Fiscal Responsibilities of Non-LEAs

21st Century Community Learning Centers (CCLC) Grant

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## 21ST CENTURY COMMUNITY LEARNING CENTERS

**Budget Form FPD 208 - Proposed Budget (Revised July 2017)**

<table>
<thead>
<tr>
<th>Organization Name (enter in shaded cell below)</th>
<th>Unit Number</th>
<th>Cohort Number</th>
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<tr>
<td></td>
<td>XX</td>
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<tr>
<td><strong>Project Period</strong></td>
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<tr>
<td>Beginning</td>
<td>XX/XX/XXXX</td>
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<td>End</td>
<td>XX/XX/XXXX</td>
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### Yearly Budgets

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<thead>
<tr>
<th>Expenditure Categories</th>
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<th>School Year</th>
<th>Summer</th>
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<tbody>
<tr>
<td>Alt Progs Supprt &amp; Dev Srvcs - Salary - Director/Supervisor</td>
<td>6300.110.113</td>
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<td>Alt Progs Supprt &amp; Dev Srvcs - Salary - Finance Officer</td>
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*Note* Administrative costs are limited to 12% of the yearly budget; all codes above this line are considered administrative in function.

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
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**Extended Day/Year Instr - Site Director**

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**Extended Day/Year Instr - Salary - Teacher**

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<td>5350.110.121</td>
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Financial System in Use for Non-LEAs

• Expenditure Reporting and Cash Applications (ERaCA) for Education Centers
  • https://schools.nc.gov/eraca
  • Reimbursement basis
• ERaCA tracks the availability of allotted funds and ensures the dollar amounts of the organizations’ requests are limited to available balance
• A Non-LEA web-based application to request reimbursement of expenditures
• Documentation per request must provide a VERY clear audit trail
• Submit documentation per request to DPI
Distribution of Grant Funds & Reimbursement Process

- NCDPI School Business Section at NCDPI assigns a unique banking vendor number
- **Prior to** the NCDPI approval of the budget or release of funds, the non-LEA subgrantees must complete and submit a Vendor Electronic Payment Form
  - Cash Management Section registers the organizations’ checking accounts with the Office of the State Controller
  - Once checking account is registered with the State and Budget Form 208 is approved in CCIP, first allotment installment released, the subgrantee organizations can begin submitting cash reimbursement requests
Distribution of Grant Funds & Reimbursement Process

- Non-LEAs login to ERaCA with their NCID credentials
- Non-LEAs may submit one reimbursement request per week into ERaCA
  - Will generally receive the funds via direct deposit within ten (10) business days.
- Supporting documentation is required within seven (7) days of the cash request submission.
Supporting Documentation (Copies)

- Reports from ERaCA which confirm date(s) of the reimbursement request and under which approved budget codes the expenditures and subsequent cash request have been posted
- Invoices indicating date paid, check number, and line item charged
- Payroll registers including employee job title, rate of pay, and pay period
- Paid receipts
- Bank statements indicating cancelled checks, images front/back
- Credit card statements
- Other documents as needed to match cash requests for the ERaCA submission
Distribution of Grant Funds & Reimbursement Process

• Remember: Just because a cost is reimbursed does not automatically mean that cost is allowable! You must make certain all costs are allowable before you seek reimbursement – otherwise you risk the chance of the cost being unallowable.

• When a cost is determined to be unallowable you must pay it back with non-federal funds!
Reimbursement vs. Cash Advance

• Cash Management Improvement Act (CMIA)
  – Three days between drawdown and payment
  – Interest starts to accrue
  – Over $100MM returned to Treasury.
Education Department General Administrative Regulations (EDGAR)
Non-LEAs Fiscal Procedures Manual

• Organizational structure with job descriptions
  – Segregation of duties if small fiscal staff
  – Hierarchy for check signing, etc.

• Written policies
  – Procurement, including Conflict of Interest
  – Vendor payment
  – Inventory
  – Payroll time and distribution
  – ERaCA reimbursements
  – Records retention
Conflict of Interest

• 2 CFR Part 200.318(c)(1)
  – No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family*, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

* G.S. 115C-12.2: “The term "immediate family member" means a spouse, parent, child, brother, sister, grandparent, or grandchild. The term includes the step, half, and in-law relationships.”
Allowable Expenditures

Expenditures are pre-approved in the fiscal year budget

- Personnel (salaries & wages, with proper documentation)
- Staff development and training
- Parent education
- Contracted services
- Computer or electronic equipment and software
- Transportation
- Educationally-related field trips
- Program rental space (1 year lease)
- Travel reimbursement (with restrictions)
- Classroom materials

This list is not all inclusive
Non-Allowable Expenditures

- Entertainment
- Alcohol
- Programs that operate or personnel who teach/work during the regular school day
- Activities held during the traditional school day
- Employees who are also contractors
- Building or renovation costs
- Purchase, repair, and maintenance of vehicles
- Other items outlined in EDGAR (old 34 CFR Part 80, now 2 CFR 200)
- Land Acquisition
- Costs for developing the proposal

This list is not all inclusive
Non-Allowable Expenditures - Examples
Fiscal Monitoring Instrument

• Fiscal Review
  – Do the program's financial management systems provide for effective control over and accountability for grant funds, property, and other assets and ensure they are used solely for authorized purposes?

• Procedures
  – Review the grantee procedures insuring all costs are reasonable and necessary, allocable, properly documented, consistent with grant programs, not used for cost-sharing, and legal under state and local law.
Fiscal Monitoring Instrument (cont’d)

• Indirect Cost Rates
  – Calculated by NC DPI and communicated to subgrantees on an annual basis.
  – Has the subgrantee spent no more than the calculated indirect cost?

• Payroll
  – Are all employees involved in the project completing required payroll certification?
  – An employee of a non-profit organization must certify at least monthly coinciding with one or more pay periods the percentage of time he/she works on the activity.
Fiscal Monitoring Instrument (cont’d)

• **Budget**
  - Has the grantee made changes to the budget that required prior approval before receiving such approval in writing?

• **Equipment**
  - Identify all equipment purchases made with funds. Property records must be maintained.
    - All technology expenses required pre-approval from NC DPI.
    - Is the location of equipment known? Ensure the equipment is in the noted location
  - Inventory purchased with grant funds must be conducted once every 1-2 years and reconciled with property records.
General Guidelines

• Documentation should include account statements, check stub, requisition (if required), invoice. Appropriate approving signatures/initials and date should be on the documents.

• GL coding associated with the transaction should be readily available, should be matched to the budget.

• Guidelines allow student incentives with no intrinsic value < @$25. Expenses must be in the budget.

• Parental meetings that offered snacks and/or meals should be documented with copies of sign-in forms.

• Retain all documentation for at least 5 years
### Time Sheet

<table>
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<tr>
<th>Date</th>
<th>COST OBJECTIVE</th>
<th>TIME</th>
</tr>
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<tbody>
<tr>
<td>9/30/2013</td>
<td>6300-110-113</td>
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<tr>
<td>9/30/2013</td>
<td>5350-110-131</td>
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<tr>
<td>9/30/2013</td>
<td>Non-grant</td>
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</tr>
<tr>
<td>10/1/2013</td>
<td>6300-110-113</td>
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<td>10/1/2013</td>
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<td>3</td>
</tr>
<tr>
<td>10/1/2013</td>
<td>Non-grant</td>
<td>4</td>
</tr>
</tbody>
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<td></td>
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<tr>
<td>Total Hours</td>
<td></td>
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### Summary by Cost Objective

<table>
<thead>
<tr>
<th>Cost Objective</th>
<th>Hours</th>
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<tr>
<td>6300-110-113</td>
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<tr>
<td>5350-110-131</td>
<td>15</td>
</tr>
<tr>
<td>Non-grant</td>
<td>20</td>
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<tr>
<td>Total Hours</td>
<td>40</td>
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</table>

I hereby certify that the information contained in this Time and Effort Report accurately reflects actual time and effort distribution for the period reported.

Shirley Huxtable
Employee's Signature
10/7/2013

Sammy Williams
Supervisor's Signature and Title
10/9/2013
REMINDER
Allowable Costs

• All costs must be necessary for the performance or administration of the federal grant
• All costs must be properly documented
• Leases must be no longer than the length of the grant
• All costs must be allocable
Proof of Purchase (PoP)

• Canceled checks and bank statements
• Contracts
• Bills and invoices
• Time and attendance records
  – Employees
  – Student
  – Meeting sign-in forms
Receipts/Invoices should contain Director or Manager approval and date, with corresponding account code.
Purchase a case of paper

- Fair market price
  - Log of telephone calls to local or web-based vendors with prices recorded
Purchase a case of paper

- Used a credit card
  - Ticket or Invoice -- PoP?
Purchase a case of paper

• Used a credit card
  – Ticket or Invoice -- POP?  NO
  – Credit Card statement-pay with check -- POP?
Purchase a case of paper

• Used a credit card
  – Ticket or Invoice -- POP? NO
  – Credit Card statement-pay with check--POP? NO
  – Canceled check or bank statement--YES
Purchase a case of paper

• Used a debit card
  – Ticket or Invoice-- POP? NO
  – Bank statement-- YES
Common Sense Bookkeeping

When you buy something,
✓ make sure it is for the program,
✓ purchased at a fair market price,
✓ purchased in a fair manner, and
✓ know where it is located

And you can prove it!!
Common Sense Bookkeeping

✓ Document clearly to specify the
  □ what
  □ when
  □ why
  □ where
  □ how much
Common Sense Bookkeeping

✓ Document the who’s
  ❑ Needed it
  ❑ Approved it
  ❑ Received it
  ❑ Paid for it
Common Sense Bookkeeping

✓ Compare actual expenditures to budget on a routine basis

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