

OFFICE OF SPECIAL EDUCATION PROGRAMS (OSEP)**GUIDANCE FOR COMMON PRIOR APPROVAL REQUESTS UNDER IDEA PARTS B AND C**

This guidance provides a summary of the approval process and requirements for three common categories of direct costs for which State agencies must obtain prior approval before using Federal funds under the Individuals with Disabilities Education Act (IDEA). Under the Office of Management and Budget (OMB), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance), certain items of cost are unallowable as direct charges except with advanced prior written approval of the Department. [2 C.F.R. § 200.407](#). OSEP has developed this guidance to assist State Educational Agencies (SEA) and State Lead Agencies (State LA) in preparing comprehensive, approvable requests when SEAs and State LAs are using funds under the IDEA Part B 611 Grants to States, Section 619 Preschool Grants and IDEA Part C Grants for Infants and Families. This guidance is specific to the following three (3) common categories of direct costs for which SEAs and State LAs are required to obtain prior written approval from OSEP:¹

- I. **Equipment expenditures** (with a per unit cost of \$5,000 or more);
- II. **Participant Support Costs** (such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (not State employees); and
- III. **Revision of cost items within budget and program plans** (including transfers among direct cost categories in which the cumulative amount exceeds or is expected to exceed ten percent of the current total approved budget).

Additionally, this guidance reminds SEAs and LAs of applicable prior approvals granted through [the Office of Special Education and Rehabilitative Services \(OSERS\) October 29, 2019 Frequently Asked Questions on Prior Approval](#) (OSERS 2019 FAQ Memo).²

All prior approval requests should be submitted to your OSEP State Lead.³

¹ For questions specific to other categories of direct costs outside of this guidance (including, but not limited to, construction or renovation of facilities, rent, occupancy or space maintenance costs), please contact your OSEP State Lead. This memo also does not address indirect costs.

² The OSERS 2019 FAQ Memo, granted prior approval for certain participant support costs (PSCs). These include PSCs that: (1) are for meetings required by IDEA; (2) are incurred as part of the provision of IDEA services; (3) that do not exceed a total cost of \$5,000 per individual participant or trainee per conference training or event; and (4) incurred by local educational agencies (LEAs) under IDEA Part B for which the SEA has general supervision responsibilities under IDEA. If the SEA or State LA proposes to incur PSCs that fall outside the scope of this prior approval, they will need to submit detailed requests for prior approval to OSEP under this guidance. Additionally, the OSERS 2019 FAQ Memo, granted prior approval for equipment charged to Federal IDEA Part B and C funds for the delivery of services to eligible children with disabilities to ensure the timely delivery of those services.

³ Please note that prior approval submissions must be submitted to OSEP in final form as OSEP cannot approve draft requests.

In response, OSEP will issue a written response that will approve, deny, or require additional information based on the completeness of the request and the reasonableness and necessity of the underlying expenditure(s) for program purposes.

I. Equipment

Authority

The OMB Uniform Guidance at [2 C.F.R. § 200.1](#) defines equipment as “an article of tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.”

Under [34 C.F.R. §§ 300.718\(a\)](#) and [303.104\(a\)](#) of IDEA Parts B and C regulations, if the Secretary determines that a program authorized under IDEA will be improved by permitting program funds to be used to acquire appropriate equipment, the Secretary is authorized to allow the use of those funds for those purposes.

Additionally, the Part B regulations at [34 C.F.R. § 300.14](#), defines the term “equipment” to include - (a.) Machinery, utilities, and built-in equipment, and any necessary enclosures or structures to house such machinery, utilities, or equipment; and (b.) All other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture; printed, published, and audio-visual instructional materials; telecommunications, sensory, and other technological aids and devices; and books, periodicals, documents, and other related materials.

SEA and State LA requests to use IDEA Part B or Part C funds to purchase equipment should be submitted to OSEP within a reasonable amount of time to allow for OSEP’s review of the request, assurances and supporting documentation prior to the actual expenditure (s). These requests must address certain compliance requirements, including but not limited to requirements from [Subpart D](#) (Post Federal Award Requirements) and [Subpart E](#) (Cost Principles) of the [OMB Uniform Guidance](#).

Part B – Subrecipient Requests for Equipment

Please note that SEAs will continue to have the authority, as the pass-through entity, to review and approve LEAs’ requests to use IDEA Part B funds for the purchase of equipment.

[2 C.F.R. § 200.439\(b\) \(1\)–\(3\)](#).

OSEP also reminds SEAs of their subrecipient monitoring responsibilities to ensure compliance with the IDEA requirements at [34 C.F.R. § 300.149](#) and the OMB Uniform Guidance requirements at [2 C.F.R. §§ 200.329\(a\)](#) and [200.332\(d\)](#).⁴

⁴ Subrecipients of IDEA Part B grants must meet the OMB Uniform Guidance requirements for procurement in [2 C.F.R. §§ 200.318](#) through [200.327](#) and the requirements for equipment in [2 C.F.R. § 200.313](#).

Part C – Subawardee Requests for Equipment, Including Requests from Partner Agencies and Early Intervention Service (EIS) Providers

All requests, including any requests generated by early intervention service (EIS) providers must be reviewed, and approved by OSEP prior to the expenditure of IDEA Part C funds for equipment.

If the State LA subgrants with an EIS provider or other eligible entity, the State LA will have the authority, as the pass-through entity, to review and approve the use IDEA Part C funds for the purchase of equipment and ensure compliance with IDEA and the OMB Uniform Guidance at [2 C.F.R. §§ 200.329\(a\)](#) and [200.332\(d\)](#) through its subrecipient monitoring responsibilities.⁵

Prior approval for certain equipment expenditures under IDEA

OSERS' 2019 FAQ Memo grants prior approval for SEAs and State LAs for equipment (defined generally as \$5,000 or more per item of equipment) “that is to be charged to IDEA Part B or Part C funds and is identified on, or directly related to the implementation of, either individualized education programs (IEPs) for children and youth with disabilities or individualized family service plans (IFSPs) for infants and toddlers with disabilities and their families to ensure the timely delivery of those services.” This includes services such as assistive technology devices listed on the IEP or IFSP as well as equipment needed to provide IEP or IFSP services.”⁶

If the purchase of equipment falls outside of the scope of the prior approval granted in OSERS 2019 FAQ Memo, the SEA or State LA *must* submit a prior approval request to OSEP.

Prior approval request for equipment expenditures under IDEA

Requests for prior approval of general-purpose equipment expenditures should support the reasonableness and necessity of the equipment for the proper and efficient performance of the IDEA Parts B or C program and establish the extent to which the equipment is assignable to Part B or Part C of the program (i.e., that the benefit received by the program from the equipment is proportionate to the degree to which the program is paying for the equipment). To do so, those requests must include:

1. A description of how the equipment purchase will improve Part B and specifically benefit children with disabilities or improve Part C and specifically benefit infants and toddlers with disabilities;

⁵ The Consolidated Appropriations Acts of 2021 and 2022 (Public Laws 116-260 and 117-103, respectively) provided State LAs with the flexibility to use FFY 2021 and FFY 2022 IDEA Part C funds to “make subgrants to local educational agencies, institutions of higher education, other public agencies, and private non-profit organizations to carry out activities authorized by Section 638 of IDEA.” Generally, subrecipients of IDEA Part C grants must meet the OMB Uniform Guidance requirements for procurement in [2 C.F.R. §§ 200.318](#) through [200.327](#) and the requirements for equipment in [2 C.F.R. § 200.313](#).

⁶ See, pg. 5, OSEP — Prior Approval for Equipment under IDEA at: <https://www2.ed.gov/policy/speced/guid/faq-prior-approval-10-29-2019.pdf>.

2. Supporting documentation (i.e., specifications for the equipment and its capabilities, purchase requisitions, quotes/price comparison, etc.), as appropriate including the total amount of IDEA funds the SEA or State LA intends to expend; and
3. A description of how the IDEA Part B or Part C program will secure the equipment and ensure authorized use (and/or sole use) of the equipment by the program.⁷
4. Additionally, in its request, the SEA or State LA must provide OSEP with evidence such as documentation or assurances supporting its compliance with the following requirements under the OMB Uniform Guidance, including its responsibility to:
 - a. Comply with 2 C.F.R. § 200.317 regarding procurement; and
 - b. Managing, maintaining and disposing of equipment as required by the OMB Uniform Guidance at [2 C.F.R. §§ 200.313\(a\) and \(b\)](#); and [200.439](#).

II. Participant Support Costs

Authority

Under 2 C.F.R. § 200.1 of the OMB Uniform Guidance, participant support costs (PSCs) are defined as direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not State employees), in connection with conferences or training projects.

OSERS' 2019 FAQ Memo granted prior approval for several PSCs under IDEA including PSCs directly related to:

- IDEA Part B State Advisory Panels, for SEAs;
- IDEA Part C State Interagency Coordinating Councils for State LAs;
- PSCs incurred during the provision of special education and related services under IEPs for children and youth with disabilities;

⁷ See. [2 C.F.R. §§ 200.403](#) (Factors affecting allowability of costs), [200.404](#) (Reasonable costs) and [200.405](#) (Allocable costs).

- PSCs incurred during the provision early intervention services under IFSPs for infants and toddlers with disabilities and their families; and
- Other PSCs that do not exceed \$5,000 per individual participant per training/conference.

OSERS' 2019 FAQ Memo also grants prior approval for "all PSCs incurred by LEAs under IDEA Part B given that the SEA has general supervision responsibilities under IDEA and the OMB Uniform Guidance to review such costs, including the requirement to ensure that all costs "[b]e necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles."⁸

Since the release of OSERS' 2019 FAQ Memo, OSEP has experienced a decline in the number of PSC prior approval requests from SEAs and State LAs. However, there may be instances in which a PSC falls outside the scope of OSERS 2019 FAQ Memo or exceeds the \$5,000 per participant threshold. In such situations, the SEA or State LA must still submit a prior written approval request to OSEP.

Prior Approval Requests for Participant Support Costs under IDEA

To obtain prior approval for PSCs that fall outside the scope of OSERS' 2019 FAQ Memo, the SEA or State LA must submit a request to OSEP that supports how the PSCs are reasonable, necessary, and allocable. Requests must include:

1. A description of how the PSC will improve the IDEA Part B or Part C program, specifically, how children with disabilities or infants and toddlers with disabilities will benefit from the costs including the total amount of the cost (s);
2. Supporting documentation including but not limited to a description of the activity the cost will be used for, elements of the cost (i.e., travel, registration, and individual participant costs), specific timeframe of the activity, and the role of participant(s) or trainee(s) related to the IDEA Part B or Part C program;⁹ and
3. The total amount of PSCs charged to the IDEA Part B or Part C grant and the Federal grant award for which the charges are being requested.

⁸ For further information, see pg. 3 #6A at <https://www2.ed.gov/policy/speced/guid/faq-prior-approval-10-29-2019.pdf>.

⁹ OSEP wants to remind the SEA and LA that all applicable statutory requirements, including OMB's cost principles must be followed if food and beverage costs will be incurred. Please also refer to guidance issued by the Department in May 2013 titled "[Frequently Asked Questions to Assist U.S. Department of Education Grantees to Appropriately Use Federal Funds for Conferences and Meetings.](#)"

PSCs and the IDEA Part C Annual Grant Application

Consistent with the Instruction Sheet for the Part C Annual State Application under IDEA, State LAs should note any activities or expenses listed under Section III.B that fall outside the scope of the OSERS' 2019 FAQ Memo and that require OSEP's prior approval. As a reminder, approval of the State's annual IDEA Part C grant application does not constitute OSEP's prior approval of those expenses unless OSEP notes otherwise. As with other prior approval requests, supporting documentation must be submitted, reviewed, and formally approved by OSEP.

All other requests for prior written approval must be submitted at least 60 days prior to the event via electronic mail.

III. Budget

Authority

Under [2 C.F.R. § 200.308\(b\)](#), the SEA or State LA must obtain approval from OSEP before making certain IDEA Part B or Part C annual budget related requests. This section addresses the most common budget related changes that OSEP receives but is not inclusive of all the related requirements (please see [2 C.F.R. § 200.308](#) for the complete regulation).

In accordance with [2 C.F.R. § 200.308\(f\)](#), the SEA must obtain approval from OSEP if the cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent of the current total approved budget (whenever the award exceeds \$100,000) for IDEA 611 funds transfers between State-level activities in 34 C.F.R. § 300.704.

Similarly, under Part C of IDEA, the State LA must obtain approval when it makes changes to Section III of its Annual IDEA Part C Grant Application by making cumulative transfers among direct cost categories which exceed or are expected to exceed ten percent of the total approved budget (or ten percent of the total amount of the IDEA Part C grant award).

[2 C.F.R. § 200.308\(f\)](#)¹⁰

Additionally, under 2 C.F.R. § 200.308(c)(2), OSEP reminds State LAs that notification must be provided to OSEP when there is a "change in a key person specified in the application or the Federal award" as listed under Section II.D. of the IDEA Part C Annual Grant Application.

Finally, OSEP reminds its IDEA Part B and Part C grantees that prior approval has been granted and is no longer required as stated in the OSERS 2019 FAQ Memo, for budget revisions for the transfer of funds budgeted for PSCs if an OSEP grantee chooses to no longer charge PSCs to their Federal award after the initial approval as required by 2 C.F.R. § 200.308(c)(5). For all other budget related revisions that consistent with 2 C.F.R. § 200.308, SEAs and State LAs will need to submit written documentation to OSEP for review and approval.

¹⁰ Please note that this provision applies to the cumulative amount. A one-time adjustment may not trigger the need for prior approval but the total amount of budget changes for the approved Federal fiscal year (FFY) may require OSEP's prior approval when the threshold is met or exceeded. Therefore, States should keep track of all budget adjustments.

IDEA Part B Budget Related Requests

To obtain prior approval, the SEA must submit a request that includes:

1. an explanation of the specific changes requested, including the amount and the FFY the changes are being requested for, and
2. a revised interactive spreadsheet from the State's IDEA Part B Application for the FFY in which the changes are being requested.

IDEA Part C Budget Related Requests

To obtain prior approval, the State LA must submit a request that includes:

1. An explanation of the specific changes requested, including the amount and the FFY the changes are being requested for; and
2. A revised Section III of the State's IDEA Part C Application for the FFY in which the changes are being requested.

For budget revisions, OSEP is required to review and notify the SEA or LA if the request has been approved or is still under consideration. [2 C.F.R. § 200.308\(j\)](#)

If you have any questions or need assistance, please contact your OSEP State Lead or your IDEA Technical Assistance provider.