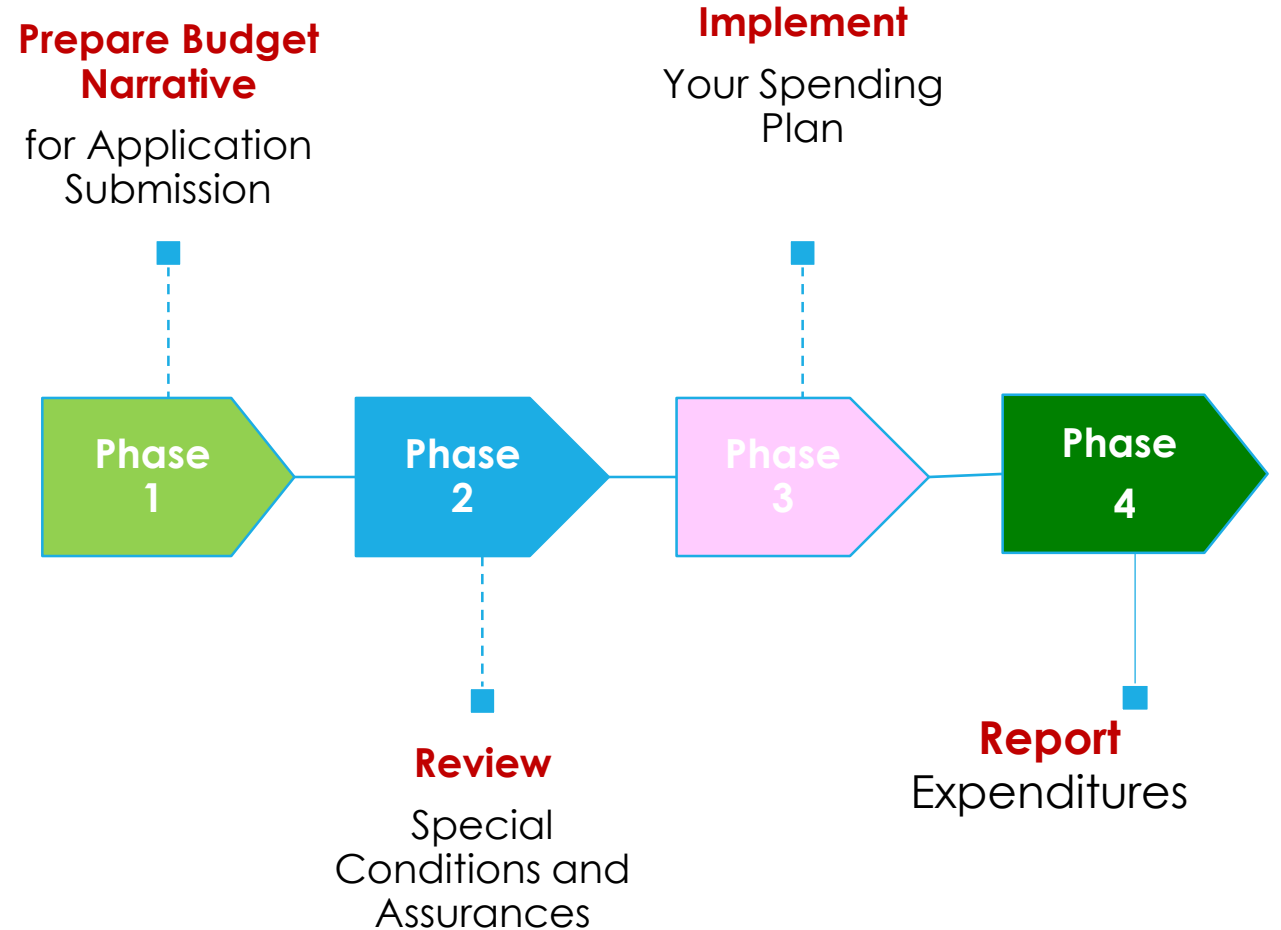


# FISCAL ASSISTANCE FOR SUB-RECIPIENTS

Revised by MSDE's DEC Fiscal Team 03/2021

Managing  
the  
**Fiscal Processes**  
Related to Your  
Sub Grant



# Phase 1


## Prepare Budget Narrative

for Application Submission



**Great News!** You have just learned that MSDE has funds that are available to assist you with meeting your project goals, so you decide to submit an application.

As part of the application process, you will be required to submit a budget proposal. This proposal should include a spending summary, or **budget narrative**, allocated by categories. The categories are as follows:

1. Salaries & Wages
2. Contracted Services
3. Supplies & Materials
4. Other
5. Equipment
-  (6 & 7 do not exist)
8. Transfers

**Local Education Agencies (LEAs) should refer to the teal-colored Financial Reporting Manual for assistance with this phase in the process.**

# Phase 1

## Prepare Budget Narrative for Application Submission

[Table of Contents](#)

### B U D G E T C A T E G O R I E S

## 01 – Salaries & Wages

Include all full and part-time staffing salaries and wages. These would pertain to only those persons who are on your payroll. So, no contractual or contracted staff person's salaries and wages should be included in this category.



According to the Code of Federal Regulations\*, **§200.430 Compensation—personal services:**

Compensation for personal services includes all remuneration, paid currently or accrued, ***for services of employees rendered during the period of performance under the Sub Granted award***, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are discussed under budget category, **04-Other**. Costs of compensation are allowable to the extent that they satisfy the specific requirements of the grant, and that the total compensation for individual employees:

- (1) Is **reasonable** for the services rendered and conforms to the established written policy of the Sub Grantee consistently applied to both grant and non-grant activities;
- (2) **Follows an appointment made** in accordance with a Sub Grantee's laws and/or rules or written policies and meets the requirements of grant-related statute, where applicable; and
- (3) Is determined and supported as **allowable activities** under the grant.

\*MSDE imposes federal guidelines over all sub grants unless otherwise indicated.

# Phase 1

## Prepare Budget Narrative for Application Submission

[Table of Contents](#)

### B U D G E T C A T E G O R I E S

## 02 – Contracted Services

Include items for which a contract or service agreement is used to fulfill your project's scope of work. This could include contractual & temporary staff agreements, outside printing, meeting room & equipment rentals, janitorial services, maintenance agreements, and delivery services.



Here are a few important pointers from the Code of Federal Regulations, **§200.318 General procurement standards:**

- (a) Sub Grantees must **use their own documented procurement procedures** which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal laws and standards. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a sub granted award if he or she has a real or apparent conflict of interest.
- (b) Sub Grantees must **maintain oversight** to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- (c) Sub Grantees must **maintain records sufficient to detail the history of procurement.** These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- (d) Sub Grantee's procedures must **avoid acquisition of unnecessary or duplicative items.** Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analyses to determine the most economical approach.

# Phase 1

## Prepare Budget Narrative

for Application Submission

[Table of Contents](#)

### B U D G E T C A T E G O R I E S

## 03 – Supplies & Materials

Include consumable items including, but not limited to, paper, office supplies, janitorial supplies, building supplies, library materials, staff development supplies, allowed marketing and promotional materials not under contract, uniforms, and classroom materials & supplies.



According to the Code of Federal Regulations, **§200.453 Materials and supplies costs, including costs of computing devices:**

- a) Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Sub Granted award are allowable.
- b) Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms must be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs.
- c) Materials and supplies used for the performance of a Sub Granted award may be charged as direct costs. In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Sub Granted award.
- d) Where grant-donated or furnished materials are used in performing the Sub Granted award, such materials will be used without charge.

*Note: Tangible items including IT systems having a useful life of less than one year and a per-unit acquisition cost < \$5,000 are considered as 03 – Supplies & Materials and not as 05 - Equipment.*

# Phase 1

## Prepare Budget Narrative for Application Submission

[Table of Contents](#)

### B U D G E T C A T E G O R I E S

#### 04 – Other

Include items that are not easily identified as belonging to the other five categories. These items can include non contract-based fees & costs, communication costs (telephone, postage, internet costs), fringe benefits, office rent, stipends and tuition, staff development training & conference fees, subscriptions, travel costs, and incentive payments.



According to the Code of Federal Regulations:

- a) **§200.452 Maintenance and repair costs.** Costs incurred for utilities, insurance, security, necessary maintenance, janitorial services, repair, or upkeep of buildings and equipment (including Federal property unless otherwise provided for) which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable. Costs incurred for improvements which add to the permanent value of the buildings and equipment or appreciably prolong their intended life must be treated as capital expenditures (see §200.439 Equipment and other capital expenditures). These costs are only allowable to the extent not paid through rental or other agreements or prohibited by the grant terms.
- b) **§200.454 Memberships, subscriptions, and professional activity costs.** (a) Costs of the Sub Grantee's membership in business, technical, and professional organizations are allowable. (b) Costs of the Sub Grantee's subscriptions to business, professional, and technical periodicals are allowable. (c) Costs of membership in any civic or community organization are allowable with prior approval by the awarding agency or pass-through entity. (d) Costs of membership in any country club or social or dining club or organization are unallowable. (e) Costs of membership in organizations whose primary purpose is lobbying are unallowable.



# Phase 1

## Prepare Budget Narrative for Application Submission

[Table of Contents](#)

### B U D G E T C A T E G O R I E S

#### 04 – Other (Continued)

Include items that are not easily identified as belonging to the other five categories. These items can include non-contract based fees & costs, communication costs (telephone, postage, internet costs), fringe benefits, office rent, stipends and tuition, staff development training & conference fees, subscriptions, travel costs, and incentive payments.



According to the Code of Federal Regulations:

- c) **§200.455 Organization costs.** Costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselor, whether or not employees of the Sub Grantee in connection with establishment or reorganization of an organization, **are unallowable** except with prior approval of the awarding agency.
- d) **§200.461 Publication and printing costs.** (a) Publication costs for electronic and print media, including distribution, promotion, and general handling are allowable. If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the Sub Grantee. (b) Page charges for professional journal publications are allowable where: (1) The publications report work supported by the Federal Government; and (2) The charges are levied impartially on all items published by the journal, whether or not under the award. (3) The Sub Grantee may charge the Federal award before closeout for the costs of publication or sharing of research results if the costs are not incurred during the period of performance of the award.



# Phase 1

## Prepare Budget Narrative for Application Submission

[Table of Contents](#)

### B U D G E T C A T E G O R I E S

#### 04 – Other (Continued)

Include items that are not easily identified as belonging to the other five categories. These items can include non-contract based fees & costs, communication costs (telephone, postage, internet costs), fringe benefits, office rent, stipends and tuition, staff development training & conference fees, subscriptions, travel costs, and incentive payments.



According to the Code of Federal Regulations:

- e) **§200.465 Rental costs of real property and equipment.** Rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased. Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available.
- f) **§200.472 Training and education costs.** The cost of training and education provided for employee development is allowable.
- g) **§200.474 Travel costs.** In general, travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the sub grantee. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, **and results in charges consistent with those normally allowed in like circumstances in the Sub grantee's non-grant-funded activities and in accordance with the Sub grantee's written travel reimbursement policies.**

# Phase 1

## Prepare Budget Narrative for Application Submission

[Table of Contents](#)

### B U D G E T C A T E G O R I E S

## 04 – Other (Continued)

Include items that are not easily identified as belonging to the other five categories. These items can include non-contract based fees & costs, communication costs (telephone, postage, internet costs), fringe benefits, office rent, stipends and tuition, staff development training & conference fees, subscriptions, travel costs, and incentive payments.

According to the Code of Federal Regulations:

### §200.431 Compensation—fringe benefits.

- (a) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, **the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, Sub Grantee-employee agreement, or an established policy of the Sub Grantee.**
- (b) The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in §200.447 Insurance and indemnification); pension plan costs; and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, must be allocated to sub granted awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such sub granted awards and other activities, and charged as direct or indirect costs in accordance with the Sub Grantee's accounting practices.





# Phase 1

## Prepare Budget Narrative for Application Submission

[Table of Contents](#)

### B U D G E T C A T E G O R I E S

## 08 – Transfers (indirect Costs)

Include costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to any direct cost objective. This can include administrative overhead for audit, accounting, legal, procurement, budget salaries and personnel services not directly related to any one identifiable objective.

**Local Education Agencies (LEAs) should use their approved MSDE indirect cost rates.**



### BASIC GUIDELINES

#### Allowable Costs - Examples

- Salary & Wages
- Fringe Benefits
- Depreciation
- Materials & Supplies
- Maintenance & Repair
- Memberships
- Motor Pools
- Training
- Travel
- Information Technology
- Insurance
- Professional Services



# Phase 1

## Prepare Budget Narrative for Application Submission

[Table of Contents](#)

# B U D G E T C A T E G O R I E S

## 08 – Transfers (indirect Costs Continued)

Unallowable Costs: OMB Circular A-87 classifies certain items of cost as unallowable. Unallowable costs cannot be charged to federal awards. For rate computation purposes, unallowable costs should be included in the allocation base if such costs benefit from allowable indirect activities. Examples of unallowable are bad debts; contingencies; entertainment; fines/penalties; general governance; and contributions/donations to outside organizations.



### BASIC GUIDELINES

#### Unallowable Costs - Examples

- Bad Debts
- Capital Outlay
- Contributions
- Entertainment
- Legislative & Most Judicial Costs
- Contributions to Reserve Funds
- Research & Development Costs
- Fines & Penalties
- Alcoholic Beverages
- Lobbying
- Most Idle Facilities



## Phase 2

### Review Special Conditions and Assurances

[Table of Contents](#)



**Even Greater News!** You have been selected to receive a grant from MSDE. This is wonderful news. And pretty soon, you will receive your Notice of Grant Award (fondly called a, “NOGA” going forward).

Now begins a very special relationship between your organization and MSDE. You are now considered to be a Sub Grantee or Sub Recipient of a grant that has been issued to MSDE. Because we are passing funds through our agency to your organization, you can refer to us as your “pass-thru entity”, or PTE.

But, not only do we pass funds through to you, we pass the conditions and responsibilities that were imposed upon us when we accepted the grant from the Federal government, the State of Maryland, or other funding sources. And the first business of order after you receive your NOGA is to review the face of the NOGA for **conditions**, and the last page of the NOGA for the grant’s **Assurances**.



# Phase 2

## Review Special Conditions and Assurances

[Table of Contents](#)



### Are You Sure That You Understand?

Receiving financial assistance is always a great thing. But it often comes with rules and regulations. So before we issue funds to you, we need to make sure that you understand what is required of you. Start by reading the face of the NOGA. **It may include conditions & reporting requirements in the Additional Information area.**

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Maryland State Department of Education			
NOTICE OF GRANT AWARD			
Grant Name:	External Evaluation of the Efficacy of Maryland's Early Childhood Family Engagement Initiative (Phase II)	Grant #:	201503
<b>General Information</b>			
Federal Employer ID #:	1526002033uu	DUNS #:	790934285
		New Award or Amendment:	New Award
		Amendment #:	0
Mail Code:	734		
Organization Name:	University of Maryland		
Street Address:	3112 Lee Building / 7809 Regents Drive	Grant Period:	
City & State:	College Park, MD	Zip+4:	20742-5141
		Start Date:	12/17/2019
Program Manager:	Christy Tirrell-Corbin	End Date:	6/30/2020
Phone:	301-405-7793		
<b>MSDE Division Information:</b>			
Division Name:	A0110 - Division of Early Childhood Development		
Program Manager:	Cynthia LaMarca Lessner		
Program Phone:	410-767-0337	Email:	cynthia.lessner@maryland.gov
<b>Additional Information:</b>			
<i>The purpose of this award is to provide the additional funding to complete the evaluation activities referenced in Amendment #3 of SG191246.</i>			
<i>All other provisions remain the same.</i>			
<i>A Final Progress Report (MSDE C-1-25-D) concluding grant activities shall be submitted within 30 days of the grant end date, on or before July 31, 2020. A Final Invoice submitted within 30 days of the grant end date, on or before July 31, 2020.</i>			

Amount of Current Action:	\$3,000.00
Amount Previously Awarded this grant:	\$0.00
<b>Total Grant Award:</b>	<b>\$3,000.00</b>



# Phase 2

## Review Special Conditions and Assurances

[Table of Contents](#)



### Are You Sure That You Understand?

Another important area to review is the **Recipient Assurances** page. It communicates the conditions that have been shared with you by the granting entity through MSDE, your PTE. By signing this document, you indicate that you will comply with the itemized terms. **Be sure to sign it and return it right away.**

#### RECIPIENT ASSURANCES

By receiving funds under this grant award, I hereby agree, as grantee, to comply with the following terms and conditions:

1. Programs and projects funded in total or in part through this grant shall operate in compliance with State and federal statutes and regulations, including but not limited to the 1964 Civil Rights Act and amendments, the Code of Federal Regulations (CFR) 34, the Elementary and Secondary Education Act, Education Department General Administrative Regulations (EDGAR), the General Education Provisions Act (GEPA) and the Americans with Disabilities Act (ADA). Vendors, subgrantees, and/or consultants; including officers and employees shall comply with the Family Educational Rights and Privacy Act at all times (20 U.S.C. §1232g).
2. Grantee shall assure that its facilities are accessible to individuals with disabilities as required by the ADA and applicable regulations. The grantee shall not discriminate against individuals with disabilities in the provision of its services and programs unless to do so would be an undue burden or result in fundamental alteration in the program as those terms are used in the ADA and its implementing regulation. The State reserves the right to

11. Grantee shall repay any funds that have been determined through the federal or State audit process to have been misspent, misapplied, or otherwise not properly accounted for, and further agrees to pay any collection fees that may subsequently be imposed by the federal and/or State government. The repayment may be made by an offset to funds that are otherwise due the grantee.

I further certify that all of the facts, figures and representations made with respect to the grant application and grant award, including exhibits and attachments, are true and correct to the best of my knowledge, information, and belief.



Superintendent of Schools/Head of Grantee Agency



Date

## Phase 3

# Implement Your Spending Plan

[Table of Contents](#)



## Ready, Set, Spend?

You now have the promise of sub granted funds and the permission to spend them. But, before you go on a shopping spree, let's refer to an old friend, your **budget narrative**.

You remember this document, don't you? You created it when you were applying for the grant. And, it became one of the conditions upon which your application was approved. MSDE reviewed your spending proposal and gave you a, "thumbs up". Now, you have to stick to it. In the event that your spending plans have changed or will change during the life of the grant, here is an important condition for you to recall from the **Recipient Assurances** document that you signed.

8. Grantee must receive prior written approval from the MSDE Program Monitor before implementing any programmatic changes with respect to the purposes for which the grant was awarded. Unless a division implements a stricter policy, grantee must receive prior written approval from the MSDE Program Monitor for any budgetary realignment of \$1,000 or 15% of total object, program or category of expenditure, whichever is greater. Grantee must support the request with the reason for the requested change. Budget realignments must be submitted at least 45 days prior to the end of the grant period.

**All purchases should meet the acid test of being necessary, allowable, and reasonable.** And it is very important that you refrain from deviating too much from your spending plan. So, in order to ensure that you don't overspend in any category (or purchase unapproved items), review your budget narrative to make sure that you have an adequate budget balance in each category. Otherwise, you will need pre-approval from your Grant Manager to make those purchases.





# Phase 3

## Implement Your Spending Plan



### Ready, Set, Spend?

As you implement your spending plan, keep in mind that the time will come when you will need to request reimbursement from MSDE. And this can be an easy task if you properly document your expenditures. So, we recommend the use of a **tracking log** similar to the one below.

Report Month	Your Invoice	Date of Purchase	Category	Sub Category Title	Vendor	Amount Requested	Amount Allowed	Comments
6/1/19-8/2/19	8	5/28/2019	4 - Other Charges	Staff Development	SmartHorizons	199.00	199.00	
6/1/19-8/2/19	8	6/5/2019	4 - Other Charges	Staff Development	Amazon	33.96		Receipt?/Purpose?
6/1/19-8/2/19	8	6/5/2019	4 - Other Charges	Staff Development	Wor-Wic	41.00	41.00	
6/1/19-8/2/19	8	6/5/2019	4 - Other Charges	Staff Development	Wor-Wic	41.00	41.00	
6/1/19-8/2/19	8	6/9/2019	4 - Other Charges	Bounce House	Walmart	1,019.92	1,019.92	
6/1/19-8/2/19	8	6/10/2019	4 - Other Charges	Staff Development	SmartHorizons	199.00	199.00	
6/1/19-8/2/19	8	6/14/2019	4 - Other Charges	Staff Development	Amazon	84.76		Receipt?/Purpose?
6/1/19-8/2/19	8	6/15/2019	4 - Other Charges	Staff Development	SmartHorizons	299.00	199.00	\$199.00 not \$299 per receipt
6/1/19-8/2/19	8	6/19/2019	4 - Other Charges	Staff Development	Food Lion	15.96		Receipt?/Purpose?
6/1/19-8/2/19	8	6/30/2019	4 - Other Charges	Staff Development	Leap Learning	869.00	869.00	
6/1/19-8/2/19	8	7/1/2019	4 - Other Charges	Fringe Benefits	The Guardian	272.84	272.84	
6/1/19-8/2/19	8	7/10/2019	4 - Other Charges	Fringe Benefits	United Healthca	696.09	696.09	
6/1/19-8/2/19	8	7/26/2019	4 - Other Charges	Field Trips	Shall We Bounce	277.00	277.00	
6/1/19-8/2/19	8	7/30/2019	4 - Other Charges	Field Trips	Ripley's	370.80	370.80	
6/1/19-8/2/19	8	8/1/2019	4 - Other Charges	Field Trips	Ripley's	395.52	395.52	
6/1/19-8/2/19	8	8/13/2019	4 - Other Charges	Field Trips	Explorer, Inc	400.00	400.00	
6/1/19-8/2/19	8	8/15/2019	4 - Other Charges	Field Trips	Explorer, Inc	340.00	340.00	
6/1/19-8/2/19	8	7/1/-7/29/201	4 - Other Charges	Fringe Benefits	Berlin Childcare	1,357.00	1,357.00	Supported by Employee Handbook
						-	-	

Include the headings to the left and update the log by invoice reporting month so that you can ensure that you are ready to submit your reimbursement request to MSDE. The comment column can be used to assist you with identifying items that may need additional clarification or proof of purchase.



# Phase 3

## Implement Your Spending Plan



### Ready, Set, Spend?

Your tracking log can also help you summarize your expenditures so that you can enter the information directly into your invoice template.

In this example, we were able to use the summary tab of our tracking log to get invoice-level expenditure totals.

Then, we transferred those subtotals into our Expenditure Data Entry tab of the invoice template to create a well-supported invoice.

Report Month	6/1/19-8/2/19	Sum of Amount	Sum of Amount	
Your Invoice #	Category	Sub Category Title	Requested	Allowed
8	4 - Other Charges	Bounce House	1,020	1,020
		Field Trips	1,783	1,783
		Fringe Benefits	2,326	2,326
		Staff Development	1,783	1,349
<b>4 - Other Charges Total</b>			<b>6,912</b>	<b>6,478</b>
<b>8 Total</b>			<b>6,912</b>	<b>6,478</b>
<b>Grand Total</b>			<b>6,912</b>	<b>6,478</b>

### Expenditure Data Entry Worksheet

Directions: Please populate the green-shaded areas with your expenditures

Enter Amount of Advance Received: \_\_\_\_\_

C-1-25 Code	Budget Category	Available Balance	Budget Amendment Required?	Amount
		Report Period		Invoice #
		Your Invoice #**		6/1-8/2/19
01	<b>SALARIES AND WAGES</b>	1,071.19	No	-
	Certified Teacher	(7,116.70)		
	Carmella Solito	2,498.98		
	Support Staff - Director	679.29		
	Assistant Teacher	4,280.07		
	Certified Part-Time Teacher	729.55		
02	<b>CONTRACTED WAGES</b>	-	No	-
	Music Class	500.00		
	Karate Class	(1,000.00)		
	Gymnastics Class	-		
	Art Class	500.00		
03	<b>SUPPLIES AND MATERIALS</b>	(612.91)	No	-
	Frog Street Curriculum - Spanish & English	80.16		
	Classroom Curriculum Materials	-		
	Environment Materials	(438.53)		
	Science Supplies	(120.25)		
	Art Supplies	(134.29)		
04	<b>OTHER CHARGES</b>	68.00	No	6,478.00
	Field Trips	(283.00)		
	Fringes	(326.00)		
	Staff Development	697.00		
	Bounce House	(20.00)		
05	<b>EQUIPMENT</b>	9,617.00	No	-
	Classroom Furniture	6,435.00		
	Listening Centers	1,000.00		
	Classroom Plugs	942.00		
	Alternative Seating	1,240.00		
08	<b>TRANSFERS</b>	-	No	-
<b>Total</b>		<b>10,143.28</b>		<b>6,478.00</b>
<b>Invoice Balance Check</b>		<b>10,143.28</b>		<b>64,803.15</b>

PROJECT NAME: State Prekindergarten Expansion Grant

### INVOICE

Remit Payment To: \_\_\_\_\_

Your Invoice # CAT04a

Name: ABC Pre-K

Report Period: 6/1-8/2/19

Address: \_\_\_\_\_

Contract Term: 7/1/18-8/2/19

City/State: \_\_\_\_\_

P.O. #/Grant#: SG 190615

FEIN: \_\_\_\_\_

PCA: 06019

FUND CODE: 1879

ATTN: \_\_\_\_\_

Program Mgr: Susan Harman (410) 767-0428

C-1-25 Code	Budget Category	Approved Budget	Prior Period Expenditures	Current Expenditures	Y-T-D Expenditures	Balance
<b>Y-T-D Expenditures MUST Include Current Period's Expenditures</b>						
04	OTHER CHARGES	6,745.00	-	6,478.00	6,478.00	267.00
	Field Trips	1,500.00	-	1,783.00	1,783.00	(283.00)
	Fringes	2,000.00	-	2,326.00	2,326.00	(326.00)
	Staff Development	2,245.00	-	1,349.00	1,349.00	896.00
	Bounce House	1,000.00	-	1,020.00	1,020.00	(20.00)
<b>Total</b>		<b>204,287.00</b>	<b>133,005.85</b>	<b>6,478.00</b>	<b>139,483.85</b>	<b>64,803.15</b>
				<b>6,478.00</b>	<b>CURRENT TOTAL</b>	
Minus balance of advance received or other adjustments, if applicable					Prior Period Expenditures	
				<b>6,478.00</b>	<b>TOTAL CURRENT REQUEST</b>	

# Phase 4

## Report Expenditures

[Table of Contents](#)



### All These Rules are Making Me Crazy!

By now, you realize that you need income to offset all of your spending. And you are ready to submit an invoice to MSDE. If decimal points and fiscal regulations make you crazy, you may not enjoy this part as much as you enjoy spending the funds. But no worries, we can help with that.

Let's recap. Remember these happier times from Phase 2?



### Are You Sure That You Understand?

Receiving financial assistance is always a great thing. But it often comes with rules and regulations. So before we issue funds to you, we need to make sure that you understand what is required of you. Start by reading the face of the NOGA. **It may include conditions & reporting requirements in the Additional Information area.**

*(You cannot say that we did not warn you. 😊)*

As a Sub Grantee of funding, you partake in all of the reporting conditions imposed upon MSDE. MSDE is now responsible for your spending activities and you are now responsible to MSDE **AND** the original funding agency. The relationship is similar to a parent-child relationship. For example, if you take your children to a china shop, you are responsible for anything that they break. You did not break it, but you are the responsible party. Likewise, if you, MSDE's Sub Grantee, break a spending rule, **MSDE is responsible** and can incur stricter conditions and audit findings.



# Phase 4

## Report Expenditures

[Table of Contents](#)



**Since you have been keeping your tracking log and supporting documents, there are **No Worries**, right?**

MSDE is subject to audit and reporting requirements for all of the funds that we receive and sub grant. And since your organization is now in a financial relationship with MSDE, so are you!

But, don't worry. We will handle those requirements on your behalf as the parent in the relationship. However, we do need your help.

We need you to fulfill your reporting and invoicing requirements as detailed on the face of your **NOGA** and in the **Recipient Assurances** that you signed. This allows us to have your documents on hand in case we are asked to justify your expenditures.

To ensure that your spending can pass audits, we will often ask to see your supporting documentation. In other words, **we cannot submit insufficient information to our granting agency, so you cannot submit it to MSDE.**

MSDE understands that this can often cause an administrative burden on your organization; however, we only ask for what we need. This allows us to remain in compliance so that we can continue to Sub Grant funds to organizations, like yours, that benefit our communities.





# Phase 4

## Report Expenditures

[Table of Contents](#)



### What We Need From You ... The **Truth**, The Whole **Truth**, and Nothing But the **Truth**, Please.

In addition to your invoice\* from the invoice template that we provide, please submit supporting documentation to the detail-level requested. This can include: **INVOICES**

If you are asked to submit detail-level supporting documentation to MSDE, you can submit invoices from vendors that include:

- ✓ Your organization as the purchaser
- ✓ The name and contact information of the vendor/seller
- ✓ The date of purchase
- ✓ Detailed listing of items purchased, the quantity purchased, and the cost per item
- ✓ The amount due **and paid by you**
- ✓ An indication that the invoice has been paid (unless you asked for permission to purchase in advance and are submitting a quote. Organizations in a corrective action plan may be limited to reimbursement payments. Check with your grant manager).

You cannot create your own invoice. It must come from the seller.

**\*Local Education Agencies (LEAs) do not submit invoices. Your expenditures are reported via the AFR system as per usual.**

Griffiths Music Store  
57 Beach Rd.  
12845 Lake George NY  
USA

Tel.: +12121231234

#### Invoice

To  
Stan's Guitar Store  
19 Exchange St.  
12801 Glens Falls NY  
USA  
Tel.: +442342343452  
David Gordon

Invoice # 8  
Issue Date 07/21/2018

#	Item / Description	Qty	Units	Unit Price	Tax Rate	Total
1	Bass Guitar	10	pcs.	\$800.00	17%	\$8,000.00
						Subtotal: \$8,000.00
						Tax (17%): \$1,360.00
						Total: \$9,360.00

#### Bank Details

Account Name: Griffiths Music Store  
Account #: 123456789  
Bank Name and Address: Wells Fargo Bank  
463 Broadway, New York, NY 10013, USA  
Bank's routing number: 123456789  
Bank SWIFT: AAAAUS12

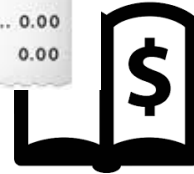
# Phase 4

## Report Expenditures

[Table of Contents](#)



RECEIPT	
JUL 17	
MISFITS.....	0.00
SQUARE PEGS.....	0.00
ROUND HOLES.....	0.00
	0.00



### What We Need From You ... The **Truth**, The Whole **Truth**, and Nothing But the **Truth**, Please.

In addition to your invoice from your invoice template, please submit supporting documentation to the detail-level requested. This could include:  
**RECEIPTS AND/ OR A COPY OF YOUR GENERAL LEDGER**

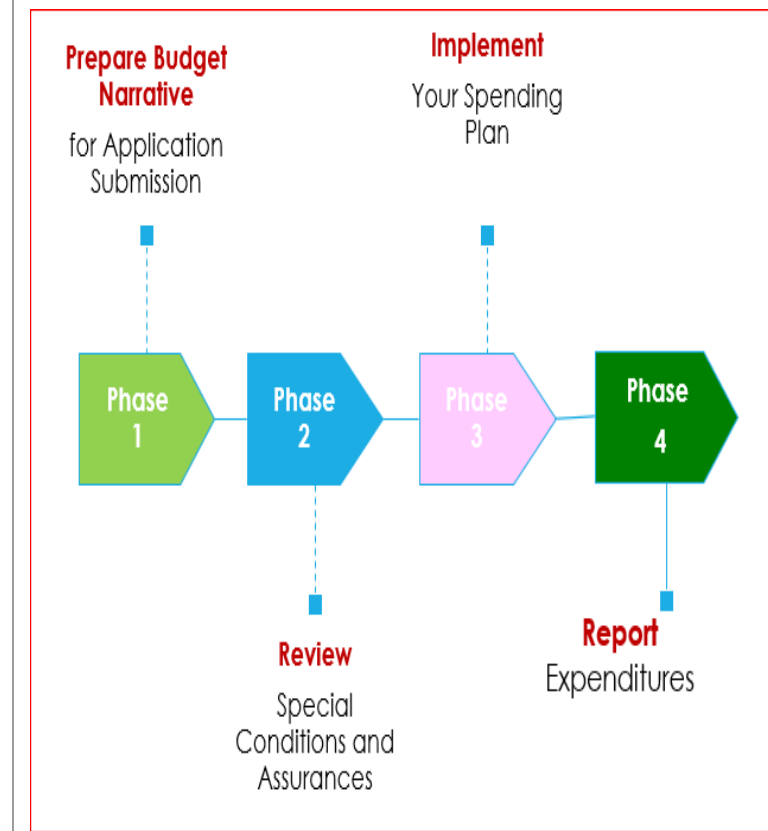
Under normal/ routine circumstances, we can accept a copy of your general ledger. It should include enough information for us to cross-reference it to our invoice categories. It should also include a running total for expenditures that will tie into the Year-to-Date totals in your invoice template workbook.

Oftentimes, MSDE will request receipts, especially for large equipment purchases or other items that may raise red flags during audits. No need to feel that we do not wish to reimburse you. We are just making sure that adequate support is available if we are asked to produce it.



In order for your supporting documentation to be considered acceptable, **it cannot be altered in any material way**. It should only represent your actual purchase activities. Side notes for clarification and category identification that do not cover invoice items are acceptable.

# FISCAL ASSISTANCE FOR SUB-RECIPIENTS



## Closing Points:

- ✓ Start with a balanced and well-constructed budget that has been approved by your program and fiscal monitors.
- ✓ Stick to the budget, but if you need to make changes, get prior approval from your program monitor.
- ✓ Be very familiar with the specific conditions and regulations associated with your funds. Failure to adhere can = failure to receive funds.
- ✓ Keep a tracking log that can be helpful when you are preparing your invoices.
- ✓ Keep a file of your supporting documents arranged and identified by category for easy retrieval.
- ✓ At the close of the grant period, there may be a remaining balance. This could be the result of price discounts, staff absenteeism, or changes in purchasing plans. This is normal, so do not try to plug in unallowable or unrelated costs to fill in the gap. Instead, let your grant monitors know as soon as you are aware of the possibility that a balance will exist at the end of the grant period. They may have advice or options that can assist you.
- ✓ Your questions are always welcome, so be sure to ask them.

# FISCAL ASSISTANCE FOR SUB-RECIPIENTS

