

**AUTHORIZED EXPENDITURES AND ACCOUNTABILITY**

**\*Note: Grants are intended to augment services and/or programs which are otherwise provided by LEAs.**

QUESTION	STATE GRANTS - GENERAL	WORKABILITY I SPECIFIC
<p><b>A. What are the minimum requirements for expenditures by local educational agencies (LEA)?</b></p>	<ul style="list-style-type: none"> <li>• Funds must be expended on services to improve outcomes for students, birth through twenty-two, who are eligible for special education and related services</li> <li>• These funds may be used for leadership training as well as coordination of information and collaboration among and between all special education and general education service providers</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Mandated state business meeting(s)</b></li> <li>• <b>Mandated regional meetings and trainings</b></li> </ul>
<p><b>B. What costs are allowable?</b></p>	<p>Allowable cost includes (see also Education Department General Administrative Regulation [EDGAR] Section 74.171 and OMB Circular A-21) and Web site at <a href="http://www.access.gpo.gov/nara/cfr/">http://www.access.gpo.gov/nara/cfr/</a></p> <ul style="list-style-type: none"> <li>• Salaries and benefits for substitutes or clerical support</li> <li>• Administrative costs necessary to carry out the grant                             <ul style="list-style-type: none"> <li>○ Accounting/budgeting/audits</li> <li>○ Communication costs</li> <li>○ Data processing</li> </ul> </li> <li>• Leasing or renting facilities for meetings</li> <li>• Maintenance or repair of equipment or facility “that does not add to the permanent value of the property or prolong its intended life”</li> <li>• Travel “on official business”</li> <li>• Transportation</li> <li>• Materials and other supplies for instructional services in the classroom, home or other appropriate instructional setting which are “necessary to carry out the grant”                             <ul style="list-style-type: none"> <li>*No more than 10 percent of the grant</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Salaries and benefits for any staff providing the grant-related services, including, but not limited to, substitutes and clerical support</b></li> <li>• <b>Communication costs to include access only, not hardware (e.g. not cell-phones themselves, but reimbursement for cell-phone minutes and/or calling cards, not computers but video-conferencing accessibility)</b></li> <li>• <b>Maintaining equipment so it may be used for the purposes intended in the grant (e.g. upgrading computer data system for reporting, maintaining donated vehicles with the LEA making in-kind contribution)</b></li> <li>• <b>Committee representatives attending their respective</b></li> </ul>

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	<p>may be expended for instructional materials and supplies without prior approval of the California Department of Education (CDE)</p> <ul style="list-style-type: none"> <li>• Capital outlay that costs no more than \$10,000 per purchase* (see E, page 2, for the definition of capital outlay)               <ul style="list-style-type: none"> <li>*No more than 10 percent of the grant may be expended for capital outlay expenditures without prior approval of the California Department of Education</li> </ul> </li> <li>• Indirect costs at the rate approved by the CDE. For more information, please contact the Office of Finance, Technology, and Administration Branch, School Fiscal Services Division, at (916) 322-1770</li> <li>• Printing and duplication costs</li> <li>• Meetings/conferences including exhibits to disseminate grant information</li> <li>• In-service training/staff development</li> </ul> <p><b>*Note:</b>            When the capital assets, including building alterations, purchased with federal funds are sold or are no longer used by the project, the portion of the equity accrued must be refunded in the same proportion as the state contribution in its initial cost</p>	<p><b>meetings are the only representatives on official business</b></p> <ul style="list-style-type: none"> <li>• <b>Transportation includes mileage for staff conducting grant-related business (e.g. job developing) and for student bus passes for transport from school to work, ROC/P, etc.</b></li> <li>• <b>Supplemental money may <u>not</u> go toward CAHSEE passage (materials, staff time, etc.) for specific diploma-bound students per IEP &amp; transition goals, or for those above 12<sup>th</sup> grade</b></li> <li>• <b>Promotional items for the WorkAbility program’s visibility in the community, which may include but are not limited to: written thank-you notes/cards, small gifts (e.g., fresh flowers, flowering plants, candy, WorkAbility products such as mugs, sports bottles, letter openers, key chains, magnets, etc.), certificates of appreciation, WorkAbility decals for business windows indicating that the business is in partnership with the CA Department of Education</b></li> <li>• <b>Appreciation events (i.e., luncheons or brunches in honor of local involved</b></li> </ul>

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		employers) <ul style="list-style-type: none"> <li>• Board presentation/ recognition of involved local employers</li> <li>• Supplies (office &amp; other) may not be disproportionate with the grant as a whole</li> <li>• WA budget has no 6000 line; No capital expenses are allowed in this grant; *Note above left does not apply</li> <li>• Indirect cost levels are available through each LEA's business office or from CDE</li> </ul>
<b>C. Can these costs be incurred via Contract(s) for purchase of programs or services?</b>	Yes.	Same
<b>D. What costs are not allowable?</b>	Rental/lease to purchase (including but not limited to facilities and equipment)	<b>Contact CDE to obtain any special approvals.</b>
<b>E. What are the definitions of Capital Expenditures, Capital Outlay and Legally Obligated (as used in a grant award)?</b>	<p>Capital Expenditures: The cost of facilities, equipment, other capital assets, and repairs, which materially increase the value of useful life of a capital asset. (74-Appendix C-Part 2C3 of the EDGAR, Federal).</p> <p>Capital Outlay: Expenditures are the amounts paid for fixed assets or additions to fixed assets, including land or existing buildings, the improvement of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial and additional equipment (<i>California School Accounting Manual</i>).</p> <p>Legally Obligated: The following table clarifies the appropriate time period based on when a grantee</p>	<b>This section does not apply to the WAI grant.</b>

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<p><b>F. On what date must Federal Funds be “Expended or Legally Obligated”?</b></p>	<p>makes obligations for various kinds of property and services: (76.707 of the EDGAR, Federal).</p> <p>All federal funds issued through the Special Education Division for the fiscal year must be expended or legally obligated by <b>the end of June</b>. Any funds that have not been expended or legally obligated by that date must be returned to the state. Outstanding obligations must be liquidated within one year following the end of the grant period. The year-end expenditure report for grant funds (form 794-017 Expenditure Report) is <b>due in September</b>. The following provides information about expended, legally obligated and liquidated, and how these transactions relate to claims for grant funds and accounting entries in the LEA books.</p> <p><b>Expended:</b> Expenditures are recognized in the LEA books in whichever year the goods and services are received. If goods or services are received on or before the end of June, expenditures will be reflected in the current year’s books as either a payment or an accrual. If goods or services are received after <b>the end of June</b> expenditures will be reflected in the following year’s books as a payment.</p> <p>For purposes of claiming federal funds, goods or services received on or before <b>the end of June</b>, can clearly be claimed from a grant that ends. In these, since both expenditures and the federal grant funds are reflected in the current year’s books, the books and the grant claims will agree.</p> <p>There are, however, certain instances when current-year grant funds can be claimed for goods or services received after the grant period ends if a qualifying</p>	<p><b>Funds must be spent or encumbered for the specific purpose they will be spent by the end of June of the fiscal year.</b></p>

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	<p>legal obligation exists on or before <b>the end of June</b>.</p> <p><b>Legally Obligated:</b> Legal obligations represent commitments made by an LEA to purchase goods or services either immediately or in a future period. Written commitments are generally in the form of a purchase order or written contract. At year-end, obligations for future periods are not reflected in the current year's books; rather, the entry for these obligated goods or services will occur in the following year's books.</p> <p>Federal funding may be claimed from the current year grant for qualifying legal obligations which are incurred before <b>the end of June</b>, even though the goods or services will not be received until after the grant period ends. The question of whether or not an obligation qualifies for funding from a current-year grant is determined by what the obligation is for and if the obligation is made within the current period (i.e., on or before the end of June). A legal obligation becomes an expenditure only after the obligation is liquidated.</p> <p><b>Liquidated:</b> A legal obligation is liquidated when the goods or services are actually paid for (i.e., when the warrant is issued for payment of the invoice). Since such transactions cannot be commingled with subsequent-year federal grants, a separate account needs to be established for the <b>July to September</b> liquidation period. Within one year following the end of the grant period, any outstanding obligations need to be fully liquidated. However, because the year-end expenditure report for grant funds (form SED 101, Final Expenditure Report) is due at end of</p>	

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	<p><b>September</b>, LEAs are encouraged to liquidate any obligations by that time to ensure that subsequent amendments to the expenditure report will not be necessary.</p> <p>The <b>June 30</b> expenditure recognition requirements related to claims for federal special education grants are different from the <b>June 30</b> expenditure recognition requirements related to closing the school district books at year-end. Should you have questions concerning the fiscal information provided, please call the Office of School Financial Reports at (916) 322-1770.</p>	
<p><b>G. Must separate accounting be kept for each grant award?</b></p>	<p>Yes. Federal grant programs require that separate accounting be maintained. Accounting for one federal grant cannot be commingled with other federal grants or other funds. Separate accounting provides clear audit trail from the receipt of the funds by the State to the expenditure of the funds for goods and services at the local level.</p>	<p><b>WorkAbility I is fully state-funded.</b></p>
<p><b>H. Can these funds be carried over to the next fiscal year?</b></p>	<p>No.</p>	<p><b>Same</b></p>