



Safe Schools
Healthy Students

Getting Started with Fiscal Operations

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Getting Started

The SS/HS budget and financial reporting process is similar to completing the New York Times Sunday crossword puzzle.

- A former SS/HS project director

- Start-up needs
- Budgeting
- Indirect cost calculations
- Prior approval requirements
- Continuation awards & Carryover
- Budget and expenditure reporting
- Fiscal management
- Contract tips and pitfalls



What to Avoid



Start-up Needs

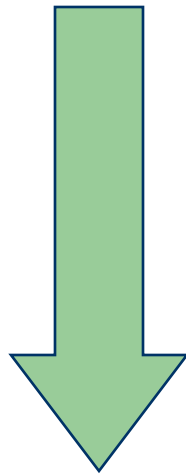
- School district policies and procedures
- Internal controls developed and implemented
- Communication link with PD established
- Element budgets revised and approved
- Accounting codes established for all cost categories and line item costs



Budgeting

Element 1 & 2 & 3

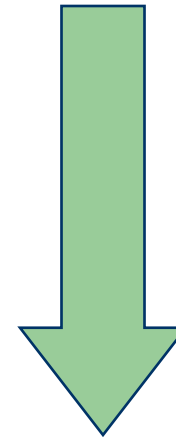
Budget



**Department of
Education**

Element 4 & 5

Budget



**Department of Health
and Human Services**

- Key Points:
 - Check for math errors!
 - Add sufficient detail for all costs:
Calculation + reasonableness
 - Supplies vs. equipment
 - Use the “One” page format
 - Necessary, Allowable, Reasonable

Incomplete Budget Example

YEAR 1 BUDGET	1,2,3	4,5	TOTAL
PERSONNEL			
Project director	\$60,000		\$60,000
Site assistant	\$35,000		\$35,000
Counselor	\$20,000		\$20,000
Early childhood specialists		\$70,000	\$70,000
Teachers for PAT. ESL, etc.	\$50,000	\$19,000	\$69,000
After school coordinator	\$10,000		\$10,000
Summer Instructors	\$9,000		\$9,000
2 bus drivers, regular year + summer	\$6,000		\$6,000
Personnel total	\$190,000	\$89,000	\$279,000
Fringe benefits	\$57,000	\$26,700	\$83,700



Complete Budget Example

YEAR 1 BUDGET	E 1,2,3	E 4,5	Total Funds
PERSONNEL			
Project director (1.0 FTE-12 mos.) @ \$60,000	\$60,000		\$60,000
Site assistant (1.0 FTE-10 mos.) @ \$35,000	\$35,000		\$35,000
1 Elementary School Prevention Counselor (.25 FTE) @ \$80,000	\$20,000		\$20,000
2 early childhood specialists full time (2.0 FTE-10 mos.) @ \$35,000		\$70,000	\$70,000
2 parent as teacher (PAT) to work with children birth to 3 years (2.0 FTE x \$34,500)	\$50,000	\$19,000	\$69,000
After school coordinator (1.0 FTE-10.5 mos.) @ \$10,000	\$10,000		\$10,000
6 instructors summer (15 days @ \$100 per day)	\$9,000		\$9,000
1 bus driver (school term after school program: 100 days @ \$50/day)	\$5,000		\$5,000
1 bus driver (summer program: 20 days @ \$50/day)	\$1,000		\$1,000
<i>Salaries are based on similar classified positions in the KidsFirst School District. <u>Years 2 and 3 will reflect a cost-of-living increase of 3.5 percent.</u></i>			
Personnel total	\$190,000	\$89,000	\$279,000
Fringe benefits @ .30			
Fringe benefits total	\$57,000	\$26,700	\$83,700

Indirect Cost Calculation

- OMB Circulars A-87 and A-122
- Modified total direct costs (MTDC):
 - All salaries,
 - fringe,
 - supplies,
 - travel and
 - “other” costs +
 - durable goods not exceeding \$5,000 per item +
 - the first \$25,000 of each contract

Indirect Cost Calculation

Budget Category	TOTAL COSTS	<i>Elements 1,2,3</i>	<i>Elements 4,5</i>	Total Allowable for MTDC
<u>Personnel</u>	\$ 660,600	\$ 489,600	\$ 171,000	\$ 660,600
<u>Fringe Benefits</u>	\$ 127,396	\$ 84,646	\$ 42,750	\$ 127,396
<u>Travel</u>	\$ 25,330	\$ 1,197	\$ 24,133	\$ 25,330
<u>Supplies</u>	\$ 570,837	\$ 538,990	\$ 31,847	\$ 570,837
<u>Equipment</u> (1 Remote Archive Server@\$6000)	\$ 6,000	\$ 3,000	\$ 3,000	\$ 0
<u>Contracts</u>				
Juvenile Court	\$ 106,255	\$ 106,255	\$ 0	\$ 25,000
Police Department	\$ 81,250	\$ 81,250	\$ 0	\$ 25,000
County Sheriff	\$ 112,500	\$ 112,500	\$ 0	\$ 25,000
Big City University	\$ 17,500	\$ 17,500	\$ 0	\$ 17,500
Mental Health Center	\$ 210,900	\$ 0	\$ 210,900	\$ 25,000
Evaluation Team	\$ 194,000	\$ 97,000	\$ 97,000	\$ 25,000
Contracts Subtotal	\$ 722,405	\$ 414,505	\$ 307,900	\$ 142,500
<u>Total Direct Costs</u>	\$ 2,112,568	\$ 1,531,938	\$ 580,630	\$ 1,526,663
Indirect Costs at rate of 2.25%				\$ 34,350
Total indirect costs allowed	\$ 34,350	\$ 27,437	\$ 6,913	
<u>Total grant award amount</u>	\$ 2,146,918	\$ 1,559,375	\$ 587,543	

Prior Approval Requirements

- Changes in project scope, activities, strategies from original application
- Project Director
 - Absence more than 3 months
 - Any reduction in time worked
- And ...

Prior Approval Requirements

- **Needs FPO Approval** - New expenditure / new scope
- **Does Not Need FPO approval** - Below 10% cumulative transfer within Element budget and cost is within scope
- **No FPO Approval** - transfer across Element budgets

[Reference - Attachment Z, Budget Transfer Memo]



Continuation Awards

- Availability of Federal funds
- Demonstration of substantial progress
- FPO review and recommendations
- Interagency Policy Team and Interagency Supervisory Team approvals

“Carryover Budgets”

- What are carryover funds?
- How to address carryover funds in continuation budgets for Years 2, 3, and 4:
 - Use for current budget
 - No-cost extension
 - Combination

Carryover Budgets

Budget	Y1 Carryover	Y2 Award	Y1 Carryover + Y2 Award = Y2 Total
Element 1,2,3	\$280,000	\$1,200,000	\$1,480,000
Element 4,5	\$183,000	\$799,000	\$982,000

Grant total available for Y2 = \$2,462,000.00

Cost Categories**Line Item Expenses****Personnel**

6.0 FTE Truancy Prevention Social Workers @ 39,923/year
 1.0 Psychologist @ \$70,000/year
 1.0 FTE SS/HS Project Director @ 72,500/year
 1.0 FTE Admin Assistant @ 30,000/year
 1.5 FTE Safety & Security Assessment Officer @ 35,000/year

Element 123		
Year 2	Carryover Funds	
Award	Use in Y2	No-Cost
Funds	Budget	Extension

\$ 239,538		\$ 37,000
\$ 36,250		\$ 12,000
\$ 15,000		\$ 5,000
\$ 52,500		\$ 35,000

Element 45		
Year 2	Carryover Funds	
Award	Use in Y2	No-Cost
Funds	Budget	Extension

\$ -		
\$ 70,000		
\$ 36,250		12,000
\$ 15,000		5,000
\$ -		

Y2 Award	No Cost
+ Carryover to be Used	Extension

\$ 239,538	\$ 37,000
\$ 70,000	\$ -
\$ 72,500	\$ 24,000
\$ 30,000	\$ 10,000
\$ 52,500	\$ 35,000

Fringe Benefits

Truancy Prevention Social Workers @18%
 Psychologist @ 18%
 SS/HS Project Director @18%
 Admin Assistant @ 18%
 Safety & Security Officer @18%

\$ 43,116		\$ 6,660
\$ 6,525		\$ 2,160
\$ 2,700		\$ 900
\$ 6,300		\$ 6,300

\$ -		
\$ 12,600		
\$ 6,525		2,160
\$ 2,700		900

\$ 43,116	\$ 6,660
\$ 12,600	\$ -
\$ 13,050	\$ 4,320
\$ 5,400	\$ 1,800
\$ 6,300	\$ 6,300

Travel

6 Truancy Prevention Social Workers-100 mi/mo @ .515 X 10 mos
 Project Director - 200 mi/mo @.515 X 12 mos
 Safety & Security Officer 350mi/mo@.515 X 12 mos

\$ 3,090		\$ 750
\$ 618		\$ -
\$ 2,163		\$ 1,000

\$ -		
\$ 618		
\$ -		

\$ 3,090	\$ 750
\$ 1,236	\$ -
\$ 2,163	\$ 1,000

Equipment

Remote Archive Server

\$ 5,000		
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\$ 5,000		
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\$ 10,000	\$ -
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Budget Reporting for the Performance Report

* Twice per grant year

- ED 524B Cover Sheet - **cumulative reporting**
- ED 524B Section B Budget Information – **not cumulative reporting**
- Budget and Expenditures Spreadsheet – **cumulative reporting**

Budget Reporting - ED Form 524B Cover Sheet

Budget Expenditures *(To be completed by your Business Office. See instructions. Also see Section B.)*

8. Budget Expenditures

	Federal Grant Funds	Non-Federal Funds <i>(Match/Cost Share)</i>
a. Previous Budget Period		
b. Current Reporting Period		
c. Entire Project Period <i>(For Final Performance Reports only)</i>		

- a. Report expenditures prior to current reporting period
- b. Report expenditures for current reporting period
- c. Leave blank



Budget Reporting ED 524B Report Cover Sheet

Indirect Cost Information *(To be completed by your Business Office. See instructions.)*

9. Indirect Costs

a. Are you claiming indirect costs under this grant? Yes No

b. If yes, do you have an Indirect Cost Rate Agreement approved by the Federal government? Yes No

c. If yes, provide the following information:

Period Covered by the Indirect Cost Rate Agreement: From: ____/____/____ To: ____/____/____ (mm/dd/yyyy)

Approving Federal agency: ED Other *(Please Specify)*: _____

Type of Rate *(For Final Performance Reports Only)*: Provisional Final Other *(Please specify)* _____

d. For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that :

Is included in your approved Indirect Cost Rate Agreement?

Complies with 34 CFR 76.564(c)(2)?

Budget Reporting – Section B Budget Information

Budget Narrative (not cumulative)

- Description of in-kind funds expended and any actual or anticipated changes
- Description of any significant changes to the budget resulting from modification of project activities
- Explanation of discrepancies between grant funds reported as being spent vs. funds drawn from GAPS account
- Explanation of nonexpended funds relative to the expected rate



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Budget Reporting: Budget & Expenditure Spreadsheet (cumulative)

Budget Spreadsheet of Expenditures by Element and Line Item

	Element 1, 2, 3		Element 4, 5		Total Expended	
	Budgeted	Expended	Budgeted	Expended	Budgeted	Expended
A. Personnel						
B. Fringe benefits						
C. Travel						
D. Equipment						
E. Supplies						
F. Construction						
G. Consult/contracts						
H. Other						
Total direct costs (lines A-H)						
I. Indirect costs						
TOTAL						

Budget and Expenditure Spreadsheet

- ALWAYS reported as CUMULATIVE
 - “Budgeted” column for each Element budget = approved budget expense categories for that Element group
 - “Expended” column = cumulative total of funds expended for that Element group for that expense category
- Report by Element budget (1,2,3 and 4,5) and expense categories
- Do not report obligated or encumbered funds as expended—report separately in the budget narrative.

- What to strive for?
 - Funds obligated for necessary expenses
 - Draw downs in line with spending
 - Project goals are met or exceeded

- Onsite grant files
 - Funded application and all GANS
 - Previous audits and site visit reports
 - All performance reports
 - Program revision documentation
 - Current approved budget
 - List of all personnel hired under the grant
 - Copies of all executed contracts
 - Equipment Inventory

Personnel and Fringe

- Position/job descriptions (e.g. specific purpose and duties, qualifications, education)
- Compensation and percentage of time for each position
- Fringe benefit rate

- Time and attendance records:
 - Maintained by all staff paid for with grant funds
 - Reflects staff's total activity
 - Signed by staff person and supervisor
 - Prepared at least monthly (coincide with pay periods)
 - Cost sharing/matching salaries/wages supported
 - OMB Circular A-21
 - Contractor records of T&A

Equipment and Supplies

- Equipment (EDGAR 80.32) and supplies (EDGAR 80.33)
- Property Records
- Inventory
- Disposition

- Full and open competition
- Procurement standards
- Written selection procedures
- Write a detailed statement of work for every contract
- Deliverables and due dates
- Cost analyses
 - Are costs reasonable and prudent?
 - What is fair market value?
 - Establish an independent estimate of cost before receiving bids
- Termination clause
- Payment takes place upon receipt of goods, services or deliverables. A lump sum should not be paid in advance of receiving goods, services or deliverables.

Procedures

- * Payment authorization
- * Detailed invoicing
- * Record keeping
- * Access to contractor records
- * School district policy/procedures

- Invoices should include:
 - A detailed description of services performed or goods delivered and costs per item/service/hour
 - The dates when the services or goods were delivered
 - The location where the services or goods were delivered
 - The number of eligible beneficiaries served (if relevant)

Contract Pitfalls

- Lack of specificity – no deliverables, no due dates
- Lump sum payments
- Inadequate performance monitoring tools
- Poor quality of goods or services
- Poor / inadequate record keeping by contractor



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Questions??

