

# Blending and Braiding Funds for Early Learning Programs



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A background image showing a group of young children in a classroom. A girl in the foreground, wearing a yellow shirt, has her hands raised high. Other children are visible in the background, also with hands raised. The image is overlaid with a semi-transparent teal filter.

## Vision

*All students prepared for post-secondary pathways, careers, and civic engagement.*

## Mission

Transform K–12 education to a system that is centered on closing opportunity gaps and is characterized by high expectations for all students and educators. We achieve this by developing equity-based policies and supports that empower educators, families, and communities.

## Values

- Ensuring Equity
- Collaboration and Service
- Achieving Excellence through Continuous Improvement
- Focus on the Whole Child



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# Equity Statement

Each student, family, and community possesses strengths and cultural knowledge that benefits their peers, educators, and schools.

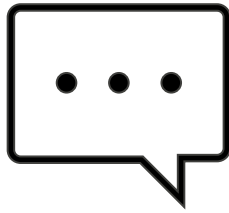
Ensuring educational equity:

- Goes beyond equality; it requires education leaders to examine the ways current policies and practices result in disparate outcomes for our students of color, students living in poverty, students receiving special education and English Learner services, students who identify as LGBTQ+, and highly mobile student populations.
- Requires education leaders to develop an understanding of historical contexts; engage students, families, and community representatives as partners in decision-making; and actively dismantle systemic barriers, replacing them with policies and practices that ensure all students have access to the instruction and support they need to succeed in our schools.

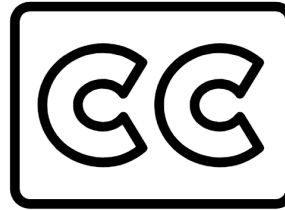


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# Housekeeping



**Use the Q and A for questions**



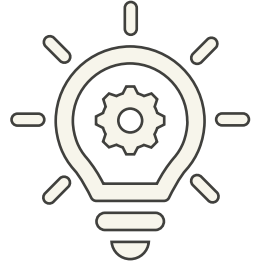
Click the "Live Transcript" button to enable closed captioning



Slides, Q&A, and Webinar recording will be posted to the Early Learning website and PdEnroller.



# Goals For Our Time Together



Where to begin...HIGH QUALITY is PRIORITY

- Needs Assessment and Coordinated Recruitment and Enrollment

Who can blend or braid funds and what does that mean?

- Schoolwide Programs and Blending Funds
- Targeted Assistance Programs and Braiding and/or Layering Funds

Continued on next slide...

# Goals For Our Time Together Continued

## Program Presentations – *What funds are available*



- Federal and State Program Allowability
  - Title I, Part A
  - Title I, Part C
  - Title II
  - Title III and TBIP
  - Title IV
  - Title VI
  - Learning Assistance Program
  - Special Education
  - School Improvement
  - Rural and Low-Income Schools
  - School Apportionment
- Fiscal Components to Know

## Q and A Session

- Unanswered Questions in Q&A will be addressed

# Start with a Needs Assessment

What preschool and early learning programs (public and private) exist in your community?

Do the children in your community have equitable access to early learning programs?  
What gaps exist?

Are there effective programs that you may want to extend or replicate?

What skills are children excelling at or lacking when entering kindergarten?

How do you plan, and work with early learning and community leaders in your area?

What resources and time can you put into this effort?



# Coordination between Districts and Early Learning Programs



For a list of providers in your area visit:  
[Child Care Aware for Principals](#)

Local Education Agencies (LEAs) must develop agreements with Head Start, ECEAP, and other community child care providers to implement activities that increase coordination, recruitment, and enrollment (**CRE**) including:

- Developing and implementing systematic procedures for receiving records for children transferring from one program to another
- Establishing channels of communication between school staff and their counterparts, as appropriate, to facilitate coordination of programs
- Conduct meetings involving parents, elementary school teachers, and early learning teachers to discuss the needs of individual children
- Organize and participate in joint transition-related training of school and early learning staff
- Linking the services provided by the LEA with the services provided by other early learning agencies.



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# Blending/Braiding/Layering



# Title I, Part A Schoolwide Programs (SWP) Preschools/TK

All children are eligible

## Flexibility

- Schoolwide Programs (SWPs) can **blend/consolidate** **some** funding sources
- Funds are expended according to the Schoolwide Plan, which is designed to address the needs from the Comprehensive Needs Assessment and do not have to follow specific students or activities.
  - Plans must include evidence-based reform strategies and focus supports on students most at risk of failing.
  - LEAs should create a sub code for SWP activities
  - Schoolwide programs must have poverty level of 40% - schools can apply for a waiver if they don't meet that requirement



# Blending/ Consolidating Funds



A school that consolidates Federal funds in its schoolwide program is not required to meet most of the statutory and regulatory requirements of the specific Federal programs included in the consolidation. Although fiscal requirements still apply (Time & Effort).

However, the school must ensure that it meets the intent and purposes of the Federal programs included in the consolidation so that the needs of the intended beneficiaries are met. (See E-8 through E-10.) [Section 1114(a)(3); 34 CFR 200.29(a), (b), (d)]

The school must be able to demonstrate that its schoolwide program contains sufficient resources and activities to reasonably address the intent of the included programs, particularly as they relate to the lowest-performing students. [Section 1114(a)(3)(C); 34 CFR 200.29(a) and (b)]

SUPPORTING SCHOOL REFORM BY LEVERAGING FEDERAL FUNDS IN A SCHOOLWIDE PROGRAM and FEDERAL REGISTER:  
*Under Schoolwide Programs in General*



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# Available funds that can be consolidated as part of a Schoolwide Plan

- Title I, Part A
- Basic Ed
- Learning Assistance Program (LAP)\*
- School Improvement (Comprehensive and Targeted Supports)
- Title I, Part C\*
- Title II, Part A
- Title III, Part A
- Title IV, Part A
- IDEA, Part B\*
- IDEA, Part B Coordinated Early Intervening Services (CEIS)\*
- Title V, Part B, Rural Education Initiative

In essence, any funding source DOE oversees can be combined. See the [Title I, Part A Fiscal Handbook](#) pg 22 for more information

## ***Funds that cannot be consolidated:***

- *Head Start*
- *ECEAP*
- *TBIP*
- *State Special Education*



# Title I, Part A Targeted Assistance Preschools/TKs or schools without Title Funding

- Like a K–12 targeted assistance program, preschool children must be identified most at risk of failing to meet state academic standards when they reach kindergarten based on “multiple educationally-related objective criteria.”
- Targeted Assistance Schools can braid/coordinate funds, but the individual funds keep their character and must be applied as per regulatory guidance.



# Braided Funding

Braided funding is the use of funds from two or more sources that are used together to fund an early learning program while still maintaining the character of each funding source

The use of funds must meet the intent and purpose of the source as defined by the donor, or the federal, state and/or local level program



# Layered Funding



A model that combines funds from multiple sources to support early learning programs.

- Each layer of funding can support a different need.
- Funds can come from the state, local government, foundations, and other sources
- Funds are carefully kept separate and tracked





For a comprehensive matrix on Braiding funds  
for Early Learning Activities please see...  
[The Title I, Part A Early Learning Guide pg 31-32](#)





# Title I, Part A – Emily Statler



Title I, Part A funds are for students preschool-12<sup>th</sup> grade, therefore Title I, A can fund preK/TK as it would any intervention program to include supplies, curriculum, professional development, teacher and paraeducator salaries, etc.



Title I, Part A funds must be spent according to a program's School Improvement Plan as informed by its Comprehensive Needs Assessment.



Like all Title I, Part A funded programs, LEAs/buildings have the option of running these programs as either a Schoolwide or Targeted Assistance Program as a LEA, partial LEA or building based program.



Please see the [Title I, Part A Program Model](#) webpage for more information on Targeted and Schoolwide program models and the [Funding Early Learning in Title I, Part A Programs](#) to find more information specifically related to early learning programs.



Please note that Title I allocations are based on an estimate of the population, ages 5–17, so there is no additional allocation for preK/TK students.



# Title I, Part C – Maria Guzman

Title I, Part C, Education of Migratory Children, provides supplemental services to migratory students who qualify for the program as families move across school district boundaries or from other states to conduct agriculture or fishing activities in Washington state.

## **Services may include:**

- Kindergarten readiness and immunizations and other health supports for students ages 3-5 not in Kindergarten.
- Family literacy training and supports to families to support children's learning in the home.
- Professional development designed to build understanding of the migratory lifestyle and strategies to engage students and families in their learning.

## Resources:

- [Migrant Education Program](#)
- [Unlocking Federal and State Program Funds to Support Student Success](#)



# Title II, Part A – Coleen Putaansuu

Activities may only include ongoing and sustained activities of **four or more days**. For example:

- Extra hours pay for teachers participating in a PLC after the contracted day
- Sub costs for teachers to observe high quality teaching during the school day
- Salaries/benefits for a TOSA to support your teachers



Title II, Part A funds can be used to support supplemental professional learning activities for **teachers and principals/asst. principals** involved in early learning.



Please note that other roles such as instructional paraeducators, school counselors, and/or district-level administrators may learn alongside your teachers and principals if there is no additional cost to Title IIA.



In addition to professional development, activities may focus on recruitment, induction, and retention of teachers and principals.



# Title III/Transitional Bilingual Instruction Program – Virginia Morales

In Washington, Title III and Transitional Bilingual Instruction Program (TBIP) funds can be used to support students beginning in Transition to Kindergarten (TK). Students who may be eligible for English language development (ELD) services are required to be screened and be provided with those services, including students in TK programs. See [Chapter 1 in the Washington State Multilingual Learners: Policies and Practice Guide](#) for more information on how to provisionally qualify TK students for English Language Development Services.

Provisionally qualified TK students are eligible for ELD services and can be claimed on the P-223 count for TBIP and Title III funding. Best practice for early multilingual learners is to provide inclusive services through co-teaching or through professional development for TK educators to integrate ELD supports and strategies into the early learning environment. Pull-out services are not best practice and are discouraged. Title III can fund PD for early learning educators who teach English learners. Funds may be expended on PD that is specifically related to English Language Development for English learners.



# Title IV – Atela Tinnin

Title IV, Part A funds can be used to help fund early learning and TK programs and activities. The Student Support and Academic Enrichment (Title IV, Part A) program provides funding to improve students' academic achievement by increasing LEAs capacity to:

- Provide all students with access to a well-rounded education;
- Improve school conditions for student learning; and
- Increase the use of technology to enhance the academic achievement and digital literacy of all students.

General early learning purchases may include obtaining supplemental curriculum, books to supply a program focused on providing families with reading material for home, SEL programming and additional materials, etc. Purchasing technology and training teachers and other staff on how to use the technology is also allowable i.e. to assist with coordination and outreach by establishing a data base to coordinate and connect with other providers to support the transition to kindergarten. The Title IV A program is a flexible source of funding that is aimed to meet LEA's unique needs and provides ample opportunities for maximizing the use of the LEA's pot of federal funds.



# Title VI – Shandy Abrahamson

There are a variety of effective early learning activities and strategies that can have a positive impact in the education of Native prekindergarten children. Title VI funds can support those activities, but each Native group has specific differences.

<b>American Indians and Alaska Natives</b>	Under the Title VI, Part A Indian Education Grants to LEAs formula grant program, funds can be used for early childhood programs that emphasize school readiness ( <i>ESEA Section 6121 (b)(3)</i> ). Also in Title VI, Part A, the Indian Education Demonstration Grants program authorizes the use of grant funds to support preschool and kindergarten programs <u>as long as</u> those programs are effective in preparing children to make sufficient academic growth by third grade ( <i>ESEA Section 6121 (c)(7)</i> ).
<b>Native Hawaiians</b>	Under the Native Hawaiian Education program (Title VI, Part B) funds can be used to support a Statewide Native Hawaiian early education and care system, and to operate family-based education centers, including those that provide services for parents and children from ages birth–3, preschool programs, and research on such programs ( <i>ESEA Section 6205 (3)-(A), 6205 (3)-(B), and 6205 (3)-(C)</i> ).
<b>Alaska Natives</b>	The Alaska Native Education program (Title VI, Part B) allows funds to be used to support early childhood and parent education programs that improve the school readiness of Alaska Native children ( <i>ESEA Section 6205 (3)(A), 6205 (3)(B), and 6205 (3)(C)</i> ).



# Learning Assistance Program (LAP) – Annie Pennell

## Intent and Purpose

- LAP provides supplemental supports to **TK-12<sup>th</sup> grade students** who are not meeting academic standards in basic skill areas (math, reading, writing) or readiness associated with basic skill areas.  
**Transition to Kindergarten (TK) programs are aligned with this intent and purpose.**

## Washington Integrated Student Supports Protocol

- Starting in September 2025, school boards of directors must budget and expend the appropriations of LAP, under RCW [28A.165.005](#) through [28A.165.065](#), **using the Washington Integrated Student Supports Protocol**, established under RCW [28A.300.139](#).  
This means schools and LEAs must use the Protocol to plan and implement their LAP-funded supplemental supports, including TK programs that are funded, even partially, through LAP base and high poverty allocations. **In accordance with [HB 1550 \(2023\)](#), TK funds are generated and included in both LAP allocations based on prior year enrollment. TK funding estimates will be in the LAP budget calculator for the upcoming school year.**

# Learning Assistance Program (LAP) – Annie Pennell

## Examples of LAP-funded activities



additional time for collaborative planning between community partners, families, and school staff related to student supports



evidence-based materials and tools to deliver academic and nonacademic supports to participating students



professional learning aligned with the identified needs of participating students for staff, community partners, and families



salaries for staff and contracts for partners to provide academic and nonacademic supports with intentionality and fidelity, as well as assess how well supports are meeting students' identified needs and adjusting as appropriate

Community partners may include, but are not limited to, early learning providers to promote readiness and gather information about the needs of incoming students **who are registered for TK or K**

LEAs and schools can use up to 15% of LAP base and 15% of LAP high poverty funds per eligible school for supports provided directly to students by community partners



# Special Education – Cassie Martin

LEAs should examine their policies, procedures, and practices in supporting preschool children with disabilities in their systems and consider how funding can be used to ensure access and participation in a regular early childhood program or general education setting. A school may build an integrated preschool setting by utilizing IDEA Part B alongside other funding sources.

- [WAC 392-172A-01152](#) **Regular early childhood program.** Regular early childhood program means a program that includes fifty percent or more children who do not have an IEP. Programs may include, but are not limited to, the following: Head start; early childhood education and assistance program (ECEAP); transition to kindergarten; kindergarten; preschool classes offered to an eligible prekindergarten population by the public school system; private kindergartens or preschools; group child development centers; or childcare



# School Improvement Funds – [Liza Hartlyn](#)

A school may use ESEA section 1003 funds awarded to the school's Local Education Agency (LEA) to operate an early learning program in that school if it is aligned to the identified school's [School Improvement Plan](#) (SIP).

ESEA authorizes an LEA to use section 1003 funds for [Evidence Based Practices](#) (EBP) that support the implementation of the SIP for schools identified as eligible for supports in Tiers 3 and 3 Plus per the [Washington School Improvement Framework](#) (WSIF), and other entities as funds are available.

An identified school may use section 1003 funds awarded to the LEA for that school to implement a high-quality early learning program that is designed to improve school readiness if it is aligned to the identified school's School Improvement Plan (SIP).

Please see OSPI's [Continuous School Improvement Resources](#), for more information



# 21<sup>st</sup> Century Community Learning Centers

## – Heidi Schutlz



A COMMUNITY LEARNING CENTER assists students to meet the challenging state academic standards by providing the students with academic enrichment activities and a broad array of other activities during non-school hours or periods when school is not in session.



**May 21st CCLC funds support services for pre-kindergarten children?** Yes. 21st CCLC programs primarily serve students in schools eligible for Title I schoolwide programs. Although “students” are designated in statute as the intended beneficiaries of the program, younger children who are not yet eligible for kindergarten and live in the attendance area of the schools being served may also participate in program activities designed to ensure those children enter kindergarten ready to succeed.



# REAP Alternative Fund Use Authority (REAP) and Rural and Low-Income School Grants (RLIS) – [Tony May](#)

REAP and RLIS grant funds may be used for any of the expanded opportunities allowed under ESSA in Title I, Part A; Title II, Part A; Title III; and Title IV, Part A. This includes early learning services.



# Basic Education – SAFS – [Becky McLean](#) and [Melissa Jarmon](#)

- There is no Basic Ed Allocation for any early learning program other than Transition to Kindergarten (TK).
- TK is not basic education, meaning it is not an entitlement for all students, as such, all students must be screened for TK eligibility.
- Funding allocated for this program must only be used for students enrolled in TK. Expenditure data is tracked in Program 09, recommended sub-fund 0 or 1 and GL 823 for the carryover funds.
- TK is funded through the prototypical school funding model and TK students are funded through apportionment, generating funds the same as kindergarten students, including transportation and other district level services. When funds are generated in categorical program expenditures should use a sub-program code like XX09.
- TK enrollment is included into the K-3 Class Size and Physical, Social and Emotional Compliance calculations as well as Levy and Local Effort Assistance.
- TK programs are funded based on enrollment reported on the monthly P-223 form based on the TK FTE reported on the monthly count day. FTE is based on 27 weekly hours and 45 minutes, which including recess but excluding mealtime.
- The 1,000 instructional hour requirement to receive full funding was established by the [State Board of Education](#); and the language is included in the all-day [Kindergarten RCW](#) (which TK mirrors).

## Resources:

[OSPI School Apportionment](#)

[Budget Preparations](#)

[Enrollment Reporting Guidance](#)



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# Early Childhood Education and Assistance Program (ECEAP) and Head Start

**Placing ECEAP, Head Start and district students in the same early learning classroom is allowable and encouraged, however, ECEAP and Head Start funding may only be braided, not blended with other state/federal funds.**

ECEAP and Head Start funds can only be used for students enrolled in their respective programs, and state education and Title funds cannot be used to support any ECEAP or Head Start students.



# ECEAP and Head Start Continued

**LEAs and schools braiding funds to administer their TK programs (i.e. ECEAP, Title IA) must adhere to the highest performance standards of funding streams used.**

[ECEAP Performance Standards](#)

[Head Start Performance Standards](#)

[Supporting High-Quality Preschool with Title I Funds](#) (*Guidance to LEA's on Implementing the Required Head Start Program Performance Standards for Title I-Funded Preschool Programs*)



# Federal Grant Compliance

Amy Harris, Director of Federal Fiscal Policy & Grants Management, OSPI



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# Internal Controls and Compliance

- “To receive federal awards, non-federal entities must agree to comply with laws, regulations, and the provisions of grant agreements and contracts, and to maintain internal control to provide reasonable assurance of compliance within these requirements.”
- CFR 200.303(a): “Establish, **document**, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.” [eCFR :: 2 CFR 200.303 -- Internal controls.](#)
  - Written procedures required for allowability of costs, cash management, conflict of interest, procurement, travel, payroll (including time and effort and fringe benefits).
  - LEAs should also have written procedures for the compliance areas that are direct and material to the program being audited.



# Federal Compliance Supplement

- The Federal Compliance Supplement is the handbook used by auditors when auditing federal grant programs.
- It includes the federal compliance areas that are applicable for most federal grants. It is up to the auditor to determine which of these areas are direct and material to the program and, therefore, must be audited.
  - See most Department of Education grants here: [Part-4-Department-of-Education](#)
  - See most USDA grants here: [Part-4-Department-of-Agriculture](#)
- The Federal Compliance Supplement is updated annually (usually in May). See the main page here: [Current Compliance Supplement | OMB | The White House](#)



# Federal Compliance Areas

There are twelve federal compliance areas:

Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment & Real Property Management	Period of Performance
Procurement/ Suspension & Debarment	Matching, Level of Effort & Earmarking	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions



# Common Federal Audit Findings

Local government top federal audit findings:

- Special tests and provisions: 28%
- Procurement, suspension and debarment: 25%
- Allowable costs/cost principles: 18%
- Activities allowed/unallowed: 15%
- Reporting: 5%
- Subrecipient monitoring: 3%

*\*From Federal Audit Clearinghouse data of fiscal year-end 2021-2023 audits as of 8/20/2024:*

[The Federal Audit Clearinghouse](#)



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# Activities Allowed or Unallowed

- Audit Objective: "Determine whether federal awards were expended only for allowable activities."
- "The requirements for activities allowed or unallowed are contained in program legislation, federal awarding agency regulations, and the terms and conditions of the award."



# Allowable Costs/Cost Principles

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under federal awards:

- Be **necessary and reasonable** for the performance of the federal award and be allocable thereto under the principles in 2 CFR Part 200, Subpart E.
- **Conform to any limitations or exclusions set forth in 2 CFR Part 200, Subpart E or in the federal award** as to types or amount of cost items.
- Be **consistent with policies and procedures** that apply uniformly **to both federally financed and other activities of the non-federal entity**.
- Be accorded **consistent treatment**. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.
- Be determined in accordance with generally accepted accounting principles (GAAP), except for state and local governments and Indian tribes only as otherwise provided for in 2 CFR Part 200.
- **Not be included as a cost or used to meet cost-sharing or matching requirements of any other federally financed program** in either the current or a prior period.
- Be **adequately documented.**"

[eCFR :: 2 CFR 200.403 -- Factors affecting allowability of costs.](#)



# Allowable Costs/Cost Principles

Reasonable Costs per CFR 200.403:

**"A cost is reasonable if it does not exceed an amount that a prudent person would incur under the circumstances prevailing when the decision was made to incur the cost.** In determining the reasonableness of a given cost, consideration must be given to the following:

- (a) Whether the cost is generally recognized as ordinary and necessary for the recipient's or subrecipient's operation or the proper and efficient performance of the Federal award;
- (b) The restraints or requirements imposed by such factors as sound business practices; arm's-length bargaining; Federal, State, local, tribal, and other laws and regulations; and terms and conditions of the Federal award;
- (c) Market prices for comparable costs for the geographic area;
- (d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the recipient or subrecipient, its employees, its students or membership (if applicable), the public at large, and the Federal Government; and
- (e) Whether the cost represents a deviation from the recipient's or subrecipient's established written policies and procedures for incurring costs."





# Allowable Costs/Cost Principles

- “The 2 CFR sections 200.420 through 200.476 provide the principles to be applied in establishing the allowability of certain items of cost, in addition to the basic considerations” identified in the prior slide.
- Examples:
  - Audit services (CFR 200.425)
  - Compensation for Personnel Services (CFR 200.430) (Time and Effort)
  - Compensation for Fringe Benefits (CFR 200.431)
  - Equipment and Other Capital Expenditures (CFR 200.439)
  - Pre-Award Costs (CFR 200.458)
- Some costs require prior approval (CFR 200.407).
- This compliance area also includes direct and indirect costs.
- This compliance area is often tested with Activities Allowed or Unallowed.



# Cash Management

- “Non-federal entities must establish written procedures to implement the requirements of 2 CFR section 200.305 (2 CFR section 200.302(b)(6)).”
- **“Non-federal entities must minimize the time elapsing between the transfer of funds from the US Treasury or pass-through entity and disbursement by the non-federal entity for direct program or project costs** and the proportionate share of allowable indirect costs, whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means (2 CFR section 200.305(b))”. *\*Three days is a good business practice.*
- “Interest earned by non-federal entities other than states on advances of federal funds is required to be remitted annually to the US Department of Health and Human Services, Payment Management System, P.O. Box 6021, Rockville, MD 20852. Up to \$500 per year may be kept for administrative expenses (2 CFR section 200.305(b)(9)).”



# Eligibility

- “The specific requirements for eligibility are unique to each federal program and are found in the statutes, regulations, and the terms and conditions of the federal award pertaining to the program.”
- Audit Objective: “Determine whether required eligibility determinations were made (including obtaining any required documentation/verification), that individual program participants or groups of participants (including area of service delivery) were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program.”



# Equipment & Real Property Management

- "Equipment means tangible personal property, including information technology systems, having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes or ~~\$5,000~~ \$10,000 (2 CFR section 200.1)." *(threshold increased 10/1/24)*
- Prior approval is required per CFR 200.439
- Capital equipment must be used in accordance with CFR 200.313(c): [eCFR :: 2 CFR 200.313 -- Equipment](#).
- Capital equipment must be tracked and monitored per CFR 200.313(d): [eCFR :: 2 CFR 200.313 -- Equipment](#).
- Disposal requirements for capital equipment are also in CFR 200.313(e): [eCFR :: 2 CFR 200.313 -- Equipment](#).



# Matching, Level of Effort and Earmarking

- “The specific requirements for matching, level of effort, and earmarking are unique to each federal program and are found in the statutes, regulations, and the terms and conditions of awards pertaining to the program.”
- “*Matching* or cost sharing includes **requirements to provide contributions (usually non-federal) of a specified amount or percentage to match federal awards**. Matching may be in the form of allowable costs incurred or in-kind contributions (including third party in-kind contributions).”
- “*Level of effort* includes requirements for (a) **a specified level of service to be provided** from period to period, (b) **a specified level of expenditures from non-federal or federal sources for specified activities to be maintained** from period to period, and (c) **federal funds to supplement and not supplant non-federal funding** of services.”
- “*Earmarking* includes requirements that specify **the minimum and/or maximum amount or percentage of the program’s funding that must/may be used for specified activities**, including funds provided to subrecipients. Earmarking may also be specified in relation to the types of participants covered.”



# Matching, Level of Effort and Earmarking

## Audit Objectives:

- *“Matching* – Determine whether the minimum amount or percentage of contributions or matching funds was provided.”
- *“Level of Effort* – Determine whether specified service or expenditure levels were maintained.”
- *“Earmarking* – Determine whether minimum or maximum limits for specified purposes or types of participants were met.”



# Period of Performance

- "A non-federal entity may charge only allowable costs incurred during the approved budget period of a federal award's period of performance and any costs incurred before the federal awarding agency or pass-through entity made the federal award that were authorized by the federal awarding agency or pass-through entity (2 CFR sections 200.308, 200.309, and 200.403(h)). "
- "Unless the federal awarding agency or pass-through entity authorizes an extension, a non-federal entity must liquidate all financial obligations incurred under the federal award not later than ~~120~~ 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the federal award (2 CFR section 200.344(b))." (*\*90 days for LEAs and 120 days for SEAs*)
- See 34 CFR 75.707: When Obligations Are Made
- Financial Obligation is defined in 2 CFR 200.1 as: ..."orders placed for property and services, contracts and subawards made, and similar transactions that require payment by a recipient or subrecipient under a Federal award that will result in expenditures by a recipient or subrecipient under a Federal award."



# Procurement and Suspension & Debarment

- If federal funds are used, all or in part, to pay for goods or services, you must follow the federal procurement requirements, which include using the more restrictive of the federal or state bid laws or the district's internal policies.
- Non-federal entities must have and use documented procurement procedures, consistent with state and local laws and regulations and the standards of CFR 200.318. The document procedures must conform to the procurement standards in CFR 200.317-.327. Review these policies annually for changes.
- Cost or Price Analysis (CFR 200.324): Required when the total cost is \$250k or more when using federal funds.





# Procurement and Suspension & Debarment

- **Suspension and Debarment:**

- **For purchases greater than \$25k, paid for all or in part with federal funds, vendors must be checked, prior to purchases being made or work being performed, to ensure they have not been suspended or debarred** and documentation evidencing this must be retained (2 CFR 180.300).
  - This requirement includes the total cost of an individual purchase/project and/or the aggregate amount paid to the vendor in a fiscal year.
- This documentation can be completed by 1) checking the vendor on SAM.gov and printing the search results 2) including suspension and debarment language in a contract signed by the vendor or 3) receiving a signed certification from the vendor that they are not suspended or debarred.
  - It is also allowable to include this language on a purchase order that the vendor signs/agrees to.

- **Davis Bacon Act:**

- **An LEA that uses federal funds for minor remodeling, renovation, repair, or construction contracts over \$2,000 must meet all Davis-Bacon prevailing wage requirements and include language in the contracts** that all contractors or subcontractors must pay wages that are not less than those established for the locality of the project (prevailing wage rates). (See 20 U.S.C. 1232b Labor Standards.):
  - Collect weekly certified payrolls from the contractor and subcontractors
  - Ensure federal prevailing wage language is included in the contract(s): [29 CFR 5.5](#)



# Federal Procurement

## Other procurement considerations:

- Contracting with small and minority businesses, women's businesses, veteran's owned businesses and labor surplus area firms: CFR 200.321
- Domestic preferences for procurements: CFR 200.322
- Buy American Act: 2 CFR Part 184
- Procurement of recovered materials: CFR 200.323
- Bonding requirements: CFR 200.326
- Contract provisions: CFR 200.327
- Construction project requirements: 34 CFR 75.600-618
- Check the federal award terms and conditions in the grant award.
- Check the applicable statutes or regulations affecting the program.



# Program Income

- "Program income is **gross income earned by a non-federal entity that is directly generated by a supported activity or earned as a result of the federal award during the period of performance** (unless there is a requirement for disposition of program income after the end of the period of performance as provided in 2 CFR section 200.307(f))."
- "Program income (2 CFR section 200.1) includes, but is not limited to income from:
  - Fees for services performed,
  - The use or rental of real or personal property acquired under federal awards,
  - The sale of commodities or items fabricated under federal awards,
  - License fees and royalties on patents and copyrights, except as provided below, and
  - Principal and interest on loans made with federal award funds."
- Program Income is typically deducted from the total allowable costs. With prior approval from the federal awarding agency, it may be added to the grant award or used as a cost sharing or matching requirement.



# Reporting

- “Reporting requirements are contained in the following:
  - Financial reporting, 2 CFR section 200.328.
  - Monitoring and reporting program performance, 2 CFR section 200.329.
  - Program legislation.
  - Transparency Act, implementing requirements in 2 CFR Part 170 and the FAR, and the previously listed OMB guidance documents.
  - Federal awarding agency regulations.
  - The terms and conditions of the award.”
- Audit Objective: “Determine whether required reports for federal awards include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with governing requirements.”



# Subrecipient Monitoring

- Pass through entities must:
  - “Identify the Award and Applicable Requirements” in CFR 200.332.
  - “Evaluate risk of non-compliance for purposes of adequate monitoring related to the award.”
  - “Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals.”



# Special Tests and Provisions

- “The specific requirements for Special Tests and Provisions are unique to each federal program and are found in the statutes, regulations, and the provisions of contract or grant agreements pertaining to the program.”
- Examples of Special Tests for the Title I-A program:
  - Participation of Private School Children
  - Annual Report Card/High School Graduation Rate
  - Assessment System Security
  - Supplement Not Supplant



# Federal Compliance Questions?

- Amy Harris, Director of Federal Fiscal Policy and Grants Management  
(360) 688-0485 [Amy.Harris@k12.wa.us](mailto:Amy.Harris@k12.wa.us)
- Jamey Schoeneberg, Assistant Director of Federal Fiscal Policy  
[Jamey.Schoeneberg@k12.wa.us](mailto:Jamey.Schoeneberg@k12.wa.us)



# Q&A





# Funding Resources

- [Strategies to Foster Integration in Early Childhood Education](#)
- [Braided Funding to Promote Preschool Inclusions](#)
- [Braiding Federal Funding: A Tool for States and Local Communities](#)
- [Title I, Part A Fiscal Handbook](#) pg 19
- [Braiding Federal Funding to Expand Access to Quality Early Care and Education and Early Childhood Supports and Services: A Tool for States and Local Communities](#)



# Funding Resources Continued

- [Office of Early Childhood Development's Dear Colleague Letter on a Mixed Delivery System](#)
- [Unlocking Federal and State Program Funds to Support Students Success](#) pg. 112
- [Preschool Inclusion Finance Toolkit](#)
- [Braided Funding to Promote Preschool Inclusion](#)
- [Funding Early Learning Activities with Title I, Part A Guide](#)



# Contact Us!

## Early Learning Team

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