

SOUTHWEST WEST CENTRAL SERVICE COOPERATIVE



*Education & Administrative Resources*

# **Spreadsheets, Statutes, and Sanity: Practical Fiscal Monitoring Strategies for New(er) Special Education Directors**

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# Introduction

## Today's Focus:

- Sharing the direction we've moved toward in supporting districts through the special education fiscal monitoring process

## Where We Began:

- This work was shaped by early challenges and lessons learned during a first year in special education leadership
- What began as a difficult experience became an opportunity to rethink systems and supports

## Where We Are Now:

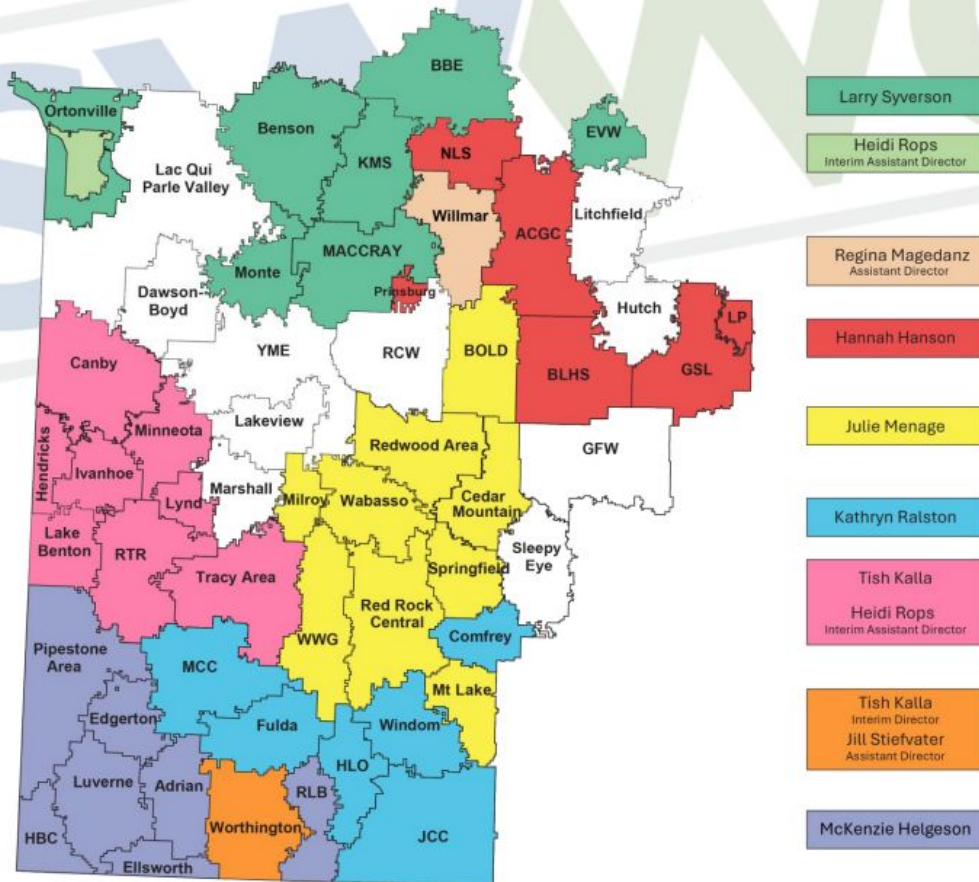
- Developed a structured, supportive model for guiding districts through fiscal monitoring
- Experienced success in increasing district confidence, clarity, and compliance

## Looking Ahead:

- Committed to empowering districts to independently manage fiscal monitoring processes
- Continuing to refine practices that build sustainable, internal capacity

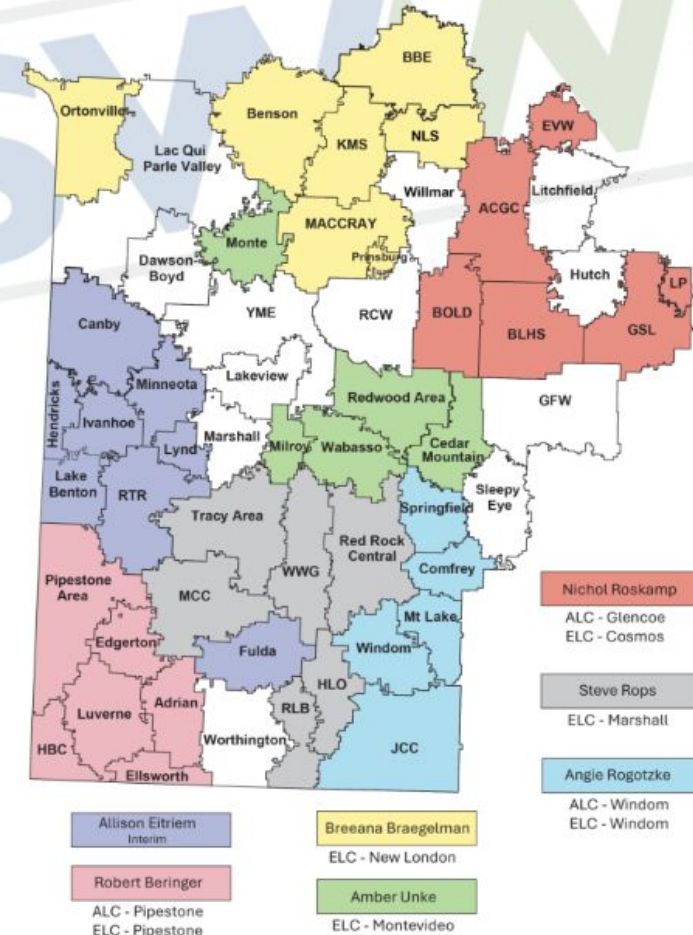
# SWWC Itinerant Director Service Model

## SpEd Administrator Assignments



Jen Kimman: SWWC ELCs and ALCs

## Due Process Specialist Assignments



# Training Development

**7 Areas of Fiscal Monitoring:** Time & Effort, Transportation, Procurement, Equipment, Third Party Reimbursement, Coordinated Early Intervening Services (CEIS) and Proportionate Share

## **Training Model:**

- District teams complete virtual MDE trainings and/or attend fiscal monitoring office hour at their own pace
- One full-day, in-person “make-and-take” work session
- Team-based approach (up to 5 members per district) including admin, finance, and leadership

## **Key Supports & Participation:**

- Collaboration with SWWC business staff, Regional Management Information Center (RMIC), and SpEd leadership (special education directors, due process specialists)
- Targeted expertise for third-party billing and fiscal components

## **Sustainability & Continuous Improvement:**

- Annual review of guiding documents and model forms (occurring in June)
- Cross-functional review team (SpEd, finance, RMIC, leadership) to refine processes and procedures
- Development of an annual fiscal monitoring review checklist, in alignment with the MDE self-reviews

# 7 Areas of Fiscal Monitoring

# Special Education Transportation

Students with disabilities may be entitled to specialized transportation services as part of their Individualized Education Program (IEP).

**Eligibility:** Students with IEPs have the right to receive special education transportation services, which can include travel to and from school, between schools, and use of specialized transportation equipment if needed.

**IEP Specifications:** The IEP must clearly outline the transportation needs of the student, including any accommodations required, such as specialized seating or behavioral support during transportation.

# Transportation Codes

FIN 720, FIN 723, and FIN 728 are finance codes within the Uniform Financial Accounting and Reporting System (UFARS) used to categorize different types of student transportation expenditures. These codes are used for reporting transportation costs to determine state special education aid. \*\*\*MUST BE DOCUMENTED IN THE IEP.

- **FIN 720: Regular to-and-from School** This code is used for the costs associated with standard, daily student transportation services for all pupils, including general education students and some students with disabilities who use regular routes.
- **FIN 723: Transportation of Pupils Attending Special Education Programs** This code specifically tracks transportation costs for students with disabilities whose Individualized Education Programs (IEPs) require special routes or accommodations, such as an aide on the bus. These costs are generally reimbursable through state special education aid.
- **FIN 728: Special Transportation of Selected Pupils** This code is for special transportation provided to specific student populations in unique situations who do not have an IEP, such as students experiencing homelessness, in care & treatment facilities, or with a Section 504 plan. Like FIN 723, these expenditures can also be reimbursable under state special education aid.

# Fiscal Monitoring and Transportation

For fiscal monitoring purposes, you'll want to ensure that:

- The student is identified in MARSS as eligible to receive transportation services and there is a process to match the need in the IEP (Transportation Category 03 (Disabled))
- If your LEA had an increase in expenditures coded to FIN code 723 of 50% or more year over year, you have documented support to justify the increase.
  - Documentation can include items such as IEPs documentation or transportation invoices.

# Procurement

Procurement in special education is the formal, compliant process for purchasing goods and services funded through IDEA and other special education revenue sources.

- Districts must ensure that all purchases—such as contracted related services, assistive technology, curriculum, and specialized equipment—are necessary, allowable, reasonable, and well-documented.
- Procurement procedures must follow state purchasing laws, district policy, and federal Uniform Grant Guidance (UGG), including requirements for quotes, bids, contracts, and board approval when applicable.
- Effective procurement documentation protects the district from audit findings, repayment of funds, and due process vulnerabilities, while ensuring students receive timely and equitable services aligned to their IEPs.

# Fiscal Monitoring & Procurement

For fiscal monitoring purposes, you'll want to ensure that:

- Does your LEA have an established written code of conduct that includes conflict of interests for individuals (not just school board members) involved in the procurement process?
- Does your LEA maintain written procurement procedures that are compliant with federal purchasing requirements?
- Do you maintain records that you verified suspended/debarred status for contractors? Example: Check [www.sam.gov](http://www.sam.gov) to ensure contractors have not been suspended/debarred. Keep a copy of when you verified the status.
- Does your LEA maintain procurement documentation in accordance with your record retention schedule?

# Equipment & Inventory

Equipment is defined as tangible personal property (including information technology systems with a useful life exceeding one year and a per-unit acquisition cost that is the lesser of \$5000 or the capitalization levee set by the non-Federal entity for financial statement purposes.

## **Considerations:**

- Maintain records of ALL equipment purchased with special education funds
- Complete a biennial physical inventory of all equipment purchased with special education funds
- Ensure adequate maintenance and safeguards to prevent loss, damage, or theft of non-consumable items purchased with special education funds
- Demonstrate that items purchased with special education funds are consistently available and used primarily for special education purposes

# Fiscal Monitoring & Equipment

For fiscal monitoring purposes, you'll want to ensure that:

- Your LEA maintains inventory records of equipment purchased with special education funds, per your LEA's procedure.
- A physical inventory was conducted within the last two years.

# Coordinated Early Intervening Services (CEIS)

**Coordinated Early Intervening Services (CEIS)** are services provided to students in kindergarten through grade 12 (with a particular emphasis on students in kindergarten through grade three) who are not currently identified as needing special education or related services, but who need additional academic and behavioral supports to succeed in a general education environment.

IDEA requires states to identify LEAs with "significant disproportionality" in special education based on students identified as needing special education services, placed in more restrictive settings or those disciplined at markedly higher rates than their peers.

- *If* a district has been identified as having "significant disproportionality," 15% of Part B IDEA funds must be set-aside for Mandatory CEIS.
- LEAs *not* in mandatory CEIS *may* use up to 15% of Part B IDEA funds to development and implement what is called Voluntary CEIS.

This area of fiscal monitoring *may not be applicable* to all districts if they do not have a voluntary or involuntary CEIS status.

# CEIS (Continued)

- When setting your preliminary budget, ensure you're planning for the 15% allocation of CEIS funds *if in mandatory CEIS*.
- Ensure that internal staff coded to CEIS are completing and submitting Time & Effort documentation at minimum two times per year.
  - Staff coded to CEIS may include, but is not limited to, the following: Behavior Analysts, School Psychologists, Reading Specialists, Speech Language Pathologists
- Note that if your district is in Mandatory CEIS, or you have submitted a Voluntary CEIS plan, please ensure that the plan is being followed and the appropriate staff & expenditures are coded to CEIS.
- Ensure that you are maintaining CEIS related records in accordance with your district's approved records retention schedule.

# Fiscal Monitoring & CEIS

For fiscal monitoring purposes, you'll want to review & ensure the following if your district is in mandatory CEIS or has submitted a voluntary CEIS application:

- The district spent the required 15% of your Part B allocation for the *previous* fiscal year.
- Are all expenditures coded to CEIS documented in the pre-approved budget plan?
- The district is maintaining CEIS records per their approved records retention policy.

# Third Party Billing

- Third Party Billing is a federal program administered by the state through the Minnesota Department of Human Services.
- Effective July 1, 2000, it has been required that LEAs attempt to submit billable services through Third Party Billing in order to collect dollars for students with IEP services that are health related.
  - This reimbursement option provides valuable dollars for school districts that can only be used for special education.

# Fiscal Monitoring & Third Party Billing

For fiscal monitoring purposes, you'll want to ensure that:

- Your district maintains current enrollment as a Minnesota Health Care Provider (MHCP) and,
- That you maintain Third Party Billing documentation in accordance with your district's records retention policy. This may include, but is not limited to:
  - private insurance denials,
  - IEP related documentation,
  - costs coded to MA,
  - time studies

# Proportionate Share

- LEAs are required to expend the *proportionate share* of federal IDEA funds to provide special education and related services to eligible, parentally placed children with disabilities.
- The formula utilized for Proportionate Share is based on the total number of eligible parentally placed children with disabilities ages 3 through 22 attending private schools (including home schools) located within the LEA boundary in relation to the total number of eligible public and private school children with disabilities ages 3-22 in the LEAs jurisdiction.
- MDE releases a statewide report annually under Minnesota Funding Reports.
- The amount shown on the report for each LEA is the amount that *must* be spent in the *next* school year.
- *If* an LEA has not spent the amount required by the end of the school year, the LEA must carry-over the funds for one additional year.

# Fiscal Monitoring & Proportionate Share

For fiscal monitoring purposes, review and ensure the following:

- There is timely documentation of meaningful consultation with representatives of non-public school(s) within district boundaries.
- The district has maintained records of federal expenditures related to providing special education services to students who have been parentally placed in a non-public or homeschool program.
- The district spends and/or carries-over proportionate share dollars and documentation is available to demonstrate that funds that are carried-over are spent the following fiscal year.

# Proportionate Share

SCHOOL DISTRICT NAME: \_\_\_\_\_

ISD # \_\_\_\_\_

**PROPORTIONATE SHARE DOCUMENTATION FORM  
FOR PRIVATE SCHOOL STUDENTS**

Complete this form on any student attending a private school or who is homeschooled and receives special education services. You must update this form anytime the services change for the student. It is imperative that you make sure the information is accurate and complete as it is used to document for MDE the district's compliance with spending the proportionate share of federal dollars on private school students as required by federal law.

Student Name: \_\_\_\_\_ MARSS ID#: \_\_\_\_\_

Grade: \_\_\_\_\_

Private School: \_\_\_\_\_

SPECIAL EDUCATION AND RELATED SERVICES provided to student:

Statements of Special Education and Related Services	Name of Service Provider	Start Date	Frequency	Minutes per session		Anticipated Duration
				Indirect	Direct	

Route this form to the district business office to determine the dollar amount used to provide the services listed above.

## Proportionate Share for Parentally Placed Students Enrolled in Private Schools

### PROCEDURES

#### Regulatory Citations

Expenditures: IDEA 34 CFR 300.133

- Each LEA must spend an amount the same proportion of the LEA's total subgrant on parentally-placed private school children with disabilities after timely and meaningful consultation.

Procurement: EDGAR 34 CFR 80.20(b),6

- Accounting records must be supported by cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrade award documents, etc.

Use of Personnel: IDEA 34 CFR 300.142

- The LEA may use funds to the extent necessary to provide services to parentally place children with disabilities if those services are not normally provided by the private school.

Property, Equipment, and Supplies: IDEA 34 CFR 300.144

- The LEA may place equipment in a private school for the time needed for the Part B program if it is only used for Part B purposes and can be removed.

Eligible Expenditures: IDEA 34 CFR 300.131

- The LEA may not count any expenditure necessary for child find activities.

Eligible Expenditures: OSERS April 2011 Q&A

- The LEA may not count any expenditure necessary for administrative personnel.

Eligible Expenditures: OMB Circular A-87

- The LEA may not count any expenditure included in the LEA's federal indirect cost rate.

#### Proportionate Share

- Private School consultation forms will be sent to appropriate individuals in spring of the school year by the SWWC Service Cooperative.
- Special education service providers will turn in their Proportionate Share Documentation Forms to the business office in their district.
- The Business Manager will determine the amount of federal dollars allocated to private school students in each district on the MDE Proportionate Share report:
  - <http://education.state.mn.us>
  - Click on Data Center
  - Click on Data Reports and Analytics
  - Scroll down to School Finance and select Minnesota Funding Report (MFR)
  - Select STATEWIDE (9999-99) as the district
  - Choose Special Education for the Category
  - Select the appropriate year
  - Select the Special Education Proportionate share for Parentally Placed Students in

# Time and Effort

Time and effort documentation (also called “personnel activity reports” or PARs) must show how much time each employee actually spent working — on federally funded activities and non-federal activities — so that the portion of their pay charged to the federal grant is justified and must accurately reflect the work performed.

# Fiscal Monitoring & Time and Effort

For fiscal monitoring purposes, review and ensure the following:

- The district is maintaining time and effort documentation for staff paid with state and federal funds.
- Ensure the district has a process to make all necessary payroll adjustments by the end of the fiscal year.
- The district is maintaining time and effort documentation per the approved records retention policy.

# Resources



# Annual Checklist

- Comprehensive
- Practical
- Assigns Shared Responsibility

# Ongoing Support & Next Steps

## What can we do back in the districts to keep the process going?

- Annually review guiding documents and model forms for updates (Spring)
- Establish a cross-functional review team (SpEd, Finance, Superintendent) in each district to refine processes and procedures (Fall)
- Annually complete fiscal monitoring review checklist (aligned with MDE self-reviews) with each district's cross-functional team (Fall or Spring)



# Questions?

**Thank you!**