

SECTION 3.13 - GRANT AND CATEGORICAL PROGRAMS OVERVIEW

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Overview

Grants and entitlements are available through OSPI (federal and state) and other public and private sources to help supplement our basic education funding. These funds are usually restricted to specific uses and require special monitoring. Guidelines are contained below and in the following sections. Entitlements, or categorical programs, such as Special Ed, Title I, Title II, and ELL funding, are guaranteed to each district based on qualifying students. Competitive grants are also available through OSPI and other public and private sources (i.e., Readiness to Learn, 21st Century, Gates Foundation Grants).

Grants and Categorical Programs Administered by OPSI

Application Process

Grants and some categorical programs administered by OSPI require an application be completed and submitted to OSPI by the required due date. Most of the OSPI administered grants are filed on-line via iGrants, but a few are still done on paper. The iGrants system contains a “grant profile” for each grant that has important information that will assist you in preparing your application, such as:

- Purpose of the grant
- Restrictions
- Allocation formula
- Where to find the indirect rate
- Where to find the allocation amount
- Application due date
- If carryover is allowed
- Revision deadlines
- Award beginning and ending dates

Part of the application process is the completion of a **budget matrix** (OSPI form 1000B).

When completing the budget matrix either online or on paper, keep in mind the following:

- If entering budget for salaries, remember to also include a budget for benefits.
 - ✓ For regular certificated salaries use 30 percent (30%) for benefits
 - ✓ For regular classified salaries, use 45 percent (45%) for benefits
 - ✓ For all other salaries (overtime, supplemental or substitutes), use 20 percent (20%) for benefits
- If you will be using district food services or transportation, you will want to budget this amount under debit transfers, object 6xxx.

- iGrants has an automatic calculator for indirects. The district will take the full indirect percentage allowed.

When you have completed all parts of the application, and have marked the application “finished,” an e-mail will automatically be sent to the fiscal contacts (budget office) here at the district for internal review. We will review the application, specifically the budget matrix, and send to OSPI for approval. Both the program contact and fiscal contacts at the district will receive an e-mail from OSPI once the application has been approved.

The budget office will then add this budget in BusinessPlus for the direct expenditure amount (award amount less indirects). This budget will be aligned with the OSPI approved budget matrix.

Indirects

Most federal and some state grants allow districts to set aside a specified percentage of the grant allocation for indirect costs. This percentage rate is determined each year by OSPI, and typically ranges between two and five percent (2% - 5%) for federal programs, and seven and fifteen percent (7% – 15%) for state programs.

The indirect amount offsets costs that support grant programs, but are not typically paid directly with grant funds, such as:

- ✓ Utilities, space
- ✓ Recruiting and hiring of staff
- ✓ Processing payroll
- ✓ Processing payments to vendors and reimbursements
- ✓ Monitoring expenditures and filing for reimbursement

To calculate the indirect amount for a \$50,000 grant award (**total expenditures**) with an indirect rate of 2.4 percent: (The budget matrix in iGrants has a calculator for the indirect amount. When filing your application through iGrants, please use it to calculate the indirect amount.)

\$50,000 divided by 1.024 = \$48,829; this is the **direct expenditure amount** (the amount you can spend and the amount that will be budgeted in BusinessPlus).

\$50,000 minus \$48,829 = \$1,171; this is the **indirect amount**.

Grant Expenditures

Each month the grant authority or their designee should run an BusinessPlus Budget and Expenditure Matrix Report. This report is formatted to show budget and expenditures in the same activity and object category format in which you submitted your budget to OSPI.

- Expenditures must occur within the activity and object group as listed on the OSPI approved grant budget matrix.

- Per OSPI guidelines, you may over expend in any activity or object group that has a budgeted amount, by a maximum of ten percent (10%) of the direct expenditure amount (award less indirects).
- OSPI will not reimburse expenditures in an activity or object category in which there is no budget.

Please refer to [Section 3.14](#) - Grant Monitoring and Responsibilities for detailed information on grant monitoring.

Budget Revisions

Budget revisions will need to be done for the following reasons:

- To include carryover from the prior year
- You expend in a category where there is no budget
- You exceed a category by more than 10 percent
- There is a change in your spending plan

Before preparing a budget revision we recommend you review your expenditures for accurate coding and consider all anticipated expenditures.

Once you have verified your information, process a budget revision as follows:

- If the original application and budget was completed on-line via iGrants, process your revision through iGrants.
- Notify the budget office when you have completed this process as there is no internal review step for revisions.

Budget revisions should be limited to no more than two per grant period.

Other OSPI Categorical Programs

Other state categorical programs such as LAP and Special Ed, are based on student enrollment and do not require a budget be filed. They are, however, subject to spending restrictions and require special expenditure tracking.

All Other Grants

Grants not administered by OSPI are processed and have rules and regulations established by the grantor. The grant application or contract will typically have the fiscal information needed by the budget office to request reimbursement. Please forward a copy of all contracts, purchase orders or other documents provided by the grantor to the budget office.

Grant Expenditures

Each month the grant authority or their designee should run an BusinessPlus Budget to Actual Report. Monitor expenditures to not exceed budget.

Please refer to [Section 3.14](#) - Grant Monitoring and Responsibilities for detailed information on grant monitoring.