



PUBLIC SCHOOLS OF NORTH CAROLINA

DEPARTMENT OF PUBLIC INSTRUCTION | Catherine Truitt, *Superintendent of Public Instruction*

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To: Federal Program Directors of School Districts in North Carolina

From: Federal Programs Monitoring and Support Division
North Carolina Department of Public Instruction

Date: June 25, 2021

Subject: **Public Control of Proportionate Share Funds for Equitable Services**

As outlined in the [October 2019 guidance](#) from the U.S. Department of Education, the Elementary and Secondary Education Act requires districts to inform consulting private school officials that proportionate share funds are to be managed and controlled by the district. The district must follow all of its established financial policies and procedures, including procurement policies, when managing proportionate share funds and may not delegate such functions to the private school. If invited to do so, private school staff may assist the district in identifying potential service providers and sources of materials. However, it is the district that is ultimately responsible for all budgeting, inventories, procurement, purchase orders, payments, hiring, contracting and supervision of work.

Accordingly, a district may not reimburse a private school for expenses that the school incurs. This includes compensation a private school has made to its employees as well as the purchase of goods or services that the private school has contracted for.

The district may, however, make reimbursements directly to private school teachers to cover allowable expenses, such as workshop and travel costs. In doing so, the district should request the same types of documentation from the private school teacher as would be requested of a district teacher. Arrangements to reimburse the teachers must be pre-approved by the district and address needs identified during ongoing consultation. These measures help establish that the district is in control of the funds, starting with the decision process and continuing through the point when reimbursement is made to the teacher.

As the entity controlling the funds, the district must make every effort to use the dollars during the current academic year and according to plans made in consultation with the private schools. Funds that are not spent during that time are to carry over and remain available for equitable services during the next year. For more information about carryover of proportionate share funds, please see the memo [Carryover of Proportionate Share Funds for Equitable Services](#).

For additional information about equitable services under the Elementary and Secondary Education Act, contact Talbot Troy at 984-236-2797 or talbot.troy@dpi.nc.gov.

FEDERAL PROGRAM MONITORING AND SUPPORT DIVISION

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