



## Corvallis School District 509J GRANT ACCOUNTING CHECKLIST

Name of Grant: \_\_\_\_\_ Granting Agency: \_\_\_\_\_

School/Teacher Name: \_\_\_\_\_ Date of Application: \_\_\_\_\_

- 1. Cindy Dagesse is the District's initial contact. It is critical to notify the District Office ahead of time before you apply for a grant. Contact Cindy Dagesse at 766-4704 for assistance.
- 2. Cindy Dagesse, will inform Debbie Bell there is "intent" to file a grant application. Informing Business Services will help in the process of forecasting possible "new" revenue for the District.
- 3. You must also get prior approval from the school principal or division head before applying.
- 4. Prepare and complete application with the following information included:

CATEGORY	ESTIMATED BUDGET	DISTRICT (Matching funds)
Salaries and Benefits	\$	\$
Contracted Services	\$	\$
Supplies/Materials	\$	\$
Administrative Overhead/Indirect Costs (Total grant amount requested @ 4.36%)	\$	\$
<b>**Required on all grants for 10-11 FY**</b>		
<b>TOTAL</b>	<b>\$</b>	<b>\$</b>

- Grantor and District contact names/locations/phone numbers, etc.
- List account numbers used for matching funds if required by funding agency.
- Time period of grant/project (effective start date and end date)
- Carry-over of funds allowed? **Yes or No**

**Note:** If there are remaining funds by the ending date of this grant, written approval for carry-over must be obtained from the grantor. If carryover is not approved by granting agency, a refund will be made to the granting agency and the grant will be closed. Business Services will make sure any refunds are communicated to the school and granting agency.

- List of personnel paid from grant funds and portion of time chargeable (full-time equivalent).

	# of Staff	Est. FTE
Certified	_____	_____
Classified	_____	_____
Non-Represented	_____	_____

**Note:** When budgeting for salaries, substitutes, and extra time make sure to work with your school OA for getting the up-to-date payroll costs. Another salary item to remember when budgeting is building in secretarial time. All grants have accounting and secretarial responsibilities. If grantor approves your grant it will benefit you and your school staff.

- Attach any applicable rules/regulations such as:
  - When purchasing equipment find the dollar value threshold, list if there are special requirements for marking, and any requirements for surplus.
  - Requests for funds forms.
  - Program narrative or final expenditure reports as required by the grantor.

- 5. The Assistant Superintendent, will do the final application review and signoff. (**PLEASE ALLOW A MINIMUM OF ONE WEEK FOR THIS REVIEW PROCESS**) After signing, this “original” application will be forwarded to Cindy Dagesse in the Instructional Services Department. Cindy will make the appropriate copies and distribute them to the grant manager, school, and Business Services.
- 6. After Notification of Grant Award is received, Business Services will contact the school OA and start working on the accounting processes. **Note: If the school receives the check or Notification of Grant Award directly, please don't deposit. Send to Business Services as soon as possible.**
- 7. Business Services will assist with entering budget amounts, charging the approved indirect cost percentage, set-up account numbers and fund, and request the funds from the agency.
- 8. Business Services will share the accounting processes with the selected secretarial/fiscal support staff. This staff person will be the key communicator for the grant manager and other staff involved with the grant. Contact Business Services if any changes or questions.
- 9. During the grant period the school OA and grant manager will make sure to:
  - Grant requirements need to be followed carefully. Spend monies only on appropriate items.
  - Follow District purchasing procedures to spend money on grant activities.
  - Prepare program reports for grantor as required.
  - Monitor budget, expenses, and spending deadlines. Notify Business Services immediately if the grant becomes **overspent**. Being overspent will result in the schools General Fund to be charged for the amount of the overage. If this happens, work closely with Business Services. This is a critical step in order for principal to do their budgeting and forecasting.
  - Review and sign the charges on the monthly cost analysis reports. If there are expenses charged in error notify the school OA for making adjustments.
  - Send all grant documentation to Business Services such as: purchase orders, invoices, printouts, checks, and letters.
- 10. At the closing of the grant make sure any remaining grant documentation is sent to Business Services. The District has external auditors that monitor and audit all District grants. This audit firm prepares audit comments, which go to the Board after the audit is completed. We like to see good audit comments by our auditors so we need your help to follow the requirements of the Grant Accounting Checklist.

<b>Assistant Superintendent Signature:</b> _____	<b>Date:</b> _____
<b>Principal/Grant Manager Signature:</b> _____	<b>Date:</b> _____

Original:            Business Services            Copy:    School

# GRANT SUMMARY

## **Business Services**

- File indirect cost plan with the State
- Assist with budget preparation as needed
- Assign grant account numbers upon notification approval
- Bill grantor for requests for funds and reimbursement
- Deal with auditors and requests for financial information

## **Application**

The following information should be included in application:

- Cover letter expressing the District's interest in receiving the grant. A brief description of the project and requested funding
- Project description
- Description of project personnel, the amount of time they will spend on the project and their qualifications
- Project time period – start date/end date
- Budget by object category: salaries, benefits, supplies/services, equipment, indirect costs, and total
- Evaluation criteria – what will the measurements be? How to determine if successful?
- Cost sharing information if applicable

## **Tax Exemption**

Often, the Corvallis School District is requested to provide information as to its tax-exempt status. The District is a non-profit, municipal corporation of the State of Oregon. It is automatically exempt from federal income taxes under Section 170 of the Internal Revenue Code. The District is not a Section 501(c) (3) tax exempt entity.

## **Federal ID No. 93-6000205**

The Internal Revenue Code does not require the Corvallis School District 509J to file a Form 990 (W-9) for its activities as a local government.

If there are any further questions concerning the tax-exempt status, refer them to Debbie Bell, Accounting Supervisor, (541) 757-5927.

## **Grant Procurement**

The Board adopted policies concerning personnel, purchasing and practices apply to all District activities regardless of the funding source. **If there is an apparent conflict between the District's policies and the grantor's policies, the more restrictive policy shall apply.**

## **Effective Date**

No charges may be made to the grant prior to the effective date without prior written approval by the grantor agency.

## **Fund**

A fund is a set of account numbers unique to each grant. The first three numbers of account codes designate the grant fund to charge. Separating out the costs by fund allows you to receive financial reports showing the status of each grant. Business Services assigns grant fund codes upon receiving the Notification of Grant Award.

## Account Codes

Account codes designate the Grant Fund and the type of expense.

### **GGG-FFFF-OOO-LLL-PPP**

GGG. Grant fund number  
FFFF. Function code  
OOO. Object code  
DDD. DAC (Location) of responsible school/department  
AAA. Area of Program  
SSS SubArea of Program

In Oregon, account code numbering is established by the State. See the school OA for the chart of account listings this will help you with the accounting processes and procedures of the grant.

## Personnel

People employed in grant sponsored programs will be paid according to District bargaining agreements and policies. Salary will be paid at the same rate they would receive if hired for another District program.

Insurance, attendance, and leave accruals will be made on the same basis as other employees in the bargaining unit.

Payroll procedures are the same for all employees, timecards are due according to the published schedule and payday is the last working day of the month. The school OA will prepare and monitor the timecards. Important things to remember is that any staff **budgeted** to a grant account must have the **actual work effort** support the FTE allocated to the grant. When an employee **submits** their online timecard they are attesting that they provided the actual work effort to the account number listed.

Audit guidelines now require verification of payroll charges by both the employee and the supervisor for all charges made to grants. The monthly verification of time and effort charged to grants needs to be signed by the employee and supervisor to constitute that after the fact review. Substitutes do not need to sign. ***When a supervisor or grant manager signs these detailed payroll cost analysis sheets they are attesting the work effort was provided.***

## Fixed Assets

District policy is to capitalize equipment with a value of \$1,000 or more, which has a life of more than a year. Business Services reconciles all equipment purchases for the District. You can call Beverly Wensch at ext. 5727 if there are any grant equipment questions.

Some grants have a higher dollar value threshold for fixed assets. The District will continue to categorize such a purchase as a fixed asset, but the financial report to the grantor may be changed to show it as expendable equipment.

Disposal of equipment meeting the fixed asset definition on grants requires special handling. Please obtain a copy of the guidelines from the grantor and share a copy with Beverly Wensch in Business Services.

## Purchasing

Purchases made on a grant are subject to the same procedures as purchases made for any other District purpose. District policy and State law require the use of purchase orders for the purchase of all materials and equipment.

**Tips**

Using purchase orders will make it easier to monitor the remaining grant budget because they are encumbered.

Reimbursements to District employees for qualifying expenditures may be made only with **original “unaltered” receipts** up to a maximum of \$500.00

Out-of-District travel reimbursements can be made in advance. The District has meal per diems, and requires **original “unaltered” receipts** for only hotel and other expenses. You must get prior approval from the grant manager. Travel plans need to be fully explained and documented for the auditors and in some cases to the grantors.

Supplies used specifically for a grant project may be charged directly to the project. If you are using supplies on hand, request a **journal entry** to charge the grant for the amount used and describe the supplies used. Contact Beverly Wrench for help with this process.

**Indirect Costs**

District’s practice is to request reimbursement of indirect costs from all grants. A line item for indirect costs must be included in the original grant budget. The District prepares and submits a Restricted Indirect Cost Allocation Plan annually. The State Department of Education is responsible for reviewing and approving the plan. The estimated Indirect Cost Rate for **2010-2011 is 4.36%** of the grant direct costs. Beverly Wrench will prepare a journal entry; this charge helps support the District’s General Fund.

Example calculation:

Grant total amount awarded	\$30,000.00
Divided by	1.0436
Program Spending Amount	\$28,746.65
Grant total amount awarded	\$30,000.00
Less Program Spending Amount	\$28,746.65
Indirect costs	\$ 1,253.35

**Note:** We cannot charge indirect costs on capital outlay purchases. That amount is deducted from the total before the calculations are made. Please work with Beverly Wrench to determine the indirect costs allowed under your grant.

**Budget Monitoring**

Monthly Cost Analysis and Expenditure Ledger reports are prepared, which shows the detailed and monthly charges made to each grant account. These reports will give individual employee names and charges made during the month. ***When a supervisor or grant manager signs these detailed payroll cost analysis sheets they are attesting the work effort was provided.***

Grant regulations require a timely review of charges made to each grant account. A monthly verification of time/effort and materials charged to grants is sent to each grant manager for signature. Both the employee and grant manager need to sign substitutes do not. The report is returned to Beverly Wrench. The Districts external auditors will review these reports to ensure that the appropriate person is reviewing them and that the date indicates a timely review.

**On-line ESD lookup**

On-line information is available as you need it. The school OA prepares purchase orders, which will automatically encumber. Other types of charges are posted to accounts weekly such as: Print Shop orders, travel reimbursements, and Food Service catering orders.

A summary of accounts is available under the ESD range option or the detail option. This on-line access option allows the school OA to monitor the status of your budget and checking the detail of expenditures made on the grant.

### **Grant Reporting**

Program Evaluations/Reports – This may vary according to the requirements established by the grantor. Please send copies of all evaluations and program reports to Beverly Wensch. It is crucial that reports of any kind come through the Business Office to ensure accurate and thorough documentation is available for our auditors.

Financial Reports/Billings - Billings and financial reports are generated by Rhonda. The Business Office is ultimately responsible for the appropriate handling of the grant funds, there should not be any reimbursements, stipends, or payments of any kind sent directly to a district employee by the grantor. For the same reason, no District employee should maintain separate bank accounts for grant funds.

The final fiscal report will contain all financial activities on the grant, from its inception to its termination. The grant manager is responsible to insure that all expenses are met and all supplies and materials received before the grant can be closed.

### **Closing the grant**

Grants **cannot be overspent**. If charges above the award amount are incurred, and the grant is ongoing, that amount will be charged to the next year's grant. If it is a one-time special grant, the school's general fund account will be charged for the excess. If money is on hand at the end of the grant period, and there are no further carry forwards, we refund the remaining funds back to the grantor, unless the carry over is approved in writing by the grantor.

### **Audits**

Single Audit Act – Federal regulations require all governments entities receiving grants to carefully monitor the expenditures made against such grants to be sure that only designated expenses are paid for by the grantor(s). **Original records for all grants are maintained by Business Services for seven years.**

### **Compliance**

We all must be aware that there are consequences if grant audits demonstrate we are out of compliance. Such consequences are:

- Return of funds for unallowable charges.
- Future allocations may not be awarded.
- Potential re-testing of prior closed grants and demand for return of funds.

## Grant Writing Tips

When applying for a grant there are some **important** things you will need to know before you begin.

There is a district grant policy (Policy Handbook, Section 6330, Grant Procurement, and adopted 2/10/97) that needs to be followed. Here is a brief overview of the policy.

The district will pursue funding opportunities that are consistent with district priorities from federal, state and other governmental units, as well as from private and foundation sources. The following rules will govern the implementation of this policy.

1. Attempts should be made by the district to seek funding opportunities. Funding that does not require the district to use its general funds to continue program activities once the grant source or categorical dollars have been discontinued. No request for categorical assistance requiring continued support from district budget funds will be approved unless specifically authorized by the superintendent or person designated by the superintendent.
2. Employees intending to pursue grants are required to contact The Assistant Superintendent at 766-4704, as early as possible in the application process.
3. Grant applicants will be responsible to communicate with the appropriate principal and site council regarding the development of the proposal.
4. The superintendent's staff prior to submission will review Grant proposals. Approval will be based on:
  - Consistency of the proposal with the educational program;
  - Compliance with district policies and collective bargaining agreements;
  - Whether the proposal represents an efficient use of district human resources;
  - Congruence with school improvement plans, other district programs, the Oregon Educational Act for the 21<sup>st</sup> Century, budget and facility requirements;
  - The overall quality of the proposal;
  - The District at the approved rate of **4.21%** requires indirect costs unless otherwise prohibited by the granting agency. The rate changes every year typically around April or June.
5. The superintendent or designee is authorized to approve submission of grant proposals and to enter into contracts on behalf of the district for receipt of grant funds consistent with Board policy.
6. The superintendent or designee provides quarterly reports to the Board that has district grant activity. The Board must approve expenditures of all grant appropriations.
  - The 509J handbook, available at all schools (see building OA and/or building principal) will help the grant seeker answer questions regarding grant procedures and guidelines. Information such as:

• Application and Approvals	• Indirect Costs and rates
• Budget and Accounting	• Audits
• Grant Manager Responsibilities	• Other General Information
• Tax Exemption and Federal ID No.	
  - All grants are required to go through the district review process before sending application to the granting agency. The Assistant Superintendent must sign the grant application. A minimum of one-week lead-time must be given for the review process.
  - There are various grant opportunities available on the Internet. The Oregon Department of Education has a website for state grants and grants from other organizations sign on at (<http://www.ode.state.or.us>).
  - District grant application contacts are:
    - Cindy Dagesse at ext. 4704 for policy questions, coordinating, advising, and application questions.
    - Beverly Wrench at ext. 5727 for budget and accounting questions.



*Corvallis School District 509J*

*Honoring Diversity*

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March 15, 2011

To Whom It May Concern:

SUBJECT: Tax Exempt Status of the Corvallis School District

Often the Corvallis School District is asked to provide information as to its tax-exempt status. The following information is designed to clarify the Corvallis School District's tax exempt status.

The Corvallis School District is tax exempt under Section 170 of the Internal Revenue Code. This section excludes state and local governments from Federal income taxation.

The automatic exemption for state and local governments from Federal taxation in Section 170 of the Tax Code precludes the Corvallis School District from requesting a determination letter from the Internal Revenue Service. Therefore, we are not a Section 501 (c)(3) tax- exempt entity.

The District's Federal Tax Identification number is 93-6000205. The Internal Revenue Code does not require that the Corvallis School District file Internal Revenue Service Form 990 for its activities as a local government.

If you have further questions regarding the tax-exempt status of the Corvallis School District, please forward those questions to:

Debbie Bell  
Accounting Manager  
Corvallis School District 509J  
1555 SW 35th Street  
Corvallis, OR 97333  
(541) 757-5927

Debbie Bell  
Accounting Manager

### GRANT PROCUREMENT

The district will pursue funding opportunities that are consistent with district priorities from federal, state, and other governmental units, as well as from private and foundation sources.

The following rules will govern the implementation of this policy. The purpose of these rules is to outline the process by which district employees may pursue grant funds in accordance with Board policy and the criteria to be used in evaluating grant proposals.

- A. Attempts should be made by the district to seek funding opportunities that do not require the district to use its general funds to continue program activities, once the grant source or categorical dollars have been discontinued. No request for categorical assistance requiring continued support from district budget funds will be approved unless specifically authorized by the superintendent.
- B. Employees intending to pursue grants are encouraged to contact, as early as possible in the application process, the superintendent or person designated by the superintendent to oversee the grant's process, to receive tentative approval to proceed with an application.
- C. The superintendent or designee will assist grant applicants to identify other important communication/coordination points, such as other sites or individuals involved with the same or similar grants, cooperating agencies working with the district that are potentially impacted by the grant and other agencies, corporations, or individuals with a significant interest in the proposal.
- D. Grant applicants also will be responsible to communicate with the appropriate principal and site council regarding the development of the proposal.
- E. Prior to submission, the superintendent's staff will review the proposal(s). Approval will be based on:
  - 1. Consistency of the proposal with the educational program;
  - 2. Compliance with district policies and collective bargaining agreements;
  - 3. Whether the proposal represents an efficient use of district human resources;
  - 4. Congruence with school improvement plans, other district programs, the Oregon Educational Act for the 21st Century, budget and facility requirements;
  - 5. The overall quality of the proposal;
  - 6. Provision for indirect costs where not otherwise prohibited.
- F. The superintendent or designee is authorized to approve submission of grant proposals and to enter into contracts on behalf of the district for receipt of grant funds consistent with Board policy.
- G. The superintendent or designee will provide quarterly reports to the Board on district grant activity. The Board must approve expenditures of all grant appropriations.

END OF POLICY



# Corvallis School District 509J

The District will pursue funding opportunities that are consistent with district priorities from federal, state, and other governmental units, as well as from private and foundation sources. Grant proposals will be reviewed by the superintendent's staff prior to submission. Approval will be based on:

1. Consistency of the proposal with the educational program.
2. Compliance with district policies and collective bargaining agreements.
3. Whether the proposal represents an efficient use of district human resources.
3. Congruence with school improvement plans, other district programs, the Oregon Educational Act for the 21st Century, budget and facility requirements.
5. The overall quality of the proposal.
6. **Provision for indirect costs where not otherwise prohibited.**

**See also: Board Policy DD.**