

SECTION I BACKGROUND

Useful Information

A. BASIC DEFINITIONS AND INFORMATION RELATING TO GRANT PROGRAMS

1. Basic Definitions

a. Grant

Generally an award of dollars to a district, division, school or individual based upon a solicited or unsolicited request for funding. The *grant award document* normally includes a written notification of program approval, an approved line-item budget, a statement of terms and conditions of the award, and information on how grant dollars can be accessed. *Example: ESEA Title I Basic Grant (OSPI).*

b. Revenue Generating Contract or Agency Service Agreement

Generally an award of dollars to a school district, division, school or individual based upon the terms and conditions of a written contract or agency service agreement. It generally includes the same information contained within in a grant award document, but often times it is more binding than a grant contract. *Example: Child and Adult Care Food Program (OSPI).*

Note: Difference Between a Grant and Agency Service Agreement

Generally a grant is less restrictive than an agency service agreement. Under a grant, a school district is provided an opportunity to self-identify the set of activities and strategies it will use to address the priorities, goals and/or purposes of the grant program. Under an agency service agreement, the funding agency will identify, in consultation with a school district, the set of activities/strategies that must be used to address the priorities of the funding agency. It is generally easier to make changes or modifications to a grant award than it is to an agency service agreement.

c. Grant Budgeting and Accounting

A procedure for coding, loading, authorizing, expending, tracking, reporting and claiming expenditures under a grant or revenue producing contract or agency service agreement.

d. Grant Account

An account where grant funds are deposited for a specific use. It is used for both grant and revenue producing agency service agreements where the funding agency requests an accounting of expenditures and where the District is normally reimbursed for expenditures after the performance of the agreement consistent with the activities specified in the grant or agency service agreement (statement of work). Funds may be recaptured by the funding agency or provisions may be available to carry funds forward into another budget period (based on funding agency approval). *Example: ESEA Title III Part A Language Acquisition.*

- e. Designated Self-Help Account – Donation of External Funds
An account where grant funds are deposited for a specific use but for which there is no financial reporting required by the funding agency. A designated self-help account can be used where the funds are provided up front before the performance of the activity (i.e., check), where there is no financial tracking required by the funding agency, and where any unobligated funds during a designated program period will not be retrieved or captured by the funding agency. *Example: Funds donated to a school by the Alliance for Education for field trips.*

2. Profile of Grants

a. Types of Grants

1. Discretionary Grants

Dollars allocated based upon a competitive process. *Example: 21st Century Learning Centers Program.*

2. Entitlement Grants

Dollars allocated by formula – non-competitive grants. *Example: ESEA Title I Part A – Disadvantaged.*

3. Single Year Grant

Funds available based upon annual application and single year budget period. *Example: ESEA Title I Part A – Disadvantaged.*

4. Multiple Year Grants

Funds available based upon more than a single year with yearly approved budgets. *Example: Safe Schools and Healthy Students – 3-year Award.*

5. Reimbursable Grants

Funds under a grant that are reimbursed to the District based upon the submittal of invoices documenting the funding expenditures. *Example: Head Start.*

6. Non-Reimbursable Grants

Funds are advanced to the District before the performance of the agreed upon activities. *Example: Building Leadership Training Project.*

7. ESEA Grants

Federal reimbursable grants for discretionary and entitlement programs (single/multi-year) contained within the H.R. 1 No Child Left Behind Act of 2001. *Example: ESEA Title I of the Elementary Secondary Education Act.*

b. Major Fund Sources, Estimated Number of Grants and Level of Funding 2002-2003

Federal Source	No. Grants	% Total	Estimated. Revenue	% Total Rev.
Federal	74	(36%)	\$42,767,086	(56%)
State	29	(14%)	\$11,326,924	(15%)
City	19	(09%)	\$ 7,846,338	(10%)
Corporate/Foundation	74	(36%)	\$13,450,131	(18%)
Other (Individual Donor)	12	(05%)	\$ 860,263	(01%)
Total	208	(100%)	\$76,250,742	(100%)*

*Revenues change daily based upon receipt of funding.

c. Targeted Student Groups (Student Populations served)

Grants are generally targeted to meet the specific needs and interests of the following student population groups:

1. Low achieving students in highest poverty schools.
2. Students at risk of failing to meet State standards.
3. Students who are economically disadvantaged.
4. Students with disabilities.
5. Migrant students.
6. Limited English proficient students.
7. Neglected and delinquent students.
8. Indian students.
9. Gifted students.
10. Homeless children.
11. Young children needing reading assistance.

d. Major Grants (2002-2003 Grants in excess of \$1.0 Million)

Grants	Millions
ESEA Title I Part A – Federal	\$13.7
I-728 Student Achievement - State	9.7
IDEA (Special Education) – Federal	7.0
School Transformation (Bill & Melinda Gates) - Foundation	5.2
Family Education Levy – City	4.4
Head Start – Federal	3.7
Learning Assistance Program – State	3.5
ESEA Title II Part A – Federal	3.4
Safe Schools/Healthy Students – Federal	2.8
21 st Century Community Learning Centers – Federal	1.4
Sloan @ T.T. Minor – Foundation	1.4
New School @ Southshore – Foundation	1.2
Gear Up – Federal	1.2
Local Flex Demonstration Program - Federal	1.0
Total Revenue (Top 14 Grant Programs)	\$59.6

B. OVERVIEW OF INTEGRATED GRANT MANAGEMENT PROGRAM

1. Description of the District's Integrated Grant Management Program

A process designed to assist a school district to successfully obtain and maintain a grant award or a revenue producing contract/agency service agreement. The process normally links multiple fiscal and program functions together into a seamless delivery of services. *Example: Accounting, budget, payroll, purchasing, personnel/human resources and program operations.*

- a. What are the major components of an integrated grant management system?
 1. Pre-Grant/Contract Award Process
All activities leading up to the issuance or award of a grant/revenue contract.
 2. Post-Grant/Contract Award Process
All activities following the issuance and receipt of an award of a grant/revenue contract.
- b. What are the major activities of a Pre-Grant/Contract Award Process?
 1. Seeking out and becoming aware of a funding opportunity.
 2. Formulating a decision to apply and identifying a lead to author/write the application.
 3. Developing, reviewing, approving and submitting the application.
 4. Negotiating and accepting the terms and conditions of the award.
 5. Announcing the award and establishing an official "grant file" for the grant award documents.
- c. What are the major activities of a Post-Grant/Contract Award Process?
 1. Identifying the individual responsible for implementing and operating the grant-supported project.
 2. Identifying the individual(s) authorized to obligate and expend funds under the grant program.
 3. Briefing the responsible program officer and fiscal staff as to the specific terms and conditions of the award and District expectations under the award.
 4. Tracking legislative changes and interpreting legislative/regulatory changes to grant programs.
 5. Loading the approved line-item budget into the District's financial system.
 6. Obligating and expending funds under the grant.
 7. Modifying, adjusting, revising and updating the program and budget in accordance with the terms and conditions of the award.
 8. Tracking, monitoring and reporting on program performance and the expenditure of grant funds.
 9. Billing and invoicing the funding agency for reimbursement under the grant.
 10. Completing all closeout activities required by the grantor agency.
 11. Maintaining official grant records as required by Federal, State and District regulations and guidelines.

2. Major Function and Organization of the Office of Grant Services

Basic Mission and Function: To enhance dollar resources for students and staff.

- a. To contribute to the improved academic achievement of all students.
- b. To contribute to the reduction in disproportionality in student achievement.
- c. To contribute to turning around schools that are at risk of not meeting State standards.
- d. To maximize the alignment and use of grant resources in direct support of student achievement.
- e. To work with others in promoting the highest level of fiscal stewardship and accountability in the use of grant dollars.

Strategic Goals and Areas of Focus

- a. To provide a clear vision, effective leadership, quality teamwork and a proactive integrated grant procurement and maintenance plan for the District.
- b. To increase the level of new grant dollars received by the District in direct support of the academic achievement of students.
- c. To more closely align grant resources with the District's priorities and strategic goals (including the Academic Achievement Plans of its schools).
- d. To successfully design and implement the core financial module for Grants under the District's new financial system (FAST).
- e. To improve staff awareness, understanding, and access of and to the services of our office.

Statement of Measurable Outcomes

- a. To increase the level of new grant funds received by the District by \$3-\$5 million a year over the next five years.
- b. To increase the level and percent of grant funds received and managed by building-level staff by 15%-20% a year over the next five years.
- c. To reduce the level of unobligated grant funds by at least 50% over the next two years.
- d. To create and maintain a web site that can be easily accessed and used by central office and building-level staff to seek information about the District's integrated grant management program and services available through this office.

The Office of Grant Services has the following staff:

Jay Iman, Grant Manager (206.252.0220)

Mary German, Grant Support Analyst (206.252.0160)

Sim Henderson, Sr. Grant Fiscal Analyst (206.252.0223)

Mary Jackson, Office Specialist (206.252.0159)

Towanna Jones, Sr. Grant Fiscal Analyst (206.252.0221)

Lance LaRowe, Sr. Grant Analyst (206.252.0222)

Leora Tyau, Grant Fiscal Analyst (206.252.0255)

3. Major Functions and Organization of the Grant Accounting Office

Background

Grant Accounting is one of the major sections within the Office of Accounting Services. It primarily supports and provides the direct billing and the financial reporting to outside funding agencies for all grants that are managed by the Office of Grants Services. It also provides all official reports and statements to Accounting Services for all the District's funded categorical grants.

The primary tasks and responsibilities of Grant Accounting include, but are not limited to, the following:

- a. Assign, update and maintain Grants Fund Code, Fund/Cost Centers in FAST. (Ensure the correct use of the State program and State activity codes.) .
- b. Update and maintain Grant Table in People Soft.
- c. Update and maintain Grant B2B authorization table in FAST.
- d. Send out accounting's signature authorization form to grant program managers. Assign, update and maintain Grants Jump Up Table in FAST (budget controls). Ensure that the budget control on each fund code is correctly set-up as required on information contained on the Office of Grant Services Fund Activity Form.
- e. Review and approve all grant non-salary requisitions, claims and/or reimbursements, request for journal voucher (payroll and non-payroll items) for the:
 1. Correct use of commitment item.
 2. Authorize signature approval.
 3. Allowable cost and the period of allowability for grant's compliance.
 4. Budget availability and WBS element.
 5. Completeness and the adequacy of the supporting documents.
- f. Resolve and reconcile problems on grant's payroll before official posting to FAST.
- g. Assist in the reconciliation of the Federal Time and Effort Compliance Requirement.
- h. Assign, update and maintain Grant Receivable Customer Accounts in FAST.
- i. Review periodically all grants accounts receivable balances and research accounts whose balances are over 120 days old.
- j. Reconcile the receipts, revenues and expenditures for all grants. (Includes State Apportionment Reports, funding agency's reports, etc.)
- k. Assist the State Auditor on all grant audits.
- l. Prepare report analysis and identify all grants that are under spending and ensure grants are maximized to the full amount allowed by the grant.
- m. Prepare report of grants that have carry over balances.
- n. Retain and archive all accounting grant records within the period allowed by the funding agency.
- o. Assist schools and program offices in resolving all accounting issues directly related to grant funds.
- p. Provide direction and assistance to the accounts payable, cashier, travel, rope and personal service contract staff on all matters relating to grant funds.
- q. Prepare and submit Title VIII Application and Survey Report.

- r. Prepare and submit Federal Administrative Medicaid Match Billing Report.
- s. Prepare and submit Schedule of Expenditures of Federal Awards and Schedule of Families and Education Levy.

The Grants Accounting section has the following staff:

Tom Cambronero, Grants Accountant II/Supervisor (206.252.0262)
Kenny Ching, Sr. Accounting Technician (206.252.0269)
Kathy Gallichan, Grants Accountant I/Lead Accountant (206.252.0260)
Huong Nguyen, Accounting Specialist III (206.252.0261)

4. Major Functions and Organization of the Budget Office

In general, the Budget Office:

- a. Prepares, produces and monitors the General Fund and Capital Budgets.
- b. Files State budget reports with the Office of the Superintendent of Public Instruction.
- c. Provides schools and central administrative units with technical budget assistance.
- d. Provides analysis and projections of the District's expenditures and revenues.

In relation to grant-supported programs, the Budget Office:

- a. Works closely with the Office of Grant Services to prepare grant revenue projections for the development of the District's Operating Budget.
- b. Prepares and distributes a "Green Book" to principals that contain budget forms and guidelines relating to the Transformation, Special Education, Transitional Bilingual Education, Compensatory Education (Title I/LAP), Initiative 728 – Student Achievement Funding and grant budget development guidelines.
- c. Loads the grant line-item budgets in Budget Prep for ESEA Title I A, Learning Assistance Program (LAP) and I-728 Student Achievement Funding.
- d. Works closely with principals and program managers in the processing of RSVP's and budget modifications relating to joint funded (grant/non-grant) transactions.

For more information on the functions of the Budget Office or how to access their services, please contact Linda Sebring, Budget Manager (206.252-0242).

C. CHALLENGES AND ISSUES RELATING TO THE ADMINISTRATION OF GRANT PROGRAMS

What are some of the issues and challenges facing the District in relation to the implementation and operations of grant programs? *How to best:*

- 1. Provide training/technical assistance and support in the maintenance of the grants management process and program.
- 2. Align the grant program with District and school Academic Achievement Plans.
- 3. Integrate the use of all grant funds with each other and with baseline funding.
- 4. Link the grant management process with budget, accounting, human resources, purchasing, payroll and program functions.

5. Integrate the receipt of grant funds with the District's budget development process.
6. Reconcile the difference between a grant revenue projection and level of the grant received.
7. Provide accurate and "real time" accounting of expenditures.
8. Assure expenditures and program focus is consistent with local negotiated agreements (i.e., teacher unions/trade unions).
9. Assure that only allowable costs are charged to the grant program.
10. Make sure that program managers only spend the level of funding that has been approved for the current year. No pre-commitments should be made for future fiscal years.
11. Capture unobligated funds and request a carryover of these grant dollars.
12. Meet Time and Effort, and match requirements of a grant.
13. Coordinate State/Federal monitoring/auditing of a grant program.



The Moss Adams audit of Seattle Public Schools recommended that steps be taken by the District to strengthen its integrated grant management program. Included were the following recommendations:

- Strengthen the grants administrative function (*Recommendation 019*).
- Strengthen the grant capacity oversight (*Recommendation B18*).
- Where possible, assign all responsibility for grant management to the Grants Department (*Recommendation B24*).
- Ensure that funding commitments are received before encumbrances are made (*Recommendation B16*).
- Develop an updated approach to regularly reconcile Grants, Budget and Accounting information (*Recommendation 17*).
- Continue to closely monitor student achievement revenues and matching expenditures (*Recommendation B6*).

Work plans including specific activities have been developed for each of these six recommendations by Financial Services. These work plans have been approved by the Superintendent and are currently being implemented by the Office of Grant Services.