Managing Your Federal Grant Award

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Agenda

- Georgia's Charter School Program Grant Basics
- Georgia's Implementation Grant Steps
- Overview of Applicable Federal Grant Guidelines
- General Financial Management for Charter Schools
- Questions

Implementation Grant Basics

Implementation Grant

Federal Grant

Eligibility

- Newly Created or Converted
- Federal Definition of a Charter School
- Approved by at least 2 independent raters
- Range $200,000 to $1,200,000

Georgia's CSP Grant Process

Georgia's CSP Objectives

Goal 1	• To increase the number of high quality charter schools, in Georgia, especially among underserved students in rural and urban settings;
Goal 2	• To use Charter School Program grant funding to improve student outcomes;
Goal 3	• To use chartering and the Charter School Program Grant funding to improve secondary school student performance and graduation rates throughout the state;
Goal 4	• To monitor charter schools' fiscal health and to provide support to ensure long term fiscal health;
Goal 5	• To promote awareness of high quality chartering best practices to teachers, parents, communities and other public schools.

Before We Begin: What Every School Must Complete Before Receiving Funding

MyGaDOE aka 'Portal' Account

Every School must have a school code prior to receiving grant reimbursements

- Consolidated Application
- State Chartered Special Schools must have access to GAORS

Step 1: Submitting Your Budget

Locally Approved Charter School

Locally Approved Charter Schools will have to work with their local authorizer to get budget approved.

- If District has two or more schools with implementation grants, then district will wait until all schools submit budgets.

If budget includes non allowable costs, then the budget will be rejected and the process will start over again.

State-Chartered Special School

State-Chartered Special Schools will submit their budgets via Consolidated App directly to Tabitha Press

- State-Chartered Special Schools submit budgets individually.

If budget includes non allowable costs, then the budget will be rejected and the process will start over again.

Step 1: Continued

Locally Approved Charter Schools

- Can use excel spreadsheets to submit budgets to local districts
- Please submit budgets on time!
- Amendments can delay reimbursements

State-Chartered Special Schools

- Submit budget directly into Consolidated Application
- http://portal.doe.k12.ga.us
- Coordinator submits budget
- Superintendent approves budget

Step 2: Approving Budgets

The CSD has 30 Days to review all submitted budgets and invoices!

If the budget does not align with proposed project or contains any unallowable costs, the budget will be rejected.

Step 3: Submitting Invoices

Locally Approved Charter Schools

- Must use local district's standards
- Source documentation required!
- Don't wait until May to submit all of your invoices.

State-Chartered Special Schools

- Must submit appropriate documentation
  - Invoices or contracts supported by a cancelled check/electronic copy or other document supporting that the transaction was enacted.
  - Timesheets, summary explanations
- Must be linked to approved budget
- Can submit invoices once a month.

Step 4: Approving Invoices

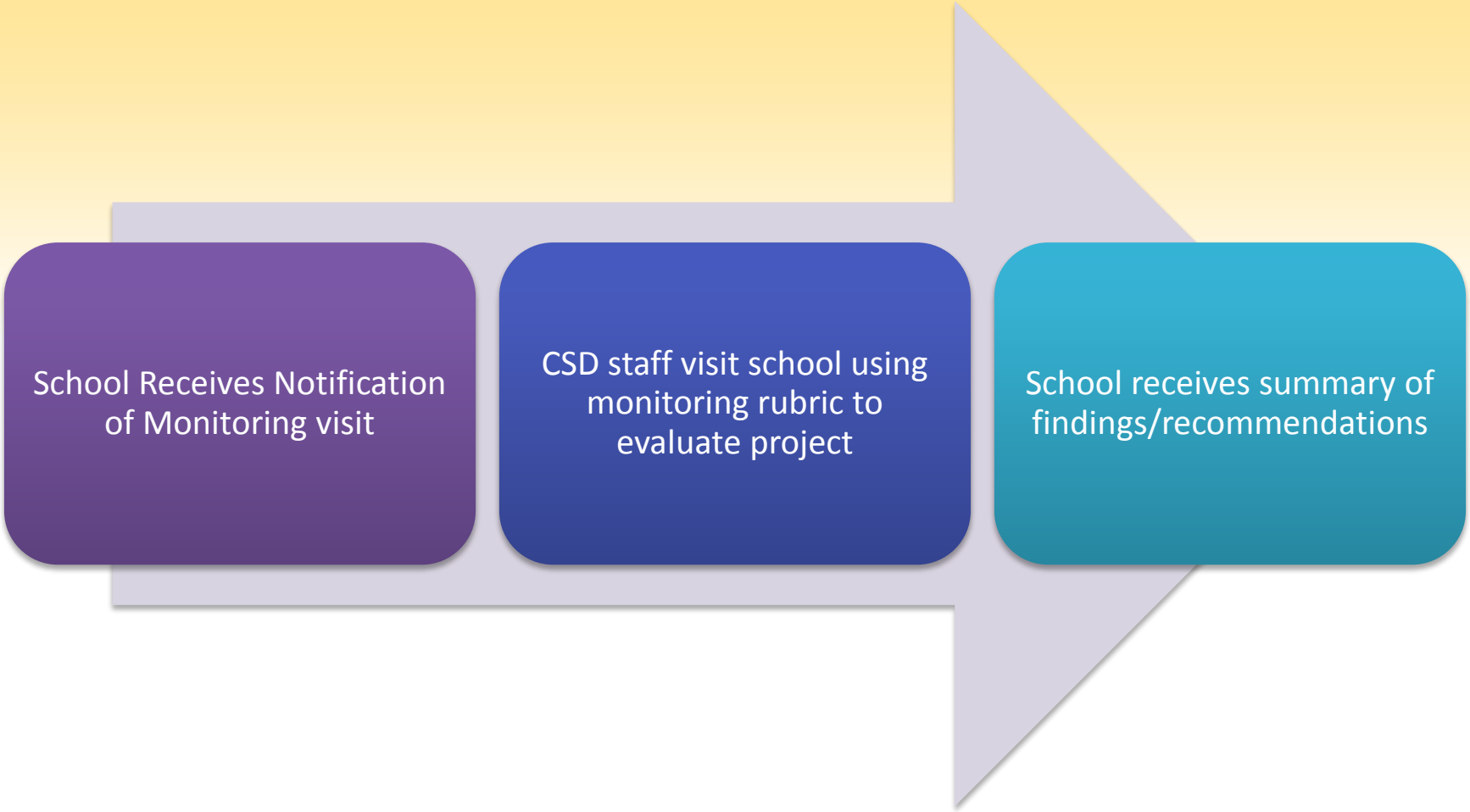
The CSD has 30 Days to review all submitted budgets and invoices!

If the invoices does not contain proper source documentation, then the invoices will not be allowed.

- Can not reject only one invoice.

Step X: Monitoring Rubric

Step 5: Monitoring Process



Preparing for the Monitoring Visit: What Every Grantee Should include in their Grant Binder

- Charter
- Georgia's RFP
- Your approved application
- Your approved budget(s)
- Monitoring Reports
- Invoices/Purchase Orders (source documentation)

Step 5: Monitoring Mission

Ensure stewardship over Federal funds awarded by conducting:

- On-site financial and programmatic reviews
- Desk-based financial reviews
- Resolution of audit reports
- Technical assistance to grantees

Step 5: Monitoring Process

Every new grantee will be monitored in their first four months of receiving an award.

Grantees are expected to comply with all applicable federal and state regulations.

Grantees in their second year should expect another visit.

Common Monitoring Findings

- Inventory controls need improvement
- Budget modifications in excess of 10% without prior approval
- Excess cash on hand (Not spending within 3 days of draw down)
- Grantee has no written procedures
- Failure to prepare audit reports

Common Monitoring Findings

Project Period expired, no grant adjustment approving extension

Inadequate accounting procedures

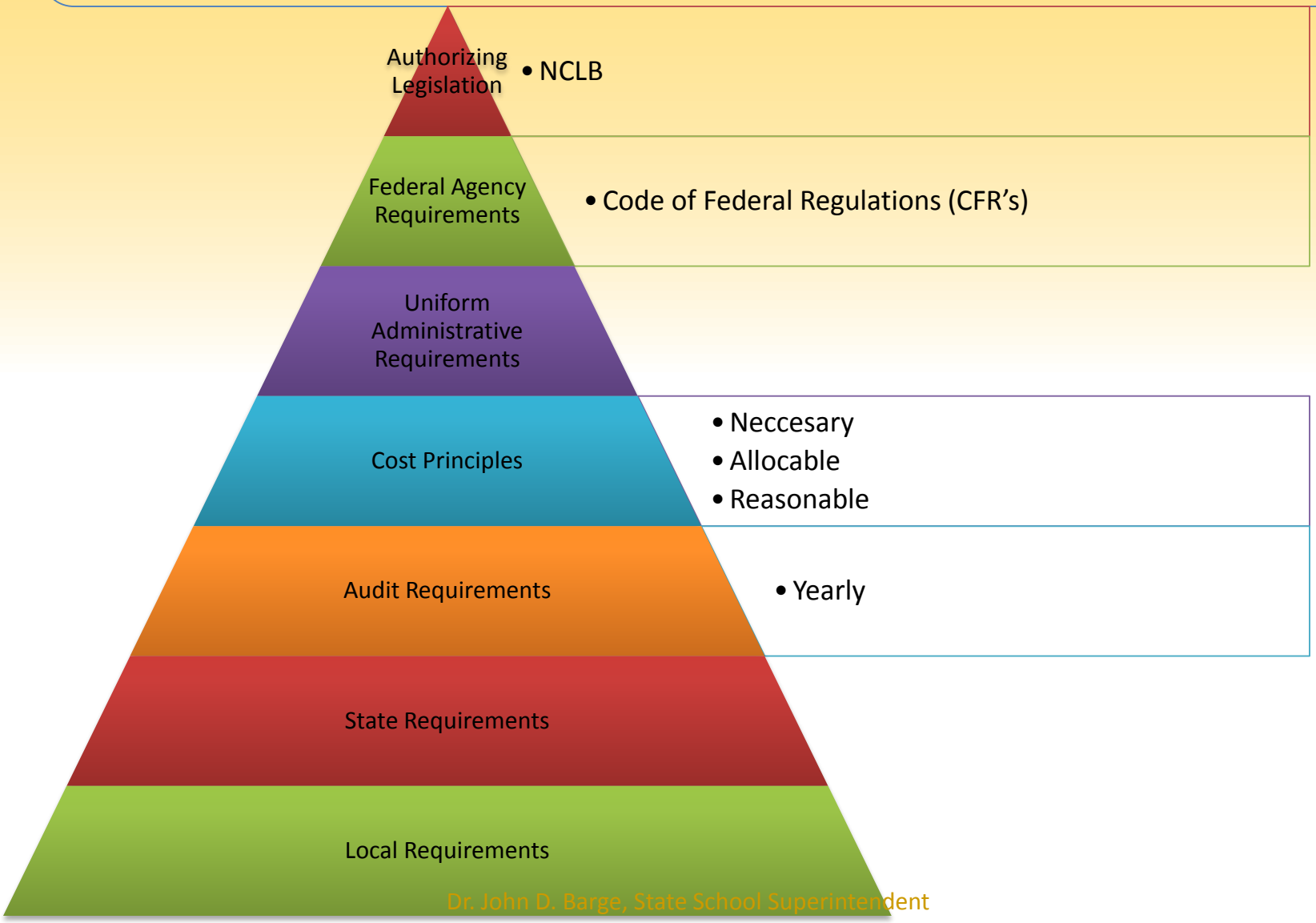
Financial status reports fail to agree with accounting records

Questioned expenditures

Failure to comply with Federal Charter School Definition

Federal Regulations

Managing the Award-Legal 'flowdown'



Applicable Federal Guidelines for Grant Programs

Statutes

- Program statutes (NCLB, IDEA, Perkins)
- General Education Provisions Act (GEPA)

Regulations

- Program-specific regulations
- Education Department General Administrative Regulations (EDGAR)

OMB Circulars

Guidance

- Non-Regulatory guidance, letters, press releases

Summary of Basic Guidelines of Cost Principals

Necessary	• Does the school need this?
Reasonable	• Is this a fair rate?
Allocable	• Are the resources used only by appropriate individuals?

Is this Cost allowable?

Is the proposed cost consistent with an approved program plan and budget?

- Proposed costs should align with project's objectives.

Is the proposed cost consistent with program specific fiscal rules?

- Example: No more than three months of salaries for three individuals in first year only.

Is the proposed cost consistent with EDGAR?

Additional Questions to Ask

Is the cost necessary? Does it align with program's needs?

- How do you determine if the expense is the appropriate way to address the program's needs?
  - Data Driven Decision making
  - Programmatic assessments

Does the cost meet any special conditions associated with the grant award?

Where can I find information about Federal Cost Principals?

Federal Circulars

- A-21 Educational Institutions
- A-87 State, Local, & Indian Tribal Governments
- A-122 Non-Profit Organizations
- 48 CFR Part 31 For-Profit Organizations

Cost Documentation

School level administration

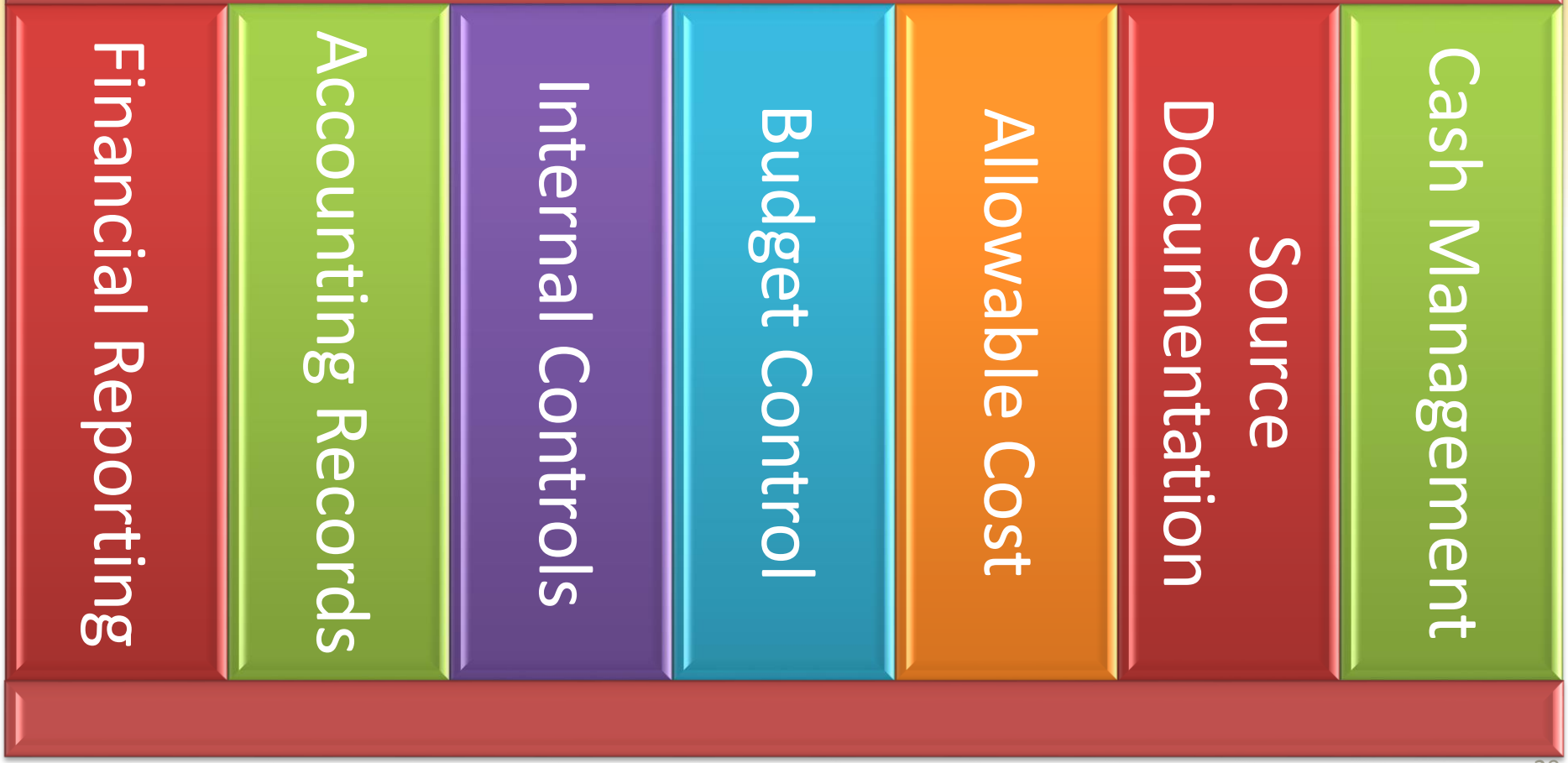
- Schools should have a complete set of grant records

Include:

- Amount of grant funds
- How grant funds are used
- Records that show compliance
- Records that show performance
- Other records that will allow for a successful monitoring visit and audit

Components Of Financial Management System

Financial Management System



Accounting Records

Must identify source and application of funds

Records must contain information related to:

- Award amount
- Authorizations
- Obligations
- Unobligated balances
- Assets
- Liabilities
- Outlays or expenditures
- Income

Internal Controls

Internal controls help program and financial managers achieve results and safeguard program integrity

Includes processes for planning, organizing, directing, controlling, and reporting on agency operations

Objectives:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Safeguarding assets

Audit Developments

Stricter audit standards since FY 2007

More internal control findings!

For every compliance requirement selected for audit, the auditors:

- Assess the likelihood of whether the agency's internal controls can prevent and detect noncompliance that is "more than inconsequential" from occurring in a timely manner

Cash Management – Key Concept

Obligation

- Transaction that requires payment

Must be able to relate all costs to a specific transaction that occurred during the period of availability

Source Documentation

Accounting records must be supported by source documentation

- Cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents

Must be able to document that all transactions relate to a timely obligation (within the grant's period of availability)

- Date of transaction, payee, invoice number, purchase order number, transaction amount, accounts debited and credited

Good documentation is ALWAYS critical!

Importance of Source Documentation

Every expenditure must include source documentation

If expenditures do not include source documentation, then the reimbursement process will not occur.

Additionally, schools that do NOT keep accurate financial records or include source documentation in their files will receive a *Critical Finding* and not be allowed to receive their remaining grant funds until all issues have been fixed.

Internal Inventory Management System

Federal Guidelines-Implementation Grant

All Grantees must track their inventory

- Federal definition of Equipment-
  - Tangible personal property
  - Useful life of more than one year (Computers/digital equipment)
  - Acquisition cost of $5,000 or more

School will implement internal controls to track and manage all equipment

- Where is the equipment?
- Who has access to the equipment?
- How do you determine if equipment is misplaced?

All equipment will be properly labeled and tracked

Appropriate security measures should be in place

Equipment-Grant Compliance

Implementation Grant Funded Equipment should only be used by Charter School Students, Staff and Faculty

- No Pre-K access, after school care, summer camps etc

Small and Attractive items

- Digital cameras, Ipods, laptops etc
- Implement internal controls to safeguard items

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