

SECTION 3.14 – GRANT MONITORING AND RESPONSIBILITIES

Contact: Budget @ Extension 4154/4157

A. Overview

This section provides information on the responsibilities of the grant manager and/or their designee and the Budget Office. These two entities work collaboratively to ensure:

- ✓ Funds are spent appropriately and for their intended purpose
- ✓ Funding is maximized without exceeding available resources
- ✓ Transactions charged to the grant are accurate and reasonable
- ✓ Fiscal and program requirements are met to avoid recovery of funds or audit findings

B. Responsibilities

The **grant manager** bears responsibility for:

- ✓ Following established procedures to apply for grant funding
- ✓ Completion of all application and budget forms
- ✓ Program management of the grant
- ✓ Regular monitoring of expenditures and budgets
- ✓ Ensuring time & effort records are completed on schedule (if a federal grant)
- ✓ Timely completion of program or budget revisions
- ✓ Timely filing of required program reports, including end of year reports
- ✓ Maintaining program files (These files must be available for audit.)

The **Budget Office** bears responsibility for:

- ✓ Establishing revenue and expenditure budgets
- ✓ Timely fiscal reporting of grant expenditures, including filing final grant claims
- ✓ Reviewing budget revisions prior to submission to the grantor
- ✓ Reconciling time & effort records to payroll distributions (if a federal grant)
- ✓ Maintaining fiscal files (These files, summarizing revenue, expenditure and claims data, will be made available for audit.)

C. Supporting Documents for Grants not in iGRANTS:

When your grant is awarded, send a copy of the following to the Budget Office:

- ✓ The grant application in which program activities are described
- ✓ The approved grant budget
- ✓ The award notice, letter, agreement or agency purchase order stating award of the grant
- ✓ Copies of contracts with agencies which outline conditions of the grant
- ✓ All supplemental information which documents contact persons, filing deadlines, spending or claim requirements, and program or reporting requirements not otherwise stated in documents referenced in 1 – 4 above

D. **Monitoring Expenditures**

Regular evaluation is the key to effective management. Establish a schedule which includes:

- ✓ Monthly review of *budget, expenditure and encumbrance* data
- ✓ *Timely examination* of identified areas of concern
- ✓ *Periodic testing of resources* to ensure they are adequate to support the positions and activities that will be charged to the grant
- ✓ *Trigger dates* for significant events (i.e. final purchases, grant closing, report filing, etc.)

Suggested Steps

Each Month – Review for Accuracy and Completeness:

1. Schedule regular budget reviews – optimally, during the 1st week of each month.
 2. *If your grant has an OSPI approved budget*, run a Budget Matrix report. This report:
 - Compares actual spending to the approved budget on file at OSPI.
 - Shows areas where spending does not align with the approved budget.
 - Indicates whether a budget revision may be necessary. (Contact the Budget Office)
- *Areas of question or concern should be examined in-depth.*
3. Run a Budget to Actual report, using the last date of the previous month.
 - Examine spending in specific areas or locations.
 - Scan for reasonableness.
 - Do current month charges appear accurate?
 - Do encumbrances appear accurate?
- *Areas of question or concern should be examined in-depth.*
4. After identifying areas needing in-depth review, run an Expenditure Transaction Recap.
 - Specify begin and end dates for the period under review.
 - To narrow the search and shorten processing time, select specific key, location, RESP, program or object codes to review.
 - Examine this report to identify erroneous transactions.
 - Scan this report for missing transactions.
 - Errors and omissions should be researched. Contact the appropriate office in accounting, payroll, budget or finance.
 - Errors and omissions must be considered when calculating your available balance.

5. Run a Purchase Order Status report to review encumbrances.
 - Have you recently issued POs that are not reflected on this report?
 - Do encumbrances remain that should have been partially or fully liquidated?
 - Errors and omissions should be researched. Contact Purchasing as necessary.
 - Errors and omissions must be considered when calculating your available balance.

Each Month – Test Adequacy of Available Balance

1. Calculate remaining salary and benefit obligations (*step-by-step*).
 - For positions, use “current” salary and benefit expenditures multiplied by the number of months remaining in the grant period. Consider adjustments for recent changes in FTE or compensation levels.
 - For casual salaries, use a reasonable estimate of probable compensation and related benefits through the remainder of the year. Consider substitutes, overtime, extra hours, supplemental pay, activity stipends, extended days, or leave cashouts for which your grant may be responsible.
2. Calculate adequacy of remaining balance available for NERC (*step-by-step*).
 - Start with ending balance as stated on prior month’s closing Budget to Actual report
 - Adjust for errors or omissions in expenditures.
 - Adjust for errors or omissions in encumbrances.
 - Subtract remaining salary and benefit obligations for filled positions and related supplemental contracts.
 - Subtract estimated casual salary and benefit expenses projected for the remainder of the year.
 - Subtract any purchases made through Petty Cash, Procurement Cards, registration forms, travel claims, personal service contracts, or other expenditures which are not reflected in year-to-date expenditures and are not reflected in encumbrances.
 - Is the amount remaining adequate to support probable NERC spending for the balance of the year?
3. If the amount remaining is NOT adequate to support probable NERC spending, you must:
 - Modify your NERC spending plan to avoid overspending, or
 - Modify staffing plans to free up capacity for necessary NERC spending, or
 - Seek additional support from other sources to cover the projected funding shortfall.
 - Notify Human Resources and the Budget Office of any changes in your staffing plan.

E. Purchasing and Spending

1. It takes several weeks or longer to move from the purchase requisition stage through receipt of ordered goods and payment of the corresponding invoice. For this reason, **purchase orders** should be issued at least **two (2) months prior** to expiration of the grant period. *If requisitions are initiated after this point, there is a significant risk that items will be received too late to be considered as bonafide expenditures of the grant.*
2. Timesheets should be signed, submitted for approval and forwarded to the Payroll Office as soon as possible after timesheet work has been completed. Do not hold these until the end of the year.
3. If timesheets are submitted late in the grant period or near the closing date, send copies to the Budget Office.
4. Turn in all travel claims, procurement card receipts, petty cash receipts and other expenditure documents regularly and in a timely manner.

Regular, periodic review and “clean up” of transactions charged to your grant budget is the most effective way to monitor your grant and protect against inappropriate spending, overspending, underspending or recovery of funds.