

*Division of Financial and Administrative
Services*

FINANCIAL MANAGEMENT TRAINING

FEDERAL FINANCE PANEL



SPRING 2019

TOPICS

- **Time and Effort**
- **Obligation of Funds**
- **Period of Performance**
- **Procurement**

TIME AND EFFORT



**Missouri Department of Elementary & Secondary Education
Time and Effort Reporting Guidelines**

Cost Objective	Criteria	Documentation Required
Single Cost Objective	<ul style="list-style-type: none"> Employee works solely on a single Federal award or cost objective 	Semi-Annual Certification <ul style="list-style-type: none"> Must be prepared at least semi-annually; and Must be signed after-the-fact by the employee or a supervisory official having firsthand knowledge of the work performed by the employee.*
Multiple Cost Objectives	<ul style="list-style-type: none"> More than one Federal award; Federal award & non-Federal award; Indirect cost activity & direct cost activity; Two or more indirect activities that are allocated using different allocation bases; or Unallowable activity & a direct or indirect cost activity. 	Personnel Activity Reports (PAR) <ul style="list-style-type: none"> Reflect an after-the-fact distribution of the actual activity of the employee. Account for the total activity for which each employee is compensated; Be prepared at least monthly and coincide with one or more pay periods; and Must be signed after-the-fact by the employee and a supervisory official having firsthand knowledge of the work performed by the employee.*
Multiple Cost Objectives w/ Fixed Schedule (Substitute System)	<ul style="list-style-type: none"> Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports; Work on specific activities or cost objectives based on a predetermined schedule; and Not work on multiple activities or cost objectives at the exact same time on their schedule. 	Substitute System Certification & Fixed Schedule <ul style="list-style-type: none"> Indicate the specific activity or cost objective that the employee worked on for each segment of the employee's schedule; Account for the total hours for which each employee is compensated during the period reflected on the employee's schedule; and Be certified at least semi-annually & signed by the employee & a supervisory official having firsthand knowledge of the work performed by the employee.
Stipend and Extra Duty Pay	<ul style="list-style-type: none"> Pay for extra work beyond an employee's regular contract 	Written Agreement <ul style="list-style-type: none"> Indicates the extra work to be performed; Date(s) of performance; Amount to be paid to the employee; and Must be signed by the employer & the employee to show the acceptance of the terms. AND Semi-Annual Certification or PAR <ul style="list-style-type: none"> See and follow requirements above

*Signed could be actual signature or approval in an electronic timekeeping system.

TIME AND EFFORT PROCEDURE

- The written procedure must address the internal controls designed to ensure accurate, allowable, and allocable personnel charges for Federal programs.
- Must have written procedure created by July 1, 2019.

Reference 2 CFR Part 200.430(i)

OBLIGATION OF FUNDS



OBLIGATION OF FUNDS

- To obligate funds is to reserve, commit, or set-aside for a specific activity or purpose.
- Federal funds cannot be obligated until the Budget Application is submitted or July 1st, whichever is later.

IF THE OBLIGATION IS FOR...	THEN THE OBLIGATION IS MADE...
Acquisition of real or personal property.	On the date on which the subgrantee makes a binding written commitment to acquire the property. (Including materials/supplies and miscellaneous items such as meeting registrations.)
Personal services by an employee of the subgrantee.	When the services are performed.
Personal services by a contractor who is not an employee of the subgrantee.	On the date on which the subgrantee makes a binding written commitment to obtain the services.
Performance of work other than personal services.	On the date on which the subgrantee makes a binding written commitment to obtain the work.
Public utility services.	When the subgrantee receives the services.
Travel.	When the travel is taken.
Rental of real or personal property.	When the subgrantee uses the property.
A pre-agreement cost that was properly approved by the State under the cost principles.	On the first day of the project period.

OBLIGATION EXAMPLES FOR PERIOD OF PERFORMANCE JULY 1, 2019 TO JUNE 30, 2020

EXAMPLES	BUDGET APPLICATION SUBMISSION DATE	DATE THE OBLIGATION WAS MADE	MAY FEDERAL FUNDS PAY FOR THE OBLIGATION?
Employee Payroll	June 12, 2019	July 25, 2019 (date began work)	
Employee Payroll	July 31, 2019	July 25, 2019 (date began work)	
Purchase Order	June 1, 2019	July 5, 2019 (date created)	
Purchase Order	June 1, 2019	June 15, 2019 (date created)	
Contract	July 1, 2019	July 1, 2019 (date signed)	
Contract	July 1, 2019	June 15, 2019 (date signed)	

PERIOD OF PERFORMANCE



PERIOD OF PERFORMANCE

- The period of availability is now referred to as the period of performance.
- The period of performance runs from the date the budget was substantially approved to June 30th of each fiscal year.
- Obligations must occur within the period of performance.

GRANT CYCLE	PERIOD OF PERFORMANCE	FIRST DAY TO OBLIGATE FUNDS	LAST DAY TO OBLIGATE FUNDS	LAST DAY TO LIQUIDATE FUNDS
FY19 Grant Funds	July 1, 2018 – June 30, 2019	July 1, 2018 or the date the Budget App was submitted (whichever is later)	June 30, 2019	September 30, 2019
FY20 Grant Funds	July 1, 2019 – June 30, 2020	July 1, 2019 or the date the Budget App was submitted (whichever is later)	June 30, 2020	September 30, 2020

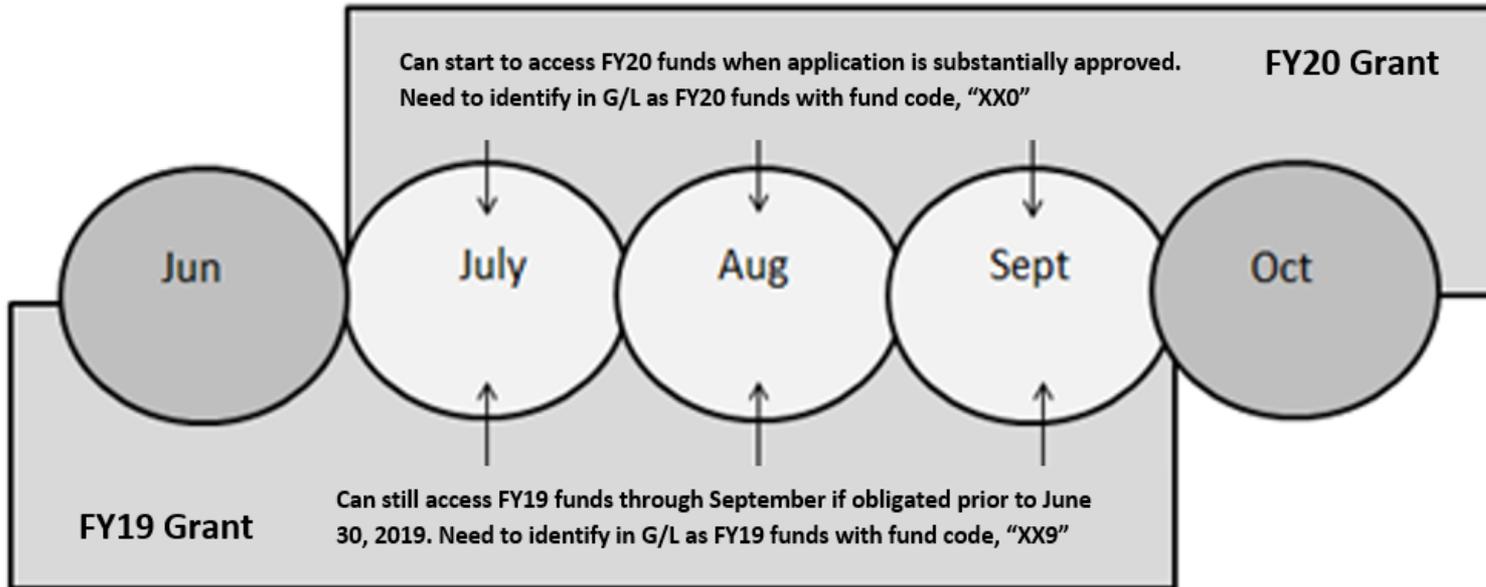
FER REPORTING PERIOD

- The FER reporting period is the period during which obligations made within the period of performance may be expended and reported.
- LEAs have an additional three months (July, August, September) to liquidate funds after the period of performance ends as long as the obligation occurred by June 30th.

OVERLAPPING GRANT CYCLES

- Overlapping grant cycles means the LEA is accessing two fiscal years of grants simultaneously in the same general ledger.

OVERLAPPING GRANT CYCLES



TRACKING OVERLAPPING GRANT CYCLES

Fund Code – 3 Digits

- The Fund Code consists of two basic elements: the first two digits indicate the type of fund and the last digit indicates the fiscal year.

Example: Fund Code 119

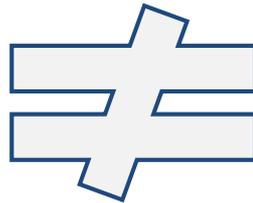
- The first digit indicates that the purpose of this fund is General (Incidental) Fund.
- The second digit indicates the operating subfund of the General (Incidental) Fund.
- The third digit indicates that it is for the 2018-2019 fiscal year.

*DESE recommends using the fund code to track fiscal year unless the vendor tracks year in a separate field.

IN SUMMARY

Funds from a new grant cycle (FY20) must not be used for **obligations** that occurred in the previous grant cycle (FY19).

FY19
OBLIGATION



FY20
FUNDS

IN SUMMARY

If expenditures for the FY19 grant occur in July, August, and/or September, 2019 LEAs must:

1. Use prior year (FY19) grant funds to pay for costs obligated during the period of performance (July 1, 2018 to June 30, 2019)
- OR -
2. Use non-federal (state, local, county) funds to pay for cost

PROCUREMENT



PROCUREMENT REQUIREMENTS

- Follow district procedure on bidding.
- Procedure should have thresholds and describe the following types of procurements:
 - Micro Purchases (up to \$10,000)
 - Small Purchases (\$10,001 to \$249,999)
 - Sealed Bids (equal or greater than \$250,000)
 - Competitive Proposals (equal or greater than \$250,000)
 - Noncompetitive/Sole Source
- Must keep bidding documentation.
- May be more restrictive on amounts, but can't be more than federal thresholds.

Resource

General Federal Guidance

<https://dese.mo.gov/financial-admin-services/general-federal-guidance>



Contacts

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IF THE OBLIGATION IS FOR...	THEN THE OBLIGATION IS MADE...
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Division of Financial and Administrative Services
Uniform Grant Guidance--Policy and Procedure Checklist

Allowability Procedure [Reference 2 CFR Part 200.302(b)(7)]

MUST:

- Be a written procedure
- Address the process used for determining the allowability of costs in accordance with Subpart E - Cost Principles of the Uniform Grant Guidance and the terms and conditions of the Federal award

Cash Management Procedure [Reference 2 CFR Part 200.302(b)(6)]

MUST:

- Be a written procedure
- Address the process used for ensuring that Federal funds are requested on a reimbursement basis only

Procurement Procedure [Reference 2 CFR Part 200.318 - 200.320] [Federal Acquisition Regulations (FAR) 48 CFR Subpart 2.1

<https://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>

MUST:

- Be a written procedure
- Address the standards of conduct covering conflicts of interest and governing the actions of employees engaged in the selection, award and administration of contracts:
 - Address the standards set for situations in which a financial interest is not substantial or a gift is an unsolicited item of nominal value
 - Address the disciplinary actions to be applied for violations of such standards by officers, employees, or agents
- Address applicable procurement methods:
 - Micro-purchases (\$10,000 or less)
 - Small purchases (\$10,001 - \$249,999)
 - Sealed bids (\$250,000 or more)
 - Competitive proposals (\$250,000 or more)
 - Non-competitive/sole source
- Address the process used to avoid acquisition of unnecessary or duplicative items
- Address the process used for procurement transactions that ensure that all solicitations:
 - Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured
 - Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals

Time and Effort Procedure [Reference 2 CFR Part 200.430(i)]

MUST:

- Be a written procedure
- Address the internal controls designed to ensure accurate, allowable, and allocable personnel charges for Federal programs

Travel Policy [Reference 2 CFR Part 200.474(a) and 200.474(b)]

MUST:

- Be a written policy
- Address the process used to reimburse expenses of employees on official business (actual cost basis, per diem basis, or mileage basis)
- Address the process used to determine whether costs for travel, including lodging, subsistence, and incidental expenses, are reasonable and allowable