

GUIDELINES FOR STATE AID PROGRAMS THAT REIMBURSE DISTRICTS FOR COMPUTER TECHNOLOGY EXPENSES

State Aid Office
NYS Education Department
(Revised November 2013)

Summary of November 2013 revisions: a) Computer tablets, e-readers and graphing and scientific calculators added as items eligible for reimbursement under Hardware Aid and b) revisions to Hardware Aid and Software Aid sections reflecting statutory amendments providing flexibility across instructional materials categories in the claiming of expenses for aid.

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I. STATE AID PROGRAMS THAT REIMBURSE DISTRICTS FOR COMPUTER TECHNOLOGY EXPENSES

Instructional Computer Hardware and Technology Equipment Aid

A. About the aid

Aid is based on the lesser of actual purchase or lease expenses in the base year or a maximum aid based on wealth ratio, technology factor (\$24.20) and the number of public and non public students attending schools in the district in the prior year. Expenditures for repair and staff development may constitute up to 20% of the calculated maximum aid.

The aid is paid in the spring of the aid year together with the Textbook, Software and Library Materials Aid payments. To see your district's aid calculation on the State Aid Web site (<https://stateaid.nysed.gov>), choose the output report titled *Instructional Materials Aids* on your district page.

B. Aidable expenditures based on Education Law sections 753, 754 and NYCRR 21.3

- Purchase or lease of micro and /or mini computer equipment or terminals for instructional purposes, including: mini-computers; microcomputers; peripheral devices, including printers, video display plotters, and desk storage units; telecommunications hardware, including modems; special hardware boards; cables; audio, video, touch-sensitive and other electronic to human machine interface hardware; and *other such computer hardware as may be required for the operation of a computer-based instructional program.*
- Technology equipment used for instructional purposes, defined as: equipment with a useful life, *used in conjunction with/in support of educational programs* including but not limited to video, solar energy, robotic, satellite, laser and such other equipment as the commissioner shall approve, provided that expenses for the purchase or lease of such equipment shall not be used to claim any other aid.
- Repair of technology equipment, defined as: the diagnosis of required repairs and the acquisition and replacement of parts of a nonfunctioning item of computer hardware, as defined above. (Repairs must render the hardware functional at a cost that is significantly less than total replacement.)
- Training and staff development *for instructional purposes.*
- Some examples of purchases that could be claimed for aid, with parenthetical justification: Mouse for computer used for instructional purposes (a peripheral device); computer tables/workstations/desks for use with computers used for instructional purposes (desk storage units); TV/VCR brackets for mounting (if required for operation); printer cartridges for printers used to print from computers used for instructional purposes (required for operation); RAM upgrades for computers used for instructional purposes (special hardware

board); expenses for technology conference (if conference is staff development for instructional purposes); maintenance contracts for older equipment (if determined to fit within the definition of "repair" and if term does not exceed the period of probably usefulness); service contracts for hardware used for instructional purposes (if services fit the definition of repair and if the contract does not exceed the period of probable usefulness).

- Other eligible computer hardware as may be required for the operation of a computer-based instructional program may include: computer tablets and e-readers used for instructional purposes; graphing or scientific calculators with a useful life and necessary to meet State learning standards.
- Some examples of purchases that could not be claimed for aid, with parenthetical justification: Internet connectivity (not hardware or equipment), T1 communication line access and use (not hardware or equipment), e-mail services (not hardware or equipment), mileage (not hardware or equipment), IT director (not hardware or equipment), carts for mobile computers (no, unless required for the operation of a computer-based instructional program; i.e., multiple classrooms need the computers to implement the program requiring computers to be moved in order to be used), consultant fees (not hardware or equipment); expenses aided under BOCES technology COSERS.

ADDITIONAL NOTES ON HARDWARE EXPENDITURES:

1. This link has more information on loaning hardware:
https://stateaid.nysed.gov/tsl/html_docs/hw_loan_req_060607.htm
2. Computer hardware purchased by a public school district and loaned to nonpublic school students may not be used to access material of a religious nature.
3. Districts must maintain a separate record of expenditures incurred from aid for computer hardware purchases.

C. Flexibility in claiming expenses for instructional materials

Sections 701, 751 and 753 of NYS Education Law provide flexibility in the claiming of expense for instructional materials aids. For example, if a school district spends more than its maximum allocation of Textbook Aid, the excess expense over the maximum allocation can be designated/claimed as expense for Instructional Hardware Aid up to the maximum Hardware Aid allocation, even if the district did not actually make the hardware purchases. Claiming expense for these aids has changed due to this amendment. The following link provides more information:

https://stateaid.nysed.gov/tsl/html_docs/amendments_statutes_tsl_2011_12.htm

D. Distinguishing between hardware and equipment for instructional versus non-instructional purposes

1. Both the law and regulation pertaining to this aid clearly state that expenditures for all equipment, repair and staff development claimed for this aid must be for instructional purposes only. Due to advances in computer technology, there may be situations where a particular equipment purchase supports both instructional and non-instructional use. In such instances, districts should claim for purposes of this aid only the instructional portion of the expense, as determined by applying a reasonable method of proration.
2. The law and regulation include the following terms as guidance for determining aid eligibility: “used for instructional purposes,” “used in conjunction with or in support of educational programs” and “...required for the operation of a computer-based instructional program. Based on the intent of the law and on the technology now in use in the schools, expenditures eligible for aid include expenditures for:
 - Computers and other technology equipment used by students for purposes directly associated with their instructional program or Individual Education Program (IEP) in the case of students with disabilities. Examples of eligible purchases: computers for students supporting a computer-based science curriculum, computers with web access for in-class social studies research, computers with remedial reading or reinforcing software; video equipment used by a teacher to present the instructional program.
 - Examples of hardware/equipment purchases that would not be considered instructional: computers supporting bus routing software, computers used by business office staff, computers used by administrative staff for attendance recordkeeping and reporting, computers used by subject area department heads
3. Districts must be able to document purchases claimed for reimbursement under Instructional Computer Hardware and Technology Equipment Aid, including staff development expenses, and must be able to demonstrate that the purchases are being used in a manner consistent with the guidelines presented above.

E. Where to report expenditures for this aid

Report the expenditures for this aid in the following SAMS locations:

1. ST-3, General Fund, Schedule

A2630.22	State Aided Computer Hardware - Purchase
A2630.4	Contractual and Other - State Aided Computer Hardware – Lease
A2630.4	Contractual and Other - State Aided Computer Hardware – Repair
A9785.6	Installment Purchase Debt – Principal - State Aided Computer Hardware
A9785.7	Installment Purchase Debt – Interest - State Aided Computer Hardware

2. ST-3, Debt Service Fund, Schedule F2

V9785.6	Installment Purchase Debt – Principal - State Aided Computer Hardware
V9785.7	Installment Purchase Debt – Interest - State Aided Computer Hardware

3. Form FB: Building and Miscellaneous

Entry 141	State Aided Computer Hardware – Staff Development
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4. Form A Schedule C: Designation of Textbook, Software, Library Materials and Hardware Expenses used for IMA

It may be advantageous for some districts to use this form to re-allocate their instructional materials expenses across the aid categories in order to benefit from recent law changes referred to in section I. C. above. The following link provides more information:

https://stateaid.nysed.gov/tsl/html_docs/amendments_statutes_tsl_2011_12.htm

F. Deadlines for submission

Expenses should be submitted with the district's State Aid claim by September 2 of the claim year. Revisions to State Aid claims, including ST-3 and Schedule C, must be submitted to State Aid by no later than June 30th of the aid year to be eligible for payment as a current year aid. For example, claims for the aid year 2013-14 must be submitted by June 30, 2014 to be paid as a 2013-14 current aid payment.

Statute of Limitation: After June 30th of the aid year, claims for aid payments must be submitted no later than one year after the close of the school year for which aid is being claimed. Any payment resulting from claims after June 30th will be processed as a prior year revision and not a current year aid payment. For example, claims for the aid year 2013-14 must be submitted by June 30, 2015 in order to be eligible for State Aid payments.

Building Aid for Computer Technology

A. About the aid

Certain expenditures for computer equipment may be included in approved expenditures for Building Aid if the cost is less than \$10,000 but the installation is part of a larger construction project whose cost does exceed \$10,000. Such installations for which the cost is greater than \$10,000 are also eligible if the specific installation is approved by the Commissioner; i.e., is a project that has been approved by the Facilities Planning Office.

B. Aidable expenditures based on Education Law 3602 (6)b(1)

- Incidental costs for computer equipment installed as original equipment in a new building or a new addition;
- For approved computer classrooms in new buildings/additions, or alterations to an existing classroom to create a new computer classroom: the incidental costs for original purchase and installation of hardware (including computer hardware) and conduit, wiring, powering and testing of hardware installations;
- For building-wide and campus-wide local area network (LAN) systems wiring, and in-building elements of other wide area networks (WAN): the original purchase and installation of conduit, wiring, powering and testing of hardware installations, network server and operating system software
- Such expenses claimed for Building Aid shall not be claimed for other aid; e.g., expenses cannot be claimed for Computer Hardware and Technology Equipment Aid or Software Aid, etc...
- An approved construction project must be established in order to claim these expenses under Building Aid. Please contact the Facilities Planning Office at (518) 474-3906 for more information.

C. Where to report expenditures for this aid

These expenses become aidable project expenses once a construction project has been approved by the Facilities Planning Office, and should be included in any procedural reporting of project costs, estimated and actual.

D. Deadlines for submission

Costs associated with technology projects as described in this section should be included in total estimated project costs at the outset of the project approval process. For projects approved by the Office of Facilities Planning before 7/1/11, the final deadline for adjusting these costs would be the deadline for submission of the final cost report for the project. For more information on final cost report due dates, visit the Facilities Planning website at <https://www.p12.nysed.gov/facplan/>. For projects approved on or after 7/1/11, the final opportunity to adjust project costs is also final cost report submission. There is no statutory deadline for reporting final costs for projects approved on or after 7/1/11, but Building Aid on these projects does not begin until both the final Certificate of Substantial Completion and the Final Cost Report have been received at SED.

Aid for Computer Software Purchases

A. About the aid

Software Aid is the lesser of a district's prior year reported expenditures or \$14.98 X the number of public and nonpublic students attending schools in the district in the prior year.

The aid is paid in the spring of the aid year together with the Textbook, Instructional Hardware and Library Materials Aid payments. To see your district's aid calculation on the State Aid Web site (<https://stateaid.nysed.gov>), choose the output report titled *Instructional Materials Aids* on your district page.

B. Aidable expenditures based on Education Law 751 and 8 NYCRR 21.3

- The purchase price of prepared educational programs that are subject-oriented, for use by students in conjunction with computers or computer tablets; such programs shall be required for use as a learning aid in a particular class or program;
- The cost of freight or postage for transporting the software from the vendor to the district is aidable; however, expenditures relating to distribution, storage, recordkeeping or administration may not be included for computer software aid purposes, but they may be included for regular operating aid purposes;
- The purchase price of any content-based instructional materials in an electronic format that are aligned with state standards, which are accessed or delivered through the internet based on a subscription model. Such electronic format materials may include a variety of media assets and learning tools, including video, audio, images, teacher guides, and student access capabilities as such terms are defined in the regulations of the commissioner.

ADDITIONAL NOTES ON SOFTWARE EXPENDITURES:

1. Computer software programs which are religious in nature or content shall not be purchased or loaned by a school district
2. Districts must maintain a separate record of expenditures incurred from aid for computer software purchases
3. School districts are not required to purchase or acquire software programs, the cost of which exceeds \$14.98 X the number of public and nonpublic students attending schools in the district in the prior year. Software purchased or acquired must be loaned to public and nonpublic students on an equitable basis.

C. Flexibility in claiming expenses for instructional materials

Sections 701, 751 and 753 of NYS Education Law provide flexibility in the claiming of expense for instructional materials aids. For example, if a school district spends more than its maximum allocation of Textbook Aid, the excess expense over the maximum allocation can be designated/claimed as expense for Software Aid up to the maximum Software Aid allocation, even if the district did not actually make the software purchases. Claiming expense for these aids has changed due to this amendment. The following link provides more information: https://stateaid.nysed.gov/tsl/html_docs/amendments_statutes_tsl_2011_12.htm

D. Where to report expenditures for this aid

1. ST-3 Annual Financial Report General Fund Schedule A-4 at A2630.46 (State Aided Computer Software)
2. Form A Schedule C: Designation of Textbook, Software, Library Materials and Hardware Expenses used for IMA: It may be advantageous for some districts to use this form to re-allocate their instructional materials expenses across the aid categories in order to benefit from recent law changes referred to in section I. C. above. The following link provides more information: https://stateaid.nysed.gov/tsl/html_docs/amendments_statutes_tsl_2011_12.htm

E. Deadlines for submission

Expenses should be submitted with the rest of the district's State Aid claim by September 2 of the claim year. Pursuant to Education Law Section 751 (4), the aid amount for each district must be frozen on April 30th of the current aid year (e.g., April 30, 2014 for 2013-14 aid). Therefore, SAMS revisions to ST-3 and Form A Schedule C expenditures generating Software Aid must be submitted in time for the State Aid Office to process them by that date.

Computer Administration Aid for Large 5 City School Districts and Non-components of BOCES

A. About The Aid

The city school districts of those cities having populations in excess of one hundred twenty-five thousand inhabitants, and any other school district which was not a component of a board of cooperative educational services in the base year, are eligible for Computer Administration Aid.

An aid ratio is multiplied by the lesser of (1) expenses for approved computer services in the base year or (2) the maximum allowable expense equal to the product of \$62.30 and the enrollment of pupils attending the districts' public schools in the base year. The aid is paid as part of General Aid. To see your district's aid calculation on the State Aid Web site: choose the output report titled: *General Formula Aid Output Report (GEN)*.

B. Aidable expenditures based on NYCRR 175.17

(1) The following services related to pupil records:

- maintenance and reporting of basic student data;
- maintenance and reporting of attendance;
- test scoring and reporting; and
- student scheduling;

(2) The following services related to employee records:

- maintenance and reporting of attendance; and
- substitute teacher scheduling;

(3) The following services related to central business administration:

- accounting;
- recordkeeping;
- payroll information; and
- retirement systems records;

(4) Administrative costs actually incurred, up to a maximum of five percent of the cost of all other services which are approvable in accordance with this subdivision; and

(5) Such other services as may be approved by the commissioner.

ADDITIONAL NOTES ON COMPUTER ADMINISTRATION EXPENDITURES:

1. Computer services approved for Computer Administration Aid shall not be used to claim reimbursement under the provisions of any other law or regulation.
2. Districts reporting these expenditures for aid must be ready to provide documentation upon request.

C. Where to report expenditures for this aid

1. Total expenditures should be reported on SAMS Form FB line #157a..
2. Administrative costs for Computer Admin Service expenditures should be reported on SAMS Form FB line #157b.

D. Deadlines for submission

Expenses should be submitted with the district's State Aid claim by September 2 of the claim year. Revisions to SAMS Form FB must be submitted to State Aid by no later than June 30th of the aid year to be eligible for payment as a current year aid. For example, 2012-13 school year claims for the aid year 2013-14 must be submitted by June 30, 2014 to be paid as a 2013-14 current aid payment.

Statute of Limitation: After June 30th of the aid year, claims for aid payments must be submitted no later than one year after the close of the school year for which aid is being claimed. Any payment resulting from claims after June 30th will be processed as a prior year revision and not a current year aid payment. For example, 2012-13 school year claims for the aid year 2013-14 must be submitted by June 30, 2015 in order to be eligible for State Aid payment.

II. ADDITIONAL RECOMMENDATIONS TO SCHOOL DISTRICTS REGARDING CLAIMS FOR STATE AID PROGRAMS THAT REIMBURSE DISTRICTS FOR COMPUTER TECHNOLOGY EXPENSES*

- A. Establish the eligibility of technology related expenditures to ensure appropriate coding/reporting at the time of disbursement, especially where purchases or services have eligible and ineligible components.
- B. Adopt comprehensive written policies and procedures governing the accountability and safeguarding of inventory items. These should address acquisition, use, control, protection, maintenance and disposal of outdated or unusable equipment.
- C. Establish and maintain a perpetual inventory control record for all technology equipment, including procedures to add equipment received and remove equipment that is disposed of in a timely manner.
- D. Institute procedures to take and record items immediately upon receipt.
- E. Conduct periodic physical inventories and reconcile the results to the perpetual inventory control record to verify the appropriate location of equipment. Determine whether any equipment is missing and verify the accounting for recent purchases.
- F. Review the processes for identifying, recording and reporting aid-eligible technology expenditures to ensure that the district receives the appropriate amount of aid.
- G. Ensure that sufficient documentary evidence for cost allocation determinations is available for review.
- H. If purchasing equipment through BOCES as a shared service, perform an adequate analysis to demonstrate that the purchasing the equipment through BOCES is cost-effective without regard to the availability of State Aid. (Education Law Section 1950 4.d. (2-a) requires the component school district to demonstrate that expenditures for certain technology categories are more cost effective through BOCES, without considering State Aid, than procuring the goods or services directly.)

* Based on recommendations made in the Audit of State Aid for Computer Technology completed by the Office of the State Comptroller in March 2003

Revision History

August 2009: Instructional Hardware and Equipment Aid section updated to reflect law changes requiring public school districts to loan these materials to nonpublic school students.

November 2013: a) Computer tablets, e-readers and graphing and scientific calculators added as items eligible for reimbursement under Hardware Aid, b) notes added to Hardware and Software Aid sections regarding statutory amendments providing flexibility across instructional materials categories in the claiming of expenses for aid and c) New SAMS Schedule C added to reporting sections of Hardware and Software Aid sections.