

## **Carryover Funds and Budget Amendments**

Carryover Funds are determined once completion reports are submitted. (See Also- Completion Reports) At that time a letter will be sent from Grants Accounting addressed to the Superintendent, informing the LEA that the carryover has been entered into the Grants Accounting Online Reporting System (GAORS). A budget amendment combining the carryover funds with the FY04 allocation will then be required to be submitted to GDOE through the consolidated application. **The deadline to submit the budget to amend in the carryover funds is 30 days after the date on the letter from Grants Accounting. Superintendent sign-off will be required for these amendments.**

## **Other Budget Amendments**

Budget amendments are required for the Title Programs (IA, IIA, IID, IVA, VA, and VIB) any time there is an increase or decrease in the total grant, a change in the scope of the grant, and/or a 25% change at the function level. **The Last Day to amend these budgets is May 15, 2004.**

**All budget amendments require the Superintendent approval sign-off.**

## **Grant Period**

Grant Period is from July 1, 2003 to June 30, 2004. Funds may not be obligated prior to July 1, 2003. Funds must be obligated by June 30, 2004. Obligated means that all goods and services have to be received by the end of the grant period.

## **Carryover Limitations**

### **Title I, Part A, Improving the Academic Achievement of the Disadvantaged**

Unobligated funds may be spent during the following program period, but carryover funds into FY04 are limited to 15 percent of the FY03 grant allocation. Upon receiving the letter from Grants Accounting, the LEA will need to submit an interim completion report for the expenditures for the First Quarter of the FY2004 project (July 1, 2003 – September 30, 2003). If the LEA still exceeds the 15 percent limit after submitting a completion report, a waiver of this limit must be submitted to the DOE Title I-A Division Director during the grant period. This waiver is allowable once every three years. Districts must submit written request, to DOE with justification for not meeting expenditure requirements. The 15 percent carryover limit does not apply to districts that receive less than a \$50,000 grant for Title I, Part A.

LEAs have options when determining how to spend carryover funds. They may

- 1) Allocate the funds for district level activities - for example, professional development
- 2) Allocate the funds back to the school that earned the dollars and give that school an opportunity to spend the funds. The LEA would need to ask the school for a plan to spend such funds.
- 3) Allocate the funds back to all the schools on an equal basis and give each school an opportunity to spend the funds. The LEA would need to ask the school for a plan to spend such funds. For example, \$8,000 are available from carryover and the district has a total of 2 Title I schools, each school would receive \$4,000 each.

The important thing to remember is that LEAs may not allocate funds to schools on a grant basis, thereby defeating the rank-order requirement.

Carryover funds must be amended into the Title I budget. Budget amendments should be sent to the appropriate Regional Title I Program Specialist for approval.

#### **Title IV, Part A, Safe and Drug Free Schools**

Unobligated funds may be spent during the following program period, but carryover funds into FY04 are limited to 25 percent of the FY03 grant allocation. Upon receiving the letter from Grants Accounting, the LEA or consortium will need to submit an interim completion report for the expenditures for the First Quarter of the FY2004 project (July 1, 2003 – September 30, 2003). If the LEA still exceeds the 25 percent limit after submitting a completion report, a waiver of this limit must be submitted to DOE during the grant period. A waiver of this limit must be submitted the DOE Title IV-A Program Contact.

#### **Waivers**

##### **Waivers of Statutory and Regulatory Requirements (Section 9401)**

The Georgia State Board of Education does not have Ed-Flex authority for the 2003-2004 school year. Although the U.S. Department of Education (ED) will review and approve requests for waivers of federal statutory and regulatory requirements, The State Board is required to review LEA requests and to submit them to ED along with any comments. Requests for waivers should be submitted to the appropriate State Board appointed agency. ED cannot waive any federal statutory or regulatory requirement relating to certain provisions including the following:

1. The allocation or distribution of funds to LEAs.
2. Maintenance of effort.
3. Comparability of services.
4. Use of federal funds to supplement, not supplant, nonfederal funds.
5. Equitable participation of private school students and teachers.
6. Parental participation and involvement.
7. Applicable civil rights requirements.

##### **Title I, Part A, Carryover Waiver (Section 1127)**

Carryover funds into FY04 are limited to 15 percent of the FY03 grant allocation including basic and concentration funds, if any. If the LEA determines that carryover will exceed the 15 percent limit, a waiver of this limit must be submitted. This waiver is allowable once every three years. The 15 percent carryover limit does not apply to districts that receive less than a \$50,000 grant for basic and concentration funds. Districts must include a justification for requesting waivers and submit this to the DOE Title I-A Division Director.

LEAs should expend a minimum of 85% of their Title I allocation in the fiscal year funds were made available. LEAs not meeting this requirement should note the 15% carry-over limitation provision in No Child Left Behind (NCLB).

“SEC. 1127. NCLB

“(a) LIMITATION ON CARRYOVER.

Notwithstanding section 421(b) of the General Education Provisions Act or any other provision of law, not more than 15 percent of the funds allocated to a local educational agency for any fiscal year under this subpart (but not including funds received through any reallocation under this subpart) may remain available for obligation by such agency for one additional fiscal year.

“(b) WAIVER. A State educational agency may, once every 3 years, waive the percentage limitation in subsection if:

“(1) the agency determines that the request of a local educational agency is reasonable and necessary; or

“(2) supplemental appropriations for this subpart become available.

“(c) EXCLUSION. The percentage limitation under subsection (a) shall not apply to any local educational agency that receives less than \$50,000 under this subpart for any fiscal year.

Basically this means that LEAs must spend at least 85% of their allocation within the grant period. LEAs may carry-over up to 15% of their allocation. Any amount that exceeds the 15% allowance must be returned to the State and redistributed to eligible LEAs. There is one exception; an LEA may request the State to waive this requirement once every three years. Therefore, LEAs will not "automatically" be allowed to spend carry-over in excess of 15% of its allocation. LEAs desiring to request a waiver should submit a request in writing from the superintendent to the Director of Title I.

#### **Title IV, Part A, Carryover Waiver (Section 4114)**

In any fiscal year, a local education agency or consortium may retain for obligation in the succeeding fiscal year

1. An amount equal to not more than 25 percent of the allocation it receives under this subsection for such fiscal year; or
2. Upon submission of a waiver request which includes a statement showing good cause by such agency or consortium, a greater amount than the stated 25 percent.

A waiver of this limit must be submitted the DOE Title IV-A Program Contact.

#### **Accounting**

Accounting records must be maintained in accordance with the provisions of the Financial Management for GA LUAs (FMGLUA). The State Chart of Accounts can be found on the GADOE website at:

<http://techservices.doe.k12.ga.us/admin/datacollect/financial.htm>

**Contact your Accounting Department at your Central Office to work with you on your budget and for an understanding of the State Chart of Accounts.**

#### **Audit Requirement**

LEAs are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133. The audits should be completed by an independent auditor in accordance with generally accepted government auditing standards covering financial audits.

#### **Indirect Costs**

For school systems choosing to budget indirect costs in the programs that it is allowable, the FY04 restricted rate must be used. All funds must be expended for activities related to the approved application.

**Transferability**

Refer to the Transferability Guidance date October 4, 2002. <http://www.ed.gov/flexibility/>

**Notification of Transfer:**

Section II-C “The LEA Transfer Process” on page 16.

If you intend to make a transfer, notify the program manager of the affected programs at the Department of Education. GDOE is in the process of developing a web application for Districts to notify GDOE staff of an intent to transfer.

**Accounting for Transfers:**

Section II-C-8 “How does an LEA make a transfer?” on page 20 mentions various methods to account for transferability. Below is an example of how the Department is recommending to handle the transfers in order to report them on the completion report.

**Example –**

An LEA transfers \$10,000 of formula funds under the Title IV Part A, SDFSC (Fund 462 - Program 1780) to its Title V Part A, Innovation Programs (Fund 464 - Program 1768) funds. Instead of actually recording a transfer from Fund 462 to Fund 464, record the expenditures in Fund 462 using the program number where the funds would have been transferred (Program 1768). The revenue will still be drawn from the Grants Accounting Online Reporting System (GAORS) based on the original allocation. Therefore, the revenue will be recorded in Fund 462. The Grant Amount expended for Title IV-A = \$50,000.

**Accounting Totals Fund 462**

Revenues 462 - 1780	\$ <u>50,000.00</u>
Expenditures	
462 - 1780	\$ 40,000.00
462 - 1768	<u>10,000.00</u>
Total Expenditures	\$ <u>50,000.00</u>

See the Completion Reports section for reporting transferability.

## Completion Reports

Completion report due dates are as follows:

Grants ending on June 30:

State Grants – July 31

Federal Grants – September 30

Grants ending on a date other than June 30:

State Grants – 30 days after the end of the grant period

Federal Grants – 30 days after the end of the grant period

The Completion Report is used to report the expenditures spent on the grant. For Federal grants where Carryover is applicable, the completion report is used by Grants Accounting to calculate carryover.

Below is an example of the completion report that will be submitted through GAORS.

### Completion Report reporting:

**Georgia Department of Education, Completion Report for FY 2003**

Status : Open  
 System Name: Baldwin County System Number: 605  
 Project Period: 07/01/2002 through 06/30/2003  
 Program Name: Title IV-A, Safe and Drug-Free Schools and Communities (CFDA# 84.186 (# 61))  
 Lua Fund Code: 462

Approved Grant	Funds Received/ Requested	Total Expenditure	Refund Amount/ (Cash Shortage)
\$54,895.00	0	50000	

Total Expenditures by Program:

Lua Program: 1780 (Program number in GAORS)  
 1768 (Program number to reflect transferability)  
 1788  
 1781  
 1837  
 1839  
 1841

Expenditures:

40000  
 10000  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Must equal Total Expenditures

I HEREBY CERTIFY that, to the best of my knowledge this report is true and complete and accounting records are on file to document the expenditures reported.

Report Date: \_\_\_\_\_

**An amount should be entered under “Total Expenditures” and under “Expenditures”. The two sections must agree.**

The first program number will be the program number listed in GAORS. For most grants all expenditures will be recorded using the revenue program number. The additional program numbers will be used where funds are transferred or to report School Choice (1748) or Supplemental Services (1749) expenditures in Title I.

**Submitted Completion Report:**

**Georgia Department of Education,** **Completion Report for FY 2003**

**Status : Closed**  
**System Name:** Baldwin County    **System Number:** 605  
**Project Period:** through  
**Program Name:** Title IV-A, Safe and Drug-Free Schools and Communities (CFDA# 84.186 (# 61)  
**Lua Fund Code:** 462

Approved Grant	Funds Received/ Requested	Total Expenditure	Refund Amount/ (Cash Shortage)
\$54,895.00	\$0.00	\$50,000.00	-\$50,000.00

[DEO147 for the Cash Shortage of \\$50,000.00 has been submitted by GAORS](#)

Total Expenditures by Program:

Lua Program	Expenditures
1768	10000
1780	40000

I HEREBY CERTIFY that, to the best of my knowledge this report is true and complete and accounting records are on file to document the expenditures reported.

**Authorized Signature:** Kim Site      **Preparer's Name:** Kim Site      **Report Date:** 06/16/2003

Comments :