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Washington Office of Superintendent of
PUBLIC INSTRUCTION
Chris Reykdal, Superintendent

September 7, 2022

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(X) Informational

BULLETIN NO. 055-22 FINANCIAL RESOURCES

TO: Educational Service District Superintendents
School District Superintendents
School Business Officers
Business Managers of State Universities and Colleges, Selected State Agencies,
Private Universities and Colleges, and Nonprofit Organizations

FROM: Chris Reykdal, Superintendent of Public Instruction

RE: Grant Award Reporting and Processes for Federal and State Grants Received
Through OSPI for Fiscal Year 2022–23

CONTACT: Michelle Sartain, Supervisor, Grants Management
michelle.sartain@k12.wa.us, 360-725-6282

PURPOSE/BACKGROUND

This bulletin sets forth the fiscal year (FY) 2022–23 grant payment processes, expenditure reporting, budget revision policy, and information about carryover funds and indirect costs for federal and state grant programs issued through the iGrants and EGMS systems (excluding the child nutrition programs administered in the Washington Integrated Nutrition System [WINS]).

GENERAL FEDERAL REQUIREMENTS RELATED TO CLAIMS PROCESSING

Federal Cash Management (2 Code of Federal Regulations (CFR) Part 200.305)

Cash management requirements are in place to minimize the time between the receipt of federal funds and disbursement of those funds to no longer than three days. You must have a system in place to ensure your claim for reimbursement of expenditures:

- Reconciles to your accounting system, and

- Includes only expenditures that have already been disbursed or will be disbursed within three days of receipt of those funds.

If you have funds on hand longer than three days or transfer funds out of federal programs subsequent to reimbursement, you will need to calculate interest earned on those federal funds from the time the funds were received until the time they were actually disbursed. Districts are allowed to retain earned interest up to \$500 per year for administrative expenses. Districts are required to remit interest earned over \$500 annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment.

Period of Performance (34 CFR Part 76.707 and 2 CFR Part 200.309)

Federal grant funds can be used only for costs “obligated” during the grant period. Therefore, goods received and services performed may be charged to the grant if:

1. There is a legal commitment in place prior to the end of the grant period (obligated), and
2. The goods and services are subsequently received or performed and paid for during the close out period (liquidated).

For example, a contract was signed in August, services performed in September, and payment made in October. Since there was a contract in place prior to September 1, the resulting expenditures can be charged to the grant ending on August 31. For additional information regarding the grant close out period, see the “expenditure reporting” section of this bulletin.

The following table shows when an obligation has occurred for various kinds of property and services.

If the obligation is for -	The obligation is made -
(a) Acquisition of real or personal property	On the date the subgrantee makes a binding written commitment to acquire the property.
(b) Personal services by an employee	When the services are performed.
(c) Personal services by a contractor who is not an employee	On the date which the subgrantee makes a binding written commitment to obtain the services.
(d) Performance of work other than personal services	On the date which a subgrantee makes a binding written commitment to obtain the work.
(e) Travel	When the travel is taken.
(f) Rental of real or personal property	When the subgrantee uses the property.

(g) Approved pre-agreement cost	On the first day of the grant performance period.
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In contrast, for **state** grants, all obligations must be fulfilled by the end of the grant period (e.g., all goods must be received and services completed by the grant ending date).

When Subgrantees May Begin Obligating Funds (34 CFR Part 76.708)

For **federal** formula grants, you may not begin obligating funds until the later of:

- A. The date the state may begin to obligate funds (generally July 1), or
- B. The date you submit an application in substantially approvable form.

The Substantial Approvable Status timeline can be found on iGrants under "General Resource Information."

For **federal** competitive grants, you may not begin obligating funds until the subgrant is made.

Carryover Funds

Federal funds eligible for carryover into the subsequent period shall be used in accordance with federal statutes and regulations that apply to the program and are in effect for the carryover period. (34 CFR, Part 76.709-710.)

For information on which federal programs carryover provisions are applicable, please review the iGrants profile page for each program and/or contact the program supervisor.

Unexpended **state** grant funds from 2021–22 **cannot** be carried over into FY 2022–23. State General Fund appropriations for the 2021–23 biennium have been separately earmarked and allotted for each fiscal year of the biennium and may not be transferred between fiscal years. This does not include learning assistance program (LAP), state special education, or state Transitional Bilingual Instructional Program (TBIP), which are state categorical funds subject to different state statutes.

GRANT PAYMENT PROCESS

The grant payment process is generally on a reimbursement basis for both state and federal grants. For federal grants, a district may submit a claim for both actual and anticipated disbursements; however, funds received for anticipated disbursements are considered to be on an advance basis, and subsequent disbursement must occur within three days of receipt of those funds.

Subgrantees will receive funding reimbursement through the monthly apportionment process. Grant reimbursements appear as a line entry by revenue account number on Report 1197,

Statement of Apportionment. Individual federal and state grant award information, including current expenditure and available balance information, appears on Report 1191FG. Both reports are posted electronically at the end of each month by OSPI's School Apportionment and Financial Services department.

Expenditure Reporting

In order for OSPI to meet federal deadlines, districts are required to liquidate and claim their FY 2022–23 expenditures no later than the third month following the end of the budget period. For example, if your grant budget period is September 1, 2022 through August 31, 2023, your final expenditure report is due by November 15, 2023.

Subgrantees submit claims through the Education Data System (EDS) Grants Claim System or the Education Grants Management System (EGMS), depending on the grant program. Grant claims for all federal ESEA Title programs are to be submitted in EGMS, the rest remain in the EDS Grants Claim System.

Monthly claims in the EDS Grants Claim System are due by 4:30 pm on the following dates in order to be reimbursed at month end. If this deadline is missed, reimbursement will not occur until the end of the next month a claim is submitted by the cutoff date.

- September 15, 2022
- October 14, 2022
- November 15, 2022
- December 15, 2022
- January 17, 2023
- February 15, 2023
- March 15, 2023
- April 14, 2023
- May 15, 2023
- June 15, 2023
- July 14, 2023
- August 15, 2023
- September 15, 2023
- October 16, 2023
- November 15, 2023

Monthly claims in EGMS are due by 11:59 pm on the 15th of each month. If this deadline is missed, reimbursement will not occur until the end of the next month a claim is submitted by the cutoff date.

PLEASE NOTE, reimbursements for state grants are paid through the EDS Grants Claim System for all fiscal year expenditure reports submitted by the July 2023 cutoff. In August 2023, the Grants Management Office will send out an email requesting claim data to be sent back by email pertaining to the balances or closure of state grants. This information will be used to compile and record OSPI accruals for the close of the state fiscal year.

Final **cumulative** expenditure claims for all accrued state grants must be submitted to OSPI no later than September 15, 2023, in order to receive reimbursement.

If you have questions regarding your reimbursement, contact the grants analyst assigned in the iGrants profile page.

BUDGET REVISIONS (2 CFR Part 200.308)

Unless prohibited by federal or state statute(s) governing a particular grant program, a subgrantee is authorized to increase or decrease expenditures for any budgeted activity total or object total by an amount of up to 10% of the total "Budgeted Direct Expenditures" for that grant award **without submitting a budget revision**.

If a budget revision is required due to exceeding that amount, make sure you allow enough time for the request to go through the approval process in iGrants prior to the claim submission cutoff date. You will not be able to submit your claim until the budget revision is approved.

INDIRECT RATES AND CAPS ON ADMINISTRATIVE COSTS

Unless otherwise stipulated in the appropriations act, statute, rule, or by OSPI policy, the following indirect rates for FY 2022–23 apply:

- School district federal grants, contracts, and Learning Assistance Program (LAP) rates can be found on the [School Apportionment & Financial Services main webpage](#).
- School district state grants indirect rates are 7%.
- Educational service district (ESD) restricted indirect rates are 7.16% for federal grants and 11% for state grants. ESD unrestricted rates can be found on the annual letter of agreement by K-12 Financial Resources Division.

For clarification regarding administrative cost caps and indirect rate information, including information for state universities and colleges, selected state agencies, private universities and colleges, nonprofit organizations, and state-funded projects (other than LAP), please contact Amy Harris, Director of Federal Fiscal Policy & Grants Management at 360-688-0485 or amy.harris@k12.wa.us.

INFORMATION AND ASSISTANCE

For questions regarding this bulletin, please contact Michelle Sartain, Grants Management Supervisor, at 360-725-6282 or email michelle.sartain@k12.wa.us. The OSPI TTY number is 360-664-3631. This bulletin is also available on the [Bulletins](#) page of the OSPI website.

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Amy Harris
Director of Federal Fiscal Policy & Grants Management

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