

1. Purpose

To establish procedures for subgrantees to submit the Annual Financial Report to verify all State or Federal subgrant income and expenditures for the previous fiscal year or other authorized reporting period.

2. Scope

This procedure shall apply to offices in the Department for use by recipients who have been issued a State or Federal subgrant award.

3. Reference

The issuance of a Notification of Subgrant Award entitles the recipient to receive State or Federal funds to carry out the objectives of the approved project. Receipt of subgrant funds requires the recipient to annually report all expenditures in a format and within a timeframe determined by the Department.

4. Forms

State or Federal Program Annual Financial Report, Form SFP-03;  
State or Federal Final Report of Expenditure – Budget Expenditure Summary,  
Form SFP-01;  
State or Federal Final Report of Expenditures Supplemental Schedule/Detail,  
Form SFP-04;  
State or Federal Purchased Items of Value Inventory Over \$1,000 – Items Purchased  
From Object 612 and 652, \$1,000 - \$4,999, Form SFP-05;  
State or Federal Capitalized Assets Inventory – Items Purchased From Object 730,  
\$5,000 and Above, Form SFP-06

5. Procedures

- a. Generally, subgrant awards are issued for the duration of one fiscal year, from July 1 through June 30. At the conclusion of the fiscal year, each recipient receiving State or Federal funds through the subgrant process, must provide an annual financial report verifying all monies received and expended for the respective reporting period. In addition, to verify the expenditures the recipient must submit back-up documentation, such as an expense spreadsheet used for internal accounting procedures.

All financial reporting forms must be submitted to the Department by the following deadlines:

- Federal Funds: Within ninety (90) days of the June 30<sup>th</sup> close of the reporting period for **Federal** subgrants,

- State Funds: No later than **August 15<sup>th</sup>** for the June 30<sup>th</sup> close of the reporting period for **State** subgrants.
- b. The subgrant recipient should complete the State or Federal Program Annual Financial Report (SFP-03) and State or Federal Final Report of Expenditure (SFP-01) forms as follows:

State or Federal Program Annual Financial Report (SFP-03)

- Items #1 & #2: Provide the complete name of the agency and date the form.
- Item #3: Indicate State or Federal grant resource and identify the program name (origination of the funds, i.e., State Remediation or Federal Title I).
- Item #4: Provide the name of the approved project.
- Item #5: Provide the project number assigned by the Department of Education on the subgrant award.
- Item #6 - #8: Indicate the fiscal year, the date the project was approved and total funds approved (this amount must agree with the total amount on the Notification of Subgrant Award).
- Item #9: Identify any cash-on-hand funds carried forward from the previous fiscal year. (The funds the agency maintained in its possession from the prior year.)
- Item #10: Identify any revenue generated by the project.
- Item #11: List the dates and amounts received during the reporting period. The dates and amounts must correspond with those on the Request for State or Federal Funds (Form SFP-02).
- Item #12: Provide the total of the funds received during the reporting period (sum of item #11).
- Item #13: Provide the total funds available and accounted for (sum of items #9, #10 and #12).
- Item #14: Provide the total funds expended.
- Item #15: Provide the net cash-on-hand (unexpended balance).
- An original, authorized signature must be provided on the SFP-03.

State or Federal Final Report of Expenditures Budget Summary (SFP-01)

Each subgrant recipient is to complete the Final Report of Expenditures Budget Expenditure Summary (SFP-01) documenting the actual expenditures according to object code. The grand total expended must equal or may be less than the total listed in item #13 on the SFP-03, State or Federal Program Annual Financial Report. The difference between the total funds available and accounted for (#13) and the grand total expended (#14) must equal the net cash-on-hand reported in item #15 on the SFP-03.

State or Federal Final Report of Expenditures Supplemental Detail (SFP-04)

Each subgrant recipient is to complete the Final Report of Expenditures Budget Supplemental Schedule/Detail (SFP-04). All expenditures are to be organized by object code and sufficient detail should be provided to clearly explain the expenditure for each category. The budgeted amount (column F) must correspond with the budgeted amounts in the most recent project revision on SFP-01 approved by the Program Officer. The expended amount (column G) must correspond with the amounts listed on the State or Federal Final Report of Expenditure – Budget Expenditure Summary (SFP-01).

State or Federal Purchased Items of Value Inventory Over \$1,000 – Items Purchased From Object 612 and 652, \$1,000 - \$4,999 (SFP-05) and State or Federal Capitalized Assets Inventory – Items Purchased From Object 730, \$5,000 and Above (SFP-06)

Each subgrant recipient is required to complete the items of value inventory for all purchases out of objects 612 or 652 meeting the description of equipment and with a cost of \$1,000 to \$4,999 and the capitalized assets inventory for purchases out of object 730 at, or above, \$5,000. The location must include the building and room number/name. The subgrant recipient may submit an alternate equipment inventory (i.e., computer print-out used internally by the agency) provided the inventory includes the same information as requested on the Department form.

- c. Once the Annual Program Financial Report (SFP-03) and Final Report of Expenditures (SFP-01) are approved by the Program Officer, the Department will provide the subgrant recipient with a letter of approval and a copy of the completed, signed SFP-03.

Approved: \_\_\_\_\_

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Superintendent of Public Instruction