

# Schoolwide Programs: Funding and Accounting Decisions, Part I

TEA Source:

<https://tea.texas.gov/grants/schoolwidefundingandaccounting1/>

Once a local educational agency (school district or charter school) has determined which of its [eligible campuses](#) will operate Title I, Part A schoolwide programs, it must work with each campus to make basic funding and accounting decisions related to consolidating funds. This page is the first in a series that provides the basic steps that your local educational agency (LEA) may follow to implement the funding and accounting components of schoolwide programs. This page covers Step 1. [The second page](#) covers Steps 2, 3, and 4 and [the third page](#) covers Steps 5 and 6. There are links at the bottom of this page to other web pages about schoolwide programs.

Please note that all of the examples on these pages are provided by TEA for informational purposes only. You should not interpret the items or amounts as anything other than sample data.

## Documentation Requirements

These pages also identify the key pieces of documentation that your LEA must maintain to demonstrate that its Title I, Part A schoolwide campuses comply with applicable rules. While schoolwide programs provide great programmatic flexibility in terms of how campuses can spend their consolidated funds, each campus must still:

1. Demonstrate in its Title I, Part A schoolwide [campus improvement plan](#) (CIP) that its schoolwide program contains sufficient resources and activities to reasonably address the intents and purposes of programs whose funds are consolidated, particularly as they relate to the lowest-performing students.
2. Identify in its CIP the programs that have been consolidated and the amount each program contributes to the schoolwide pool.
3. Demonstrate that it received at least the same amount of state and local funds that, in the aggregate, it would have received in the absence of Title I, Part A funds (see Step 1 below).

TEA is required to uphold its administrative responsibilities by ensuring that federal grant subrecipients comply with applicable statutes and regulations, including the rules that apply to schoolwide programs. If your LEA is selected for a review of its administration of federal grant awards, your LEA must provide TEA monitors with adequate documentation to demonstrate that its schoolwide campuses comply with the requirements listed above, and any others associated with operating a schoolwide program. Please note that while these web pages provide guidance about the documentation that is required, they are not intended to **limit** the documentation maintained by your LEA. As a best practice, your LEA should maintain all documentation that it believes is necessary to demonstrate compliance with applicable rules.

Your LEA must also maintain the required documentation for its own independent auditor.

## Step-by-Step Guidance

This guidance is designed for LEAs with campuses that have already operated Title I Part A schoolwide programs. Most of the funding decisions about schoolwide campuses must be made during the spring, after the LEA creates a preliminary budget of all federal, state, and local funds (planning amounts) that will be available for the following school year. By that time, each campus should have conducted its comprehensive needs assessment and determined its educational needs, and should be finalizing its schoolwide program CIP for the next school year.

If a campus operated a schoolwide program in the previous year, it should also have conducted its annual evaluation of the previous school year and modified its CIP as necessary.

If your campus has not previously operated a Title I, Part A schoolwide programs, you should view the [introductory guidance](#) available online from TEA.

### Step 1: Allocating Funds to Each Campus

Based upon the district and campus comprehensive needs assessments, your LEA matches its resources to its prioritized educational needs and allocates funds from each of its federal, state, and local funding sources to each of its campuses for the following school year.

Under federal law, LEAs must demonstrate that campuses eligible to receive Title I, Part A funds comply with the supplement, not supplant requirement to ensure that they do not use federal funds to perform services that would normally be paid for with state or local funds. Compliance with supplement, not supplant is usually determined on a cost-by-cost basis to ensure that each cost charged by a campus to federal funds is supplemental or "extra" in relation to costs charged to state or local funds.

LEAs with campuses that operate Title I, Part A schoolwide programs, however, must demonstrate that they comply with supplement, not supplant in a different way. LEAs with schoolwide campuses must pass a test called the **supplemental funds test**. Instead of demonstrating that **specific costs** are supplemental, the supplemental funds test ensures that LEAs **allocate** funds appropriately to campuses that operate Title I, Part A schoolwide programs.

In a schoolwide program, federal funds must supplement the state and local resources the campus would receive in the absence of federal funds. To pass the supplemental funds test, an LEA must demonstrate that the method it uses to allocate state and local funds to its campuses is applied consistently and does not reduce the allocation of state and local funds to a schoolwide campus because of Title I, Part A funds.

When an LEA passes the supplemental funds test, its campuses can use their funds to improve their entire educational program without having to demonstrate that each expenditure is "supplemental." However, the LEA must maintain documentation that verifies that it passed the supplemental funds test and that it applied the same funding methodology to all of its campuses, including those that do not receive Title I, Part A funds.

The following examples show how an LEA may demonstrate that it has used a fair and consistent method to allocate funds to its campuses and passed the supplemental funds test. Please note that none of the schoolwide campuses in the example districts will choose to consolidate federal, state,

and local funds (the full consolidation option). More information about [full consolidation and the supplemental funds test](#) is available online.

### Step 1, Example 1

Rokesmith Independent School District has five campuses. In order to pass the supplemental funds test, the district has decided that for the upcoming school year, it will allocate state and local funds to all of its campuses based upon its student-per-teacher ratio, which is 22 to 1, and how much it usually pays for staff and supplies, which is as follows:

- each teacher position = \$60,000
- each principal position = \$80,000
- technology cost per student = \$50
- instructional materials per student = \$61

Hexam Elementary School has 300 students and operates a Title I, Part A schoolwide program. The district will make the following allocation of state and local funds:

Hexam Elementary School  
Allocation of State and Local Funds  
(Supplemental Funds Test)

Funding Category	Calculation	Amount Allocated
<b>Funding for 14 teachers (based upon student-per-teacher ratio)</b>	$14 \times \$60,000$	\$840,000
<b>Funding for 1 principal</b>	$1 \times \$80,000$	\$80,000
<b>Technology costs</b>	$300 \times \$50$	\$15,000
<b>Instructional materials costs</b>	$300 \times \$61$	\$18,300
<b>Total allocation of state and local funds</b>		<b>\$953,300</b>

Wilfer High School has 600 students and does not receive Title I, Part A funds. The district will make the following allocation of state and local funds:

Wilfer High School  
Allocation of State and Local Funds  
(Supplemental Funds Test)

Funding Category	Calculation	Amount Allocated
<b>Funding for 27 teachers (based upon student-per-teacher ratio)</b>	$27 \times \$60,000$	\$1,620,000
<b>Funding for 1 principal</b>	$1 \times \$80,000$	\$80,000
<b>Technology costs</b>	$600 \times \$50$	\$30,000
<b>Instructional materials costs</b>	$600 \times \$61$	\$36,600
<b>Total allocation of state and local funds</b>		<b>\$1,766,600</b>

The district uses the same method for all five of its campuses and therefore passes the supplemental funds test. **The district maintains documentation of its method and its calculations for auditing and monitoring purposes.**

Please note that while this district's calculation model is based upon staffing, the district does not necessarily have to use the allocated funds according to the model. The figures in the calculation model are used to generate a fair and consistent allocation amount, but the district can use its discretion to pay a teacher, for example, more or less than \$60,000.

### Step 1, Example 2

Wegg Independent School District has five campuses. In order to pass the supplemental funds test, the district has decided that it will allocate state and local funds to its campuses based upon a weighted per-pupil formula, according to the following:

- standard per-pupil allocation = \$4,000
- additional allocation for each low-income student = \$400
- additional allocation for each limited English proficient student = \$600
- additional allocation for each special education student = \$900

Wren Elementary School has 300 students, which includes 200 low-income students, 100 limited English proficient students, and 20 special education students. The campus operates a Title I, Part A schoolwide program. The district will make the following allocation of state and local funds:

Wren Elementary School  
Allocation of State and Local Funds  
(Supplemental Funds Test)

Funding Category	Calculation	Amount Allocated
<b>Standard funding for all students</b>	$300 \times \$4,000$	\$1,200,000
<b>Funding for low-income students</b>	$200 \times \$400$	\$80,000
<b>Funding for limited English proficient students</b>	$100 \times \$600$	\$60,000
<b>Funding for special education students</b>	$20 \times \$900$	\$18,000
<b>Total allocation of state and local funds</b>		<b>\$1,358,000</b>

Wrayburn High School has 600 students, which includes 450 low-income students, 200 limited English proficient students, and 75 special education students. The campus does not receive Title I, Part A funds. The district will make the following allocation of state and local funds:

Wrayburn High School  
Allocation of State and Local Funds  
(Supplemental Funds Test)

Funding Category	Calculation	Amount Allocated
<b>Standard funding for all students</b>	$600 \times \$4,000$	\$2,400,000
<b>Funding for low-income students</b>	$450 \times \$400$	\$180,000
<b>Funding for limited English proficient students</b>	$200 \times \$600$	\$120,000
<b>Funding for special education students</b>	$75 \times \$900$	\$67,500
<b>Total allocation of state and local funds</b>		<b>\$2,767,500</b>

The district uses the same method for all five of its campuses and therefore passes the supplemental funds test. **The district maintains documentation of its method and its calculations for auditing and monitoring purposes.**

Please note that while this district's calculation model is based upon a per-pupil formula, the district does not necessarily have to use the allocated funds according to the model. The figures in the calculation model are used to generate a fair and consistent allocation amount, but the district can use its discretion to spend, for example, more or less than \$4,000 on each low-income student.

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## Step 2: Establishing Total Annual Revenue for a Schoolwide Campus

Once your LEA has determined that it has passed the supplemental funds test in allocating state and local funds to its campuses, and has allocated all applicable grant funds to its campuses using allowable methods, each Title I, Part A schoolwide campus can determine its **entire** available revenue for the upcoming school year.

Please note that establishing the total available revenue for any campus can be an ongoing process, with constant adjustments to dollar amounts. Additional funds, such as re-allocation and carryover amounts, for example, can be added as they become available to the LEA.

LEAs with a total Title I, Part A allotment that exceeds \$500,000 must set aside one percent of their total allotment of Title I, Part A funds for parental involvement activities. The examples below assume that

- The LEA has already set aside the required Title I, Part A funds.
- The LEA has allocated at least 95 percent of the set-aside funds to its Title I, Part A campuses.
- The campus's set-aside amount is included in the Title I, Part A amount shown in the table below.

More information about [set-aside funds](#) is available on another TEA web page.

The example below depicts a campus's total available revenue. While not strictly required, your campus should maintain in its documentation a similar table of its available revenue for a school year as a best practice.

### Step 2, Example 1

Hexam Elementary School  
Total Revenue for 2015–2016 School Year

Funding Source	Amount
State and local funds	\$953,300

Hexam Elementary School  
Total Revenue for 2015–2016 School Year

<b>Funding Source</b>	<b>Amount</b>
Title I, Part A	\$1,000,000
Title I, Part C	\$20,000
Title II, Part A	\$500,000
Title III, Part A	\$100,000
Title IV, Part B—21st Century	\$16,700
IDEA-B	\$10,000
<b>Total revenue available</b>	<b>\$2,600,000</b>

### Step 3: Choosing a Consolidation Option

Once a campus determines its entire available revenue, it can work with its LEA to determine which eligible funding sources it will consolidate to support the operation of its Title I, Part A schoolwide program. The hallmark of a Title I, Part A schoolwide program is the consolidation of funds into a schoolwide pool that can be used for one purpose, which is to upgrade the entire educational program of the schoolwide campus, without regard to the programmatic identity of those funds.

Your campus must select one of the following consolidations options:

1. **Full consolidation.** This option involves pooling some or all of your campus's federal funds with some or all of your campus's [eligible state and local funds](#), and provides the most flexibility in terms of operating programs. The regulations given in the Education Department General Administrative Regulations (EDGAR) do not apply to the administration of federal grant funds in this consolidation option. Campuses that select this option, however, must still follow all applicable state regulations, including reporting requirements and the rules of accounting given in TEA's Financial Accountability System Resource Guide (FASRG).
2. **Federal consolidation.** This option involves pooling some or all of your campus's federal funds, but does not involve state or local funds.
3. **Title I, Part A.** This option does not pool any funds, but allows your campus to use its Title I, Part A allocation on a schoolwide basis. This option provides the least flexibility in terms of operating programs.

The web page [Choosing a Consolidation Option for Schoolwide Programs](#) is designed to help you decide which consolidation option would be best for your campus. The page includes a detailed chart that compares specific requirements under each option. The examples in this series of web pages are based upon the federal consolidation option.

Not all funds are eligible to be consolidated. TEA has published information about [which funds are eligible for consolidation](#) in a Title I, Part A schoolwide program.

## Step 4: Allocating Funds to a Schoolwide Program

Once your campus understands its entire available revenue, and has selected a consolidation option, you can determine how much money from each eligible funding source you will consolidate to support the operation of your Title I, Part A schoolwide program. Your campus makes this determination based upon the educational needs identified in your [comprehensive needs assessment](#). **Your campus must identify in its [campus improvement plan \(CIP\)](#) the specific funding sources and the amounts from each that it will consolidate into a schoolwide pool.**

Your campus must also identify in its CIP the funding sources and the amounts from each that your campus will **coordinate** to support the schoolwide program. Coordinated funds are those that are not eligible for consolidation, or that you choose not to consolidate. Please note that the coordinated funds do not lose their programmatic identity, so your campus must still meet all applicable fiscal and programmatic requirements for coordinated funds. Your campus must also account for these funds separately from the schoolwide pool.

The examples below show the amounts to be consolidated and the amounts to be coordinated on a Title I, Part A schoolwide campus. The campus has selected the federal only consolidation option. The Title I, Part A amount to be consolidated includes the amount [set aside](#) for parental involvement activities.

You must include similar tables in your CIP to show the amounts your campus will consolidate and coordinate.

### Step 4, Example 1

Hexam Elementary School  
Schoolwide Program Consolidated Funds

Funding Source	Amount Contributed to Pool
Title I, Part A	\$1,000,000
Title II, Part A	\$500,000
Title III, Part A	\$100,000
<b>Total</b>	<b>\$1,600,000</b>

Hexam Elementary School  
Schoolwide Program Coordinated Funds

Funding Source	Amount Used to Support Schoolwide Program
State and local funds	\$953,300
Title I, Part C	\$20,000
Title IV, Part B—21st Century	\$16,700
IDEA-B	\$10,000
<b>Total</b>	<b>\$1,000,000</b>

Please note that all of the examples on these pages are provided by TEA for informational purposes only. You should not interpret the items or amounts as anything other than sample data.

## Step 5: Accounting Methodology

Once a Title I, Part A schoolwide campus has a clear understanding of how much money is available to its schoolwide pool, your LEA must establish a methodology for allocating expenditures to the funding sources in the schoolwide pool.

Selecting, documenting, and following the appropriate accounting methodology is crucial to complying with applicable accounting principles. **For auditing and monitoring purposes, your LEA must be able to describe the established accounting methodology for each Title I, Part A schoolwide campus and demonstrate that your accounting practices follow that methodology.**

[Guidance from the US Department of Education](#) (USDE) (Word, 995KB, outside source) describes three possible accounting methodologies, but you can also use any reasonable method to demonstrate that the consolidated funds in a Title I, Part A schoolwide program have been expended. TEA's Fiscal Issues Related to Operating a Schoolwide Program web page describes the [three methodologies](#) in detail.

TEA highly recommends the accounting methodology based upon proportionality of revenues at the campus level, so all of the examples in Step 5 show an LEA that uses this method. TEA does not recommend the sequencing methodology, which may affect an LEA's compliance with the maintenance of effort requirement for funds awarded under the Individuals with Disabilities Education Act of 2004, Part B (IDEA-B), and may also create problems with calculating carryover.

The examples below are designed to help you understand how to follow the proportionality accounting methodology and document your accounting activities. For Hexam Elementary School, expenditures will be allocated to each funding source according to the same proportions by which each funding source contributed to the total schoolwide pool amount. As shown in a previous example above, the campus is consolidating only its federal funds, and its schoolwide pool has the following amounts of federal funds:

### Step 5, Example 1

Hexam Elementary School  
Schoolwide Program Consolidated Funds

Funding Source	Amount Contributed to Pool
Title I, Part A	\$1,000,000
Title II, Part A	\$500,000
Title III, Part A	\$100,000
<b>Total</b>	<b>\$1,600,000</b>

Using the proportionality methodology, the campus will allocate expenditures according to the same proportions by which each funding source contributed to the total schoolwide pool amount. Title I, Part A contributed \$1,000,000 to the total of \$1,600,000, which is 63 percent of the total, so the LEA must allocate 63 percent of each of the campus's expenditures to Title I, Part A. Title II, Part A contributed \$500,000, which is 31 percent of the total, so the LEA must allocate 31 percent of each of the campus's expenditures to Title II, Part A. Title III, Part A contributed \$100,000, which is six percent of the total, so the LEA must allocate six percent of each of the campus's expenditures to Title III, Part A.

The following is an example of a schoolwide campus proportionality table, which shows the proportion contributed from each funding source. For each schoolwide campus that uses the proportionality methodology, your LEA must maintain a separate proportionality table that shows the proportion contributed by each funding source on each campus. **The proportionality table for each campus must be maintained by the LEA for auditing and monitoring purposes.**

## Step 5, Example 2

Hexam Elementary School  
Proportionality Calculation and Percentage

	Funding Source	Amount Contributed to Pool	Proportion Calculation	Percent of Total
A	Title I, Part A	\$1,000,000	$A \div D$	63%
B	Title II, Part A	\$500,000	$B \div D$	31%
C	Title III, Part A	\$100,000	$C \div D$	6%
D	<b>Total</b>	<b>\$1,600,000</b>		<b>100%</b>

The same proportions must be used to draw down funds using TEA's expenditure reporting (ER) system. More information about how to draw down funds from a schoolwide pool is given on the [Schoolwide Programs: Accounting for Expenditures](#) web pages.

## Step 6: Committing to Schoolwide Programs

Some of the decisions made by your campus and LEA during the planning for the following school year must be formalized by conveying them to TEA. Your LEA must do this when it submits the NCLB Consolidated Federal Grant Application to TEA.

On Schedule SC5000 of the application, your LEA must identify which campuses will operate schoolwide programs and which will be targeted assistance campuses. For each schoolwide campus, your LEA must also indicate which consolidation option will be used to consolidate funds.

**On Schedule BS6001 of the application, your LEA must also identify the total amount that each federal grant program will contribute to the schoolwide pool on all of your schoolwide campuses. These totals should be identified using the 8911, Operating Transfers Out code.** Federal grant program funds that will be used to pay direct costs at the district level must be identified using the appropriate object code.

The following table is an example of a portion of Schedule BS6001 for Rokesmith ISD that shows only three federal programs. At least some of the district's schoolwide campuses are consolidating these particular funds. The district adds together all of the Title I, Part A funds that will be consolidated on all of its campuses and enters the total in the 8911 row for Title I, Part A, and does the same for Title II, Part A. The rest of the district's direct costs are entered in the rows for the appropriate object codes. None of the district's schoolwide campuses is consolidating Title I, Part C funds, so no funds are entered in the 8911 row for that funding source.

## Step 6, Example 1

Rokesmith ISD  
NCLB Consolidated Federal Grant Application  
Schedule BS6001 (Portion Only)

Class/Object Code and Description		Title I, Part A	Title I, Part C	Title II, Part A
6100	Payroll Costs	\$1,000,000	\$100,000	\$500,000
6200	Professional and Contracted Services	\$500,000	\$80,000	\$250,000
6300	Supplies and Materials	\$750,000	\$15,000	\$375,000
6400	Other Operating Costs	\$300,000	\$2,500	\$150,000
6500	Debt Service	\$0	\$0	\$0
6600	Capital Outlay	\$0	\$0	\$0
8911	Operating Transfers Out	\$8,000,000	\$0	\$4,000,000
<b>Total</b>		\$10,550,000	\$197,500	\$5,275,000

Identifying federal funds correctly in Schedule BS6001 ensures that TEA can set up your LEA's grants appropriately in the ER system. This will make funds available under the appropriate object code when your LEA actually draws down federal funds for a campus's expenditures. More information about how to draw down funds from a schoolwide pool is given on the [Schoolwide Programs: Accounting for Expenditures](#) web pages.

**Any federal grant funds that are consolidated by a Title I, Part A schoolwide campus that are not budgeted through the LEA's NCLB Consolidated Federal Grant Application, or that require a paper application, should still be budgeted in object code 8911 in the applicable budget schedule of the eGrants or paper application.**

Once your campus and your LEA have worked together to complete Steps 1 through 6 in making the required [funding and accounting decisions](#) regarding how to administer consolidated funds in a Title

I, Part A schoolwide program, your LEA must develop a way to account for schoolwide program expenditures in its accounting system. Guidance is available on the web page [Schoolwide Programs: Accounting for Expenditures, Part I.](#)