

Supplemental Education Stabilization Fund (ESF) and Changes in Quarterly Reporting

Q&A from March 11, 2010 Webinar

Supplemental ESF Amounts

Q1. Where can we find these amounts?

Point your browser to:

http://www.emsc.nysed.gov/mgtserv/arra/html/ARRA_Reporting_and_Supplemental_Deficit_Reduction_Assessment_Restoration.html

Eligible Uses

Q2. Do districts have to use the supplemental ESF for creating or saving jobs?

No. The ESF is part of the larger American Recovery and Reinvestment Act (ARRA) so there is an expectation that job creation to further the recovery would occur. However, the same eligible uses for the original ESF are applicable for the supplemental. Thus districts can purchase services and engage in construction and renovation as well with the supplemental ESF.

Project Period

Q3. For what period can we use the supplemental ESF?

For activities from 7-1-09 thru 6-30-10.

Q4. By what date must funds be spent?

Funds must be obligated by 6-30-10 and spent by 9-30-10.

ESF funds must be used in accordance with EDGAR. All encumbrances (or obligations) must be made within the approved funding period of the grant (7/1/09 - 6/30/10). The *Fiscal Guidelines* on the Grants Finance website

(<http://www.oms.nysed.gov/cafeguidance/guidelines.html#general>) provides information on how to determine when the encumbrance is incurred - based on the type of expense. If an expense is not encumbered within the project period it cannot be paid with ESF funds. As with other Federal USDOE funds, all encumbrances must be liquidated/spent within 90 days.

Account Codes

Q5. Does the supplemental ESF need to be separated by expenditure codes?

The State Comptroller has issued guidance directing LEAs to adapt their current financial accounting system, if necessary, to be able to separately identify ARRA funds. A new revenue account code has been created - A4285 - to report the ARRA revenues on the annual financial reporting document, ST-3. ARRA funds received from the Education Stabilization Fund must also be recorded in the General Fund as revenue account code A4285. The Supplemental ESF funds do not need to be accounted for separately from the other 2009-10 ESF funds (appropriated in April 2009).

CCR/DUNS Registration

Q6. How do we renew our CCR?

To be eligible for ARRA funds, LEAs must have a Data Universal Numbering System (DUNS) number and register with Central Contractor Registration (CCR). LEAs allocated a Supplemental ESF amount must take immediate steps to comply with this requirement. Additional information about obtaining a DUNS number and registering with CCR is available at <http://www.oms.nysed.gov/cafe/guidance/dunscrrfaqs.html>. LEAs will not be able to apply online until they have a valid DUNS number and a current CCR registration date.

Payroll certification

Q7. Is payroll certification required for staff hired with ESF?

If 100% of an employee's salary is charged to ESF, it is not required. However, if an employee is paid partly by ESF and partly by other federal grants then a payroll cert. is required.

Drawing Down Funds or Claiming Payment

Q8. When can we begin drawing down the supplemental funds?

Districts need to wait for approval of their application before drawing down funds. Once approved, it will be added to the original ESF allocation and be available for drawdown.

Q9. Will we fill out an FS-10 form?

No. The ARRA Reporting System serves as your application for ESF funds. In order to draw down funds, you will submit an FS-25 form to: NYS Education Department, Grants Finance, Room 510W EB, 89 Washington Avenue, Albany, NY 12234.

There will be no automatic first payment issued upon Department approval of the Education Stabilization Fund application. Payment will not be made for anticipated expenditures.

Therefore, you may enter zero on line 4 of the FS-25. (If line 4 is completed, the amount on that line will not be included in the payment calculation.)

FS-25 claims may be submitted as frequently as monthly, but monthly claiming is not required.

Upon Department approval of an LEA's application for available supplemental funds, the total available for this project will be increased to reflect the sum of the funding from the original and supplemental allocations.

Up to 70% of the total available for this project will be payable prior to April 1, 2010.

Up to 90% of the total available for this project will be reimbursed through the FS-25 process. Information about additional requirements that must be met in order to obtain full reimbursement will be provided as reporting requirements are finalized.

Medicaid/STAC

Q10. Can we bill Medicaid & STAC high-cost students with staff that are funded through the supplemental funds?

Districts can use ESF funds for any allowable IDEA or Title I expenditure provided it is approved in your application. So, yes, you can bill Medicaid and STAC high cost students with staff that are funded with ESF funds.

Vendors

Q11. In the original applications we were to record jobs created/saved by vendors. With the new guidance will these be considered jobs directly created/saved?

If the vendor jobs were created directly with the ARRA funds, then you should count them.

Q12. Who qualifies as a vendor?

A vendor is a supplier of goods and services with whom you contract. For ESF, school districts are a sub-recipient and any entity other than someone employed by or in the district, who carries out activities pursuant to and funded by the ESF and with whom there is a contractual relationship for the provision of goods and services, is a vendor for the purposes of ESF/ARRA implementation.

BOCES

Q13. Can the supplemental ESF be used for BOCES expenditures such as for career tech students and if so, will these amounts be deducted from State aid.

Yes, ESF can be used for BOCES expenditures. No, they will not be deducted from State Aid. They remain eligible for State Aid reimbursement.

Reporting Estimates of Job Created or Saved

Q14. If we cumulatively reported job in December 2009, do we need to amend this report?

No. Although the federal government issued the revised guidance for job counting in December, we did not implement it until the first quarter of 2010. Therefore, the first step in the Supplemental Application process is to review your original allocation amounts, as reported or amended in the third and fourth quarters of 2009 and amend your job estimates or expenditure categories. This will bring your previously reported jobs created or retained into conformance with federal requirements for reporting in the first quarter of 2010.

Q15. If I use the funds to pay for a teacher back to September 1, how do I modify my jobs saved for the first two reporting quarters?

Assuming you are asking how to count jobs using the Supplemental Allocation for previous reporting periods, you will not modify your Original Allocation section, but enter these jobs in the Supplemental Allocation columns. Calculate these supplemental FTE's using the simplified job calculation methodology of hours worked and funded with ARRA divided by available hours of work. This amount will then be combined with the Original Allocation FTEs and shown as the total to be reported on in the Quarterly Report due March 31, 2010.

Q16. Staff being added in the supplemental application obviously were not certified in September. Should we do a retroactive certification for them?

Staff fully funded with ARRA ESF dollars no longer are required to have a payroll certification.