**Section 100.130 Requirements Specific to Funds Received Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), the Education Jobs Fund Program (Ed Jobs), the Race to the Top Program, and the Preschool Expansion Grant Program**

This Section applies only to funds received pursuant to P.L. 111-5, the American Recovery and Reinvestment Act of 2009, the Race to the Top Program, P.L. 111-226, which authorizes the Education Jobs Fund Program, and P.L. 113-76, which authorizes the Preschool Development Grant – Preschool Expansion Grant Program (i.e., "Preschool Expansion").

a) Accounting; Treatment of Funds

1) Records of expenditures shall identify the source of the ARRA, Ed Jobs, Race to the Top, or Preschool Expansion funds by using the account numbers set forth in Table C of, as well as the applicable funds, functions, and object classes, using the account numbers set forth in Tables A, D, and F, respectively.

2) ARRA General State Aid funds received in account number 4850 or 4870 (see Table C) may be deposited into any fund other than the Working Cash Fund and may be spent for any lawful purpose, except as limited by Section 14003 of the ARRA.  That Section prohibits a local education agency from using Education Stabilization funds for:

A) payment of maintenance costs;

B) stadiums or other facilities used primarily for athletic contests, exhibitions, or other events for which admission is charged to the general public;

C) purchasing or upgrading vehicles;

D) improvements to stand-alone facilities whose purpose is not the education of children, including facilities housing central office administration, operations, or logistical support functions; or

E) school modernization, renovation, or repair that is inconsistent with State law.

3) No Education Stabilization funds or Government Services funds may be used to provide financial assistance to students to attend private elementary or secondary schools, unless the funds are used to provide special education and related services to children with disabilities as authorized by the Individuals with Disabilities Education Improvement Act.  (Section 14011 of the ARRA)

4) Funds received under any other account number in the range from 4851 through 4880, 4901 and 4902 shall be expended only for the purposes authorized by the relevant federal law, regulations, and guidance.

5) No Race to the Top funds may be used for the costs associated with the administration of any statewide summative assessment that may be incurred by a school district (e.g., substitutes, monitoring, preparation) nor for any of the items listed in subsections (a)(2)(B) through (E).

b) Budgeting

Each local education agency intending to spend ARRA funds during Fiscal Year 2009, or Ed Jobs funds in Fiscal Year 2011, Race to the Top funds in Fiscal Year 2012, or Preschool Expansion Funds in Fiscal Year 2015 and thereafter shall amend its budget as necessary, pursuant to the provisions of Section 17-1 of the School Code [105 ILCS 5/17-1] and shall submit the amended budget to the State Superintendent of Education pursuant to Section 100.90. Subsequent annual budgets shall address the receipt and disbursement of ARRA or Ed Jobs funds as provided in Section 17-1 and applicable federal regulations and guidance.

c) Financial Reporting

In order to comply with federal reporting requirements, each local education agency receiving funds under the ARRA, Ed Jobs, Race to the Top, or Preschool Expansion shall include in its annual financial report, in addition to all other requirements set forth in Section 100.100, a detailed schedule of its receipts and disbursements of those funds, as distinct from any other receipts and expenditures for the same purposes made from other sources of funds.

d) Auditing

1) The receipt and disbursement of ARRA, Ed Jobs, Race to the Top, or Preschool Expansion funds shall be subject to the audit requirements of Section 100.110. In addition to the other applicable requirements of Section 100.110, the scope of each audit shall include the schedule of receipts and disbursements required under subsection (c).

2) Each local education agency receiving ARRA, Ed Jobs, Race to the Top, or Preschool Expansion funds shall review its amended budget to determine whether its increased expenditure of federal funds will make the agency subject to the audit requirements of OMB Circular A-133 (available at www.whitehouse.gov/omb/circulars/index.html) and, if so, shall maintain records accordingly.

(Source: Amended at 39 Ill. Reg. 9982, effective June 30, 2015)