

# **IDEA Part B, Section 619 Allowable Costs**

Updated August 2021



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## IDEA Part B, Section 619 Allowable Costs

The following list of items approved to be included as direct costs on the SE-4096, Special Education Actual Cost Report, IDEA Federal Grant application, and Final Expenditure Report (FER). Items not on this list require prior Department written approval before being charged to the Federal grant.

**Costs contracted from another Michigan public school district are not allowed on the SE-4096 and Section 24 SE-4824 cost reports or the IDEA federal grant budget.**

### Function Code 122-Instruction

Special education classroom salaries. Report teacher costs using one of the program codes from the following table.

Object Code	Program Code	Program Code Description
1240	110	Mild Cognitive Impairment
1240	120	Moderate Cognitive Impairment
1240	130	Severe Cognitive Impairment
1240	140	Emotional Impairment
1240	150	Specific Learning Disability
1240	160	Hearing Impairment
1240	170	Visual Impairment
1240	180	Physical & Other Health Impairment
1240	190	Severe Multiple Impairment
1240	191	Early Childhood Special Education
1240	192	Severe Language Impairment
1240	193	Autism Spectrum Disorder
1240	194	Resource Program
1630	N/A	Aide Salary Report by program assignment; instructional aides must be reported under Function Code 122-Instruction (lines 1-15 on the SE-4096). May have a split assignment (see Attachment A).
1690	N/A	Interpreter
1860	N/A	Substitute of Temporary Aide
1870	N/A	Substitute Teacher – Substitute teachers for IDEA professional development activities are reported under Function Code 221.

### Function Code 122-Purchased Services Staff

Object Code	Program Code Description
3110	Contracted Instructional Services - Approved special education instructional staff must be reported using the program codes on page 3. This is for public school academies and intermediate school districts only.  Payments made for tuition are not considered professional development and are not an allowable cost.
3110	Substitute Teacher or Aide Contracted from a Third-Party Agency - This is for local and intermediate school districts and public school academies.
3190	Other Professional/Technical Services for Staff - Such as medical consultation not provided under employee benefits.

### Function Code 122-Purchased Services Non-Staff

Object Code	Program Code Description
3210	Local Travel for Staff Traveling Between Buildings Only - Note: Record conference/in-service/workshop travel under Improvement of Instruction as Function Code 221, Object Code 3220 for instructional staff. Object Code 3220 for instructional staff. Record conference/in-service/workshop travel for support services staff under Function Code 283, Object Code 3220. Payments for tuition are not considered professional development and are not an allowable cost.
3450	Instructional Software Licenses Only - i.e., digital text book subscriptions for special education students, not curriculum choices such as Edgenuity.
3610	Printing for Instructional Materials on a contracted basis.
4120	Instructional Equipment and Instructional Equipment Maintenance (i.e., hearing aids) - Used 100 percent for special education. This does not include repair or replacement costs for copy, fax, or other non-instructional equipment or machines.
4220	Rental of Special Education Instructional Equipment (i.e., wheelchairs). This does not include rental of copy, fax, or other non-instructional equipment of machines.
5110	Teaching Supplies and Materials - Includes consumable items and equipment valued less than \$5,000 for each piece. Only items used for pupil evaluation or instruction are reimbursable. An example includes instructional assistive technology toolkits for students with Individualized Education Programs (IEPs). Furniture and instructional equipment ordinarily available for general education pupils are not reimbursable. This includes items such as desks, chairs, lockers, movies, overhead projectors, smart boards and white boards, and like

Object Code	Program Code Description
	items. Objects of expenditure should be assigned on a direct charge basis to each program.
5210	Textbooks for Exclusive Special Education Use – Including Braille and Talking Book expense.
5310	Library Books – These are limited to center-based programs in self-contained special education buildings and special education learning material centers.
5410	Periodicals for Special Education Pupil Use Only.

### Function Code 122–Capital Outlay

Object Code	Program Code Description
64xx	Capital Outlay - Refers to non-consumable instructional equipment items that cost <u>\$5,000 or more for each piece</u> (based on the net invoice price of the equipment and other accessories or apparatus necessary to make the equipment usable for its acquired purpose.) Installation costs are not included. Furniture and instructional equipment ordinarily available for general education pupils such as movie projectors, smart boards and white boards, and lab tables are not reimbursable. Computers used 100 percent in special education classrooms for instruction are reimbursable. Department prior approval is required.

### Function Code 122–Other Expenses

Object Code	Program Code Description
7410	Dues and Fees for Special Education Personnel Memberships in Professional Organizations Related to Special Education – Includes professional licenses for instructional and support personnel. Criminal background checks and Hepatitis B vaccines are now recorded under Function Code 283, Object Code 3190 or 7410.

### Function Code 122–Employee Benefits for Instructional Staff Only

Object Code	Program Code Description
2100	Insurance - i.e., individual health, dental, life, and other benefits in the 2100 series.
2410	Physicals, Hepatitis B Vaccines
2800	Retirement, Social Security, Medicaid – Includes other employee benefits in the 2800 series. Note: Special Allowance coded under 23xx (i.e., tuition is not an allowable cost.)
2920	Cash Payments – In lieu of benefits in the 2100 series.

### Function Code 213–Health Services

Object Code	Program Code Description
1160	Supervision - Must be at least half-time special education.
1410	Physician – When listed as an employee; for diagnosis or evaluation services only.  Note: Services provided by a physician other than for diagnostic or evaluation purposes are subject to the medical exclusion and not reimbursable (Garret vs. U.S. Supreme Court, March 3, 1999).
1450	Nurse - Special education only.
1470	Physical Therapist (PT)
1480	Occupational Therapist (OT)
1490	Other Technical – Board Certified Behavior Analyst (BCBAs). All other technical professionals (non-BCBAs) require Department approval.
1630	Aides – Includes health care aides serving under an OT, PT, or nurse. Note: May have a split assignment (see Attachment A).
1860	Substitute or Temporary Aide
3000-7000	Series - Refer to pages 2-3 for directions (contracted costs from another Michigan public school district are not allowed).
3130	Professional/Technical - Contracted audiological medical service, psychologist, or other student services (reported under appropriate function codes).

### Function Code 214–Psychological Services

Object Code	Program Code Description
1430	Psychologist/Psychiatrist
1630	Bilingual Aides - Under R 340.1793
1860	Substitute or Temporary Aides
3000-7000	Series - Refer to pages 2-3 for directions (contracted costs from another Michigan public school district are not allowed).
3130	Professional/Technical – Contracted audiological medical service, psychologist, or other student services (reported under appropriate function codes).

### Function Code 215–Speech Pathology and Audiology

Object Code	Program Code Description
1280	Speech and Language Therapist
1490	Audiologist
1630	Bilingual Aides - Under R 340.1793
1820	Substitutes for Speech Audiology
1860	Substitute of Temporary Aide

<b>Object Code</b>	<b>Program Code Description</b>
3000-7000	Series - Refer to pages 2-3 for directions (contracted costs from another Michigan public school district are now allowed).
3130	Professional/Technical - Contracted audiological medical service, psychologist, or other student services (reported under the appropriate function codes).

### **Function Code 216–Social Work Services**

<b>Object Code</b>	<b>Program Code Description</b>
1440	School Social Work
1630	Bilingual Aides - Under R 340.1793
1820	Substitute Social Worker
1860	Substitute of Temporary Aide
3000-7000	Series - Refer to pages 2-3 for directions (contracted costs from another Michigan public school district are not allowed).
3130	Professional/Technical - Contracted audiological, medical service, psychologist, or other student services (reported under appropriate function codes).

### **Function Code 217–Visual Aid Services**

<b>Object Code</b>	<b>Program Code Description</b>
1270	Media specialist for the Visually Impaired
1290	Orientation and Mobility Specialist
1630	Bilingual Aides - Under R 340.1793
1860	Substitute of Temporary Aide
3000-7000	Series - Refer to pages 2-3 for directions (contracted costs from another Michigan public school district are not allowed).
3130	Professional/Technical - Contracted audiological, medical service, psychologist, or other student services (reported under appropriate function codes).

### **Function Code 218–Special Education Consultant and Early Childhood Services**

<b>Object Code</b>	<b>Program Code Description</b>
1250	Instructional Consultation – To include special education teacher consultants and non-classroom early childhood special education instructional staff under Rule 340.1755 and 340.1862. Cost for programs under Rule 340.1862 apply to state aid only.  Teacher consultants functioning under Rule 340.1749. For teacher consultants with a split assignment, only the teacher consultant time is

<b>Object Code</b>	<b>Program Code Description</b>
	reported here. Report teacher consultants functioning under Rule 340.1748a without a caseload under Function Code 221.
1630	Aides – May have a split assignment (see Attachment A); for early classroom programs only.
1820	Substitute Teacher Consultant
1860	Substitute of Temporary Aide
3000-7000	Series - Refer to pages 2-3 for directions (contracted costs from another Michigan public school district are not allowed).

### **Function Code 219–Other Pupil Services**

This includes a transition coordinator, music therapist, recreation therapist, teacher of homebound/hospitalized, and other professional personnel who qualify under R420.1792 and are not included elsewhere.

<b>Object Code</b>	<b>Program Code Description</b>
1490	Other Professional Personnel
1630	Aides – May have a split assignment (see Attachment A).
1820	Substitute Teacher Consultant
1860	Substitute of Temporary Aide
1890	Substitute Homebound/Hospitalized Teachers
3000-7000	Series - Refer to pages 2-3 for directions (contracted costs from another Michigan public school district are not allowed).

### **Function Code 221-Improvement of Instruction**

<b>Object Code</b>	<b>Program Code Description</b>
1250	Teacher consultants Without a Student Caseload – Functioning under special education Rule 340.1748a.
1870	Substitute Teachers – IDEA professional development activities only.
3120	Professional Development - Performed by personnel qualified to assist district staff in performing their duties.
3220	Conference/In-Service/Workshop Travel (instructional staff only)
3000-7000	Series - Refer to pages 2-3 for directions (contracted costs from another Michigan public school district are not allowed).

### **Function Code 226–Supervision and Direction of Instructional Staff**

<b>Object Code</b>	<b>Program Code Description</b>
1120	Assistant Superintendent or Director of Special Education with the title of Assistant Superintendent - Must be at least half-time at the local



<b>Object Code</b>	<b>Program Code Description</b>
	district or public school academy (PSA) level. ISD special education directors must be full time.
1160	Supervisors - Must work at least half of their employment within the entity for reimbursement.
1170	Director of Special Education Who is Not an Assistant Superintendent – Must be at least half-time at the local district or PSA level). ISD special education directors must be full time.
3000-4000 & 7000	Series – Refer to pages 2-3 for directions (contracted costs from another Michigan public school district are not allowed).

### **Function Code 231–Board of Education (Purchased Services Only)**

<b>Object Code</b>	<b>Program Code Description</b>
3170	Hearing Officer and Mediation Fees - Hearing officer fees when an attorney is a hearing officer as required by special education rules. Note: School attorney fees for hearing are not allowable.
3180	Federal Audit Expenses - Chargeable to the appropriate federal grant provided there is a bill showing actual audit costs.
3190	Professional Technical - Hearing officer and mediation fees if an attorney is not used. Court recorders for hearing cost are included here.

### **Function Code 241–Office of School Principal**

<b>Object Code</b>	<b>Program Code Description</b>
1160	Special Education Supervisors Acting as Principals – Allowed when the school building is used solely for special education purposes.
3000-4000 & 7000	Series - Refer to pages 2-3 for directions (contracted costs from another Michigan public school district are not allowed).

### **Function Code 271–Pupil Transportation**

<b>Object Code</b>	<b>Program Code Description</b>
33xx	Use this code to report costs for federally funded field trips and Department approved Section 53a transportation.  Refer to Attachment B, "IDEA Reimbursement of Field Trip Transportation." Section 53a transportation expenditures are carried forward from the SE-4094 Transportation Expenditure Report to this line.

### **Function Code 281-Planning, Research, Development, and Evaluation**

Costs limited to those 100 percent attributable to special education programs and services.

<b>Object Code</b>	<b>Program Code Description</b>
1180	Special Education Approved Personnel - Functioning as planner/monitors, child find coordinators, or compliance personnel.
3000-7000	Series, refer to pages 2-3 for directions (contracted costs from another Michigan public school district are not allowed).

### **Function Code 283–Staff/Personnel Services**

<b>Object Code</b>	<b>Program Code Description</b>
3120	Professional Development - Performed by personnel qualified to assist district staff in performing their duties more effectively.
3190	Criminal Background Checks/Hepatitis B Vaccines (contracted service)
3220	Conference/In-Service/Workshop Travel for Non-Instructional Personnel
7410	Criminal Background Checks/Hepatitis B Vaccines

### **Function Code 284–Support Services Technology for ISD Central Registry and IEP Software**

Report data processing costs related to instructional materials under Function Code 122-Instruction. If a district operates their own computer program, an auditable method of billing must be used. Reimbursement is limited to operational costs and may not include purchase or replacement of equipment in the service costs.

<b>Object Code</b>	<b>Program Code Description</b>
1510	Data Processing Personnel – One secretary/clerk may be federally funded for the central registry at the ISD only.
3160	Contract Data Processing Services for Central Registry Only from a Non-School Entity - Costs cannot include programming charges or overhead costs. They are limited to machine time, key punch, and supplies. Note: Public Consulting Group (PCG) related costs are not reimbursable.
3450	IEP Software

### **Function Code 2XX–Employee Benefits for Support Services Personnel Only**

<b>Object Code</b>	<b>Program Code Description</b>
2100	Insurance - i.e., individual health, dental, life, and other benefits in the 2100 series.

<b>Object Code</b>	<b>Program Code Description</b>
2410	Physicals, Hepatitis B Vaccines
2800	Retirement, Social Security, Medicaid – Includes other employee benefits in the 2800 series.  Note: Special Allowances coded under 23xx (i.e., tuition) are not an allowable cost.
2920	Cash Payments – In lieu of benefits in the 2100 series.

### **Function Code 331–Community Activities**

<b>Object Code</b>	<b>Program Code Description</b>
3190	Professional learning to educate parents/legal guardians on federal and state mandates regarding the rights and protections of students with disabilities so that parents/legal guardians may be able to provide meaningful input in collaboration with school districts to develop and implement an individualized education program (IEP). Department prior approval required.
3220	Travel Expenses for Special Education Parent Advisory Committee Members
3610	Printing of materials for parents/legal guardians on a contracted basis
5990	Miscellaneous supplies and materials

### **Function Code 371–Non-Public School Pupils (Used for Federal Proportionate Share Requirement)**

Services to pupils attending a school established by an agency other than the state, subdivision of the state, or the federal government, which usually is supported primarily by other, non-public funds.

<b>Object Code</b>	<b>Program Code Description</b>
1250	Special Education Teacher Consultant - Must be providing direct services to non-public school pupils.
1280	Speech and Language Therapist
1430	Psychologist/Psychiatrist
1440	School Social Worker
1470	Physical Therapist
1480	Occupational Therapist
2100	Insurance - i.e., individual health, dental, life, and other benefits in the 2100 series.
2410	Physicals, Hepatitis B Vaccines
2800	Retirement, Social Security, Medicaid – Includes other benefits in the 2800 series. Note: Special Allowances coded under 23xx (i.e., tuition) are not an allowable cost.
2920	Cash Payments - In lieu of benefits in the 2100 series.

Object Code	Program Code Description
3130	Professional/Technical - Contracted audiological medical service, psychologist, or other student services (reported under appropriate function codes).
3210	Local Travel – For staff traveling between buildings only.

**Function Code 421–Payments to Other Government Units Outside of the State**

Object Code	Program Code Description
8310	Tuition for Pupils Attending Public School in Another State. This is restricted to either districts that border another state or placements approved under the November 14, 1989 State Board Policy, "Application and Procedure for State Board of Education Authorization for Public Education Agency Placement of a Handicapped Pupil in a Private School."

**Function Code 431–Payments to the State School for the Deaf**

ISDs only.

Object Code	Program Code Description
3710	Tuition for the Michigan School for the Deaf - May be charged to federal funds. If tuition is charged to the federal grant, Section 54 revenue must be netted out.

**Technical Assistance**

Direct any questions to the Office of Great Start:

Michigan Department of Education  
Office of Great Start/Early Childhood Development and Family Education  
P.O. Box 30008  
Lansing, MI 48909

**Telephone:** 517-241-4520 or email Lisa Wasacz, [wasaczl@michigan.gov](mailto:wasaczl@michigan.gov)

## **Appendices**

### **Attachment A**

4/5/12 Memorandum providing clarification regarding funding for Special Education Paraprofessionals with a split assignment

### **Attachment B**

IDEA Reimbursement of Field Trip Transportation

### **Attachment C**

Using State Aid and Federal Funds under IDEA for Severance Payments and Bonuses

### **Attachment D**

CEIS Function Codes

### **Attachment E**

Prior Approval Request Form



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

RICK SNYDER  
GOVERNOR

MICHAEL P. FLANAGAN  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

April 5, 2012

**MEMORANDUM**

**TO:** Local and Intermediate School District Superintendents and  
Public School Academy Directors

**FROM:** Sally Vaughn, Ph.D. *Sally*  
Deputy Superintendent/Chief Academic Officer

**SUBJECT:** Clarification Regarding Funding for Special Education Paraprofessionals  
with a Split-Assignment

Beginning with the 2012-13 school year, the Office of Special Education (OSE) will allow reimbursement of split-funded paraprofessionals that are not utilized full time in the delivery of special education programs, ancillary and other related services for that portion of time spent in the delivery of special education programs and services. Such paraprofessionals may be reimbursed under state or federal funding. The Chart of Allowable Expenditures for State and Federal Reimbursement will be updated shortly to reflect this change.

The decision to begin reimbursement of such personnel was made with significant input from local and intermediate business officials and directors of special education. It is clear that this decision will not impact all districts in the same manner and concerns still remain with appropriate costs being charged against both state aid and the federal grants. The decision is prospective only and such employees will not be reimbursed retroactively.

Districts seeking reimbursement for split funded paraprofessionals must complete a personnel activity report (PAR) for each individual. The PAR must reflect an after-the-fact distribution of the actual activity of each split-funded paraprofessional, must account for the total activity for which the employee is compensated and must be prepared at least monthly coinciding with one or more pay periods.

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The OSE will randomly select school districts beginning with the 2012-13 school year to verify that split-funded paraprofessionals reported for state or federal reimbursement are completing the required PARs. Any school district, intermediate district or public school academy not completing the PARs or failing to have accurate documentation to support the PARs will be subject to the recoupment of state and federal reimbursement.

If you have any questions, please contact Mr. John Andrejack, Supervisor of Program Finance by email at [AndrejackJ@michigan.gov](mailto:AndrejackJ@michigan.gov), or by calling Program Finance at 517-241-1235.

cc: Michigan Education Alliance

## IDEA Reimbursement of Field Trip Transportation

The State School Aid Act allows school districts to charge field trips for special education pupils to the IDEA Flowthrough grant. School districts are not allowed to charge other special education related transportation costs to the IDEA Flowthrough grant. Such a transfer of charges is considered supplanting under federal regulations.

### Field Trip Defined

Field trips are non-mandated and noncredit events, which are considered extra-curricular or co-curricular activities. Instructional activities that are scheduled away from school on a regular basis are not field trips. Examples are as follows:

**Example 1:** Special education students are scheduled three mornings a week at a community-based instruction site. Since this is a regular scheduled activity which is part of the special education curriculum for these pupils, it is charged as a transportation cost under Section 58 of the State School Aid Act. These costs for transportation may not be charged to a special education grant.

**Example 2:** A special education class travels to a local civic center to see a dance troupe perform. Since this is not a regularly scheduled part of the curriculum, the costs of transportation may be charged to the special education grant as a field trip.

Refer questions related to the reimbursement of field trips with the IDEA grant to:

Michigan Department of Education  
Office of Special Education  
P.O. Box 30008  
Lansing, MI 48909  
517-241-1235



## **Using State Aid and Federal Funds Under IDEA for Severance Payments and Bonuses**

Severance payments, or money paid to employees upon dismissal or discharge, are not allowable as a direct charge for reimbursement under State Aid or IDEA federal funds.

Bonuses and incentive payments that exceed the contracted salary amounts, regardless of being coded as a salary (17XX) or a benefit (2XXX) are not a requirement under state or federal law for the provision of special education programs and services and are not reimbursable for State Aid or IDEA federal funds.

## CEIS Function Codes

Intermediate school districts, local educational agencies (LEAS), and public school academies may use the following function code when implementing coordinated early intervening services (CEIS) for students who are not currently identified as needing special education. The function code is for funds provided under Part B, Section 619, of the ***Individuals with Disabilities Education Act*** (IDEA).

### Function Code:

111 Elementary

## Prior Approval Request Form



### Office of Great Start Prior Approval Request

Please check the appropriate box for prior approval and use the space below to explain:

**Out of State Travel:** Describe the event. Please explain how travel relates to preschool special education, and number of preschool special education staff attending. Attach documentation that includes the event location, expense, and purpose.

**Capital Outlay:** Explain how the items will be used to benefit only children with disabilities or how costs will be prorated. Explain where items will be placed or assigned. Include documentation regarding the item(s) to be purchased with costs associated with the expense.

**Other** (not specifically found in Allowable Cost document), please specify:

**Staffing:** Explain how the position relates to preschool special education, including credentials required.

**Supplies/Materials:** Explain how the items will be used to benefit only children with disabilities or how costs will be prorated. Explain where items will be placed or assigned.

I certify to the best of my knowledge that the above is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise.

Name \_\_\_\_\_ Title \_\_\_\_\_

ISD Name \_\_\_\_\_

Approved \_\_\_\_\_ Not Approved \_\_\_\_\_