



SUPERINTENDENT OF PUBLIC INSTRUCTION

Chris Reykdal Old Capitol Building · PO BOX 47200 · Olympia, WA 98504-7200 · <http://www.k12.wa.us>

August 13, 2019

() Action Required

(X) Informational

BULLETIN NO. 054-19 GRANTS MANAGEMENT

TO: Educational Service District Superintendents
School District Superintendents
Assistant Superintendents for Business and/or Business Managers
Business Managers of State Universities and Colleges, Selected State Agencies,
Private Universities and Colleges, and Nonprofit Organizations

FROM: Chris Reykdal, Superintendent of Public Instruction

RE: Grant Award Reporting and Processes for Federal and State Grants Received
Through the Office of Superintendent of Public Instruction (OSPI) for Fiscal Year
2019–20

CONTACT: Michelle Sartain, Supervisor, Grants Management
360-725-6282; Agency TTY: 360-664-3631
Email: michelle.sartain@k12.wa.us

PURPOSE/BACKGROUND

This bulletin sets forth the Fiscal Year (FY) 2019–20 grant payment processes, expenditure reporting, budget revision policy, and information about carryover funds and indirect costs for federal and state grant programs issued through the iGrants system (excluding the Child Nutrition programs administered in the Washington Integrated Nutrition System (WINS)).

GENERAL FEDERAL REQUIREMENTS RELATED TO CLAIMS PROCESSING

Federal Cash Management (2 Code of Federal Regulations (CFR) Part 200.305)

Cash Management requirements are in place to minimize the time between the receipt of federal funds and disbursement of those funds to no longer than three days. You must have a system in place to ensure your claim for reimbursement of expenditures:

- Reconciles to your accounting system.
- Includes only expenditures that have already been disbursed or will be disbursed within three days of receipt of those funds.

If you have funds on hand longer than three days or transfer funds out of federal programs subsequent to reimbursement, you will need to calculate interest earned on those federal funds from the time the funds were received until the time they were actually disbursed. Districts are allowed to retain earned interest up to \$500 per year for administrative expenses. You will need to remit interest earned over \$500 to OSPI using non-federal resources.

Period of Performance (34 CFR Part 76.707 and 2 CFR Part 200.309)

Federal grant funds can be used only for costs “obligated” during the grant period. Therefore, goods received and services performed may be charged to the grant if: 1) there is a legal commitment in place prior to the end of the grant period (obligated), and 2) subsequently received or performed and paid for during the close out period (liquidated). For example, a contract was signed in August, services performed in September, and payment made in October. Since there was a contract in place prior to September 1, the resulting expenditures can be charged to the grant ending on August 31. For additional information regarding the grant close out period, see the “expenditure reporting” section of this bulletin.

The following table shows when an obligation has occurred for various kinds of property and services:

If the obligation is for -	The obligation is made -
(a) Acquisition of real or personal property	On the date the subgrantee makes a binding written commitment to acquire the property.
(b) Personal services by an employee	When the services are performed.
(c) Personal services by a contractor who is not an employee	On the date which the subgrantee makes a binding written commitment to obtain the services.
(d) Performance of work other than personal services	On the date which a subgrantee makes a binding written commitment to obtain the work.
(e) Travel	When the travel is taken.
(f) Rental of real or personal property	When the subgrantee uses the property.
(g) Approved pre-agreement cost	On the first day of the grant performance period.

In contrast, for **state** grants, all obligations must be fulfilled by the end of the grant period (e.g., all goods must be received and services completed by the grant ending date).

When Subgrantees May Begin Obligating Funds (34 CFR Part 76.708)

For **federal** formula grants, you may not begin obligating funds until the later of: a) The date the state may begin to obligate funds (generally July 1), or b) the date you submit an application in substantially approvable form. The Substantial Approvable Status timeline can be found on iGrants under “General Resource Information.”

For **federal** competitive grants, you may not begin obligating funds until the subgrant is made. However, you may request pre-approval from OSPI for pre-award costs you incurred prior to the subgrant being made.

Carryover Funds

Federal funds eligible for carryover into the subsequent period shall be used in accordance with federal statutes and regulations that apply to the program and are in effect for the carryover period. (34 CFR, Part 76.709-710)

The following table lists **federal** programs that allow carryover (C/O) by their Catalog of Federal Domestic Assistance (CFDA) number:

PROGRAM	CFDA NUMBER	C/O % ALLOWED
21st Century Community Learning Centers	84.287C	5%
REAP Flexibility and Accountability	84.367A	100%
Rural and Low-Income Schools	84.358B	100%
Special Education IDEA-B, Sections 611 & 619 CSA	84.027A/84.173A	10%
Special Education IDEA-B, Sections 611 & 619 Flow-Through	84.027A/84.173A	100%
Title I, Part A	84.010A	15%
Title I, Part C Migrant Education	84.011A	100%
Title I, Part D Education Advocate, CSA	84.010A	40%
Title I, Part D Health Services Project, CSA	84.010A	40%
Title I, Part D Neglected and Delinquent - Local	84.010A	40%
Title I, Part D Neglected and Delinquent - State	84.013A	40%
Title II, Part A Teacher & Principal Training & Recruiting	84.367A	100%
Title III, Immigrant	84.365A	100%
Title III, LEP	84.365A	100%
Title IV, Student Support	84.424A	100%

If you need additional information, please review the iGrants profile page for each program and/or contact the program supervisor.

Unexpended **state** grant funds from 2018–19 **cannot** be carried over into FY 2019–20. State general fund appropriations for the 2019–21 biennium have been separately earmarked and allotted for each fiscal year of the biennium and may not be transferred between fiscal years. This does not include learning assistance program (LAP), state special education, or state transitional bilingual instructional program (TBIP), which are state categorical funds subject to different state statutes.

GRANT PAYMENT PROCESS

The grant payment process is generally on a reimbursement basis for both state and federal grants. For federal grants, a district may submit a claim for both actual and anticipated disbursements; however, funds received for anticipated disbursements are considered to be on an advance basis, and subsequent disbursement must occur within three days of receipt of those funds.

Subgrantees will receive funding reimbursement through the monthly apportionment process. Grant reimbursements appear as a line entry by revenue account number on Report 1197, Statement of Apportionment. Individual federal and state grant award information, including current expenditure and available balance information, appears on Report 1191FG. Both reports are posted electronically at the end of each month by School Apportionment and Financial Services.

Expenditure Reporting

In order for OSPI to meet federal deadlines, districts are required to liquidate and claim their FY 2019–20 expenditures no later than the 3rd month following the end of the budget period. For example, if your grant budget period is 9/1/19 thru 8/31/20 your final expenditure report is due by November 18, 2020.

Subgrantees submit claims through the Education Data System (EDS) Grants Claim System automated expenditure reporting process. Monthly claims are due by 4:30 p.m. on the following dates in order to be reimbursed at month end. If this deadline is missed, reimbursement will not occur until the end of the next month a claim is submitted by the cutoff date.

September 18, 2019	February 19, 2020	July 20, 2020
October 22, 2019	March 18, 2020	August 19, 2020
November 18, 2019	April 21, 2020	September 21, 2020
December 18, 2019	May 20, 2020	October 21, 2020
January 22, 2020	June 17, 2020	November 17, 2020

PLEASE NOTE reimbursements for state grants are paid through the EDS Grants Claim System for all fiscal year expenditure reports submitted by the July 2020 cutoff. In August 2020, the Grants Management Office will send out an email requesting claim data to be sent back by email pertaining to the balances or closure of state grants. This information will be used to compile and record OSPI accruals for the close of the state fiscal year.

Final **cumulative** expenditure claims for all accrued state grants must be submitted to OSPI no later than September 18, 2020, in order to receive reimbursement.

If you have questions regarding your reimbursement, contact the grants analyst assigned in the iGrants profile page.

BUDGET REVISIONS (2 CFR Part 200.308)

Unless prohibited by federal or state statute(s) governing a particular grant program, a subgrantee is authorized to increase/decrease expenditures for any budgeted activity total or object total by an amount of up to 10 percent of the total “Budgeted Direct Expenditures” for that grant award ***without submitting a budget revision.***

If a budget revision is required due to exceeding that amount, make sure you allow enough time for the request to go through the approval process in iGrants prior to the claim submission cutoff date. You will not be able to submit your claim until the budget revision is approved.

INDIRECT RATES AND CAPS ON ADMINISTRATIVE COSTS

Unless otherwise stipulated in the appropriations act, statute, rule, or by OSPI policy, the following indirect rates for FY 2019–20 apply:

- School district federal grants, contracts, and LAP rates can be found on the School Apportionment & Financial Services main website at <http://www.k12.wa.us/safs/default.asp>.

BULLETIN NO. 054-19 GM

August 13, 2019

Page 6

- School district state grants indirect rates are 7 percent.
- ESD restricted indirect rates for federal grants are 7.18 percent and for state grants 11 percent.

For clarification regarding administrative cost caps and indirect rate information, including information for state universities and colleges, selected state agencies, private universities and colleges, nonprofit organizations, and state-funded projects (other than LAP), please contact Amy Harris, Director, Federal Fiscal Policy & Grants Management at 360-725-6280 or amy.harris@k12.wa.us.

INFORMATION AND ASSISTANCE

If there are any questions regarding information in this bulletin, unless otherwise specified in the bulletin, please contact Michelle Sartain, Supervisor, Grants Management, at 360-725-6282 or email michelle.sartain@k12.wa.us. The OSPI TTY number is 360-664-3631.

This bulletin is also available on the [Bulletins and Memos](http://www.k12.wa.us/BulletinsMemos/bulletins2018.aspx) page of the OSPI website. (www.k12.wa.us/BulletinsMemos/bulletins2018.aspx).

FINANCIAL RESOURCES

T.J. Kelly
Chief Financial Officer

Amy Harris
Director, Federal Fiscal Policy & Grants Management

CR:ms

OSPI provides equal access to all programs and services without discrimination based on sex, race, creed, religion, color, national origin, age, honorably discharged veteran or military status, sexual orientation, gender expression, gender identity, disability, or the use of a trained dog guide or service animal by a person with a disability. Questions and complaints of alleged discrimination should be directed to the Equity and Civil Rights Director at 360-725-6162/TTY: 360-664-3631; or P.O. Box 47200, Olympia, WA 98504-7200; or equity@k12.wa.us.