

TO: Preschool Expansion Subgrantees
FROM: Bryan Stokes II, Preschool Expansion Policy Director
SUBJECT: Expenditure Guidance
DATE: May 13, 2015
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Expenditure Guidance for Preschool Expansion Subgrantees

Payment Schedules – Federal

Effective July 1, 2011, grant recipients do not have the ability to enter a payment schedule on a federal application/amendment; rather, funds are distributed via cumulative cash basis expenditures reported by the grant recipient in the Electronic Expenditure Reporting System via IWAS.

Expenditure Reports – State and Federal General

Expenditure reports are utilized by ISBE primarily as a program accountability and cash management tool. Expenditures must always be reported on a cumulative (i.e. year-to-date) basis from the project begin date through a specific period of time.

Public Act 96-0795 effective July 1, 2010 requires that state grant recipients with awards in excess of \$25,000 must submit quarterly expenditure reports to reflect the progress of the grant program. For program consistency all grant recipients, regardless of the amount awarded, will be required to submit quarterly reports. Expenditure reports can be submitted more often than quarterly.

Grant recipients with approved access to IWAS must submit expenditure reports electronically via the Electronic Expenditure Reporting System. Notification of required expenditure reports are sent via a courtesy, reminder email from the Division of Funding and Disbursement Services. Paper expenditure reports will be sent to those entities that have not yet enrolled in IWAS for completion and submission of the reports to ISBE. See "Due Dates" below for all expenditure reporting.

Effective with fiscal year 2013 projects and thereafter, all state or federal grants will be required to submit additional expenditure information if the following conditions are met:

1. The project end date is AFTER June 30; AND
2. The expenditure thru date is AFTER June 30; AND
3. The expenditures are greater than the June 30 reported expenditures

Grant recipients must report the split of expenses for obligations/activities June 30 and prior compared to July 1 and after. Any amount reported in an expenditure account (cell) not budgeted or not within the acceptable expenditure variance, will not be accepted. Failure to submit an acceptable report will result in the delay of current payments. Expenditures and obligations in excess of the total project budget will not be allowed.

Expenditure Reports – Federal Specific

Effective July 1, 2011, all federal expenditure reports must be submitted on a cumulative (i.e. year-to-date), cash basis accounting method (i.e. expenses are recognized when they are paid). Outstanding obligations may be reported on June expenditure reports through the project end

date – even if the project ends after June. As grant recipients report cumulative cash basis expenditures via the Electronic Expenditure Reporting system, ISBE will reimburse the expenditures accordingly on a weekly basis. Grant recipients that submit expenditures only under this traditional reimbursement method **can submit as frequent as weekly, but at a minimum, quarterly.**

Commitment Amount

Grant recipients have the option to enter in addition to their cumulative cash basis expenditures a separate “commitment amount.” The commitment amount represents the amount of money the grant recipient must have in advance and commits to expend to meet immediate cash needs through the end of the next month only. A commitment amount may only be entered on a month end expenditure report. Month end expenditure reports are available for submission as of the 20th calendar date of the month (e.g. July 31 month end expenditure report is available for submission on July 20). If a commitment amount is requested on the month end report, a cumulative cash basis expenditure report through the end of the following month must be submitted.

For example, the grant recipient enters a commitment amount on the July 31, 2011 expenditure report. This amount would represent the expenditures anticipated for the federal grant through the end of August. A cumulative cash basis month end expenditure report through August 31, which is available beginning August 20, must be submitted and is due on September 20, 2011.