

**Michigan School Business Officials' (MSBO)
80th Annual Conference
Detroit, Michigan**

**ALLOWABLE COSTS FOR
SPECIAL EDUCATION
(IDEA AND STATE AID)**



Office of Special Education

Allowable Costs Standards

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- Be necessary and reasonable for the performance of the Federal award (2 CFR 200.403)
- Be reasonable in that it does not exceed that which would be incurred by a prudent person (2 CFR 200.404)
- Be allocable to the Federal award or other cost objective (2 CFR 200.405)
 - Prorating costs

Allowable Costs Document

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- State Aid and IDEA Part B, Section 611
 - 2017-18 State Aid Funds
 - 2018-19 IDEA Flowthrough Funds
 - Revised April 2018
 - Locations
 - MDE, OSE Program Finance webpage
 - MEGS+ FY2019 Flowthrough grant application

Updates to Allowable Costs Document

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- Capital Outlay
 - State Aid – Increased from \$1,000 to \$5,000
 - In alignment with IDEA Flowthrough amount and Uniform Guidance under 2 CFR 200.439 (Equipment and other capital expenditures).

Updates to Allowable Costs Document

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- Attachment A (Split Paraprofessional)
 - Memorandum will be updated and sent out via E-Blast. Attachment A will be updated once E-Blast has been sent out.
 - Personal activity report (PAR) for each individual is no longer required.
 - Uniform Guidance under 2 CFR 200.430(i)(5) gives State Educational Agencies (MDE) the flexibility to establish a substitute method of allocating salaries and wages to Federal awards.
 - Districts must have necessary internal controls to account for actual activity for split-funded paraprofessionals.

Allowable Costs Document Overview

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- Instructional Costs
 - Function Code 122
 - Instruction
 - Purchased Services Staff and Non-Staff
 - Capital Outlay
 - Other Expenses
 - Employee Benefits

Allowable Costs Document Overview

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- Support Costs
 - Support Services – Pupil (210s)
 - Support Services – Instructional Staff (220s)
 - Support Services – School Administration (240s)
 - Support Services – Central (280s)
 - Support Services – Other (299)
 - Employee Benefits for Support Services Personnel Only

Allowable Costs Document Overview

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- Miscellaneous Costs
 - Function Code 231 – Board of Education
 - Function Code 261 – Direct Operation and Maintenance
 - Function Code 271 – Pupil Transportation
 - Function Code 331 – Community Activities
 - Function Code 4XX – Payments
 - 431 Payments to Michigan School for the Deaf

Allowable Costs Document Overview

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- IDEA Requirements
 - Function Code 371 – Non Public School Pupils
 - Federal proportionate share requirement
 - Coordinated Early Intervening Services (CEIS) Only
 - Function Codes 111, 112, 113

Contact Information

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- For questions related to Special Education Allowable Costs
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Questions

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- Questions?