



California Migrant Education Program Fiscal Handbook

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Introduction

The Migrant Education Program (MEP) was established under the Elementary and Secondary Education Act (ESEA) of 1965 and reauthorized under Every Student Succeeds Act (ESSA) of 2015. The provisions of the MEP are included in ESEA Title I, Part C. The MEP is a state-administered program. The California Department of Education (CDE) is responsible for leadership, oversight, and ensuring that migratory students receive the full benefit of this funding.

The services offered by the MEP are coordinated with other federal, state, and local educational services to support high-quality, comprehensive educational programs for migratory children, to reduce educational disruptions and barriers resulting from frequent moves. States receive annual federal grants based on a number of factors, including the number of migratory students identified within the state. The grants are to establish or improve educational programs for migratory children. These grants assist states in improving educational opportunities for migratory children through the provision of supplemental, direct services to ensure migratory students succeed in school, graduate from high school, and make successful transitions to postsecondary education or employment.

The MEP funds are intended to benefit migratory children and, with very limited exceptions, may not be used to support projects that include non-migratory children¹. Fiscal requirements for the expenditure of migrant education funds must be met by all fund recipients and operating agencies: MEP regions, districts, and direct-funded districts. Federal and state statutes and regulations require that operating agencies:

- Provide services to migratory children that are at least comparable to services provided to non-migratory children.
- Use MEP funds to supplement, not supplant regular non-federal funds. Thus, MEP funds are supplementary to the core educational program and to other special programs, such as Title I, Part A, Title III, and Local Control Funding Formula.

How to Use This Handbook:

The purpose of this Handbook is to provide MEP regional and district staff with basic information and guidelines for the use of migrant education funds. This Handbook describes the MEP funding rules, operating agency responsibilities, application process and fiscal policies and procedures. MEP administrators and staff are required to be familiar with applicable state and federal laws, regulations, and policies. This Handbook is intended to build on the user's knowledge of these rules by providing a greater level of detail to assist in the implementation of the MEP.

¹ Services for non-migratory children are typically limited to formerly eligible migratory children who may continue to receive services if they meet certain conditions. See Elementary and Secondary Education Act (ESEA), Section 1304(e).

Key Terms:

This Handbook utilizes the terms “operating agency” and “migrant region” throughout. Per California *Education Code* (EC), these terms are defined as follows:

- “Operating agency” means a local educational agency (LEA) operating under a subgrant of state migrant education funding or a public or private nonprofit agency under a special arrangement with the department to carry out a migrant education program.
- “Migrant region” means an operating agency comprised of a county or a combination of counties, or a public or private nonprofit agency not controlled in whole or part by a school district, or a combination of counties and agencies, meeting the criteria of EC Section 54444.1, subdivision (a).

Per these definitions, the term “operating agency” shall encompass local districts and migrant regions. However, the use of the term “region” shall refer only to those agencies identified as migrant regions and will exclude districts.

The Handbook also commonly uses the term “direct-funded districts” (DFD). This term is defined as follows:

- “Direct-funded districts” are districts that are directly funded by the state MEP. EC Section 54444.1(c) provides the CDE with the discretion to directly fund LEAs, in whole or in part, to provide services to eligible migratory children.

As the Migrant Education Office (MEO) subgrants go directly to regions and DFDs, a large portion of the instruction/information in this Handbook refers primarily to said agencies. However, all MEP operational agencies are subject to the stated policies and applicable laws noted throughout this Handbook and in the Grant Award Notification (GAN) issued to each subgrantee.

1.0 General Policy for Funding of Migrant Education Programs

1.1 Process and Funding Formula

Each approved operating agency is funded by the CDE through a subgranting process. The total amount allocated to applicants is based on the availability of federal funds and on subgranting factors determined by the CDE in Section 1.2 of the Handbook. Migrant Education grant funds are not guaranteed. Operating agencies are authorized by the CDE to expend MEP funds through the approval of grant applications called Regional Applications (RA), District Service Agreements (DSA), Memorandum of Understanding (MOU), or DFD. These applications are discussed in Section 4.0.

1.2 Subgranting

The CDE considers the following seven factors in determining subgrants to regions and DFD:

- A. The availability of funds from other federal, state, and local programs²
- B. Performance period enrollment, also called *Category 1*
- C. Summer and intersession services, also called *Category 2*
- D. Number of Priority for Services (PFS) migratory students
- E. Number of migratory children ages 19 through 21
- F. Number of migratory children that have made a qualifying move during the performance period
- G. The academic need of migratory children. To aid in program planning, in the spring of each year, the CDE will make available preliminary estimates of funding awards for each region and DFD.

As funding is not available to meet all needs of all migratory students, the ESSA implemented a PFS requirement. In compliance with ESSA, MEP programs *must first address* the needs of migratory children who have made a qualifying move within the previous 1-year period and who:

- Are failing, or most at-risk of failing, to meet the challenging state's academic standards; or
- Have dropped out of school.

California's Service Delivery Plan (SDP) identifies specific measurable objectives, strategies, and interventions for migratory students that are designed to close the achievement gap between migratory and non-migratory students.

Each region is responsible for monitoring the progress of migratory students towards meeting the measurable objectives, as well as for reporting the progress of migratory students in the region to all stakeholders, including the CDE.

1.3 Funding Period

The funding period shall be from July 1 through June 30.³

1.4 Service Delivery Models

California state law establishes the regional system as the primary model of service delivery for the MEP; however, it also authorizes the CDE, at its discretion, to directly fund school districts under specified criteria.⁴ All operating agencies, regardless of funding model, must provide centralized services such as administration, staff development, health resources, parent participation, and local approved programs. The four types of operating agencies are:

² ESEA Section 1304(b)(5)

³ Please note, expenditures for summer school may occur in two separate fiscal years.

⁴ California EC Section 54444.1(a)

A. Centralized Region Model: The region is responsible for all funds and provides all services to students in multiple districts. In this model, the region is responsible for completing and submitting a RA regional budget, and regional expenditure reports to the CDE MEO.

B. Mixed Model: The region provides services to some districts (as in the Centralized Region Model) and reimburses other districts through a DSA, MOU or Consortium.

Under the Mixed Model, the region divides responsibilities over MEP services and funding in different ways with different school districts. The mixed model is the most common regional model, and it consists of the following arrangements:

- *DSAs: These are agreements with Districts with over 200 migratory students that provide direct MEP services to their district migratory students.* These districts must complete and submit the DSA application, DSA budget, and DSA expenditure reports to the Regional Director.
- *MOUs: These are agreements with Districts with under 200 migratory students that provide some direct MEP services to migratory students or families.* These districts must complete specific parts of the MOU application, MOU budget, and MOU expenditure reports to the Regional Director.
- *Consortiums:* School districts can join other districts to form a consortium (with one district becoming the DSA lead and administrative agent). Districts participating in a consortium must complete some parts of the DSA as directed by the region or must complete an MOU with the region. The district serving as the DSA lead will complete and submit the entire DSA and DSA Budget to the Regional Director.

C. Direct-Funded Districts Model: In this single district model, the district is responsible for completing and submitting a DFD application, DFD budget, and DFD expenditure reports to the CDE MEO. School districts approved for direct-funding operate their MEP independently.

1.5 Operating Agency Contracts with Outside Vendors

Procurement transactions must be conducted in a manner providing for full and open competition consistent with applicable federal and state statutes and regulations. Awards will be made to the lowest responsive and responsible bidder. All policies and practices at the district and regional level (as they pertain to sub-contracts with outside vendors) must also be consistent with the requirements in *Title 2 Code of Federal Regulations (CFR) sections 200.318 – 200.327*, including but not limited to:

- A. Full and open competitive bidding for services.
- B. Establishment of a clear process and written criteria for reviewing proposals, assessing technical qualifications of contracted personnel, and assessing the quality of the technical approach for service.
- C. Performance of a clear cost-benefit analysis for the required service.

D. Identification, avoidance, and reporting of conflicts of interest in procuring goods and services, 2 CFR Section 200.318(c).

Per 2 CFR Section 200.318(c), grantees and subgrantees will maintain written standards of conduct covering conflicts of interest and governing the actions of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in the selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, member of the immediate family, employee's partner, or organization which employs or is about to employ any of the above has a financial or other interest in the firms selected for the award. The grantees' or subgrantees' officers, employees or agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subgrantees. If the grantee or subgrantee has a parent, affiliate or subsidiary organization that is not a state, local or tribal government, the written standards of conduct must also cover organizational conflicts of interest.

Subgrantees must develop policies and procedures for identifying conflicts of interest, per 2 CFR 200.318(c) and a recusal process.

Any and all procurement documentation for outside services shall be maintained in the operating agency office and available upon request to the CDE. Approval of such contracts shall be based on the following requirements:

- A. The contract shall not remove direct responsibility from the contractor for any portion of the functions for which the CDE holds the operating agency responsible.
- B. The contract shall not duplicate services already available from the operating agency, the CDE or other governmental entities.
- C. All proposed new or renewal contracts and lease agreements shall be made available to the CDE upon request.
- D. Proposed contracts for personal consulting services shall include all necessary information pursuant to the application and the services to be provided.
- E. No contract shall extend beyond the end of the grant period without a release clause allowing termination with no penalty if insufficient funds are provided in the succeeding grant period.
- F. Cash advances for non-formula contracted services are not allowed.

Procurement Documentation: All procurement transactions must comply with the audit and record retention requirements as stated in Section 5.5.

Note: MOUs and DSAs are not considered outside services. Therefore, expenditures related to MOU and DSA agreements shall not be reported under object code 5800.

1.6 Migrant Education Program Costs

All MEP costs must be directly correlated with the educationally related activities provided to migratory students that enable them to succeed in school.

Migrant program costs are separate from and above the cost of core instruction and are in addition to all costs normally incurred in the absence of the MEP. The MEP costs are supplemental to the core curriculum and other programs, such as Title I, Part A, and Title III.

The operating agency shall ensure that each approved activity and budget item:

- A. Exists for the educational benefit of eligible migratory students based on identified needs, and
- B. Clearly supplements all other services for which the child is eligible and will not be used to supplant services which are provided to the non-migratory students.

1.7 Administrative and Direct Service to Pupils Expenditures

For MEP funds, there is no statutory language limiting administrative funds for the state's subgrantees. However, some programs have a requirement that a specified percentage be spent on direct services to pupils. For example, EC Section 63001 requires public educational agencies to spend no less than 85 percent of funds received from specific categorical programs, including Title I, Part A, for direct services to students. This makes the maximum allowable for administrative costs for Title I, Part A, including indirect costs, 15 percent. Although the MEP is specifically exempted from this statute, it is California's policy that the MEP will aim to approximate this goal and thereby direct the preponderance of funds towards direct services to pupils. Keeping in mind that the MEP is required to fulfill several unique administrative functions, and that some counties have high indirect cost rates⁵, the CDE will review and set MEP-specific administrative caps for expenditures on administration on a yearly basis.

Administrative Costs Rate Formula

The CDE is currently using the following formula for each region or DFD's administrative costs limit percentage:

$$\text{Base Rate} + \text{Indirect Cost Rate} = \text{Administrative Costs Limit Percentage}$$

Currently, the base rate for regions is 17 percent and the base rate for DFD is 12 percent. The indirect cost rates for LEAs in California can be found at the [CDE Indirect Cost Rates web page](#).

⁵ The Indirect Cost Rate is established per the agreement between the CDE and United States Department of Education. For more information visit the [CDE Indirect Cost Rates web page](#).

Definition of Terms

Administrative Costs

Although definitions of administrative costs vary from program to program, the California MEP shall define administrative costs in alignment to the definition of administrative costs in Procedure 915 of the *California State Accounting Manual* (CSAM) and Title I, Part A.

Per CSAM:

“Any costs, indirect or direct, that are administrative in nature and support the management of a program. Costs of program administration may encompass both direct (e.g. salaries of program administrators, costs of program monitoring and preparing program plans, and the purchasing of program specific equipment and supplies) and indirect costs (e.g., personnel/human resources, accounting, and procurement).”

Per Title I, Part A Guidance:

The salaries and benefits of personnel engaged in administrative or planning activities can be included in the administrative costs. This can include:

- District administrative personnel.
- District program personnel, either certificated or classified, except for the time engaged in directly instructing pupils, providing professional development activities directly related to the purposes of the Title I program, or traveling to or from school sites for the delivery of instruction or staff development.
- Itinerant staff based at the district, except for the time engaged in directly instructing pupils, providing professional development activities directly related to the purpose of the Title I, Part C program, or traveling to or from school sites for the delivery of instruction or staff development.

For the purpose of the California MEP, the following also applies to administrative costs:

- MEP director's salaries shall be considered strictly administrative and may not be charged/budgeted under direct instruction/services to pupils.
- Other administrators such as coordinators and teachers on special assignment shall be considered administrative unless the approved job description (from Human Resources) specifically identifies a percentage of time that will be specifically directed to direct instruction/services to pupils.
- Custodians are considered classified support, object code 2200 and their function code, 8100 is plant and operations. Custodians are part of the overall general operations of a program and not a provider of direct instruction to pupils.

Migrant Education Program Unique Administrative Costs

In contrast to other federal and state education programs, the MEP requires several additional administrative functions that are integral to the operation and implementation of program objectives.

The first MEP-unique administrative function is the requirement that regional and direct-funded subgrantees conduct identification and recruitment (I&R) activities. I&R activities require that personnel be employed to go out into the community and identify migratory families and youths eligible for the program, per program criteria as set forth in US Department of Education non-regulatory guidance. As these activities are integral to the operation of the program, the following items shall not be included when calculating the MEP administrative rate percentage:

- Salaries and benefits of staff for I&R duties performed, and
- I&R activity specific purchases such as computer tablets for recruitment and related supplies.

A second MEP-unique administrative function is the requirement to coordinate a parent advisory council (PAC). This should not be confused with parent involvement activities which may be funded by the MEP but are not unique to the MEP. Parent involvement is a common requirement with many LEAs, whereas, the maintenance and operation of a PAC is unique to the MEP. Therefore, the following administrative functions shall be exempt from the California MEP administrative cap:

- Salaries and benefits of staff for duties performed in planning and coordinating PAC meetings
- Supplies necessary for the operation of PAC meetings

A third MEP-unique administrative function is the requirement to coordinate other education, health, nutrition, and social services⁶. Therefore, the following administrative services shall be exempt from the MEP administrative cap:

- Salaries and benefits of staff for duties performed in planning and coordinating other education, health, nutrition, and social services
- Supplies necessary for the administration of this function

Annotating Administrative Expenditures

In the event that an employee's duties include various functions (administrative, I&R, direct service, etc.) the subgrantee will account for these activities in the appropriate component of the funding application. The proportion of time dedicated to administrative and direct service activity will need to be specified in the job description provided by the LEA Human Resources Office and supported with time and effort documentation.

⁶ Per the ESEA Section 1304(c)(6)(A), "To the extent feasible, such program and projects will provide for—advocacy and outreach activities for migratory children and their families, including informing such children and families of, or helping such children and families gain access to, other education, health, nutrition, and social services."

Direct Services to Pupils

Per CDE guidance⁷, direct services to students are those supplementary services that are typically delivered at the school site and where the student is the direct recipient or beneficiary of the services. Therefore, expenditures for personnel and services are justified as direct service if:

- The personnel provide direct hands-on instruction to students.
- The funds are used to purchase instructional materials and equipment to be used by eligible students.
- The services provided meet the four criteria set forth in the Office of Migrant Education's (OME) non-regulatory guidance (see below).
- The duties performed meet the criteria above and are described by the approved job description (from Human Resources).

The federal OME has issued specific non-regulatory guidance⁸ to define what constitutes a service in the MEP. The OME defines services to pupils as follows:

For purposes of the MEP, services are a subset of all the activities that the MEP provides through its program and projects. Although State Education Agencies (SEA) and LEAs may spend MEP funds on many types of allowable activities, some of these activities do not constitute a “service” (e.g., I&R or parental involvement activities). “Services” are distinct in that they are the educational or educationally related activities provided to migratory children to enable them to succeed in school. Because student success is the overarching goal of the MEP, services are a vital aspect of the program.

Services are a subset of all the activities that the MEP provides through its programs and projects. “Services” are those educational or educationally related activities that: (1) directly benefit a migratory child; (2) address a need of a migratory child consistent with the SEA comprehensive needs assessment and service delivery plan; (3) are grounded in scientifically based research or, in the case of support services, are a generally accepted practice; and (4) are designed to enable the program to meet its measurable outcomes and contribute to the achievement of the state’s performance targets.

The OME provides the following guidance regarding definition of services.

Examples of allowable activities that do not constitute a service

Activities related to I&R activities, parental involvement, program evaluation, professional development, or administration of the programs are examples of allowable activities that are not considered services. Another example would be handing out leaflets to migratory families on available reading programs as part of an effort to increase the reading skills of migratory children. Although this is an allowable activity, it is not a service because it does not meet all of the necessary criteria: (1) it does not directly benefit migratory children; (2) it is not grounded in scientifically based research;

⁷ Visit the [CDE’s Direct Service and Administrative Cost Guidance](#).

⁸ Department of Education guidance document, Education of Migratory Children under Title I, Part C of the Elementary and Secondary Education Act of 1965.

and (3) in and of itself, the activity will not increase children's reading skills and thereby increase their ability to meet the state's performance targets.⁹

The OME also differentiates services per the following definitions:

- Instructional Services – educational activities for preschool age children and instruction in elementary and secondary schools, such as tutoring before and after school
- Support Services – educationally related activities, such as advocacy for migratory children; health, nutrition, and social services for migratory families; necessary educational supplies; transportation

Allowable Activities

The MEP does allow certain activities such as professional development and program evaluation, however, they are not considered services in the MEP. Therefore, for the purpose of the funding application, professional development activities shall be included in the budget sections of each component.

Annotating Instructional Services, Support Services, and Allowable Activities

This distinction between support and instructional services is important when MEP personnel create services in their grant application. In the funding application, subgrantees will need to identify instructional staff in the "Instructional Service Staffing" section of the application and support staff in the "Support Services Staffing" section. In the budget section subgrantees will include costs for all services and allowable activities, except for administrative costs.

Each respective subgrantee (region or district) will annotate instructional and support services in the staff component of the applicable service agreement (RA, DFD application, DSA).

1.8 Supplement Not Supplant and Unaddressed Needs Rule

Supplement, not supplant means that funds must be used to provide extra support or services. ESSA specifically applies the following rule to MEP funds: all federal funds under this program shall supplement and not supplant all other non-federal funds. Per ESEA, Section 1306(b)(2), other federal program funds must be used *before* MEP funds to provide a service in cases where migratory students are eligible for both the MEP and another federal program. The MEP statute makes it clear that MEP services are in *addition to, not in lieu of*, other services that can or should be provided by the core educational program or by any other program.

Each of the instructional services provided with MEP funds must be supplemental to the core instruction provided by a district, and whenever possible, **should NOT occur**

⁹ Department of Education guidance document, Education of Migratory Children under Title I, Part C of the Elementary and Secondary Education Act of 1965.

during regular school hours. If services are provided during regular school hours, the operating agency must document the supplemental nature of the service.

OME MEP guidance indicates that SEAs can use a wide variety of service delivery designs. California is recommending the following supplemental programs be implemented to provide the most direct services to migratory children enrolled in kindergarten through grade 12 settings:

- Extended day programs
- Before/after school programs
- Saturday or vacation programs
- Summer/intersession programs
- Distance learning programs

Programs that do not remove children from their classroom during regular school hours for Title I services and, instead, provide extended learning time (e.g., extended school year, before-and after-school, and summer programs, etc.) are *per se* supplemental.

LEAs and schools are encouraged to be creative in the way they provide services to Title I children while remembering that the educational **services provided with Title I funds must be in addition to those services that the LEA and school provides to all its children using state and local funding sources.**

The MEP statute also requires that MEP funds be used to address the needs of migratory children that are not addressed by services available from other federal or non-federal programs. This is very similar to the “supplement, not supplant” rule, but it applies to services funded by *federal or non-federal programs*. In essence, it means that if there are other services available that address the needs of migratory children (including services provided with Title I, Part A or Title III funds), then migratory children must be selected for, and provided with those services, on the same basis as other eligible children—prior to applying MEP funds.¹⁰

2.0 Overview of Governing Legal Authority

Migrant education operating agencies and service providers shall comply with all applicable federal and state laws, regulations, policies, guidelines, and operating practices. Federal requirements are the standards for the use of the MEP grant awards. Federal law supersedes all conflicting local practices and procedures for the use of MEP funds. Local policies must conform to all applicable federal and state law regarding the use of MEP funds.

A. Federal Law is Supreme

In general, federal law takes precedence over state law. However, in the context of federal grants it is fairly common for a federal law to permit a state or local government to follow state or local law, as long as certain threshold requirements

¹⁰ ESEA, Section 1306(b)(2)

are met. Where there is a conflict between federal and state law, the federal law will preside unless the federal law in question says otherwise or unless an applicable state law is more stringent.

B. Hierarchy of Federal Rules

The hierarchy of federal requirements is as follows:

- (1) Statutes
- (2) Regulations
- (3) Nonregulatory guidance
- (4) Dear Colleague letters
- (5) Direct communication from US Department of Education officials

The MEP grant award is subject to the provisions of:

- [Federal Register's Education Department General Administrative Regulations \(EDGAR\)](#)
- [Code of Federal Regulations 34 CFR 76-77, 79, 81.82, 85, 97, 98-99](#)
- Uniform Administrative requirements, Cost principles and Audit requirements within the Code of Federal Regulations [2 CFR Part 20 \(External Link\)](#)
- [ESEA, Title I, Part C, Education of Migratory Children \(External Link\)](#)
- [69 Federal Register 40360 \(External Link\)](#)
- Special Rule: Consistent with 34 CFR sections 1306(b)(4) and 200.29(c)(1), before a school operating as a school-wide program consolidates funds received under Title I, Part C, the school must, in consultation with parents of migratory children or organizations representing those parents, or both, first meet the unique educational needs of migratory students that result from the effects of their migratory lifestyle, and those other needs that are necessary for migratory students' effective participation in school. The school must document that those needs have been met.
- Applicable sections of [Title 20 of the United States Code \(External Link\)](#)
- [California EC ARTICLE 3 \(External Link\)](#). Migrant Children [54440 - 54445], et seq.
- [General Education Provisions Act \(GEPA\) \(External Link\)](#)
- Generally Accepted Accounting Principles, the text of which can be found on the [Federal Accounting Standards Advisory Board web page \(External Link\)](#)
- [Governmental Accounting Standards Board \(GASB\)](#)
- [CSAM](#), the text of which can be found on the CDE web page
- Migrant Education Program Fiscal Handbook
- The CDE and the OME guidance, including operational and informational memoranda

- The RA and the DSA and corresponding instructions
- The CDE Legal Assurances and Certifications for LEAs
- Any and all other applicable policies, rules, and regulations adopted by counties and districts

Titles and sections may not correspond with the applicable United States Code (U.S. Code) title and sections as it takes years for new legislation to appear in print in the official version of the U.S. Code.

3.0 Region and Direct-Funded District Administrative Responsibilities

3.1 General Administrative Functions

EC Section 54444.1, et seq. codifies the migrant education regional service system as the primary method for the delivery of services to migratory students. In compliance with this method of delivering services, the CDE requires that all operating agencies, regardless of funding model, provide centralized services such as administration, staff development, health resources, parent participation, and local approved programs.

The administrative responsibilities can include:

- Develop administrative policies for the operating agency to facilitate implementation of the program. These local policies cannot conflict with other state or federal laws, regulations, and policies.
- Serve as the administering agency for the participating school districts and/or counties that enter into service agreements to form such regions.
- Provide services in compliance with applicable state and federal laws and regulations.
- Provide a program consistent with the basic objectives of project requirements contained in 34 CFR 200.88 regarding supplementing of non-federal assistance, comparability of services, and meeting the intent of Title I, Part C.
- Have the necessary legal authority to initiate and negotiate service agreements or other contracts.
- Initiate and implement the necessary interagency agreements with other state and/or local agencies for the provisions of health, social, and other services for migratory children.
- Ensure that services are provided for the children who have been determined to have the greatest need.
- Employ the appropriate staff to carry-out all the central services and administrative functions and implement staff development plans and practices to meet the needs of students as defined in the program.
- Provide support to staff (e.g., staff development training and materials).

- Provide oversight and technical assistance to agencies operating under service agreements (e.g., budgets, staffing, health resources, and parent involvement).
- Promote continuity of program services through staff participation in state MEP meetings and professional development activities.
- Ensure interagency collaboration to improve the services available to participating students.
- Promote the involvement of parent advisory committees at the state, regional, and district levels to build capacity and maximize the services to migratory children.

3.2 Fiscal Responsibilities

In matters of finance, accounting, budgeting, and purchasing, any and all decisions regarding the classification and appropriateness of expenditures must be in conformity with state and federal law. It is the responsibility of the operating agency to ensure compliance by maintaining fiscal safeguards.

Each operating agency shall:

- A. Allocate funds in a manner consistent with program requirements as set forth in applicable federal and state legislation. The use of Migrant Education funds shall be consistent with, but not limited to, the Federal Program Monitoring (FPM) instrument, as follows:
 - **Use of Funds:** Migrant Education funds shall be used only for allowable activities and equipment. *FPM item III-Migrant Education (ME) 08, FPM item III-Fiscal Monitoring (FM) 2.*
 - **Supplement Not Supplant:** Migrant Education funds shall be used solely to supplement, and not supplant, non-federal funds (see Section 1.8). *FPM item III-ME 09, FPM item III-FM3*
 - **Salaries and Wages:** The grantee and the LEA shall properly assess administrative charges for direct or indirect costs of Migrant Education funds for salaries and wages in proportion to an allowable quantity and duties of the employee. *FPM item III-ME 10.*
- B. Establish a written distribution of funds method reflective of program needs, enrollment and/or other factors such as mobility, age, and grade-level.
- C. Reallocate funds through the revision process specified in this Handbook (see Section 4.4).
- D. Provide written procedures and criteria for revising service agreements including criteria, process, and timelines for reallocating funds according to the CDE's established timelines for revisions (see Section 4.3).
- E. Expend funds on the basis of applications or revisions approved by the CDE.
- F. Maintain fiscal procedures in conformity with state and federal law.

- G. Use fiscal control and fund accounting procedures as outlined in the Standardized Account Code Structure that will ensure proper disbursement and accounting for Title I, Part C, funds.
- H. Meet the requirements of the GEPA and the GASB as they relate to fiscal control and fund accounting procedures.
- I. Return to the CDE the amount of Title I, Part C, funds later determined not to have been spent in accordance with applicable law.
- J. Provide written policies and procedures for collecting unexpended funds and funds paid to districts for expenditures later determined by the CDE or the region to be unallowable (Section 7.0 of Handbook).
- K. Monitor all school district expenditures to ensure alignment with the services and costs as proposed in the approved DSA or MOU.
- L. Ensure that school districts adhere to record retention policies as required by law (see Section 5.5 of Handbook).
- M. Use procurement procedures that reflect applicable federal and state statutes and standards (see Section 1.5 of Handbook).
- N. Operating agencies are required to develop and implement a plan that abides by MEP-specific administrative caps for expenditures on administration (see Section 1.7).
- O. Operating agencies and districts shall not roll over unexpended funds.
- P. Any funds not expended by the end of the fiscal year shall be liquidated by the CDE.

3.3 Administration of District Programs

General Guidelines

The application funding submitted to the CDE should include the RA and all approved corresponding DSAs/MOU. The CDE approves the RA.

The region is responsible for and has the authority to approve the DSAs/MOU and any subsequent revisions submitted to the region by the districts.

The region also has the authority to reallocate funds from one district to another, from a district to the region, or from the region to the district. Any reallocations shall not exceed the state-approved aggregate total of all migrant district budgets for the region. The budget revision process is discussed in Section 4.4 of the Handbook.

Should the region approve a DSA/MOU that is later found to be out-of-compliance by the CDE, either through a monitoring visit or some other inquiry/review, the DSA/MOU in question will need to be revised to meet the requirements set forth by the CDE. In addition, the authoring district (of the DSA/MOU) may need to repay funds if not utilized in accordance with all applicable laws. Further, a DSA/MOU may need to be revised to meet fiscal reporting requirements from the CDE.

Regional Sub-Grants to Districts

Regions are encouraged to follow the CDE seven factor funding formula when determining the allocation for their districts. These factors include:

- A. The availability of funds from other federal, state, and local programs¹¹
- B. Performance period enrollment, also called *Category 1*
- C. Summer and intersession services, also called *Category 2*
- D. Number of PFS migratory children
- E. Number of migratory children ages 19 through 21
- F. Number of migratory children that have made a qualifying move during the performance period
- G. The academic need of migratory children (far below basic)

As described in Section 1.4, migrant regions operate via several operational models, therefore, actual subgrants to districts may not reflect the full factor calculation as some districts may opt to have the region provide services that are not cost-effective at the district level.

Termination and appeals are governed by §3.4 (Noncompliance and Termination). Regions must apply these standards in any DSA/MOU action.

3.4 Noncompliance and Termination

- 1) The CDE or its designee may terminate a subgrant, in whole or in part, if the subgrantee materially fails to comply with the terms and conditions of the award, applicable federal or state statutes, regulations, or policies.
- 2) Prior to termination, the CDE will:
 - a. Provide written notice specifying the nature of the noncompliance;
 - b. Allow a reasonable period for corrective action, unless immediate termination is necessary to protect program integrity or prevent misuse of funds; and
 - c. Document all communications and corrective actions in accordance with 2 CFR 200.339.

If corrective action is not taken within the specified period, the CDE may implement one or more remedies under 2 CFR 200.339, including:

- Temporarily withholding cash payments;
- Disallowing costs associated with the noncompliance;
- Suspending or terminating the award in whole or in part;
- Withholding further awards for the project or program; or
- Taking other legally available remedies.

Upon termination, the subgrantee will be compensated for allowable costs incurred up to the effective date of termination.

¹¹ ESEA Section 1304(b)(5)

Appeal Rights

A subgrantee may request an administrative review of a termination decision. Appeals must be submitted in writing within 30 calendar days of the termination notice and will be limited to whether the CDE's action was contrary to applicable federal or state statutes, regulations, or the terms of the grant award. Consistent with 2 CFR 200.340(a)–(b), the CDE will provide written notice and an opportunity for the subgrantee to present written objections before the termination is finalized. Operating agencies filing an appeal must submit a letter of appeal by mail, email, or in person to:

California Department of Education
State Superintendent of Public Instruction
1430 N Street
Sacramento, CA 95814-5901

4.0 Instructions for Regional and Direct-Funded District Applications

4.1 Operating Agency Application for Migrant Education Services

A. Program Application. Operating agencies with more than 200 students shall complete an annual application that contains the following:

- 1) General information and funding allocations, allocation and student profile, region funding process (regions only), a program overview, and information detailing the proposed services and service budgets for each of the following programmatic components:
 - Regular School Year
 - Summer/Intersession
 - School Readiness Regular School Year
 - School Readiness Summer/Intersession
 - Other Education, Health, Nutrition, and Social Services
 - I&R
 - PAC
 - Technical Assistance and DSA/MOU Monitoring
 - Administration
- 2) Budget information and detail specific enough to determine if the proposed migrant education program satisfies all the applicable requirements and is aligned to the proposed services
- 3) Signatures and Legal Assurances
- 4) Any other information requested by the CDE

B. Application Submission. Regions and direct-funded agencies shall submit their application directly to the CDE while all other operational agencies must submit their DSA/MOU to the applicable region.

Application Non-transferable/Non-assignable. An application for migrant education services shall not be transferred or assigned to any other agency or party. Only the CDE may transfer or reassign an application. This does not restrict operating agencies from contracting with districts through service agreements.

C. Application Approval: The CDE is responsible for reviewing and approving each Region and DFD's budget within their application for the MEP.

- 1) Upon submission, applications will be reviewed by the CDE for approval.
- 2) All contracts or agreements entered into by operating agencies shall have a release clause contingent upon the availability of funds and approval of applications by the CDE.

D. Application Denial Appeals. This section applies only to the denial of an application for funding under the Migrant Education Program (MEP). It does not apply to termination of an awarded subgrant. Termination procedures and appeal rights are addressed separately in Section 3.4 (Noncompliance and Termination) of this Handbook.

- 1) Appeals of application denial are governed by 34 CFR 76.401(d).
- 2) An operating agency whose application is denied may file a written appeal within ten (10) calendar days of receiving the Notice of Intent to Award. The appeal must include:
 - A full and complete statement of the issue(s) in dispute;
 - The legal authority or other basis for the appellant's position; and
 - The remedy sought.
- 3) Appeals are limited to the grounds that the California Department of Education (CDE) failed to correctly apply the standards for reviewing the application as specified in this Handbook.
- 4) If the appeal is denied, the operating agency may request a hearing under 34 CFR 76.401(d). The request for hearing must be submitted within thirty (30) calendar days of the appeal determination.
- 5) This application denial appeal process is distinct from the process governing subgrant termination, which are governed by the federal Uniform Guidance and outlined in Section 3.4 (Noncompliance and Termination).

4.2 District Service Agreements

A. All DSA budgets shall be on forms provided or approved by the CDE.

- 1) The region shall provide copies of each service agreement, MOU and accompanying legal assurances to the CDE as requested.

B. Signatures

- 1) The district shall obtain signatures from all required parties prior to the services being provided. Reimbursements may not be made for services performed prior to approval of the service agreement.

- 2) The district representative (superintendent or designee) shall sign the service agreement for any project regardless of whether the district or operating agency is providing services.
- 3) The district PAC member signature affirms the district's consultation with and participation of the district parent advisory committee in the development of the agreement.
- 4) The region shall maintain a complete copy of the service agreement and any revisions, including the original signature page.

C. District Revision Process

- 1) The region shall process all revisions in accordance with the policy and process set forth in Section 4.3 of the Handbook.

D. Under no circumstances shall a district budget be revised after the end of the grant period.

4.3 Operating Agency Budget Revisions

Key Term

- Budget Revisions. Revisions adjust the budget line items or specific items of cost

General guidance regarding budget revisions

A. Reimbursements. Expenditures made prior to approval of a budget revision that do not adhere to the revision policy set forth below are not permitted and may not be reimbursed. Operating agencies—county offices of education or direct-funded school districts—may be required to reimburse the CDE for expenditures not approved or in excess of the amount in the approved budget.

B. Deadlines for revisions. Revisions may be submitted no more than once per quarter.

C. Revision requests are intended to be cumulative for the fiscal quarter in which they occur. The deadlines (unless notified otherwise by CDE) are as follows:

- September 15
- December 15
- March 15
- May 31

D. Under no circumstances shall a district budget be revised after the grant period.

4.4 Revision Policy

A budget revision is necessary for a proposed increase or decrease of ten percent or more to any budget series (e.g. 1000's in Regular School Year Service) and requires CDE approval prior to the expenditure of those funds.

Note that the revised policy applies to decreases as well as increases. The monitoring of declines in expenditures is consistent with CDE policies for other programs and assists the CDE in monitoring the implementation of regional plans.

The requirement for CDE approval of a budget revision as described above is prompted by a proposed change in the subtotal for the budget series—not in an individual line item. This requirement applies to program component budget documents, which include the following components:

- Regular School Year
- Summer/Intersession
- School Readiness Regular School Year
- School Readiness Summer/Intersession
- Other Education, Health, Nutrition, and Social Services
- I&R
- PAC
- District Summaries, if applicable

Revision Procedure

Regional and DFD subgrantee budget revisions require CDE approval *prior to* the expenditure of funds.

The process for regions to request a revision to their budget will consist of submitting a budget revision to the assigned CDE consultant using the MEP Budget Revision system. At a minimum, the budget revision should include the following:

- A detailed summary of how the proposed budget revision will affect the service. This change should be made in the service description section and should include how the change made is related to student needs and why it is necessary.
- Edits in the budget section which include correct object code, budget amount, and description of the proposed change.

Regions are responsible for implementing the same policy and process outlined herein for district (DSA and MOU) budget revisions. Regional offices—not the CDE—continue to be responsible for the review and approval of changes to district budgets. Regional offices are also required to maintain and update their regional budgets to continuously reflect changes in district level budgets.

5.0 Cash Management, Payments, Fiscal Reports, and Audits

5.1 Cash Management

Under 2 CFR Section 200.305(b) subgrantees may be paid in advance provided they demonstrate the willingness and ability to maintain procedures to minimize the amount of time elapsing between the receipt and disbursement of federal funds. Otherwise, reimbursement is the preferred method of payment.

Further, 2 CFR Section 200.305(b)(12) states that subgrantees must promptly, but at least annually, pay to the federal agency any interest earned on advances. The subgrantee may keep interest amounts up to \$500 per year for administrative expenses.¹² ME-7 Expenditure Reports submitted with outstanding balances from payments or payments must indicate the interest earned and be paid promptly.

5.2 Advance Payments

To receive an advance payment, operating agencies must demonstrate the willingness and ability to minimize the amount of time elapsing between the receipt and disbursement of federal funds.

To demonstrate the ability to minimize the time elapsing between the receipt and disbursement of federal funds, operating agencies shall have expended and encumbered at least 90 percent of the previous payment before a subsequent payment will be processed.

With the exception of the first payment request, operating agencies shall submit a signed ME-7 Expenditure Report for each payment request. The ME-7 Expenditure Report must adequately disclose all expenditures. All subsequent expenditure reports will only be processed upon the submission of a signed ME-7 Expenditure Report in compliance with Sections 5.2 Payments and 5.4 Quarterly Expenditure Reports of the Handbook.

A. Grant Award Procedure

- 1) Annually, upon enactment of the state budget, and approval of the regional and direct-funded district applications, the CDE allocates MEP funds to the regions. The CDE does not have the ability to apportion funds or make payments prior to the passage of the state budget or the receipt of federal funds. Delays in the adoption of the state budget will also delay the release of MEP funds by the MEO. The following is an outline of the MEP grant allocation process:
 - i. Allocations. The CDE allocates MEP funds to regions and direct-funded districts based on the funding factors outlined in Section 1.2 of the Handbook.
 - ii. GAN, CDE Form AO-400. Upon approval of the application for the Region and DFD and enactment of the state budget, the GAN (AO-400) is sent to

¹²Visit the [CFR website \(External Link\)](#)

the superintendent of the applicable agencies (county offices of education or school districts). The superintendent signs the original AO-400 and returns it to the CDE office within ten (10) calendar days. The superintendent is responsible for informing the MEP director of the grant award allocation.

- iii. **Quarterly Disbursements.** Throughout the MEP grant cycle, funds are released to operating agencies in quarterly allocations, prorated as follows: 30/30/30/10. The MEP operating agency shall have expended and encumbered at least 90 percent of the previous payment before subsequent payments will be processed.

ME-7 Expenditure Reports are to be submitted to the CDE once per quarter throughout the grant cycle. ME-7 Expenditure Reports are required before the second, third, and final payment will be released. ME-7 Expenditure Reports must meet all the requirements detailed in Section 5.4 of the Handbook.

- iv. **First Advance Payment.** The first advance payment is dependent upon the following: submission and approval of the application, and receipt of the signed AO-400. The first payment is 30 percent of the total grant award.
- v. **Second Advance Payment.** The second advance payment is released only when the operating agency expends 90 percent of the first payment as substantiated by submission and approval of the ME-7 Expenditure Report. The second payment is 30 percent of the total grant award.
- vi. **Third Payment.** The third advance payment is released only when the operating agency expends 90 percent of the second payment, as substantiated by approval of the ME-7 Expenditure Report. The third payment is 30 percent of the total grant award.
- vii. **Final Payment.** The final payment is released upon approval of the final ME-7. The amount of the final payment will be the difference between cumulative expenditures and total advanced payments. If the subgrantee expended less than the total advanced payments received, they will receive an invoice from the CDE to recuperate the difference in funds.

5.3 Reimbursements to Districts

A. District documentation substantiating reimbursement requests shall be:

- Provided to the operating agency with reimbursement claims
- Made available to the region or the CDE for on-site review at the district

Documentation shall be made available to the region or to the CDE upon request and shall include, but not be limited to:

- 1) Detail General Ledger
- 2) Journal entries
- 3) Payroll

- 4) Time accounting records including semi-annual certification and personnel activity reports
- 5) Purchase orders
- 6) Invoices
- 7) Travel claims
- 8) Utility bills
- 9) Contract and Subgrant Documents
- 10) Other documentation as requested

B. Documentation shall include verification that:

- 1) All expenditures are in the correct budget categories and correspond to the approved service agreement.
- 2) All expenditures supplement and do not supplant non-federal funds and correlate to the approved amounts and categories.
- 3) The personnel reported on the reimbursement claims and/or agency payrolls correspond to staff on the approved service agreements. Changes shall be approved in advance by the operating agency.
- 4) All purchase orders for supplies, materials, and non-consumable supplies are approved by an authorized person in accordance with local policy.
- 5) All travel claims are approved by an authorized person.
- 6) All travel claims are specifically related to the MEP projects and activities as outlined in the LEA's approved service agreement.
- 7) All utility bills are appropriate and only for migrant education activities.
- 8) All expenses were reasonable and necessary.
- 9) The practices related to expenditures for migrant education are consistent with the policies, regulations, and procedures the district applies to federal and non-federal assisted activities, and consistent with federal law superseding all conflicting local policies and procedures.

5.4 Quarterly Expenditure Reports

ME-7 Expenditure Reports will be approved provided the reports are contemporaneous, complete, timely, fully disclose expenditures and encumbrances, and are in compliance with the following requirements:

A. Due Dates

Operating agencies shall provide expenditure reports as required by the CDE in conformity with state and federal laws. ME-7 Expenditure Reports shall be submitted to the CDE on a quarterly basis according to the schedule below:

ME-7 Expenditure Report Due Dates

Period Covered	Due Dates
July 1–September 30	October 30

October 1–December 31	January 30
January 1–March 31	April 30
April 1–June 30	September 30

Note: If the due date is over the weekend, the expenditure report is due by close of business the next business day.

B. Unauthorized Expenditures

Expenditures that are not approved in the application or revisions may not be allowed.

C. Fiscal Duties and Fiduciary Responsibility

Operating agencies are required to adhere to the grant terms, application requirements for the budget, and the policies stated in this handbook. Failure to comply with the fiscal policies and laws for this grant award may lead to a grant reduction or termination (see Section 3.4: Noncompliance and Termination).

D. District Expenditures and Financial Reports

Subpart E of 2 CFR Part 200 establishes the cost principles and standards for the administration of the MEP awards. As such, each operating agency is required to monitor expenditures made by districts providing services in their area, as all subgrants are subject to federal cost principles. The operating agency shall at a minimum ensure that all costs charged to the MEP are allowable as defined by the cost principles of Subpart E (see Section 7.0).

Additionally, regions shall:

- 1) Require documentation substantiating district reimbursement requests and/or perform onsite reviews of the documentation at the district
- 2) Enforce due dates for reimbursement requests
- 3) Require justification for any budget object code series increased or decreased by more than ten percent
- 4) Not reimburse districts for unapproved or unbudgeted expenditures
- 5) Not reimburse district expenditures which exceed the total approved district budget

E. Use of Funds

Grant funds may only be expended within the fiscal year they are obligated.

5.5 Audit Requirements and Record Retention

1. Audits

Each operating agency shall:

- A. Comply with all state and federal regulations and guidelines relating to audits

- B. Maintain records—as described below—that may be needed to conduct an effective audit
- C. Resolve all fiscal and program audit exceptions.

2. Standards for Financial Management Systems

A. Accounting Records

Records which identify the source and application of funds for grant or subgrant supported activities shall be maintained. These records shall contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, outlays, income, and interest.

B. Internal Control

Recipients shall adequately safeguard all property purchased with federal funds and shall assure that it is used solely for authorized purposes. Documentation must be maintained that demonstrates that effective controls and accountability exist for all grant or subgrant cash, real and personal property, and other assets, e.g., documentation of the purpose of trips in a vehicle log.

C. Source Documentation

Accounting records shall be supported by source documentation such as purchase orders, invoices, payrolls, contract and subgrant documents.

D. Federal Program Monitoring

Operating agencies must retain the necessary records for preparation for FPM by CDE. These records will be identified in the FPM Monitoring Instruments found on the CDE [Compliance Monitoring Web page](#).

3. Record Retention

Federal regulations require that fiscal program records be retained for audit purposes for three years after the date of the final expenditure report unless an audit is pending. If an audit is pending, records will then be maintained until the final resolution.¹³

6.0 Capital Outlay and Property

6.1 Capital Outlay & Equipment

- A. Definitions: *Capital outlay* is an expenditure that results in the acquisition of capital assets or improvements and additions to capital assets that materially increase their value or useful life. *Equipment* is tangible property, having a useful life of more than one year and an acquisition cost that equals or exceeds the lesser of the capitalization level established by the operating agency or \$5,000. For

¹³ Uniform Administrative Requirements, at 2 CFR Section 200.334

example, vehicles that meet the acquisition cost threshold are considered equipment requiring the approval process described below.

B. Requirements for Approval for Purchase

- 1) Capital outlay and expenditures for equipment shall be made in compliance with federal, state, and local policies.
- 2) Capital outlay and expenditures for equipment as defined above or in excess of \$5,000 shall be approved in advance and in writing by the CDE through the application or revision process. Lease-purchase contracts in excess of \$5,000 require advance written approval from the CDE MEP Administrator. Requests must be submitted in writing prior to the expenditure of funds.
- 3) Capital outlay purchases shall be made only by the operating agency.
- 4) The operating agency may use MEP funds to purchase equipment only if the agency demonstrates in its migrant education application that:
 - i. The equipment provides a supplementary function over-and-above equipment purchases with non-federal funds
 - ii. The equipment is necessary to effectively operate the migrant education program without regard to use in non-MEP activities
 - iii. It has made every reasonable effort to find other funds to pay for the equipment before applying to use migrant education funds for that purpose
 - iv. The equipment is reasonably priced and, if applicable, properly documented (i.e., vehicle logs)
- 5) MEP funds shall not be used to pay for site improvement.
- 6) Operating agency or district lease agreements for facilities require CDE approval in advance and in writing. Regions shall request the CDE approval through the application or revision process.

C. Non-Consumable Supplies

An item is defined as a non-consumable supply if it can be expected to serve its principal purpose for at least one year and is less than \$5,000 (with accessories) per unit cost in value (e.g., printers, cameras, tables, and cellphones).

D. Inventory Procedures

The operating agency is required to maintain an inventory of the equipment (including replacement equipment) and non-consumable supplies until transfer, replacement, or disposition takes place. A physical inventory of equipment and non-consumable supplies shall be taken, and the results reconciled with property records at least once every two years.

The records shall include:

- 1) A description of the equipment, including the manufacturer's serial number or other identification number.

- 2) The source of the property, including award number.
- 3) Who holds the title to the property.
- 4) The acquisition date and cost of the equipment.
- 5) The use, condition, and location of the equipment, as well as the date this information was reported.
- 6) A control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- 7) Any ultimate disposition data, including the date of the disposal, transfer, or replacement and/or the sales prices of the property, if applicable.

E. Safeguards Against Theft

As part of an inventory management system, an operating agency must develop a control system to ensure that adequate safeguards are in place to prevent loss, damage or theft of any property. Any loss, damage or theft must be investigated immediately. Further, the operating agency must ensure that adequate maintenance procedures are in place to keep equipment purchased with federal funds in good condition. The operating agency must maintain records which demonstrate this control system and maintenance policy.

To facilitate the proper tracking of property, local operating agencies must tag any piece of equipment and non-consumable supply. The tag must consist of a physical label with an inventory number which corresponds to the local operating agency's property records. The tag must not be easily removable.

6.2 Property

1. Title

The CDE shall maintain ownership and control over all equipment or property acquired with migrant education funds. All materials developed under the terms of this award will become the property of the CDE. The CDE reserves the exclusive right to copyright such materials and to publish, disseminate, and otherwise use materials developed under the terms of MEP funds.

2. Use for Non-Project Purpose

If equipment is being used less than full-time in the program for which it was originally acquired, the recipient shall make it available for use in other programs currently or previously sponsored by the federal government. First preference for such other use shall be given to programs sponsored by the same granting agency.

Operating agencies shall request in writing justification(s) for allowing migrant education equipment to be used by other programs and receive prior written approval from the appropriate granting agency (the region must approve for districts and the CDE must approve for regions and direct-funded districts) before any equipment may be used by other programs. The operating agency must

demonstrate that the use of the equipment in non-MEP activities does not decrease the quality of the equipment or effectiveness of the MEP services provided to migratory children, increase the cost of using the equipment for the MEP project, or result in the exclusion of MEP children who otherwise would have been able to use the equipment.

Requests should include the following:

- Reason equipment is not being used full-time by the MEP
- Proposed additional use
- Program that will share equipment
- Justification for shared use

3. Replacement, Transfer, and Disposition of Equipment

The obligations and conditions for equipment must be followed as set forth in 2 CFR Section 200.313.

- Replacement of Equipment

Equipment may be exchanged for replacement equipment, if needed, through trade-in or sale. The proceeds of the sale or trade-in shall be applied to the acquisition of the replacement equipment. If additional migrant education funds are required to purchase the replacement equipment, the purchase will be subject to the same requirements as new equipment.

- Transfer of Equipment

If the program for which the equipment was acquired is transferred from one operating agency to another, all items of equipment having a unit acquisition cost of \$10,000 or more shall be transferred to the new operating agency.

The CDE shall require the original recipient to furnish a listing of all items of equipment subject to the transfer. This will enable the CDE to determine which items should be transferred. Reasonable shipping and/or storage costs incurred will be paid by the CDE.

- Disposition of Equipment

Notify the CDE when disposing of equipment. When original or replacement equipment is no longer used in programs currently sponsored by the federal government, disposition of the equipment shall be made as follows:

- i. Equipment with a current per unit fair market value of less than \$10,000 (per unit) may be retained, sold, or otherwise disposed of with no further obligation.
- ii. Equipment with a current per unit fair market value in excess of \$10,000 (per unit) may be retained or sold and the federal government has the right to an amount calculated by multiplying the current market value or the proceeds from the sale by the federal share of the original purchase. The amount due from the sale shall be remitted to the CDE

with a letter listing the item, reason for its disposal, and total amount of the sale. If the equipment is sold, the Federal agency or pass-through entity may permit the recipient or subrecipient to retain, from the Federal share, \$1,000 of the proceeds to cover expenses associated with the selling and handling of the equipment.

- iii. Regardless of the value of the disposed equipment, the operating agency must retain documentation which demonstrates the value of the item at disposal and ultimate disposition.

4. Inventory Disposition

It is the responsibility of the operating agency to record all information regarding the ultimate disposition of the inventory and to notify the CDE when disposing of inventory with a market value of \$10,000 or more.

When there is a residual inventory of unused supplies exceeding \$10,000 in aggregate value at the end of the period of performance, and the supplies are not needed for any other Federal award, the recipient or subrecipient may retain or sell the unused supplies. Unused supplies mean supplies that are in new condition, not having been used or opened before. The aggregate value of unused supplies consists of all supply types, not just like-item supplies. The Federal agency or pass-through entity is entitled to compensation in an amount calculated by multiplying the percentage of the Federal agency's or pass-through entity's contribution towards the cost of the original purchase(s) by the current market value or proceeds from the sale. If the supplies are sold, the Federal agency or pass-through entity may permit the recipient or subrecipient to retain, from the Federal share, \$1,000 of the proceeds to cover expenses associated with the selling and handling of the supplies.

7.0 Allowable and Unallowable Expenses

Operating agencies assume responsibility for ensuring that federal program funds have been expended and accounted for, consistent with applicable 2 CFR 200 (Uniform Guidance) cost principles, agency program regulations, and the terms of subgrant agreements to determine the reasonableness, necessity and allowability of costs. Subpart E of 2 CFR 200 (Uniform Guidance) establishes cost principles and standards for determining allowable costs applicable to grants, contracts, and other agreements with nonfederal entities. Costs are allowable for federal reimbursement only to the extent of benefits received by federal programs, and costs must meet the basic guidelines of allowability, including necessary and reasonable.

All costs must be allowable under the cost principles contained within Subpart E, 2 CFR 200 (Uniform Guidance).

The CDE guidance regarding expenditures that are generally an allowable use of MEP funds is in addition to all other state and federal laws, regulations, and guidance. Expenditures identified as allowable must meet any and all requirements.

For more information regarding MEP allowable and unallowable costs, please refer to the [MEP Allowable Cost Guidebook](#), which can be found on the CDE Migrant Education Program Funding web page.

7.1 Allowable Expenses

Allowable expenditures shall meet the following criteria:

- A. Be necessary and reasonable for proper and efficient performance, and administration of federal awards. The expenditure must be necessary in order to implement the services required by the MEP grant as reflected in the approved RA, DSA, or contract. 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.
- B. Supplement and not supplant other federal and non-federal expenses required to carry out the overall responsibility of state or local governments, including school districts and county offices of education.
- C. Be allocable under federal and state cost principles. The cost is allocable to a cost objective if the goods or services involved are chargeable or assignable to the cost objective in accordance with the relative benefits received.
- D. Be consistent with policy, regulations, and procedures and not prohibited under federal, state, or local laws and regulations.
- E. Be consistent with principles, regulations, and procedures that apply uniformly to federal awards and other activities of the subgrantee.
- F. Conform to any limitations or exclusions set forth in these principles, federal laws or other governing limitations as to types or amounts of cost items.
- G. 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 a federal award as an indirect cost.
- H. Be determined in accordance with generally accepted accounting principles.
- I. Not included as a cost or used to meet cost sharing or matching requirements of any other federal activity in either the current or a prior period.
- J. Be adequately documented so as to illustrate compliance with all applicable funding rules and restrictions.
- K. Be net of applicable credits. "Applicable credits" refers to receipts or reductions of expenditures that offset or reduce the cost to federal awards. Examples include, but are not limited to, purchase discounts, rebates or allowances, and adjustments of overpayments or erroneous charges.
- L. Expenditures on food, travel, conferences, field trips, music, dance and theatre activities must be described in the approved RA, DSA, MOU or its revision as to the need for the expenditure and how it relates to the supplemental academic program for the students. Based on the description provided, the CDE will approve expenditures deemed to have sufficient nexus to the academic program.

7.2 Unallowable Expenses

The following are examples of are unallowable expenses:

- A. Salaries, benefits, and expenses incurred by employees of the county office of education or LEA offices not directly related to the MEP.
- B. Expenses of county or school district boards and their members.
- C. Interest on borrowing, cost of financing, and refinancing operations.
- D. Membership or other professional association fees.
- E. Any excess cost incurred under another grant agreement.
- F. The development, improvement, maintenance, or repair of any physical facility or property belonging to any county office of education, school district, or any other party, not belonging to the MEP.
 - One exception is payment for summer school facility maintenance costs that are incurred as a direct result of the operation of the MEP.
- G. Costs related to social activities such as potlucks, dances, holiday and graduation parties, or any other celebrations not directly related to the implementation of the MEP.
- H. Costs related to entertainment, including amusement, and diversion.
- I. Stipends or compensation for lost wages for participation in PAC activities or any other aspect of the MEP.
 - One exception is reimbursement of lost wages incurred by parent representatives of the *Statewide PAC* (SPAC) when attending official meetings convened by the CDE. This reimbursement is allowable only when adequately documented in accordance with the process put forth by the CDE.
- J. Instruction in English as a Second Language for parents.
- K. Adult education or any for-credit classes for parents.
- L. Healthcare or mental health services for parents.
- M. Instruction in personal finance.
- N. Instruction pertaining to immigration laws, rules or requirements.
- O. Political activities or lobbying.

7.3 General Guidelines

1. Meetings & Trainings

Allowable expenditures for staff, students or parents related to meetings, workshops, in-service or other trainings shall meet the following criteria:

- Be reasonable and necessary for the implementation of the MEP program.
- Expenses incurred by staff shall be budgeted in the approved application or

revision.

- Expenses incurred by staff are limited to staff employed by the MEP.
- When feasible, MEP staff shall use other modes of communication to disseminate information, such as telephone, email, virtual meetings, or videoconference, instead of incurring expenses related to in-person meetings. This requirement does not change the statutory or regulatory obligation to hold regular meetings for migratory parents.

2. Travel

Per the OME, travel to meetings or conferences for the purpose of “information dissemination” is not an allowable use of MEP funds. Whenever feasible, information should be shared via telephone, email, virtual meeting, or videoconference. The only allowable travel is for provision of “technical information”¹⁴ or when activities cannot properly be conducted through other means. For example, professional development and technical assistance activities may require group interaction that is not feasible other than in person.

To be allowable, travel costs must be budgeted in the approved application, revision, or the CDE contract.

Travel to any out-of-state meeting, event, conference, etc. must receive prior approval from the CDE using the Out-of-State Approval Request¹⁵. This form shall include a justification, name, and titles of individuals attending, and estimated cost. This form is required in addition to the accounting/budgeting of travel in the appropriate funding application or revision.

3. Conferences

Allowable conference expenditures shall meet the following criteria:

- A. Per the OME guidance, expenditures for conference attendance cannot be solely for the purpose of “information dissemination.”
- B. Be limited to actual and necessary expenses incurred by MEP staff, parents or students.
- C. Be related to the identified and prioritized needs of migratory students.
- D. Be reasonable and necessary for the implementation of the approved RA, DSA or CDE contract.
- E. Each conference to be attended or conducted, including local, state, and out-of-state conferences, must be listed in the approved RA, DSA or CDE contract, and in the related budget documents.

¹⁴ The CDE guidance document, [California Migrant Education Program Allowable Cost Guidebook](#)

¹⁵ The CDE guidance document, [California Migrant Education Program Out-of-State Approval Request](#)

- i. Subsequent additions or substitutions require an approved budget revision prior to conference attendance.
- ii. The budget request must include each of the following:
 - a. Name, purpose, and location of the conference
 - b. List of attendees identified by job title, and name when available
 - c. Estimated costs

Requests to participate as a conference presenter on migrant-related topics at other than MEP-sponsored conferences must be approved by the State Administrator of the CDE. These requests must also be listed in the approved RA, DSA or CDE contract, and in the related budget documents. Requests must be submitted at least 60 days in advance, and shall include the information required for conference attendance, as stated in this Handbook.

4. Food

In February 2014, the OME issued clarification regarding the use of federal grant funds to pay for food. In it, the OME indicates that:

“Generally, there is a very high burden of proof to show that paying for food and beverages with federal funds is necessary to meet the goals and objectives of a federal grant. When a grantee is hosting a meeting, the grantee should structure the agenda for the meeting so there is time for participants to purchase their own food, beverages, and snacks. In addition, when planning a meeting, grantees may want to consider a location in which participants have easy access to food and beverages.

These determinations will be made on a case-by-case basis, and there may be some circumstances where the cost would be permissible. Grantees, therefore, will have to make a compelling case that the unique circumstances they have identified would justify costs as reasonable and necessary.”

OME developed guidelines to assist grantees and subgrantees in evaluating the appropriateness of using MEP funds for a working lunch:

- Is the portion of the agenda to be carried out during lunch substantive and integral to the overall purpose of the conference or meeting?
- Is there a genuine time constraint that requires the working lunch?
- If a working lunch is necessary, is the cost of the working lunch reasonable?
 - A. Staff: Expenditures for food at *staff* meetings or functions are not an allowable use of MEP funds. Organizers should plan meeting schedules and locations to allow staff time to procure their own meals. Per the OME, MEP expenditures on food for staff are unallowable even if the expenditure would be less than the cost of reimbursing staff to purchase food while traveling.
 - B. Students/Parents: Expenditures for food for students or parents may be allowable if they are reasonable and necessary to provide a service

listed in the approved RA, DSA or CDE contract, and in the related budget documents. Federal policy requires that organizers first attempt to plan activities during times and locations that allow students and parents to procure their own meals. Food expenditures should generally be limited to beverages and light snacks as it is not often that full meals are necessary for the provision of migrant services.

Additionally, only expenditures for working meals are allowable.

5. Field Trips

Allowable field trips shall meet the following minimum criteria:

- A. Must be directly related to the instructional program in use by the students.
- B. Must include pre- and post-assessment and ongoing activities aligned with the Common Core State Standards.
- C. Must be supplemental and not supplant activities that are the responsibility of the county office of education or school district, or that are provided to non-migratory students of these agencies through other funds.
- D. Expenditures related to the participation of staff, parents, and chaperones shall be limited to those that are reasonable and necessary.
- E. Must be listed in the approved RA, DSA or CDE contract, and in the related budget documents.
 - i. The service agreement must include:
 - Name and location of the place to be visited.
 - Purpose of the trip and description of how it supports and enhances the curriculum being used by the migrant program or the core curriculum in use by the students.
 - The supplemental nature of the field trip.
 - Number and grade level of students to attend.
 - List of staff and parent attendees to attend.
 - Estimated costs.

6. Transportation

To be allowable, all transportation expenditures must be listed in the approved RA, DSA or CDE contract, and in the related budget documents.

Allowable transportation expenditures may include:

- A. Regular Year: approved field trips for migratory students and extended day or weekend activities
- B. Summer: transportation to and from migrant-funded summer school

Transportation of students to and from school and core activities is the responsibility of the school district and is generally not an allowable use of MEP

funds. An exception may exist if a district does not provide transportation to the core program for any student. Migrant funds may be used to provide such transportation to migratory students if the expenditure does not constitute supplanting and if it can be shown that the expenditure is reasonable and necessary.

Expenditures on transportation of *staff* must be reasonable and necessary for the implementation of migrant services and must be within state and local guidelines.

Expenditures on transportation of *parents* to or from regular MEP activities and meetings are generally not an allowable use of funds. Transportation to or from regional or statewide conferences and of SPAC members to or from official meetings are allowable.

7. Parent Participation

A. Allowable: The following are generally allowable parent participation expenditures:

- Expenses for parent training related to understanding the educational system are allowable if training will result in a direct educational benefit to migratory students.
- Fees paid to consultants providing parent training, translation, or interpretation services that are reasonable and market rate.
- Costs for childcare while parents attend meetings. Stipends may not be issued to parent members. Costs for childcare may only be reimbursed to the operating agency.
- Training materials and meeting supplies.
- Reasonable and necessary meeting room rentals when no free space is available.
- Maintenance service fees for costs that are a direct result of MEP use.
- Mileage and transportation costs of regional and district PAC officers to official meetings. Expenditures shall not exceed the locally approved per diem and travel rates.
- Transportation, meals, and admissions to facilities when acting as chaperones for migratory student field trips.

As a reminder, MEP funds should not be utilized to replace or supplant costs (e.g., translation services), that would otherwise be paid through other sources.

SPAC members may be reimbursed for their travel, lodging and meal expenses by the operating agency if they meet the following criteria:

- The meeting is an official SPAC meeting convened by the CDE.
- Parent participation is requested by the CDE

- Reimbursement is limited to the locally approved per diem and travel rates.

B. Unallowable: The following are unallowable parent participation expenditures:

- Stipends or compensation for participation in conferences, regional or district advisory council or committee meetings, or any other MEP activity.
 - The only exception is reimbursement of lost wages incurred by parent representatives of the SPAC when attending official meetings convened by the CDE. This reimbursement is allowable only when adequately documented in accordance with the process put forth by the CDE.

8. Indirect Costs

Operating agencies may apply through their RA/DSA/MOU for indirect costs by using their approved State Indirect Cost Rate as defined in CSAM procedure 915. Migrant education funds may not be used for any position, service or activity usually funded at the district base program level.

For tracking purposes, when entering indirect costs into the Migrant Education Program Expenditure (MEPEX) system, use object code 7000 to track indirect costs at the regional level and object code 7300 to track the indirect costs of reimbursable districts. In the general ledger, please continue to align indirect costs with CSAM standards.

9. Student Work-Study Program

A region or district may hire a migratory student for work-study if the operating agency retains the following documentation:

- A. Name of student
- B. Employer, job description, and location of employment
- C. Explanation of non-monetary benefit to the student
- D. Days, dates, time, and hours worked by student
- E. Date and signature of student confirming the above information
- F. Date and signature of worksite supervisor confirming and verifying the accuracy of the timekeeping documents and work performance of the migratory student(s)
- G. Acknowledgement by the student and employer of any other federal, state, and local employment guidelines

10. Summer School Facility Maintenance Costs

Per the statutory requirement in *EC* Section 54444.3(b), each school district, county office of education, and community college district shall, upon request,

make facilities available at cost for the operation of migrant summer school programs whenever they are available. Where available, these facilities shall be suitable for the summer climate.

Expenditures for costs that are incurred as a direct result of the operation of the MEP are an allowable use of funds when they are reasonable, necessary, and based on the following methodology for cost determination:

- A. Total all the general maintenance costs incurred for the year.
- B. Prorate the allocated maintenance costs by the number of hours or weeks that a migrant summer program is conducted as compared with the total yearly hours or weeks of use for these facilities for all programs.

11. Substitute Staff

Migrant education funds may be used to secure substitutes for (1) non-migrant funded classroom teachers who work with migratory students to enable them to participate in activities sponsored by the MEP; and (2) migrant-funded personnel when the absence will make a significantly adverse impact on the program.

As a reminder, MEP funds should not be utilized to replace or supplant costs that would otherwise be paid through other sources.

12. Time and Effort Requirements

Employees paid with federal funds, in whole or in part, must maintain documentation of time worked.

- Includes: Full and part-time employees and employees whose salary is used to meet a cost share requirement
- Does not apply to contractors

Charges to federal wards for salaries and wages must be based on records that accurately reflect the work performed. Documentation must:

- A. Be supported by a system of internal controls which provides reasonable assurance charges are accurate, allowable, and allocable.
- B. Be incorporated into official records.
- C. Reasonably reflect total activity for which the employee is compensated.
- D. Encompass all activities (federal and non-federal).
- E. Comply with established accounting policies and practices.
- F. Support distributions among specific activities or cost objectives.

Cost objective means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, and capital projects. See examples below.

Cost Objectives	Not Cost Objectives
Title I, C Admin Title I, C I&R Title I, C PAC Title I, C Other Education	Title I Title II, A Federal Programs Program Director

8.0 Object Classification Codes

EC Section 41010 requires LEAs to follow the definitions, instructions, and procedures in the CSAM. Operating agencies and districts are mandated to follow CSAM guidelines for conformity with generally accepted accounting principles, which are essential for consistency and comparability in financial reporting. The CSAM is to be used for classifying, developing, and recording all revenues and expenditures for the MEP. Printed copies of the CSAM are available from the CDE Press, Sales Office, 1430 N Street, Suite 3207, Sacramento, CA 95814-5901; FAX (916) 323-0823. The CSAM may be viewed and downloaded at [CDE's Definitions, Instructions, & Procedures web page](#).

Please refer to the CSAM web page to view the object classification codes. It is the responsibility of the operating agencies and districts to review the complete listing of object classification codes in the CSAM and to check for updates to this document.

9.0 Glossary

9.1 Commonly Used Acronyms

CDE	California Department of Education
CFR	Code of Federal Regulations
COE	Certificate of Eligibility
CSPR	Consolidated State Performance Report
DFD	Direct-funded Districts
DSA	District Service Agreement
ED and USDE	(United States) Education Department; also referred to as USDE
EDGAR	Education Department General Administrative Regulations
ESEA	Elementary and Secondary Education Act
ESSA	Every Student Succeeds Act
FPM	Federal Program Monitoring
FTE	Full-Time Equivalency
FY	Fiscal Year
I&R	Identification and Recruitment; sometimes referred to as <i>ID&R</i>
LEA	Local Educational Agency

MEO	California Migrant Education Office
MEP	Migrant Education Program
MOU	Memorandum of Understanding
OME	Office of Migrant Education of the US Department of Education
PAC	Parent Advisory Council
PFS	Priority for Services
RA	Regional Application
SEA	State Education Agency (California Department of Education)
SPAC	State Parent Advisory Council

9.2 Commonly Used Terms

Allocation: Amount of funds provided by CDE to an operating agency after the agency's RA has been approved.

Direct Services: Supplementary services that typically are delivered at the school site and where the student is the direct recipient or beneficiary of the service.

English Language Learners: Students whose first language is not English and who are in the process of learning English.

Every Student Succeeds Act: Federal law that was signed into law in 2015 and governs K-12 education in the United States. This law replaced the No Child Left Behind Act and reauthorized the MEP.

ME-1: Migrant Education Program Budget Form

ME-7: Migrant Education Program Expenditure Report Form

Parent Advisory Council: A required component of a MEP to provide a means for community and parent input during the design and operation of a school district MEP.

Priority for Services: Federal rules require states and operating agencies to give priority for MEP services to migratory students who have made a qualifying move within the previous 1-year period and who: are failing, or at risk of failing, to meet the challenging State academic standards; or have dropped out of school.

State Education Agency: The governmental agency responsible for statewide education program supervision and administration. The legal entity in each state recognized by OME as being the governing agency eligible to receive Title I-C funds and administer the state's MEP.

Support Services: Educational or educationally related activities provided to migratory children to enable them to succeed in school. Health, nutrition, counseling, social services, educational supplies, and transportation (CSPR definition). The one-time act of providing instructional or informational packets to a child does not constitute a support service.

Unique Administrative Cost: Costs that are not included when calculating the MEP administrative rate percentage. Salaries and benefits of staff for: Identification and recruitment duties performed, planning and coordinating of PAC meeting duties performed, planning and coordinating other education, health, nutrition, and social services duties performed, and supplies necessary for the administration of this function (for more detail see p. 12 and 13).

Contact Information

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