



General Food Purchasing Guidance with Federal Funds in Conjunction with IDEA Part B Funding:

Any food-related expense (including meals, snacks, light refreshments, etc.) charged to a federal award must satisfy BOTH criteria below:

1. Fit into one of the five Uniform Grant Guidance (UGG) as described in 2 CFR 200, direct cost categories or one of the two other circumstances listed below **(and apply under IDEA Part B)**:

a. DIRECT COST CATEGORIES:

- i. Participant Support
- ii. Travel
- iii. Entertainment
- iv. Lobbying
- v. Conference

b. OTHER CIRCUMSTANCES: If a cost doesn't fit into one of the above five direct cost categories the food-related expense must:

i. Be fundamental to the project and crucial, necessary and indispensable *for carrying out the scope of work*, or

ii. Be specifically approved in writing by the Fiscal Accountability Office in response to a written prior approval request that was reviewed, approved and submitted to the SDE Funding and Accountability Coordinator.

2. Be allowable under:

- i) the UGG,
- ii) the Federal award terms and conditions,
- iii) sponsor policy, and
- iv) any related IDAPA or Idaho State Department of Education policies.



IDEA PART B Specific Guidance in addition to UGG:

Any food-related expense (including meals, snacks, light refreshments, etc.) charged to a federal award must satisfy verify specific criteria Uniform Grant Guidance (UGG) as described in 2 CFR 200, and also under the IDEA.

Food is not an allowable cost, if they were not tied to a specific training, or conference (see <https://www.sde.idaho.gov/sped/funding/files/allowable-costs/Federal-Funds-FAQS-grantees-conferences-food.pdf>), or an IEP. Any expenses will need to be removed (journal entried out of) from the federal IDEA Part B grants in fund 257 or 258 for the entire year. Those costs should be paid out of general funds. They can still be in your MOE.

To better understand, here is the federal guidance:

IDEA PART B –

- IDEA costs must be **necessary, reasonable, and allocable** for proper and efficient performance and administration of the grant. *A cost is reasonable if it does not exceed what a district would normally incur in the absence of federal funds.* Additional guidance about standards for determining costs for federal grants is available from Office of Management and Budget (OMB) 2 CFR, Part 225 (https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/federal_register/FR2005/083105_a87.pdf)
- IDEA Part B funds may be used only to pay the **excess costs of activities** that *directly relate* to providing, and ensuring the continuity of, special education and related services to children with disabilities.
- Under 34 C.F.R. 300.202(a)(1), IDEA Part B funds provided to LEAs must be expended in accordance with IDEA. LEAs must also meet the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards' (Uniform Guidance) requirements for procurement in 2 C.F.R. 200.318 through 200.326, and maintain appropriate records and cost documentation as required by 2 C.F.R. 200.302 (financial management), 2 C.F.R. 200.333 (retention requirements for records), and 2 C.F.R. 200.430(i) (standards for documenting personnel expenses).
- Further, costs incurred that are associated will be allowable only if they are reasonable, necessary, and allocable to the grant, **consistent with the Federal cost principles** described in the OMB Uniform Guidance (2 C.F.R. 200.403, 200.404, and 200.405), adequately documented (2 C.F.R. 200.403(g)), and do not conflict with the



applicable statute and regulations.

What are Excess Costs?

For a particular cost to be allowed, it must be an *excess cost of providing special education and related services*.

Only allowed costs may be charged to IDEA Part B or Preschool grants.

When determining whether a cost is an excess cost, ask the following guiding questions:

“In the absence of special education needs, would this cost exist? “

If the answer is...No, then the cost is an excess cost and may be eligible.

Yes, then the cost is not an excess cost and is not allowed.

“Is this expenditure also generated by students without disabilities?”

If the answer is... No, then the expenditure is an excess cost.

Yes, then the expenditure is not an excess cost and is not allowed.

“If it is a child specific service, is the service documented in the student’s IEP?”

If the answer is... Yes, then the expenditure is an excess cost.

No, then the expenditure is not an excess cost and is not allowed.

UNIFORM GRANT GUIDANCE 2 CFR 200

2 CFR 200.403 Factors affecting allowability of costs.

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

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.

(c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.



(d) 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.

(e) 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 this part.

(f) 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. See also § 200.306(b).

(g) Be adequately documented. See also §§ 200.300 through 200.309 of this part.

(h) Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to § 200.308(e)(3).

[78 FR 78608, Dec. 26, 2013, as amended at 85 FR 49562, Aug. 13, 2020]

2 CFR 200.404 Reasonable costs.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to:

(a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity 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 goods or services for the geographic area.

(d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.



(e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

IDEA PART B – DETERMINATION OF ALLOWABILITY & APROPRIATE DIRECT COST CATEGORY:

When determining whether an expenditure is an excess cost, consider these guiding questions:

“In the absence of special education and related services, would this cost exist?”

If the answer is... No, it is an excess cost.

Yes, it is not considered an excess cost and is not allowed.

“Is this expenditure also generated by students without disabilities?”

If the answer is... No, then the expenditure is an excess cost.

Yes, then the expenditure is not an excess cost and is not allowed.

“If it is a child specific service, is the service documented in the student’s IEP?”

If the answer is... Yes, then the expenditure is an excess cost.

No, then the expenditure is not an excess cost and is not allowed.

STEP 1: Determine if the food-related expense qualifies as a legitimate business expense (i.e. appropriate and necessary to carry out THE SCOPE OF WORK).

- If not, STOP. The food-related expense is not allowable
- If YES, go to Step 2

STEP 2: Is the food purchase essential to accomplish the scope of work supported by the federal award?

- If No, DO NOT charge this expense to the federal award, instead charge it to an unrestricted fund source
- If YES, are the expenses allowable, allocable and reasonable in accordance with the UGG, other governing regulations / policies for the grant as well as specific policies applicable to the grant? If



No, DO NOT charge this expense to the federal award, instead charge it to an unrestricted fund source in accordance. If Yes, charge the expense to the federal award.