

**Florida Department of Education
Procedures for District Corrective Action Under No Child Left Behind, Title I, Part A**

Steps

1. Calculate the percentage of variables for which AYP standards were met for each district/LEA (DOE – K-12)
2. Secure the list of approved indirect cost rates for 06-07 (IC – 1) (Comptroller’s Office)
3. Apply the percentage of standards met to IC-1 to derive a new percentage to be used to cap the indirect cost rate (IC-cap) (Grants Management)
4. Review the application submitted by the LEA and make all necessary changes to the budget using IC-1. This will establish the amount of dollars the LEA would have been eligible to attribute to indirect cost. (Grants Management/Title I Office)
5. Recalculate the amount to be attributed to indirect costs using the IC-cap derived in step 3. (Grants Management)
6. Subtract the amount derived in step 5 from the amount derived in step 4. This is the amount that the LEA will need to direct to the need areas established by the AYP calculations. (Grants Management)
7. Revise the Title I, Part A, budget to show the reduced percentage (IC-cap) and the resulting amount from step 5. (Grants Management)
8. Notify the LEAs of the reduced amount of indirect cost and the revised budget. (K-12)
9. Prepare and submit to DOE a separate budget (with narrative) for the amount established in step 6 addressing the designated need areas. Note: No indirect cost may be claimed for any of the expenditures in this budget. (LEA)
10. Adhere to IC-cap in calculating indirect cost for the Title I, Part A, budget throughout the year. (LEA with Comptroller’s Office monitoring)
11. Approve the Corrective Action budget. (K-12)
12. Issue a separate Title I, Part A, award for the Corrective Action budget (Grants Management)

Example

Step	Description	Amount
1.	LEA met AYP variables for 78% of the variables	78%
2.	LEA’s approved indirect cost rate (IC-1) is 3.81%	3.81%
3.	$.78 \times 3.81 = 2.97\%$ IC-cap is established	2.97%
4.	LEA’s allocation is \$12,000,000 for 06-07. After budget review and using IC-1, the amount that would have been allowed for indirect cost is \$429,409. [Total allocation (\$12,000,000) minus any amounts not eligible for IC calculations (\$300,000 for equipment) / 1.0381]	\$429,409
5.	Recalculating using the IC-cap results in allowable indirect cost of \$337,467. [$\$12,000,000 - \$300,000 / 1.0297$]	\$337,467
6.	Subtract amount in step 5 from step 4 [$\$429,409 - \$337,467 = \$91,942$]	\$91,942
7.	Revised budget for Title I, Part A would be \$11,908,058 [$\$12,000,000 - \$91,942$] with an IC-cap of 2.97% or \$429,409 whichever is lower	\$11,908,058
9.	New budget and Title I, Part A project award for corrective action	\$91,942