

Appendix I

Fiscal Information

DEFINITIONS OF BUDGET FUNCTIONS*

Number	FUNCTION
2210	Improvement of Instruction Services - Activities that are designed primarily for assisting instructional staff in planning, developing, and evaluating the instructional process. Included are instructional and curriculum development services and instructional staff training services.
2300	General Administration - Activities concerned with establishing and administering policy in connection with operating the LEA.
2540	Operation and Maintenance of Plant Services - Activities concerned with keeping the physical plant (i.e., grounds, buildings, and equipment) in an effective and safe working condition. This includes activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools or funded agency.
3000	Community Services - Services provided by the LEA for the community as a whole or some segment of the community, such as community recreation programs, civic organization activities, public libraries, programs of custody and child care, welfare services, non-public school student services, and home/school services.
4000	Payments to Other Districts and Governmental Units - Payments to LEAs, generally for tuition, transportation and all other services rendered to pupils residing in the paying LEA. Where a non-operating district pays an operating district for the education of pupils, the non-operating district records such payments here. Flow-through funds - where payment is received by an LEA and a portion is transferred to one or more other LEAs - use object 600. (Expenditures in this function are not counted in state expenditure totals.) -Payments for Regular Programs -Payments for Special Education Programs -Payments to University/College Programs -Payments for Career & Technical Ed Programs -Payments for Community College Programs -Other Payments to Governmental Units
5000	Debt Services: Servicing of the LEA's debts.

DEFINITIONS OF BUDGET OBJECTS*

Number	Object
100	Salaries: Amounts paid to permanent, temporary or substitute employees on the payroll of the LEA. This includes gross salary for personal services rendered while on the payroll of the LEA.
200	Employee Benefits: Amounts paid by the LEA on behalf of employees; these amounts are not included in the gross salary, but are over and above.
300	Purchased Services: Amounts paid for personal services rendered by personnel who are not on the payroll of the LEA and other services that the LEA may purchase. A product may or may not result from the transaction, but the primary reason for the purchase is the service provided in order to obtain the desired results.
400	Supplies and Materials: Amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorated in use or items that lose their identity through fabrication or incorporation into different or more complex units or substances.
500	Capital Outlay: Expenditures for the acquisition of fixed assets or additions to fixed assets.
600	Other Objects: Flow-through funds that one district receives as a part of a specific grant and then transfers to one or more other districts.
700	Non-capitalized Equipment: Items that would be classified as capital assets except that they cost less than the capitalization threshold but more than the \$500 minimum value established for purposes of calculating per capita cost pursuant to Section 18-3 of the School Code [105 ILCS 5/18-3].

* Definitions are from the Illinois Program Accounting Manual.

(For further information, see https://www.isbe.net/Documents/fiscal_procedure_handbk.pdf.)

Supplant – State or federal funds that are received and expended to replace funds the grantee would have expended in the absence of state or federal funds.

Supplement – State or federal funds that are received and expended in addition to funds the grantee would have expended in the absence of state or federal funds.

The Restricted Indirect Cost Allocation Plan is to be used with programs that restrict expenditures to those that “supplement but do not supplant” state or local effort. The Unrestricted Indirect Cost Allocation Plan applies to grant programs that allow state or federal funds to supplement and/or supplant local funds.

The principle of cost allocation for restricted programs applies to Title I, the Individuals with Disabilities Education Act, and any other program that requires assurance that grant funds will be used to supplement but not supplant local funds. The principle of cost allocation for unrestricted programs applies to programs such as the Child Nutrition Program.

Use of the restricted and unrestricted rate is made by applying the appropriate rate to the direct costs for the state or federal program. The use of the restricted rate does not increase the amount of the grant, but reallocates funds among expenditure classifications.

Calculation of the Rate

The Division of School Business Services annually computes a new indirect cost rate for each school district and joint agreement. The rate is computed from the *Financial Data to Assist Indirect Cost Determination*, a supplementary schedule in the *Illinois Local Education Agency Annual Financial Report* (Form ISBE 50-35). Each year these computed indirect cost rates are made available electronically to the respective LEAs. A statewide average indirect cost rate is also determined at this time.

Indirect Cost Rates for Grantees

Depending on the type of grantee approved for grant funds, the following should be used as a guide if the grantee decides to apply the appropriate indirect cost rate as determined by ISBE:

- School districts must use their restricted indirect cost rates.
- Newly organized entities and governmental entities formed by a joint agreement must utilize the statewide average restricted indirect rate.
- School districts that jointly administer a state or federal program must utilize the approved restricted indirect cost rate for the administrative district of the joint program.
- Regional Offices of Education, Intermediate Service Centers, not-for-profit agencies, community/faith-based organizations and other sub-grantees must use the statewide average if they wish to include indirect costs on state or federal grants.
- Per 34 CFR 76.564(c)(2), colleges and universities will be limited to a maximum indirect cost rate of 8 percent or other indirect cost rate calculated by their cognizant federal agency, whichever is less, for all state and federal grants administered by the Illinois State Board of Education.

PREVENTION INITIATIVE (PI) BIRTH TO 3 BUDGET WORKSHEET

Proration: Any prorated costs need to be supported by Cost Allocation Plans (CAP). See the ISBE Fiscal Manual. https://www.isbe.net/Documents/fiscal_procedure_handbk.pdf

	EXPENDITURE ACCOUNTING	SALARIES (Obj. 100's)	EMPLOYEE BENEFITS (Obj. 200's)	PURCHASED SERVICES (Obj. 300's)	SUPPLIES & MATERIALS (Obj. 400's)	CAPITAL OUTLAY (Obj. 500's)	OTHER OBJECTS (Obj. 600's)	NON CAP EQUIP (Obj. 700's)
FUNCTION 2210	Improvement of Instruction Services	<p>Itemize costs. Mental Health Consultant (MHC) (List name, staff title, FTE, salary) Example: Ariel Miller, MHC, .25 FTE, \$25000, CAP available upon request</p>	<p>Itemize costs. Benefits. Health insurance, Medicare, IMRF, FICA Example: A. Miller - Health Insurance \$500, Retirement IMRF \$800. See 2300/200 (employee share)</p>	<p>Itemize Costs. - Staff PD - Workshops/Conferences Registration Fees, Hotel, Meals, Travel/Mileage (IN STATE ONLY/STATE RATE) - Speakers/Consultants for staff PD - Mental Health Consultant (contracted) - Catered food/professional development - Membership dues - Workers Compensation - Unemployment Compensation - <u>Parents as Teachers</u> Model Certified Parent Educator Renewal Fee \$150</p>	<p>Itemize Costs. - Supplies needed for staff professional development workshops, in-services, etc. - Food for professional development (groceries prepared and served by PI program)</p>	<p>Itemize Costs. Equipment & furniture >\$500/unit for staff professional development. (Must be on inventory records.)</p>		<p>Provide Board Approval Date. Non-capitalized</p>
FUNCTION 2300	General Administration (5% Rule - May request up to 10% with ISBE approval.)	<p>Itemize Costs. - Administrators allowable if EC PREK Center ONLY. <u>Approvable:</u> Secretary/Clerical/Support, PI Coordinator (supervisor of supervisors) Salaries at prorated amounts must have a Cost Allocation Plan (CAP). Review rules about Supplanting. (List name, staff title, FTE, salary) Example: Drew Jones, Clerical Support, .5 FTE, \$10,000, CAP available upon request</p>	<p>Itemize Costs. Benefits of Administrators. Benefits - health insurance, Medicare, IMRF, FICA Example: D. Jones - Health Insurance \$100, Retirement IMRF \$300. Applicable for all of Function 200 - The employee share should never be approved. You should never see: State and Federal Taxes.</p>	<p>Itemize Costs. - Prorated Audit Fee (for PI only), - Contracted equipment repair & maintenance (for PI only), must be prorated, must list equipment - Unemployment Compensation - Workers Compensation - Phone Service, Liability Insurance - <u>Baby TALK</u> Implementation Fee (\$2000) - <u>Parents as Teachers Affiliate Fee</u> (\$1650) - <u>Healthy Families America</u> Affiliate Fee - <u>Healthy Families America</u> Peer Review Fee (depends on size of program)</p>	<p>Itemize Costs. Office supplies for administration of program. (paper, pens, copier ink, etc.)</p>	<p>Itemize Costs. Equipment & furniture >\$500/unit for administration of the program. (Must be on inventory records.)</p>		<p>equipment - items that would be classified as capital assets except they cost less than the capitalization threshold, but more than the \$500 minimum value established for purposes of calculating per capita cost, threshold amount. Provide documentation of adoption-approval by the School Board.</p>
FUNCTION 2540	Operation & Maintenance of Plant Services	<p>Itemize Costs. Prorated Janitor salary, activities concerned with keeping the PI area operative. (List name, staff title, FTE, salary) Example: Jade Smith, Janitor, .25 FTE, \$5000, CAP available upon request</p>	<p>Itemize Costs. Janitor benefits. Benefits - health insurance, Medicare, IMRF, FICA Example: J. Smith - Health Insurance \$100, Retirement IMRF \$300. See 2300/200 (employee share)</p>	<p>Itemize Costs. - Contractual custodial services, equipment maintenance and repair (prorated) - Unemployment Compensation - Worker's Compensation - (Prorated) phone & water/sewer services, Liability insurance - Rent (if approvable). The district/program cannot already own the space.</p>	<p>Itemize Items/Costs. - Cleaning supplies (prorated) - Electricity service- utilities (prorated) - Mulch, pea gravel, wood chips, fencing, bollard (if approvable)</p>	<p>Itemize Costs. Equipment & furniture >\$500/unit for operation and maintenance. (Must be on inventory records.)</p>		
FUNCTION 3000	Community Services	<p>Itemize Costs. Supervisor of direct service providers - home visitors, teachers, and other PI staff that are direct service providers. (List name, staff title, FTE, salary) Example: Madison Welch, Home Visitor, 1FTE, \$35000</p>	<p>Itemize Costs. Benefits of Supervisor of direct service staff & direct service staff. Benefits - health insurance, Medicare, IMRF, FICA Example: M. Welch - FICA 300, Health Insurance \$1500, Retirement IMRF \$3000. See 2300/200 (employee share)</p>	<p>Itemize Costs. - Speakers/Consultants for parent education, screenings, etc. - Travel/Mileage (home visits, community collaborations, etc.) * Mileage-reimbursable at state rate - Cell service for direct service staff (DSS) and supervisors of DSS - Contractual Transportation (e.g., bus, cab company) - Catered food/parent meetings - Postage Machine - postage for communication with families - Baby Tech, Penelope, Visit Tracker, etc. - Unemployment Compensation - Workers Compensation</p>	<p>Itemize Costs. - Lending library materials - Food/parent meetings (groceries prepared and served by PI program) - Ink cartridges and supplies related to parent communication & education - Curricula supplies/materials for parents and children - Equipment <\$500/unit. (furniture and equipment must be on inventory records) - Purchase of postage stamps for communication with families</p>	<p>Describe & Itemize Each Capital Outlay Item. Equipment & furniture >\$500/unit for the program Parent Education component. Example: 1 computer for home visitor (data entry and parent education only) \$600 (Must be on inventory records.)</p>		
FUNCTION 4000	Payments to Other Governmental Units (Funds just passing through)			<p>Purchased Services ONLY - not flow through. Purchased services must benefit the students/clients of the fiscal agent, not the subcontractor. INCLUDE governmental agency being paid.</p>			<p>Flow through funds to another governmental entity/district to provide program/program services. INCLUDE governmental agency being paid.</p>	
F 5000	Debt Services						<p>ROE/LEA (Interest paid on loans)</p>	