



## COVID-19 Guidance: Public School and Area Education Agency Fiscal Issues

### Introduction

This guidance is intended to provide general information to public schools and area education agencies regarding fiscal and operational issues. *This guidance applies to the current COVID-19 situation and should not be broadly construed as applicable to other situations.*

### Tracking of COVID-19 Expenditures

The Department anticipates there will be a need to report additional costs incurred by districts and area education agencies (AEAs) as a result of COVID-19 actions. To assist with this task, the Department will assign a project number in the [Iowa Chart of Account Coding](#) that should be used for tracking COVID-19 specific costs. This should include only costs that are beyond those typically incurred by the district or agency. The 0000 section of the Project Dimension codes will be modified as follows:

- 0000 No Project Number Assigned and Special Projects Assigned by the State
  - 0000 No Project Number Assigned
  - 0019 COVID-19 Expenditures funded with Unrestricted Resources

Additional project numbers may be added by the Department in this section as deemed necessary.

### New (4-28-20): School Budget Review Committee

It is possible districts may incur COVID-19 related expenditures that exceed those that can be covered through specific funding for this purpose. Based on review of Iowa Code and rule, it appears the School Budget Review Committee (SBRC) has the authority to hear related requests for modified supplemental amounts and fund transfers.

The Department is working with the SBRC to schedule a special work session to review potential action related to COVID-19 expenditures, identify criteria for required exhibits, and discuss the request/application process. It is anticipated exhibits will, in part, require clear and detailed documentation of actual costs incurred specifically as a result of COVID-19. The next regular SBRC meeting is scheduled for October 13, 2020.

### Payment of Staff

As implied in the COVID-19 Guidance: Frequently Asked Questions, districts should continue to use the fund, function, program, and project coding that were being used prior to the shut down period. This is to fulfill the legal requirement to have an appropriately licensed and prepared workforce when school returns. Until the Department hears otherwise, this includes use of federal program funds. There are, however, additions to this general guidance.

## Coding for Specific Staffing Situations

Bus drivers used for school nutrition program food delivery should be coded to function 2600 rather than function 2700 and include project 0019.

## Claims Process for Grant-Based State and Federal Funding

Department staff are continuing to process claims and reimbursements against state and federal grants, including but not limited to those related to ESSA Title programs, Perkins, Regional Planning Partnerships (RPPs), K-3 At-Risk, and the Computer Science Professional Development Incentive. In preparing claims for submission, some grantees have indicated that it may be difficult for them to provide copies of source documents due to their particular work situation.

While some grants or programs may typically require a copy of source documentation, such as paid invoices, at a minimum, a PDF (or Excel) from the General Ledger for the particular project could be provided as documentation for expenditures, at least for the short term. Including a document with a general description of the expenditures would also be helpful to the reviewers. Other options might also be possible depending on access to source documents, such as photos or use of apps that allow a phone's camera to be used to scan a document.

## School Nutrition Program

Several districts have raised questions regarding continuing to pay nutrition staff "when there is no revenue coming in" for the food service program. For entities (sponsors) approved to provide Summer Food Service Program (SFSP) meals during the school closure period, this should not be an issue as the USDA provides a reimbursement for each meal. A list of approved sponsors is posted on the [Summer Food Service Program](#) page of the Department's website. If the district does receive SFSP funds then use the appropriate source/project code, 4556 Summer Food Service Program for Children (CFDA 10.559).

For entities that have not elected to participate in the SFSP, expenses for food service staff should continue to be coded to their regular payroll code but include project 0019.

## Donations or Grants to School Nutrition Program

If a grant or donation (monetary, supplies, or food) is received by the district, this will need to be reflected in the district's accounting records. The Department's Bureau of School Business Operations can assist with the proper coding.

## Use of Food Service Inventory: Non-SFSP Participants

The intended use of USDA Child Nutrition funding is to provide meals to children. While schools are closed, food service inventory cannot be used to provide meals other than through the school's approved USDA Child Nutrition programs, such as the SFSP.

USDA Foods, or donated foods as regulated by 7 CFR 250, may be donated to a disaster organization as defined in 7 CFR 250.2 and with approval from the Bureau of Nutrition and Health Services. USDA Foods donated to a disaster feeding organization may be used for congregate grab & go feeding (7 CFR 250.69.) Contact [Sarah.White@iowa.gov](mailto:Sarah.White@iowa.gov) with questions related to the use of USDA Foods. Foods purchased with USDA Child Nutrition Program funding may be donated to other USDA Child Nutrition Programs or to charitable organizations. Information on donating foods purchased with USDA Child Nutrition funding may be found in [USDA Policy Memo SP 11-2012 Guidance on the Food Donation Program in Child Nutrition Programs](#).

Eligible school districts, nonpublic schools, and community organizations not currently providing meals through SFSP during school closure due to COVID-19 that are interested in learning more may either submit

a [SFSP Unanticipated School Closure Request Form](#) or contact the Bureau of Nutrition and Health Services at [idoenutrition@iowa.gov](mailto:idoenutrition@iowa.gov).

## Use of School Buses for Food Distribution

When using a school bus for food distribution (as a food delivery vehicle), the costs incurred should be recorded in the General Fund (fund 10), coded to function 2600, and include project 0019. Also, districts should record the miles the vehicle(s) are used for this purpose as these miles are reported separately from route miles in the Annual Transportation Report. Additional considerations also apply:

- If using a yellow bus, we recommend the operator be a licensed school bus driver. At a minimum, the individual will need to hold a commercial driver's license (CDL).
- Conduct pre- and post-trip vehicle inspections as normal - this includes making sure the interior is clean.
- For safety, if a stop is made on a public road, the eight-way warning lights should be activated (same as if picking up/dropping off a student).

For more information on SFSP meal distribution requirements, visit [USDA SFSP Home Delivery Q & A](#) or contact your Bureau of Nutrition and Health Services [School Nutrition Consultant](#).

## Statewide Voluntary Preschool Program (SWVPP)

There has been no change to distribution of state aid payments to school districts, including preschool supplemental state aid. School districts should continue to provide SWVPP funds to their community partner locations as required by Iowa Code 256C.4(1)h.

Districts and their community partners can continue to use the SWVPP funds for allowable uses, including salaries and benefits for SWVPP staff, as was the practice prior to the closure period. Community partners should continue to use existing processes to provide documentation of SWVPP expenditures to the school district.

## Revised (4-28-20): Open Enrollment and Tuition-In Billing and Payment

Open enrollment and tuition agreements remain in effect. Accordingly, districts will bill, and pay, for both general education and special education situations at the end of the school year (by July 15), as there continues to be related costs regardless of whether school is in session.

For continuity, districts will use the number of days in their board-approved calendar for the 2019-2020 school year as the basis for determining the instructional cost per day - same as prior years. This holds true regardless of the continuous learning option selected by the district.

## New (4-28-20): Parent-Paid Tuition

Districts should continue to bill for parent-paid tuition as educational opportunities have continued.

## New (4-28-20): Foster Care Claim

With changes in how instructional and non instructional days will be recorded in Student Reporting in Iowa (SRI) in relation to the closure period, modifications will be needed in how foster care claim reimbursements for the 2019-2020 school year are generated. The Department is working through this issue using various scenarios and will release procedures for verification at a later date.

## Contracted Instructional Services

Even though contracted instructional services may be suspended during the period of school closure, it is reasonable to expect to continue paying for those services in order to maintain availability after the school shut down period has ended. This is consistent with continuing to pay employees during this time.

Districts and AEAs continue to receive state aid payments and federal appropriations during this period. While there may be additional costs due to the COVID-19, most expenditures, such as salaries and benefits, remain constant. It is important to remember the following information from the Iowa Department of Education in the COVID-19 Guidance: Provisions of Continuous Learning (March 27, 2020):

*Due to this global pandemic, these are unusual times with unanticipated difficulties. Perfection is not the standard to be applied; reasonable actions in light of available evidence and resources, as well as the needs of particular children, is the governing legal and practical standard for educational programs or activities.*

The same guidance is applicable as districts and AEAs work through the financial implications for providing educational programs and activities for students.

### New (4-28-20): Special Education Consortia

Guidance regarding contracted instructional services is also applicable to districts participating in special education consortia. Billing should proceed as stipulated in the consortium agreement.

### New (4-28-20): Cancelled Student Trips

Districts have experienced a variety of situations related to cancellation of student trips, many of which were planned in relation to student activities (Student Activity Fund). Because the trip arrangements and timing vary significantly, there is no single answer that will address all situations. The following guidance is offered to assist districts in responding to local questions. In each case, the action taken should be through a local school board decision and backed with documentation, including the rationale for the decision.

If a district collected out-of-pocket funds from students to cover the individuals' cost for a trip, and the trip was cancelled prior to the district using the collected funds to pay related costs for the trip, the district would be obligated to refund the out-of-pocket amount collected from each student to that individual.

If a district collected funds from fundraising activities as well as out-of-pocket amounts from students to cover the cost for a trip, and the trip was cancelled prior to the district using the collected funds to pay related costs for the trip, the out-of-pocket amount collected from each student should be refunded to that individual. Amounts collected from fundraising should be retained by the district and used for a future trip or other activity as determined by the local board.

If a district collected funds from fundraising activities as well as out-of-pocket amounts from students to cover the cost for a trip, and the trip was cancelled after the district had used these funds to pay trip-related costs, proceed as follows in an effort to refund the amount collected from each student's individual out-of-pocket contribution to the extent possible.

- 1) Work with the trip vendor(s) to recover amounts paid.
- 2) If the full amount paid cannot be recovered from the vendor(s), first apply the amount received from fundraising. If the amount from fundraising does not cover the full amount that was not recovered, consider whether use of other district funds might be appropriate and applicable (other available activity funds, for example) or apply the amount received from the students.
- 3) Use the remaining funds to refund the amount collected from each student's individual out-of-pocket contribution to the extent possible.

Amounts remaining after refunding the students' out-of-pocket amounts, if any, should be retained by the district and used for a future trip or other activity as determined by the local board.

In situations where students/parents were responsible for paying all costs of the trip directly to the trip vendor rather than through the district, the student/parent will need to work directly with the vendor to recover amounts paid. There is no obligation for the district to make up the difference between the amount refunded by the vendor and the amount paid by the parent.

Documentation of reason and an established public purpose is key. "The line to be drawn between a proper and improper purpose is very thin. Certain expenditures may not meet those requirements if the public benefits to be derived have not been carefully considered and clearly documented" ([Public Purpose Doctrine background](#), Office of Auditor of State).

### **New (4-28-20): Senior Class Account**

If a district collected out-of-pocket funds from students to cover the individuals' costs, and the district did not incur these costs, the district would be obligated to refund the out-of-pocket amount collected from each student to that individual.

Due to the interruption imposed by COVID-19, it would not be unreasonable for a local board to extend the time period for senior class activities.

### **New (4-28-20): School Bus Inspections**

School bus inspections have continued during the closure period, and the Department appreciates the cooperation of the schools, school districts, and transportation providers during this time. Several districts have noted, however, that they are experiencing some challenges in addressing 30-day repair items within the required timeframe. The Department will be flexible regarding correction of these items. In addition to local staffing concerns, we recognize the availability of parts and associated repair services may also be impacted. The bus inspectors will address these issues on a case-by-case basis and have authority to grant extensions for the 30-day repair items. Requests should be directed to the inspector assigned to your region.

Corrected repairs should continue to be reported through the Department's Vehicle Information System (VIS) as normal.