

Grants Accounting Update

ESSA Academy
3/13/2023
Steven Strother
Finance Director

Grants Reimbursement Process

- Friday
 - Deadline for claims to be submitted to SCDE Finance in order to be reviewed and paid by the following Wednesday
- Monday
 - Grant Accountants review and approve any claims not already reviewed and approved that were submitted to SCDE Finance by the prior Friday
- Tuesday
 - Draw request is prepared
- Wednesday
 - Payments are processed



Claims Deadlines

Expenditure Dates

- Quarter 1 (7/1 - 9/30)
- Quarter 2 (10/1 - 12/31)
- Quarter 3 (1/1 - 3/31)
- Quarter 4 (4/1 - 6/30)

Claims Deadlines

- Due by 11/15
- Due by 2/15
- Due by 5/15
- **Due by 8/15**

-
- Some grants may require earlier final claims or amendment deadlines - Always refer to GAN



GAN Changes

- For all federal subawards active as of **October 17, 2022**
- Subrecipients will have 90 days after the Period of Performance end date to receive, pay, and claim goods and/ or services *obligated* by the Period of Performance end date



Obligation

Grants

- Obligation can only occur from Period of Performance start date to Period of Performance end date
- Obligation can cross Fiscal Years as long as it remains within the Period of Performance



Obligation – New GAN Language

- Goods and/or services must be *obligated* by the end of the Period of Performance
- **Obligation occurs when:**
 - Goods or services - ordered (goods) or contracted with a binding agreement (services)
 - Travel - when travel or hotel stay occurs
 - Time worked by employees - when worked



Performance in Full

- After obligation is made
- Performance must occur in full so that final payment can be made
 - Obligation must be liquidated
 - By the 90th day after Period of Performance end date



Example 1 – September 30

- Federal subawards with a Period of Performance end date of September 30
 - goods and/or services must be *obligated* by 9/30 and received, invoiced, paid, and claimed by 12/30
 - Performance can occur after Period of Performance end (as long as obligated by the Period of Performance end)
- Goods and/or services obligated and *received* by 9/30
 - should be invoiced, paid, and claimed within 45 days of 9/30 (by the 11/15 deadline)



Example 1 – September 30 - Continued

- Goods and/or services received *after* 9/30 (which is the Period of Performance end date)
 - Must be invoiced, paid, and claimed by 12/30



Example 2 – June 30

- Goods and/or services *received* by June 30 must be invoiced, paid, and claimed by August 15 - **No exceptions**



Example 2 – June 30 - Continued

- Goods and/or services obligated by June 30 (Period of Performance end date), *not* received by June 30
 - (example) between July 1 and September 30
 - must be received, invoiced, paid, and claimed between August 16 and September 30 and considered 1st Quarter claims



Final Report Date

- Federal subawards with a Period of Performance end date of 9/30 (for example) will have a Final Report date of 12/30
- Will be removed from the claiming system after that date
- Subrecipients must submit the final claim for the grant by the 90th day after the Period of Performance end date



90 Day Liquidation

- 90 day liquidation period is applicable only after the Period of Performance end date
- 45 day Quarterly and Year-End claim deadlines still apply for goods and/or services *received* by end of Quarter or Fiscal Year



90 Day Liquidation – Continued

Example

- Period of Performance end 9/30; Obligated by 9/30
- Received 10/1 (Q2) - example 1
- Received 12/1 (Q2) - example 2
- Must pay and claim by 12/30 instead of 2/15



Claims - Performance

- Claims are made based on the date that goods and/or services are received
- Goods and/or services must be received (Performance has occurred) in order to be paid and claimed



Performance - Continued

- Period of Performance End
 - May now allow extended time for receipt past Period of Performance end (depending on the obligation)
 - May mean shorter time to pay and claim after receipt (receipt on 12/1, pay and claim on 12/30)



Consider Internal Processes

- Take into consideration the Accounts Payable cycle of your entity
- Invoices may be required in your finance office earlier than the grant close-out date in order to be paid and claimed by that date



Grant Closes on 90th Day

- Extended time after Period of Performance end allows time to receive, pay, and claim
- Consideration must be given for your internal processes
 - Can't expect items to be received on 12/30 and expect they can be paid and claimed on that day
- Grant will close on the 90th day after Period of Performance end



Additional Language

- Consider additional language on POs to bring vendor's attention to this
 - Delivery in full required by.....
 - No backorders
 - Etc.



Claims – Other Notes

- Claims cannot be made against goods and/or services that have not been received
- Goods and/or services cannot be paid until received
- Claims cannot be made against encumbrances



New Language for Indirect Cost Rate Changes

- For Federal subawards only
- “The negotiated indirect cost rate or the indirect cost allocation plan approved for the subgrantee applies to this subaward.”
- Modeled after terms in federal awards to agency
- To prevent Amendments to subawards (GAN) when subgrantee's indirect cost rate changes



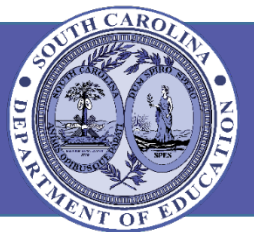
All Amendments and/or New Budgets - Deadline

- For all grant expenditures that will be incurred on or before June 30, 2023
- Should be *entered* into GAPS by June 30, 2023
 - Unless an earlier deadline is referenced on GAN
- No amendments will be allowed entry into GAPS from July 1, 2023 through August 15, 2023



Final Amendment Deadline Purpose

- Allows time after amendment submission for Program Office to review
- To help ensure funds will be available in correct budget area for claiming by the August 15 deadline
- To keep amendment queue clean for monitoring and review purposes
 - Clean amendment queue helps ensure no amendment requests are missed



Final Amendment Deadline Purpose (Continued)

- To ensure action is taken on all submitted amendments prior to the August 15 final claims deadline
- To help ensure claims are not prevented by unbudgeted amounts or pending amendments
 - Unapproved amendments/budgets can prevent claims from being submitted - (no submit button)



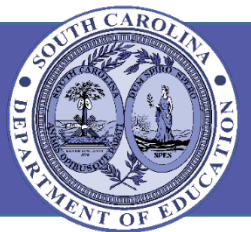
Amendments for Expenditures in FY24

- Amendment requests/new budgets for expenditures occurring on July 1, 2023 or after can be entered into GAPS beginning August 16, 2023



Final Claims Deadline

- Expenditure claims submitted to SCDE Finance after August 15, 2023 for expenditures from July 1, 2022 through June 30, 2023 will not be paid
- ***Deadline will be strictly enforced***



Final Claims Deadline - Continued

- Must be in the status “Submitted to SCDE Finance” by August 15 to meet the deadline
- Grants with earlier Final Report Date on GAN
 - Date must be met
- All expenditure claims must be submitted to the SCDE in order to be paid



Final Claims Deadline - Continued

- Grants with Final Report Date later than August 15
 - Expenditures through June 30 must be submitted to the SCDE by the August 15 Final Claims date



1st Quarter Claims for FY24

- 1st Quarter claims for FY24 will not be allowed entry until after August 15, 2023



Reports for Subrecipients

- To monitor Budget, Amendments, Claims
 - Budget Summary and Detail Reports
 - Expenditure Summary and Detail Reports



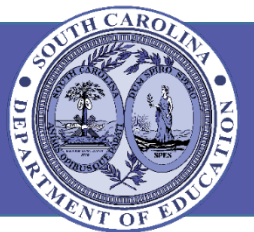
Reports for Subrecipients (Continued)

- Ensure requested amendments are approved
- Ensure no unbudgeted amounts
 - Unapproved amendments/budgets can prevent claims from being submitted (no submit button)
- Ensure claim has been submitted to SCDE Finance
 - If claim is not in “Submitted to SCDE Finance” status, it will not be paid



Budget Detail Report

Sub Grant Name	Function Code	Object Code	Amendment	Amount	Approval Status	Expenditure Amount	Net Budget Balance
20 Title II Supporting Effective Instruction (267)	224	400	No	\$0.00	Approved	\$0.00	\$0.00
20 Title II Supporting Effective Instruction (267)	264	100	No	\$4,000.00	Approved	\$0.00	\$4,000.00
20 Title II Supporting Effective Instruction (267)	264	100	No	\$4,000.00	Approved	\$0.00	\$4,000.00
20 Title IV SSAE (210)	100	400	No	\$10,800.00	Approved	\$0.00	\$10,800.00
21 Title I Regular (201)	100	400	Yes	\$4,000.00	Submitted to Sub Recipient Finance	\$0.00	\$0.00
21 Title I Regular (201)	100	400	Yes	\$5,000.00	Submitted to Sub Recipient Finance	\$0.00	\$0.00
21 Title I Regular (201)	188	400	No	\$6,043.32	Approved	\$0.00	\$6,043.32



Budget Detail Report (Continued)

- **This example indicates:**
 - An Amendment has been submitted to the Subrecipient Finance role - has not been sent to the SCDE for approval
 - Unclaimed balances in specific function/objects



Budget Summary Report

Allocation	Budgeted Amount	Unbudgeted Amount	Expenditure Amount	Net Budget Balance	Budget Pending	Expenditure Pending
\$14,708.07	\$13,181.00	\$1,527.07	\$13,181.00	\$0.00	\$0.00	\$0.00
\$612,068.24	\$612,068.24	\$0.00	\$556,337.34	\$55,730.90	\$0.00	\$8,768.82
\$59,472.34	\$59,472.34	\$0.00	\$33,816.69	\$25,655.65	\$10,790.78	\$0.00
\$4,341,063.00	\$4,341,063.00	\$0.00	\$0.00	\$4,341,063.00	\$4,341,063.00	\$0.00
\$10,000.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00	\$0.00
\$89,746.50	\$89,746.50	\$0.00	\$0.00	\$89,746.50	\$89,746.50	\$0.00
\$127,725.95	\$0.00	\$127,725.95	\$0.00	\$0.00	\$0.00	\$0.00
\$11,406.14	\$0.00	\$11,406.14	\$0.00	\$0.00	\$0.00	\$0.00



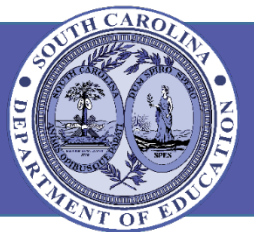
Budget Summary Report (Continued)

- **This example indicates:**
 - Unbudgeted amounts
 - Budgets/Amendments pending approval at district or SCDE
 - Expenditures pending approval at district or SCDE



Expenditure Detail Report

Sub Grant Name	Function Code	Object Code	Fiscal Quarter	Expenditure Amount	Expenditure Approval Status	Date Submitted To SCDE
22 Adult Education - Institutionalized	182	200	2021 - 22 - [Q4]	\$1,989.04	SCEIS Document Number	8/15/2022 2:19:01 PM
22 Adult Education (243)	182	100	2021 - 22 - [Q4]	\$60,773.60	Submitted to Finance Approver	Has Not Submitted To SCDE
22 Adult Education (243)	182	200	2021 - 22 - [Q4]	\$22,026.82	Submitted to Finance Approver	Has Not Submitted To SCDE
22 ARP - IDEA	100	100	2021 - 22 - [Q4]	\$14,351.25	SCEIS Document Number	8/15/2022 2:14:03 PM



Expenditure Detail Report (Continued)

- **This example indicates:**
 - Expenditures have been submitted to the Finance Approver, but not to the SCDE
 - Not considered submitted until submitted to SCDE Finance



Successful Funds Management – Budget Process

- Subrecipient's budget process (Not Grants Management System process)
- Could span from December to June
- Multiple readings



Budgeting Across Years – Know your Budget

- Assign personnel (to be paid from grant) to each grant (if you are budgeting personnel)
- Communicate this to finance officer during budget process
- If personnel will change between Fiscal Years - finance officer will need to know in the budget process
 - Account number changes need to be made in the district's payroll system before new payroll year



Managing Funds by Use of Modifiers

- Keep grants separate by use of modifiers
 - Example - 22 TI would use 0022
- Personnel assigned to 22 TI would need to have this modifier assigned to payroll account
- Will help determine if Grants Management System budget equals local accounting system budget



Budgeting – Create a Plan

- During the budgeting process, work with finance officer
- Determine what will be spent and how
 - Finance officer - needs to be aware for Maintenance of Effort information
- Any change in the amounts should be communicated with finance officer



Budgeting for Non-Payroll Expenses

- Know what purchases are planned from each grant
- Assign modifiers to grant account numbers to keep them separate across Fiscal Years
- Know when purchases will occur



Budgeting – Purchase Orders

- Reminder - use modifiers to help track your grants across years
- Set up Purchase Orders for your purchases
 - Will help you ensure you stay within budget
- Make your planned purchases as early as possible



Budgeting in Grants Management System

- After the district's budget process is complete
- Budget is set up (or amended) in Grants Management System
 - GEMS and GAPS



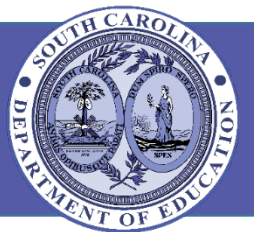
Budgeting – Subrecipient Program Contact

- District's program person will set up budget in the Grants Management System adhering to the integrity of the grant as provided by the grant guidelines as well as the Funding Manual



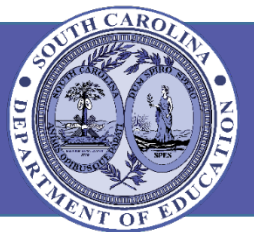
Grant Set-Up Process

- Once allocation is available to the subrecipient in Grants Management System
 - The subrecipient enters allowable budget into Grants Management System



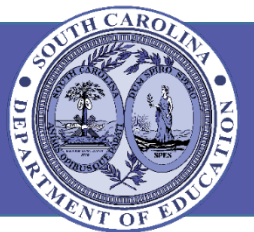
Budgeting in Grants Management System

- Budget in Grants Management System - should correspond with GAN allowable categories and amounts
 - Currently - GAPS and GEMS (if applicable) should correspond
- Activities Description entered so that the budget is substantiated



Grants Coordinator

- Grant Coordinator - programmatic functions and allowable uses of the grant - enters budget accordingly
 - Consults the Funding Manual to determine the coding (Function/Object)
 - Ensures expense/budget is allowable



Budget and Approval Process

- Once subrecipient finance role (in GAPS) approves budget
 - budget work flows to the SCDE Program Office
- Program Office reviews Grants Management System budget
 - GAPS and GEMS are compared (if applicable)



Budgets and Approval Process – SCDE Program Office

- SCDE Program Office can
 - Approve
 - Deny
 - Return
- Appropriate subrecipient contact is notified of actions taken



Budgets and Approval Process

- Returned or denied
 - District representative will take appropriate action
- Approved
 - Funds can be claimed by the district



Budgets and Approval Process – Amended or Approved

- Budgets can be amended
 - Amended by Grant Coordinator
 - Approved by Subrecipient Finance



Budgets Must Match

- Local and Grants Management System

- Request necessary reports from district finance office periodically
- Ensure budget in local accounting system matches budget in Grants Management System
- Helps assure budget is not over or under spent



Expenditures

- Once approval is obtained to make purchases from grant
 - Go through the appropriate purchasing channels
 - Obtain POs
 - Place orders
- Know when order should arrive
- Be in contact with vendor



Expenditures – Purchase Orders

- Have district finance officer review and approve your contracts
 - Prior to signing
 - Before PO entered
- Attach copies of contracts to POs



Expenditures – Packing Slips and Invoices

- When orders arrive, check packing slips to ensure order is complete
- Sign packing slip for day order arrives
- Track invoice - Know when it should arrive
- Make contact to ensure invoice arrives timely



Expenditures – Prepare for Payment

- Prepare for payment
- Check for correct coding
 - Paying from a PO can help with this process
- Check to make sure enough budget is in place
 - Paying from a PO can help ensure budget is in place



Expenditures – Prepare for Payment, cont'd

- Follow appropriate channels for requesting payment
- Sign payment request (check Request, Payment voucher) to indicate invoice is okay to pay



Expenditures – Follow up

- Follow up to make sure invoice has been paid
- Request check numbers and date for your files
- Sales tax is not on invoice?
 - Communicate with finance office regarding payment of sales tax to DOR
 - May need to keep PO open until tax is paid so it can be charged appropriately



Expenditures – Request Reports Monthly

- Budget Reports for each of your Projects
 - To indicate no over budget accounts
 - Make sure local accounting system budget and Grants Management System budget match
- Detail Account Inquiries
 - Correct account has been charged



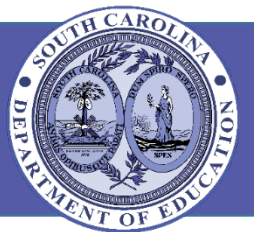
Expenditures – Request Reports Monthly (Cont.)

- Encumbrance Reports
 - Ensure POs have been closed properly
 - Prevents unnecessary encumbrances
 - Keeps remaining balances accurate



Expenditures – Request Reports Monthly (Cont.)

- Payroll reports
 - To ensure correct personnel are being paid from grant
 - Notify finance office if personnel are paid that shouldn't be
 - Or of personnel that should be paid from grant that are not



Reimbursement – Finance and Program

- Ensure claims are correct
 - Finance and Program - work closely
 - Both should be involved in the claims process
- Correct people are being paid from correct grant
- Correct items are being claimed
- Items have been received and paid for prior to being claimed



Involvement in Claims Process - Program

- Before claims is submitted
 - Review payroll register
 - Correct Personnel paid from project?
- Example:
 - Correct personnel being paid with 0022 modifiers (22 project)
 - Correct personnel being paid with 0023 modifiers (23 project)



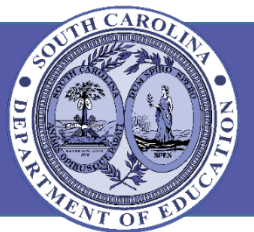
Involvement in Claims Process - Program

- Request account detail
 - To indicate items and amounts being claimed are correct
- Ensure amounts being claimed match reports
 - Sign off on paper or electronic copy of claim if agree
 - Retain copy for your records



Involvement – Helps Assure Accuracy

- Ensuring claims are accurate helps prevent expenditure refunds



Claims - Remember

- Service, supply, etc. cannot be paid until received
 - Can't be claimed until paid
- Must be received by June 30
 - To be claimed for current FY



Delayed Order

- Remain in contact
 - Vendor
 - District Finance Office
- If not receiving by June 30
 - Order may need to be canceled
 - Or new grant may need to be assigned



Delayed Order (Continued)

- Funding availability - needs to be verified if funding source is changed
- PO may need to be transferred to another funding source
- Amendment may be necessary



Process After Final Claims

- Work with finance office to ensure remaining budgets are ready in the local accounting system as quickly as possible
- May be necessary to wait until after the 8/15 Final Claims deadline for an accurate remaining budget



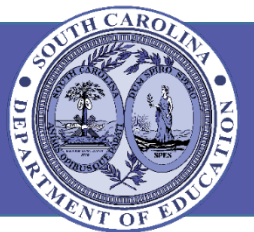
ESSER Reporting – Quarterly Reports

- Only report funds claimed in GAPS during quarter
- Do not report quarter expense *occurred* in
- Only Quarter in which claim was *submitted* in GAPS
- Example - claim *submitted* between January 1, 2023 and March 31
 - Reported by the April 5 report due date



ESSER Reporting – Quarterly Reports

- Required to submit quarterly report for each ESSER grant still open
 - even if no claims for that grant were submitted during the quarter
- If there are no expenditures to report for ESSER II or III during the quarter, simply indicate on the report “0”



SAM.gov Reminder

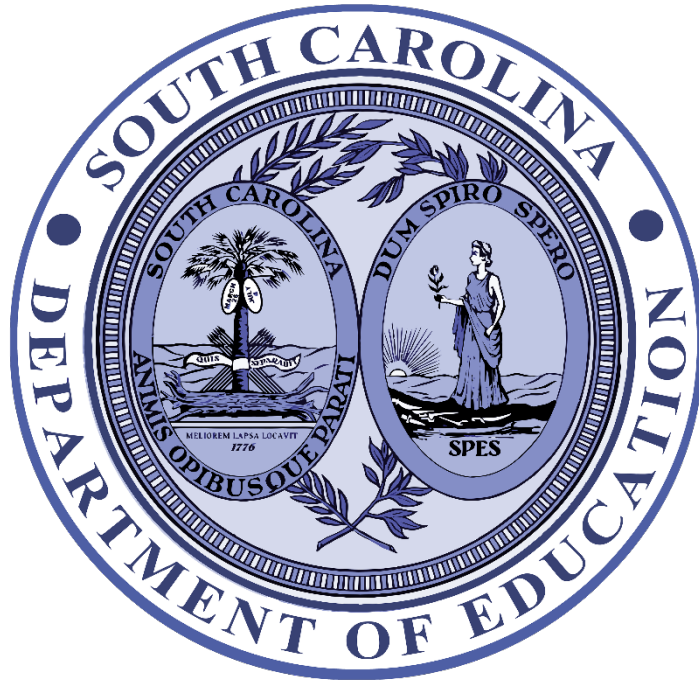
- All school districts must maintain an active registration in the federal System for Award Management ([SAM](#)) to receive federal funds
- Must be renewed annually *before it expires* so that the registration does not lapse



Refunds

- Refunds/checks submitted to Office of Finance
- Must have detailed supporting documentation
- Use [Expenditure Refund Request Form](#) on the SCDE webpage to provide details of refund/checks

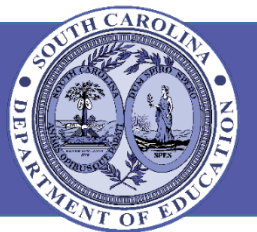




New Funding Formula and LEA Level Maintenance of Effort (MOE)

3/13/2023
Steven Strother
Finance Director

MOE For Title I Application



Program Statute for Title I MOE

- LEA participates in a federal program that requires it maintain its expenditures from *non-federal sources* for program purposes to receive its full allotment
- Program statute requires *non-federal funds* expended in the *first preceding* fiscal year must be at least 90% of funds expended in this second *preceding* fiscal year



Expenditures from Non-Federal Sources

Non-Federal Sources = Total Expenditures *minus* Exclusions

Exclusions:

- Federal Funds (2XX and/ or 4XXX Revenue)
- Capital Outlay (Objects 500-599 for funds 1XX, 3XX, 5XX, 8XX, 9XX)



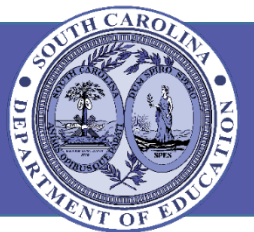
Exclusions, continued

- Debt Service (Function 5XX)
- Community Services (Function 3XX for Funds 1XX, 3XX, 5XX, 8XX, 9XX)
- Pupil Activity Funds (Function 190 and 27X)
- Intergovernmental Expenditures (Function 4XX)



Fluctuation in Total Expenditures

- Because of Exclusions
 - Effort will *not* be affected (if average daily membership (ADM) remains relatively constant)
- Federal Expenditures increase, Total Expenditures increase
 - Federal expenditures are excluded
 - Effort is not affected



Fluctuations for Non-Exclusions

- If expenditures fluctuate because of non-exclusions (example: New Funding Formula)
 - Effort can be affected
- Spending increase because of New Funding Formula, Effort increases (if ADM remains relatively constant)
- Spending decrease because of New Funding Formula, Effort decreases (if ADM remains relatively constant)



Title I Application and MOE Calculation

- April 2023
 - 1st Preceding Year = FY22: Old Formula
 - 2nd Preceding Year = FY21: Old Formula
- April 2024
 - 1st Preceding Year = FY23: New Formula
 - 2nd Preceding Year = FY22: Old Formula



Questions?



Contact Information

Steven Strother

Finance Director

Office of Finance

sgstrother@ed.sc.gov

803-734-8885

