

## **ARRA IDEA Grants --Frequently Asked Questions (FAQs)**

*Q. Is our SELPA the sub-grantee for the ARRA IDEA award? As such, may we keep \$100 interest earned per grant, per grant award period?*

*Our SELPAs pass all revenues through to districts. Is it correct that the districts are not sub-grantees and therefore may not keep \$100 of interest? Must districts report and pay all interest earned on all federal grant funds?*

**A.** All sub-recipients that have unspent federal programs funds must return interest earned at least quarterly (only interest on CDE-funded federal programs should be forwarded to the CDE). Whether it be the SELPA and/or a district holding the cash, interest should be calculated based on daily balances applied to the corresponding rate of earnings (typically this rate comes from the County Treasurer). The reporting entity can keep \$100 in total (not per grant award) one time, each fiscal year, for administrative purposes.

*Q. Since districts sometimes do not know interest rates or how much interest was earned until 60 days after the quarterly reporting period, should they estimate interest and correct prior quarter reports to actual interest, or should they wait and report the interest in the (subsequent) quarter in which the amount becomes known.*

**A.** For program reporting purposes, estimates should be OK, but check with your CDE special education consultant to be sure. However, required quarterly remittances, should reflect actual interest earnings and the sub-recipient should maintain records to support the interest calculations.

*Q. Can cash balances among all federal grants received by an LEA be combined in the calculation of interest, or must it be tracked, reported and paid separately for each federal grant.*

**A.** Calculation of cash balances can be on a combined basis; however, the calculations must exclude negative program cash balances (no netting or offsetting negative balances against positive balances). The district should also be able track and support the interest calculations by federal program for remittance and audit purposes. When submitting interest to the CDE, the remittance should include a breakdown of interest by federal program.