

Transferability FAQs

Elementary and Secondary Education Act (ESEA)

1. Are required set-asides and building allocations impacted by the transfer of funds?

Yes, if there are required set-asides for the program(s) the funds are transferred into, the transferred funds need to be applied to the required set-asides calculations for the program(s). When an LEA transfers funding to Title I, it is increasing its total allocation which will also increase the funding for ranking and allocating to schools.

2. Does transferability provide LEAs with additional federal funding?

No, it does not. Transferability does not affect the overall amount of funds an LEA receives, but it provides them with greater flexibility in using certain ESEA funds.

Example: If an LEA receives:

\$100,000 of Title I, Part A funds

\$10,000 of Title II, Part A funds

\$20,000 of Title III, Part A funds

Their total allocation amount for the three programs together is \$130,000.

If the LEA transfers \$10,000 of Title II, Part A funds to Title III, Part A, then their total allocation amount for the three programs is still \$130,000.

3. Are there limits on the amount of funds an LEA can transfer?

All LEAs have the option to transfer all or a portion of their Title II, Part A and Title IV, Part A funds to one or more of the ESEA programs identified in the USBE Transferability Guide.

Examples of allowable transfer scenarios could include:

- An LEA may transfer 100% of their Title IV, Part A funds to Title I, Part A.
- An LEA may transfer 50% of their Title II, Part A funds to Title I, Part A, and 25% to Title III, Part A; with 25% remaining in Title II, Part A.

4. Is there a limit on the number of times an LEA may transfer funds into, or from, an individual program during a fiscal year?

No, there are no statutory limitations on the number of times an LEA may transfer funds into, or from, an individual program during a fiscal year. However, each transfer should be made only after the LEA has engaged in thorough and purposeful planning and has conducted meaningful consultation with private schools.

5. After transferring funds into a program, is an LEA limited in any way in transferring funds from the same program?

Yes. Once an LEA transfers funds *into* any of the transfer to or target programs, it cannot transfer funds out of that program.

6. If an LEA transfers funds between programs, will this impact future allocations in these programs?

No, transferred funds are not considered by the U.S. Department of Education when allocating formula funds in future periods.

7. If I transfer funds between programs, how do I claim the funds under the applicable programs?

The funds must be claimed under the program in which they were received. For example, an LEA receives \$20,000 in Title IV, Part A funds and chooses to transfer all of those funds into Title I, Part A. Even though the funds are transferred and follow the requirements of the Title I, Part A program, the funds must be claimed under Title IV, Part A.

8. If I transfer funds between programs, how do I determine how much to claim under each of those programs?

The funds being transferred take on the identity of the target program and do not need to be tracked separately. USBE tracks funds for draw-down purposes only.

9. If I transferred my Title II, Part A allocation into Title I, Part A last year, how do I determine the amount I can carry over under each program?

To ensure program carryover amounts are accurate, the LEA must ensure that they are recording and monitoring their program expenditures properly (see Q&A 7 and 8 above). The carryover amount for each program is calculated based on total allocations after any transfers. For example, if Title I, Part A has an original allocation of \$100,000 and Title IV, Part A transfers \$20,000 of its \$40,000 allocation into Title I, Part A, the Title I, Part A carryover limitation of 15 percent will be calculated based on the total of \$120,000 (the total allocation after transfers).