

# Chapter 10 - Fiscal

The [State and Federal Grant Administration Policy and Fiscal Requirements and Procedures](#) handbook and instructions on the budget detail page of the application should be used to ensure compliance with NCLB rules and regulations. Below are several aspects of the Title I Fiscal Program that are of extreme importance to ensure compliance with Title I rules and regulations:

## 1. Allocation

- a. The amount of funds that are directed to the district for the fiscal year.
- b. Typically the projected allocation will be at a slightly reduced amount based on the prior year allocation (between 85 -95% of prior year).
- c. The final allocation amount will be posted on the e-grant in early fall.

## 2. Reallocation

- a. Reallocation of Title I funds is enabled when districts that have received Title I fund allocations refuse to accept them from ISBE with the attached requirements.
- b. The funds relinquished by other districts are then redistributed to Title I districts—thereby increasing the amount of their original allocation.
- c. The receiving districts can access these new funds through the amendment process.

## 3. Carryover

- a. The amount allocated to the district that was not spent during that fiscal year is considered “carryover.”
- b. For Title I: The district can “carryover” up to 15% of the yearly allocation from one fiscal year to the next.  
NOTE: the district can write a letter of request for a waiver that will allow them to exceed the 15% level for “carryover” once every three years.
  - Such waiver should be addressed to the Division of Funding and Disbursements. See waiver notification and request form for more information, available at [http://www.isbe.net/funding/pdf/carryover\\_waiver.pdf](http://www.isbe.net/funding/pdf/carryover_waiver.pdf)
- c. For Title I: The district will receive official notice of the approval of excess carryover in the mail and will be able to apply for the excess carryover on the e-grant system in the subsequent year.

## 4. Budget

- a. All items in the budget must be correlated and reflected in the Goals on the Goals Page.
- b. The set-asides on Program Specific, Targeting Step 4 must match items in the budget.

## 5. Expenditure Reports

- a. CUMULATIVE Quarterly reports are required to be submitted on-line through IWAS.
- b. Important to file in timely manner – as failure to do so will result in auditor’s finding.

- c. Remember to maintain documentation (purchase orders, receipts, travel requests, etc) to support Expenditure Report in office files.
- d. Expenditure reports can be submitted more often as expenditures are liquidated to receive funding.
- e. All payments are generated by the cumulative expenditure reports submitted. Payment schedules are no longer part of the application due to all Federal Funds being paid on a reimbursement method.

## 6. Amendments

- a. An amendment must be submitted any time there is a change in the scope of program or cost related items.
- b. Any budget cell can be overspent by the lesser of 20% or \$1,000 without amending as long as some other budget cell(s) has been underspent by the same amount. An amendment is needed if the expected expenditures exceed the variance allowed per program guidelines (20% or \$1,000 per budgeted cell, whichever is greater).
- c. BEWARE: Changes in one part of the e-grant may create need for revisions in other areas of the e-grant as well. (Ex: including summer school in the budget may create a need to include summer school in the Goals section of the e-grant).
- d. Amendments must be filed a) prior to expenditures being made based on the amendment; and b) the final amendment must be filed 30 days prior to the current project end date.
- e. Be sure to change appropriate program specific pages as needed when amending budget items, including changes in private school shares and set asides.

## 7. Function and Object Codes

- a. Function definition: The action or purpose for which a person or thing is used or exists. This includes activities or actions which are performed to accomplish the objectives of the project.
- b. Object definition: Cost of service or commodity obtained as a result of a specific purpose.
- c. Function and Object codes are the first two columns on the left of the budget page.
- d. Each column contains Function and Object codes allowable for a specific grant.
- e. Enter the appropriate level of detail for each function/object code into the **Expenditure Description and Itemization** textbox. Providing adequate description will facilitate the approval process. See the Instructions link for common item placement and for the amount of detail that should be included for approval.
- f. See page 24–27 in the [State and Federal Grant Administration Policy and Fiscal Requirements and Procedures](#) for more information on function and object codes and for general grant procedures, policies and requirements.

## 8. Project Begin and End Dates

- a. Project begin date WILL BE the date in which the LEA first submitted their INITIAL NCLB application to the Illinois State Board of Education (once an initial application is approved) or July 1, whichever is later.
  - i. Project end date is normally 6/30/20xx.
- b. The end date can be modified if activities occur after the defaulted 06/30/20xx end date.

- i. End date does NOT have to be extended if the only issue is payment to staff working for 12 months in a 9-month grant. (The salaries paid after 06/30/20xx should be scheduled in the June payment line.)