LEA Desk Guide

A quick overview of the essential functions of the grants life cycle

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LEA Desk Guide

Table of Contents

Welcome to the LEA Desk Guide	3
How to Use this Guide	4
Grant Life Cycle	5
Grants Management Enterprise System	7
Funding Application	9
Reimbursement Request	12
Completion Report	14
Fiscal Monitoring	16
Single Audit	17
Onsite Fiscal Monitoring Assistance	18
Contact Us	19

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Welcome to the LEA Desk Guide

We have created this guide with you in mind! This guide is meant to provide an overview of Grants Management processes. The information included is not meant to be a comprehensive account of all the information needed to complete a task, but rather to supplement training and policies that already exist.

We hope that a broader overview will help put into perspective why certain deadlines and requirements are needed. The guide is meant to answer the questions of “why” rather than “how”. This guide is meant to work for the person who likes detailed information and wants to read it from start to finish, or for the person who wants to look up a section at a time.

As you read through this information please keep in mind that the Grants Management unit consists of about thirty staff members whose main focus is customer service. As you review the *Grants Life Cycle* section you will get a clear idea of different areas that the Grants Management unit oversees. The grants management process is supported by very dedicated Grants Management staff working with Program Areas to best serve you, our Local Education Agencies (LEAs).

As we end all of our communications, if you have any questions please contact Grants Management at 602-542-3901 or https://helpdeskexternal.azed.gov.

Best,

Sarah Hendrix

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How to Use this Guide

This guide is for you; please use it however it works best. We have set it up as a reference guide to address why a procedure is require and as an overview of how the grant process components fit together (e.g. such as timelines, roles and approvals). In depth information on "how" elements can be completed is already available on the home page of the Grants Management Enterprise (GME) system, under the Resource Library.

We have used some special symbols throughout this guide to quickly highlight important content.

!	**SPECIAL INTRUCTIONS**: This icon indicates special instructions, or an exception to the rule. Follow up with additional training if needed.
	TRAINING AVAILABLE: This icon Indicates that additional training is available. Additional resources are available on GME's Home page as well as an updated training schedule. Training materials, including video recordings of some past sessions, can be found by clicking on the Grants Management Resource Library and reviewing the GME User Resource/Training section.

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Grant Life Cycle

What is the grant life cycle?

The Arizona Department of Education (ADE) has worked hard to streamline the grant life cycle processes, but in order for ADE to be responsible stewards of the money it administers it is essential that grant monies are awarded and monitored in a systematic manner. Additionally, there are three stakeholders that have interest in the grants process: local education agencies (LEAs), program areas and grants management. Methods such multi-tiered approvals and standard monitoring, can add some complexity to the grants management process, however, the intent is to balance stakeholder concerns while ensuring the system is fair to all grant requestors.

The grant life cycle has three basic phases: 1. pre-award, 2. post-award, and 3. close out. To begin the grant award process the LEA submits a funding application, which then needs to be approved. Once approved, the LEA can start obligating funds towards products and services that are covered by the grant. To recover funds a reimbursement request is initiated and must be approved. Initiating the completion report is the beginning of the grant close-out phase.

What stakeholders work together to make the grant process run smoothly?

LEA

Local education agency (LEA) refers to school districts, charter schools, and any other entity eligible for, or receiving, grant funding through ADE. The LEA administers programs and services for students and families based on monies received through State and Federal funding.

Program Area

Each program area is responsible for administering specific grants (e.g. Title, ESEA, etc.) Each grant defines such things as: population to be served, services and programs to be provided, guidelines for administration of programs and services, etc. The program area set these parameters, along with financial guidelines for each grant.

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Grants Management

Grants management provides support to LEAs and program areas through: processing, fiscal monitoring, technology and training. The **processing** unit administers financial resources for awarded grants primarily by processing reimbursement requests and completion reports. The processing unit assures that specific grant guidelines are followed, reviews, provides support and approves indirect cost and Title maintenance of effort.

The **fiscal monitoring** unit ensures that LEAs are compliant with Federal and State guidelines for grants fiscal management. Compliance is determined through fiscal monitoring. During the monitoring process a variety of compliance areas are tested such as: time and effort, payroll expenditures, non-payroll expenditures, asset management and grant management.

An additional service provided by the fiscal monitoring and processing units is the OFTA (On-site Fiscal Technical Assistance) program, which offers technical assistance to LEAs on internal controls, fiscal management, record keeping and process improvement.

The **technology** unit provides direct technical support to system users of the Grants Management Enterprise (GME) system. GME is the primary system used by processing and fiscal monitoring to communicate with LEAs and manage grants processes. GME is continually evolving to meet changing fiscal and programmatic needs, as well as to enhance user experience.

The **training** unit provides ongoing education on the GME system and grants related processes. Training is offered through in-person and on-line classes, as well as offered at a centralized location such as ADE or in the community, hosted by an LEA. The training unit has extensive materials that can be accessed through GME's Grants Management Resource Library.

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Grants Management Enterprise System

What is GME?

GME is the acronym for the Grants Management Enterprise system. This is the electronic system used by LEAs and overseen by grants management to administer the grants process. The majority of processes related to grants management are already completed through GME and additional procedures continue to be added. One of the benefits of this system is that it is web-based, which allows all GME users to have access to the same material in real time. The system also allows standardization of complex processes, ensuring fairness and consistency is applied to all LEAs.

Who can have a GME User Role?

LEAs are required to identify the staff members assigned to roles in the GME system. There are a variety of roles that can be assigned, and it is the LEA's responsibility to decide which roles are assigned to which staff. GME roles are titled in a manner consistent with the GME function and are not intended to indicate the organizational job title of the person assigned the role. For instance, LEA Business Manager, may or may not, be assigned to the staff member with the organizational title of Business Manager. The only exception is the role of LEA Entity Authorized Signer. This role can only be assigned to staff that are legally able to sign for the organization. Additionally, it may be appropriate to not assign some GME roles at all. In other instances, staff may be assigned multiple roles in GME.

How does staff get assigned their GME Role?

The ADE Connect Entity Administrator is the only role that can add new LEA users into GME; this is done by first adding the user into the ADE Connect system. The GME LEA User Access Administrator can assign new roles, update and delete existing users access.

What are GME User Role Best Practices?

- Have two job titles that are assigned as LEA User Access Administrator. (This is meant to ensure that there is always staff person available with this access.)
- Create a process for identifying and assigning GME user roles within your organization.
- When assigning LEA Business Manager role do not also assign funding application-specific "Update" role as this is unnecessary and will slow functions within the GME system.
- Have a process to ensure that user access is updated and maintained on (at least) a quarterly basis.
- Develop a training plan for GME users.

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What resources can help me with GME User Roles?

Additional information is available on the Grants Management Enterprise (GME) system under Grants Management Resource Library.

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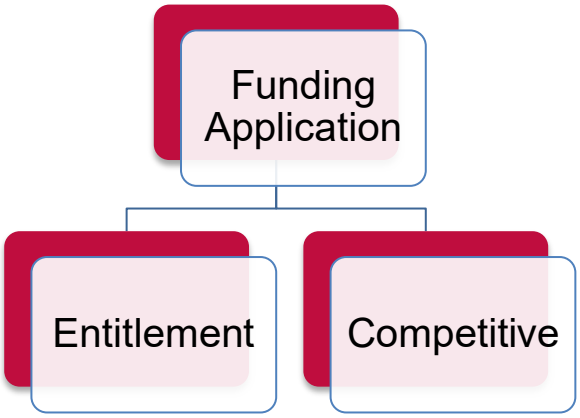
Funding Application

What is a Funding Application (FA)?

The funding application is the method used for requesting grant funds. ADE has created a standardized process to ensure transparency and consistency throughout the grant cycle.

Are there different types of Funding Applications?



There are two types of funding applications: entitlement and competitive. Entitlement grants award funds that an LEA is entitled to receive, and the grant allocation amount is set prior to the funding application submittal. Conversely, competitive grant allocations are determined based on the LEA's proposed budget. Funding applications can be considered stand-alone which contain only one grant, or consolidated which contain two or more grants.

How does ADE ensure the system is fair?

To ensure that the grants approval process maintains the necessary control mechanisms there is a multi-tiered authorization system. After the funding application draft is submitted through GME, the LEA must complete a two-tired approval process internally. After approval at the LEA level the funding application is then submitted for the SEA's (State Education Agency, which is ADE) two-tiered approval process. This system guarantees that at least two LEA staff are involved in requesting funding for each grant and at least two SEA representatives are responsible for reviewing and approving each funding application request. This system safeguards against a concentration of power that could impede a transparent process.

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What is Substantial Approval?

ADE is responsible for ensuring minimum standards are met by the LEA before funds can be obligated, this is known as substantial approval. The minimum requirements to obtain substantial approval per grant are:

- A General Statement of Assurance (GSA) must be submitted and accepted by ADE.
- All grant-specific assurance in the funding application has been accepted.
- The funding application contains a viable budget.

Substantial approval is needed before an LEA may begin obligating funds.

When Do I have to complete a Capital Outlay Worksheet?

The Capital Outlay Worksheet is part of the funding application and competed as part of the completion report using the following guidelines:

For Districts: The Capital Outlay Worksheet is required if any budgeted item is coded as 6700. If there are no capital items to declare this can easily be bypassed when completing the funding application.

For Charters: The Capital Outlay Worksheet is required if any budgeted item is coded as 0190. If there are no capital items to declare this can easily be bypassed when completing the funding application.

What GME Roles are involved in the Funding Application?

There are two mandatory roles needed:

1. ***LEA Business Manager***: initiates, edits and completes the first approval
2. ***LEA Authorized Representative***: reviews and completes the second (and final) approval before the Funding Application is submitted to ADE

!	How a funding application is edited/updated depends on whether the application is to be submitted with only one district level budget or if individual site/school budgets are to be submitted as part of the application.

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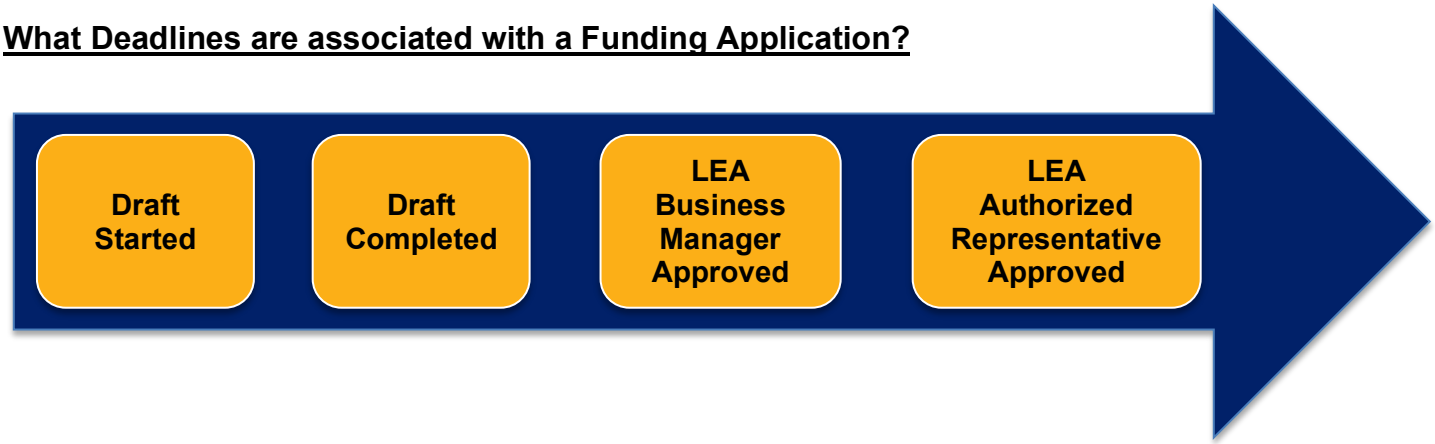
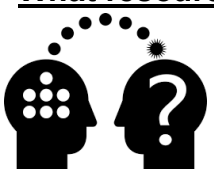
What Deadlines are associated with a Funding Application?



The funding application process must be completed in a pre-determined order. For instance *Draft Completed* status cannot be done before *Draft Started* status. This process ensures consistent practices are applied to all funding applications, while allowing Program Areas flexibility to determine funding application-specific deadlines and timelines. This means that not all funding applications open and close on the same date, however, all funding applications are processed in the same manner.

What resources can help me with the Funding Applications?



Additional information is available on the Grants Management Enterprise (GME) system under Grants Management Resource Library.

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Reimbursement Request

What is a Reimbursement Request?

A reimbursement request is the manner in which LEAs get the monies awarded to them through Federal and State grants. The LEA spends grant monies on appropriate items and then requests to be reimbursed for those expenditures. Additional documentation will be needed if the reimbursement request is over 10% of the total grant allocation. Reimbursement requests cannot be created until the funding application is approved.

!	Grant reimbursement request advances may be approved when the LEA demonstrates a financial need for the advancement of funds in order to sufficiently operate the intended program. LEAs that do not have sufficient funds from other sources may be considered eligible for grant advances.

- Original Funding Application is in SEA Director Approved Status
- RRs should be submitted regularly throughout the year; though, previous submitted RR must be in paid status before a new RR can be created
- Record Year to Date Expenditures
- Justification required when requesting 10 – 19% of allocation
- Justification and Documentation (Expenditure Summary Report) required when requesting 20% or more of allocation
- LEA Business Manager is the only required GME role

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What GME Roles are Involved in Reimbursement Requests?

1. ***LEA Business Manager*** is the only required role

What Deadlines are associated with a Reimbursement Request?

A reimbursement request can be submitted as soon as a funding application is approved. After that, reimbursement reqests should be sumitted regularly throughout the the life of the project. When requesting 10% or more of the grant allocation additional justification is needed, when requesting 20% or more of the grant allocation additional justification as well as an expenditure summary report must be provided. A reimbursement request can not be submitted after the project end date.

What is an Expenditure Summary Report?

The expenditure summary report is information taken from the LEAs accounting system. This includes information such as purchase summary, purchase amount, and date, and must be connected to specific grants. This information is needed to complete reimbursement requests.

What resources can help me with Reimbursement Requests?

Additional information is available on the Grants Management Enterprise (GME) system under Grants Management Resource Library.

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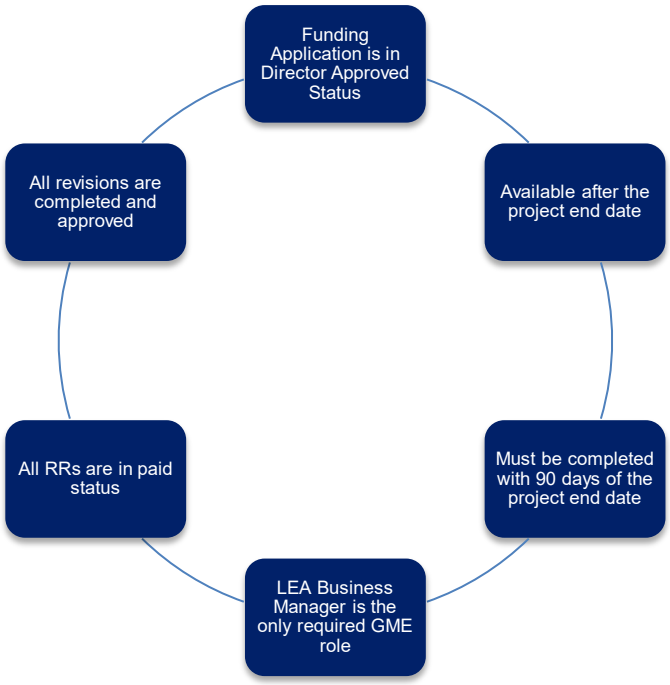
Completion Report

What is a Completion Report?

A completion report documents all of the spending associated with a specific grant and is the official manner to close out a funding application.



How does the Completion Report effect other processes?

Before a completion report is started all reimbursement requests (related to that Funding Application) must be completed, or deleted.

Once a completion report is started, revisions cannot be made to that funding application and reimbursement requests cannot be generated.

!	Completion reports cannot be initiated until after the project end date. HOWEVER some grants may allow you to start the completion report sooner. Check with the program area to determine if this is possible.

What GME Roles are Involved in a Completion Report?

1. ***LEA Business Manager***: initiates, updates and submits
2. ***County Business Manager***: reviews and submits to ADE (or returns to LEA Business Manager for edits)
   County Business Manager only applicable for Districts that go through County.

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What Deadlines are associated with a Completion Report?

Completion report submission within 60 days of the project end date is strongly recommended, this allows time for the approval process and to fully closeout within the 90-day liquidation period.

What Should be done Prior to Submitting a Completion Report?

The funding application must be completed and approved prior to submitting a completion report. Reimbursements for reverting state grants must be submitted and approved before the year-end cut off date or un-used funds will be lost.

What Happens after the Completion Report?

If the completion report reflects that the expenditures were higher than the cash received a disbursement will be generated, however, if expenditures where lower than the cash received a refund to ADE may be required. A refund is not required when the amount due adheres to carryover guidelines. When carryover and/or cash on hand are allowed, the funds will automatically be added to the next year funding application amount. Carryover rules vary by grant.

What resources can help me with Completion Reports?

Additional information is available on the Grants Management Enterprise (GME) system under Grants Management Resource Library.

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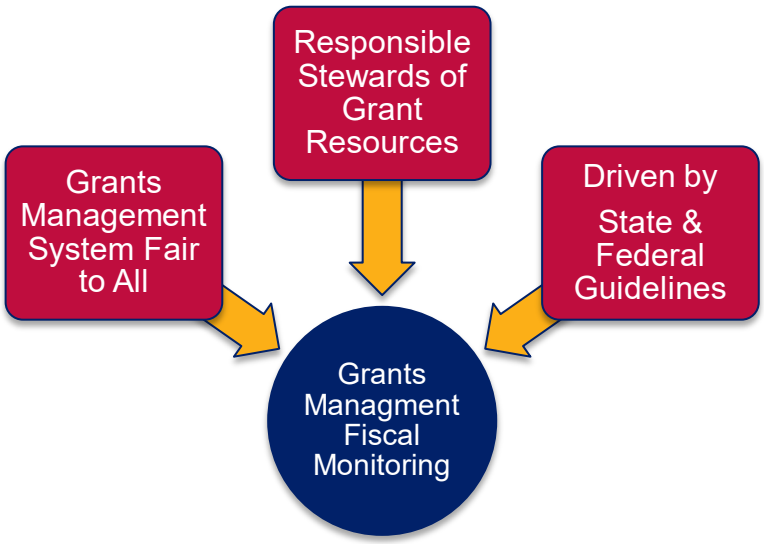
Fiscal Monitoring

What is Fiscal Monitoring?

The fiscal monitoring process is completed for three basic reasons:

- To adhere to State and Federal regulations as well as specific grant requirements.
- To ensure that ADE is a responsible steward of grants resources.
- To guarantee that the grants management system is fair to all.



Why do I have to participate in a Fiscal Monitoring?

As an agency receiving Federal and State funds you are required to maintain compliance with all appropriate regulations. ADE is the pass-through agency for Federal educational grants as well as the manager of State grants and has the right and responsibility to ensure that LEAs receiving funding are in compliance with Federal and State requirements. Ensuring compliance can only be done through a thorough review of the recipients' fiscal processes.

What can I expect if I am Fiscal Monitored?

You can expect that Grants Management Fiscal Monitoring (FM) staff will work with you as a partner to confirm compliance with Federal and State regulations. FM staff's responsibility is to review and assess all grants' fiscal related materials. Items out of compliance will be discussed and technical support may be provided.

Does every entity receiving grants have to complete a Fiscal Monitoring?

A sampling of LEAs is chosen for fiscal monitoring dependent upon their risk assessment or based on other factors (e.g. length of time since their last monitoring was completed). LEAs are reviewed on an ongoing basis and chosen for fiscal monitoring by Grants Management leadership.

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Single Audit

What is a Single Audit?

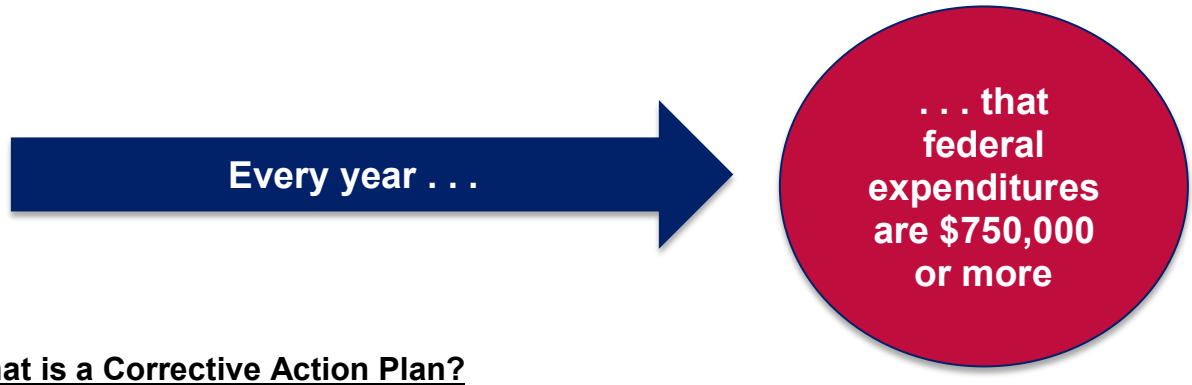
A single audit is a rigorous, organization-wide audit of an LEA that expends $750,000 or more of federal funds for educational programing. The single audit's objective is to provide assurance to the United States Federal Government as to the management and use of such funds by the recipient. The audit is performed by an independent audit firm and encompasses both financial and compliance components.

Do I Need to Complete a Single Audit?

A single audit must be completed if your federal fund expenditures are $750,000 or more.

What time frames are associated with a Single Audit?

A single audit must be completed every year that your federal fund expenditures are $750,000 or more. The single audit must be completed by an independent audit firm within nine months after the close of your fiscal year and be submitted within those nine months, or 30 days after the LEA received the single audit from the independent audit firm, whichever is first.



What is a Corrective Action Plan?

A corrective action plan, usually referred to as a CAP, is a response to any issue of non-compliance or concern found during the single audit processes. A CAP must include an action plan for each finding, the name and title of the person responsible (e.g. responsible party) for ensuring the action plan is implemented, and the implementation date indicating when the action plan will be completed. Each finding may have one, or multiple, action plans.

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Onsite Fiscal Technical Assistance (OFTA)

What is OFTA?

Onsite fiscal technical assistance (OFTA) is a service provided by the grants management to help LEAs identify and correct areas of improvement without the consequences of an audit finding. OFTA allows the LEA to become familiar with internal controls that may need improvement during the fiscal monitoring process.

What does OFTA Include?

The OFTA program includes an overview of the fiscal requirements along with technical support to assist with correcting areas of concern. The focus of the OFTA program is to allow the LEA to better understand the Arizona Department of Education and EDGAR requirements, such as:

- Internal controls
- Fiscal management
- Record keeping practices
- Process improvement

What timelines are associated with OFTA?

Specific materials will be requested by the OFTA team and once all documents are submitted, grants management will reviewed the items within fifteen (15) calendar days. The final consultation will take place onsite and be scheduled for eight (8) hours or less.

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Contact Us

Grants Managements prides itself on customer service and is committed to assisting LEAs in areas related to processing, fiscal monitoring, technology and training.

Grants Management Hotline

602-542-3901

Option 1	Technology and Training
Option 2	Processing
Option 3	Monitoring

Grants Management Help Desk

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