FEDERAL GRANT **EXPENDITURE REPORTING**

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INTRODUCTIONS

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AGENDA

✓ Best Practices & Need to Knows Before Expenditure Reporting Time
✓ Expenditure Report Due Dates
✓ Preparing to Complete the Expenditure Report
✓ Completing Expenditure Reports in IWAS
✓ Common single audit findings on reporting and how to avoid them

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BEST PRACTICES – BEFORE REPORTING

- Have regular meetings with those involved with your grants.
    - This might include Grant Writer, Grant Administrator, Principals, Business Office
    - Quarterly meetings are very beneficial
    - Having a meeting before the grant is submitted can prevent future issues with items such as coding of expenses.
    - Meeting can help with completing the GATA report.
    - Discuss what has been spent, future spending, and the need for amendments to the grant.

BEST PRACTICES – BEFORE REPORTING

Account Structure

- Set up your accounts for easy reporting
  - Include building location, grant number, a way to separate grant years
- Use your account code structure to help comply with reporting requirements
  - Especially important for Title I
- Set up Account Codes based on the grant application
- Check Position Control to be sure any employees are coded correctly to the grant

BEST PRACTICES – BEFORE REPORTING

AA-BBBB-CCC-DD-EEEE-FF

A = Fund

B = Function

C = Object

Everyone should have these

D = Location/Building

E = Funding Source

F = Grant Year

Could be different based on your district

Using the Account Code Structure is a great way to create and sort reports to give to grant administrators AND be able to file your grant reports

BEST PRACTICES – BEFORE REPORTING

- Understand when your grant ends
  - 6/30 FY vs 8/31 or 9/30 end dates
  - Make sure orders (POs) are placed in time for either the item to be received or the item received and the bill paid to be claimed on the grant
  - Cash or Accrual basis matters
  - Budget year that grant expenses are in. (this has been a major deal for some with the ESSER grants)

EXPENDITURE **REPORT DUE DATES**

- When are my expenditure reports due?
  - Expenditure reports must be completed at least quarterly. If revenue is needed more often you may complete a report more often. Ex. monthly
  - Quarterly reports are due 20 days following the end of the quarter. (10/20, 1/20, 4/20, 7/20)
  - *One of the most common audit findings is late expenditure reports*
- Completion reports due 20 days after grant close (7/20, 9/20)

  - Expenditures and Obligations

- Final Reports are due 2.5 months after grant close (9/15, 11/15)

  - Expenditures only – everything must be paid

  - If your grant is approved after the start of the grant year (ex. Approved on 8/15 with a grant start date of 7/1) will trigger an expenditure report to be done. Check FRIS often.

  - Don't let your grant become frozen for lack of timely reporting

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PREPARING TO **COMPLETE THE EXPENDITURE REPORT**

- Create an excel sheet to track budget to actual, amendments, and remaining funds.

Function	Object	Account #	What	Budget Amount	Expended as of 9/30/21	Remaining $	Expended as of 12/31/21	Remaining $	Amendment 3 (3/22)	Expended as of 3/31/22	Remaining $
1000	100	10-1200-115-4620-EV	Portion of 2 Para salary						16,283.00	5,427.40	10,855.60
1000	200		Benefits						2,213.00	746.15	1,466.85
1000	400	10-1200-410-4620-EV	Wilson Just Words						732.00		732.00
2210	300	10-2210-312-4620-EV	PD	1,520.00		1,520.00		1,520.00	1,520.00		1,520.00
4000	300	10-4120-310-4620-01-EV	Payment to the Winnebago Special Education Cooperative portion of the speech therapist salary.	16,721.00		16,721.00	4264.95	12,456.05	17,059.00	7,558.88	9,500.12
4000	300	10-4210-310-4620-02-EV	Payment to the Winnebago Special Education Cooperative portion of the school psychologist.	7,679.00		7,679.00	1081.75	6,597.25	-		-
				25,920.00	-	25,920.00	5,346.70	20,573.30	37,807.00	13,732.43	24,074.57

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PREPARING TO **COMPLETE THE EXPENDITURE REPORT**

- Verify that:
  - All AP is entered
  - Any journal entries that need to be made have entered
  - All items in financial software have been posted
- Run report in financial software
- Update excel sheet (if use one)
- Have quarterly meeting

PREPARING TO **COMPLETE THE EXPENDITURE REPORT**

End of the fiscal year and grant year

- Make sure all the expenses have been made and are accounted for.
- Accrual basis – everything accounted for in time
- *From the Auditor's perspective: Ensure you retain the documentation you utilized to complete the expenditure reports. Not only look at timeliness but also ensure that the amounts on the reports agree to the Districts underlying accounting records.*
  - *This might seem very basic, but it's easy to have a potential journal entry recorded after the reports are submitted and this helps track down any potential differences noted*

COMPLETING **THE REPORT IN IWAS**

Important Items on the expenditure report

There is a great resource on ISBE for a step by step guide to entering your expenditure report in IWAS.
https://www.isbe.net/Documents/electronic-expenditure-reports.pdf#search=grant%20expenditure%20reports

- Indirect costs – Indirect costs are those costs which are not readily identifiable with the activities of the grant or contract but are nevertheless incurred for the joint benefit of those activities and other activities and programs of the organization. Accounting, payroll, personnel, budgeting, and purchasing are examples of services which typically benefit several activities and programs and for which costs may be attributed by means of an indirect cost plan.
- Indirect costs would have been included in your grant application
- More information on indirect costs and how they work can be found here:
  - https://www.isbe.net/Documents/indirect_cost_plan.pdf

COMPLETING **THE REPORT IN IWAS**

Important Items on the expenditure report

- Outstanding Obligations- Any liability for which funds are committed prior to the end of the presorting period and is expected to be paid within 90 days.
    - Only reportable on Federal programs for the report through dates of: project end, 6/30, or after 6/30.
    - If you do not put an amount in this area and the grant period end date is 6/30 it might trigger as a final report. Then you will not have the opportunity to capture these as expenses.

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COMPLETING **THE REPORT IN IWAS**

Important items on the expenditure report cont.

- Customized Program Selection for TANF – Early Childhood Programs only
  - Uses your enrollment count for that reporting period and Free & Reduced count for the same period.

Customized section for TANF (Temporary Assistance for Needy Families)
Early Childhood Programs only:
-Enter the number of students served <u>in the Early Childhood program</u> (unduplicated) for this quarter only
-Of the number of students served (in the line above) <u>in the Early Childhood program</u> (unduplicated), how many are eligible for Free & Reduced Lunch? (THIS QUARTER ONLY)

CUSTOMIZED PROGRAM SECTION for TANF

Please provide information on Temporary Assistance for Needy Families. These numbers are NOT cumulative. The numbers entered for each quarter are unrelated to services in prior quarters.

DESCRIPTION	TOTAL
Number of students served in this program (unduplicated) this past period (**THIS QUARTER ONLY**)	224
Of the number of students served in this program, how many are eligible (unduplicated) for Free & Reduced Lunch? (**THIS QUARTER ONLY**)	201

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COMPLETING THE REPORT IN IWAS

Important items on the expenditure report cont..

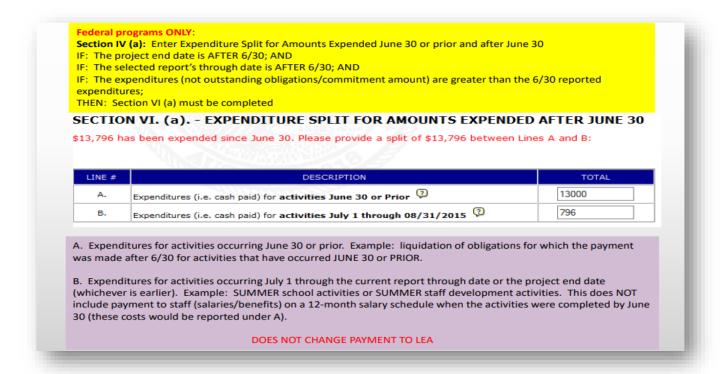- Commitment Amount – can be used to get funds for expenses a month in advance.

COMPLETING THE REPORT IN IWAS

Important items on the expenditure report cont..

- Expenditure Split- when the grant or expenses cross fiscal years.

Federal programs ONLY:
Section IV (a): Enter Expenditure Split for Amounts Expended June 30 or prior and after June 30
IF: The project end date is AFTER 6/30; AND
IF: The selected report's through date is AFTER 6/30; AND
IF: The expenditures (not outstanding obligations/commitment amount) are greater than the 6/30 reported expenditures;
THEN: Section VI (a) must be completed

SECTION VI. (a). – EXPENDITURE SPLIT FOR AMOUNTS EXPENDED AFTER JUNE 30

$13,796 has been expended since June 30. Please provide a split of $13,796 between Lines A and B:

LINE #	DESCRIPTION	TOTAL
A.	Expenditures (i.e. cash paid) for **activities June 30 or Prior** ⍰	13000
B.	Expenditures (i.e. cash paid) for **activities July 1 through 08/31/2015** ⍰	796

A. Expenditures for activities occurring June 30 or prior. Example: liquidation of obligations for which the payment was made after 6/30 for activities that have occurred JUNE 30 or PRIOR.

B. Expenditures for activities occurring July 1 through the current report through date or the project end date (whichever is earlier). Example: SUMMER school activities or SUMMER staff development activities. This does NOT include payment to staff (salaries/benefits) on a 12-month salary schedule when the activities were completed by June 30 (these costs would be reported under A).

DOES NOT CHANGE PAYMENT TO LEA

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COMPLETING THE REPORT IN IWAS

Important items on the expenditure report cont..

- Outstanding Obligation Split- when the grant or expenses cross fiscal years and an outstanding obligation amount was entered.

Federal programs ONLY:
Section IV (b): Enter obligation split for outstanding obligations reported June 30 and prior and after June 30
IF: Outstanding obligations are reported; AND
IF: The project end date is AFTER 6/30; AND
IF: The selected report's through date is AFTER 6/30;
THEN: Section VI (b) must be completed

SECTION VI. (b). – OUTSTANDING OBLIGATIONS SPLIT FOR AMOUNTS OBLIGATED AFTER JUNE 30

$5,000 has been reported as outstanding obligations. Please provide a split of $5,000 between Lines A and B:

LINE #	DESCRIPTION	TOTAL
A.	Obligations **incurred June 30 or Prior**	2000
B.	Obligations **incurred July 1 through 08/31/2015**	3000

A. Obligations for activities occurring June 30 or prior. Example: an obligation was made prior to 6/30 for activities that have occurred JUNE 30 OR PRIOR.

B. Obligations for activities occurring July 1 through the current report through date or the project end date (whichever is earlier). Example: an obligation was made on July 1 or later for activities that occurred July 1 through the current report or the project end date (whichever is earlier).

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COMPLETING TH*E* REPORT IN IWAS

Important items on the expenditure report cont..

- After the calculate totals button has been selected it is a good practice to look over the all of the total cost sections on the report.
- Paying special attention to the cash summary section. This section will show you what your revenue for the quarter or reporting period will be.

Section X: Cash Summary: READ ONLY. Totals from Section II through VI above. Review for accuracy. All figures are based on data from the project begin date through the selected report through date.

Balance (Line 38): A positive balance indicates excess cash on hand. A negative balance indicates amount owed to LEA.

SECTION X. – CASH SUMMARY

To update these totals, press the 'Calculate Totals for Following Sections' button in SECTION VI.

LINE	EXPENDITURES AND RECEIPTS	AMOUNT
32	Vouchered to Date (includes pre-payment & negative adjustment)	100049
33	Cumulative Expenditures (i.e. Year-To-Date) (Line 31)	439256
34	Outstanding Obligations	0
35	Total Expenditures + Obligations (Line 33 + Line 34)	439256
36	Commitment Amount	0
37	(FUTURE USE)	
38	BALANCE (Line 32 - Line 33)	-339207
39	Adjusted Commitment Amount	0

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COMMON GRANT / SINGLE **AUDIT REPORT FINDINGS**

- Some of the most common findings –specifically related to grant expenditure reporting:
  - Untimely report submissions
  - Missing/Lack of documentation
  - Inaccurate reports
  - Missing report approvals

UNTIMELY **REPORT SUBMISSIONS**

- Basic issue to review/address based upon pre-set report due dates
- Systemic vs. one time

MISSING OR LACK **OF DOCUMENTATION & INACCURATE REPORTS**

- Expenditure reports that are not supported by backup documentation
  - Generally would agree to general ledger detail report

- Inaccurate Reports
  - Again, expenditure reports will generally agree to general ledger detail report
  - Late accrual journal entries
  - Amount by which the report is off from the general ledger – material?

MISSING **REPORT APPROVALS**

- Reports should be prepared by 1 individual and approved by a 2nd individual

- Documentation of approval is key

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QUESTIONS AND ANSWERS

We thank you for your time!

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RESOURCES:

ISBE Electronic Expenditure Reporting:
https://www.isbe.net/Documents/electronic-expenditure-reports.pdf#search=grant%20expenditure%20reports