

## Nonregulatory Guidance

### CONSOLIDATED PLANS AND CONSOLIDATED ADMINISTRATIVE FUNDS

[Excerpted from “Questions And Answers On Certain Provisions Of Title XIV Of The Elementary And Secondary Education Act of 1965”]



#### ***Editor's Note***

This guidance on consolidated plans and consolidated administrative funds was issued under the Improving America's Schools Act of 1994. The U.S. Department of Education has not issued new guidance on these subjects under the No Child Left Behind Act of 2001. In the absence of new guidance, much of this original guidance still applies. The editors have deleted the outdated material and have updated statutory and regulatory references for ease of use. Changes from the original guidance are *italicized*.

1997

## CONSOLIDATED PLANS AND CONSOLIDATED ADMINISTRATIVE FUNDS

### Table of Contents

<b>INTRODUCTION</b> .....	G-703
<b>CONSOLIDATED APPLICATIONS</b> .....	G-703
Q.1 What programs may an SEA include in its consolidated State plan?.....	G-703
Q.2 Under what programs may an LEA receive funding based on their inclusion in a consolidated local plan?.....	G-703
Q.3 [Regarding LEA consolidated plans] .....	G-703
Q.4 How are procedures and criteria for submitting consolidated local plans determined?.....	G-703
Q.5 If an SEA or LEA submits a consolidated plan, may it combine funds from the programs included in that plan? .....	G-704
Q.6 What effect does submitting a consolidated application have on an SEA’s or LEA’s responsibility to comply with specific program requirements? .....	G-704
Q.7 How may an SEA allocate funds to an LEA applying under a local consolidated plan: through a single grant award or through a grant award for each program included in the consolidated plan? .....	G-704
<b>CONSOLIDATION OF ADMINISTRATIVE FUNDS</b> .....	G-704
Q.8 How are “administrative funds” defined? .....	G-704
<b>STATE ADMINISTRATIVE FUNDS</b> .....	G-704
Q.9 May an SEA consolidate administrative funds available under Federal education programs?.....	G-704
Q.10 Under what programs may an SEA consolidate Federal administrative funds? .....	G-705
Q.11 Under an identified program, what funds may an SEA consolidate?.....	G-705
Q.12 What funds are included in determining that a majority of an SEA’s resources come from non-Federal sources?.....	G-705
<b>LOCAL ADMINISTRATIVE FUNDS</b> .....	G-705
Q.13 May an LEA consolidate administrative funds available under Federal education programs? .....	G-705
Q.14 Under what programs may an LEA consolidate administrative funds? .....	G-705
Q.15 [Omitted]	
Q.16 For most of the programs that may be consolidated at the local level, there is no specific limitation on the amount that may be used for administration. How are administrative funds determined at the local level?.....	G-705
Q.17 What information must an LEA include in its consolidated grant application if it consolidates administrative funds? .....	G-705
Q.18 If an SEA consolidates administrative funds, may the SEA require its LEAs to do the same or must the SEA allow LEAs to decide whether to consolidate funds?.....	G-705
Q.19 If an SEA does not consolidate administrative funds, may its LEAs consolidate their administrative funds? .....	G-705
<b>GENERAL ISSUES</b> .....	G-706
Q.20 May an SEA or LEA consolidate administrative funds even if it does not submit a consolidated State or local plan? .....	G-706
Q.21 May an SEA or LEA use consolidated administrative funds for purposes other than administering the Federal programs whose funds are consolidated?.....	G-706
Q.22 What recordkeeping requirements apply if an SEA or LEA consolidates administrative funds?.....	G-706
Q.23 Under OMB Circular A-87, Attachment B.8.h, charges for wages and salaries of employees who work on multiple activities or cost objectives must be supported by personnel activity reports or equivalent documentation. May an SEA or LEA consolidate State or local administrative funds along with Federal administrative funds in order to eliminate the need for personnel activity reports for persons paid with both State and Federal funds? .....	G-706

# CONSOLIDATED PLANS AND CONSOLIDATED ADMINISTRATIVE FUNDS

## INTRODUCTION

*[Editor's note: Much of the original Introduction is not relevant to the No Child Left Behind Act and has been deleted.]*

The guidance that follows ... does not impose requirements beyond those in the ESEA and other applicable Federal statutes and regulations. SEAs may wish to consider the guidance in this document in developing their own guidelines and standards. Compliance with the guidance in this document will be deemed by Department officials, including the Inspector General, as compliance with the applicable Federal statutes and regulations, although State and local officials are free to develop alternative approaches that are consistent with applicable Federal statutes and regulations. In other words, this document contains acceptable but not exclusive guidance concerning *Title IX*.

## CONSOLIDATED APPLICATIONS

### Q.1 What programs may an SEA include in its consolidated State plan?

A. A State educational agency (SEA) may include in its consolidated State plan the following programs:\*

### Q.2 Under what programs may an LEA receive funding based on their inclusion in a consolidated local plan?

A. A local educational agency (LEA) receiving funds under more than one of the following covered ESEA programs as listed in section [9101(13) of Title IX] may include those programs in a consolidated local plan [see table, below]:

### Q.3 [Regarding LEA consolidated plans]

A. Under ESEA section 9305, an SEA that has an approved consolidated state plan under section 9302 may require LEAs in the state receiving funds under more than one program included in the state consolidated plan to submit consolidated local plans under those programs, but may not require those agencies to submit separate plans.

### Q.4 How are procedures and criteria for submitting consolidated local plans determined?

A. Through collaboration with LEAs in the State, an SEA establishes procedures and criteria for submitting consolidated local plans. The SEA may require only de-

Program Name	Legislative Citation	CFDA #
Title I Grants to LEAs	ESEA, Title I, Part A	84.010
Even Start	ESEA, Title I, Part B, Subpart 3	84.213
Migrant Education - Basic State Grant Program	ESEA, Title I, Part C	84.011
Neglected, Delinquent, and Dropout Prevention	ESEA, Title I, Part D	84.013
Comprehensive School Reform	ESEA, Title I, Part F	84.332
Teacher and Principal Training and Recruiting Fund	ESEA, Title II, Part A	84.367
Enhancing Education Through Technology	ESEA, Title II, Part D	84.318
English Language Acquisition and Language Enhancement	ESEA, Title III, Part A	84.365
Safe and Drug-Free Schools and Communities - State Grants, except for Governor's Program	ESEA, Title IV, Part A, Subpart 1	84.186
Community Service Grants (no longer funded)	ESEA Title IV, Part A, Subpart 2	
21st Century Community Learning Centers	ESEA Title IV, Part B	84.287
State Grants for Innovative Programs	ESEA, Title V, Part A	84.298
Other programs the Secretary has designated:		
State Assessment Formula Program	ESEA, Title VI, Sec. 6111	84.369
State Assessment Discretionary Program	ESEA, Title VI, Sec. 6112	84.368

*\*This revised list was published in the Federal Register on May 22, 2002, at 67 FR 35967-35980.*

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scriptions, information, assurances, and other material that are essential for considering an LEA's plan. Thus, the SEA may develop criteria for the content of consolidated local plans that substitute for the specific program descriptions and assurances that an LEA would submit if it submitted individual program plans or applications instead of a consolidated plan.

**Q.5 If an SEA or LEA submits a consolidated plan, may it combine funds from the programs included in that plan?**

A. No. Submission of a consolidated plan does not authorize an SEA or LEA to combine program funds (i.e. not account for the funds by program). Program funds must be accounted for separately unless combined in a schoolwide program under section 1114 of Title I of the ESEA, combined in a consolidated administrative fund under section 9201 or 9203 of Title IX of the ESEA, or used for State administration of Title I programs under section 1004 of Title I.

**Q.6 What effect does submitting a consolidated application have on an SEA's or LEA's responsibility to comply with specific program requirements?**

A. Submission of a consolidated plan may reduce the paperwork that needs to be filed in an application but does not alter the obligation of an SEA or an LEA to continue to comply with all requirements of each program included in the consolidated plan, including those requirements that the program statute includes as descriptions or assurances in an individual program plan or application.

**Q.7 How may an SEA allocate funds to an LEA applying under a local consolidated plan: through a single grant award or through a grant award for each program included in the consolidated plan?**

A. An SEA may allocate funds through a single grant award or through separate grant awards for each program included in an LEA's consolidated local plan. However, if the SEA uses a single grant award, the SEA would need to identify the amount that the LEA received from each program. Receipt of a single grant award does not authorize an LEA to combine program funds (i.e. not account for funds by program), ignore program-specific requirements, or alter allocation amounts for specific programs.

**CONSOLIDATION OF ADMINISTRATIVE FUNDS**

**Q.8 How are "administrative funds" defined?**

A. There is no current Federal statutory definition of "administrative funds" that applies to ESEA funds. An SEA and its LEAs should work together, as section 9203 of Title IX anticipates, to devise a reasonable definition to be used for this purpose in the State.

**STATE ADMINISTRATIVE FUNDS**

**Q.9 May an SEA consolidate administrative funds available under Federal education programs?**

A. Yes. An SEA may consolidate the amounts specifically made available for State administration under *ESEA programs* without separately tracking the administrative costs to a particular program if the SEA can demonstrate that the majority of the SEA's resources for administration comes from non-Federal sources (see also 34 CFR 299.4).

This authority is in addition to the authority in section 1004 of Title I that permits an SEA to use funds from Parts A, C, and D for State administration without separately tracking the costs to a specific part of Title I.

**Q.10 Under what programs may an SEA consolidate Federal administrative funds?**

A. Under section 9201 of the ESEA, an SEA may consolidate the amounts specifically made available to it for State administration under the ESEA, as well as such other programs as the Secretary may designate. [Editor's note: The Secretary has not enumerated programs for which fund consolidation would be allowable, but they would **at least** include the programs listed in Q.2, except for Community Service.]

**Q.11 Under an identified program, what funds may an SEA consolidate?**

A. An SEA may consolidate the funds available for State administration under each identified program. For example, under Title I of the ESEA, an SEA may consolidate the funds it reserves under section 1004 for State administration of Parts A, C, and D and the funds it reserves under section 1233(a)(1) for State administration of Part B, Subpart 3. However, the SEA may not consolidate funds it receives or reserves for school improvement under section 1003 because those are not funds available for State administration. Similarly, under Titles II, III, IV, and V of the ESEA, an SEA may consolidate the amounts specifically made available for State administration. However, the SEA may not consolidate any additional amounts under those programs that are authorized to be reserved for State-level programmatic activities and technical assistance.

**Q.12 What funds are included in determining that a majority of an SEA's resources come from non-Federal sources?**

A. Under section 299.4(a) of the Title IX regulations, an SEA may consolidate State administrative funds if the SEA can demonstrate that the majority of the SEA's resources for administrative purposes come from non-Federal sources. The SEA may adopt and use its own reasonable standard for making this determination. State funds used for programmatic purposes (for example, to operate State schools for children with disabilities), however, would not be funds used for administrative purposes, and thus would not contribute to the majority of non-Federal funds needed to satisfy section 299.4(a).

**LOCAL ADMINISTRATIVE FUNDS**

**Q.13 May an LEA consolidate administrative funds available under Federal education programs?**

A. Yes. An LEA, with the approval of its SEA, may consolidate and use for the administration of one or more

ESEA programs funds available to the LEA for administration under those programs in a given fiscal year.

**Q.14 Under what programs may an LEA consolidate administrative funds?**

A. This is determined by the state.

**Q.16 For most of the programs that may be consolidated at the local level, there is no specific limitation on the amount that may be used for administration. How are administrative funds determined at the local level?**

A. Section 9203(b) of Title IX requires an SEA, in collaboration with LEAs in the State, to establish procedures (1) for responding to requests from LEAs to consolidate administrative funds and (2) for establishing limitations on the amount of funds that may be used for administration on a consolidated basis. Thus, an SEA may establish a specific limitation on the amount of funds an LEA may consolidate for local administration. If an SEA does not establish a specific limitation, an LEA may, absent a specific statutory restriction, consolidate from a particular program only those funds that are reasonable and necessary for the proper and efficient administration of that program. An LEA that consolidates administrative funds in a given fiscal year may not use any other funds for administration in that year from the programs included in the consolidation.

**Q.17 What information must an LEA include in its consolidated grant application if it consolidates administrative funds?**

A. The contents of LEA consolidated grant applications are to be determined through collaboration between LEAs in the State and the SEA.

**Q.18 If an SEA consolidates administrative funds, may the SEA require its LEAs to do the same or must the SEA allow LEAs to decide whether to consolidate funds?**

A. Under section 9203 of Title IX, an LEA may consolidate administrative funds with the approval of its SEA. The SEA must develop procedures for responding to requests from LEAs to consolidate administrative funds and those procedures must be developed in collaboration with LEAs. Therefore, the SEA has some discretion in determining whether its LEAs may consolidate administrative funds, but the LEAs also have input into that determination. An SEA, however, may not require its LEAs to consolidate administrative funds.

**Q.19 If an SEA does not consolidate administrative funds, may its LEAs consolidate their administrative funds?**

A. An SEA may allow LEAs to consolidate administrative funds regardless of whether the SEA consolidates its administrative funds.

## GENERAL ISSUES

### **Q.20 May an SEA or LEA consolidate administrative funds even if it does not submit a consolidated State or local plan?**

A. Yes. An LEA needs its SEA's approval, however.

### **Q.21 May an SEA or LEA use consolidated administrative funds for purposes other than administering the Federal programs whose funds are consolidated?**

A. Yes. Of course, the first priority for using consolidated funds must be administering the Federal programs whose funds were consolidated. However, under sections 9201(b) and 9203(d) of Title IX, respectively, an SEA or LEA may also use consolidated funds for administrative activities designed to enhance the effective and coordinated use of funds under the programs whose administrative funds are consolidated, such as:

- coordination of programs whose funds are consolidated with other Federal and non-Federal programs
- establishment and operation of peer-review mechanisms under the ESEA
- the administration of Title IX of the ESEA
- dissemination of information regarding model programs and practices
- technical assistance under programs whose funds may be consolidated

### **Q.22 What recordkeeping requirements apply if an SEA or LEA consolidates administrative funds?**

A. An SEA or LEA must be able to show (1) the amount of administrative funds from each program for each grant year that the agency consolidated for administrative activities; (2) that the amount consolidated from each program does not exceed any statutory or regulatory cap on administrative funds; (3) that funds were obligated within the period of availability; and (4) that the activities for which the funds were used were allowable under section 9201(b) of Title IX.

An SEA or LEA is NOT required to assign specific costs to specific Federal programs. Costs for allowable administrative activities under section 9201(b) may be paid for with any of the administrative funds that were consolidated.

For purposes of reporting Federal dollars, an SEA or LEA that consolidates administrative funds has flexibility in how it attributes the costs of administrative activities to particular grant awards. For example, an SEA or LEA

may attribute costs in proportion to the dollars provided to the fund by each program for each program year. For example, if Title I, Part A contributed 30% of the funds in the consolidated administrative fund and Title II contributed 5% in a given year, the SEA or LEA could attribute 30% of its expenditures of consolidated administrative funds in that year to Title I, Part A and 5% to Title II.

For purposes of time distribution under OMB Circular A-87, Attachment B.8.h, consolidated administrative funds would be considered a single cost objective. Employees who work solely on a single cost objective are not required to prepare personnel activity reports or keep equivalent documentation as described in OMB Circular A-87, Attachment B.8.h(4). Please note that, normally, section 8.h(3) of that attachment would require semi-annual certifications from personnel who work on a single cost objective. However, if a State's or LEA's general standards for payroll documentation meet the criteria in section 8.a, b, and c of that attachment, the SEA or LEA may code the consolidated administrative cost objective as a "dedicated function." Consequently, normal time and attendance processing for personnel working on that cost objective would then be acceptable in lieu of separate semi-annual certifications. [Editor's note: See also, Circular A-133 Compliance Supplement, Part 4, Department of Education, III.B.2, "Documentation of Employee Time and Effort (Consolidated Administrative Funds and Schoolwide Programs)."]

### **Q.23 Under OMB Circular A-87, Attachment B.8.h, charges for wages and salaries of employees who work on multiple activities or cost objectives must be supported by personnel activity reports or equivalent documentation. May an SEA or LEA consolidate State or local administrative funds along with Federal administrative funds in order to eliminate the need for personnel activity reports for persons paid with both State and Federal funds?**

A. Generally, State and local funds may not be consolidated with Federal administrative funds because there would be no way to determine if the Federal funds were being used in accordance with section 9201(b) of Title IX. However, if State and local funds are used only for activities authorized under section 9201(b), those funds may be combined with Federal consolidated administrative funds, and those personnel would not have to keep personnel activity reports or equivalent documentation because they are working solely on one cost objective.

In addition, OMB Circular A-87 itself contains flexibility with respect to personnel activity reports that may be helpful. Under Attachment B.8.h(6), ED, as a cognizant agency, may approve the use of substitute systems for allocating salaries and wages to Federal grants in place of personnel activity reports.

[The next page is Tab G, page 801.]