

WY Section 6. Funding/Budgets/Reimbursement Policies and Guidelines

6.1 FUNDING

Funding to local applicants is based on quality and service to learners who are most in need. Grant applications are also reviewed for fiscal accountability that is based upon prior history. In order to be included in the funding cycle, adult education programs must have an approved grant application (first year of funding) or renewal application (subsequent years of funding) and meet minimum standards described in the state plan.

Purpose

The purpose of the funding process is to equitably distribute state and federal funds available to those programs whose grant applications have been approved. It is not used to determine whose grant applications are approved, as that would interfere with the direct and equitable access that the state plan establishes and the Adult Education and Family Literacy Act requires.

The Federal funds are distributed to states on a formula based upon the census. Five percent or \$65,000 whichever is greater is for Administration, eighty-two and a half percent is to be used for Instruction, and twelve and a half percent is to be used for leadership activities.

The local grants are divided into two categories 1) administration, including professional development and 2) instructional. The five percent for administration has a special rule which allows for additional negotiation. It reads as follows:

Special Rule: Negotiation of Local Program Non-Instructional Costs

If local programs determine the cost limits of five percent described in the Act are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the state will negotiate a higher rate with each program that requests it. The negotiation of the percentage to be used for non-instructional use shall be established during the RFP application process.

*Adult Education and Family Literacy Act of 1998
Section 233*

- (a) *In General – Subject to subsection (b), of the amount that is made available under this subtitle to an eligible provider –*
 - (1) *not less than 95 percent shall be expended for carrying out adult education and literacy activities; and*
 - (2) *the remaining amount, not to exceed 5 percent, shall be used for planning, administration, personnel development, and interagency coordination.*
- (b) *Special Rule – In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider shall negotiate*

with the eligible agency in order to determine an adequate level of funds to be used for non-instructional purposes.

Goals

1. To build into the funding model decisions previous enrollment, number of high school non-completers, rural outreach, poverty levels, and the core performance measures. Additional elements considered influential and affecting outcomes are the Indicators of a Quality Adult Education Program, sufficient intensity and duration of classes, instructional staff development, and local support.
2. To establish an equitable funding process so that all adult education programs have an adequate base from which to maintain quality services and a fair distribution of funding between rural and urban projects.

Funding Process

1. State and federal funds are distributed through the performance based funding model initially created in cooperation with MPR Associates, WCCC and local ABE directors.
2. English Literacy and Civics Education funds are distributed on a cost per student basis determined by the previous years served students.
3. *The local program is not required to meet a local match since the state funds are used to meet this requirement.* Local programs will not be required to meet local match unless the state funding is reduced below the level of the required state match at which time the state will negotiate local levels of match.

6.2 BUDGET COMPLIANCE

See “Sec.80.20 Standards for financial management systems.” At the end of this section.

Budget for the Costs of Compliance

Knowing what an administrator needs to do so the agency is in compliance is the beginning point. The categories to be considered are:

- **Travel** to required meetings and training including mileage, lodging and meals
- **Registration** fees for staff development
- **Staff time** for coordinating and planning with collaborating agencies
- **Staff salary** for data collection and information management
- **LACES - LiteracyPro** Systems data collection training
- **Monitoring** your class sites
- **Evaluation** of data and staff performance

Budget Flexibility

Budgets usually need some tweaking during the year to meet unexpected events and demands on staff and materials. A budget can be revised and a revision is requested if the grantee wants to re-budget funds between line items in the approved budget. A proposed budget change must be received before expenditures are made. No budget revisions are approved after May 31 each year.

Plan Ahead

Creating a vision with clear goals and objectives will be the backbone to creating a budget. The agency must identify where the program plans to go and how it will get there before making the budget. Without planning, it is hard to cover the costs or achieve the program goals. New administrators are encouraged to keep in close contact with the State ABE Administrator. Careful planning up front will help avoid mistakes and delays.

Grant Period

The grant period will be July 1, 201X to June 30, 201X, as stated on the agreement between the local grantee and the Wyoming Community College Commission, ABE Program.

Financial Administration

A local grantee must expend and account for grant funds in accordance with state laws and procedures, the ABE program guidelines, EDGAR, and OMB Circular A-87. Effective control and accountability must be maintained for all obligations, assets, and expenditures.

A local grantee shall only expend ABE funds to carry out the proposed local ABE activities. To be allowable, the cost must be actual, necessary, and reasonable for proper and efficient implementation of the ABE proposed activities. This will include Adult Basic Skills Education, English as a Second Language, and literacy activities.

The WCCC/ABE office and fiscal representatives will review expenditures for allowable costs. Expenditures, found to be outside the costs needed to carry out the proposed local activities for ABE, will not be reimbursed or a refund will be requested.

Any unexpended balance will be retained by WCCC/ABE to be redistributed during the next grant cycle. There are no local grant carry-over funds.

Reference: OMB CIRCULAR NO. A-87

Cost Principles for State, Local and Indian Tribal Governments
Revised May 17, 1995

Basic Guidelines

1. Factors affecting allowability of costs. To be allowable under federal awards, costs must meet the following general criteria:
 - a. Be necessary and reasonable for proper and efficient performance and administration of federal awards.
 - b. Be allowable to federal awards under the provisions of this circular.
 - c. Be authorized or not prohibited under state or local laws or regulations.
 - d. Conform to any limitations or exclusions set forth in these principles, federal laws, terms and conditions of the federal awards, or other governing regulations as to types or amounts of cost items.
 - e. Be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and WCCC/ABE subgrants.
 - f. Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.
 - g. Except as otherwise provided for in Circular A-87, be determined in accordance with generally accepted accounting principles.
 - h. Not be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except as specifically provided by federal law or regulation.

Use of Amounts

Local ABE grantees are to carry out the activities and accomplish goals approved for funding from their application. Local grantees are *required* to use the grant to establish or operate one or more programs that provide services or instruction in one or more of the following categories:

1. Adult Basic Education and Literacy services including workplace literacy services;
2. Family literacy activities; and
3. English literacy.

Each grantee is responsible for the performance accountability system. The eligible performance measures shall consist of the three "Core Indicators" for performance:

1. Demonstrate improvement in literacy skill levels in reading, writing, and speaking the English language, numeracy, problem-solving, English language acquisition, and other literacy skills;
2. Placement in and retention in unsubsidized employment, or career advancement, placement in post-secondary education or training; and
2. Receipt of a secondary school diploma or its recognized equivalent.

Reference: WIA, Title II, Section 212

Administrative Costs

The AEFLA law requires a five (5) percent ceiling for administrative costs.

Definition of Administrative Costs

For the purpose of the ABE grant, the term “administrative costs” means the activities of a grant necessary for the proper and efficient performance of duties under the federal or state grant pursuant to the ABE that are not directly related to the provision of services to participants or otherwise allocable to the program’s allowable activities listed in the Act. Administrative costs may be personnel and non-personnel costs, and may be either direct or indirect. Costs of administration include those costs that are related to the grant in such categories as:

- A. Costs of salaries, wages, and related costs of the grantee’s staff engaged in:
 - Overall partnership management, coordination, and general administrative functions;
 - Preparing partnership plans, budgets, and schedules;
 - Monitoring of local processes;
 - Procurement activities;
 - Developing systems and procedures; ensuring compliance with the requirements under the Act;
 - Preparing reports and other documents.
- B. Costs for goods and services required for administration of the ABE grant;
- C. Costs of system-wide management functions;
- D. Travel costs for official business, and
- E. Professional Development expenses

Special Rule (Local Administrative Expenditures) Section 223 (c)

If local programs determine the cost limits of five percent described in the Act are too restrictive to allow for adequate planning, administration, personnel development and interagency coordination, the state will negotiate a higher rate with each program that requests it. The negotiation of the percentage to be used for non-instructional use shall be established during the application/reapplication process.

Travel Allowances – Wyoming

Rates are determined by the local grantee but you should use the guidelines of your agency if they are more restrictive.

Meal Rates

Meal rates should follow the government rate for the area. To find your lodging and meal rates refer to <http://www.gsa.gov/portal/category/21287>

Mileage Rates

Fifty one cents (51) per mile for private car on program business.

\$.51 X ____ miles = _____

Lodging Rates

State will attempt to obtain the lowest conference rates available.

Local programs will make their own arrangements. You will be notified at the time of training if this has been arranged. For most events you will pay for the lodging expense and include this on your drawdown. See link above.

Equipment

Equipment includes tangible, non-expendable, personal property having a useful life of more than one year and at an acquisition cost of \$500 or more per unit must be included on the program equipment inventory. The amount of capitalized equipment is \$5,000. Items costing less than \$5,000 each are considered as current year expenditures and depreciation is not a condition.

The local program will make the equipment available for use by other programs supported by the local grantee as long as such use does not interfere with the proposed ABE activities and are in alignment with the spirit of ABE.

The local grantee must maintain appropriate equipment inventory records. Equipment should be marked according to the local policy with an indication that the equipment is part of the ABE grant. Adequate maintenance procedures must be developed to keep the property in good working condition. Any loss, damage, or theft must be investigated.

Equipment at time of disposition with a value of \$500 or more per unit should be reported to WCCC/ABE state program manager for notification purposes. Equipment valued at less than \$500 may be retained, sold, or otherwise disposed of with no further obligation to WCCC/ABE.

Instructional Materials/Supplies

Property not defined as equipment is considered materials or supplies. Purchases made specifically for the ABE activities should be charged at their actual costs deducting all cash discounts, trade discounts, rebates, and allowances received by the local grantees. All purchases must have documentation (purchase order, invoice, receipt, pay document, etc.) of purchase and related costs.

ABE funds cannot be used to stockpile supplies for an extended period of time beyond the end of the contract date.

Budget Modifications/Line Item Transfers

To achieve activities set forth in the local grantee application, modifications and line item transfers can be made to the contracted budget. All budget modifications/line item transfers must be made in writing to the ABE state program manager. No transfers may be made in the last 30 days of the grant year.

- Withhold payments pending correction of noncompliance;
- Disallow all or part of the cost of the activity; or
- Terminate all or part of the contract.

Copyrights

The federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and authorize others to use for federal government purposes:

- the copyright in any work developed under a grant, subgrant, or contract under an ABE grant or subgrant; and
- any rights of copyright to which a local partnership or a contractor purchases ownership with grant support.

Two copies of materials (brochures, curriculum, etc.) produced with support of ABE grant dollars must be sent to the WCCC/ABE state program manager.

Reports

The state requires reasonable reporting by the local grantee to meet the federal reporting requirements. The following are required.

Monthly

Baseline data regarding the educational functioning level for students, demographic information, goals, assessment, etc. is required for the Student Management Information System (LACES by LiteracyPro). Data must be entered into the computerized system and made available to the state database collection center by the 5th of each month. This data will be used to determine educational gains, goal accomplishment, and employment activity level.

Local grantees should mail in news items regarding ABE activities, information produced to explain ABE, curriculum units created or other products developed through use of ABE funds. These items should be sent to the state ABE state program manager. Grantees should also share any comments or news clips indicating concern with grant activities; it is better to send all news about the your grant activities than to have the wrong information get to the state office.

Quarterly

Local grantees need make sure their statistical data is in on time. Each quarter, follow-up by survey or data matching is to be completed.

A Quarterly Report narrative form must be filled out and returned on the above schedule. These are tracked by the state office.

Following is a list of the dates the quarterly statistical data will be due.

	Period of Performance	Due Date
Quarter 1	July 1 through September 30	October 15
Quarter 2	October 1 through December 31	January 15
Quarter 3	January 1 through March 31	April 15
Quarter 4	April 1 through June 30	July 15

Semiannual

Local grantees should summarize their progress in attaining their proposed goals within the context of the ABE. Modifications may be made to the goals in January.

A semi-annual budget expenditure report on what the program spent in the first six months will be sent to each program to be verified by the WCCC/ABE program staff.

End of the Year

A written narrative answering a set of questions defined by the federal and state office for ABE must be submitted with the Final Financial Status Report. An information packet will be sent to each grantee containing instructions and forms for these final reports.

The ABE data collection staff will provide statewide programmatic reports which be used for aggregate reports to the U.S Department of Education – Office of Adult and Vocational Education.

Financial Monitoring

WCCC/ABE is responsible for monitoring local program activities to ensure compliance with applicable state and federal requirements, and achievement of performance goals and fiscal accountability. To accomplish this, monitoring must occur at the local program level. The WCCC/ABE contact may require at least one financial and one program or a desk review during the contract period. On-site reviews will be set at a mutually acceptable date and time with the WCCC/ABE designated person and local program staff.

Financial monitoring is defined as a process by which data determining whether financial management requirements and costs category limitations are being met.

A draft report will be issued which will identify observations, deficiencies, and findings found during the review. The WCCC/ABE office will recommend corrective action in order to modify, rectify, or implement a particular observation.

If deficiencies or findings are found during the review, the local program may need to develop a corrective action plan. The WCCC/ABE office will review the action plan and issue a determination.

Local programs are required to monitor their subcontractors to ensure compliance with applicable state and federal requirements, and to ensure achievement of goals and fiscal accountability.

Budget Revisions

A budget revision sheet is requested if a program needs to move funding amounts from one section to another or if there are changes within the same section. Funds may be moved from the Administration down to Instruction but not vice versa.

Audit Requirements

Local Grantees receiving federal ABE funding are required to furnish the WCCC/ABE Fiscal Office with an annual audit report. The audit shall be in accordance with the OMB Circular A-128 or A-133.

Records Retention

A local grantee will maintain records (including supporting source documentation) sufficient to detail fiscal history for a period of three (3) years after the end of the multi-year grant period. The retention period starts on the day the local grantee submits its last expenditure report.

Purchasing/Inventory/Equipment

Programs must use the locally approved purchasing procedures for all purchases. Appropriate records must be kept on file for such purchases.

- i. Instructional Materials
 - a. All instructional materials ordered must be approved by the local program director and paid for with the approved budget line item.
 - b. Materials must be received in a timely manner to be used within the program year. No stock piling.
- ii. Equipment
 - a. The purchase of equipment with a value of \$500 or greater must be approved by the state program manager. "Equipment" includes furniture, computers, etc.
 - b. How to request approval for purchasing equipment
 - I. Send a written request, including all appropriate documentation, to the State program manager.
 - II. Allow at least two weeks for approval.
- iii. Inventory of Equipment
 - a. All equipment with a value of \$5000 or greater purchased with adult education funds must be tagged indicating it belongs to ABE. Each item of equipment must be tagged; i.e., computer, printer and monitor should each have a separate tag.

- b. Local programs are required to maintain a complete inventory of all equipment. This must be available upon request.
- iv. Disposal/or Dropping of Equipment from Inventory
 - a. The state office must be contacted and approval granted before any equipment purchased with adult education funds may be disposed of or dropped from the inventory.

Conflict of Interest

Each local grantee shall maintain a written code of standards of conduct governing the performance of persons engaged in the contract and administration of ABE contracts and subcontracts.

Each local grantee shall ensure that no individual in a decision-making capacity shall engage in any activity if a conflict of interest, real or apparent, would be involved. This would include the selection, award, or administration of a subgrant or contract supported by ABE funds. Such a conflict would arise when:

The individual or member of the individual's immediate family or a partner of the individual or organization which employs, or about to employ, any of the above listed individuals, or has a financial interest in a firm or organization selected for an award.

The officers, employees, or agents of the agency making the award will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontract. States and subcontracts may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

Lobbying: Certification and Disclosure

Public Law 101-121, Section 319, generally prohibits recipients of federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative branches of the state government in connection with a specific contract, grant, or loan. Section 319 requires that each person who requests or receives a federal contract grant, cooperative agreement, loan, or commitment must disclose lobbying activities.

State subgrants and subcontractors that emanate from federal level funds allocated or awarded are subject to these lobbying certification requirements, including disclosure, if the subagreement award is in excess of \$100,000. The state must obtain a lobbying certification from the subgrantee or subcontractor prior to award of such funds that exceed the threshold.

Certifications and disclosure will be completed with the forms and documents provided in the attachments. Send completed documents to WCCC/ABE state program manager.

Lobbying expenses cannot be paid with federal funds, regardless of the amount. Lobbying is an unallowable expense.

Debarment and Suspension

A person who is debarred or suspended shall be excluded from financial and nonfinancial assistance and benefits provided under ABE according to Executive Order 12549. A prospective recipient of federal assistance not exempt must submit to the state ABE state program manager a certification regarding debarment, suspension, ineligibility and voluntary exclusion.

LABOR POSTING REQUIREMENTS

Federal Requirements

Five federal labor laws require covered employers to post specific employee information notices at each separate business location:

1. **Employee Polygraph Protection Act of 1988** – to obtain: Federal Wage and Hour office, (303) 844-4405
2. **Fair Labor Standards Act** (minimum wage law) – to obtain: Federal Wage and Hour office, (303) 844-4405
3. **Age Discrimination in Employment Act of 1967 and Title VII of the Civil Rights Act of 1964** – (both include on one poster, entitled Equal Employment Opportunity is the Law) – to obtain: Federal Office of Civil Rights, (303) 391-6082 Americans' with Disability Act is included on this poster.
4. **Williams-Steiger Occupational Safety and Health Act of 1970** – (poster entitled Job Safety and Health Protection) – to obtain: Federal Occupational and Safety Health Administration, (701) 250-4521
5. **Family Leave Act – Federal Wage and Hour** office, (303) 844-4405.

State Requirements

1. **Unemployment Insurance Notice to Employees** To inquire about a notice: Unemployment Insurance Division, Department of Workforce Service
2. **Safety Posters** – employers shall display one or more posters promoting safety in the work place in such a manner s to be visible to all employees. These can possibly be available from your workers' compensation insurance carrier, they can be purchased, or the employer can individually make them.

Program Requirements

“No Sexual Harassment” and “Drug-free Workplace” information must be posted in each program.

[Code of Federal Regulations]
[Title 34, Volume 1, Parts 1 to 299]
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TITLE 34—EDUCATION

PART 80--UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS--Table of Contents

Subpart C--Post-Award Requirements

Sec. 80.20 Standards for financial management systems.

Financial Administration

(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to:

- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
- (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
- (3) Internal control. Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
- (4) Budget control. Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.

(5) Allowable cost. Applicable OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allowability, and allocability of costs.

(6) Source documentation. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

(7) Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees.

(c) An awarding agency may review the adequacy of the financial management system of any applicant for financial assistance as part of a preaward review or at any time subsequent to award.

(Approved by the Office of Management and Budget under control number 1880-0517)

(Authority: 20 U.S.C. 3474; OMB Circular A-102)

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