. Failure to do this will result in an audit exception, which could jeopardize your Title I reimbursement. School districts can amend federal program budgets by board approval (NDCC 57-15-31.1).
- School districts can only provide educators with a stipend during non-work times; otherwise, it is considered double-dipping. A stipend to attend after-hour functions, to work on their own time, or attend events during weekends or summertime is appropriate. Schools cannot provide a stipend if staff is already being paid for their time, for example to attend the Title I Fall Conference.
- Title I funds are paid to school districts on a reimbursement basis.
- School districts cannot claim funds on a line item with no approved budget. If a school district submits a budget on the application with no funds in travel (line item 580) then decides to send a teacher to the Title I Fall Conference, they must submit a budget revision and put funds into the travel object code (580) before the travel to the conference takes

place. If a budget revision is not submitted, you jeopardize not receiving reimbursement for these funds. You cannot claim funds on an object line that did not have funds approved.

- All expenditures must fall within the grant award period listed on the official grant award.

◆ **Additional Resources for Completing the Application**

The following resources are available on the department's website to help you complete the application.

- Help Screens – The department has developed consolidated application help screens to assist school personnel in completing the federal Title Programs Consolidated Application. To access this information, log on to the department's website at www.dpi.state.nd.us/resource/STARS/Reports/ConsolidatedApplication.pdf.
- Title I Contact List – Each year, the state Title I office divides the responsibility for assisting school personnel in entering information on the consolidated application to all program staff. Each staff member provides technical assistance to assigned schools. To find out the name of your district's Title I contact person, please visit the Title I website at www.dpi.state.nd.us/title1/Legislative/stimulus/conappcontact.pdf.
- Print-Ready Forms Available – When completing the consolidated application, assistance is often needed from the Title I teacher or, in the case of a cooperative agreement, the cooperative district needs to provide information on its program. The state Title I office has print-ready forms available for assistance in filling out the consolidated application. To access these documents, please visit the Title I website at www.dpi.state.nd.us/title1/conapp.shtm and refer to the section entitled "Additional Consolidated Application Worksheets for Title I".
- Other Helpful Documents – The department has many other helpful resource documents to provide guidance and answer program questions for you. These include:
 - ✓ Information on Title I Homeless Set-Asides and Addendums
www.dpi.state.nd.us/title1/homeless/require/index.shtm
 - ✓ Information on Title I N&D Set-Asides and Addendums
www.dpi.state.nd.us/title1/neglect/guidance.shtm
 - ✓ Targeting Process
www.dpi.state.nd.us/title1/require/index.shtm
 - ✓ Private School
www.dpi.state.nd.us/title1/nonpublic/index.shtm
 - ✓ Title I Cooperative Agreements
www.dpi.state.nd.us/title1/coopagree.shtm
 - ✓ Title I Fiscal Questions
www.dpi.state.nd.us/title1/resource/fiscal.shtm
 - ✓ Title I Teacher and Coordinator Credentials
www.dpi.state.nd.us/title1/credentials.shtm

- ✓ Policies on Aides/Paraprofessionals
www.dpi.state.nd.us/title1/aides.shtm

Other Helpful Documents (continued)

- ✓ Title I Targeted Assistance Information
www.dpi.state.nd.us/title1/targeted/index.shtm
- ✓ Title I Schoolwide Information
www.dpi.state.nd.us/title1/schlwide/index.shtm
- ✓ Early Childhood Education
www.dpi.state.nd.us/title1/earlychild/index.shtm
- ✓ Title I Extended Day Programs
www.dpi.state.nd.us/title1/resource/aftrschl/index.shtm
- ✓ Title I Targeted Assistance Summer School Guidance
www.dpi.state.nd.us/title1/targeted/index.shtm
- ✓ Title I Targeted Assistance Extended-Day Guidance
www.dpi.state.nd.us/title1/targeted/index.shtm