# Grants Management Professional Learning Community

## Session 2

**Financial Management Standards and Accounting Principles**

1

Presented by: **Colleen Fitzgerald**

**Director of Accounting Services**

# Session Topics

- Accounting Services Dept – What we Do

- New EDGAR - Education Department General Administrative Regulations

- Uniform Grants Guidance (UGG) or 2 C.F.R PART 200 – Uniform Administrative Req, Cost Principles, and Audits for Federal Awards

- State DEED Chart of Accounts (COA) integration with FNSBSD COA

- COA Website Resources

# Accounting Services Department
# What We Do:

- Payroll, Accounts Payable, Fixed Asset Tracking
- Provide assistance with MUNIS
- Assist with fiscal compliance issues
- Provide guidance on allowable expenditures
- Assist with budget revisions
- Prepare and submit periodic expenditure reimbursement reports to state and federal agencies
- Produce the Comprehensive Annual Financial Report and annual Single Audit Reports as required by State and Federal mandate

# From Circulars to the Uniform Grants Guidance (UGG) (for State and Local Governments)

| Prior to UGG | Starting 12/26/14* |
|---|---|
| Circular A-102  "Grants and Cooperative Agreements to State and Local Governments" | 2 CFR Part 200, Subparts B, C, and D |
| Circular A-87, Cost Principles for State, Local and Indian Tribal Gov'ts | 2 CFR Part 200, Subparts E |
| Circular A-133, "Audits of States, Local Gov'ts and Non-Profit Organizations | 2 CFR Part 200, Subparts F |
| EDGAR Parts 75 to 99 | EDGAR Parts 75-79 and 81-99 |
| EDGAR Parts 74 and 80 | Become part of Uniform Guidance |

* (7/1/15 - FNSBSD Grants)

# NEW EDGAR – Education Department General Administrative Regulations

- Part 75 – Direct Grant Programs

- Part 76 – State Administered Programs

- Part 77 – Definitions that Apply to Dept Regulations

- Part 81 – The General Education Provisions Act

- 2 C.F.R. Part 200 – Adopted by Reference in 2 CFR Part 3474 (with 2 exceptions)

## 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principals, and Audits for Federal Awards

- Subpart A – Definitions
- Subpart B – General Provisions
- Subpart C – Pre Award Requirements
- Subpart D – Post Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements

# Subpart D – 200.302
# Financial Management

- The Financial Management System must provide for the following:
    1. Identification of Awards
    2. Financial Reporting
    3. Accounting Records (Source Docs)
    4. Internal Control
    5. Budget Control
    6. Written Cash Management Procedures (New)
    7. Written Allowability Procedures (New)

# Subpart D – 200.302
# Financial Management

The financial management system of each non-federal entity must provide for the following:

1. Identification of Awards – for all Federal awards received and expended
   - The name of federal "program"
   - Identification must include:
     - CFDA title and number
     - Federal award I.D. #
     - Fiscal year of award
     - Federal agency
     - Name of Pass-through entity, if any

# Subpart D – 200.302
# Financial Management (cont.)

2. Financial Reporting

> <span style="color:red">Accurate, current and complete</span> disclosure of the financial results of each Federal award or program in accordance with 200.327 *Financial Reporting* and 200.328 *Monitoring and Reporting Program Performance.*

3. Accounting Records

> Must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest.

> Be supported by source documentation

# Subpart D – 200.302
# Financial Management (cont.)

4. Internal Control

   ➤ Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations and the terms and conditions of the Federal Award (200.303).

# Subpart D – 200.302
# Financial Management (cont.)

4. Internal Control (cont.)

- External auditors report on:
    - Our internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, and
    - Our compliance for each major program and a report on internal control over compliance.

# Subpart D – 200.302
# Financial Management (cont.)

5. Budget Control

   ➢ Comparison of expenditures with budget amounts for each federal award.

6. Written Cash Management Procedures (New).

   ➢ Applies mostly to grantees that receive payment in advance of cash outlay.

   ➢ The District used the reimbursement method.

## Subpart D – 200.302
## Financial Management

7. Written Allowability Procedures (NEW)
   - ➢ Guide to Grants Management
   - ➢ Revision to Board Policy and Admin Regs.
   - ➢ Grants Management PLC Training Series

# Subpart E – Cost Principles

Factors Affecting Allowability of Costs (200.403) – All Costs Must Be:

1. Necessary, Reasonable and Allocable

2. Conform with Federal law & grant terms

3. Consistent with state and local policies

4. Consistently treated (federal and non-federal)

5. In accordance with GAAP

6. Not included as match for other federal programs

7. Adequately documented.

# DEED Chart of Accounts (COA) Integration with FNSBSD COA

- State COA Objective:
  - ➢ Establish uniform minimum chart of accounts statewide to improve financial data collection, reporting, transmission, accuracy and comparability.
- Required use by all Alaska school districts
- Required to use certain funds, functions, and objects.
- Our Munis long-account no. includes all required components of the State COA.

# DEED Chart of Accounts (COA) Integration with FNSBSD COA

## MUNIS Chart of Accounts Overview

| Reporting Unit | Fund | Function | Program | Budget Check | Object | Project |
|---|---|---|---|---|---|---|
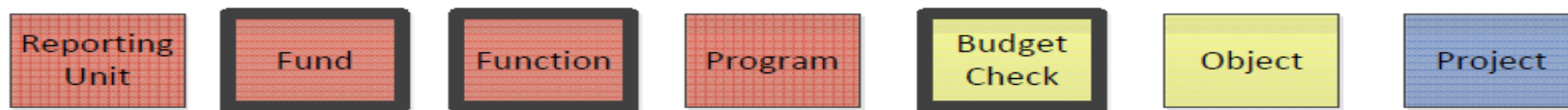
REQUIRED BY STATE COA

Example: 180-35-10-1010-450-24500 -35010

| | | |
|---|---|---|
| Reporting Unit | = 180 | U. Park Elementary |
| Fund | = 35 | Federal Programs Special Revenue Fund |
| Function | = 10 | Instruction |
| Program | = 1010 | Regular Instruction |
| Budget Check | = 450 | Supplies, Materials & Media |
| Object | = 24500 | Supplies |
| Project | = 35010 | Title IA, Basic Program |

*The above number is known as a "Long-Account".*

# DEED Chart of Accounts (COA) Integration with FNSBSD COA

- State COA Required Elements:
  - ➢ Fund – is a fiscal and accounting entity with a self-balancing set of accounts.
  - ➢ Function – "provides for the reporting of financial information in a manner which is useful to school boards, superintendents, the DEED, the Legislature and to show compliance with laws and regulation."
  - ➢ Budget Check Code – the equivalent of the State "object" code which describes the service or commodity obtained as a result of a specific expenditure.

# DEED Chart of Accounts (COA) Integration with FNSBSD COA

- Website Resources:
  - ➢ Home>Technology>Business Information Systems>Munis>Munis Training Materials
  - ➢ [MUNIS Chart of Accounts Overview](#)
  - ➢ [General Ledger Overview](#)
- Munis Resources:
  - ➢ Account Inquiry Program

# Group Discussion

- What challenges do you have in monitoring your budgets and related grant expenditures?

- What are your pain points in using the Munis system?

- Are you able to find the resources you need on the District website.

- Who can you call with questions?

# Reflection

- What was the most helpful part(s) of the training for you?

- What do you believe could be changed in the training to improve it?

- How do you intend to use the training in the future?

- Other Comments?