# ESEA Office Hours 8.20.2020

Q: If the LEA can only plan for use of a portion of the ESSER funds, can the LEA request approval for that portion only and reserve the remainder for later submittal, but still prior to December 31, 2020? What happens if the LEA does not have a fully fleshed out plan by December 31, 2020?

A: The LEA must have budget items that are allowable, reasonable, and necessary for the full ESSER allocation to receive approval. Applications must be submitted by 12/31/20. However, the Post-Award Revision process can be used to make any changes to the budgeted items that become necessary as the district’s needs and plans change.

***Reminder!*** The LEA is responsible for ensuring that expenses align to budgeted items prior to spending or drawing down funds. If approved budgeted item has changed, it is the responsibility of the LEA to update the application through the PAR system.

Q: If using ESSER funds to pay for paraprofessional salaries and schools close (and PARA is not working), can the LEA use ESSER funds to continue to pay salaries?

A: Yes. Generally, a grantee or subgrantee may continue to charge the compensation (including but not necessarily limited to salaries, wages, and fringe benefits) of its employees who are paid by a currently active grant funded by the Department to that grant, consistent with the ***organization’s*** ***policies and procedures*** for paying compensation from all funding sources, Federal and non-Federal, under unexpected or extraordinary circumstances, such as a public health emergency like COVID-19. Additional information is provided on the [U.S. Department of Education Fact Sheet](https://www2.ed.gov/documents/coronavirus/factsheet-fiscal-questions.pdf) released April 8, 2020.

***Reminder!*** Please check and update your local policies and procedures for compensation during emergencies and make revisions, as necessary. Extraordinary circumstances, interruption of operations changes to your policies and procedures should include time and effort, procurement, approval, and authorizations for those areas, etc. Make sure to update your policy and procedures to indicate for process in interruption in service due to the pandemic not only with time and effort but with procurement. IF the value is above $5k, you will need to reach out to Grants Fiscal @ CDE for further instructions or approval for disposal, etc.

Q: I would assume those same rules apply for CRF funds for the purchase of equipment by district or charter and the tracking?

A: Yes, this is true.

Q: Thank for the clarification e-mail on guidance to non-public schools! It was very helpful. The question we are running into is Method 1 allocation: do we use overall enrollment at a school (including PreK) or just the K-12?

A: You would use the K-12 enrollment number. We have a question in to the USDE about this but have yet to receive an answer.

Q: Can we purchase industrial tents to provide shade for students with CRF funds?

A: Is this related to COVID response? If it is, then outdoor learning spaces are assisting with social distancing. The only follow-up question would be on capital equipment. Does this exceed $5,000? They cost less than $5,000. Then these should be good to go, just document how this purchase is related to COVID. Not construction, because it can be broken down and moved, and does not extend the useful life or value of the building.

Q: Any update re my question on the CRF use of updating HVAC system? One of the charter schools is requesting to update their HVAC system. An ionic filter is needed to update all 7 units and the total cost is under $5,000 unless they update all 7 units. It looks like under CRF this would not be allowable.

A: We may be waiting for feedback on Grants Fiscal and OSC on this. Are the 7 units part of one cohesive system? If so, then it would push the filtration system purchase well over the capitalization threshold. We need to be clear on how the HVAC system works. If you approach it that each of the units operates independent of the other, then it would be allowable. Since these HVAC systems are permanent,

Follow-up Answers: Are the filter updates permanent or you replacing existing filters with a higher quality filter that will be changed? Feels like this would significantly impact the capitalization. Seems like the additional programming cost for 6 months up until December may be considered allowable.

You could deny the actual capitalization of equipment but allow the programming. This would be easily supportable and defendable.

If the item is UNDER the capitalization threshold, whether perm or not, would be allowable. It would not extend the life of the building. If the unit is OVER the capitalization level, AND it extends the value/life of the building it would be a no.

If there are units (multiple) with an individual cost of $1000, but they work together and cannot work alone and together they are over the capitalization threshold, it would be OVER the capitalization threshold, and would be a no.

Q: Admin cost, salaries, and benefits…what are other districts doing with this regarding CRF? It is difficult to determine the percentage for this.

A: Districts will share their processes: We are not claiming items like that as that is more of an indirect thing. Can only claim .05% of the money that you received. You would just put this .05% in the general fund because it is the indirect cost. No need to split your salary for this. Yes, .05 is essentially your 'indirect cost.’ You claim the funds on your budget, and it goes into your general fund to offset administrative costs to 'run' the grant. You would do an agreement of service for them and not indicate them as full-time. This could be considered an extra duty expense if you can document their time and document that it is related to COVID. Line #21. Please note that the allowable uses document was updated today. The CRF column was updated to say that COVID testing of students and teachers is allowable under CRF. Not sure if this is allowable under ESSER, as shown on row 46 of the document.

Q: We bought 3 cell phones for our nurses as they will be doing a lot of communicating with our health dept, students, teachers, doctors, etc. This is new due to COVID. Can we put the cost of the phones and the monthly cost to CRF funds through December? Also- we want to turn off water fountains and only allow kids to use the refillable stations, we have some but want more. Can we purchase a few more refillable stations (cost around $2500) with CRF funds?

A: These are allowable expenditures.

Q: What is the difference then between a $2500 water fountain and a $2500 air ionizer?

A: Nothing. If it is under $5,000 capitalization does apply. If it is over $5,000 then there are other questions to consider such as if it is a permanent fixture. Each district needs to know their own capitalization threshold because it might be less than the $5,000.

Comment: we are planning on installing “The NPBI unit removes a variety of PARTICLE contaminants for better Indoor Air Quality (IAQ) particulars such as viruses, bacteria, pollen, dust, smoke, and allergy compounds. These particulates are often transmitted person to person through existing HVAC ventilation systems. They are neutralized thru the NPBI unit. The NPBI unit also neutralizes ODOR contaminates that are contained in harmful Volatile Organic Compound (VOC's). The unit costs are less than $5,000 and we can pick and choose which units can have this and these are sanitation. I was charging the unit to CRF but labor to the general fund. Is that allowed? I had approval from CDE

Q: If an expenditure is over the cap threshold, can ESSER be used to cover this instead of CRF?

A: No, the cap rate is the same for ESSER as it is for CRF. If your cap rate is lower than $5,000 then you are bound to that rate.

Q: West End schools had a half-time nurse last year and were going to continue to have a half time nurse. Then COVID hit and we felt like we needed a full-time nurse. This is an increase of 15 hours per week and benefits. Is this allowable under CRF for this year?

A: This would be allowable under both ESSER and CRF. You could only cover the cost through December 30th with CRF and then ESSER would need to take over for January-May2021. Please make sure names and contacts are correct in the ESSER application. We are getting a lot of bounce backs when we send out GALS

Q: Since payroll hits for December in January, is that still acceptable under CRF?

A: I believe it is when the expense is obligated and that would be okay. It all comes down to the obligation period not when they are paid. For reporting purposes, accrue those labor costs into your CRF fund to get those costs posted.

Q: How is that possible if we revert fund by January 8th?

A: You will have to have a close hand on your labor costs. Make sure to have that staff member’s payroll documented so that the right expense hits the right month and funding.