

2012 AEFLA APPLICANT'S CONFERENCE – FISCAL MANAGEMENT

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COMMUNITY COLLEGES
BUREAU OF ADULT, CAREER, AND COMMUNITY COLLEGE EDUCATION

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Agenda

Grant Related:

- **Administrative Costs**
- **Indirect Costs**
- **Maintenance of Effort**
- **Time & Effort**
- **Tracking Equipment**
- **ABE 9 – FSR**



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Agenda - Continued

Current Grants Environment

- **OMB Circulars**
- **EDGAR**
- **Grants Management Policy**
- **Sequestration**
- **Grants Test!**



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Administrative Costs

- Local recipients may use up to 5% of their award for:
 - **Planning, administration, personnel development, and interagency coordination**
- This maximum includes Indirect Costs



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Administrative Costs

- These costs are reasonable, necessary, and allowable costs associated with overall project management and NOT directly related to the provision of services to participants



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Indirect Costs

- These are service oriented costs that benefit the entire organization
- Costs that are incurred for common or joint objectives and cannot be specifically identified with or allocated to a particular project or activity



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Maintenance of Effort

- Requirement that the STATE maintain fiscal effort of state and/or local funds
- The state's non-federal share cannot be reduced from year to year
- If state reduces non-federal share by more than 10%, triggers an automatic federal share reduction





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Time & Effort Reporting

- Continues to be the number one audit issue with federal grants
- Any issues means that costs are unallowable and college and state are responsible for paying back the federal funds
- Any employee paid from federal grant funds must have T&E documentation.





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Time & Effort Reporting

Two types of T&E documentation:

- Semi-annual certification in employee file
OR
- Personnel Activity Report (PAR)





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Time & Effort Reporting

Semi-annual certification

A signed document that states this employee is 100% funded from a specific grant.



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Time & Effort Reporting

Personal Activity Report (PAR)

- After the fact record
- At least completed monthly (unless substitute system)
- Signed and dated by employee
- Budgets do not reflect actual charges
- Focus is on actual effort, not estimated effort





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Time & Effort Reporting

- Also required for any matching funds that are used for this grant, as the same requirements apply to matching funds as to the federal funds



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Tracking Equipment

- Equipment is defined as either the entities definition per their policy or tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more





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Tracking Equipment

- Any equipment purchased with federal funds must be tracked.
- A physical inventory will be taken at least once every two years
- Recent comments from OIG on tech items





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ABE 9 - FSR

- Group is working on new ABE 9 form for lowagrants.gov
- This form is still required because this information is used to capture data elements for Financial Status Reports (FSR)
- As of right now, some of this information is not captured anywhere else



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OMB Circulars

- If you work with grants, you need to know what these are
- You also need to know which ones apply to your entity
- OMB is working on a “super-circular” that will incorporate all of the different ones into one document





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EDGAR

- What is EDGAR???
- Need to either access online or find a published copy



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Grants Management Policy

- First question that OIG auditors will ask when they come through your door
- Is your current process documented?
- DE will be working with Business Officers on statewide handbook





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Sequestration

- This is the white elephant in the living room when it comes to federal funding
- Goes into effect on 1/2/2013
- Lasts from 2013-2021



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Sequestration

- Cuts range from 5.5% - 9%, and more if defense is eventually excluded
- These reductions are on top of any other budget reductions that Congress puts in place



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Test!!!

- Finally, this is a great test for any staff that work with federal grants
- It reinforces the importance of getting quality professional development training for all grants staff on these rules and regulations



Presenter

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