Requirements for Third Party Provider Contracts for the Delivery of Title I Services to Private Schools

If a district enters into a contract with a third party provider for the delivery of Title I services to the private school participants, their teachers, or families, such contracts must provide technical descriptions of the Title I services with detail sufficient to enable districts to determine that all Title I statutory and regulatory requirements will be met [NCLB Section 9306(a)(1) and (2)].

Districts receiving Title I, Part A funds are allowed to reserve and expend Title I funds to administer the program. Any administrative costs should be identified in the contract and budgeted by the third party provider in the provision of services, but must be paid out of the funds reserved by the District for administrative costs and must not be charged to the funds allocated for services for the private school students, their teachers, and families.

The third party provider contracts that cover more than one type of service (for example, services to private school students, family involvement, and/or professional development activities) must delineate specific amounts for each type of activity.

A description of procedures for submission of invoices by the contractor, including how often they are to be submitted, must be included in the contract. Among the statements that should be included in the contract are, that:

- All equipment purchased with Title I funds is the property of the LEA, not the contractor;
- The contractor will comply with all Title I statutory and regulatory requirements;
- The district has the right to withhold payment if any requirement is not met.
- The district will inform the contractor by a stated date the amount of funds available for all activities (instruction, professional development, and family involvement); and
- The contract may be modified if there is a reauthorization of the ESEA during the performance period of the contract.

Contract language should provide information on district oversight of the contract and services. Such oversight can include monthly unannounced visits, monthly or bimonthly reports by school of activities for children's services, professional development and family involvement activities, and requests for more documentation to support invoices.

Example budget detail for the third party provider contract:

A	Tutoring Services: *Description*	$
B	Professional Development: *Description*	$
C	Parent Involvement: *Description*	$
	Total to be Paid from Funds Generated by the Low-Income Count at the Private School (A + B + C):	$
D	**Total Administrative Costs (Must be Paid from Funds Reserved by the District for the Administration of the Title I Program):**	$

Reimbursement to Third Party Providers

Federal law requires districts to use fiscal controls and to establish accounting procedures to ensure proper disbursement of, and accounting for, federal funds paid to the district [NCLB Section 9306 (a)(5)]. Districts must review and if necessary update their accounting procedures to ensure that all invoices submitted under third party contracts include adequate descriptions of the activities for which the payments are authorized and approved. The invoices must list expenditures in at least two categories: instructional activities (paid with funds allocated for services at the private schools) and administrative costs (paid with funds reserved by the district for administration of the Title I program). Within each category, the contractors must provide detail sufficient to enable the district to determine that the requested invoices are in accordance with Title I requirements and the General Provisions Education Act (GEPA). Information could include the name and salary of each teacher, the instructional materials purchased, and the specific administrative costs, such as supervisor's salary, office expenses, travel costs, capital expense type costs, and fees.

Invoices that are for more than one type of service, for example, direct services for private school students, parental involvement activities for their parents, or professional development for their teachers must itemize the charges for instruction, family involvement, and professional development. Districts have the authority under the GEPA to require documentation to support requested expenditures.