



# ESSER TRAINING FOR BUSINESS MANAGERS

MARCH 11, 2021

# TRAINING TOPICS

- Capital Expenditures
- Allowable/Nonallowable Activities
- Paying Staff
- Submitting Claims
- Coding
- Quarterly Reports

# CAPITAL EXPENDITURES

Recipients of federal funds must get prior written approval before spending funds on **capital expenditures**. (2 CFR § 200.439(b)(1)). Capital expenditures include the funds an entity spends to buy, maintain, or improve its fixed assets, such as buildings, vehicles, equipment, or land.

Please note:

- The standard threshold for getting prior approval is \$5,000. Capital expenditures exceeding \$5,000 must be justified as COVID-related and receive written prior approval.
- Considerations regarding
  - Procurement – 2 CFR § 200.317-326
  - Construction – 34 CFR § 75.600-617
  - Davis-Bacon rules
  - Uniform Guidance – 2 CFR § 200.310-316

## CAPITAL EXPENDITURES, CONTINUED

- The NDDPI revised the form to obtain approval on capital expenses funded with ESSER dollars. It can be accessed [here](#). **Only submit the form for preapproval on ESSER I expenditures at this time.**
- Districts will also need to submit SFN 52304 (School Construction Approval Request) for any requests in excess of \$150,000 to Adam Tescher at [atescher@nd.gov](mailto:atescher@nd.gov).
- The form can be submitted to Lisa Johnson at [lisaajohnson@nd.gov](mailto:lisaajohnson@nd.gov).
- This new process is effective March 4, 2021.

## ALLOWABLE ACTIVITIES

All expenditures with ESSER dollars must be COVID-related and for the purpose of preventing, preparing, and responding to the pandemic.

The United States Education Department (USED) provided a list of categories where districts may spend ESSER I funding. In order to claim reimbursement, districts must ensure the expense is COVID-related and falls into one of the allowable categories.

# ALLOWABLE USE OF FUNDS

- Coordinate emergency response
- Ensure preparedness and coordination
- Purchase cleaning supplies
- Educational technology
- Mental health supports
- Supplemental learning
- Added needs of at-risk population
- Coordinate long-term closures
- Professional development
- ESSA (New federal law replacing NCLB)
- IDEA (Special Education)
- Perkins (Career & Technical Education)
- McKinney-Vento Homeless Assistance Act
- Indian, Native Hawaiian and Alaska Native Act
- Adult Education and Family Literacy Act
- Other activities – COVID-related

# NONALLOWABLE ITEMS

The following items are not allowed for reimbursement with ESSER funds:

- Expenses that are not COVID-related
- Recoupment of lost revenue (need to pay for actual expenditures)
- Promotional items
- Food for staff/meetings
- Gift cards/gift certificates
- Expenditures related to state or local unions, membership organizations, or associations

## PAYING STAFF WITH ESSER

When the USED first awarded ESSER I funding to states, it noted the funds “generally will not be used for bonuses, merit pay, or similar expenditures, unless related to disruptions or closures resulting from COVID-19”. However, over the past year, the guidance on this topic has evolved.



## PAYING STAFF WITH ESSER: ALLOWABLE USES

A Local Educational Agency (LEA) may use local ESSER funding to:

- Provide employees that have assumed new duties because of COVID with additional compensation.
- Provide additional compensation to staff that work in-person, especially in light of the national focus on having students return to in-person learning.
- Provide additional compensation to staff to address retention challenges in light of the pandemic.
- Provide additional pay to substitute teachers where there is a shortage.
- Fully fund new positions designed to address issues pertaining to COVID-19.
- Other pay strategies could also be permissible if the LEA can connect the strategy to issues resulting from COVID-19.

## PAYING STAFF WITH ESSER: RECOMMENDATIONS

LEAs need to be mindful of the fact that these additional federal dollars will be gone in a few years. It is recommended that any additional salary not be included in base pay, so districts are not left wondering how to continue the payment when the federal funding period expires. Rather, districts could provide a temporary retention adjustment or a temporary new duties adjustment to staff.

# PAYING STAFF WITH ESSER: TIME AND EFFORT REQUIREMENT

Please note:

The time and effort requirements outlined in GEPA and UGG do apply to ESSER funding.

- Staff paid with ESSER funds who are only working on one cost objective and have a fixed schedule would only need to submit a semi-annual certification.
- Staff who are splitting their time between activities funded under ESSER and activities not allowable under ESSER would need to maintain daily time and effort documentation.

As part of our monitoring process, districts will be asked to submit time and effort documentation when submitting a claim for reimbursement if a substantial percent of ESSER funds are being reported in salary and benefits.

# ESSER REIMBURSEMENT CLAIMS VIA WEBGRANTS

## Items Needed for a WebGrants Claim

- 1) Detailed ledger
- 2) Receipts or invoices
- 3) Reimbursement for payment of salaries
- 4) Reimbursement for payment of food service expenses or transportation
- 5) Clarity on reimbursed expenses
- 6) Alert history tab
- 7) Capital expenditures

# CODING OF ESSER FUNDING

## **Coding and Tracking Funds**

LEAs must track these funds separately to report use of funds and expenses in the future. The following codes have been established and align with the NDSDFARM.

- Revenue Coding: 4590 – Other Restricted Federal Revenue
- Project Expense Coding: 104 – ESSER/CARES Funding
- Program code 298 should only be used with function code 1000. If using a function code other than 1000, use the program code identified in the NDSDFARM manual for each expenditure.
- Equipment versus supplies

## ESSER QUARTERLY REPORTS (STATUS REPORTS)

The CARES Act requires LEAs that receive ESSER funds to report certain information regarding their spending. Districts meet this requirement by completing and submitting quarterly reports within WebGrants.

Helpful Hints:

- Quarterly reports (status reports) are required to be submitted by districts whether or not any funds have been expended during the quarter.
- The reimbursement claims for the related expenditures are not required to be submitted during the quarter they were incurred. Claims may be submitted at any time during the grant period.
- No documentation is required to be attached within the status report.
- The status report is required as part of the monitoring agreement the State has with the United States Education Department. Failure to comply with this requirement may result in termination of a district's grant award.
- Under the "subcontracts" section, only list activities that were subcontracted out to a vendor and coded to 300 in the accounting ledger.

# ESSER EQUITABLE SERVICES

## ESSER I EQUITABLE SERVICES: ITEMS TO NOTE

Period of availability for services: March 13, 2020– September 30, 2022

Consultation **MUST** occur and be documented.

The district must provide equitable services to the nonpublic school's students and teachers either directly or through a contract with a neutral 3rd party.

Title to materials, equipment and property purchased must be with the public district.

No funds may go directly to the nonpublic school.



## ESSER I EQUITABLE SERVICES: COMMON ISSUES

Nonpublic school CANNOT order or purchase materials and receive reimbursement from public district. The district is required to control funds, materials, equipment, services and property.

Anything purchased with ESSER I funds is owned by the public district and should be easily removable. Permanent structures, hard wired devices, or construction are not allowable.

Substitute teacher expenses due to COVID are not allowable. All federal funds, including ESSER, must be in public control to provide equitable services which are secular, neutral and nonideological.

## ESSER I EQUITABLE SERVICES: 2021 MONITORING

Desk audits will be conducted for the monitoring of the ESSER equitable services provisions.

Checklist will be released in spring 2021.

Aligned to CARES Act and Title I consultation requirements.



# ESSER I EQUITABLE SERVICES: RESOURCES

| Website Area                | What you will find  |
|-----------------------------|---|
| <u>ND ESSER Funding</u>     | <ul style="list-style-type: none"><li>• ND Allocations and Equitable Shares</li><li>• FAQ</li><li>• ND Guidance</li></ul> |
| <u>ND WebGrants</u>         | <ul style="list-style-type: none"><li>• Request for Funds</li><li>• Quarterly Reports</li></ul>                           |
| <u>USED ESSER Resources</u> | <ul style="list-style-type: none"><li>• Equitable Services Updates</li><li>• USED Guidance</li></ul>                      |

# ESSER I EQUITABLE SERVICES: QUESTIONS?

**ESSER Equitable Services**

**Ann Ellefson**  
[aellefson@nd.gov](mailto:aellefson@nd.gov)

**North Dakota Private School Ombudsman**

**Stefanie Two Crow**  
[stwocrow@nd.gov](mailto:stwocrow@nd.gov)

**ESSER WebGrants**

**Shauna Greff**  
[sfgreff@nd.gov](mailto:sfgreff@nd.gov)

**ESSER Payments**

**Lisa Johnson**  
[lisaajohnson@nd.gov](mailto:lisaajohnson@nd.gov)

## ESSER II FUNDING

We understand that school personnel are anxious to receive information regarding approval to spend ESSER II funding. However, the North Dakota Legislative Assembly has elected to weigh in on the rollout of ESSER II funding.

COVID funding is included in HB 1394. The bill passed the House (89 -5) on Wednesday, February 24, and will now move to the Senate. It must then be signed by Governor Burgum before we can disseminate the funding.

Districts are urged to proceed with caution in spending these dollars before you have a signed grant award. We've received numerous questions regarding the allowability of these funds, especially regarding construction. The NDDPI is gathering information from the USED regarding circumstances under which a district could use ESSER funds for construction, renovation or restoration. Legislative leaders will be reviewing and considering these options. The NDDPI will share information with school districts after legislative leadership makes their determinations through HB 1394.

# QUESTIONS

Questions regarding ESSER funding can be directed to:

Laurie Matzke  
Assistant Superintendent  
[lmatzke@nd.gov](mailto:lmatzke@nd.gov)  
(701) 328-2284

Jamie Mertz  
Director, Fiscal Management  
[jdmertz@nd.gov](mailto:jdmertz@nd.gov)  
(701) 328-2176

Lisa Johnson  
Program Manager  
[lisaajohnson@nd.gov](mailto:lisaajohnson@nd.gov)  
(701) 328-2824