



ARIZONA DEPARTMENT OF
EDUCATION

Allowable Costs for IDEA Entitlement Grants

Expenditure Guidelines for IDEA Funds
(Revised May 6 2026)

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Determining Excess Cost

For a particular cost to be allowed, it must be an excess cost of providing special education and related services. Only allowed costs may be charged to the IDEA Basic (611) or IDEA Preschool (619) entitlement grants.

Determining Excess Cost

When determining whether a cost is an excess cost, ask yourself the following guiding questions:

1. In the absence of special education needs, would this cost exist?
If the answer is...
 - No, then the cost is an excess cost and may be eligible.
 - Yes, then the cost is not an excess cost and is not allowed.
2. Is this cost also generated by students without disabilities?
If the answer is...
 - No, then the cost is an excess cost and may be eligible.
 - Yes, then the cost is not an excess cost and is not allowed.
3. If it is a child specific service, is the service documented in the student's IEP?
If the answer is...
 - Yes, then the cost is an excess cost and may be eligible.
 - No, then the cost is not an excess cost and is not allowed.

For a particular cost to be allowed, it also must be necessary and reasonable for proper and efficient performance and administration of the grant. A cost is reasonable if it does not exceed what a district would normally incur in the absence of federal funds. Additional guidance about standards for determining costs for federal grants is available from Office of Management and Budget (OMB) Uniform Grants Guidance (2 CFR, Part 200).

The salaries and wages of any employee charged to a Federal grant, including IDEA, must be supported by some form of time and effort documentation that accurately reflects the work performed and supports the amount claimed against the grant. "Standards for Documentation of Personnel Expenses" are set forth by the Office of Management and Budget (2 CFR § 200.430(i)).

Allowable, Allowed with Special Requirements Line Items

The chart below is a list of budget items for IDEA Part B Section 611 – Subgrants to LEAs and Section 619 – Preschool Subgrants to LEAs. The list consists of allowable items that have prompted additional discussion or guidance. If an item is not listed, it still may be allowed. Contact ESS Program Management for allowable costs for Coordinate Early Intervening Services (CEIS).

Always Allowed & Allowed, But Special Requirements or Additional Information Required

 Always Allowed  Allowed, but Special Requirements or Additional Information Required		
	Budget Item	Special Requirements or Additional Information Needed
	ADAPTIVE EDUCATION: Salary and fringe benefits.	
	ADVERTISING: Costs associated with advertising in media such as newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals.	Allowed for IDEA-related recruitment of personnel, procurement of goods and services, child find activities, and other specific purposes necessary to meet the requirements of the IDEA grant.
	AIDES: Salaries and fringe benefits for PEA employees or costs for contracted aides.	Individuals acting as special education aides, details need to be provided. Must specify that all aides are working under the direct supervision of a certified special education teacher.
	ALTERNATIVE SCHOOLS or EDUCATION PROGRAMS: Alternative or adaptive school structures and teaching techniques.	Alternative schools/education programs are generally regular education schools or programs for students at risk of school failure. Therefore, the costs associated with them are not allowed. However, the costs of special education services for students participating in such programs are allowable costs. IDEA funding may ONLY be used for the special education related costs.
	APPS: Applications for devices such as tablets and laptops that are assistive technology.	Applications for devices such as tablets or laptops that are assistive technology are allowed.
	ASSISTIVE TECHNOLOGY DEVICES: Used to increase, maintain or improve the functional capabilities of a child with a disability.	
	ATTORNEY'S FEES – DOCUMENT PROCESSING	
	ATTORNEY'S FEES - PROFESSIONAL DEVELOPMENT / POLICY DEVELOPMENT: Contracted staff training, in-service, or policy development and review.	

	Budget Item	Special Requirements or Additional Information Needed
	AUDIT COSTS: Audits required by the Single Audit Act.	The costs of auditing the IDEA required by, and performed in accordance with, the Single Audit Act, as implemented by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" are allowable. Other IDEA audit costs are not allowed as direct costs. They are included in the indirect cost rate. Only the costs for the IDEA portion of the Single Audit may be charged to IDEA grant.
	AUDIOLOGIST: Salaries and fringe benefits for PEA employees or costs for contracted audiology services (public or private vendor allowed).	The individual must hold a certification.
	AUTOMATIC DOOR OPENERS: Purchase and installation.	Purchase and installation of automatic door openers is allowed if needed to provide access for a child with a disability. They should be budgeted under remodeling.
	BUS PURCHASE, LEASE or RENTAL: Vehicle purchase or lease, insurance, repair, and maintenance. See also "Transportation Costs – Special Education"	Vehicles must be used ONLY to transport children with disabilities who require special assistance in transportation (special transportation or additional transportation), including children with disabilities attending regular classes. Vehicles may also be used by special education staff or for special education purposes.
	BUS DRIVER: Salaries and fringe benefits.	The salary and fringe benefits of a bus driver are allowed ONLY for the time the driver transports children with disabilities who require special assistance in transportation (special transportation or additional transportation), including children with disabilities attending regular classes.
	CHILD FIND ACTIVITIES: Costs associated with public awareness, notices, screening.	Child find activities are allowed for identification of children with disabilities.
	CLERICAL SUPPORT: Salaries and fringe benefits.	Only the actual time spent supporting special education is allowed and must be based on records that accurately reflect the work performed in accordance with 2 CFR § 200.430(i).
	COLLEGE CREDITS FOR SPECIAL EDUCATION INSTRUCTIONAL STAFF	Tuition is allowed as a fringe benefit for special education instructional staff.
	COMPUTING DEVICES FOR STUDENTS (computers, laptops, chrome books, tablets, etc.)	Computing devices are an excess cost when they are related to the unique needs of a student with a disability. Acquisition of computing devices are NOT an excess cost, and therefore not allowed, if the PEA has decided to equip classrooms in a school and simply charges the IDEA grant a prorated amount based upon the number of children with disabilities in the school. Must indicate that computing devices will be used exclusively for special education and align with students' IEP needs.
	COMPUTING DEVICES FOR STAFF (computers, laptops, chrome books, tablets, etc.)	Computing devices for special education staff is allowed if the individual works solely in special education or if the device will be used solely for special education.

	Budget Item	Special Requirements or Additional Information Needed
	COMMUNICATION DEVICES FOR STAFF: Costs associated with lease or purchase and charges for use of desk phones, cell phones, pagers and radios.	Communication devices are allowed ONLY for special education activities. Outside of incidental use, if a device will also be used for non-special education activities, the cost should not be charged to the IDEA grant.
	CONSTRUCTION: Constructing facilities or altering existing facilities.	Costs for construction or alteration of facilities must be excess costs of special education. A project must meet the needs of one or more children with disabilities. <i>Costs for the general purpose of bringing facilities into compliance with Section 504 and ADA requirements are not allowed.</i>
	CONSULTANT SERVICES: Costs associated with contracted services from a consultant	PEAs may contract with consultants to provide information about methods, techniques, and strategies to use for children with disabilities or advice to staff for a particular student.
	CONTRACTED SPECIAL EDUCATION or RELATED SERVICES: Services contracted from an entity other than an PEA, etc.	Only costs of contracted services for nursing, occupational and physical therapy, speech and language pathology, transition, educational interpreter, orientation and mobility, audiologist, job coaches, and parent liaisons may be charged to the grant.
	CONTRACTED SERVICES - PARENTALLY-PLACED PRIVATE SCHOOL STUDENTS	Federal law specifically authorizes provision of services for parentally-placed private school students through contract with an individual, agency, or other entity.
	CRISIS PREVENTION TRAINING: Costs associated with training or training of trainers.	Crisis Prevention Intervention training is, in itself, not considered an excess cost of special education since it is a universal training meant to help all staff and all students. <i>However, as with any professional development / training, the cost of training special education staff on any topic is an allowed cost that can be charged to the IDEA grant.</i>
	CURRICULUM DEVELOPMENT: Costs associated with substitutes, release time, or extended contract.	Costs related to substitute teachers, release time, and extended contract for development of curriculum for special education students is allowed for both regular and special education staff.
	DUE PROCESS HEARINGS: Costs of conducting a due process hearing.	Funds may be used to pay costs of conducting a due process hearing, e.g., paying a hearing officer and providing a place for the hearing. Funds may not be used to pay a party's legal fees or related costs such as depositions, expert witnesses, settlements, or other related costs.
	EDUCATIONAL INTERPRETERS: Salaries and fringe benefits for PEA employees or costs for contracted educational interpreter services. See also "Foreign Language Interpreters for Students" See also "Foreign Language and Sign Language Interpreters for IEP Meetings"	

	Budget Item	Special Requirements or Additional Information Needed
	EQUIPMENT - CAPITAL: Equipment to support special education and related services.	Capital equipment is equipment with a useful life of more than one year that costs \$5,000 or more per unit. If the PEA has established a capitalization threshold level less than \$5,000 for capital equipment, then equipment that meets the PEA's threshold must be budgeted as capital equipment. PEAs must receive prior approval from ADE to use IDEA funds for capital equipment. This process for prior approval is completed through the budgeting process. The budget requires the user to enter an equipment type, number of units, equipment description and an assurance that the equipment is for the purposes of providing special education instruction and related services – see Capital Outlay Sheet in Grants Management
	EQUIPMENT - NON-CAPITAL: Equipment to support special education and related services.	Budget equipment that does not meet the definition of capital equipment here. The budget requires the user to enter an equipment type, number of units, equipment description and an assurance that the equipment is for the purposes of providing special education instruction and related services.
	EQUIPMENT - SECURITY: Cameras and other devices.	Acquisition of cameras and other security devices are NOT an excess cost, and therefore not allowed, if the PEA has decided to equip classrooms in a school or its buses and simply charges the IDEA grant a prorated amount based upon the number of children with disabilities in the school. The equipment is an excess cost when related to the needs of a child with a disability. It may be provided in a regular education environment or other education-related setting, even if one or more nondisabled children benefit.
	EXTENDED SCHOOL YEAR (ESY): Personnel, supplies, equipment, transportation, and any other services identified in the student's IEP. See also "Summer School"	The need for ESY must be documented in the student's IEP.
	EVALUATIONS: Personnel, supplies, or contracted services.	
	FOREIGN LANGUAGE INTERPRETERS FOR STUDENTS: Salaries and fringe benefits or contracted costs.	Providing interpreters for students who have limited English proficiency is a responsibility of the PEA and not considered an excess cost of special education. However, costs associated with the provision of interpreters for IEP meetings are considered an excess cost of special education and are allowable costs.
	FOREIGN LANGUAGE AND SIGN LANGUAGE INTERPRETERS FOR IEP MEETINGS: Salaries and fringe benefits or contracted costs.	PEAs may contract with a private vendor for interpreter services for IEP meetings. Expenditures related to IEP meetings are considered an excess cost of special education.

	Budget Item	Special Requirements or Additional Information Needed
	FURNITURE: Desks, tables, chairs, file cabinets.	PEAs may purchase student or staff desks, tables, and chairs, file cabinets, and other furniture for use in spaces dedicated to special education programs, such as resource rooms. PEAs may only purchase student furniture for use in a regular education classroom if the furniture is adapted to the specific needs of a child with disability. Examples of such furniture are wheelchair accessible desks and adjustable tables or workstations. Justification to show furniture as an excess cost may be required.
	GUIDANCE COUNSELORS: Salaries and fringe benefits.	Costs must be IEP-driven or related to the evaluation of a child. Day-to-day costs of services provided to all students are not allowed grant charges. Only the actual time spent supporting special education is allowed and must be based on records that accurately reflect the work performed in accordance with 2 CFR § 200.430(i).
	IEP TEAM COORDINATORS: Salaries and fringe benefits.	Salaries and fringe benefits of staff who coordinate a PEA's IEP system, train staff, and review IEPs are allowed. Per statutory requirements, personnel involved in the planning, evaluation, and progress monitoring of IEPs must be certified special education teachers. Only the actual time spent coordinating IEPs or other special education related activities is allowed and must be based on records that accurately reflect the work performed in accordance with 2 CFR § 200.430(i).
	INDIRECT COSTS: Costs incurred to benefit more than one program or objective not readily assignable to the programs.	The indirect cost rate is negotiated between a PEA and ADE Grant's Management.
	JOB COACHES: A job coach works directly with a student with a disability in a work site to help the student learn the specific requirements of the job; learn work-related activities and requirements; and learn appropriate work-related behaviors.	Students who have an IEP may participate in vocational experiences if it is determined appropriate for them at their IEP meeting. A job coach must work under the direction and supervision of a certified special education teacher. Job coaches may be provided through contract with an individual, agency, organization, or other entity.
	MAINTENANCE OF SPECIAL EDUCATION EQUIPMENT: Assistive technology devices; copying machines, printers, elevators, etc.	If the equipment is used for special education only, the cost of maintaining the equipment may be charged to the IDEA grants.
	NURSE – SCHOOL-BASED: Salaries and fringe benefits for PEA employees or costs for contracted nursing services.	Costs must be IEP-driven or related to the evaluation of a child. Day-to-day costs of nursing services provided to all students are not allowed. Only the actual time providing related services required by IEPs or performing evaluations is allowed and must be based on records that accurately reflect the work performed in accordance with 2 CFR § 200.430(i).

	Budget Item	Special Requirements or Additional Information Needed
✓	OCCUPATIONAL THERAPISTS (OT) and OT ASSISTANTS: Salaries and fringe benefits for PEA employees or costs for contracted OT services.	
✓	OFFICE EQUIPMENT: Equipment used by special education staff.	Allowed if the equipment is exclusively used by special education staff and can be considered an excess cost for special education.
i	OFF-SITE SPECIAL EDUCATION PROGRAMS: Costs associated with renting off-site locations for special education programs. Costs are allowed under limited circumstances.	PEAs may rent space for alternative special education programs under the following limited circumstances: the special education program must be housed off district property and it must be required as part of the child's placement. Building rental is a Type of Purchase option in the Capital Objects budget section.
✓	ORIENTATION & MOBILITY: Salaries and fringe benefits for PEA employees or costs for contracted orientation & mobility services.	
✓	PARAPROFESSIONALS: Salaries and fringe benefits. Individuals acting as special education paraprofessionals must have a certification.	Paraprofessionals / Instructional Aides must work under the supervision of a certified special education teacher.
i	PARENT LIAISONS: Salaries and fringe benefits or contracted services.	Salary and fringe benefits are allowed ONLY to the extent the parent liaison provides support to parents of children with disabilities and must be based on records that accurately reflect the work performed in accordance with 2 CFR § 200.430(i).
i	PHYSICAL EDUCATION: Salary and fringe benefits.	The salary and fringe benefits of a teacher holding a certification are allowed only for the time the teacher provides instruction to students with disabilities per the student's IEP requirements. Unless the teacher only works with students with disabilities, any salary and benefits charged to the IDEA grant must be based on records that accurately reflect the work performed in accordance with 2 CFR § 200.430(i).
✓	PHYSICAL THERAPISTS (PT) and PT ASSISTANTS: Salaries and fringe benefits for PEA employees or costs for contracted PT services.	
✓	PARENTALLY-PLACED PRIVATE SCHOOL STUDENTS - SPECIAL EDUCATION AND RELATED SERVICES: Equitable services.	Equitable services may be provided by employees of a school district. In addition, federal law specifically permits provision of equitable services to parentally-placed private school students through contract with an individual, agency, organization, or other entity. See the Equitable Services technical assistance page for additional information.
✓	PLAYGROUND EQUIPMENT: Accessible playground equipment.	The additional costs of making a playground accessible to children with disabilities are allowed. Additional equipment or the additional cost of acquiring accessible equipment may be funded. The equipment may be used in a regular education setting, even if one or more nondisabled children benefit.

	Budget Item	Special Requirements or Additional Information Needed
✓	PROFESSIONAL DEVELOPMENT: Costs associated with registration fees, travel, conference expenses, and providers.	Registration fees, travel, and conference expenses associated with special education in-service training of regular education and special education staff are allowed. Registration fees, travel, and conference expenses associated with any professional development provided to special education staff is allowed (such as training on core curriculum). Topics of training and identification of instructional roles (SPED, Gen Ed) is required.
i	PSYCHOLOGISTS - SCHOOL-BASED: Salaries and fringe benefits.	.
✓	PSYCHOLOGISTS - STUDENT EVALUATIONS: Contractual costs.	Allowed only for a psychologist to provide evaluation services.
i	REMODELING: Costs associated with remodeling due to the unique needs of a student or students with a disability.	Remodeling costs must be excess costs of special education. Remodeling must meet the needs of one or more children with disabilities. Remodeling costs for the general purpose of bringing facilities into compliance with Section 504 and ADA requirements are not allowed. Costs must be necessary and reasonable. PEAs must have prior approval from ADE to use IDEA funds for remodeling. The approval process is completed through the web-based budget. More definition to be provided.
✓	RENT - FACILITIES: Costs associated with renting off-site locations for special education programs. Costs are allowed under limited circumstances.	PEAs may rent space for alternative special education programs under the following limited circumstances: the special education program must be housed off district property and it must be required as part of the child's placement.
i	SECURITY CAMERAS or OTHER SECURITY MEASURES: See also "Equipment – Security"	Generally, security cameras are not an excess cost of special education. However, when the camera or other device is purchased for a vehicle used only to provide special transportation to students with disabilities, it is allowed. An additional allowed cost is if a camera is purchased and used due to the specific needs of a student.
i	SMART BOARDS	Acquisition of smart boards are NOT an excess cost, and therefore not allowed, if the PEA has decided to equip classrooms in a school and simply charges the IDEA grant a prorated amount based upon the number of children with disabilities in the school. The equipment is an excess cost when related to the needs of a child with a disability. It may be provided in a regular education class or other education-related setting, even if one or more nondisabled children benefit.
i	SOCIAL WORKERS - SCHOOL BASED: Salaries and fringe benefits.	Costs must be IEP-driven or related to the evaluation of a child. Day-to-day costs of services provided to all students are not allowed. Social workers must be appropriately licensed to deliver services they are assigned. Only the actual time spent supporting special education is allowed and must be based on records that accurately reflect the work performed in accordance with 2 CFR § 200.430(i).

	Budget Item	Special Requirements or Additional Information Needed
✓	SOCIAL WORKERS – STUDENT EVALUATIONS: Contractual costs.	Allowed only for a social worker to provide evaluation services.
✓	SPECIAL EDUCATION DIRECTORS: Salaries and Fringe Benefits	Allowed for all time dedicated to providing instruction and services for students with disabilities. Per statutory requirements, personnel involved in the planning, evaluation, and progress monitoring of IEPs must be certified special education teachers.
✓	SPECIAL EDUCATION OFFICE SUPPORT STAFF: Salaries and fringe benefits.	Only the actual time spent supporting special education is allowed and must be based on records that accurately reflect the work performed in accordance with 2 CFR § 200.430(i).
✓	SPEECH and LANGUAGE PATHOLOGY: Salaries and fringe benefits for PEA employees or costs for contracted S/L services.	Individuals acting as Speech and Language Pathologists must hold a certification.
✓	STAFF DEVELOPMENT and IN-SERVICE TRAINING: Costs associated with registration fees, travel, conference expenses, and providers.	Registration fees, travel, and conference expenses associated with special education in-service training of regular education and special education staff are allowed. In school-wide staff development activities, IDEA funds may be used for the total cost of professional development in the same proportion as the number of special education and related service personnel receiving professional development is to the total school personnel participating.
i	STIPENDS FOR STUDENTS WITH DISABILITIES: Costs associated with student workers charged under salaries or purchased services.	A stipend is a predetermined amount of money provided as compensation to an intern, trainee, or volunteer, which is used to offset the cost or expense of participating in a work or volunteer experience. A wage is compensation provided to an employee in exchange for work performed. Both stipends and wages may be allowable costs (See also “Transition— Employment Skills”); however, districts should examine the circumstances to determine whether a student is in an employment relationship. If the student is in an employment relationship, the compensation should be classified as a wage, and state and federal labor and employment regulations apply— such as minimum wage and overtime. Some questions to consider when making this determination are: • Does the student provide services of immediate benefit to the employer - services that would otherwise be provided by a paid employee? (If yes, this suggests the presence of an employment relationship) • As a result of the student’s activities, may paid positions remain unfilled and/or regular employees may be relieved of their normal duties? (If yes, this suggests the presence of an employment relationship) • Is the work is part of an educational activity for the benefit of the student? (If yes, this suggests the absence of an employment relationship) • Does the student work under close supervision? (If yes, this suggests the absence of an employment relationship)
✓	STUDENT EVALUATIONS: Personnel, supplies, or contracted services.	

	Budget Item	Special Requirements or Additional Information Needed
✓	SUBSTITUTE TEACHERS: Salaries and fringe benefits for PEA employees or costs for contracted substitute teacher services.	Substitute teacher costs are allowed for special education teachers. Substitute teacher costs are allowed for regular education teachers performing duties such as attending special education in-service training, attending IEP team meetings, or engaging in planning meetings or consulting with special education teachers to benefit children with disabilities. IDEA funds cannot be used to pay for long-term substitutes for unfilled positions.
✓	TEACHERS – SPECIAL EDUCATION: Salaries and fringe benefits or contracted services	Certified special education teachers only.
i	TEACHERS – REGULAR EDUCATION: Salaries and fringe benefits. See also “Substitute Teachers”	Regular education teachers may be paid to attend special education professional development activities and IEP meetings. Instructional costs of regular education teachers are not allowed.
i	TECHNOLOGY STAFF: Salaries and fringe benefits for PEA employees or costs for contracted IT services.	PEA technology staff expenses for programming or maintaining special education and related services databases and applications are allowed and may include coordination or administration of technology services. Charges to the grant must be based on records that accurately reflect the work performed in accordance with 2 CFR § 200.430(i). Private contracts for special education database maintenance or programming also are allowed.
✓	TRANSITION SERVICES – PRESCHOOL: Costs associated with preschool transition activities.	Services must be identified in the student’s IEP. These costs may also be incurred when school is not in session.
i	TRANSITION – EMPLOYMENT SKILLS: Costs associated with work experiences, job coaches, and acquisition of employment skills.	PEAs may contract with agencies to facilitate the acquisition of employment skills for students with disabilities typically ages 18-21. The transition services must be identified in students’ IEPs. The costs also may be incurred when school is not in session (summer). Contracted transition services must be provided under the supervision of appropriately licensed special education teachers. Transition agency staff may not assume the role of special education teachers, who must prescribe instruction and evaluate the results of instruction. Under the Workforce Innovation and Opportunity Act (WIOA), contracts or other arrangements with agencies for the purpose of having a student with a disability participate in a program in which that student is engaged in subminimum wage employment will be prohibited. This includes job training or completing work tasks for which the agency typically pays other employees subminimum wages under a Department of Labor sub-minimum wage 14 (c) wage certificate. A PEA will not be permitted to enter into contracts or other arrangements with agencies for the purpose of supporting or operating a program under which a student with a disability is engaged in subminimum wage employment (Section 511 of WIOA).

	Budget Item	Special Requirements or Additional Information Needed
✓	TRANSLATION SERVICES: Costs incurred by the PEA for translating IEP documents into the native language of the child's parents.	PEAs may contract with a private vendor for translation services for IEP documents. Expenditures related to IEPs are considered an excess cost of special education.
✓	TRANSPORTATION COSTS - SPECIAL EDUCATION: Costs incurred by the PEA for transporting children with disabilities.	Allowable special education transportation costs include repair or servicing of special education vehicles, insurance, mileage, and bus driver and bus aide costs.
✓	TRANSPORTATION COSTS – CONTRACT WITH PARENTS:	A contract with parents is allowed if the transportation is to transport a child with a disability who requires special assistance in transportation (special transportation or additional transportation), including a child with a disability attending regular classes.
✓	TUITION FOR SPECIAL EDUCATION INSTRUCTIONAL STAFF	Tuition is allowed as a fringe benefit for special education instructional staff.
i	TUITION – NON-OPEN ENROLLMENT: Tuition for placement by a PEA to provide a student with FAPE.	Generally, tuition is allowed if charged for a placement made by a PEA to provide a child with FAPE. However, only the excess cost of providing special education services is allowed. Tuition charged for placement in an Arizona public school: If a base regular education tuition cost is included in the tuition amount, this cost is not considered an excess cost of special education and that portion is not eligible for IDEA funding. Tuition is allowed for placement in an ESS approved private day school within the state of Arizona. Tuition for a preschool program is allowed if charged for a placement made by a PEA to provide a child with FAPE. Only the cost of the time necessary to provide FAPE is allowed, including time when special education services are provided by PEA staff in a private preschool setting. If the parent enrolls the child in the private preschool program for more time than is required to provide FAPE, the parent is responsible for this portion of the preschool tuition. The cost of the additional time is not allowed.

	Budget Item	Special Requirements or Additional Information Needed
✓	TUITION – TECHNICAL COLLEGE CLASSES FOR STUDENTS WITH DISABILITIES: Tuition to a local technical college for a special education program for a student with a disability.	These expenses are allowed if the program is required by the IEP and the student receives high school credit.
✓	UNEMPLOYMENT INSURANCE:	Employer expenses for unemployment insurance granted as fringe benefits under established written policies are allowable. Unemployment insurance costs must be allocated to the grant in a manner consistent with the pattern of benefits for all PEA employees.
i	VEHICLE PURCHASE, LEASE or RENTAL: Vehicle purchase or lease, insurance, repair, and maintenance. See also “Transportation Costs – Special Education”	Vehicles must be used ONLY to transport children with disabilities who require special assistance in transportation (special transportation or additional transportation), including children with disabilities attending regular classes. Vehicles may also be used by special education staff or for special education purposes.
i	WIRELESS NETWORKING: Costs related to installing and maintaining a wireless network to access the Internet.	The costs of installing and maintaining a wireless network are eligible costs if the need for wireless is driven by the needs of the special education program. These types of needs include online IEPs, tablets, and other technical assistance devices that require wireless access. Installing or maintaining a wireless network district wide and charging a proportion back to the special education program is not allowed.
i	WORKER’S COMPENSATION:	Employer expenses for worker’s compensation granted as fringe benefits under established written policies are allowable. Worker’s compensation benefits must be allocated to the grant in a manner consistent with the pattern of benefits for all PEA employees.

Never Allowed Line Item Expenditures

Never Allowed Expenditures

	Budget Item	Special Requirements or Additional Information Needed
	ATTORNEY'S FEES-PARTY TO AN ACTION: Attorney fees for IDEA state complaints, due process hearings, representation at IEP team meetings, facilitated IEP team meetings, mediation sessions, or any student-specific consultation.	Fund may not be used to pay attorney's fees for a party or related cost for depositions, expert witnesses, settlements, or other related costs. Funds may be used to pay costs of conducting a due process hearing, e.g., paying a hearing officer and providing a place for the hearing.
	BUILDING CONSULTATION TEAMS: Salaries and fringe of team members, costs associated with meeting expenses, stipends, travel.	These meeting are not devoted to the identification, evaluation, or placement of children with disabilities, or the provision of special education services; therefore, meeting costs are not allowed.
	CLASSROOM SPACE RENTAL: Costs associated with renting extra classroom space for special education students due to overcrowding.	PEAs may not use federal funds to rent extra classroom space to alleviate overcrowding, e.g., paying rent for a trailer used as a portable special education classroom.
	COMPUTER NETWORKS: Costs associated with a PEA's district- wide computer networks.	PEAs computer networking costs are provided district-wide and are not excess costs of special education. See wireless networking for allowable costs.
	DISTRICT ADMINISTRATORS: Salaries and fringe benefits.	The salary and fringe benefits of a district administrator cannot be charged to federal grants even if the administrator is providing special education support and is appropriately licensed (2 CFR § 200.444). District administrators is any staff which oversees a variety of programs or operations and would exist regardless of IDEA funding.
	MEDICAID SCHOOL-BASED SERVICES PROGRAM: Costs for claiming Medicaid funds, including third-party administrators.	The costs for administering the Medicaid school-based services (SBS) program, including fixed fees charged by third- party administrators, are eligible costs under the SBS program, either as direct costs or through the non-restricted indirect cost rate. Costs for administering the Medicaid SBS program may not be charged to the IDEA grant, because they are not necessary for the performance of the IDEA grant. 2 CFR § 200.403(a), 2 CFR § 200.404(a), and Appendix VII to Part 200.
	PRINCIPALS OR ASSISTANT PRINCIPALS: Salaries and fringe benefits.	Salaries for principals and assistant principals may not be charged to the IDEA grant. If an individual is employed as a part- time principal and also as a part-time special education teacher or provider, the salary and fringe benefits for teaching special education or providing other special education services may be charged to the IDEA grant and must be based on records that accurately reflect the work performed in accordance with 2 CFR § 200.430(i).
	SECLUSION ROOMS: Construction or alteration of facilities.	

	Budget Item	Special Requirements or Additional Information Needed
	STUDENT CONSULTATION TEAMS: Salaries and fringe of team members, meeting expenses, stipends, travel.	These meeting are not devoted to the identification, evaluation, or placement of children with disabilities, or the provision of special education services students or issues; therefore, meeting costs are not allowed.
	SUMMER SCHOOL: Salaries and fringe of instructors, aides, paraprofessionals, adaptive equipment, transportation, supplies or any other costs related to a student with disabilities attending summer school. See also “Extended School Year (ESY)”	Summer school classes are not special education, because they are not required; they are not based upon the child's individual needs, and they do not require an IEP. Thus, they are not excess costs of providing special education.
	SUPERINTENDENTS (DISTRICT ADMINISTRATORS): Salaries and fringe benefits.	The salary and fringe benefits of superintendents cannot be charged to federal grants, even if the superintendent is providing special education support and is appropriately licensed. 2 CFR § 200.444.
	TUITION – OPEN ENROLLMENT: Costs associated with a student’s special education instructional program.	IDEA funding may not be used for the costs of open enrollment.

Helpful Tips

To be used as a guide only -Further information may be obtained from the Chart of Accounts in the USFR for Arizona School Districts or USFRCS for Arizona Charter Schools				
OBJECT CODE	OBJECT NAME	INSTRUCTION - Classroom Instruction Teacher-student setting 1000 - Instruction	SUPPORT SERVICES - to improve students' well-being and supplement the teaching process 2100 – Students, 2200 – Instruction, 2600 – Operations, 2700 – Transportation	SUPPORT SERVICES – ADMINISTRATION 2300 – General, 2400 – School, 2500 – Central Services, 2900 - Other
6100	Salaries	Certified Special Education Teacher, P.E. Teacher, Teacher's Aide / Classroom Aide, Paraprofessional, Behavioral Specialist or Job Coach providing instruction to students as part of a class * Instructional staff must be Certified in Special Education * Aides and Paraprofessionals must work under the direct supervision of a Certified Special Education Substitute teachers used to cover SPED Teacher absences, not long-term substitute	Attendance and Social Work Services, Guidance Services, Health Services, Psychological Services, Speech Pathology and Audiology Services, (Audiologist, Audiovisual), Occupational Therapy, Physical Therapy, Counselor, Curriculum Consultant/Director, Instructional Staff Trainers, Mentor Teachers, Psychologist, Record Clerk, Office Support Staff, Special Education Directors * Bus Driver, Bus Monitor, Security, Nurse, Custodian/Janitor, Maintenance Worker, Technology Staff – these roles may be paid by IDEA funds for work performed in accordance with 2 CFR § 200.430(i). Stipends/Off-contract pay for certified special education teachers/aides to attend training, Stipends/Off-contract pay for curriculum support (IEP development, Monitoring) Substitute teachers used to allow SPED teachers to attend training/professional development Behavioral Specialist & Job Coach-providing training to staff & parents	Fiscal Services – Accounting/ Grants Management may be charged to the grant for the work performed in accordance with 2 CFR § 200.430(i).
6200	Employee Benefits	Benefits	Benefits Tuition reimbursement (6240)	Benefits Tuition reimbursement (6240)
6300	Purchased Professional Services	Certified Special Education Teacher (Not an employee of the PEA) Technical support for instructional software Contracted substitute teachers used to cover SPED Teacher absences, not long-term substitute	Contracted personnel (may include staff listed above under Instruction or Support Services) Tuition (paid directly to college for teacher/aide to obtain certification in special education) Instructional Staff Training – Registration fees or training costs for teachers, paraprofessionals, job coaches, behavior techs, which may include: ADE sponsored conferences and workshops, external conference registration, in-service training, technology training * Registration fees for parents	Contracted: Accountant, Lawyer, Staff Trainer, Tuition for non-instructional employees (paid directly to college), Software technical support Registration fees/ Training costs for non-instructional staff: related service providers, administrators/directors.

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OBJECT CODE	OBJECT NAME	INSTRUCTION - Classroom Instruction Teacher-student setting	SUPPORT SERVICES - to improve students' well-being and supplement the teaching process	SUPPORT SERVICES – ADMINISTRATION
		1000 - Instruction	2100 – Students, 2200 – Instruction, 2600 – Operations, 2700 – Transportation	2300 – General, 2400 – School, 2500 – Central Services, 2900 - Other
6500	Other Purchased Services	Tuition paid for students who attend approved private day schools or other out of district placement. Employee travel and mileage reimbursement while PEA business (mileage reimbursement for traveling from school to school or school to student's home; accompanying a student on travel status) Miscellaneous services	Student transportation – including field trip and subsidized mass transit (bus passes); Employee travel costs including meals, lodging, and other expenses while traveling business for the PEA.	Employee travel costs including meals, lodging, and other expenses while traveling business for the PEA.
6600	Supplies	Audiovisual supplies, Books, workbooks, Classroom teaching supplies, Films, Food used in instructional programs, Instructional aids/materials, instructional software, online access or annual license fees to instructional software, kits and magazines, Periodicals and magazines. Supplies must be indicated as an excess cost for special education and/or directly tied to a student's IEP	Books and periodicals General supplies (<i>see supplies on page 19</i>) Testing/Evaluation materials Textbooks purchased for employees who are receiving tuition reimbursement for coursework toward a certificate in special education Non-instructional software subscriptions for less than 12 months	Books and periodicals General supplies (<i>see supplies on page 19</i>)
6800	Other Expenses	Dues and fees Field trip entrance fees Miscellaneous	Dues and fees; Miscellaneous, Non-payroll taxes, Food and hotel costs associated w/ student travel, Travel costs for parents including mileage reimbursement, food and lodging costs paid by the district to the parent.	Dues and fees Miscellaneous judgments

6700 Property			
6730 Equipment	Expenditures for initial, additional, and replacement equipment in the categories below. Also, include the present value amount of capital leases of equipment in the year of acquisition. Periodic lease payments should be coded to expenditure object codes 6832 and 6842 .		
6731-32 Furniture and Equipment Use with Functions 1000-4000	Expenditures for furniture, furnishings, athletic equipment and other equipment. Examples: Helmets/pads, Mats, Weighted vest, bookcase, Chairs, Desks, Tables, Large area rugs, SPED assistance equipment	6733 Furniture and Equipment Use with Functions 1000-4000	Expenditures for furniture, furnishings, athletic equipment and other equipment. Examples: Helmets/pads, Mats, Weighted vest, bookcase, Chairs, Desks, Tables, Large area rugs, SPED assistance equipment OVER \$5,000
6734 Vehicles Use with Functions 1000-4000	Expenditures for pupil and non-pupil transportation vehicles.	6736 Vehicles Use with Functions 1000-4000	Expenditures for pupil and non-pupil transportation vehicles. OVER \$5,000
6737-38 Technology Related Hardware and Software. Use with Functions 1000-4000	Expenditures for technology-related equipment. These costs include those associated with the purchase of network equipment, servers, PCs, printers, other peripherals, and devices. Examples: Computers (tablets, laptops, etc.), Computer monitors, Copiers (on network), Network equipment, Projectors, Printers, Scanners, Smart Boards	6739 Technology Related Hardware and Software. Use with Functions 1000-4000	Expenditures for technology-related equipment. These costs include those associated with the purchase of network equipment, servers, PCs, printers, other peripherals, and devices. Examples: Computers (tablets, laptops, etc.), Computer monitors, Copiers (on network), Network equipment, Projectors, Printers, Scanners, Smart Boards, OVER \$5,000
If an item is <u>not</u> included in the examples above, it should be coded as equipment if it meets <u>all</u> the following: <u>EQUIPMENT CRITERIA</u> 1. Typically has a useful life of at least one year. 2. Typically repaired rather than replaced when worn or damaged. 3. An independent unit that retains its original shape, appearance, and character with use and does not lose its identity through fabrication or incorporation into a different or more complex unit or substance.			

Helpful Tips and Resources

SUPPLIES:

When ordering supplies with IDEA funds, these funds should be used to supplement the state and local support of special education programs and operations. Items such as: highlighting tape, markers, unscented markers, color pencils, pencils, erasers, binders, white boards and whiteboard erasers, cleaning supplies, can be considered a normal operating cost of the general education classrooms and should be purchased through another funding source.

PARAPROFESSIONALS/ TEACHERS AIDES:

Paraprofessional must be working under the supervision of a Certified Special Education Teacher. The PEA must have a certified special education teacher on staff, or through contracted vendor, in order to use IDEA funds for paraprofessional.

Chart of Accounts

Chart of Accounts prescribed for school districts provides for the establishment of a complete fund accounting system, including the recording of assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/fund net position, revenues, other financing sources, expenditures and other financing uses.

The standardized account code structure for use by districts and county school superintendents has been developed to accomplish several key objectives:

To ensure districts comply with U.S. generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) in its *Codification of Governmental Accounting and Financial Reporting Standards*.

To establish a uniform, comprehensive, minimum chart of accounts state-wide to improve financial data collection, reporting, transmission, accuracy, and comparability among Arizona districts and nationally. The *Uniform System of Financial Records* (USFR) Chart of Accounts meets the requirements of the

U.S. Department of Education's account classifications.

To reduce the administrative burden on districts in preparing required financial reports.

To create a logical framework that can be used to determine where monies for education originate and how they are used.

To provide better information for administrators, parents, board members, legislators, and other interested parties.

For a full PDF of the Uniform System of Financial Record (USFR) Chart of Accounts, go to:

<https://www.azauditor.gov/reports-publications/school-districts/manuals-memorandums>

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