

New Directors 102, Part A – Budgeting Requirements

Georgia Department of Education
GCEL Conference
February 26-28, 2018

Georgia Systems of Continuous Improvement



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New Directors 101



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- New Directors 101 was presented during New Directors' one day training at Federal Programs Conference in June. It provided an overview of how to have a successful 1st half of the new year.
 - Timeline (July – December)
 - Toolbox

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New Directors 102, Part A



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Purpose:

This session is designed to provide an overview of the budgeting requirements that will help a new Title I Director have a successful 2nd half of the year.

Agenda:

- Carryover
- Amendments
- Budget Review
- Purchase Order Packets
- Cash Management



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Carryover and Amendments

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Carryover Funds



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- Completion report defines the total amount of the original grant award and the total amount of funds that were expended by an LEA.
- Report is used to determine the amount of unexpended funds and the amount of funds available for carryover for each LEA.
- LEAs are notified regarding the exact amount of carryover funds and must submit a budget amendment for approval before funds are expended.

Carryover Funds



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- At least **eighty-five percent (85%)** of Title I funds should be spent during each fiscal year; remaining funds are returned to the district as ***carryover***.
- FY17 ***carryover*** for Title I, Part A will be posted to the ConApp after the original FY18 budget is approved and the LEA has submitted the required completion report (after September 30th, but no later than October 31st).

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Carryover Funds



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- For LEAs that have spent less than 85% and have not requested a carryover waiver within the last three years, a carryover waiver request may be completed, submitted, and approved by GaDOE.*
- Carryover waiver worksheet is located on the Federal Programs Web site.

**Note:* The percentage limitation does not apply to LEAs that receive an allocation of less than \$50,000 in Title I, Part A funds.

Carryover Funds



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- How to allocate carryover funds?
 - To support District Improvement Plan and/or School Improvement Plans identified areas of need.
 - To assess additional needs of Title I Schools.
 - To provide additional support to Title I District initiatives.

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Carryover Funds



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- How to budget carryover funds?
 - Allocate the funds to schools by increasing the PPA while maintaining rank order.
 - Allocate the funds for district-level activities (Set-asides).
 - Allocate back to the school that originally earned the dollars...not part of the PPA.
 - Allocate the funds back to the schools on an equal basis.
 - Combination of above options.

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Carryover Funds



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Grade span Grouping

Poverty Determination

Option used to determine the number of children in from low-income families:

School Lunch
 TANF List
 Other



Attendance areas and school allocations Details												Export
School ID	School Name	School Type	Grade Span	Enrollment minus Pre-K	# Poverty Children minus Pre-K	Poverty Percent	PPA	School Allocation	School Carryover	Parental Involvement	Type	
1050	Blue Ridge Elementary School	ELEMENTARY	K-5	421	272	64.61%	\$885	\$240,720.00	\$12,648	\$2,234.00	SWP	
0194	East Fannin Elementary School	ELEMENTARY	K-5	398	281	70.6%	\$937	\$263,297.00	\$12,648	\$2,235.00	SWP	
0176	Fannin County High School	HIGH	9-12	911	477	52.36%	\$0	\$0.00	\$0	\$0.00	NONE	
0193	Fannin County Middle School	MIDDLE	6-8	707	437	61.81%	\$160	\$69,920.00	\$12,648	\$2,234.00	SWP	
9999	Open Arms	ADDED SCHOOL	5-12	0	0	0%	\$0	\$0.00	\$0	\$0.00	Neglected	
0293	West Fannin Elementary School	ELEMENTARY	K-5	464	295	63.58%	\$860	\$253,700.00	\$12,648	\$2,234.00	SWP	
Total:				2901	1762	60.74%	\$2,842	\$827,637.00	\$50,592	\$8,937.00		

Budget Amendments



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- When to do an amendment?
 - Budget for carryover funds.
 - Increase or decrease in original allocation.
 - A need arises for an expenditure that is not in approved budget. (Must be based on needs assessment and part of the district or school improvement plan.)
 - Adjustments based on negative amounts and/or errors found in budget review.
 - Changes in the approved budget that **exceed 25-percent** in any function code.



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Budget Review

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Budget Review



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- Talk with your finance director about the reports that are available for you.
 - Detailed expenditure report
 - Payroll history report
- If unfamiliar with these reports have your finance director explain how to review.

**FINANCIAL
REPORT**

Sample Budget Page



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REPORT DATE: 01-15-2016 TIME: 14:57
PROGRAM: ACCT0340

BU Gov't Code Function Code Facility Code VITY PAGE 31

** 16-402-0-1750-1000-61200-0102-1-000000 **

ACCOUNT NAME ORIGINAL Program Code Object Code STATUS
TITLE I SOFTWARE 10,000.00 A

----- CLAIMS -----

VENDOR-SEQ	VENDOR NAME	DATE	CLAIM AMT	PAID	AMT PAID	DESCRIPTION	PO #	CK #/ STATUS
005420 9997	EDGENUITY INC.	09-30-15	9,350.00	10-01-15	9,350.00	FY16 TITLE I RENEWAL	019743	076247

----- PURCHASE ORDERS -----

PO #	VENDOR	VENDOR NAME	DATE	PO AMOUNT	LIQUIDATED	DESCRIPTION	STATUS
019743	005420	EDGENUITY INC.	09-25-15	9,350.00	9,350.00	FY16 TITLE I RENEWAL	CLOSE
019937	004311	USA TEST PREP	12-07-15	750.00	.00	TITLE I (SCIENCE)	OPEN

----- ACCOUNT TOTALS -----

** TOTALS ** CLAIMS: 9,350.00 PAID: 9,350.00 CLAIMS OPEN: .00 PO'S OPEN: 750.00
** ACCOUNT BALANCE ** 100.00-

Budget Review



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- After the budget is approved and entered into the local accounting system:
 - Request an expenditure detail report and payroll report from the finance department. *(Unless you have access).*
 - What to look for in the review:
 - Has the budget been correctly entered by function and object code?
 - Have personnel and their percentages been charged correctly to Title I?

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Budget Review



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- Each month check for the following:
 - Expenditure Report
 - Has the budget been correctly entered by function and object codes?
 - Are there copies of purchase orders and invoices for all Title I expenditures showing on the expenditure report available to you?
 - Have all expenditures been pre-approved?
 - Are all purchases allowable?
 - Were procurement guidelines followed correctly?
 - Has Title I equipment been entered into the inventory?
 - Have Family-School Partnerships Program district set-asides been charged to the district facility code?
 - Have Family-School Partnerships Program expenditures been reconciled to the school's parent engagement budget?

Budget Review



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- Each month check for the following:
 - Expenditure Report, continued
 - If travel has been paid, do you have the required supporting documentation?
 - Was the travel pre-approved?
 - If contracted services have been paid, do you have the required supporting documentation?
 - Do you have an approved contract, signed before the activity occurred?
 - Have the terms of the contract been completed?
 - Does the invoice match the contract agreement?

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- Payroll History Report
 - Have the personnel and their funding percentages been charged correctly to Title I?
 - Have the function and object codes been entered correctly for each staff member?
 - Are the salary and benefits charged as they were budgeted?
 - Do you have time sheets for hourly staff salaries and have they been approved by the Title I Director before payment?
 - Do periodic certifications match the payroll history report semi-annually?
 - Are time logs matched and reconciled quarterly with the payroll history report?

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Budget Review



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- Are there any negative balances?
 - Reconcile the amounts charged to Title I and match to the purchase order voucher packets (*approved PO, packing slips, invoices, etc.*)
 - Are expenditures charged to the proper funding structure and included in the approved budget? (*Items may have been coded incorrectly.*)
 - Are payroll charges matching the budget for salary and benefits?
 - Have benefits increased during the year?
 - Have staff salaries increased?
 - Have staff been incorrectly charged to Title I?

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- How can you correct the negative balance?
 - Complete an amendment to make adjustments in the budget.
 - Do you need more subs than you originally thought?
 - Did your materials/supplies/technology cost more than anticipated?
 - Do you have additional staff salaries?
 - Correct the coding error by charging to the correct program/function/object code.

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Budget Review



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- Are you on track with your spending?
 - Will you have enough funds to cover what is planned?
 - Examples: salaries, substitutes, professional development and after-school programs
 - Are you on track to meet the 15% carryover limit?

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**FINANCIAL
REPORT**



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SAMPLE Budget

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Purchase Order Packet Requirements

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Purchase Orders



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- Required Purchase Order Procedures
 - Request made, dated and signed by person making request
 - Approval by Title I director, dated and signed – district may have others that fall in this process
 - Is request allowable?
 - Is request reasonable?
 - Are quotes required (over aggregate amount of \$3500)
 - If expenditure is over \$25000 did you check SAMS
 - Does the request meet the needs as outlined in plans?
 - Was the request included in the approved budget?
 - Are there enough funds to cover the request?

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Purchase Orders



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- If the answer to questions are yes.....
 - Signed PO goes to finance director to enter in local system.
 - Someone mails or faxes the PI to vendor.
 - Once merchandise or services have been received, someone signs.
 - If all is good, the company will invoice the district.
 - The finance department will submit a check.
- If the answer to any of the questions are no....
 - The director will send back to the person making request.

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Purchase Orders



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- The following slides will explain one sample procedure an LEA may consider in reviewing purchase orders. An LEA may adjust to meet individual district needs.
- Starred items on the following slides will indicate required items.

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Purchase Orders



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- The Title I Director reviews the requisition to ensure
★ the expense is allowable and documented in the District Improvement Plan and/or School Improvement Plan.
 - Requisition Forms need to include:
 - Vendor information including phone number (fax number if applicable).
 - Detailed description of the item.
 - Ship to information (including the address).
 - The director then signs, dates (to document pre-approval), and assigns the appropriate account number based on the budget sheets and chart of accounts.
★ The requisition is then forwarded to Finance Department.

Purchase Orders



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- The Finance Director then reviews the requisition and signs off to verify appropriate budget amounts and account numbers on the requisition.
- The Finance Director forwards the requisition to the Purchase Order Clerk.
- The Purchase Order Clerk assigns a Purchase Order (P.O.) number, logs P.O., and orders the merchandise.

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Purchase Orders



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- The Purchase Order Clerk returns two copies of the P.O. to the school or department that made the requisition, and keeps a copy at the Central Office.
- When the merchandise arrives, the school or department then signs verifying the merchandise is accounted for and returns the receiving copy of the P.O. and invoice to Accounts Payable for payment.
 - Both the receiving copy of the P.O. and the invoice must be signed and dated.
- The above documentation, to support the expenditure is maintained in the office of the Title I Director.

Non-Traditional Purchasing



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- Purchasing Card (P-card)
 - A **purchasing card (PCard or P-Card)** is a form of company charge **card** that allows goods and services to be procured without using traditional purchasing processes.
 - ★ P-Card purchases should include a receipt (signed and dated by the person making the purchase). Prior approval procedures should be followed to ensure purchase is allowable and allocable.
 - ★ Monthly reconciliation of the P-Card purchases with the credit card statement should be completed by Finance Department and reviewed by Title I Director.

Non-Traditional Purchasing

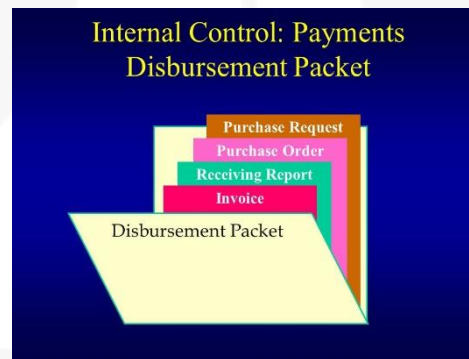


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- Purchasing Card (P-card)
 - Wal-Mart purchases may be non-traditional if your local store doesn't accept purchase orders.
 - Some LEAs use a district level credit card to make those purchases.
 - Monthly reconciliation of the Wal-Mart purchases with the credit card statement should be completed by Finance Department and reviewed by Title I Director.

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Purchase Order Packet SAMPLE



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Travel Reimbursement



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- Reimbursement shall be made only when the request for travel has been deemed allowable and pre-approved through the appropriate process.
- ★ LEA needs to develop and use a Professional Development Request form (see sample) submitted by the employee prior to travel.
- LEA needs to develop and use an Employee Expense Statement (see sample) to verify the expenses are allowable.
- Attaching an agenda from the conference is a best practice to document how the travel is necessary for the school or district improvement plan.

Travel Reimbursement



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- Reimbursement shall be made in accordance with the current Federal and Georgia State Travel Regulation.
- Title I Director will review the Travel Reimbursement Packet (Professional Development Request Form and Employee Expense Statement) to determine if reimbursement is allowable.
- ★ Sign, date, and forward to Finance Department for payment to individual.
- Travel reimbursement should be completed within 30 days from time of employee travel.



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BUSINESS TRAVEL

Travel Packet SAMPLE

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Contracted Services



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- Packet needs to include the following:
 - ★ • Completed contract and W-9 (see sample).
 - ★ • Contract should include details of services to be delivered, timeline for services, and rate of pay (who, what, where, and when).
 - ★ • Documentation of services being delivered.
 - Timesheet
 - Attendance sheet for students being served (tutoring)
 - Lesson plans (tutoring)
 - Attendance sheet of staff attending (professional development)
 - Agenda (professional development)

Contracted Services



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- Documentation of services being delivered, *continued*
 - ★ • Title I Director or person who has direct knowledge the services were performed according to the contract should review the documentation to verify services were delivered.
 - ★ • Title I Director will sign and date the invoice(documents approval) submitted by the contract services provider and forward to Finance Department for payment.
 - ★ • Copy of above documentation is kept on file in the Title I Director's office for monitoring purposes.



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Contracted Services Sample Packet

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Cash Management

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Cash Management



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- The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires all Federal programs to have **written procedures** to implement the requirements of payment of Federal funds. 2 CFR 200.302
- The law allows for two methods of Federal fund disbursements to Federal program participants: advance payments or reimbursements. 2 CFR 200/305

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- **Advance payments** must be limited to minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements in carrying out the purpose of the approved program.
- The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursement.

2 CFR 200.305

Cash Management



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- Since the timing and amount of the advance payments is not guaranteed to be as close to the actual payment of the advance (usually within 3 days) with one draw down a month, the procedure followed by GaDOE is all disbursements to LEAs will be **reimbursement** for all allowable **incurred** Federal program expenditures.

Position Paper – Approved by SBOE May 3, 2017

Cash Management



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- What are incurred expenditures?
 - Incurred expenditures and paid expenditures are not the same thing.
 - For example, an LEA would have incurred an allowable program expenditure when they ordered and received computers, but they may not have paid the invoice.
 - The obligation to pay was established when the LEA contracted to purchase the computers and payment was due when received. When the expense is incurred and equipment received, the LEA can seek reimbursement as part of its monthly drawdown in the GAORS.
 - The LEA does not have to wait until final payment is made on the invoice. However, LEAs must meet all cash management requirements and should have a local policy in place to ensure cash is not held more than 3 days after receipt of the Federal funds drawdown.

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- Procedures
 - Must document the internal controls in place to ensure there is appropriate review and authorization of the cash drawdown by someone other than the individual requesting the drawdown.
 - Recommendation that the Federal Program Director/Coordinator reviews and approves all drawdown requests prior to the finance director submitting request via GAORS.
 - Process to ensure that requests are supported by accounting records of expenditures prior to but not more than 3 days.

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- Procedures, *continued*
 - The UGG section on required certifications (2 CFR 200.415) now states that on all completion reports and vouchers requesting payment (DE0147), the following legally binding certification must be included:
 - 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. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801- 3812).

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- Procedure/Process Questions:
 - How are expenditures tracked?
 - Who (position) prepares the DE1047 reports?
 - Who (position) verifies the expenditure report includes only expenditures that have been obligated in the requested reimbursement amount?
 - What is the process for approval of the report before submission? Who approves?
 - How often are claims made?

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Cash Management



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- Procedure/Process Questions, *continued*
 - There should be separation of duties between who approves and disburses the funds from who performs reconciliation. What is the process used to ensure this?
 - What is the process for ensuring that the final drawdown and completion report is filed no later than September 30? What positions are involved in the process?

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Cash Management



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- Monitoring
 - Review actual expenditures and cash drawdowns to ensure funds were appropriately spent and purchases were allowable.
 - If an LEA is placed on High Risk by either the Federal Programs staff or by the GaDOE Department of Audits, they will be monitored that fiscal year. If an LEA is found to have spent funds inappropriately or has drawn down more money than they have spent, then funds will be refunded to the GaDOE.

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- Monitoring, *continued*
 - If the LEA is found to have earned interest over \$500 due to excess drawdowns of funds during the period of performance, then the LEA must comply with 2 CFR Part 200.305(b)(9) and remit the additional interest earned. The GaDOE also reserves the right to take further corrective action as necessary, including a more restrictive reimbursement method of submitting invoices prior to being reimbursed.

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Cash Management SAMPLE

Fund Request Form



**Expense
Reimbursement**

Presenters



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