



New Hampshire

Department of Education

**New Hampshire Department of Education
Transferability Guidance and
Process Outline**

Bureau of Instructional Support

Office of ESEA Programs

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Purpose

Transferability is a flexibility authority under the Every Student Succeeds Act (ESSA), which allows Local Educational Agencies (LEAs) to transfer up to 100% of the funds received under a specific title program to other programs. This authority gives LEAs the ability to better address the needs of their unique student populations and ensures the delivery of a meaningful program.

LEAs are limited to which programs they may transfer from and into. See the chart below:

| Districts May Transfer Funds From (ESEA Section 5103(a)): | Districts May Transfer Funds Into (ESEA Section 5103(b)(2)): |
|---|---|
| <ul style="list-style-type: none"> • Title II Part A, Supporting Effective Instruction • Title IV Part A, Student Support and Academic Enrichment | <ul style="list-style-type: none"> • Title I Part A, Improving Basic Programs operated by LEAs • Title I Part D, Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent, or At-Risk • Title II Part A, Supporting Effective Instruction • Title III Part A, English Language Acquisition, Language Enhancement, and Academic Achievement • Title IV Part A, Student Support and Academic Enrichment • Title V Part B, Rural Education Initiative |

While there is no limit on the amount of funds an LEA may transfer, there are a few restrictions:

1. The LEA may only transfer funds into programs for which they receive an allocation.
2. The LEA may only transfer funds from programs within the same grant year.
3. The LEA must consult with stakeholders (including private schools) prior to any transfer.

Below you will find the requirements, recommendations, reflections, and GMS process outline for transferability. For any questions, please reach out to the appropriate program contact.

Transferability Requirements

The District must meet the following requirements before the decision to transfer funds is made:

1. **Review of the District needs assessment.** While the LEA has the authority to transfer funding, it doesn't mean that they should. Decisions regarding the transfer of funding should be made in conjunction with needs outlined in the needs assessment. Keeping in line with the needs and goals outlined in this assessment is the best way to determine whether transferring funds is the correct course of action.
2. **Consult with the appropriate stakeholders.** All federal programs require meaningful consultation with stakeholders, which should include (but is not limited to), families, community members and educators that represent all faculty and staff.
3. **Consult with participating private schools.** The equitable share provided to participating private schools is impacted when the Districts transfer funds. The District needs assessment must be shared with the private schools during meaningful and timely consultation regarding the services for which they will and will not be eligible due to a transfer of funds. Due to this requirement, any transfer of funds should be done timely (beginning of a grant) to minimize the impact of equitable share calculations throughout the grant period.

Questions for Reflection

1. Can we clearly articulate the connection between our District needs and the transfer of funds?
2. Who is involved in the decision to transfer funds? Are they familiar with the District needs? Are they familiar with these requirements?
3. How do we ensure that the participating private schools are included in the decision to transfer funds and what impact will this have on them?
4. How will we track the spending of transferred funds?

Recommendations

1. **Know the requirements for each title program before the transfer of funds.** Each title program has a specific purpose and accompanying guidance. It is crucial that the LEA understands how and for the benefit of whom funds can be used to ensure that the transfer is an effective use of funding. Particular attention should be paid to allowability and supplement not supplant requirements for each program.
2. **Implement an internal system for tracking the spending of transferred funds.** Districts will notify NHED of their intention to transfer funding via the Grant Management System (GMS) at least 30 days prior to the transfer effective date. However, all funds are accounted for within the budget of the original grant award and Districts must ensure that funds are spent in accordance with the guidance of the program to which they are being transferred. There is no physical transfer of funds, but rather a transfer of allowability.

Frequently Asked Questions

1. Which program requirements govern the transferred funds?

Transferred funds are subject to all the rules and requirements of the program to which the funds are transferred, including equitable services. The funds should be treated as if they were included in the initial allocation of the program. Transferred funds shall be spent in accordance with the requirements of the receiving program, including statutory set-asides.

2. How should an LEA track expenditures from transferred funds?

The LEA must maintain records demonstrating how a program's total funds, including transferred funds, were spent. The LEA has discretion in how this is done as long as it maintains adequate documentation to account for the transfer. Regardless, the LEA must submit claims in GMS under the original award and maintain documentation to support expenditures allowable under the program.

3. What happens if an LEA determines that transferring funds no longer meets the needs of the District?

The decision to transfer funds should only be made after consultation with various stakeholders and private schools, limiting the need to reverse a transfer. If an LEA needs to make a change, all program activities must be revised and reviewed by NHED staff for approval.

4. What is the impact of transferability on equitable services to private schools?

Before an LEA may transfer funds from a program subject to equitable services requirements, it must engage in timely and meaningful consultation with the appropriate private school officials. If the LEA moves forward with a transfer of funds, the LEA must provide private school's students/teachers equitable services under the program(s) to which, and from which, the funds are transferred based on the total amount of funds available to each program **after** the transfer.

5. If an LEA transfers funds between programs, how does it claim the funds under the applicable program?

The funds must be claimed under the program for which the funds were originally received. For example, if an LEA received \$35,000 in Title IV Part A funds and transfers all of the funds into Title I Part A, those funds are still claimed in GMS under Title IV Part A, with activities in both grants to reflect the transfer. See the GMS process below for additional information.

6. Does a transfer of funds affect Maintenance of Effort (MOE)?

No. Maintenance of effort levels are calculated on the basis of non-federal funds only. Transferring federal funds amongst programs will not affect the MOE calculation (20 U.S.C. 7901).

GMS Transferability Process

1. Transfers must be within the same grant year ensuring the period of performance is the same for each program.
2. The **transferring grant** must have an activity with a budget that includes the following:
 - a. A reference to the recipient grant activity number,
 - b. A notification date (date of activity submission),
 - c. An effective date (at least 30 days after the notification date),
 - d. A budget line that is consistent with the grant parameters of the recipient grant,
 - e. The category for the transferring activity should be ‘Transfer/REAP Flex’.
3. The **receiving grant** must have an activity with any required outcomes that includes the following:
 - a. No budget line,
 - b. A reference to the transferring grant activity number,
 - c. A notification date (date of activity submission),
 - d. An effective date (at least 30 days after the notification date),
 - e. The category should be the most appropriate category for that grant and not ‘Transfer/REAP Flex’.
4. Each activity shall not include other items.
5. The transferring grant and receiving grant activities should agree.
6. If both grants are paying a portion of the activity, the recipient grant should have two activities; one for the transfer (without a budget) and another for the portion being paid by the recipient grant (with a budget).
7. Activities that do not meet the above minimum requirements will not be approved.