# 21st Century Guide to Iowa Program Budgets

Current grantees, please review your grant budgets to ensure you are spending 100% of your annual grant award. Use the table below to provide a financial timeline for your program. Put deadlines in your calendar and set up meetings to occur throughout the grant year to cover these areas.

| FINANCIAL EVENT | QUESTIONS TO ADDRESS | POTENTIAL ISSUES |
|---|---|---|
| Plan your next year budget | What steps will I take to monitor my budget? What regular meetings do I need? | Unspent grant funds, overspent grant funds |
| Review your budget | Do any categories have too much money? Are any underfunded? | Watch your required percentages (PD, Evaluation) |
| Line item adjustment | Was your line item adjustment approved by IDOE? | Adjustments not approved can be disallowed. |
| **QUARTER 1 (July 1- Sept 30)** | How close to your estimated expenses are you? Are adjustments needed? | Adjust line items in budget spreadsheet, email to Vic, and schedule phone conference for approval. |
| Federal Grant Year ends Sept 30th | First Quarter budgets end the Federal grant year. | |
| **QUARTER 2 (Oct 1- Dec 31)** | How close to your estimated expenses are you? Are adjustments needed? | Adjust line items in budget spreadsheet, email to Vic, schedule phone conference for approval |
| Review your budget | Do any categories have too much money? Are any underfunded? | Watch your required percentages (PD, Evaluation) |
| Line item adjustment | Was your line item adjustment approved by IDOE? | Adjustments not approved can be disallowed. |
| **QUARTER 3 (Jan 1-March 31)** | How close to your estimated expenses are you? Are adjustments needed? | Adjust line items in budget spreadsheet, email to Vic, schedule phone conference for approval |
| Review your budget | Are you close to spending 100% of your grant award for the year? | Unspent money will not be added to next year's budget |
| Line item adjustment | Was your line item adjustment approved by IDOE? | Adjustments not approved can be disallowed. |
| **QUARTER 4 (April 1- June 30)** | How close to your estimated expenses are you? Are adjustments needed? | Adjust line items in budget spreadsheet, email to Vic, and **schedule phone conference for approval BEFORE August 1st.** |
| State Fiscal Year Ends June 30th We need all expenses by August 14th | Make sure you send all your expenses that occur before July 1 (the previous school year) | If you fail to send in your last year expenses before the deadline, reimbursement may not be possible. |
| First Year Grantees with unspent balance | Did you formally request a carryover? Send request before June 30th (July 31st is the deadline for carryover requests) | Carryover is not guaranteed. First year grantees must provide reasons why carryover is needed. All carryover must be approved by IDOE. |
| Did you overspend your grant award? | How did this happen? Are you monitoring your budget every month? Every quarter? | We cannot provide more funding than the contract amount in the grant award. |

## BUDGET FREQUENTLY ASKED QUESTIONS

**1) What steps do I need to take to have my line item adjustments approved?**

A) Change your budget spreadsheet and describe each line item change
(transfer $500 from Supplies into Transportation)

B) Email your proposed change to Vic (vic.jaras@iowa.gov) and provide a contact number and proposed time to talk about these changes.
C) Phone conference to discuss budget changes
D) If approved, you will receive an email from Vic that your changes are approved. Keep this for your records.
E) Note that some categories like Professional Development have a minimum requirement of 5% (do not transfer funds from this line item). Others like **Evaluation have a limit of 4%** and **Administration has a limit of 8%.** A transfer request that proposes to transfer from PD or go over in Evaluation or Administration will be denied.
F) Mail in your budget spreadsheet with the approved changes documented.

*Edgar 80.30 Changes-..Post-award changes in budgets and projects shall require the prior written approval of the awarding agency (SEA).*

**2) When do I need an amendment?**

*An amendment is needed for major changes in the grant such as a change in contract dates, buildings or locations where services are provided. Budget changes of more than 10% need to be documented with a formal amendment.*

3) **Is there an amendment request form?**

*Yes. The worksheet gathers the information needed for IDOE to create a formal amendment to your grant. Before you fill out the worksheet, email Vic to inquire if an amendment is needed to resolve your change.*

*4)* **What is the process for an amendment?**

*After the worksheet data is complete, if the request is approved by the program Consultant (Vic), then an amendment form is filled out at the DE and then requires 3 additional signatures at the DE to be official. Sometimes, a meeting request is generated for the program Consultant to explain why the amendment is needed.*

*Once an amendment is approved and signed, it will be emailed as a PDF for a grantee signature and then you are notified of the amendment being enacted via email.*

**5) What is an automatic denial?**

*The IDOE makes every effort to respond to and assist grantees with their budget and other requests in a timely manner. However, we cannot keep individual items ON HOLD for an unspecified period of time. It is the responsibility of the Grant Program Director to make sure that they follow up on their requests for budget changes, line item adjustments, carryover or other changes within 15 business days. When the IDOE has not had ongoing communication on an item for 15 business days, we must consider it automatically denied. Note: Every program director should have the IDOE Consultant email (vic.jaras@iowa.gov) in their contact list and office phone (515)-242-6354 and cell phone in their phone*

*contact list. In Iowa, grantees have the ability to directly communicate with the SEA contact for 21st CCLC Consultant.*

**6) What is a required quarterly budget meeting?**
*States (SEA) are required to do perform ongoing Risk Assessment for all applicants and grantees for the 21st CCLC grant. If you had some budget issues last year, you may be required to have quarterly budget meetings with the IDOE for additional guidance, monitoring and Risk Assessment. Sometimes, the extra monitoring can be helpful for new grantees and does not reflect any additional risk, but as a method of providing technical assistance.*

*7)* **Who is responsible to schedule the meeting?** *The grantee is responsible to set up a time to schedule a phone conference with the IDOE to review their quarterly budget BEFORE it is submitted for payment.*

*8)* **What if the meeting is not scheduled and the spreadsheet is mailed normally?** *The quarterly claim will NOT be paid until the required budget meeting has been held. The first signature required to pay a quarterly claim is from the IDOE consultant. Additionally, non-compliance with this monitoring and risk assessment effort may require a follow up meeting involving additional district or organizational stakeholders.*

*9)* **Can I put in a request for Carryover in year 2 of a 3 year grant?** *Yes, but only if you have exceptional circumstances beyond your control that prevented the operation of your program. For example, a tornado, flood, fire or other natural disaster. Remember that Carryover is NEVER automatic, but is something you must apply for and be approved before it can occur.*

*10)* **Can I put in a request for Carryover in years 4 or 5? No.** *This policy has been well established. Grant agreements have language that reads "no carryover in years 4 and 5". However, how could you do a carryover in year 5? Carryover would always take place in the year leading into the next. Carryover for year 4 would occur from unspent funds in year 3. Carryover in year 5 would have to occur with unspent funds from year 4.*

**11) If our program does not spend all of our annual grant award, what happens to that money?**
*The funds are reserved for program expenses. These funds are in an account that only provides payment on grant claims. If a state cannot spend all of its program funds before September 30th, those funds must be returned to the US Dept. of Education.*

**12) If I am not sure about an expense for my program, who can I ask?**
*Districts and organizations have finance offices. You should always check your local finance policies.*

Email vic.jaras@iowa.gov with questions about 21st CCLC grant specific allowable expenses.

*13)* **What records to we have to keep track of?** *A State **and** a sub-grantee shall keep records that fully show:*

- (a) The amount of funds under the grant or sub-grant;
- (b) How the State or sub-grantee uses the funds;
- (c) The total cost of the project;
- (d) The share of that cost provided from other sources; and
- (e) Other records to facilitate an effective audit.

*(Approved by the Office of Management and Budget under control number 1880-0513)*
*(Authority: 20 U.S.C. 1232f)*

14) **What is my Operating Budget?**
***The Spreadsheet you mail is considered your OPERATING BUDGET-*** *you should review this every month.*

*When calculating your in-kind funding from community partners, this is considered your* ***GOAL-BASED BUDGET.***

*This should be reviewed every quarter and it is used to document your work towards sustainability with a grant application and for a Comprehensive Site Visit.*

*15)* **What happens if I submit line-item adjustments without scheduling a call a few days before the AUG 15th State Fiscal Year deadline?** *This is a huge red flag that program finances may not be operating as they should. Expect additional monitoring in the future.*

*The SEA has the option of denying payment, providing conditional payment approval followed by an audit to determine if a chargeback is needed for un- approved line items. It shows that you have not been following these guidelines and this will count against your program during your next Comprehensive Site Visit. The SEA may require that all future claims be preceded by a budget conference call to insure that you receive technical assistance in an area of proven need. You may be required to provide General Ledger documentation with each claim. Expect additional monitoring if you do not follow these guidelines for program financial operations.*

**EXAMPLE QUARTERLY OPERATING BUDGET**

This budget spreadsheet is sent to you, but is based on your budget proposal in the grant application.

Example and Description of the Budget Categories:

Personnel generally costs between 60-70% of a program budget

Staff Travel would be mileage reimbursement and air fare for PD. Out of state travel must be pre-approved by IDOE

Consumable Supply/Materials- These are supplies for the kids. Materials for exciting lessons, demonstrations and hands-on projects.

Professional Development- **Minimum 5%**
You can bring in trainers, send staff to training, but PD results in higher quality programs.

Student Transportation- To and from the program and for field trips.

Evaluation- Local evaluation expenses Limit of 4%

Administrative Costs- **Limit of 8%** for Admin

**Family Literacy** (Parent Engagement)

| | **Budget Goal** | |
|---|---|---|
| Authorized Activity Category | Student Program | Family Literacy |
| Personnel | $ 65,288.98 | $ 1,400.69 |
| Staff Travel | 300.00 | $ - |
| Consumable Supply/Materials | $ 7,175.00 | - |
| Professional Development | $ 3,395.00 | $ 105.00 |
| Student Transportation | $5,000.00 | $ - |
| Evaluation | $4.655.00 | $ 95.00 |
| Administrative/ Indirect Costs | $ 5,194.00 | $ 106.00 |
| Total | $ 91,007.98 | $ 1,706.69 |
| | **$ 92,714.67** | |

IF YOU WANT TO DO A LINE ITEM TRANSFER, YOU NEED TO EXPLAIN WHAT FUNDS ARE LEAVING WHICH LINE ITEM AND WHERE THEY WILL GO.

**Transfer $1,000 from Personnel into Supply** ← document how much from which line and the destination line. In your email, provide a brief explanation. These are over-allocated staff funds. We plan to buy books for the children.

Transfer $2,000 **from** Professional Development **into** Evaluation <- This will NOT be approved. There is a minimum requirement for PD and a concern about excessive evaluation expense. Remember, that your line item transfers should be reasonable and justified.

## Attendance Requirement:

***Your application is funded based on the number of students served. This number is defined by the grantee. By year 3, you should have met 80% of your goal. If you do not meet your goal, your funding for years 4 and 5 will be reduced****. It is your responsibility to request technical assistance for help with attendance. We have sites that meet their year three attendance goals within the first two weeks of operation. If you have low attendance, and you are charging fees, your policy may be creating a barrier to families in poverty.*

**If your program is not approved in a Comprehensive Site Visit, your grant ends in 3 years** instead of 5. You will NOT be able to apply for a new grant. Depending on the circumstances, you could be prohibited from applying for additional grants for this program and you could be asked to repay portions of the grant spent inappropriately without approval. If you have questions about an expense- email your question.

## Financial Best Practices:

1) Do not spend more than 8% on Administration (which includes in-directs)
2) Do not break up an administrator salary into different categories without prior approval from IDOE
3) Do not exceed 4% for evaluation (Administrators are NOT evaluators)
4) Do not count vendors as partners and pay them from personnel
5) Do not supplant with federal funds
6) Do not buy software, hardware, or technology with prior approval from IDOE
7) Do spend a minimum of 5% for Professional Development

   ***ESSA SEC. 4203 (A)*** *"(6) describes the steps the State educational agency will take to* ***ensure that programs implement effective strategies****, including providing ongoing technical assistance and training, evaluation, dissemination of promising practices, and coordination of* ***professional development for staff in specific content areas*** *and youth development;"*

8) Maintain records for appropriate expenses, keep receipts and code them properly

Operate under the guidelines for federal grants https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

9) **Collaborate with the building Principal** by providing data on the grant award, the number of children to be served, the attendance requirements and the 60 minimum contact hours per month requirement.
10) **Collaborate with Community Partners** by providing data on the grant award, the number of children to be served and the attendance / Contact time requirements.
11) **Plan for sustainability** with Community Partners, building Principals, District Administrators and Parents.

## Fees:

**The collection of parent fees is NOT a best practice**. Any fees collected are considered program income and must be spent in the year collected and spent on the program. This amount can be deducted from your award.

Because this is a federal TITLE program, charging fees can create serious equity issues, create barriers to enrollment for families in poverty and can easily put a program into non-compliance.

**Programs that charge fees may not prohibit any family from participating due to its financial situation.** The priority of the program to serve poor students and families could be compromised through high program fees. Programs that opt to charge fees must offer a sliding scale of fees and scholarships for those who cannot afford the program. Income collected from fees must be used to fund program activities specified in the grant application. While fees are still permitted, the USDOE is working to curtail this practice.

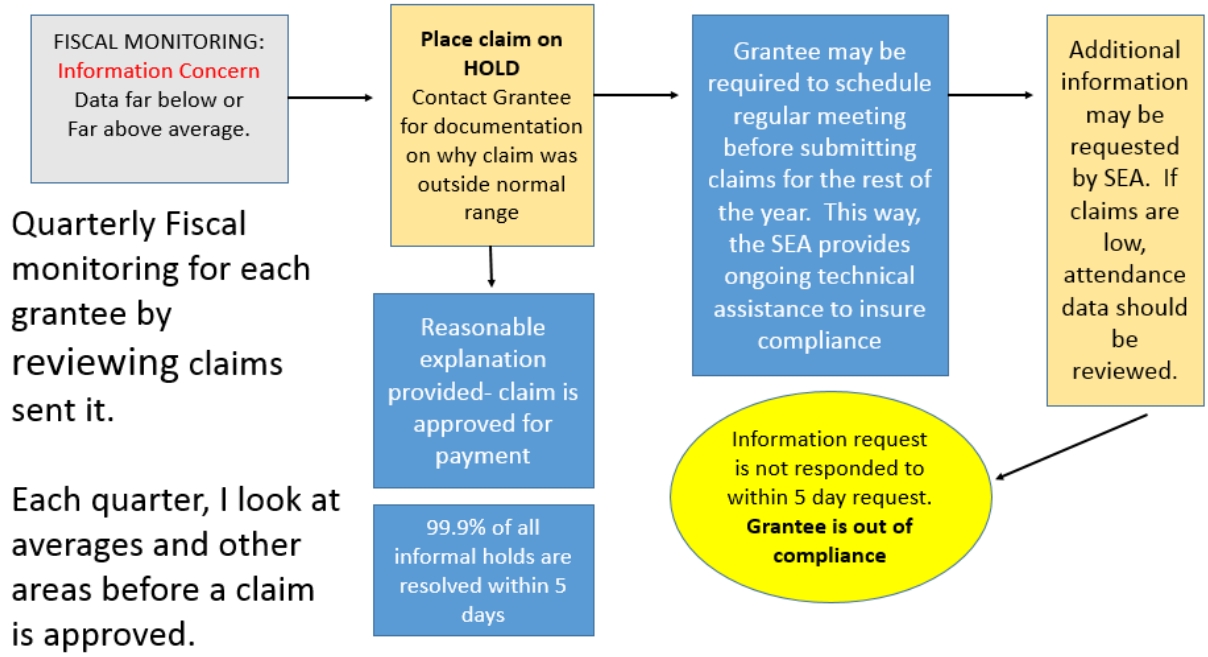
**Effective July 1, 2018- any program that proposes to charge a fee must have their enrollment form approved by the Iowa Dept. of Education BEFORE they begin enrollment in any summer or school year program.**

**Community Partners** are not considered program income and their in-kind contributions can enrich your program and provide benefits that are sustainable.

## Risk Assessment and Monitoring:

*Iowa uses informal monitoring that is embedded with each claim submitted, and within site visits and technical assistance. However, if after 30 days a grantee has not responded, the process will become formal and could take months to resolve as additional support from the IDOE help to review and correct the areas of non-compliance.*

*The chart below was presented at our previous Director's Meeting.*




**2 CFR Federal register §*200.338*** Temporarily withhold cash payments pending correction of the deficiency.

## Supplanting:

**There is a presumption of supplanting if Federal funds are used for** State-required costs or **costs previously covered with non-Federal funds.** *The presumption may be overcome if the SEA or LEA is able to demonstrate through written documentation (e.g., State or local legislative action, budget information, or other materials) that*

*it does not have the funds necessary to implement the activity and that the activity would not be carried out in the absence of the SSAE program funds.*

*https://www2.ed.gov/policy/elsec/leg/essa/essassaegrantguid10212016.pdf*
*(This is WHY Iowa requires you to document your level of sustainability when you re-apply for a 21st CCLC grant).*

*"Supplement" means to "build upon" or "add to"; "supplant" means to "replace" or "take the place of." Federal law prohibits recipients of federal funds from replacing state, local, or agency funds with federal funds. Existing funds for a project and its activities* may not *be displaced by federal funds and reallocated for other organizational expenses.*

## Audits of your program:

Your program is subject to audit at any time. It could be an informal request for additional information or documentation. It could be a question about an expense item. Because these are federal dollars, they are subject to federal audit rules. Even if your grant ends, there are still federal rules that apply. Funds will be spent under the guidelines for federal grants (EDGAR).
https://www2.ed.gov/about/offices/list/osdfs/edgar2008.pdf

- **2 CFR Federal register §*200.336* *Access to records.***

  *(a) Records of non-Federal entities. The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity (SEA), or any of their authorized representatives,* ***must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts.***

- *The right also includes* ***timely and reasonable access*** *to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.*

In Iowa, you should respond to any informal request for information or documentation within 5 days. If after 30 days, we enter into a formal process, both the IDOE and the USDOE are notified. You are still subject to a federal audit even if you have made all the state requested corrections for compliance.

## Edgar 80.51 Later disallowances and adjustments.

The closeout of a grant does not affect:
(a) The Federal agency's right to disallow costs and recover funds on the basis of a later audit or other review;
(b) The grantee's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
(c) Records retention as required in §80.42;
(d) Property management requirements in §§80.31 and 80.32; and
(e) Audit requirements in §80.26.

(Authority: 20 U.S.C. 3474; OMB Circular A 102)

## Non-Compliance: 2 CFR Federal register §*200*

In Iowa, informal monitoring helps facilitate grantee correction of deficiencies quickly. Grantees who fail to respond to informal monitoring and require formal monitoring are assumed to be in non-compliance in

more than one area. Formal Monitoring will take months and require additional documentation for every step in the process.

- *If a non-Federal entity fails to comply with Federal statutes, regulations* ***or the terms and conditions of a Federal award****, the Federal awarding agency (SEA) or pass-through entity may impose additional conditions, as described in § 200.207 Specific conditions. ..*
- **(a) The Federal Awarding Agency or pass-through entity may impose additional specific award conditions as needed, in accordance with paragraphs (b) and (c) of this section, under the following circumstances:**
- (1) Based on the criteria set forth in $200.25 Federal Awarding Agency (SEA) review of risk posed by applicants;
- (2) When an applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal award;
- (3) When an applicant or recipient **fails to meet expected performance goals** as described in § 200.210 Information contained in a Federal award;
- **(b) These additional Federal award conditions may include items such as the following:**
- (1) Requiring payments as reimbursements rather than advance payments;
- (2) **Withholding authority to proceed (apply for additional grants or extend the award to years 4 and 5)** to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) **Requiring additional, more detailed financial reports;**
- (4) Requiring **additional project monitoring;**
- (5) **Requiring the non-Federal entity to obtain technical or management assistance**; or
- (6) Establishing additional prior approvals.
- **§ 200.338 Remedies for non-compliance:**
- (a) **Temporarily withhold cash payments pending correction of the deficiency** by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) **Wholly or partly suspend or terminate the Federal award.**
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) **Withhold further Federal awards** for the project or program.

  (f) Take other remedies that may be legally available.

## Amendments:

TIP- DO NOT COMPLETE AN AMENDMENT FORM UNLESS DIRECTED. First, send an email to vic.jaras@iowa.gov provide information about the changes you want to make, the dollar amounts and when they will occur. Amendments are for substantial changes in dollar amounts, school closings, permanent changes in locations.

Summer School location changes do NOT need an amendment. Simply email vic.jaras@iowa.gov to provide notification of a temporary change in location.

**21st Century CCLC Grant Amendment Worksheet**

Grantees are expected to implement the program described in the approved Grant application Proposal. However, certain circumstances (consolidation, merger, school or site closing) require that we make program changes for us to insure that federal dollars can follow the students identified in the grant. Upon request, the Iowa Department of Education (DE) will consider changes to the program in the approved application when circumstances have changed that are beyond the control of the grantee.

Carry-Over will only be approved if you have a good reason or have extreme circumstances (flood, tornado, fire or other such circumstances).

Grantees wishing to make significant changes to their program must complete this request form with the required information for each program change requested. These requests will be evaluated by the DE on a case-by-case basis, and all information provided will be compared to what was included in the approved Grant application. **All changes to the program in the approved application must be approved in advance by the DE.** E-mail this worksheet to **vic.jaras@iowa.gov**, Program Consultant.

Grant Number _____
Dates of Service (from) _____ to _____
Title of Grantee _____

**Reason for the Change**: (provide background information)

*Details go here- Identify the Cohort, specific building(s) and justification for major change.*

**Proposed Change**: (provide a proposal to respond to the change)

*What needs to change or be adjusted*

**Revised Budget:** (attach pages if needed)

TIP: Always email vic.jaras@iowa.gov with general questions about the need for an amendment before you start paperwork. Let's make sure an amendment is actually needed.

**Amount of Change** (zero dollars or provide dollar amount for carryover)

Implementation Date of Proposed Change:

Contact Person: _____

Email: _____

Phone: _____

**Complete this form and email to vic.jaras@iowa.gov This worksheet provides the information we need to:** A) Review your request, B) Approve or Deny C) Process the amendment- which we will send to you, for signatures.

When I receive your worksheet, if your request is approved, the data from your worksheet is used to create the formal amendment (see example on the next page)

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The Official Iowa Dept. of Education Amendment Form (That IDOE completes and mails to you)
Amendment Worksheet (Information from this form is put into the IDOE amendment if approved)

**Contract/MEA/Grant Number:**

**Iowa Department of Education**
**Amendment #**

**Contracting Agency/Individual:**

**Current Operational Period:** **Start Date:** **End Date:**

**Current Budgeted Amount:** $

**Reason for Amendment (check all that apply):** ☐ **Work Scope** ☐ **Budget Amount** ☐ **End Date**

**Detailed description of any new activities being added to work scope:** (attach additional pages if needed)

**New End Date requested:** **New Budget Amount requested:** $ 0.00

**Justification for amendment request:** (indicate any changes in funding source(s), attach new budget if needed, attach additional pages if needed)

The form is completed with summary information (sometimes attachments are included)

Next, the process of obtaining signatures to approve the requested changes begins:

First the DE contact (Vic) signs the form, then a Bureau Chief or higher level DE administrator signs. Sometimes, a meeting is requested to provide details on why this is change is needed.

The form is emailed to the grantee requesting the amendment for a signature. The grantee mails back the signed form and then one final DE signature is needed before the amendment becomes final and you receive a PDF of your amendment in email.

**Authorization for Amendment Request (Signature indicates agreement to carry out terms of agreement as amended):**

| | | |
|---|---|---|
| DE CONTACT | TITLE | DATE |
| DE ADMINISTRATION | TITLE | DATE |
| CONTRACTING AGENCY OR INDIVIDUAL | TITLE | DATE |
| DE AUTHORIZING SIGNATURE | Chief, Internal Administrative Services<br>TITLE | DATE |