

**Division:** Federal Finance  
**Program/Procedure:** Allocation Procedures for Formula Grants – Title IV  
**Updated:** March 2019

ADE awards subgrants to LEAs by formula in the same proportion as the LEAs prior year Title I allocation. (ESEA section 4105(a)(1))

**Step 1:** Determine the prior year Title I Allocation for each LEA.

**Step 2:** Determine any new or significantly expanding charter schools and adjust their prior year allocations to current year amounts. (EDGAR 76.791(b))

**Step 3:** Determine the percentage of the total Title I amounts each LEA received.

**Step 4:** Calculate 95% of the total allocation. This will be the amount distributed to the LEAs. The remainder will remain at the SEA.

**Step 5:** Multiply the percentage found in Step 3 by the total amount to be awarded found in Step 4.

**Step 6:** For LEAs who qualify for Title IV (by receiving a Title I allocation) but receive less than the \$10,000 minimum, proportionately reduce allocations for LEAs above the threshold until no LEA falls below. If the state's total grant amount does not allow for this, ratably reduce all amounts accordingly. Those districts who did/do not qualify for a Title I allocation (did not meet poverty thresholds) will not receive a Title IV allocation.

#### FINAL STEPS FOR ALL GRANTS:

**Step 1:** Round final numbers to two decimal places; if allocation is over the total take the overage out of state set-aside

**Step 2:** Publish allocation to ADE Federal Finance Website

**Step 3:** Publish a Commissioners Memo

**Step 4:** Email allocations to Federal Program unit for upload to FGMS system

**Step 5:** When final allocations are made publish grant award notifications to Federal Finance Website

*\*\*This document is not to be used as the sole source for calculating allocations for the Arkansas Department of Education. To calculate allocations refer to legislation, ED guidance, and any other updates provided by ED.*