



FAYETTE COUNTY PUBLIC SCHOOLS

# **THE GAME OF GRANTS: YOU HAVE G.O.T. FEDERAL DOUGH AND SCRATCH! NOW WHAT?**

**FINANCIAL ACCOUNTING AND BENEFITS SERVICES**

**PRESENTED BY:**

**Rodney O. Jackson, M.B.A.,C.S.F.O.,G.M.C.,C.S.B.A.**

**Executive Director of Financial Accounting & Benefits Services (Finance Officer)**

**Fayette County Public Schools**

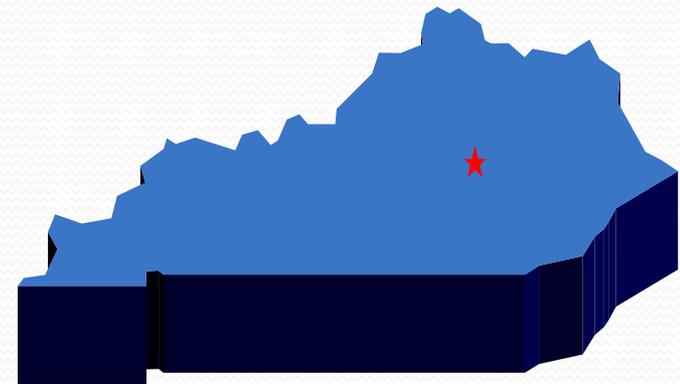
# INTRODUCTION-RODNEY O. JACKSON

- Rodney O. Jackson, MBA, CSFO, G.M.C.,CSBA
- Executive Director Financial Accounting and Benefits Services
- Undergrad in Accounting and M.B.A. both from U of KY
- 28 years of Accounting Experience including over 22 years of School Finance.
- Over 24 years in Grants Management Experience
- Certified in Grants Management 2002
- Certified School Financial Manager 2005
- Certified School Financial Officer 2016
- Certified Finance Officer of State of KY 2017
- Certified School Business Administrator 2022
- FCPS manages over \$900 million in revenue including \$200 million in Grants



# Where I Come From

- Approximately 43,000 students (2<sup>nd</sup> largest is state of KY)
- Over 7500 regular employees
- Annual budget \$900 million
- Additional \$149 Million in CARES
- 69 schools and programs
  
- KY has 171 school districts
- No charter schools
- 2/3 have fewer than 3000 students
- Largest has 94,000 students (metro Louisville)
- Smallest has 109 (independent)



# Learning Objectives



Review and understand Uniform Guidance regulations



Assess internal controls and determine if they are implemented



Learn about upcoming changes and strategies to remain compliant

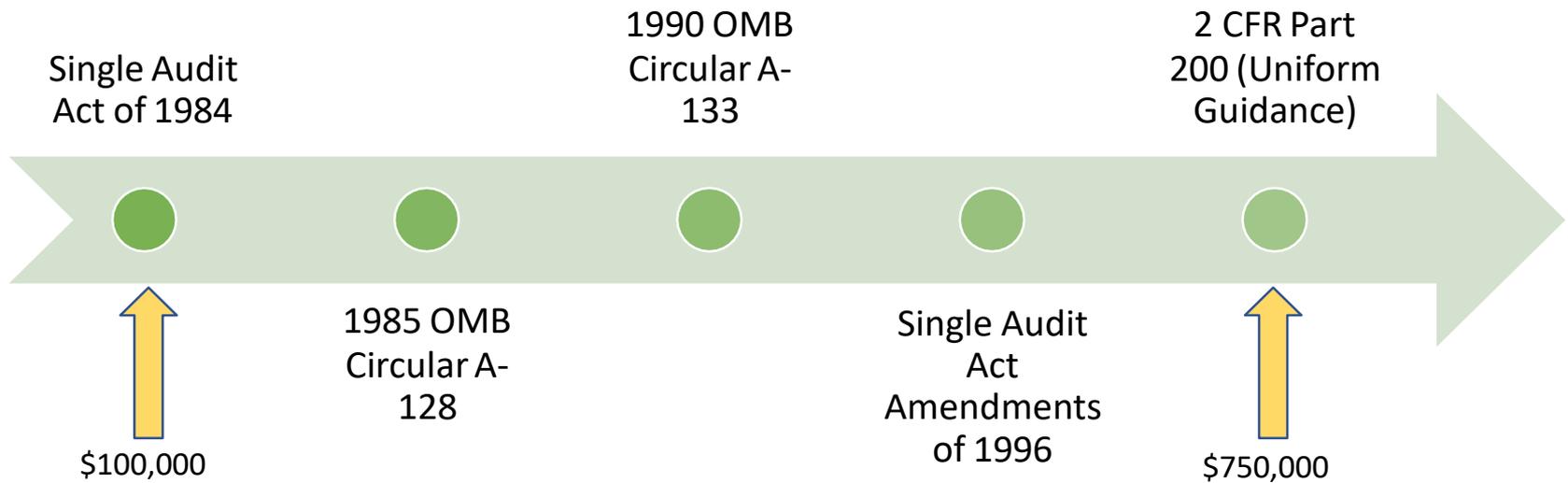
# THE GAME OF GRANTS!



# Federal Grants (The familiar)

- IDEA B Individual with Disabilities Education Act (337X)
- IDEA- Preschool (343X)
- Title 1 – Part A (310X)
- Title 1 – Part C Migrant (311X)
- Title 1 – Part D Neglected & Delinquent (314X)
- Title II – Part A Teacher Quality (401X)
- Title II C Perkins (348X)
- Title III – LEP (345X)
- Stuart B McKinney Homeless (316X)
- Title VI Rural & Low Income (350X)

# Uniform Guidance History



# New Education Programs

## CARES Act

Education Stabilization Fund (84.425)

Coronavirus Relief Funds (21.019)

## CRRSAA

Education Stabilization Fund (84.425)

## ARPA

Education Stabilization Fund (84.425)

Coronavirus State and Local Fiscal Recovery Funds (21.027)

# Federal Grants (The New Grants)

- ESSER, (613F)
- ESSER Private School Equitable Services, (613FP)
- Digital Learning Coaches, (613FD)
- ESSER New Teacher Support, (613FT)
- GEERS, (633F)
- GEERS Private School Equitable Services, (633FP)
- CARES Act Child Care Development Fund, (658FC)
- CARES Child Care Development, (658FL)
- CARES Child Care Development Fund Start Up Stipend, (658FP)
- CARES Last Mile Internet, (663G)
- CRRSA Afterschool Program Fund, (672G)
- **CRF Coronavirus Relief SEEK Program Funds (17GG)**
- ESSER II (554G)
- ESSER II Set Aside (554GS)
- ESSER II Direct Services (554GD)
- Coming Soon ARP (ESSER III)



## Grant Management & Monitoring

Presented by:  
Rodney O. Jackson



# GRANTS MONITORING

- Grants Monitoring must provide reasonable assurance that:
  1. Federal grant funds are expended in ways that meet provision of pertinent statutes, regulation, agency administrative requirements, relevant OMB circulars and the terms of the award notice.
  2. Adequate Progress is being made toward achieving the Sub-award projects goals and objectives.

# Uniform Guidance: Internal Controls

- As a condition of receiving federal awards, Districts agree to comply with laws, regulations and the provisions of grant agreements (2 CFR 200.303)
  - Provide reasonable assurance of compliance
  - Documentation of allowable expenditures
  - Compliance with individual eligibility

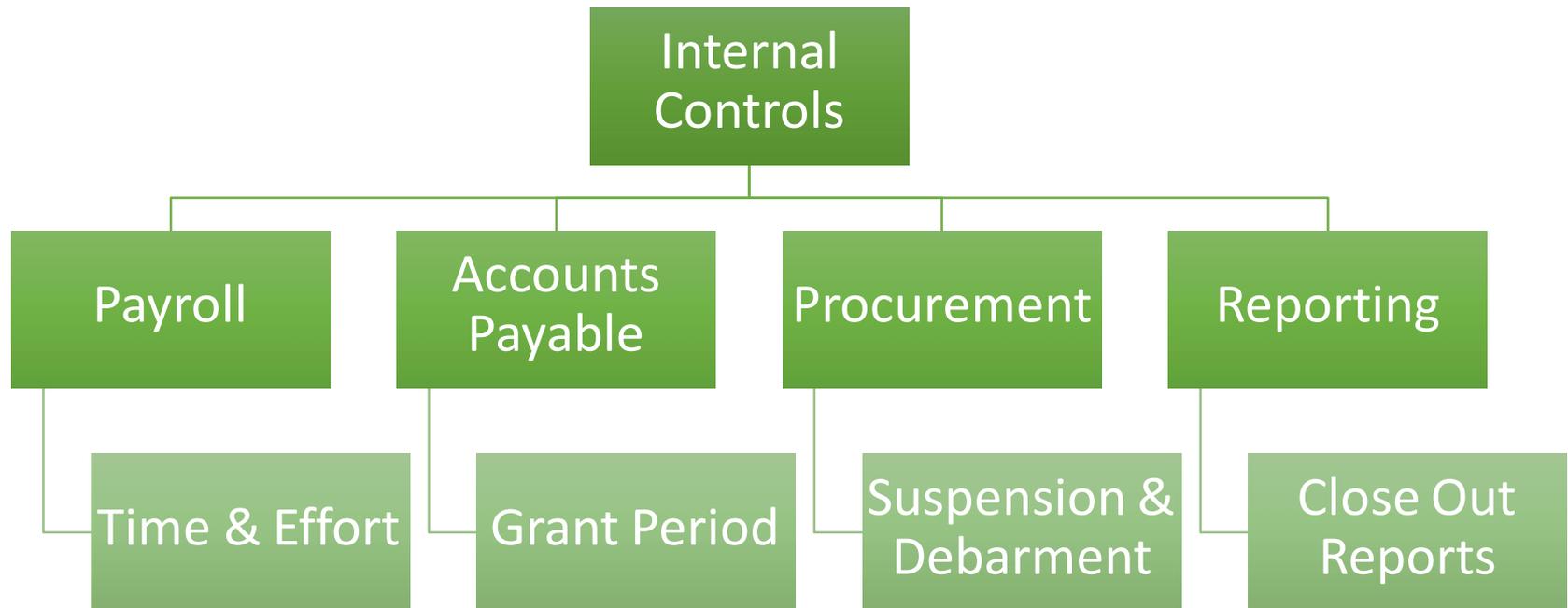
# Compliance Matrix

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
Program Number	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions

# Compliance Requirements

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. **When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.**

# Internal Controls over Federal Programs



# GRANT MANAGEMENT CYCLE



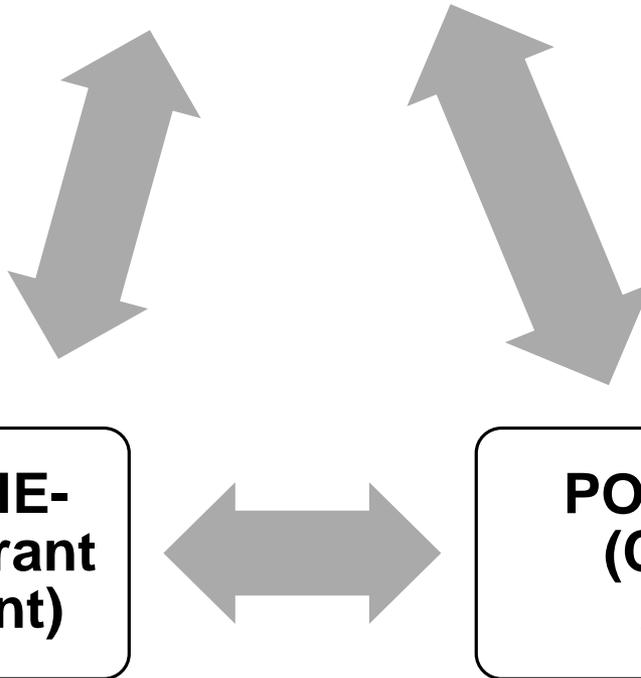
**PRE-AWARD  
(Grant Writer)**



**AFTER-THE-  
AWARD (Grant  
Accountant)**



**POST AWARD  
(Cognizant  
Agency)**



# Who Does What...

## Finance Director /Associate Director/& Grant Accountant

- Monitor performance of the recipient & access compliance with the laws, regulations, and policies by conducting site visits,
- reviewing reports (financial & programmatic), and recipient correspondence.
- Consult with & assist recipients concerning programmatic or technical matters
- Assist in resolving audit findings involving grant programs and review and comment
- Reviews contracts for debarred and suspended vendors



# Who Does What...

## Budget/Program Managers

- Prepare program/progress reports to be submitted to the awarding agency
- Review, sign and return MTD reports to grant accounting office for quarter reporting and final reporting (may be more or less frequent depending on agency requirements)
- Submit program/progress reports to grant team to submit to awarding agency
- Monitor spending on a regular basis
- Review outstanding POs
- Facilitate/prepare contracts for consultants and/or vendors providing professional services
- Inform grant accounting of upcoming monitoring visits, advisory council meetings
- Setting up budget and following spending plan



# Grants in general: Managing Grants & Federal Awards

- 3 Important areas in managing grants:
  1. PROGRAMMATIC: Directors, Budget Managers, PI (principle investigator-Principals)
  2. FINANCIAL: Accounting, Financial, Budget
  3. ADMINISTRATION: Support in terms of management & business systems & internal controls

# BUSINESS AND GRANT CAPABILITY

1. FINANCIAL MANAGEMENT (Accounting)
2. PROCUREMENT MGMT. & STANDARDS
3. PROPERTY MGMT. & STANDARDS (Fixed Assets)
4. PERSONNEL MANAGEMENT (Human Resources)
5. TRAVEL POLICY & PROCEDURES
6. PROGRAM/PROJECT MANAGEMENT



# G.P.R.A.

## Government Performance and Results Act (G.P.R.A)

- This is a public law that was passed by Congress in 1993. **GPRA** was enacted to improve stewardship in the Federal government and to link resources and management decisions with program performance.
- It requires a strategic plan outlining its mission, long-term goals for the agency's **major** functions, performance measures, and reporting results.

# G.P.R.A.

## Government Performance and Results Act (G.P.R.A)

- 2CFR200.301 Clarified **Performance management**
  - This aligns with 2CFR200.202, which provides more clarity about benchmarks and federal agency objectives.
  - More specifically, provides clarity on how federal grant recipients performance measures should be monitored to show
    - achievement of program goals and objectives,
    - share lessons learned,
    - improve program outcomes, and
    - foster adoption of promising practices

# MAJOR POLICY REFORMS

- Performance over Compliance.
- Consistent and Transparent Treatment of Cost.
- Setting Standard Business Processes and Data Definitions.
- Strengthening Oversight.
- Targeting Fraud, Waste and Abuse.

## STRONGER OVERSIGHT

- ▶ Requires mandatory disclosures for conflict of interest and criminal violations
- ▶ Strong focus on internal controls

# STRONGER OVERSIGHT & ESSER FUNDS

- ▶ ESSER funds will have an emphasis on
  - ▶ Payment integrity
  - ▶ Accountability
  - ▶ Transparency
  - ▶ Equitable results and
  - ▶ Performance Reporting

# FLEXIBILITY & ESSER FUNDS EXCEPTIONS

## 200.102 (a & b) Exceptions.

- **(a)** With the exception of subpart F of this part, OMB may allow exceptions for classes of Federal awards or non-Federal entities subject to the requirements of this part **when exceptions are not prohibited by statute. In the interest of maximum uniformity,** exceptions from the requirements of this part will be permitted as described in this section.
- **(b)** Exceptions on a case-by-case basis for individual non-Federal entities may be authorized by the Federal awarding agency or cognizant agency for indirect costs, except where otherwise required by law or where OMB or other approval is expressly required by this part.
- NOTE: These exceptions should be in support of innovative program designs that apply a risk-based, data-driven framework to hold recipients accountable for good performance

# THE SUPER-CIRCULAR, 2 CFR PART 200 UNIFORM GUIDANCE OVERVIEW

## Subpart A

- Acronyms & Definitions

## Subpart B

- General Provisions (Section 200.1xx)

## Subpart C

- Pre-Award Requirements (Section 200.2xx)

## Subpart D

- Post Award Requirements (Section 200.3xx)

## Subpart E

- Cost Principles (Section 200.4xx)

## Subpart F

- Audit Requirements Section (200.5xx)

# THE “SUPER CIRCULAR”

**2 CFR PART 200  
SUBPART A - C**

**SUBPART A – 200.00-200.99**  
**ACRONYMS & DEFINITIONS**

**45 ACRONYMS**  
**98 DEFINITIONS**

# Some Definitions to Know

## ▶ **Equipment 200.439**

- ▶ Tangible personal property including IT having a useful life *more than one year*
- ▶ Per unit cost is equal to federal level or higher (or if government sets a lower level – higher than that)
- ▶ Federal level is \$5,000
- ▶ General purpose equipment – office furniture, IT etc.
- ▶ Special purpose equipment – research / science only

## ▶ **Supplies 200.453**

- ▶ All else including IT less than \$5,000
  - ▶ MEANING – Smartphones, laptops, tablets etc. now expensed
  - ▶ No issue on useful life



# Other Common Terms & Acronyms

- **Operational Plan:** Is a mechanism for scheduling the use of time and resources over the life of the grant project.
- **DIRECT COSTS** – the costs assigned specifically to the grant
- **INDIRECT COSTS** - the cost incurred for common or joint objectives of an organization and cannot be readily identified with a particular cost objective.
- **GPRA** (Government Performance and Results Act)
- **NGA** ( Notice of Grant Award)
- **Direct Services** – Services defined in the grant to satisfy the program objectives of the grant at 85% Level
- **INDIRECT SERVICES** – Anything that does not meet the definition criteria for Direct Services is Indirect Services.



## Pre-Award Provisions

Subpart C – 2CFR200.200 - .211

# Before you get started, you'll need

- Award notification/Notice of Grant Award (NGA) – this informs you of
  - who is awarding the money
  - who is receiving the money
  - The time period to spend the money
  - the amount of money
  - type of funding (state, federal, local, etc.)
  - contact persons
  - method of payment
  - reporting frequency/method
  - Additional notes/stipulations from the awarding agency
  - Catalog of Federal Domestic Assistance (CFDA) #
- Name & employee number of personnel assigned to grant and person entering purchase orders
- Operational Plan
- \*\*Please note, if funds are drawn down, that is the same as accepting the terms and conditions of the award

# SUBPART “D”

Post Federal Award Requirements

# IMPACT SUBPART “D”



- Performance Measures
- Financial Management
- Internal Controls
- Payments
- Program Income
- Revision of Budgets and Program Plans
- Period of Performance

# (200.309) PERIOD OF PERFORMANCE



The Arnel cliff face shows a large cave opening near the base.

# Administrative Requirements:

## Uniform Guidance Subpart D, Subsection 200.309 (formerly A-102.23)

- Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency.
- NOTE: This means that if a grant ends June 30<sup>th</sup> all services or goods purchased must be received prior to this date. If not is not an allowable expense REGARDLESS if it is encumbered.

# ACCOUNTING STANDARDS AND SYSTEMS



- ▶ ACCOUNTING RECORDS
- ▶ FINANCIAL REPORTING
- ▶ BUDGETARY CONTROLS
- ▶ PAYMENT/CASH MANAGEMENT
- ▶ INTERNAL CONTROLS
- ▶ ALLOWABLE COST
- ▶ SOURCE DOCUMENTATION

# FINANCIAL REPORTING (200.327)

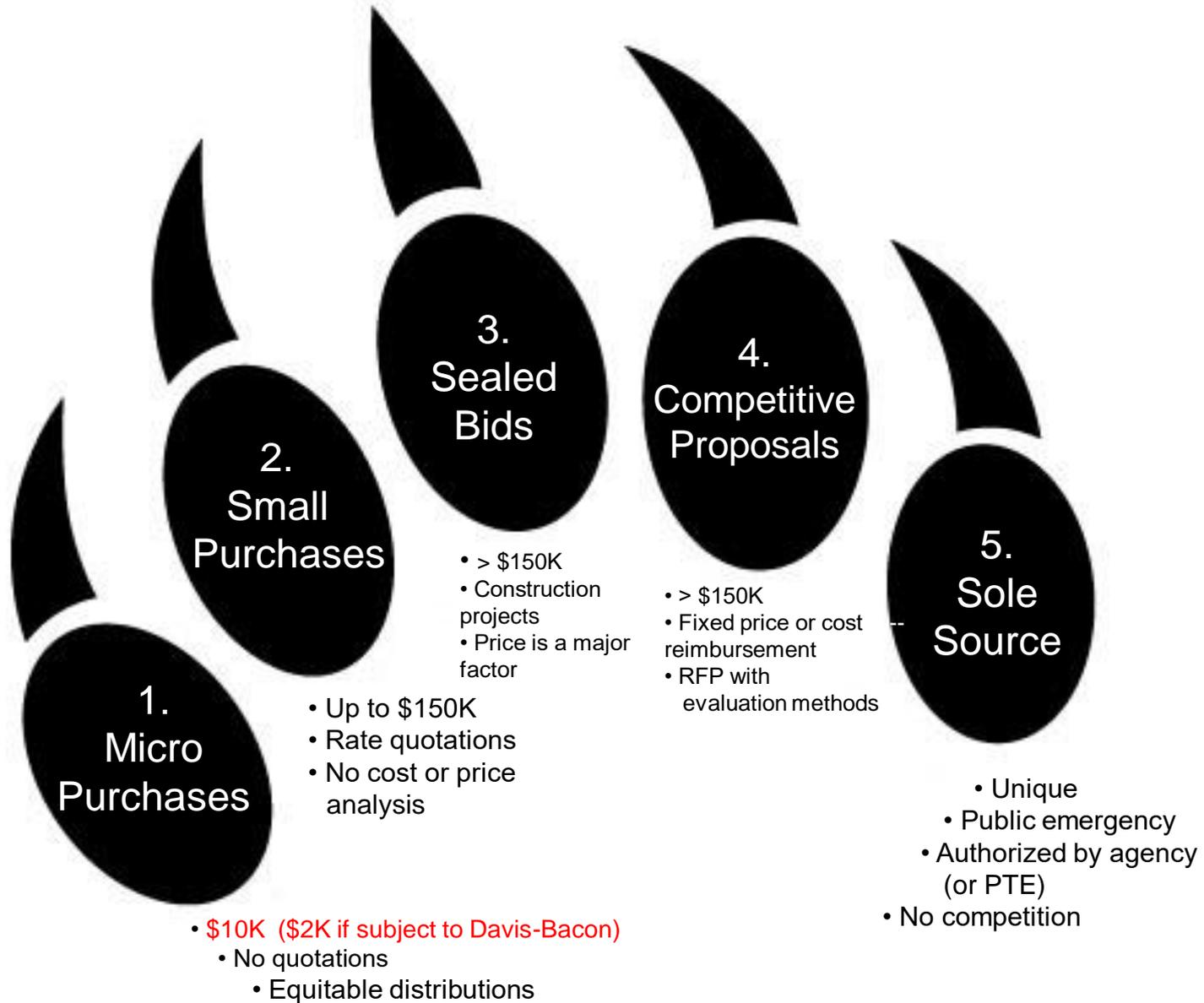
- TO WHOM?
  - **FEDERAL** OR QUARTERLY, SEMI, ANNUAL, FFR
  - **INTERNAL** MONTHLY REPORTS
  - **PREPARED** FROM ACCOUNTING RECORDS



## Procurement “Claw” (Sections 200.317-326)



# Procurement “Claw” <sup>41</sup>(Section 200.320)



## RECORD RETENTION AND ACCESS

- Record Retention and Access – Clarifies 3 Years After Submitting Final FFR (333).
- Request for Transfer of Records (334).
- Methods for Collection, Transmission, Storage of Information (335).
- Access to Records (336).
- Restrictions on Public Access to Records (337).

# Administrative Requirements:

## Uniform Guidance Subpart D, Subsection 200.307 (formerly A102.25)

- Program Income
  - Income from fees for services provided
  - The use or rental of real or personal property acquired under federally funded projects
  - The sale of commodities or items fabricated under the award
  - License fees/royalties on patents & copyrights
  - Interest on loans made with award funds
  
- Three methods (Treatment of Program Income) M.A.D.
  - **M.**atching or cost sharing in which the program income is used to help satisfy any required or committed match or cost share
  - **A.**dditive method in which the program income is added to the total project budget (NOTE-this method is the only method that increases)
  - **D.**eductive method in which the program income is taken out of the award, thereby reducing the federal contribution.

# Financial Reporting

- ❖ Financial reports are generated by the finance/accounting team and shared with the budget/program manager
- ❖ Accountant will address concerns/answer questions about budget
- ❖ Accounting verifies proper coding and ensures timely spending via PO reports.
- ❖ Accountant submits reports/requests for reimbursements

# FUNDING MATRIX

- The funding matrix is provided by your State Department of Education for all awards passed through them as a fiscal agent.
- Each award and allowable allocation codes are included on a spreadsheet.
- Below is a sample of the Federal Funding Matrix

MUNIS Object Class	MUNIS Object Code	Allowable Expenditures (MUNIS Program Code)	CARES Act ESSER Funds 613F	CRRSA Act ESSER II Funds 554G 554GS	ESSER II 85% Direct Service Determination
0500-Other Purchased Services	0553	Publications	Yes	Yes	Yes
0500-Other Purchased Services	0559	Other Printing	Yes	Yes	No
0500-Other Purchased Services	0561	Tuition: Kentucky LEA	Yes	Yes	Yes
0500-Other Purchased Services	0562	Tuition to Other School District Outside the State	Yes	Yes	Yes
0500-Other Purchased Services	0563	Tuition: Private School	Yes	Yes	No
0500-Other Purchased Services	0564	Tuition: Kentucky Intermediate Agency	Yes	Yes	No
0500-Other Purchased Services	0565	Tuition: Other Intermediate Agency	Yes	Yes	No
0500-Other Purchased Services	0569	Tuition: Other	Yes	Yes	No
0500-Other Purchased Services	0570	Food Service Management	No	No	Yes, if providing direct Child Nutrition Program services to students
0500-Other Purchased Services	0580	Travel	Yes	Yes	Yes
0500-Other Purchased Services	0581	Travel: Mileage	Yes	Yes	Yes
0500-Other Purchased Services	0583	Food Service - Hauling of Commodities	Yes	Yes	Yes
0500-Other Purchased Services	0585	Travel: Meals	Yes	Yes	Yes
0500-Other Purchased Services	0586	Travel: Lodging	Yes	Yes	Yes
0500-Other Purchased Services	0589	Travel: Other	Yes	Yes	Yes
0500-Other Purchased Services	0591	Services Purchased from Another District or Educational Agency within the State	Yes	Yes	Yes
0500-Other Purchased Services	0592	Services Purchased from Another District or Educational Agency outside the State	Yes	Yes	Yes
0600-Supplies and Materials	0610	General Supplies	Yes	Yes	Yes
0600-Supplies and Materials	0616	Food Non-Instructional Non Food	Yes	Yes	Yes
0600-Supplies and Materials	0617	Food Instructional Non-Food Service	Yes	Yes	Yes
0600-Supplies and Materials	0621	Natural Gas	No	No	Yes
0600-Supplies and Materials	0622	Electricity	No	No	Yes
0600-Supplies and Materials	0623	Bottled Gas	No	No	Yes
0600-Supplies and Materials	0624	Fuel Oil	No	No	Yes
0600-Supplies and Materials	0625	Coal	No	No	Yes
0600-Supplies and Materials	0626	Gasoline - Data required for Federal reporting	Yes	Yes	Yes, if used to support services due to COVID-19
0600-Supplies and Materials	0627	Diesel Fuel - Data required for Federal reporting	Yes	Yes	Yes, if used to support services due to COVID-19
0600-Supplies and Materials	0629	Alternative fuels	Yes	Yes	Yes
0600-Supplies and Materials	0630	Food (for Food Services Fund only)	Yes	Yes	Yes
0600-Supplies and Materials	0631	Catering	Yes	Yes	Yes
0600-Supplies and Materials	0635	Milk	Yes	Yes	Yes
0600-Supplies and Materials	0636	In-Service	No	No	No

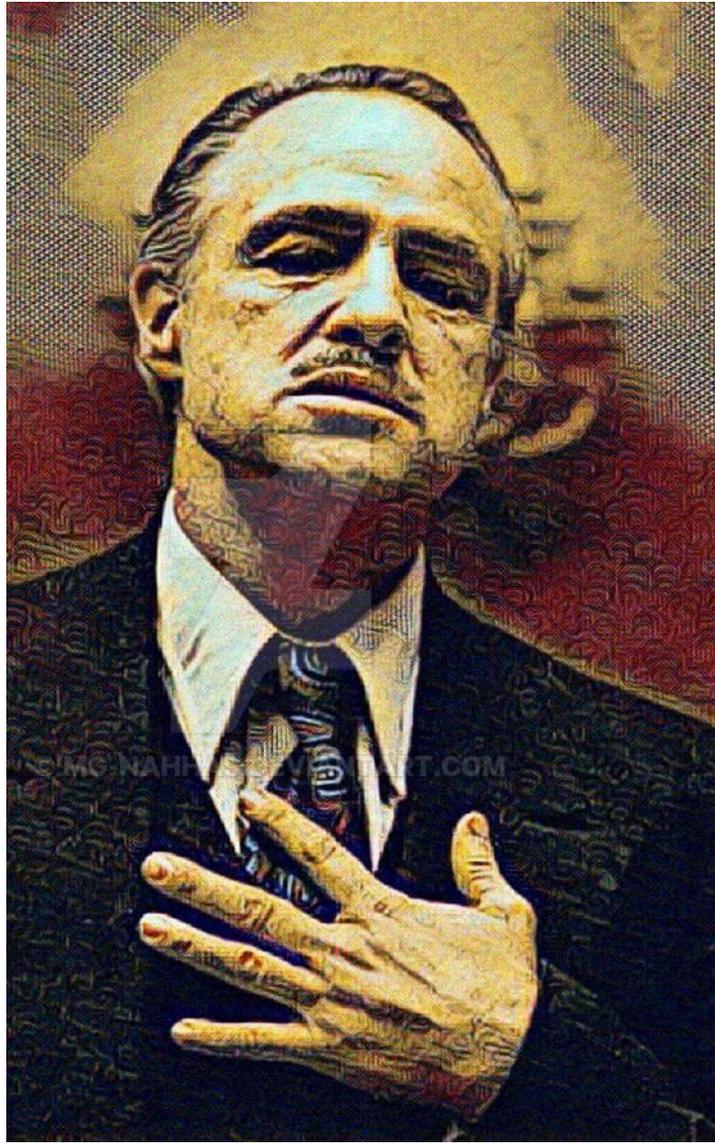
## Financial Reporting cont.

- ❖ Accounting verifies revenues are received; contacts awarding agency on delayed payments
- ❖ Once all funds are expended, grant accountant will generate final financial report for submittal and final reimbursement payment.

# Administrative Requirements:

## CLOSEOUT – Uniform Guidance Subpart D, Subsection 200.343 (formerly A-102.50)

- IMPORTANT NOTE:
  - Every final report must be adjusted to audit.
  - Have 6 months to resolve audit findings.
- ❖ Final program and financial reports are submitted to the awarding agency
- ❖ The awarding agency review documents and notifies the District that closeout is complete or if additional information is needed.



## Subpart E – Cost Principles

639 - 662

# Key Sections – Subpart E

## 200.414 Indirect Costs

- Federal acceptance of approved IDC rates
  - Federal awarding agency must accept approved negotiated IDC rates, unless otherwise required by federal statute, regulation, or when approved by agency head or delegate.
- **New de minimis rate of 10% for entities that do not have negotiated rates**
- Any non-federal entity that has a federally negotiated rate may apply for a one time extension, for a period up to 4 years.

# What are Indirect Costs

- The concept of indirect costs, also referred to as “overhead”, or “administrative expenses
- A lot of these indirect costs are hard to calculate--because they result from shared services such as the Accounting, Budgeting, Human Resources, Technology Support, maintenance, utility costs, administrative expenses, and depreciation for buildings and equipment--funders allow grantees/school districts to request indirect costs as a percentage of the overall request

# Who determines the Indirect Costs Rate

- The majority of funding provided to Local Education Agencies, LEA, (such as School Districts) is from the United States Department of Education passed through the State Education Agency, SEA, (such as the Kentucky Department of Education.
- The United States Department of Education delegates authority for LEAs' indirect cost rate determination to the State Education Agency. FCPS' Grants Team is required to request indirect costs whenever they are allowed.

# INDIRECT COST

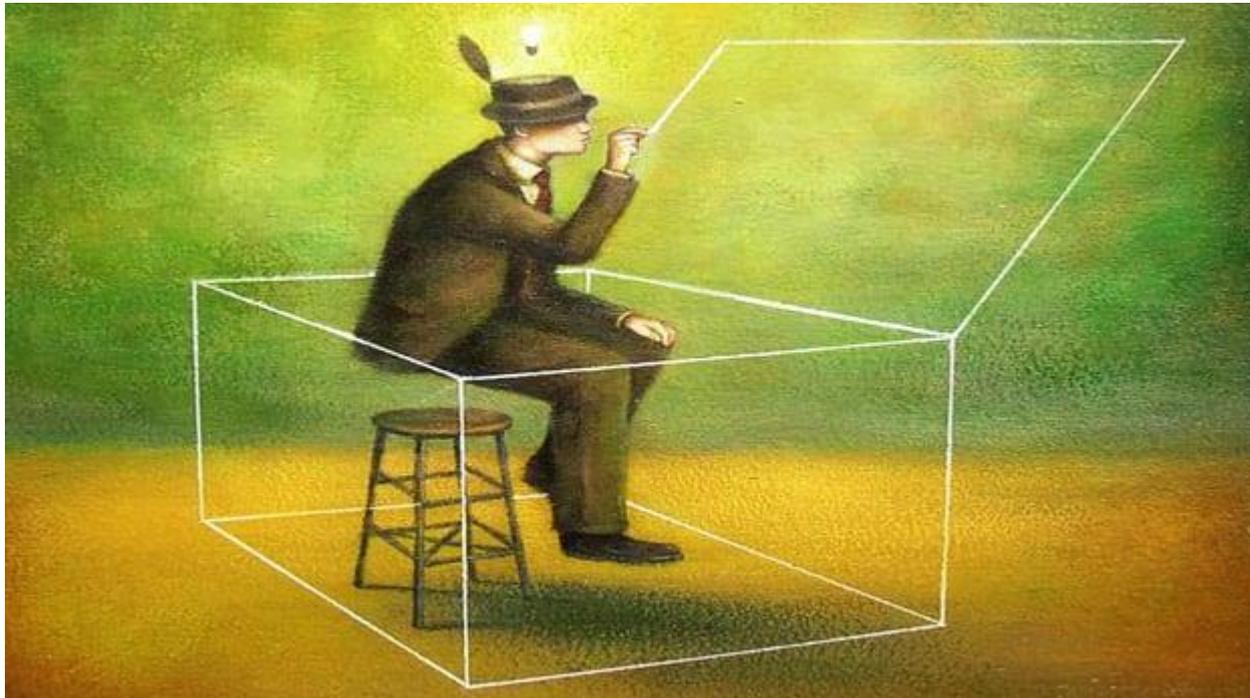
- Every School District, who takes indirect costs should calculate and processes indirect cost (IDC) for awards on a quarterly basis.
- MTD reports are run and reviewed for input into the IDC calculation spreadsheet.
- The expenditure amount used for each award is the total year to date amount, less any 0700 series amounts. That total is then multiplied by the current or specified IDC rate, less any previously taken amount for the year. The remaining amount is what is processed for the quarter.
  - Example: project 551DT  $(\$49,615.14 - \$1,278.95) * 5.28\% = \$2,552.15 - \$973.02 = \$1,579.13$  which is the amount to be taken for IDC
- Once all calculations have been established, a journal entry is processed debiting the IDC accounts and crediting 110-5220

# RESTRICTED V/S UNRESTRICTED

**Kentucky Department of Education  
Indirect Cost Rates used for FY 2021 - 2022  
Based on FYE 2019- 2020**

<b>District</b>	<b>Non Restricted Rates</b>	<b>Restricted Rates</b>
111 Casey County	15.00	2.30
113 Caverna Independent	9.69	0.05
115 Christian County	15.96	3.24
121 Clark County	14.22	1.77
125 Clay County	9.72	0.88
131 Clinton County	11.54	0.90
132 Cloverport Independent	15.57	6.25
133 Corbin Independent	11.82	2.54
134 Covington Independent	16.07	3.96
135 Crittenden County	13.31	1.74
141 Cumberland County	13.24	3.25
143 Danville Independent	12.84	1.72
145 Daviess County	10.63	1.86
146 Dawson Springs Independent	14.93	3.93
147 Dayton Independent	14.45	3.11
149 East Bernstadt Independent	16.00	4.22
151 Edmonson County	14.00	2.28
152 Elizabethtown Independent	16.80	2.09
155 Elliott County	17.67	3.46
156 Eminence Independent	10.69	1.83
157 Erlanger-Elsmere Independent	9.10	1.45
161 Estill County	13.90	2.21
162 Fairview Independent	21.77	6.29
165 Fayette County	17.23	6.00
171 Fleming County	12.73	0.15
175 Floyd County	15.69	1.31
176 Fort Thomas Independent	13.96	2.47
177 Frankfort Independent	17.39	4.93
181 Franklin County	11.45	1.78

# Think Outside the Box (Revenue for the future & Less Restrictions)



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Who spends all of their grants that have 27 months within 12 months?



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# Why Charging indirect cost does “NOT” take away from schools/grant programs?

July 1, 2017 -	September 30, 2017	June 30, 2018 -	July 1, 2018 -	September 30, 2018 -	June 30, 2019 -	July 1, 2019	September 30, 2019
2017 GRANT AWARD PERIOD							
2018 GRANT AWARD PERIOD							
FISCAL YEAR 2018			FISCAL YEAR 2019			FISCAL YEAR 2020	
		2019 GRANT AWARD PERIOD					

**NOTE: YOUR GRANT AWARD AND YOUR THE FISCAL YEAR ARE DIFFERENT!**

# PRIVITY RULES: WHO DO YOU CALL?



# RELATIONSHIP AMONG PLAYERS & THEIR RESPONSIBILITIES

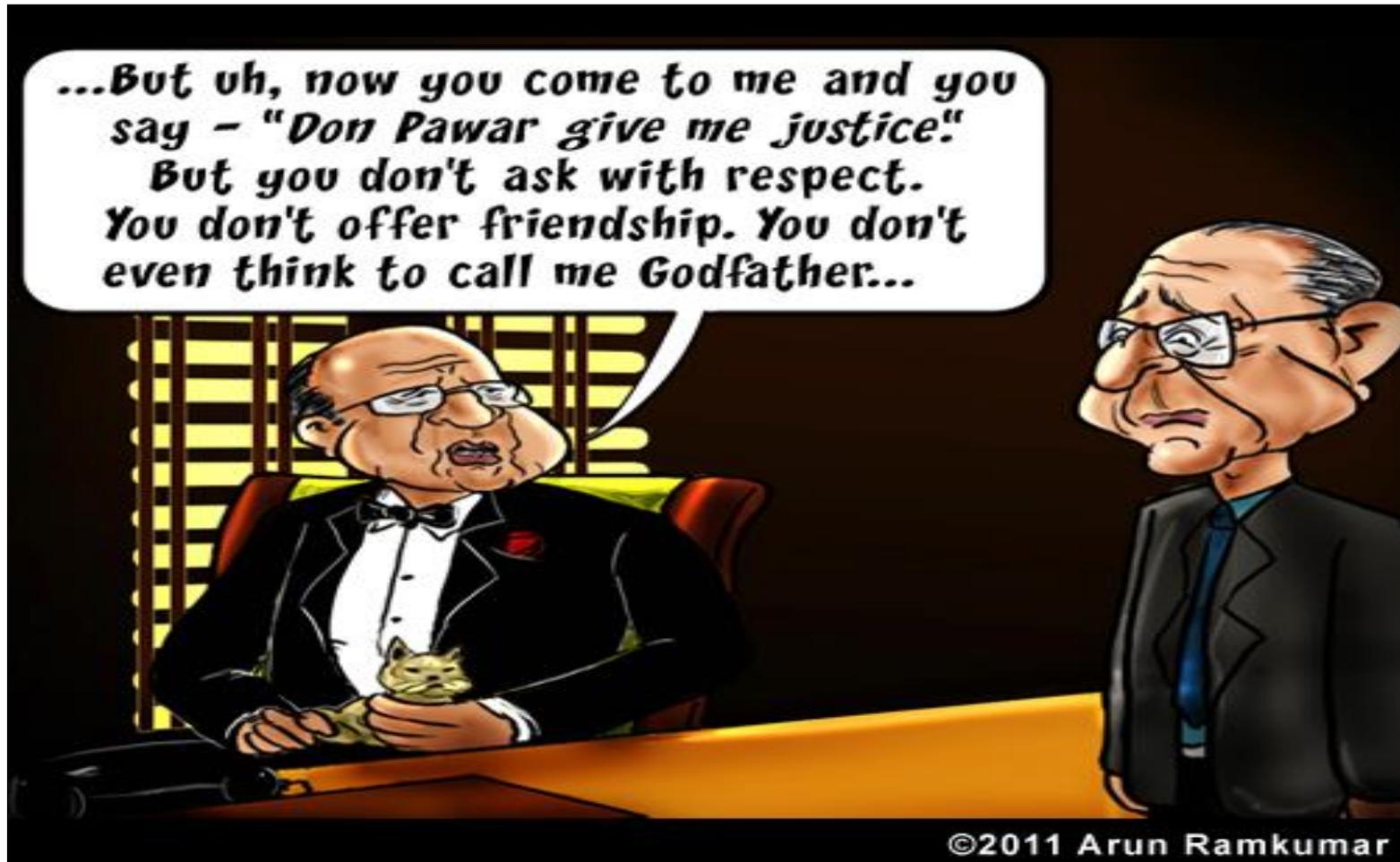
- Federal Government —————> Pass through entity —————> Sub recipients —————> Beneficiaries
- **Mirroring Effect:** Is the mirror of how we do business. (i.e. the Pass Through entity mirrors the Federal Government; the Sub recipient mirrors the pass through entity.
- **LAW OF PRIVACY-IMPORTANT NOTE:** *The pass through entity is responsible to the federal government for the recipient's performance. Therefore if the federal government becomes aware of the sub recipients misexpenditures, the feds will recoup the funds from the pass through entity not the sub recipient.*
- **Law of Privity:** The connection or relationship that exist between 2 contracting parties.

- Fed Agency → Pass Through Entity → Sub recipient
- US Dept. Ed → KDE → Fayette County Public Schools
- Privity exists from Feds (US Department of Ed) to Pass Through (KDE) and from the Pass Through (KDE) to the Sub recipient (Fayette County Public Schools).
- It does **NOT exist** from the Federal Awarding Agency (US Department of Ed) to the Sub recipient (Fayette County Public Schools).

# Prior Approvals

- **Prior Approval - Uniform Guidance subpart D Subsection 200.308(b) (formerly A-102.30(a)(c)(1)(ii)); Subpart E Subsection 200.407**
  - Change in scope
  - Change in key personnel
  - Transfer of amounts budgeted in indirect to direct to absorb increases in direct costs or vice versa
  - The inclusion of costs that require prior approval under cost principles unless waived by federal awarding agency
  - Special or usual costs
- **NOTE: FOR YOUR PROTECTION GET ALL PRIOR APPROVALS IN WRITTEN DOCUMENTATION FORM. WRITTEN PRIOR APPROVAL'S ALSO INCLUDE EMAILS**

# COST PRINCIPLES DO YOU KNOW THEM?



# Cost Principles

## ALLOWABLE

- Necessary and reasonable
- Conforms to the cost principles and grant's terms and conditions
- Authorized or permitted by law or regulation
- Treated consistently as a direct or indirect cost
- Adequately documented

## ALLOCABLE

- Chargeable and assignable to cost categories
- Incurred solely to advance the work under the sponsored agreement
- Necessary to the overall operation of the agreement
- Not charged to other Federal awards

## REASONABLE

- Reasonable costs are determined by the prudent person test (i.e., amount charged is not excessive and is within the bounds of common sense)

Costs must be **NECESSARY** for proper and efficient performance and administration of the award (i.e., if it's a reasonable cost, if it's not necessary for the performance of the award, it is not allowable)

# Federal Grant Drawdowns

- Reimbursement Basis for expenditures incurred
- Based on actual expenditures
- Variances due to minor changes in salaries will be offset the next drawdown period
- Limited to, at most, one drawdown per month
- Do not draw down funds based on purchase orders (expenditure not incurred)
- have written procedures detailing the draw down process!

## Federal Grants Disbursements Methods

### ADVANCE PAYMENTS

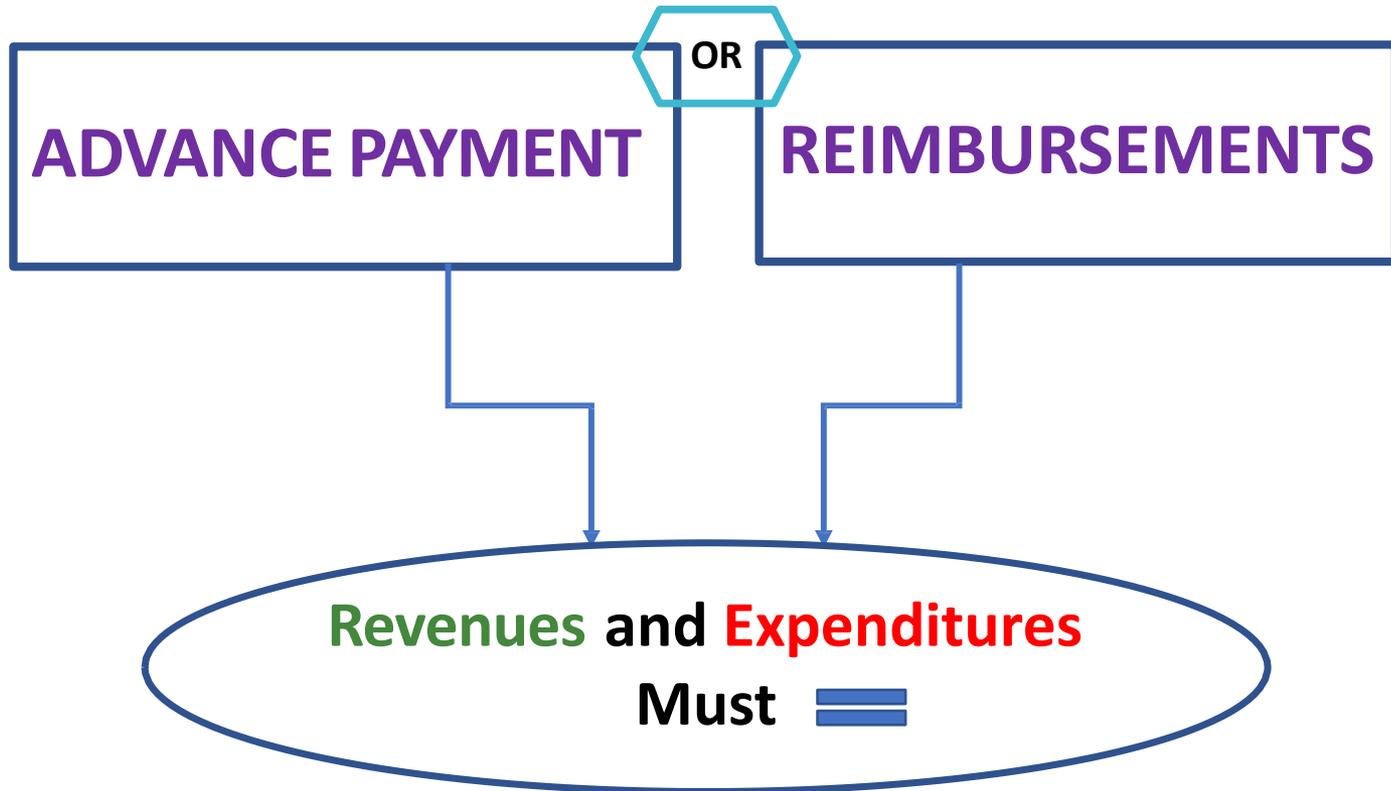
- Advance payments to LEAs must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements (usually 3 days).
- See '**Federal Program Drawdown Position Paper**' for other exceptions such as related to payroll requirements.

### REIMBURSEMENTS

- LEAs can draw down funds on a reimbursement basis for all allowable expenditures incurred in their participating Federal Program(s).
- An incurred expenditure is defined as an expenditure for goods and/or services in which the LEA has received, even if no payment was made. This will include salaries, utilities, rent, supplies, and other current obligations.

# Revenues and Expenditures Must Equal

**Regardless of the reimbursement method:**



# WHAT IF THE ENDING FUND BALANCE DOES $\neq$ ZERO

## Possible Reasons

## Possible Corrective Actions

1. There is a beginning fund balance that should have been corrected in the previous fiscal year.

✧ Research the previous year's revenues and expenditures to determine the cause of ending fund balance in the federal program. Audit adjustments may be required and/or a refund to GADOE.

2. Revenue was received before an expenditure was incurred.

✧ Book the appropriate expenditure **OR**  
✧ Reclassify the revenue as 'Unearned Revenue' **OR**  
✧ Refund the revenue to GADOE

3. Revenue was received, but the expenditure was cancelled.

✧ Funds may need to be returned to GADOE if allowable expenditures are not incurred.

4. If the Ending Fund Balance is **positive**:



✧ Payable /accrual was probably not created.  
**ACTION:** Create the respective payable/accrual.

5. If the Ending Fund Balance is **negative**:



✧ Receivable was probably not created to cover the expenditures. **ACTION:** Create the respective accounts receivable.

# Spending cont.

## Potential results of non-compliant spending

- Failure to spend “old” money before “new” presents possible audit comments and prevents timely reimbursement requests
- Grant funds being forfeited.
- Possible reduction in funding for the next year
- Possible loss of award (not receiving funds at all).

# Key Sections – Subpart E

## 200.415 Certifications

- Annual and final fiscal reports or vouchers requesting payment must include a certification signed by an official who can **legally bind** the State
- More strongly worded certification language that introduces **potential penalties** under the false claims act, for fraudulent information for omission of material facts
- **Who signs the reports?.....**It should NOT be the Finance Officer because you are not the Program Budget Manager. Thus why would you certify that the charges are accurate and in compliance.



# 200.415 Certifications Example #1

- LOS ANGELES – A nun who was the principal of a Catholic elementary school in Torrance was sentenced today to 12 months and one day in federal prison for stealing more than \$835,000 in school funds to pay for personal expenses, including gambling trips.

Mary Margaret Kreuper, 80, of the Arlington Heights neighborhood in Los Angeles, was sentenced by United States District Judge Otis D. Wright II, who also ordered her to pay \$825,338 in restitution.

Kreuper pleaded guilty in July 2021 to one count of wire fraud and one count of money laundering.

For a period of 10 years ending in September 2018, Kreuper embezzled money from St. James Catholic School. As principal – a position she held for 28 years – Kreuper was responsible for the money the school received to pay for tuition and fees, as well as for charitable donations. Kreuper controlled accounts at a credit union, including a savings account for the school and one established to pay the living expenses of the nuns employed by the school.

Kreuper, who as a nun had taken a vow of poverty, diverted school funds into the St. James Convent Account and the St. James Savings Account and then used the diverted funds “to pay for expenses that the order would not have approved, much less paid for, including large gambling expenses incurred at casinos and certain credit card charges,” according to court documents.

Kreuper falsified monthly and annual reports to the school administration to cover up her fraudulent conduct and “lulled St. James School and the Administration into believing that the school’s finances were being properly accounted for and its financial assets properly safeguarded, which, in turn, allowed defendant Kreuper to maintain her access and control of the school’s finances and accounts and, thus, continue operating the fraudulent scheme,” according to court documents. Kreuper also directed St. James School employees to alter and destroy financial records during a school audit.

The total losses Kreuper caused to St. James Catholic School were \$835,339.

## 200.415 Certifications Example #2

- A former curriculum and technology director and principal who stole at least \$250,000 from the private school system in which he worked pled guilty today in federal court in Cedar Rapids, Iowa.

Todd Charles Wessels, age 49, from Dubuque, Iowa, was convicted of one count of wire fraud. In a plea agreement, Wessels admitted he was the Curriculum and Technology Director for a private, religious, not-for-profit school district in Dubuque. Wessels was responsible for ensuring that the school district met the technology needs of approximately 1,800 students at its high school, middle school, and elementary schools. Before 2016, Wessels also served in a dual role as the principal of one of the elementary schools.

Beginning on an unknown date but no later than June 2011, Wessels devised and executed a scheme to make purchases for his own benefit with the school district's funds. Wessels had, without the school district's knowledge, falsely and fraudulently opened the PayPal account in the school district's name but under the handle "WENWESS". Finally, Wessels provided the school district receipts for the purchases of the pre-paid debit cards on the false and fraudulent pretense that the use of the store credit cards was for legitimate purchases. Wessels also sold the school district's computer equipment on third-party Internet websites without its knowledge or permission.

## 200.415 Certifications Example #3

- A federal grand jury in Hartford has returned an indictment charging former employee of the City of West Haven and his three alleged co-conspirators for their involvement in schemes that resulted in the theft of more than \$1.2 million dollars in COVID relief funds and other funds from the City of West Haven.

The six-count indictment, which was returned yesterday, charges MICHAEL DiMASSA, 31, JOHN TRASACCO, 50, LAUREN KNOX, 37, and JOHN BERNARDO, 65, all of West Haven, with conspiracy and fraud offenses

As alleged in the indictment, DiMassa was a Connecticut State Representative who was also employed by the City of West Haven, most recently serving as the Administrative Assistant to the City Council. In April 2020, the State of Connecticut was allocated money by the U.S. Department of the Treasury through the Coronavirus Relief Fund (“CRF”), which was established by the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) for the purpose of helping local governments pay costs incurred in responding to the COVID-19 pandemic. From July 2020 through September 2021, the City of West Haven received approximately \$1,150,257 in financial assistance from this fund. DiMassa, who was authorized to approve the designated relief funds for the reimbursement of COVID-related expenditures incurred by West Haven, conspired with Trasacco, Knox and Bernardo to steal these funds and other West Haven funds through the submission of fraudulent invoices, and subsequent payment, for COVID relief goods and services that were never provided.

The indictment alleges that DiMassa conspired with Trasacco through the submission of fraudulent invoices to L & H Company and JIL Sanitation Services, two entities controlled by Trasacco, for goods and services never received by West Haven, including thousands of units of Personal Protective Equipment (PPE), HVAC maintenance at multiple municipal locations, COVID supplies for the Board of Education, and cleaning services for various municipal and school buildings, including one school building that had been vacant and abandoned for several years. L & H Company and JIL Sanitation Services received approximately \$431,982 through this scheme.

## 200.415 Certifications Example #4

- CHICAGO — An ongoing federal investigation into an alleged fraud scheme at a Chicago elementary school has resulted in charges against two new defendants.

An eleven-count superseding indictment unsealed today in U.S. District Court in Chicago alleges that SARAH JACKSON ABEDALAL carried out a fraud scheme while serving as Principal of Brennemann Elementary School on the North Side of Chicago. The first aspect of the scheme involved overtime fraud, for which Abedalal was initially charged last year. The superseding indictment adds a second aspect to the alleged scheme – procurement fraud – and charges two new defendants: former Brennemann Assistant Principal JENNIFER MCBRIDE, and former Brennemann Business Manager WILLIAM JACKSON.

- According to the superseding indictment, the procurement aspect of the fraud scheme was carried out by Abedalal, Jackson, and a sales representative for a company that sold goods to Chicago Public Schools. The trio allegedly submitted or caused to be submitted to CPS false purchase orders and invoices totaling more than \$45,000, ostensibly for office and school supplies.
- The overtime aspect of the fraud scheme was allegedly carried out by Abedalal and McBride, with assistance from Jackson, two other former employees at the school, and others. The charges allege that Abedalal authorized unearned overtime pay for certain employees and directed them to deliver the proceeds to Abedalal or McBride in the form of cash or gift cards. Abedalal told the employees that the money would be used to fund legitimate school expenses, when, in fact, Abedalal intended to convert the money to her own personal use, the indictment alleges. Abedalal, McBride, Jackson, and others prepared or caused to be prepared fraudulent overtime sheets to conceal the scheme, the indictment states.

# What About Compensation and Executive Compensation (200.430)?

- ▶ Compensation includes
  - ▶ All remuneration, currently or accrued for services rendered during the award period
    - ▶ Not always wages and salaries – also includes fringe benefits

Compensation must be

- ▶ Reasonable for services rendered
- ▶ Conforms to written policy consistently applied (as to not unfairly burden the federal government)
- ▶ Follows an appointment made in accordance with non-federal entity's policies / procedures / laws etc.
- ▶ Determined and supported

# Compensation Documentation

- Time & Effort Logs
- **40 hour week is not same as 100 percent effort**
- **Time and Effort reports-should be kept** and maintained regardless of if actual or just match **for 3 years**
- **Clerical hourly staff** do not have to complete time and effort logs, but do have to have **timesheets with appropriate signature documentation**
- **Timesheets for grant programs:** Any employee involved in multiple activities or cost objectives must have a detailed personnel activity report maintained. These timesheets and reports must be signed and must **at least be prepared monthly** and coincide with one or more pay periods.
- Under **the consistency rule**, Federal and Nonfederal programs should both be obligated to fill out such timesheets and/or activity reports.

## FAYETTE COUNTY BOARD OF EDUCATION GRANT TIMESHEET (Effort Log)

(Must be completed monthly)

FABS-GRANT ACCTG FORM-01 updated 7/1/21

Employee Name: Jane Doe

Position Title: Teacher

Employee Number: 123456

PAYROLL PERIOD	PROJECT NUMBER	PROJECT NAME	PERCENTAGE OF TIME
AUGUST 2021	5546D	ESSER II	50%
	N/A	GENERAL FUNDS	50%
<b>TOTAL PERCENTAGE OF TIME</b> (Must = 100% per pay period )			100 %

Is this employee in-kind or cash match?

Yes  No

If so please complete the org, obj, & project numbers below utilized as match.

Org \_\_\_\_\_

Object \_\_\_\_\_

Project (if applicable) \_\_\_\_\_

**My signature certifies that the time and effort charged to this grant, accurately reflect the hours worked on this project.**

8/31/2021  
Date

ESSER Project Manager  
Budget Manager Signature

Jane Doe  
Employee Signature

**NOTE: These timesheets are mandatory effective July 1, 2021 for all salaried payroll related to grants, the budget manager must keep copies of these timesheets on file at least 3 years from the close of the project.**

# TRAVEL (200.474)

- **Must have a written policy and procedures guide for travel expenditures**

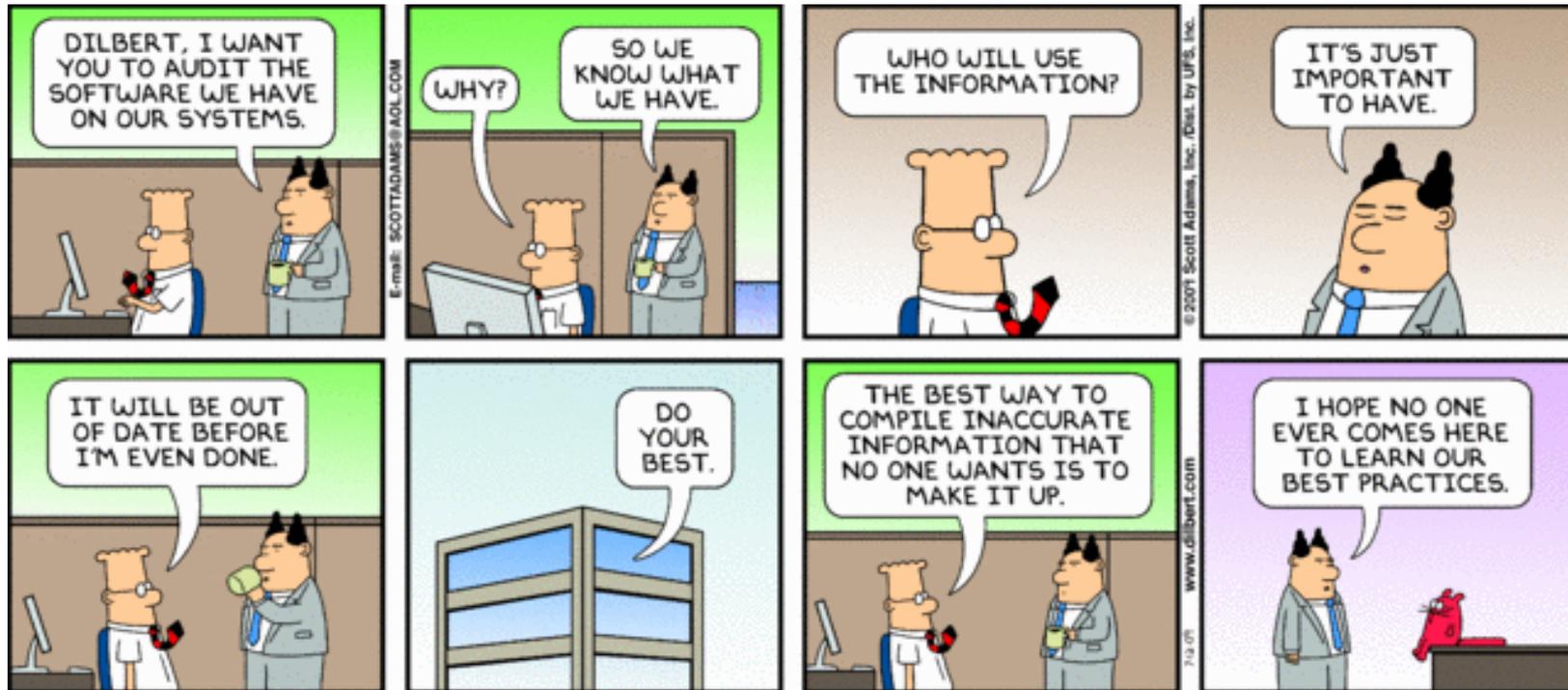


# Subpart F – Audit Requirements

# THE GAME OF GRANTS AUDIT SEASON!..ARE YOU ALL IN?



# THE AUDIT PROCESS



# AUDITORS

## GAO

- CONGRESS
- REAUTORIZATION

## OIG

- INSPECTOR
- AUDITOR

## SINGLE AUDIT

- NON-FEDERAL AUDITORS
- STATE AUDITOR
- CPA FIRM

# SINGLE AUDIT



- REQUIRED BY SINGLE AUDIT ACT - AND IMPLEMENTED BY 2CFR200 Subpart F
- SINGLE AUDIT OPINIONS & REPORTS:
  - FINANCIAL
  - COMPLIANCE
  - INTERNAL CONTROL

# COMMON AUDIT PROBLEMS

- Time & Effort Reporting
- General & Administrative Cost Allocation
- Subrecipients Not Monitored
- Inadequate Accounting Systems
- Lack of Written Policies & Procedures

# THE AUDIT PROCESS

# AUDIT APPROACH 200.512-514

## ■ FINANCIAL

- FINANCIAL STATUS REPORT
- ACCOUNTING RECORDS
- CURRENT, ACCURATE & RELIABLE
- VARIANCES
- COST ANALYSIS
- TIMELINESS

## ■ PROGRAMMATIC

- PROGRESS REPORT
- GOALS & OBJECTIVES
- CURRENT, ACCURATE & RELIABLE
- VARIANCES
- EVALUATE EFFECTIVENESS
- TIMELINESS

# CLASSIFICATION OF FINDINGS

## 200.516

- MONETARY

- QUESTION COST:  
ALL DECISIONS TO ALLOW OR DISALLOW COST ARE BASED ON:  
(1) ELIGIBILITY (LAW/CFR),  
(2) ALLOWABILITY UNDER THE COST PRINCIPLES

- NON-MONETARY

- A. MANAGEMENT AND/OR SYSTEM DEFICIENCIES  
DECISION SHOULD:
  - A. a) DETERMINE IF A DEFICIENCY EXISTS,
  - B. b) NATURE AND EFFECT OF DEFICIENCY AND,
  - C. c) SPECIFIC ACTIONS REQUIRED TO CORRECT DEFICIENCY.

# QUESTIONED COST

## THE 4 “U”

- **Questioned Costs** are costs that the auditor suggests should not be charged to the federal government. **NOTE:** Auditors do not disallow costs, they only recommend actions.
  - ❖ **Unallowable costs**
  - ❖ **Undocumented Costs**
  - ❖ **Unapproved costs**
  - ❖ **Unreasonable costs**

## CHANGES EFFECTIVE MARCH 24, 2021

- 2CFR200.320 Procurement Changes formalized where micro-purchases increased from \$3,500 to \$10,000
- DUNS number phased out. Replaced by non-proprietary, SAM Generated Unique Entity ID (UEI) Number.
- Assistance Listing replaced CFDA# (Catalog Federal Domestic Assistance)
- Go to [www.beta.sam.gov](http://www.beta.sam.gov) (replacing [www.cfda.gov](http://www.cfda.gov))

# Operational Plan

Presented by Rodney Jackson, MBA, CSFO  
Director of Financial Services



# ESSER & Sustainability (The Future)



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# Grants Management Concerns

1. Sustainable Plan
2. Employee tenure concerns in fund 2.
3. Grant Spending plans & **Other funds**
4. Efficient & Effective Use of Resources
5. Targeting and writing for grants with right fit.
6. Timely signings
7. Contracting with vendors.

**Primary Goal is to Mitigate Risk!**

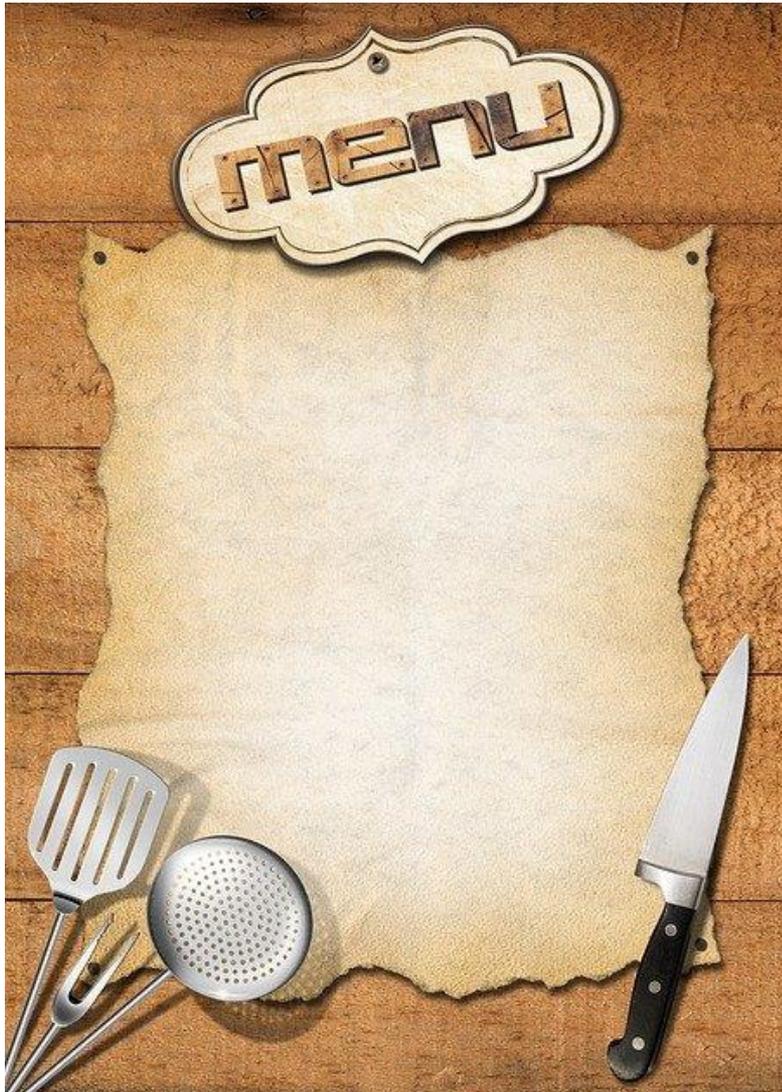


**\* An Operational Plan is a mechanism for scheduling the use of time and resources over the life of the grant project.**

- 1.** What tasks must be completed?
- 2.** Who is responsible for completing each one?
- 3.** When must each task be completed and how long will it take to complete each one?
- 4.** What resources will be allocated to each task?

# Finance Officer Must be at The Table





# On the Menu

## WHAT'S FOR DINNER?

WEEKLY MENU & SANITY KEEPER! WEEK: 4/6 - 4/12

### MONDAY

brown rice noodles  
green beans  
french bread

### TUESDAY

honey sesame chicken  
broccoli  
brown rice

### WEDNESDAY

Crazy Night!  
eat what you can, when you can!

### THURSDAY

lasagna rolls  
salad

### FRIDAY

pizza night!

### SATURDAY

sliders (veggie burger for me)  
tomato and cucumber salad  
roasted potatoes

### SUNDAY

green chicken chili enchiladas  
guacamole

# Online Resources

- ▶ <https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf>
- ▶ [https://www.whitehouse.gov/wp-content/uploads/2021/08/OMB-2021-Compliance-Supplement\\_Final\\_V2.pdf](https://www.whitehouse.gov/wp-content/uploads/2021/08/OMB-2021-Compliance-Supplement_Final_V2.pdf)

# TOP 10 “OFFERS YOU CAN’T REFUSE!”





# Grant Management Top 10

1. **Uniform Guidance Rule:** All grants are to be followed and monitored as outlined in the uniform guidance **OMB Website:** <https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf>
2. **Notice of Grant Award Rule & Privity Rule:** Did you read thoroughly the notice of grant award and note the Assistance Listing # formerly known as the CFDA #, beginning & ending dates, was there match, is indirect cost allowable, what are the reporting requirements? [www.beta.sam.gov](http://www.beta.sam.gov)
3. **PRIVITY: WHO DID YOU GET THE FUNDS FROM DETERMINES THE RULES (ie Feds or Sub-award KDE) Spending Rule:** Whenever concurrent awards are issued, prior year funds are to be spent BEFORE the new award funds.
4. **Monitoring Rule:** As the program/budget manager, it is your responsibility to align, review spending plan to actual spending to ensure timely completion. Grant Accounting will assist with monitoring by reviewing spending and sending periodic reports for signature
5. **Consistency Rule:** Treat all grants (local, state, foundations, etc) the same as you treat federal grants.
6. **Retention Rule:** Length of retention period – 3 years from the final financial status report. Except if any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the 3 year period.

# Grant Management Top 10 cont.

7. **Valuation Rule:** Equipment is valued at less than \$5,000 or supplies are opened and have a value of less than \$5,000. You do not have to send back to the federal government or transfer it to another federal grant program.
8. **Operational Plan Rule:** What tasks must be completed? Who is responsible for each tasks? When will the tasks be completed? And what resources will be allocated to achieve these tasks?
9. **Prior Approval Rule:** All prior approvals must be in writing for changes in budget over an approved threshold &/or significant changes to scope, changes in key personnel, or requesting an extension.
10. **Period of Availability Rule:** This means that if a grant ends June 30<sup>th</sup> all services or goods purchased must be received prior to this date. If not is not an allowable expense REGARDLESS if it is encumbered as of June 30<sup>th</sup>. Additionally all purchase orders must be liquidated of obligations must be done not later than 90to 120 days after the end of the funding period depending on IF you are a direct recipient or sub-awardee

EVERYONE HAS SEAT IN THE GAME OF  
GRANTS



ARE YOU READY TO LEAD YOUR WORK  
FAMILY?

LET'S WIN THE GAME TOGETHER AND NOT TAKE A HIT!



THANK YOU!

EMAIL: [RODNEY.JACKSON@FAYETTE.KYSCHOOLS.US](mailto:RODNEY.JACKSON@FAYETTE.KYSCHOOLS.US) OR  
859-381-4141

ANY QUESTIONS?



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