

Louisiana Believes

Fiscal Review Guidance FY 2018-2019

Purpose

- This document provides guidance regarding budget descriptions by each object code.
- At minimum, descriptions must demonstrate that proposed expenditures:
 - meet the **necessary** and **reasonable** standard, and
 - are **allowable** under the terms of the particular grant.

For a definitive guide to expenses by object code, please refer to the Louisiana Accounting & Uniform Governmental Handbook (LAUGH).

Object Code 100

Salaries

- Provide the number of positions, type of position/name of position, the percentage of time and/or funds dedicated to the grant.
- Each job classification should go on a separate line in the budget.

Object Code 100

Salaries

Example(s)

- Salaries for 2 FTE paraprofessionals 100% dedicated to supporting students with disabilities/IDEA (see attached salary schedule)
- Stipends for 12 teachers to attend LearnZillion training at \$25.00 per hour for 4hrs

Object Code 200 Employee Benefits

- Provide the amount of benefits based upon the compensation of the LEA. Benefits ratios above 35% will require a breakdown of benefits by type.
- Benefits for each job classification should have separate lines in the budget. (There must be a corresponding Object Code 100 expenditure for each Object Code 200 benefit expenditure line).

Object Code 200

Employee Benefits

- Amounts reimbursed by the LEA to an employee (or university on behalf of the employee) qualifying for reimbursement for educational expenditures based upon the LEA policy.

Object Code 200

Employee Benefits

Example(s)

- Benefits for 1.0 FT Parent/family Educator (Health Insurance \$3000) (Medicare \$497) (Retirement \$9127) (Workers Comp. \$515) (Unemployment Comp. \$69) (Other Retirement \$0)
- Benefits for teacher stipends to include retirement (\$2,400), FICA (\$756), workmen's compensation (\$254), health insurance (\$3,500)
- Reimbursement to 25 teachers for tuition paid related to certification requirements.

Object Code 300

Professional and Technical Services

- When the purchased professional services are being provided by a professional and/or technical professional (not a district or school employee).

Example(s)

- Contract with STEM Leader Corp. for 15 professional development sessions at \$2750 per session (\$41,250)
- Contracted services for Teachers for Leveled Literacy Intervention Training by Greenwood Publishing, dba/Heinemann (\$3200 per day x 6.125 days)

Object Code 400

Purchased Property Services

- For leases and/or rentals funded by the grant, include the type and number of items being rented, and the rental/lease amount.
- For facility rentals, include purpose of the rental.
- Services to repair and maintain technology related equipment

Object Code 400

Purchased Property Services

Examples

- Copy machines: Xerox 2 copiers \$7,800
- Maintenance/repair services for technology lab for Title I schools

Object Code 500

Other Purchased Services

- In- or out-of-state travel: include # of participants, positions, location, meals, lodging, mileage, airfare, parking, etc. (the mileage rate is the rate in PPM 49 or the local rate, whichever is less).
- Student transportation services including contracts with transportation companies.
- Additional expenditures include: student fees, interagency agreements, online web-based subscriptions, printing services, and advertisements.

Prior Approval

Per 2 CFR 200.407, prior written approval is specifically required for certain costs, including:

Participant support costs – (only non-employees) which are defined as direct costs for items such as stipends or subsistent allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.

Prior Approval

Inclusion of a cost in the eGMS budget will be considered a request for prior approval provided the following information is included:

1. the activities for which the costs will be used,
2. elements of the costs (i.e. travel, registration, and individual participant costs),
3. the specific timeframe of the activities,
4. the role of participants or trainees as it relates to the grant program.

Object Code 500

Other Purchased Services

Examples

- Travel to attend Teacher Leader Summit in New Orleans, LA from May 29-30, 2018 for 2 nonpublic administrators and 10 nonpublic teachers to include registration - \$200 each, meals, lodging, and parking @ \$1000 each.
(12 attendees @ \$1,200 each = \$14,400)
- Online subscription to LearnZillion (student access) @ \$2,500 X 4 schools.

Object Code 600

Materials/Supplies

- Materials/ supplies should list items to be purchased (e.g., notebooks, pencils, toner, etc.).
- For non-consumable items such as computers, laptops, Chromebooks, printers, etc., provide per unit cost and number of units. Unit costs are not necessary for consumable items (e.g. paper, etc.)
- Internal printing – identify supplies being purchased such as paper, toner, binding supplies, etc.

Object Code 600

Materials/Supplies

Examples

- Materials and supplies (school-wide) - Common core resources, Eureka Modules, paperback novels, leveled literacy kits, chart paper, pencils, pens, copy paper, trifold boards, math manipulatives, sentence strips, easels, easel pads, etc.
- 30 laptops (\$859 each), 30 pads (\$359 each), 1 3d printer (\$1,599) and 1 charging cart (\$859.99)

Object Code 700

Property

- Hardware/Equipment- The number of items being purchased and/or per unit cost for each item.
- Federal capitalization threshold is currently \$5,000.00 unless the LEA has established a lower threshold (if this is the case, please state the LEA's threshold).

Equipment Criteria

An item is considered “equipment” (Code 700) only if it meets all the criteria listed below:

- It can be expected to serve its principal purpose for at least one year.
- It is nonexpendable; that is, if damaged or worn out, it can be repaired without being replaced.
- The item does not lose its identity through fabrication or incorporation into a different or more complex unit.
- Each unit costs \$5,000 or more unless the LEA has set a lower value threshold for inventory. If so, the LEA’s equipment threshold should be noted in the budget line description. Note: the unit cost of \$5,000 does not apply to any program funded by 8(g) money.

Object Code 700 Property

Example

- Dell EMC PowerEdge @ \$5,250.00
- 2 Sharp Touch Boards with built-in computers (\$5,150 per unit)

Object Code 800

Debt Service and Miscellaneous

- Membership dues and fees for professional organizations
- All costs paid directly to non-public employees (stipends, benefits, tuition reimbursements, and travel)

Object Code 800

Debt Service and Miscellaneous

Examples

- LRCE annual membership @ \$300.00
- Stipends for 2 non-public teachers for Classroom Management training (2 teachers at \$25 per hour X 20hrs = \$500.00)

Common Coding Errors

1. Insufficient detail to determine whether the expenditure is necessary, reasonable, and allowable.
2. Benefit ratios exceed 35% without further breakdown of costs.
3. Maintenance and installation costs not coded to Object Code 400.
4. Student fees including student exam costs not coded to Object Code 500.
5. Transfer of funds/payments to other state agencies (including LEAs and higher ed) coded to 300 instead of 500.

Common Coding Errors

6. Unit costs for computers, laptops, iPads, printers, etc. are not provided.
7. Printing services in Object Code 600 as opposed to printing supplies in Object Code 600.
8. Expenditures that do not exceed property threshold coded to Object Code 700.
9. Expenses related to non-publics that are not nonpublic employee payments are coded to Object Code 800.
10. Amendments do not address reviewer comments.

FY 2018-2019

Indirect Costs Changes Overview

- ESSA/IDEA Only
 - Technical MTDC Definition
 - Director's will need to collaborate with the Business Managers to ensure items that will be excluded are being coded properly.
- All other federal grants – LDOE will be providing guidance on items that need to be marked as excluded.
(Budget Guidance Document)

FY 2018-2019

Indirect Costs

Unless otherwise noted, federal grants allow LEAs to claim indirect costs (IDC), which are calculated by multiplying the LEA's indirect cost rate by the "modified total direct cost" (MTDC):

- MTDC includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and sub-awards and subcontracts up to the first \$25,000 of each sub-award or subcontract.
- MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs (only non-employees) and the portion of each sub-award and subcontract in excess of \$25,000.

FY 2018-2019

Indirect Costs

For the 2018-19 budget detail, every budget line will have a checkbox to exclude the expense from the Modified Total Direct Cost (MTDC). Expenditures coded to 700 will automatically be excluded.

- For federal grants aside from ESSA and IDEA, LDOE will provide guidance regarding expenses to be marked as excluded from MTDC.
- For ESSA and IDEA, the LEA's business manager will determine whether an expense should be excluded from the MTDC. It is important that this decision is made by the business manager as exclusions must be documented and consistent with the information the business manager submits for the LEA's annual IDC rate determination.

FY 2018-2019

Budget Detail Page

Object Code	Exclude from MTDC	EIC	Expenditure Description and Itemization	Amount	Delete Row
100 ▾	<input type="checkbox"/>	11 IP ▾	Salaries	10000	<input type="checkbox"/>
300 ▾	<input checked="" type="checkbox"/>	11 IP ▾	Sub-award	30000	<input type="checkbox"/>
700 ▾	<input type="checkbox"/>	11 HC ▾	Equipment	10000	<input type="checkbox"/>

Create Additional Entries

Total Direct Costs	50,000
- *Excluded Costs	15,000
Modified Total Direct Costs	35,000
Indirect Cost Rate %	8.9508
Maximum Indirect Cost	3,133
Indirect Cost	0
Total Allocation	22,746,089
Grand Total	50,000
Allocation Remaining	22,696,089

FY 2018-2019

Budget Specific Guidance

Budget Specific Guidance				
Exclusions: Meals, Out-of-State travel, Food/Nutrition Equipment (such as salad bar equipment, refrigerators, food processors, etc.), Medical Equipment, Physical Activity (pedometers or award pins, or to subsidize the regular physical education program in the school). Also includes playground equipment, exercise/sports equipment, or sports lessons or to pay for the services of a for-profit physical fitness organization.				
Object Code	Exclude from MTDC	EIC Code	Expenditure Description	Funding Source
100	<input type="checkbox"/>	23	Substitute teachers to allow teachers to attend training/planning sessions or nutrition staff development (include number of attendees x rate of pay x number of days/hrs)	USDA
100	<input checked="" type="checkbox"/>	23	Stipend for attendees time (if non-employees of the LEA) while attending (provide name of professional development activity) (include number of attendees x rate of pay x number of days/hrs)	USDA
200	<input type="checkbox"/>	23	Benefits including (list those applicable: retirement, Medicaid, Workmen's Comp., Ins., etc.)	USDA
500	<input type="checkbox"/>	23	Travel expenses for attendees (if employee of LEA) to attend required meetings/trainings including (hotel, mileage, etc.)	USDA
600	<input type="checkbox"/>	11	Food to be used as part of (identify specific educational activity) to include (list items to be purchased). (may not exceed 10% of fund awarded)	USDA
600	<input type="checkbox"/>	11	Portable kitchen equipment used for classroom food preparation, cooking demonstrations, or hands-on food experiences to include (Examples include: Electric skillets, portable induction burners, food demonstration tables, salad spinners, colanders, baking sheets, mixing bowls, graters, rolling utility cart, measuring cups and spoons, blenders, and pot holders.) Provide unit costs for non-consumables.	USDA

FY 2018-2019

Indirect Costs

- Please note the importance of listing sub-awards/ subcontracts on separate budget lines as checking the “excluded from MTDC” box will exclude the budget line total in excess of \$25,000.
- The Education Finance Office will be communicating with the business managers on the IDC changes.

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**IDEA Consolidated Update
FY 2018-2019**

IDEA Consolidated Application Update

- The 2018-2019 IDEA Consolidated Application will remain the same as last year's application, with a few minor updates.
- Please note that this is change from what was previously communicated.
- Allocations are being finalized and the application will be released as soon as possible.

Questions

Grants Management Help Desk

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