District as an SES Provider:
As a result of numerous district questions, further investigation into the law, and the recent SES Provider reviews, the following information and “district as an SES provider” state application addendum is shared in an effort to further ensure district compliance with state and federal SES requirements. OSPI is issuing this addendum and guidance to further clarify district responsibilities, generally accepted government accounting standards, and internal controls, including separation of duties, when a district is approved to provide SES.

There are several important concepts to note:
- Federally funded programs may not recover any funds other than the actual costs incurred in providing those programs. In other words, a district may not “profit” from federally funded activities. Any district which provides SES services to its students and/or to students from other districts and charges the cost of those services to federal funds may only charge actual costs and must credit SES payments to the federal program to which its operational costs have been charged.
- Districts that provide SES services to students from other districts and charge the cost of those services to non-federal funds may be treated as vendors, and, as such, may bill for/recover incurred costs plus a reasonable amount for allocable overhead (limited to ten percent of costs, as permitted by 2CFR Section 225 Appendix A(G).
- The district as an SES provider must hold itself to the same state and federal requirements that all other SES providers are held.
- The “District as an SES Provider” Coordinator should not be the same person who manages, signs off on contracts and invoices, etc., for all SES programs in the district. Districts may want to consider using an outside entity, such as a foundation, to administer the district as an SES provider program.

2011–12 Addendum for State SES Provider Application District as a Provider:
1. Describe how your SES instructional program is different from what you currently do in academic programs during the normal school day.

2. Transportation:
   a. If the district is running an afterschool bus for other activities from the school(s) in question, can the SES students access the bus?
   b. If the answer is „yes,” how do the SES students access the bus if there are more students than seats?
   c. If the answer is „no,” how does the district deal with the issue of equity?
   d. Do all SES students (including those from other SES programs that use school facilities) have access to the after school activities bus?
Reminder, SES transportation costs may not count as part of the 20 percent set aside for SES/PSC.

3. Facilities use:
   a. Does the district have a facilities use policy?
   b. How does the district document that the policy is implemented consistently?
   c. Note that the district must charge for facilities use in accordance with its district policy. SES providers may not be charged a rate different from the rate paid by other non-district entities, including vendors and non-profit organizations. If the district is using its space to provide SES services to its students it must ensure equal availability of its facilities to all providers.

How does the district ensure equal availability of its facilities for all SES providers, including itself, if it provides SES services?

4. The district must have a supplemental contract with all district SES staff participating in the district-provided SES program. This contract must delineate the hours that the SES staff will be paid for participation in the district provided SES program and must also ensure that all SES duties such as planning, copying, any collaboration or records or information exchange must be handled during “SES” time and not during “teacher” contract time. Although the SES contract may include planning time, it may not include benefits or any other costs.

What controls are in place to accomplish this? What documentation, such as time and effort reports, supplemental contracts, etc. is maintained at the district?

5. Start up costs:

At the beginning of the school year, before there has been any billing for services, what is the fund source for start up costs for the district as an SES provider?

6. Per the State SES waiver, districts intending to be an SES provider must meet the Annual Measurable Objectives (AMO) waiver requirement to, “Demonstrate record of effectiveness for all providers.” How will the district demonstrate effectiveness of the program?

References:
   a. SES Non-regulatory guidance, C-15
   b. ESEA Section 1116(e)(12)(B)(i) c. 34 C.F.R.§200.47 (b)(1)(i)
   d. Annual Measurable Objectives (see Appendix X)

7. Is it your intent to provide SES to:
   • Students in district,
   • Students from out of district, or
   • Both in district and out of district students.

If both, indicate districts other than your own that may be served.