



THE NEW YORK CITY DEPARTMENT OF EDUCATION
JOEL I. KLEIN, *Chancellor*

DIVISION OF FINANCIAL OPERATIONS
Office of Fiscal Affairs
Bureau of Contract Aid

MEMORANDUM

December 2006

To: Directors of Approved Special Education Programs (ASEPs)

From: Christopher McKay, Director

SUBJECT: Notice of Allocation of the FY 2007 IDEA Flow through Grant

The purpose of this memorandum is to provide you with information and instructions that need to be followed in order for your program to receive 2006–2007 federal flow-through funds from the Individuals with Disabilities Education Improvement Act of 2004 (IDEA) Part B, Section 611(a) (2) (A) (Public Law 108-446), ages 3-21 and Section 619(c) (Public Law 108-446), ages 3-5.

The 2006-2007 fiscal year represents the first year in the implementation of a reauthorized policy wherein federal IDEA funds are appropriated to the States that in turn entrust Local Education Agencies (LEA) with the responsibility to sub allocate said funds to Approved Special Education Providers (ASEP). New York State Education Department (SED) thus appropriates the IDEA funds to the New York City Department of Education (NYCDOE) for sub-allocation and the NYCDOE via its Office of Payables Administration at the Bureau of Contract Aid ensures the smooth flow of the funds to the ASEPs. NYCDOE, in addition, has the statutory responsibility of insuring the integrity, accountability, and transparency of the process. This memorandum addresses these issues in the following items:

- A. The Letter of Agreement between the ASEPs and BOE.
- B. The Notice of the IDEA Grant Allocation for the fiscal year 2006 –2007.
- C. The Program Narrative for the 2006-2007 Grant Year.
- D. The Proposed Budget for the 2006-2007 Grant Year and the ASEP-10 Form.
- E. The Anticipated Flow of Payments for the fiscal year 2006-2007 grant and the ASEP-25 Form.
- F. Amendments to the Approved Budget and the ASEP 10-A Form.
- G. The Final Expenditure Report for the Grant Year and the ASEP 10-F Form.

A. The 2006-2009 Letter of Agreement

This **Letter of Agreement** between the Department of Education and the ASEPs is the legal instrument that enables the NYCDOE to release public funds to privately operated programs. It is required by SED in order to proceed with the sub-allocation process. A copy of the agreement is currently posted on the NYCDOE web site. On the web site, the document is entitled “Letter of Agreement 2006-2009” and the web page can be accessed via the following link:

<http://schools.nyc.gov/Offices/DFO/FiscalAffairs/AccountingandSystemsDevelopment/IDEAGrant/Default.htm>

Please note: IDEA funds will not flow to any ASEP without an executed Letter of Agreement. Furthermore, ASEPs that are subsidiaries of “umbrella” corporations must have the “umbrella” corporation complete the Letter of Agreement.

B. Notice of IDEA Grant Allocation.

The IDEA allocation for the fiscal year 2006–2007 is currently posted on the IDEA page of the NYCDOE web site. ASEP administrators should visit the link below to retrieve individual allocations:

<http://schools.nyc.gov/Offices/DFO/FiscalAffairs/AccountingandSystemsDevelopment/IDEAGrant/Default.htm>

IDEA funds allocated to each ASEP were calculated using the following variables:

1. The verified number of eligible Section 611 pupils (as of December 1, 2005) as reported on the SEDCAR 1 form, multiplied by the approved per capita rate;
2. The verified number of eligible Section 619 pupils (as of December 1, 2005) as reported on the SEDCAR 1 form, multiplied by the approved per capita rate;
3. Carryovers (if any) from the fiscal year 2004-2005 grant year as computed by the IDEA Unit and already provided to each ASEP for verification in the individual letter dated May 2006, that confirmed their SEDCAR count.

The current year grant allocation is thus the product of the per capita award multiplied by the number of eligible pupils plus carryovers from prior years where applicable.

Carryovers are funds that were identified as unspent in the fiscal year in which they were initially allocated. The payment of carryovers to ASEPs is made pursuant to procedures established by the NYCDOE in accordance with Chapter 254 of the Laws of 2000. **Conversely, ASEP’s that received IDEA funds that exceeded their reported 2005 expenditures are required to return the excess payments to the NYCDOE by February 28, 2007 or that excess will be recouped during the fiscal year.** These overpayments are not posted on the website; however, each ASEP in that situation was notified by letter.

C. The Program Narrative.

ASEPs expecting to receive proceeds of the federal IDEA grant are required to submit to the NYCDOE a program narrative that describes how they intend to use these funds. ASEPs are reminded that IDEA funds are supplemental funds intended to enhance their ability to improve the educational results of students with disabilities. Therefore in accepting IDEA funds, ASEP's are expected to strive to meet the following two objectives:

1. Students with disabilities will receive special education services that enable them to meet high educational standards. This also implies students' improved participation and performance in State Assessments programs, as well as an increase of the number of students earning high school diplomas and a decrease in the number of school dropouts.
2. Students with disabilities receiving special education services will be integrated with their non-disabled peers throughout their educational experience. This also implies an increase in the number of preschoolers that receive special education in natural settings and in integrated programs. Additionally, the objective is an increase in the number of students participating in workforce preparation programs as well as an improved declassification of students with disabilities, where appropriate, and their return to supportive general education programs on a full time basis.

In this framework, the program narrative to be submitted to NYCDOE should demonstrate that IDEA funds will be used to:

- Accommodate disabilities that interfere with a student's educational progress.
- Support efforts to decertify students from special education.
- Provide supplemental aides and/or services to maintain students' educational progress.
- Enhance parent's understanding and nature of their child's disability; encourage parent's full participation in the educational process.

A narrative form entitled "Sub allocation Program Narrative" is available for retrieval at:

<http://schools.nyc.gov/Offices/DFO/FiscalAffairs/AccountingandSystemsDevelopment/IDEAGrant/Default.htm>

When complete, it should be submitted to the IDEA Unit as soon as possible. There should also be a separate narrative for each section of the grant.

Compliance with the requirement to submit program narratives to the NYCDOE is mandatory and the IDEA unit will not initiate disbursements of IDEA funds in the absence of approved narratives. The NYCDOE IDEA unit will review all submitted narratives to ensure adherence to the goals and objectives of the Individuals with Disabilities Education Act. Where it is deemed necessary revision of the document may be requested.

D. The Proposed Budget for the 06-07 Grant Year (ASEP-10 - Form)

In addition to the program narrative, ASEPs expecting to receive IDEA 611 and 619 funds are required to complete and submit to the NYCDOE, proposed budgets that indicate how they plan to spend their allocations. Proposed budgets should apply financial resources in a manner that permit the attainment of the objectives presented in program narratives. Proposed Budgets for the 06-07 Grant Year should be prepared on the ASEP-10 Form which can be retrieved at the web location:

<http://schools.nyc.gov/Offices/DFO/FiscalAffairs/AccountingandSystemsDevelopment/IDEAGrant/Default.htm>

Completed ASEP-10 forms, signed by the ASEP's Chief Administrative Officer, must be submitted to the NYCDOE IDEA Unit at the address listed at the conclusion of this memorandum. **IDEA funds will not be disbursed where an ASEP-10 form and a program narrative are absent or unapproved. Please ensure that all IDEA related documents, submitted to the NYCDOE, are delivered in a manner that requires a signature upon receipt at the NYCDOE.**

In developing proposed budgets, ASEP administrators should be mindful of the following:

- As per the State Education Department's August 2005 notification, the starting date of all IDEA Projects for the current Fiscal Year was September 1, 2006. ASEPs may opt for 10 or 12 months projects, and all projects should end on June 30th or August 31, 2007. **The August 31 end of project option should be clearly noted on the ASEP-10 Form.**
- ASEPs should plan to spend their allocation pursuant only to the provisions of the Individuals with Education Improvement Act of 2004, Public Law 108-446.
- Projected expenditures on the ASEP-10 Form(s) must be consistent with the program narrative. Accuracy of computations is expected and the 2006-2007 indirect cost rate approved by SED is **3.1 %**.
- Separate ASEP-10 forms must be completed for Section 611 and Section 619 services.
- The 2006-2007 IDEA allocation flowed through New York City is designed exclusively for pupils that are New York City residents. **The inclusion in the proposed NYC IDEA budget of amounts from school districts other than NYC is unacceptable.**
- ASEPs eligible for 04-05 carry-overs should include those amounts in their total 06-07 proposed budgets (per FY07 allocation posted on the web). Do not prepare a separate budget for carryover amounts.
- As they submit their ASEP 10 Forms, ASEPs that received payments in excess of their reported 2004-2005 expenditures (as derived from their 04-05 final expenditure reports) should issue a check payable to the NYC Department of Education to reimburse the overpayment. This must be completed no later than 2/28/2007. **In the absence of a reimbursement check by that date, the overpayment will be recouped from the current year allocation.**

The NYCDOE will review all proposed budgets to determine their compliance with IDEA provisions and consistency between the program narrative and the proposed plan of expenditures. Changes may be requested prior to approval.

Upon approval of the Program Narrative and the Proposed Budget the NYCDOE will automatically initiate the payment process based upon the schedule and in the proportions described below.

ASEPs are expected to spend the entire grant allocation during the fiscal year in which it is awarded. If allocations are fixed; budgets are flexible. They can be amended. Amendments will be accepted for review and approval at any time during the fiscal year up to May 31, 2007. Further instructions on budget amendments are provided in a separate section below.

E. The anticipated Flow of Payments of the 06-07 IDEA Grant and the ASEP-25 Form.

Chapter 6 of NY State Laws of 2000 requires that NYCDOE, as an LEA, disburses IDEA funds to eligible ASEPs in the same proportion that it receives reimbursements from SED. This results in a payment schedule that NYCDOE adheres to, and that in turn it transfers to all eligible ASEPs. Providing that resources are available and required reports from the ASEPs are submitted and approved, the NYCDOE will promptly process IDEA grant payments.

To achieve a smooth and timely flow of payments, ASEPs should follow the schedule on the appended calendar and submit accurate documentation timely.

**1. First Payment of the 06-07 Award; Documentation:
ASEP-10 and Program Narrative**

The first payment of the FY-07 IDEA grant will be issued automatically upon the approval of the program narrative and the budget. In preparing their proposed budgets, ASEPs should strive to use all their allocated resources to reach the IDEA objectives. Allocated resources are the sum of the FY-07 grant award for each section plus the carryover where applicable. Periodic proportional payments, however, are calculated on the basis of the award and proposed budget, not the sum of the award plus the carryover. The first payment is limited to 20% of FY-07 award. Consequently, for an ASEP whose proposed budget is less than its full allocation, the first award payment will be calculated on the basis of the proposed budget minus the full value of the carryover.

Payment of the Carryovers.

Providing the availability of funds, the NYCDOE will pay FY 04-05 carryovers in full, to ASEPs that are compliant with the submission of the program narratives and the budgets.

Carryovers will not be paid if:

- a. They are less than \$50.00 or
- b. The ASEP did not submit a SEDCAR form to the IDEA unit at NYC DOE, on March 1, 2006 as required.

2. **Second and Third Payments of the FY 06-07 Award Documentation required: ASEP-25.**

The second and third payments of the FY-07 IDEA grant will be processed upon the approval of a request for cash timely submitted on an ASEP-25 form. Requests will be reviewed to confirm that ASEPs have received the IDEA funds disbursed by the NYCDOE, and to assure that ASEPs are expending those receipts in meeting the objectives set in their program narratives. These payments will not exceed 25% of the award. An ASEP-25 form is required for each Section of the grant.

Second Payment: Up to 25% of the 07 Grant Award based upon the receipt and approval of an ASEP-25, **no later than March 14, 2007**. The submission period of the ASEP-25 for the Second Payment starts on February 15, 2007 and ends on March 14, 2007. The reporting spending period is September 1, 2006 to February 14, 2007.

Third Payment: Up to 25% of the 07 Award based upon the receipt and approval of an ASEP-25, **no later than May 21, 2007**. The submission period of the ASEP-25 for the Third Payment starts on April 22, 2007 and ends May 21, 2007. The reporting spending period is September 1, 2006 to April 21, 2007.

The ASEP 25 form is a request for additional payment. Regardless of their need for cash, however, all ASEPs are required to submit ASEP-25 forms by the date scheduled on the appended calendar. The ASEP-25 enables the ASEPs and NYCDOE to track the progress in the sub allocation process of the IDEA grant. As such, it serves as a tool for accountability. An updated ASEP-25 is available on the web page.

To complete ASEP 25 forms please follow the instructions below.

- Fill the top portion with the identification information requested.
- (Line a) Enter the approved budget. This information is available on the ASEP10 or the ASEP10-A if the budget was amended.
- (Line b) Report the amount of IDEA funds received to date. This amount will be equivalent to the sum of the carryover, the first and second payments, as applicable.
- (Line c) Report actual cash expenditures incurred by the ASEP from September 1, 2006 to February 14, 2007; September 1, 2006 to April 21, 2007; as applicable.
- (Line d) State the cash outlay anticipated for the next period, either from February 15, 2007 to April 21, 2007 or from April 22, 2007 to June or August 2007, as applicable.
- (Line e) The amount requested as additional payment should not exceed 25% of the grant award.
- Complete the Chief Administrator's certification portion of the form and date. The DOE will initiate payments only upon receipt of documents that bear the original signature of the Chief Administrator in ink.
- Mail the original to the address provided at the conclusion of this memorandum.

F. Amendments to the Approved Budget. Form required: ASEP-10A.

Amendments are changes to a budget subtotal (professional salaries, purchased services, travel, etc.) of more than 10 percent of the base allocation or \$1,000; whichever is greater. Amendments to the budget should not attempt to change the value of the allocation. That remains fixed. Pursuant to these criteria, if an ASEP finds it necessary to amend its budget, it must request approval on ASEP-10A form any time during the grant year before May 31, 2007. After the fact requests - i.e. at the submission of the final report- are strongly discouraged.

Appropriate ASEP 10A forms must be used. They can be retrieved from the web site. When complete, ASEP 10-A forms bearing the original signature in ink of the ASEP's Chief Administrative Officer should be mailed to the NYCDOE in a manner that requires signature upon receipt. Please note that one ASEP-10A form must be prepared and submitted each time an ASEP requests an amendment and one for each section of the grant.

G. The Final Expenditure Report for the 06-07 IDEA Grant. (ASEP 10-F Form Required). To be submitted no later than September 4, 2007.

At the end of the fiscal year, ASEPs are required to submit a final expenditure report to the NYCDOE on an ASEP-10F form. This report documents the expenses incurred in the categories outlined the budget in support of the IDEA objectives described in the narrative. The ASEP-10F form can be retrieved from the web site. It should be completed and should bear the original signature in ink of the ASEP's Chief Administrative Officer. It should also be submitted in a manner that requires signature upon receipt at the NYCDOE no later than the close-of-business on September 4, 2007 and at the address provided at the end of this document.

The submission period for the ASEP-10F begins on July 1, 2007 and ends on September 4, 2007. Final Payments will be processed as promptly as possible. **Appropriate measures must be taken at the NYC DOE in order to process final payments for expenses incurred beyond NYC fiscal year. Failure to submit your ASEP 10F to the NYCDOE in a timely manner may cause of extensive delays in processing final payments and forthcoming carryovers.**

The ASEP-10F, like the budget, should only report expenditures associated with the education of children that are New York City residents. These expenditures should also be consistent with the objectives of the Individuals with Disabilities Education Act as expressed in the program narrative, financed in the budget, and any approved amendments. A separate ASEP-10F form should be completed for each section of the Grant.

Upon receipt of an ASEP 10-F, the NYCDOE, will first verify its accuracy. It will compare reported expenditure with those in the approved budget (ASEP-10) for variances exceeding 10% that were not amended. This is done to ascertain that funds were expended as proposed. Upon approval of the final report, the NYCDOE will issue the final payment for the fiscal year 2006-2007 IDEA Grant.

The final payment will be in an amount corresponding with the difference between the reported expenditures and the total disbursed to date, up to the limits of the allocation. Unspent

funds by the ASEP that were not disbursed by NYCDOE will be carried over to be paid during the fiscal year 2008– 2009. Funds disbursed to ASEPs that exceed the expenditures as reported on the ASEP 10F are overpayments that will need to be paid back.

As soon as the NYCDOE identifies carryovers and overpayments, it will notify each ASEP of the condition and will act on them at the appropriate time.

Important Notice: ASEPS MUST USE NYC FORMS ONLY, NOT SED FORMS. The NYC forms are available on the web page.

The NYCDOE will strictly monitor and will enforce the paperwork submission requirements outlined in this memorandum. All ASEPs are required to submit all the documents described above, on a timely basis, to report the level of their actual and their anticipated expenditures. The NYCDOE will not issue grant payments in the absence of appropriate original paperwork. Documents submitted to the NYCDOE must be delivered in a manner that requires signature upon receipt.

Questions regarding the procedures described above or concerns relating to the submission of any of the required documentation should be addressed to Mr. Christopher McKay or Ms. Katherine Quinones at (718) 935 –5426 or via email Kquinon@schools.nyc.gov

Mailing Address

All forms must be mailed in a manner that requires signature upon receipt at the NYCDOE to the following address:

<p style="text-align: center;">New York City Department of Education Division of Financial Operations The Bureau of Contract Aid, IDEA Unit 65 Court Street, Room 1503 Brooklyn, NY 11201 Attention: Ms. Katherine Quinones</p>
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SEDCAR-1 Deadline: No later than March 1, 2007.

For the program year 2007-2008, ASEPs required to submit their SEDCAR-1 form to the NYCDOE for Sections 611 and 619 should do so as soon as they receive PD 1 from the NYCDOE.

ASEPs that do not meet the deadline may not be eligible to receive IDEA sub-allocation funds for the 2007-2008 program year.

- C: Sam Mehta
- Vincent A. Giordano
- John Wall
- Maria Conklin
- Richard Carlo
- Scott Matlock
- Brenda Antoine
- Sally Mc Kay
- Brigitte Fields

Appendix

NYCDOE CALENDAR OF PAYMENTS AND DOCUMENT SUBMISSION DEADLINES 2006–2007 IDEA Grant 611 & 619 (Please Post for Future Reference)

Payment Number	Required Document	Submit To NYCDOE No later than	Description	Spending Period Covered	Value of Payment
N/A	Letter of Agreement	ASAP	Grant Periods FY06–FY09	2006–2009	N/A
1	ASEP 10	ASAP	Budget	Sept. 1, 2006 June 30, 2007 for 10 month projects Or Aug.31,2007 for 12 month	20%
Payment C	N/A	N/A	Prior year Carryover	N/A	100%
2	ASEP–25	March 14, 2007	Receipts February 14, 2007	Expenses Sept. 1, to February 14, 2007	Not to exceed 25% of Award
3	ASEP–25	May 21, 2007	Receipts April 21, 2007	Expenses Sept. 1, to April 21, 2007	Not to exceed 25% of Award
N/A	ASEP 10–A	May 31, 2007	Amendments to ASEP 10	N/A	N/A
Payment F	ASEP 10–F	September 4, 2007	Final Expenditure Report	Expenses 9/1/06 to 6/30/07 or 8/31/07	Balance Due

2007 SEDCAR-1 Form Submission Period ends March 01, 2007