

FINANCIAL AND ADMINISTRATIVE SERVICES



Uniform Grant Guidance (Omni) Updates and Clarifications

May 13, 2015

Missouri Department
of Elementary and Secondary Education

Agenda

- Uniform Grant Guidance (Omni) Updates
 - Annual Risk Assessment Process
 - Written Policies/Procedures
 - Standards for Financial Management
 - Separate Tracking
 - Source Documentation
 - Cash Management
 - Certification of Expenditures
 - Equipment/Supplies
 - Procurement Standards
 - Travel



Agenda

- Clarification on Fiscal Requirements
 - Substantially Approvable Form
 - Period of Availability/Obligation of Funds
 - Time and Effort Documentation
 - Debarment and Suspension
 - Conferences/Meetings





Uniform Grant Guidance Updates

Annual Risk Assessment Process (200.331)

NEW - Risk assessment for all LEAs will be performed on an annual basis.

Based on the results of the risk assessment, all LEAs will be categorized as high, moderate, or low risk.



Written Policies/Procedures

Effective July 1, 2015, LEAs must have the following (including, but not limited to):

- NEW - Written Allowability Procedures (200.403)
- NEW - Written Cash Management Procedures (200.305)
- NEW - Written Travel Policy (200.474)

Effective July 1, 2016, LEAs must have the following:

- Written Procurement Procedures (200.318) including:
 - NEW - Written Conflict of Interest Procedures
 - NEW - Written Gratuity Violation Procedures



Standards for Financial Management (200.302)

NEW - Identification of the Federal awards in the LEA accounts

- ❑ Chart of Accounts
- ❑ General Ledger

Financial Management System must include:

- ❑ CFDA Title and Number
- ❑ Federal Award Identification Number (FAIN)
- ❑ Fiscal Year of Award
- ❑ Name of the Federal Agency
- ❑ Name of the Pass-Through Entity



Separate Tracking (200.302)

- Use Accounting Codes in the Missouri Financial Accounting Manual.
- These codes include Fund Code, Function Code, Object Code, Operational Code, and Source of Funds Code.
- Source of Funds/Project Code should be used to identify individual federal programs.
- Program person should work closely with the finance person to make sure the accounting system is set up appropriately.



Separate Tracking (200.302)

IDEA Part B Allocation \$515,412.00

GENERAL LEDGER

MONTH: 06/2015 FISCAL YEAR: 2015

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD
FUNCTION CODE 1221: SPECIAL EDUCATION SERVICES								
01	1221	6111	105	41	SE CERTIFIED SALARY	176,229	19,581	174,271
01	1221	6151	105	00	SE SALARY NONCERT	148,835	16,537	147,181
01	1221	6211	300	41	SE TEACHER RETIREMENT	110,946	12,327	109,713
01	1221	6221	300	00	SE NON TEACHER RETIREMENT	12,467	1,385	12,328
01	1221	6231	105	41	SE SOCIAL SECURITY	11,576	1,286	11,447
01	1221	6241	300	00	SE MEDICARE	11,474	1,275	11,347
01	1221	6251	105	41	SE MEDICAL INSURANCE	121,177	10,098	89,873
01	1221	6311	105	01	SE PROFESSIONAL DEVELOPMENT	10,539	-	7,893
01	1221	6321	105	41	SE CONTRACT THERAPY SERVICES	127,825	5,563	126,405
01	1221	6331	300	00	SE EMPL TRAVEL REIMBURSEMENT	1,100	-	743
01	1221	6411	105	00	SE GENERAL CLASSROOM SUPPLIES	11,000	-	10,958
01	1221	6421	300	00	SE IEP SUPPLIES	15,657	-	3,698
01	1221	6511	105	01	SE EQUIPMENT	5,243	-	5,242
SUBTOTAL						764,068	68,053	711,099
FUNCTION CODE 1224: PROPORTIONATE SHARE SERVICES								
01	1224	6124	105	41	PS CERTIFIED SALARY	2,246	25.00	2,196
01	1224	6224	105	41	PS TEACHER RETIREMENT	1,528	2.00	1,429
01	1224	6324	105	41	PS PURCHASED SERVICES	500	-	-
01	1224	6424	105	41	PS SUPPLIES	126	-	78
SUBTOTAL						4,400	27	3,703

+	\$174,271
+	\$109,713
+	\$11,447
+	\$89,873
+	\$126,405
+	\$2,196
+	\$1,429
+	\$78
*	\$515,412



Source Documentation (200.302)

Accounting records must be supported by source documentation such as purchase orders, invoices, payrolls, time and effort records, contract and sub-award documents.

Source documentation must be kept on:

- Federal Awards
- Authorizations
- Obligations
- Unobligated balances
- Assets
- Expenditures
- Income
- **NEW** – Interest

Must retain for at least 3 years from the date of submission of the FER (200.333). The statute of limitations is 5 years.



Cash Management (200.305)

DESE will only allow reimbursement of expenditures.

NEW – Interest amounts up to \$500 may be retained by LEA for administrative purposes.



Certification of Expenditures (200.415)

To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved budget, payment requests and FERs will include the below certification statement

NEW – :

*“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, **may subject me** to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.”*

- Employees of the LEA who are responsible for submitting payment requests and FERs must ensure the information is accurate and complete.
- All payment requests and FERs must have documentation (LEA general ledger, accounting report, etc.) that supports the amount submitted in ePeGs.



Equipment/Property Management (200.313)

Equipment is tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$1,000.

The following items are subject to the inventory management requirements:

- Equipment items with an acquisition cost of \$1,000 or more per unit.
- Items with an acquisition cost under \$1,000 per unit which are considered attractive or easily pilfered.



Equipment/Property Records (200.313)

Equipment/Property Records/Inventory list must be maintained and include:

- ❑ Description of the property
- ❑ Serial number or other identification number
- ❑ Funding source of property
- ❑ **NEW** – Federal Award Identification Number (FAIN)
- ❑ Who holds the title, if applicable
- ❑ Acquisition date
- ❑ Cost of the property
- ❑ Percentage of federal participation in the project costs for the Federal award under which the property was acquired
- ❑ Location, use and condition of the property
- ❑ Any ultimate disposition data including the date of disposal and sale price of the property



Equipment Disposition (200.313)

Equipment must be used by the LEA in the program for which it was acquired as long as needed, whether or not the program continues to be supported by the Federal award.

When equipment acquired under a Federal award is no longer needed for the original program the LEA must dispose of the equipment as follows:

- ❑ Items with current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation.
- ❑ Items with current per unit fair market value in excess of \$5,000 may be retained by the LEA or sold.
- ❑ Proper sales procedures must be established to ensure the highest possible return.



Supplies (200.314)

Anything that is not equipment is considered supplies.

- “Significant Technological Devices”

NEW - Computing devices

- Machines used to acquire, store, analyze, and process data and other information electronically.
- Includes accessories for printing, transmitting and receiving or storing electronic information.
- Computing devices are supplies if less than \$1,000.



Procurement Standards (200.318)

Procurement standards apply to the purchase of supplies, equipment, and other services funded in whole or in part by federal grant funds.

LEAs must:

- Use its own written procurement procedures which reflect applicable Federal, State, and local laws and regulations.
- Maintain oversight to ensure performance.
- Maintain written standards of conduct covering conflicts of interest.



Procurement Standards (200.318)

LEAs must (Cont.):

- Avoid acquisition of unnecessary or duplicative items.
- Maintain records sufficient to detail the history of procurement. The records will include: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- Be responsible for the settlement of all contractual and administrative issues arising out of procurements.



Method of Procurement (200.320)

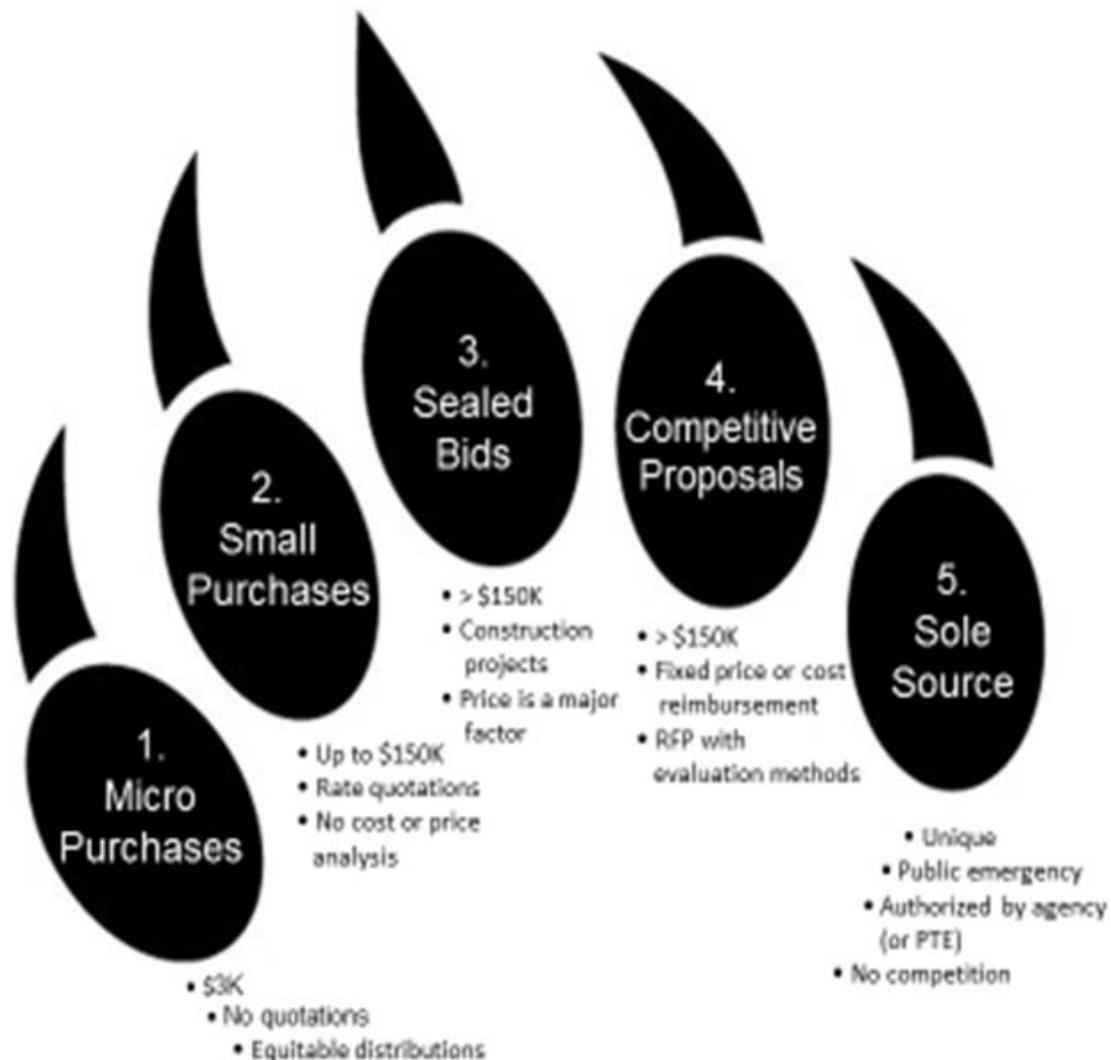
The LEA must use one of the following methods of procurement or be more restrictive with their policies:

- ❑ **NEW** - Micro-purchase up to \$3,000
- ❑ Small purchase \$3,000 to \$150,000
- ❑ Competitive sealed bids
- ❑ Competitive proposals
- ❑ Noncompetitive proposals

This will take effect July 1, 2016.



Procurement "Claw" (Section 200.320)



Direct VS. Indirect Costs (200.413)

NEW – Salaries of administrative and clerical staff should be treated as “indirect” unless **all** of the following are met:

1. Such services are integral to the activity.
2. Individuals can be specifically identified with the activity.
3. Such costs are explicitly included in the budget.
4. Costs are not also recovered as indirect.



Travel Costs (200.474)

Charges for travel based on actual cost or per diem basis – must be consistent with written travel policy (NEW).

Travel Documentation Justification

LEAs must retain documentation that participation of the individual is necessary to the Federal award.

Documentation could include:

- ❑ Agenda
- ❑ List of Attendees
- ❑ Prior Written Approval
- ❑ Written Justification Statement





Clarification on Fiscal Requirements

Substantially Approvable Form (76.708)

Federal funds may begin to be obligated on the date the LEA submits its budget application to DESE in substantially approvable form.



Period of Availability/Obligations (76.707)

- Each grant has a period during which funds can be obligated and expended.
- The approved grant period is the time frame for which obligations may be incurred and liquidated.
- LEA may charge to the award only costs resulting from obligations incurred during the grant period.



Period of Availability

- Typically the grant period runs from July 1st to June 30th of each fiscal year (basis for July 1st Budget Application due date).
- Funds from a new grant period may not be used for obligations or expenditures that occurred in the previous grant period. New money can not be used to pay for old expenditures.
- The FER reporting period runs from July 1st to September 30th of each fiscal year but may only include obligations made during the grant period (July 1st – June 30th).
- If applicable, unexpended federal funds carryover into the next fiscal year.



Period of Availability

Grant Period	Obligation Period	FER Reporting Period
July 1 – June 30	Date of Substantially Approved Application – June 30	July 1 – September 30
Period during which funds may be obligated and expended.	Obligations occur during the grant period, but <u>only after a substantially approved budget application has been submitted.</u>	Expenditures for obligations made <u>during the obligation period (date of substantially approved application – June 30)</u> may be reported up until September 30.

Period of Availability/Obligations

July 1, 2015

- Beginning of the FY16 Grant Cycle
- FY16 Budget Applications Due
- LEAs may begin obligating FY16 grant funds as soon as the Budget Application is submitted (substantially approved)

April 30, 2016

- FY16 Budget Revisions Due
- Budget any carryover funds from FY15

June 30, 2016

- Deadline for all obligations for 2015-16 expenditures

September 30, 2016

- All expenditures for 2015-16 obligations must be finalized
- FY16 FER Due
- Any FY16 Grant Funds not expended will carryover into FY17, if applicable



When is an Obligation Made?

IF THE OBLIGATION IS FOR--	THEN THE OBLIGATION IS MADE--
Acquisition of real or personal property	On the date the LEA makes a binding written commitment to acquire the property
Rental of real or personal property	When the LEA uses the property
Personal services by an employee of the LEA	When the services are performed
Personal services by a contractor who is not an employee of the LEA	On the date the LEA makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date the LEA makes a binding written commitment to obtain the work
Public utility services	When the LEA receives the services
Travel	When the travel is taken



Time and Effort (200.430)

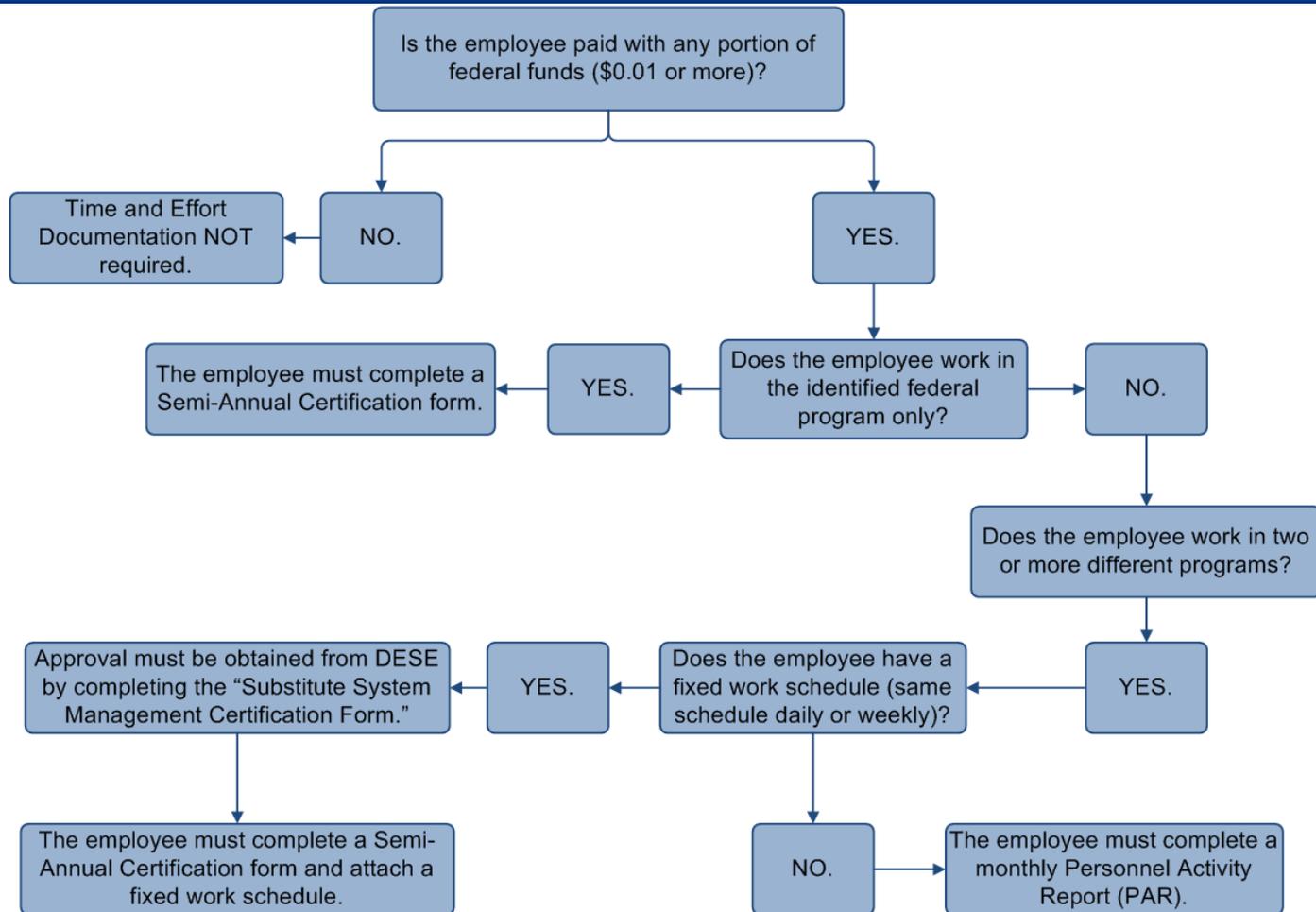
DESE will continue to require that all LEAs use their current internal control system of semi-annual certifications, PARs, or approved substitute systems.

Compensation for personal services are allowable to the extent they satisfy specific requirements:

- Is reasonable for the services rendered and conforms to the established written policy of the LEA consistently applied to both Federal and non-Federal activities.
- Follows an appointment made in accordance with the LEA's laws or written policies.
- Is determined and supported by appropriate documentation.



Time and Effort (200.430)



Debarment and Suspension (200.212)

LEAs must verify the status of contractors with the federal government.

To search a contractor view:

<http://exclusions.oig.hhs.gov/>

www.sam.gov

LEAs should print a copy of the search results for procurement record documentation purposes.



Conferences/Meetings

Allowable costs as a sponsor or host:

- Rental of facilities
- Speakers' fees
- Meals and refreshments
- Local transportation
- Other items incidental to such conference



Afterschool Programs (21st CCLC/SAC)

Contact: Cindy Heislen, Director (573) 522-2627

Adult Education and Literacy

Contact: Elaine Bryan, Director (573) 526-4822

Individuals with Disabilities Education Act (IDEA)

Contact: Angie Nickell, Director (573) 751-0622

Elementary & Secondary Education Act (ESEA/NCLB)

Contact: Pat Kaiser, Director (573) 751-8643

Perkins

Contact: Andy Martin, Director (573) 751-0449

Food & Nutrition Services Programs

Contact: Karen Wooten, Coordinator (573) 751-3526