

ALLOWABILITY OF COSTS

General Procedures

- The Department receives appropriations from the General Assembly which gives the authorization to expend funds (state, federal, and other). The House Bill indicates what is allowed to be spent by the State.
- Some of the appropriations relate to the federal grants that are received by the Department. The Department will receive the Grant Award Notice from the U.S. Departments which specify how those funds are to be spent and the time period of availability.
- Each Section is given a budget for spending by the Budget Section within the Department. This allocates the House Bill appropriations for the purpose of payroll, expenses, and flow through to the LEAs.

Payroll

- Each section provides the Accounting section with a breakdown of the grants to be entered in the SAM II accounting system (Administration, Leadership, and Flow-Through, etc.)
- The sections work with the Accounting section to set-up the payroll for all employees working within the various grants (Administration, Leadership, etc.) Any adjustments are timely given to Accounting so they can make the changes in the system. Semi-annual certifications are done for wholly paid federally funded employees. Time sheets are created for those employees with multiple cost objectives. Annual leave payouts are coded to the indirect pool for federally funded employees.

Expenses

- All internal expenses require a Department Purchase Requisition (DPR) be prepared which indicates what is to be paid for (supplies, equipment, services, etc.). The DPR is prepared by the section requesting the items/services. The DPR is coded with the appropriate funding source depending on the purpose of the purchase. This is reviewed for Allowability/reasonableness/allocability by the Office fiscal liaison. They initial the DPR. The DPR is then sent to Accounting and Procurement. Procurement reviews the DPR to ensure that it conforms to the procurement policy and all state statutes and regulations. If ok, then the DPR is sent to Accounting for review of the account codes. They are reviewed one more time to ensure Allowability, reasonableness, allocability, and compliance with Accounting manual, etc. Once approved, the purchase is made.
- When the item or service is received, the section confirms the receipt, and then sends the invoices/packing slip/approval to accounting for payment.

Flow-Through to LEAs

- The Sections receive the allocations from the U.S. Department.
- For those grants that are entitlement grants, they also receive the allocations to each LEA. Individual sections then notify the LEAs of their allocation. (See procedures in those sections.)
- For those grants that are competitive grants, the sections receive the grant amounts and then go through the process of competitively awarding the funds. (See procedures in those sections.)
- For all entitlement and some of the competitive grants, the Department has an online grant system called EPEGS that has the grant allocation, budget, payment request, and FER included so that the LEAs can do all that is required with that one system. The plan is submitted through a different online system.

Monitoring

- The Department has created a risk based monitoring system. In a nutshell this system allocates out the LEAs into three cohorts. Each LEA is evaluated for risk, and categorized as high, medium, or low. A detailed explanation of the monitoring system is located in the H drive for all DESE users to review and use when they monitor their grants.

References

- Specific Federal Grant Law
- EDGAR
- Uniform Grant Guidance (Section 200)
- Department General Federal Guidance Manual
- Program Memorandums from the U.S. Department of Education
- Email and Phone Correspondence from the U.S. Department of Education
- State Statutes
- Department Policies
- Department procedures
- Intranet for internal DESE policies
- Internet for LEAs to reference the OMNI, the Department General Federal Guidance Manual, FAQ documents, and general forms or documents for the LEAs to use.