

OFFICE OF CHILD DEVELOPMENT & EARLY LEARNING (OCDEL)

BUREAU OF EARLY INTERVENTION SERVICES & FAMILY SUPPORTS

FISCAL/CONTRACT GUIDELINES

for

STATE EARLY INTERVENTION, FEDERAL 619 & 611 COMPONENT I

FISCAL YEAR 2026-2027

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SECTION I - GENERAL INFORMATION

1.1 INTRODUCTION

These are the fiscal guidelines for Preschool Early Intervention (EI) services. They are designed to assist the programs in completing fiscal documents on the Pennsylvania Department of Education (PDE) eGrants system.

Grant Agreement

A Grant Agreement is part of the application process and the vehicle by which specific project funds are provided to grantees. Grantees can submit Grant Agreements utilizing an electronic signature. This method accelerates the approval process, and its use is encouraged by OCDEL. The Grant Agreement is comprised of the following:

- Grant Agreement signature pages
- Special Program Terms (Appendix A)
- Assurance of Quality Space (Appendix A1)
- Grantee's Program Narrative and Budget Information (Appendix B)
- Payment of Terms, Responsibilities and Contact Information (Appendix C)
- PDE Master Standard Terms and Conditions

1.2 ADMINISTRATIVE GUIDELINES

Federal regulations prohibit obligation or expenditure of funds prior to the beginning date of the grant/project.

Grant Agreement and Application Process

Grant Agreement - The Grant Agreement consists of the following documents which must be submitted to OCDEL on or before July 1 of the fiscal year for which the grant is being submitted.

- Grant Agreement with electronic signature OR 2nd page with original signature signed in blue ink and two accompanying pages. Please note that if you submit the Agreement with an electronic signature, you are not required to submit a hard copy.
- Special Program Terms - Appendix A (3 pages)
- Assurance of Quality Space for Early Intervention Program - Appendix A1 (3 pages)
- Grantee's Program Narrative and Budget Information - Appendix B
(Includes all three funds—state EI, federal 619 and federal 611-Component I)
Payment Terms, Responsibilities and Contact Information (Appendix C)

Application - The submission of the budget information package includes the following documents:

- For state Early Intervention
 - State Early Intervention Preschool Budget (Form 403)
- Preschool Expenditure Detail (The budget needs to include all anticipated expenditures which may include shortfalls beyond the state Early Intervention allocation)
 - Prior Year Encumbrance Liquidation

These instructions are provided with the initial set of forms sent to grantees for their original Grant Agreement Application. Please note that failure to include any of the information

requested in the forms' instructions might delay the project review process and may also result in payment delays for the project. The provided amounts inform future allocations of available funding.

The Grant Agreement must be either electronically OR manually signed by the Grantee's chief administrative officer. This will be the executive director for intermediate units, the superintendent for school districts, and president or vice president and the secretary or treasurer for an agency. If the Grantee has someone other than the chief administrative officer signs the Grant Agreement and the budget, the Grantee must submit proof that its governing board has approved that individual to act in that capacity.

The state Early Intervention and federal IDEA 619/611-Component I applications must be completed on-line at the PDE e-Grants website, [eGrants](#).

Hard copy-only submissions of the signed Grant Agreement must be sent to:

Pennsylvania Department of Education
Office of Child Development and Early Learning
607 South Drive, 4th Floor Rotunda
Harrisburg, PA 17120
Attention: Brian Bell

Questions regarding the guidelines or instructions for completing the budget details may be directed to Brian Bell, fiscal management specialist, phone 717.346.0038 or bribell@pa.gov

1.3 FUNDING AND ADMINISTRATION

State Early Intervention funds, as well as both federal IDEA 619/611-Component I, provide for comprehensive services to eligible young children ages three to school age. In accordance with Act 30 of 1997, when the child has reached the year of kindergarten eligibility, does not enroll in any kindergarten program, and remains in Early Intervention until the age of beginners, the funding for Early Intervention services then becomes the responsibility of the resident school district.

1.4 BUDGETS

A budget for state Early Intervention, federal IDEA 619/611-Component I funds must be submitted each program year by the Grantee in accordance with instructions provided by OCDEL. A separate accounting for state Early Intervention funds is required and commingling of state and federal funds is not allowed. Budgets must be prepared and estimated expenditures reported in accordance with the accounting principles found in the [Pennsylvania Department of Education Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems](#). The budget year is July 1 through June 30. The following forms will be generated electronically for all budgets related to the Preschool Early Intervention program:

- Summary Budget, Appendix B, for state EI, federal 619 and federal 611-Component I represent estimated expenditures to be paid in accordance with [2 CFR 200.404](#) for the state Early Intervention and federal IDEA 619/611-Component I Early Intervention allocation.
- Form 403 identifies estimated expenditures and revenues. The dollar amount

entered by the Grantee on the state Early Intervention allocation line of the Form 403 must be the same as the amount shown on Page 1 of Grant Agreement as it relates to state Early Intervention funding.

The following information provides direction for entering data into the state Early Intervention Preschool Budget in eGrants:

- Form 403:
 - Total Anticipated Expenditures: Enter the total anticipated expenditure being charged to the budget. The provided amounts inform future allocations of available funding.
 - Estimated School District Revenue: Enter amounts provided by the school districts for children they are responsible for but who have remained in the Early Intervention program during their kindergarten eligible year. These revenues must equal the anticipated expenditures for those same children. The full costs associated with serving children in Act 30 status is the responsibility of the resident school district.
 - Interest Income: Identify the estimated interest to be earned on program funds.
 - Other Local Income: Enter any other local revenues that support the Early Intervention program.
 - Social Security (State Share): Enter the state share of Social Security.
 - Retirement (State Share): Enter the state share of retirement.
 - State Early Intervention Allocation: Enter the state Early Intervention allocation as identified on the Grant Agreement.
 - Medical ACCESS Required Contribution: Enter the projected Medical Assistance/School Based Access Program required contribution to match the annual allocation letter.
 - Projected Shortfall: Enter total anticipated additional program expenses beyond those reported in the State EI, IDEA 619 and IDEA 611 Component I budgets. The provided amounts inform future allocations of available funding.
- The individual budget sections delineated by major Object numbers are the budget substantiation formats used to provide a more detailed explanation of the costs identified on the Form 403. The format will serve as the basis for much of the data entry required for e-Grants for Preschool Early Intervention.
- Contractor Substantiation Form - A private provider that enters into a contract with a Grantee for the purpose of providing Preschool Early Intervention services is required to submit a Contractor Substantiation Form. This form is to be completed outside of the state EI budget in the eGrants system. A contractor is exempted from submitting this form based on one of the following criteria:
 - It is under \$50,000.
 - It is with an individual who works independently and is not an employee of a service provider.
 - It is a contract involving the transition of eligible young children from the Infant Toddler program to the Preschool Early Intervention program and is only for the duration of time until the IEP can be developed and/or implemented.

Please note that OCDEL and/or Grantee, at their discretion, may require the Contractor Substantiation Form to be completed in any of the above circumstances.

Prior to each new fiscal year, OCDEL will provide the Grantee with instructions for preparing

the budgets in eGrants. This information is available on PDE's website at [eGrants](#).

1.5 PAYMENTS

After the Comptroller's Office receives notification that a Grant Agreement is approved, payments are initiated. The approved funding allocation is divided into equal amounts based on the duration of the project. The payment amount is issued to the grantee each month during the duration of the project. Completion of the Cash on Hand reporting as described in section 3.1 is required as part of the payments process.

The project payment system does not process an automatic monthly payment once the project end date has passed. Projects with payments remaining in their schedule will not automatically receive a monthly payment in the next cycle if the end date has passed. For example, a project ending June 30th with one monthly payment remaining in the schedule will not receive an automated monthly payment in July. Outstanding project balances will be processed for payment based on an approved Final Expenditure Report (FER). Project grantees are required to submit their Final Expenditure Report in a timely manner. The IDEA FER deadlines are August 31, the state EI deadline is September 30.

1.6 CONDITIONS OF FUNDING

All Early Intervention services shall be provided in accordance with: Part B of IDEA, P.L. 108-446, 118 Stat. 2647 §§1411 – 1419 (ii) and the Pennsylvania State Regulations (22 PA Code Chapter 14). Conditions of state funding will be specified in the [PDE Master Standard Terms and Conditions](#) and Grant Agreement. Under no circumstances may state or federal Early Intervention funds be used to pay for Early Intervention services for a child who has reached the year of kindergarten eligibility, does not enroll in any kindergarten program, and remains in Early Intervention until the age of beginners.

1.7 TRAINING REQUIREMENT

Grantees must document training and technical assistance expenses of at least 1 percent but not more than 2 percent of the state EI allocation. Federal funds may not be counted towards the requirement of the 1-2 percent spending. Training and technical assistance costs must be reported in the state Early Intervention Final Expenditure Report.

The Preschool EI program must submit one copy of the Final Expenditure Report online via the eGrants system and it must be signed either electronically OR via hard copy (with an original signature in blue ink) to OCDEL. The training worksheet should include in-kind costs.

In-kind training costs are those costs charged to appropriate functions/objects for accounting purposes but also counted as training costs for purposes of the training requirement.

Costs associated with the following activities may be credited toward the Grantee's training and technical assistance requirement:

- Expenses as described in the LICC Guidelines specific to supporting family participation (See [LICC Guidelines](#)). This also includes reasonable expenses, including

honorariums, travel, and childcare costs for families who have a specific role in supporting the local Early Intervention program at the request of the local program Attendance and participation in the statewide Early Intervention leadership meetings, conferences, policy forums & State Interagency Coordinating Council (SICC) meetings (allowable costs are limited to the portion of salary/benefits earned by any individual while involved in an allowable training activity, registration fees, lodging, mileage and meals as approved by local policy).

- Attendance and participation in Service Delivery including Embedded Instruction.
- Attendance at recognized training conferences sponsored by relevant professional organizations, accredited colleges and universities related to Early Intervention (allowable costs are limited to the portion of salary/benefits earned by any individual while involved in an allowable training activity, registration fees, lodging, mileage and meals as approved by local policy).
- In-service training on topics specific to Early Intervention including Reasonable cost to rent meeting space and technology used for training (Note: Programs should use free resources when available)
- Collaborative training with early childhood community partners.
- Attendance at fiscal management and budget training related to Early Intervention.
- Items purchased to support Child Find activities and incentives for Bureau of Early Intervention Services and Family Supports family survey. (Items are restricted to those that promote literacy and child learning (i.e. books, etc.)
- Promotion of the local Early Intervention program (Promotions are restricted to advertising methods such as billboards, tv/radio ads, printed and digital advertising)
- Interpretation services used during a training event or Local Interagency Coordinating Council (LICC) meeting

SECTION II - REIMBURSABLE COSTS

Grantees may be reimbursed for the following costs:

2.1 SALARY COSTS

The following personnel costs are allowable if provided in accordance with existing policies and guidelines:

- Teachers
- Paraprofessionals
- Supervisors
- Speech and Language Clinicians
- Physical Therapists/Occupational Therapists and Certified Assistants
- Other Related Service Personnel
- Psychologists
- Nurses
- Service Coordinators
- Clerical Staff

Support of Salaries and Wages

The OMB Guidance for Federal Financial Assistance cost principles provide those charges to federal awards for salaries and wages, whether treated as direct or indirect cost, will be

based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit. Additionally, support of salaries and wages must meet the time distribution standards of the OMB Guidance cost principles. These standards, in part, provide that:

- Where employees are expected to work solely on a single federal grant or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
- Where employees work on multiple activities or cost objects, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which:
 - reflects an after-the-fact distribution of the actual activity of each employee
 - accounts for the total activity for which the employee is compensated
 - is prepared at least monthly and coincides with one or more pay periods and
 - is signed by the employee.

This documentation support is required when employees work on more than one federal project: a federal project and a non-federal project, or an indirect cost activity and a direct cost activity.

Note: Any position considered by PDE allowable to be funded under the Intermediate Unit Core funds is not an allowable cost to the Early Intervention program.

2.2 BENEFITS

Early Intervention funds may be used to pay for employer paid benefits for personnel whose salaries are reimbursable under paragraph 2.1. Those benefits include such items as FICA, Retirement, Unemployment Compensation, Workman's Compensation, Group Insurance and other benefits required through a collective bargaining agreement. Retirement incentives that are in addition to those provided through the employment agreement for administrators, professional staff, or both are not allowable.

2.3 CONTRACTED SERVICES

When a Grantee purchases services by an outside agency, contracts are required for the routine provision of these services. Costs of instructional and related services provided through a formal contract with a private provider of Early Intervention services may be reimbursed with state and federal IDEA 619/611-Component I funds. The provision of services by contracted personnel must be provided in accordance with existing policies and guidelines and must be necessary to fulfill the Individualized Education Program (IEPs) of eligible young children. A detailed breakdown of contracted costs is required with each budget/budget revision. At a minimum, this information must include:

- Name of the agency/individual
- Amount of the contract
- Identification of each service and related services
- Rate of each service and related services (including the unit defined)
- Number of children served by each service provided

Subcontracted providers must follow same procedures as a contracted provider agency stated above.

All grantees must report IDEA 619 pass-through funding to the school districts within their catchment area in the Other Expenses section. A Contractor Substantiation form is not required for those school districts.

2.4 SALARY COSTS FOR CONTRACTED SERVICE PROVIDERS

Contracted personnel are funded by the Grantee and must be provided with existing policies and guidelines related to staff caseloads. In addition, these positions must be necessary to fulfill the IEPs of eligible young children and are limited to the following:

- Program Director – A portion of one program director’s salary is allowable, with the understanding that indirect administrative costs are not going to be calculated on this item. The Grantee is responsible to ensure that the costs charged for this position are based on actual time spent in oversight of the Early Intervention program and/or services provided through the contract. This position should only be funded by the Preschool EI program when the number of contracted staff requires this administrative support.
- Teachers
- Paraprofessionals
- Supervisors - A portion of the supervisor’s salary is allowable.
- Speech and language pathologists
- Speech and language pathology assistants
- Physical therapists
- Physical therapist assistants
- Occupational therapists
- Certified occupational therapy assistants
- Psychologists
- Nurses
- Service Coordinators
- Clerical Staff - This is an allowable cost when directly supporting the instructional program and should be in proportion to the Early Intervention services provided by the agency. Executive secretaries and other administrative support staff are not allowable as direct costs of the program.

Private providers that submit personnel costs on their Contractor Substantiation Form, that have different job classifications than those described in this section must submit job descriptions to their EI program prior to approval of the contract that will justify those positions in accordance with these guidelines.

2.5 THE CONTRACT DOCUMENT

At a minimum, the following information is required in the contract developed by the Grantee:

1. Start and end date for the contract not to exceed one fiscal year.
2. Itemization of a rate per unit of service
3. Specifications for the services to be performed. This work statement must be complete, explicit and clear since this will be the document used to measure the contractor’s

performance.

4. Identification of responsibilities of all parties involved in the contract.
5. Identification all applicable federal and state statutes, regulations and guidelines that the contractor must comply with during the contract period. This includes but is not limited to the Individuals with Disabilities Education Act (IDEA), federal CFR Parts [300](#) and [301](#), [Act 212 of 1990](#), state regulations at 22 PA Code Chapters 14, and any state Early Intervention program or fiscal guidelines.
6. A statement making it clear that the contractor is an independent agent and not an employee or official of the Grantee.
7. "Hold Harmless" provision that protects the Grantee from legal suits and other problems incurred by the contractor.
8. An appropriate "nondiscrimination" clause.
9. Detailed information regarding the submission of program and fiscal data that is required from the contractor as well as the appropriate time frames for those submissions. Also provide the appropriate format for such data as needed.
10. A termination clause identifying when the contract can be terminated by the Grantee and for what specific reasons, based on needs of children and available funding. The process for terminating the contract must also be explained in detail.
11. The procedures for monitoring the contract including the use of the provider monitoring process approved by OCDEL. All program and fiscal records pertinent to the contracted program should be included in any monitoring effort.
12. Language which identifies the kinds of contract revisions that are allowable, and the time frames involved for completing those changes.
13. The contractor integrity requirements that will address such areas as confidentiality, finances and the quality of the services provided.
14. The assurance clause (Appendix A1 Quality Space) regarding the quality and appropriateness of all space made available to eligible young children by the provider.
15. Language regarding the requirement for participating in Medical Assistance billing activities, completing and submitting Medical Access billing documentation to the Grantee who shall receive the total benefit from School Based Access Program reimbursement.
16. Identification of the time frames and requirements for returning any unexpended funds to the Grantee.
17. A clause that requires the retention of all contracts related records for a period of six years after all final payments and contract requirements have been fulfilled.
18. Identification of all liability issues relating to the contractor, including all required insurance coverage.
19. Requirements of proper licensing of all appropriate facilities and proper certification or licensure of all personnel providing services through the contract.
20. Requirements for Act 33/34/151 clearances for staff that will be providing services under the contract.
21. A statement that equipment purchased by the contractor with contract funds is the property of the Grantee. A statement that requires the provider to first seek to borrow the equipment from the Grantee or an assistive technology pool prior to purchasing the equipment and any equipment purchased by a contractor must be pre-approved by the Grantee.
22. Language that requires appropriate breakdown of contract costs that conforms to the Early Intervention Fiscal Guidelines.
23. The requirement of all appropriate signatures and signature dates.

24. The language that ensures any documentation, patents and copyrights gained through work performed by the contractor during the contract period becomes the property of the Grantee and ultimately the federal or state government depending upon the funding source.
25. Terminology definitions being used in the contract when it is anticipated that there may be confusion as to its actual meaning and intent
26. The language that indicates whether the contract can be assigned to another contractor and, if so, under what conditions and only with prior approval of the Grantee of the employment of said subcontractor. Also provide information as to the approvals needed to take such action.
27. The information that explains how contract disputes between the Grantee and a contractor will be resolved. The Grantee is responsible for the settlement of all such disputes.
28. As appropriate, provisions of Environmental Protection laws including the Clean Air and Water Act, should be included in the contract language.
29. The language that requires a copy of the annual audit report from the contractor.
30. Identification of any training requirements for the contractor prior to the implementation or during the duration of the contract.
31. The language that institutes penalties for violating the terms and conditions of the contract.
32. Definitions of the types of travel costs, if any, which will be allowable by the contractor during the term of the contract. Also include any limitations placed on the amount of those costs.
33. The Grantee should include specific “option to renew” or “extension” language in a contract when the possibility exists that the current provider may be asked to continue the contract beyond the initial contract period. However, the extension of the contract should not be the routine practice of the Grantee. All contracts should be negotiated and re-issued on a yearly basis.

2.6 LEASES

Lease costs for Early Intervention classrooms/assessment rooms are reimbursable up to fair market value with the following exceptions:

- When the classroom/assessment room is in a school district which operates a district-wide program for three- or four-year-old children.
- Where a school district is a Grantee, and it uses space in district buildings for Early Intervention classrooms/assessment rooms.

Other allowable costs include lease costs for certain equipment needed to support the instructional program. Lease of instructional office space may not be charged to state Early Intervention funding, but is allowable under IDEA, Section 619 and Part B, Component I funding.

2.7 EQUIPMENT

Equipment purchases must be budgeted and are limited to purchases of instructional and/or assessment items for or related to serving eligible young children. Equipment, with a unit cost of \$1,500 or more, is subject to OCDEL prior approval.

Equipment purchases of \$5,000 or greater utilizing IDEA funds must be made in accordance with [Policy Support 22-03: Guidance for Common Prior Approval Requests under IDEA Parts B and C \(December 2022\) - Individuals with Disabilities Education Act](#)

Instructional items with a unit cost of less than \$1,500 are considered supplies and not equipment..

PA Public School Code of 1949 establishes the primary requirements to be followed in the purchase of materials, supplies and equipment for public school entities in the Commonwealth. The OMB Guidance for Federal Financial Assistance (2 CFR 200) establishes the requirements to be followed to procure goods and services using federal funds and must be followed.

2.8 MAINTENANCE

Early Intervention maintenance costs or a substantiated pro-ration of maintenance costs are reimbursable. A definition of these costs is found in the Pennsylvania Department of Education Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems.

2.9 TRAVEL REIMBURSEMENT

Early Intervention travel costs for eligible personnel are reimbursable. Allowable travel costs include meals and lodging, other transportation costs, and mileage not to exceed the current U.S. General Services Administration (GSA) Privately Owned Vehicle (POV) Mileage Reimbursement Rate. Appropriate detail describing the rates charged for travel, lodging and meals, the number of children served (if applicable), the number of staff that traveled and the purpose of the travel are required with each budget/budget revision. Employees commuting from their residence to work are not eligible for reimbursement under EI guidelines.

Costs reported for IDEA-funded travel expenses are subject to [Policy Support 22-03: Guidance for Common Prior Approval Requests under IDEA Parts B and C \(December 2022\) - Individuals with Disabilities Education Act](#)

2.10 ADMINISTRATIVE & INDIRECT COSTS

Administrative costs will be allowed up to a maximum of 8 percent of the Grantee's original state Early Intervention allocation or 8 percent of an amended allocation. Supporting documentation is required for any administrative costs and must be reported with sufficient detail that demonstrates what funds are 8 percent of the Early Intervention allocation.

Indirect costs in IDEA grants are allowed up to the amount calculated by the Comptroller's Office.

Federal General Administrative Regulations and Cost Principles

The Code of Federal Regulations (CFR) is a codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government. [Title 34](#) of the CFR contains the regulations issued by the [U. S. Department of Education](#). [34 CFR Part 200 contains the Education Department Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

Contractors must maintain time and effort documentation for all personnel charged to a federal grant that are paid from more than one funding source.

2.11 AUDIT COSTS

Reasonable costs for auditing the Preschool Early Intervention program are reimbursable. The approximate ratios of state and federal allocations to the total EI allocation from the Commonwealth shall be used to assign audit costs.

The Contractor/Eligible Recipient must comply with all federal and state audit requirements including: the [Single Audit Act](#), as amended, [31 U.S.C. 7501](#) et. seq., as well as the OMB Guidance for Federal Financial Assistance as adopted by the Pennsylvania Department of Education.

Submission of Audit Information to the Commonwealth

Instructions on how to submit the Single Audit Report can be found here: [Single Audit Submissions \(pa.gov\)](#).

General Audit Provisions

The Contractor/Eligible Recipient is responsible for obtaining the necessary audit and securing the services of a certified public accountant or other independent governmental auditor. Federal regulations preclude accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

The Commonwealth reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial or performance nature, if deemed necessary by the Commonwealth or federal agencies. Any such additional audit work will rely on work already performed by the Contractor/Eligible Recipient's auditor, and the costs for any additional work performed by the federal or state agencies will be borne by those agencies at no additional expense to the Contractor/Eligible Recipient. Audit working papers and audit reports must be retained by the Contractor/Eligible Recipient's auditor for a minimum of three years from the date of issuance of the audit report unless the Contractor/Eligible Recipient's auditor is notified, in writing, by the Commonwealth or the cognizant or oversight federal agency to extend the retention period. Audit working papers will be made available upon request to authorized representatives of the Commonwealth, the cognizant or oversight agency, the federal funding agency or the General Accounting Office.

2.12 OTHER

Other support costs including utilities, insurance coverage, advertising, supplies, books, other pertinent referenced materials, communications (e.g. telephone, printing and binding, and postage) and dues and fees for agency membership in Early Intervention related organizations are allowable. Individual membership costs are only allowed if related to the Medical Access billing process (e.g. licensure or ASHA affiliation).

2.13 TRANSPORTATION

Student transportation expenses should be reported in Object 510: Student Transportation. Amounts received through the application for Transportation Subsidy should be reported in the State EI Budget within the State EI Preschool Supplemental Budget (Form 403) under “Other Local Income”.

2.14 UNALLOWABLE COSTS

All cost items not specified in these guidelines are unallowable unless individually and specifically approved by OCDEL. Unallowable state fund costs include such things as interest expense, mortgages, non-instructional equipment and office space rentals. These costs are to be applied to federal funds only. State or federal Early Intervention funds be used to pay for Early Intervention services for a child who has reached the year of kindergarten eligibility, does not enroll in any kindergarten program, and remains in Early Intervention until the age of beginners.

SECTION III - ADDITIONAL INFORMATION

3.1 RECONCILIATION OF CASH ON HAND QUARTERLY REPORT

The purpose of this report is to ascertain that the scheduled payments are adequate to cover the monthly cash needs of the grantee without allowing substantial cash reserves to accumulate at the local level.

Grantees can also use the report to alert the Comptroller’s Office about any extraordinary cash needs it may have in any month of the quarter for which the report is being filed.

Filing Requirements

All grant recipients are required to submit their quarterly reports electronically using the Financial Accounting Information (FAI) website. A Reconciliation of Cash On Hand Quarterly Report is to be electronically submitted to the Comptroller’s Office, LECS Federal Accounting Division on or before the 10th working day of the month after the quarter ends (October, January and April). Electronic reports are considered delinquent if submitted after the 10th working day. The LECS Comptroller’s Office work calendar is used to determine the 10th working day of the month. Paper copies of the Reconciliation of Cash On Hand Quarterly Report are not accepted.

Generally, the Grant Agreement programs use the FAI web system and require Reconciliation of Cash On Hand Quarterly Reports. The FAI web system operates within the [myPDESuite](#). Grantees must establish security clearance through the myPDESuite before accessing the FAI system. For assistance accessing the ePDE web portal and/or the FAI web system, contact the helpdesk at 717.783.6686.

If the quarterly cash report is not received by the 10th working day, the Grant Agreement payment(s) will be suspended until such time as the report is received and processed for payment. Quarterly reports are required only after funds have been received. For example, funds received in January require a quarterly report submission on or before the 10th working day in April. Also, a quarterly report is not required for Grant Agreements having received all of their scheduled monthly payments and/or for the final fiscal quarter of the Grant

Agreement.

Excess Cash

A cash surplus exists when a quarterly cash report shows cash on hand that exceeds one monthly payment by one dollar. If the surplus cannot be satisfactorily explained or justified, future payment(s) will be suspended until the excess cash is used. The Comptroller's Office will make the final determination as to whether or not the *extraordinary cash needs* are properly explained and justified.

Extraordinary Cash Needs are defined as cash requirements that are materially more than the regularly scheduled monthly payment(s).

Cash Deficit

A cash deficit exists when a quarterly cash report shows cash on hand that is less than zero. A cash deficit greater than 50 percent of the scheduled monthly payment will initiate accelerated payment(s) to compensate for the cash deficit. A Grant Agreement experiencing a cash deficit may also have *extraordinary cash needs*. In this situation, *extraordinary cash needs* that are properly explained and justified may result in additional accelerated payments. The Comptroller's Office will make the final determination as to whether or not the *extraordinary cash needs* are properly explained and justified.

3.2 BUDGET REVISIONS

Grantee budget revisions in the state and both federal IDEA 619/611-Component I allocations may be electronically filed as often as needed. However, it is recommended that revisions be submitted only when a substantial number of adjustments are needed to reflect an accurate budget.

The purpose of a budget revision is to transfer funds from one or more budget function or object categories to other function or object categories or to increase/decrease categories.

A major category of expenditure, for purposes of these project grants, is considered to be a Function Total or a Major Object Total. To determine if a budget revision is needed, check the Summary Budget. If a row or column total will exceed 10 percent of the approved Summary Budget row or column totals, and the amount of variance will exceed \$10,000, then a budget revision is necessary. A brief rationale must accompany this information explaining the reasons for the revision. All budget pages and related information must be electronically filed by the due dates noted in the "Due Dates" section.

A project Budget Revision is required when:

1. There is a variance in any major category of expenditure that exceeds 10 percent of the category amount in the approved budget and that variance exceeds \$10,000.
2. ACCESS funds are drawn down more than the amount in the Allocation. This must be reported in the State EI revision.
3. A transfer of funds is to be made to a previously unbudgeted category, or
4. There is a change in the total amount of the contract (project). (See Funding Increase and Funding Decrease below). OCDEL will request information as needed to inform the Commonwealth's budget process. Timely responses in prescribed formats are required.

5. Revisions to the IDEA 611 Component I budget are subject to Policy Support 22-03: Guidance For Common Prior Approval Requests Under IDEA Parts B and C [Policy Support 22-03: Guidance for Common Prior Approval Requests under IDEA Parts B and C \(December 2022\) - Individuals with Disabilities Education Act](#)

Due Dates

- A revised budget involving a funding increase or decrease shall be due on the date specified at the time of OCDEL's written notification of a funding increase.
- Budget Revisions for federal IDEA 619/611-Component I budget transfers are due on or before April 30th.
- Budget Revisions for state Early Intervention budget transfers are due on or before June 1st.

3.3 FUNDING INCREASES/DECREASES

When making requests for funding changes, grantees should be prepared to engage in conversations related to data collected at the local program level to demonstrate the relationship between the request and a documented need. Programs are encouraged to utilize tools, exercises, and methods to collect and embed data within the conversation to quantify the request(s). Although not required, this may include the use of tools such as the Cost Profile, Utilization Data Collection Table, and/or other locally developed formats to serve as evidence for the conversation and decision-making efforts.

Upon receipt of a revised allocation grantees are to submit a budget amendment

No changes in the total amount of the Grant Agreement will be accepted unless such action resulted from compliance with specific instructions from OCDEL. Failure to meet established due dates may impact funds availability.

3.4 SUBMISSION OF PAPER DOCUMENTATION

If you choose to submit a signed, hard copy (this requirement is exempted for those who submit all documents electronically), please send an original copy, signed in blue ink to:

Pennsylvania Department of Education
Office of Child Development and Early Learning
607 South Drive, 4th Floor Rotunda
Harrisburg, PA 17120
Attention: Brian Bell

3.5 FINAL EXPENDITURE REPORTS

Electronic (via the eGrants system) or signed, hard copy submissions of the state Final Expenditure Reports for the Early Intervention program year must be submitted to OCDEL by September 30th of the following fiscal year. Electronic submission (via the eGrants system) of the Federal Final Expenditure Reports for the Early Intervention allocation program year must be submitted to OCDEL by August 30th of the following fiscal year.

The Final Expenditure Report must be either electronically OR manually signed by the chief school administrator or authorized representative of the grantee and must be submitted

by the above-mentioned due dates.

Failure to comply with timely reporting will lead to delay in processing and possible final payment delay.

The Final Expenditure Report is to be completed in accordance with the instructions for the forms, as well as any directions on the form itself. Instructions for the forms are provided with the contract grant application package.

The Final Expenditure Report provides a section for computing the reconciliation of project funding received from the Commonwealth with project expenditures. If a refund is due to the Commonwealth, a refund check must be submitted at the time of the Final Expenditure Report submission. If a final payment is due to the grantee, the payment is processed by the Comptroller's Office after they receive the approved Final Expenditure Report from OCDEL. Grantees are advised that failure to include any of the information requested in the form instructions, or failure to submit a refund check, when applicable, may delay the review and processing of the report and may, in return, result in payment delays.

Actual expenditures that were not approved in the project application budget or budget revision may be disallowed. Additionally, actual expenditures in any major category of expenditure that exceed 10 percent of the category amount in the approved budget and the amount of variance exceeds \$10,000, without prior approval, may also be disallowed. Variances of this nature should fully be explained in the Final Expenditure Report.

For those who will not electronically sign their Final Expenditure Report, please mail a signed, hard copy to:

Pennsylvania Department of Education
Office of Child Development and Early Learning
607 South Drive, 4th Floor Rotunda
Harrisburg, PA 17120
Attention: Brian Bell

Any questions regarding the fiscal aspect of the Final Expenditure Report may be directed to Fiscal Management Specialist, Brian Bell, 717.346.0038, bribell@pa.gov.

3.6 MEDICAL ACCESS

Grantees providing Early Interventions in Pennsylvania are required to participate in the School Based ACCESS Program (SBAP) and shall receive reimbursements from the federal Medicaid School Based ACCESS Program for expenses reported for direct health-related services. These reimbursements are kept in specific accounts for the grantee at the Pennsylvania Department of Education (PDE).

Grantees are to work with OCDEL to plan and budget for their MA reimbursement amounts as part of their total Early Intervention budget. The anticipated MA reimbursement amount will be identified as a portion of the total allocation in the grantee's Early Intervention budget. The MA reimbursement target amount will be informed by the previous fiscal year cost settlement documentation.

Grantees shall participate in all Random Moment Time Study (RMTS), Medicaid Cost Reporting & Claiming System (MCRCS), Medicaid documentation and claiming, compliance data collection and year end reporting activities. Grantees shall assign a representative of the LEA to participate in SBAP mandatory training, participate in any audit activities performed by state and federal government entities. Grantees are responsible to revalidate their enrollment with the MA Program as directed, minimally every five years.

Grantees shall follow the procedures outlined for a request of Medical Assistance funds:

1. Each grantee must complete and submit form PDE-352M to OCDEL that aligns with the submitted budget supporting how the funds will address the costs of the EI core.
2. Drawdown requests that differ from the most recently approved state EI budget require a justification and subsequent budget revision prior to approval.
3. Any amount of funds drawn down from the PDE account must be accounted for on the state EI Final Expenditure Report.
4. The chief administrative officer of the agency must sign form PDE-352M.
5. Once the funds have been approved by OCDEL for disbursement, the PDE-352M is sent to the Comptroller's Office for processing. Per the Comptroller's Office, funds are transferred to the agency's local bank account three to six weeks after the request is received by OCDEL.
6. If possible, the grantee should bundle several small requests and submit on one form. It is more cost effective to process two or three large requests per year per agency than ten or twelve small requests. Per the Comptroller's Office, requests that are under \$1,000 will not be processed.
7. A drawdown request may not span more than one fiscal year.
8. Drawdowns for the fiscal year must be completed by September 30th of the following fiscal year.

Each grantee must report MA ACCESS revenues and expenditures on their state EI Final Expenditure Report (FER) in accordance with the state EI FER reporting requirements.

NOTE: Services that are billable through the SBAP must be reimbursed by state or local Early Intervention funds, rather than federal funds.