



Policy: Supplantation	Category: Pre-Award, Planning and Budgeting		Number: GP0400
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Policy Statement

It is the policy of the School District of Philadelphia not to use federal funds to supplant state or local funds when required by federal regulations. The District will demonstrate that federal funds with non-supplant requirements, supplement those funds that are required to be provided to the District’s schools and programs.

“Supplement, Not Supplant” (SNS) provisions differ from program to program. Federal programs with an SNS provision require that federal funds only be used to provide additional programs and resources beyond what the District would have made available in the absence of the federal funding. In general, federal funds must be used to add to, or expand (supplement), the regular programs and services offered and implemented by the fund recipient and should not be used as a substitute or in place of the state and local funds that would have been used had there been no federal funding (supplant). In the following instances, it is presumed that supplanting has occurred if:

1. The District used federal funds to provide services that were required under other federal, state or local laws.
2. The District used federal funds to provide services that were provided with non-federal funds in the prior year.
3. The District used federal funds to provide services for children participating in a federal program that the District provided with non-federal funds to children not participating in the federal program.

Policy Requirements

Generally, an SNS provision means that federal funds must be used only to provide additional services, staff, programs, or materials that could not be provided by the District absent the federal funds. The District must use federal funds with an SNS provision to provide an additional layer of services that are allowable under the funds to augment the District’s defined, base educational program. In other words, federal funds normally cannot be used to pay for things that would otherwise be paid for with state or local funds.

The above requirements apply to the following federal programs:

- Title I, Part A (Improving the Academic Achievement of the Disadvantaged)
- Title I, Part F (Comprehensive School Reform);
- Title II, Part A (Improving Teacher Quality);
- Title II, Part D (Education Technology);
- Title III, Part A (English language Acquisition);
- Title IV, Part B (21st Century Community Learning Centers);
- Title V, Part A (State Grants for Innovative Programs); and
- Title VI, Part B, Subpart 2 (Rural and Low Income Schools); and
- AEFLA (Adult Education and Family Literacy Act)

District employees involved in grant management must consider any program specific SNS requirements at the following times

- Program and award budget development
- Budget amendments
- Creation and processing of journal vouchers (JVs)
- Expenditure of grant funds
- Review of grant expenditures

The following federal programs have similar SNS provisions as above with additional nuances or requirements:

Title I Part D (Intervention Programs for Children/Youth who are Neglected, Delinquent, or At-Risk)
Title I, Part D, has a SNS provision similar to Title I, Part A; however, Title I, Part D funds may be used to increase the total number of hours of instruction in any subject area that students receive with state or local funds without causing a supplanting violation.

IDEA, Part B (Services for School-Aged Children)

The SNS provision of Individuals with Disabilities Education Act (IDEA) Part B requires the District to use IDEA, Part B funds only to supplement, not replace, federal, state, and local funds, including funds that are not under the direct control of the District, expended for special education and related services provided to children with disabilities.

IDEA, Part C (Infants and Toddlers with Disabilities)

Federal funds made available under this part must be used to supplement the level of state and local funds expended for eligible infants and toddlers with disabilities and their families, and not to supplant those state and local funds. The maintenance of effort requirement (MOE) must also be met in order to meet the supplement, not supplant requirement. Thus, in order to satisfy the supplanting provision, the total amount of state and local funds budgeted for IDEA Part C expenditures in the current fiscal year must be at least equal to the total amount of state and local funds actually expended for IDEA Part C in the most recent preceding fiscal year for which the information is available. See *Maintenance of Effort policy and procedures GP 0700 and 0700.1* for additional details on IDEA Part C MOE requirements.

Perkins (Carl D. Perkins Career and Technical Education Act)

Under Perkins, the state and District must use funds for career and technical education activities to supplement, and not supplant, non-federal funds expended to carry out career and technical education activities. However, Perkins IV funds may be used to pay for the costs of career and technical education services required in an individualized education plan (IEP) developed pursuant to Section 614(d) of the IDEA and services necessary to meet the requirements of Section 504 of the Rehabilitation Act of 1973 with respect to ensuring equal access to career and technical education.

A presumption of supplantation may be rebuttable if the District can demonstrate that it would not have provided the services in question with non-federal funds had the federal funds not been available. The District then must ensure that it has sufficient contemporaneous documentation to confirm that:

- There was in fact a reduced amount or lack of state and local funds available to pay for services.
- The District made the decision to eliminate services without taking into consideration the availability of federal funding, along with the reasons for that decision—e.g., SRC minutes.

It is generally the District's responsibility, and not a school's, to ensure that the SNS requirement is met and that a program or school receives all the state and local funds it would receive were it not receiving any federal funding. However, District employees must consider the possibility of supplantation when developing school and program budgets or budget amendments, when funds are expended and when journal vouchers (JVs) are processed.

When reviewing grant budgets and amendments and approving expenditures, the OGDC Grants Compliance Monitors (GCMs) will include a SNS review by:

- Checking the federal program for a SNS provision.
- If a SNS provision exists, GCMs will test the budget/amendment and expenditures against the three presumptions of supplantation set forth above.

Responsibilities

Grants Program Manager (GPM), with the support of the designated Grant Development Specialist and Grant Fiscal Services (GFS) Grants Budget Analyst (GBA), will identify a grant program's SNS provisions during the grant proposal development process and will work to avoid supplantation during budget development. Once the District has been awarded a grant with an SNS provision, the GPM must consider the risks of supplantation and attempt to avoid it during the development of any budget amendments, when journal vouchers (JVs) are submitted, and any time an expenditure is made. If the presumption of supplantation is unavoidable, the GPM must ensure that contemporaneous records exist to confirm that the District would not have provided the services in question with non-federal funds had the federal funds not been available. Any questions related to SNS provisions should be directed to the OGDC or GFS for further research and review. The GPM may appeal any denial based on SNS provisions to the Director of Grants Compliance and, ultimately, to the Executive Director of the Office of Grants Compliance. The decision of the Executive Director is final.

OGDC Grant Development Specialist will provide support to the GPM during the grant proposal process and will help to identify SNS provisions and requirements.

GFS Grant Budget Analysts will provide support to the GPM and also consider supplantation when assigning funds to programs and schools in the overall District budgeting process, during program-specific budget and budget amendment creation and during JV processing.

OGDC Grants Compliance Monitors (GCMs) will evaluate SNS compliance during the expenditure review process. GCMs will also periodically review school and program detailed spending plans, budgets, budget amendments and JVs to ensure that SNS provisions have been followed.

Policy

Forms

Definitions

Supplement not supplant – is a federal rule that establishes that federal funds must be used only to provide additional services, staff, programs, or materials that could not be provided by the District absent the federal funds.

Contacts

- *Grant Compliance Office*
- *Grant Fiscal Services*

Frequently Asked Questions

Related Information

- Federal Audit requirements at 2 CFAR Subpart F, Part 200.500.

History

Amended:

- **Amended on 4/20/2015 to make reference updates to the Uniform Grant Guidance and technical adjustments.**

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