

Allowable Costs, WUFAR & WISEgrants

How WISEgrants uses WUFAR to assist subrecipients in meeting Allowable Cost Requirements

Federal Funding Conference
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WUFAR & WISEgrants

- Reporting system that can also be used as an accounting system.
- Not required accounting, but required for reporting and claims to DPI.
- Always used for the State Budget and LEA Annual Reports.
- Single web-based portal for federal grants administered by DPI.
- Creates consistency in federal grant accounting across DPI programs.
- Utilizes WUFAR as the foundation for budgets and claims.



Before there was WISEgrants

- Lack of WUFAR consistency between federal programs.
- Detail was not sufficient to determine allowable costs.
- Difficult for LEAs to match general ledger to grant claims.



WISEgrants Current Grants

- ❖ Title I-A, II-A, III-A & IV-A
- ❖ IDEA Flow-through & Preschool
- ❖ Perkins CTE
- ❖ Title I-A and IDEA Discretionary
- ❖ State Personnel Development Grants

Each grant has established its own set of “allowable costs” within WISEgrants through the options available in the budget drop-down menus.

What the end user sees:

Personnel

Program Type:

Position:

Position Activity:

Function:

Salary:

General Ledger Account:

Staff Name or Detailed Description:

Area:

Object:

Benefits:

Each selection prefills the next drop-down choice

Behind the magic – the WUFAR Combination Creations

Personnel - WUFAR Combinations

Sections

Personnel Purchased Services Non-Capital Objects Capital Objects Insurance Other Objects

Copy WUFAR Combinations

Filter List:

Drag a column header and drop it here to group by that column

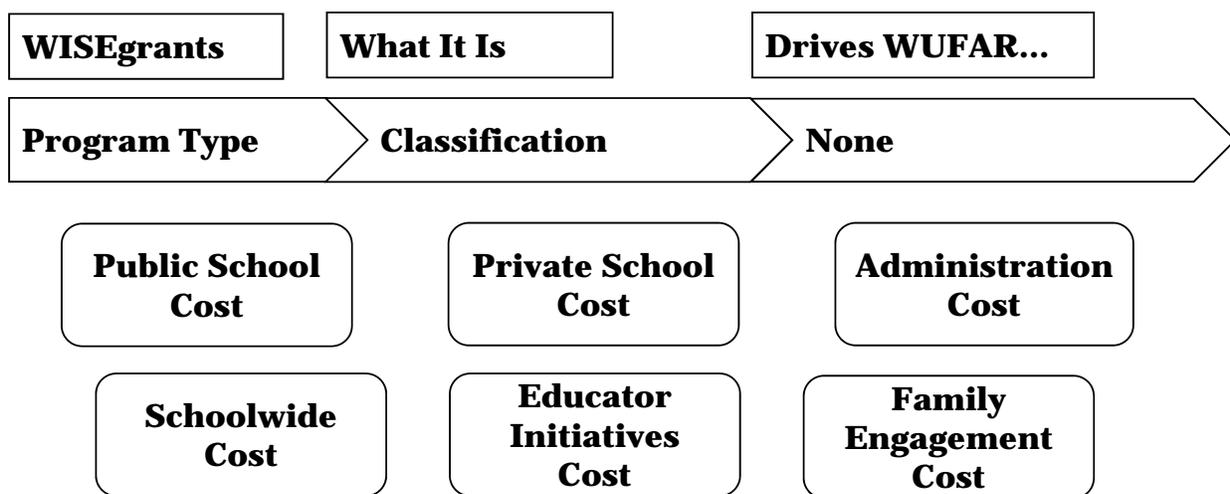
Gr...	Progr... Type	Object Num...	Funct... Num...	Function Label	Posit... Num...	Position Label	Area Num...	Area Label	Position Activity			
IDEA - Preschool	Public School	200	110000	Undifferentiated Curriculum	00	Staff	0000	No Description Beyond Position	IEP Activities	<input type="button" value="Refresh"/>	<input type="button" value="X"/>	<input type="button" value="View"/>
IDEA - Preschool	Public School	200	122000	English Language	53	Teacher	0316	Reading and Reading Interventions(Including RtI for reading)	Standard (Default)	<input type="button" value="Refresh"/>	<input type="button" value="X"/>	<input type="button" value="View"/>
IDEA - Preschool	Public School	200	122000	English Language	53	Teacher	0316	Reading and Reading Interventions(Including RtI for reading)	Extended School Year	<input type="button" value="Refresh"/>	<input type="button" value="X"/>	<input type="button" value="View"/>
IDEA - Preschool	Public School	200	152000	Early Childhood	64	Program Coordinator	0808	Early Childhood Special Education	Standard (Default)	<input type="button" value="Refresh"/>	<input type="button" value="X"/>	<input type="button" value="View"/>
IDEA - Preschool	Public School	200	152000	Early Childhood	64	Program Coordinator	0808	Early Childhood Special Education	Stipend	<input type="button" value="Refresh"/>	<input type="button" value="X"/>	<input type="button" value="View"/>

Program Types in WISEgrants

Some federal program have requirements in which subrecipients must spend grant funds on certain prescribed activities.

- ❖ Flow-through / Preschool
- ❖ Title I-A
- ❖ Title II-A
- ❖ Title III-A
- ❖ Title IV-A

WISEgrants Terminology – Program Type



Program Type tracks categories of program costs

Personnel

Program Type: Select a Program Type...
Position: Select a Program Type...
Position Activity: Public School
Function: Private School
Salary: \$0.00
General Ledger Account:
Staff Name or Detailed Description:

Area: Select an Area Label...
Object: Select an Object Number...
Benefits:

Equitable Services Summary

Amount reserved for Equitable Services: \$30,098.30
Amount budgeted for private school services: \$30,099.00
Amount still required to be budgeted: (\$0.70)

Some grants only have one “type” of program costs, such as IDEA’s CEIS set-aside.

Programmatic Example

Grant: Title II-A

Program Type: Administration (capped at 5%)

Budget item you can find under the “Administration” program type that is not available elsewhere: Clerical Staff

WISEgrants: Ensures the LEA does not over budget items that are considered administrative under the Title II-A program



WISEgrants Personnel Section

Each budget item requires a “Position” and “Area”

- ❖ Matches the position and area available in WISEstaff.
- ❖ License validation is built into WISEgrants for certain positions.

Each budget item requires a “Position Activity”

- ❖ “Standard (Default)” means full-time or part-time and may require a license number or a staff name. If a license number or name is required, only one individual’s salary and benefits should be included in the budget entry.

WISEgrants Personnel Screenshot

The screenshot shows a web form for entering personnel data. The fields are as follows:

- Program Type: Public School
- Position: Other Support Staff
- Area: Clerical/Support Staff - Special Education
- Position Activity: Standard (Default)
- Function: 223300 - Special Education Supervision & Coordination
- Object: 200 - Employee Benefits
- Salary: \$0.00
- Benefits: (empty field)
- General Ledger Account: (empty field)
- Staff Name or Detailed Description: (empty field)

Annotations:

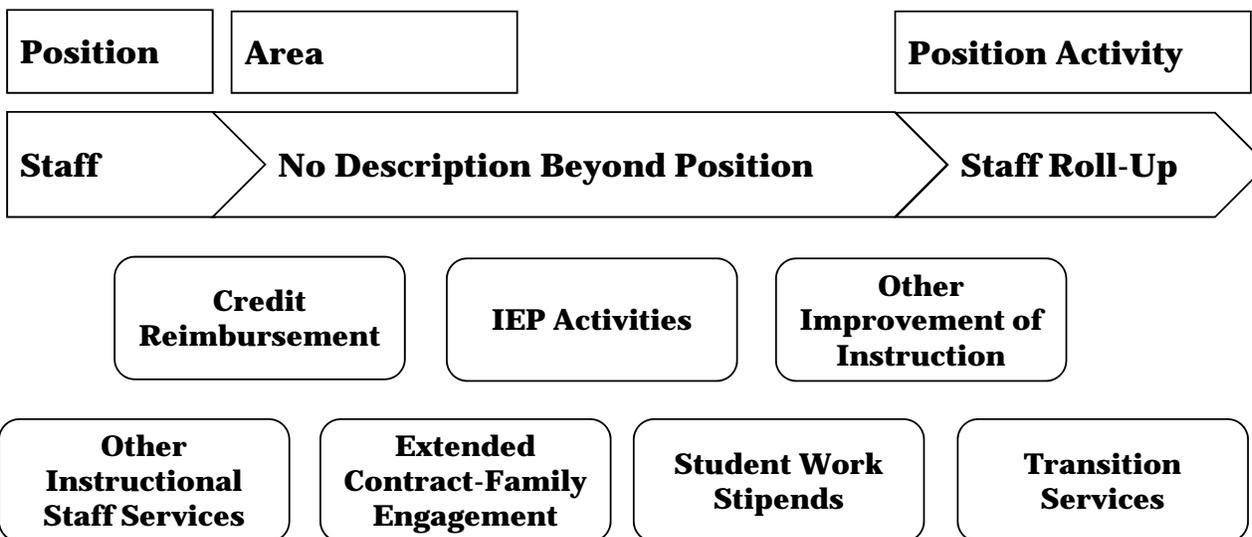
- A red arrow points to the Salary field (\$0.00) with the text: "The salary field is always tied to Object 100, although not displayed".
- A red arrow points to the Staff Name or Detailed Description field with the text: "If this field has a red arrow, it means that an individual staff name is required".

Repeat Combo

The use of Full-Time Equivalent

- When the “FTE” field is present, the user enters a number up to 1.00 (100%) to identify the percentage of a person’s time funded by the grant.
- There are federal reporting requirements under some Acts, such as ESEA, in which DPI must report FTE.
- Staff with an elementary or regular education license can teach reading as long as the reading portion of the FTE does not exceed 25% (Title I-A Schoolwide, IDEA-CEIS and IDEA-Title I Schoolwide set-asides).

WISEgrants “Staff” Position



If the position normally requires a license but the software allows a subrecipient to roll-up several salaries into one line, the individuals funded by the grant must still hold appropriate DPI licenses.

- ❖ Substitute teachers
- ❖ Substitute special education aides



Time & Effort Documentation

§200.430 (i) Standards for Documentation of Personnel Expenses

Time & Effort documentation is **STILL** required. Charges to federal awards must be based on records that accurately reflect the work performed. These records must:

- ❖ Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
- ❖ Be incorporated into the official records of the subrecipient.



Personnel Issues with Budgets

Timeline – Subrecipient enters a budget at the beginning of the fiscal year (or before) and may include staff that end up not being there once the school year starts.

- ❖ Make sure payroll and grant budgets are in alignment throughout the year.



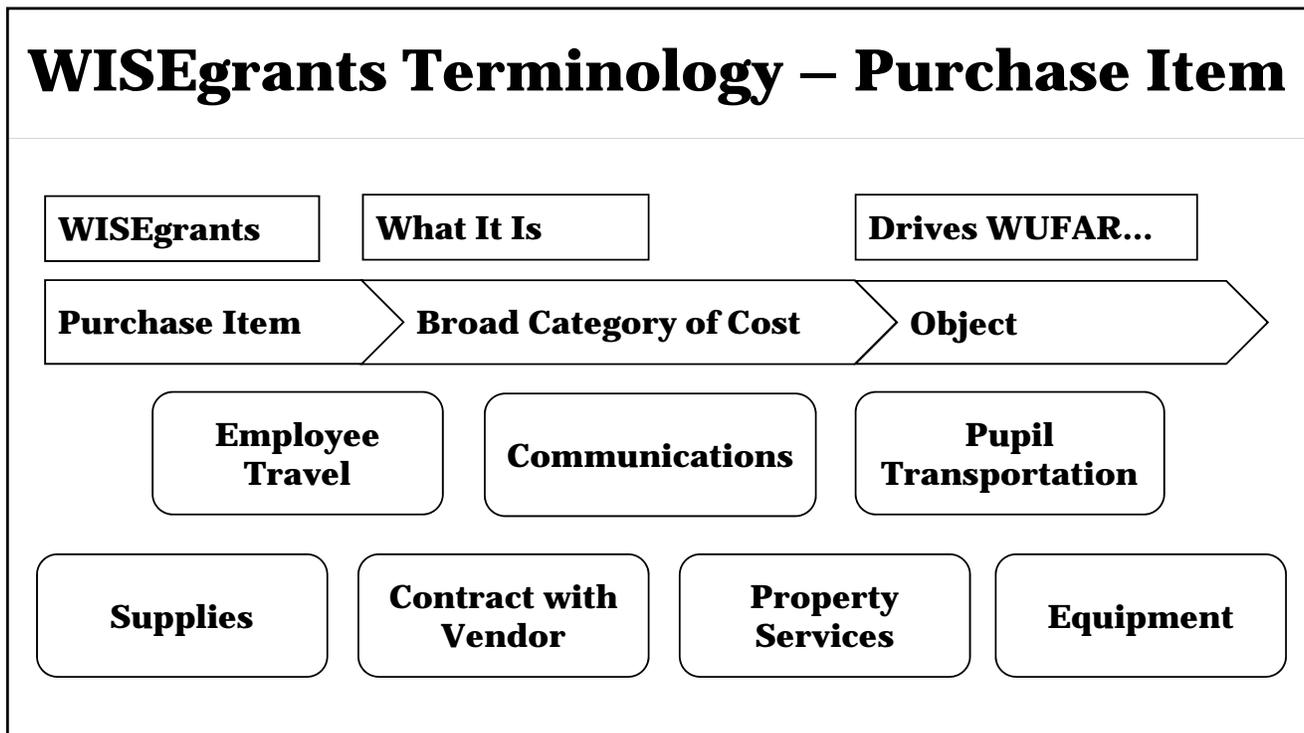
Single Audit & State Findings

Single audit findings for time & effort reporting have resulted in DPI discovering that staff charged to the subrecipient's grant were not actually on an approved budget.

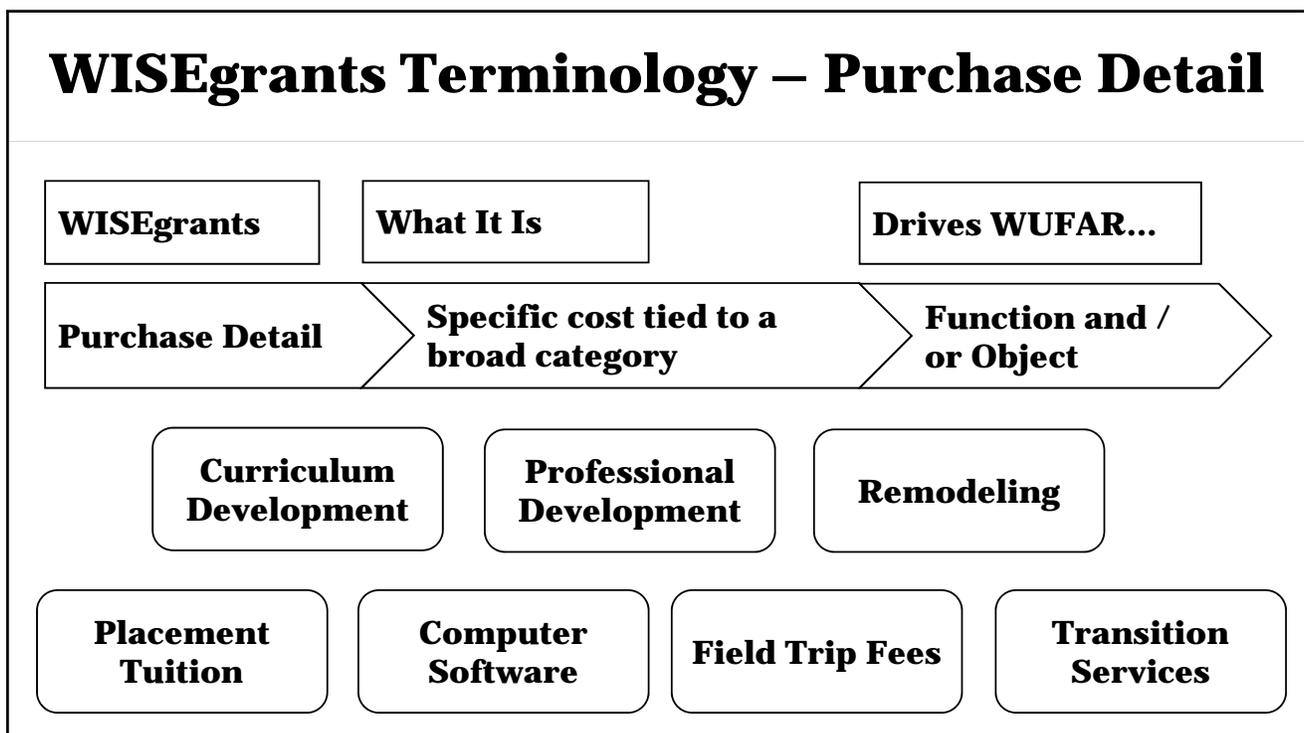
This has also been uncovered when reviewing the auditor's special education categorical aid "no-valid license" reports.



WISEgrants Terminology – Purchase Item



WISEgrants Terminology – Purchase Detail



Allowable Costs Drive Choices

The drop-down choices available under purchase item and purchase detail are driven by allowed costs under each program.

- ❖ If you can't find it, look for technical assistance on allowable costs (such as IDEA) or contact the DPI consultant assigned to your agency to follow-up on an allowable costs.



Not Good Practice

If you cannot find the right combination within the drop-downs, the cost may not be allowed. How do we know it happens? The user chooses the “closest” WUFAR combination and then in the detailed description identifies what the cost really is (usually an unallowed cost).

- ❖ IDEA examples: Medicaid billing, purchased autism instruction from a private vendor, contracted music therapy...
- ❖ Title I example: Entering LEA staff in as a purchased service to avoid having to enter an Educator File Number

X	SUPERINTENDENT / DISTRICT ADMINISTRATOR: Salary and benefits of staff employed by an LEA.	The salary and benefits of a superintendent / district administrator cannot be charged to federal grants even if the administrator is providing special education support and is appropriately licensed (2 CFR § 200.444).
X	MUSIC THERAPY - Costs for contracted therapy from a private vendor.	Adaptive music education or music therapy provided by a private contractor (object 370) is not eligible for IDEA or state special education categorical aid. Only the salary and benefits of an LEA, CESA, or CCDEB employed teacher holding a DPI license '1859' for Music - Special Education are eligible for IDEA reimbursement for the time the teacher provides instruction to students with disabilities per the student's IEP requirements.
X	FORWARD HEALTH REVALIDATION FEE: Costs associated with validating the LEA as eligible for Medicaid SBS services through the Department of Health Services.	Every few years, each LEA needs to go into the Forward Health web portal and revalidate the LEA as eligible for SBS revenue. There is a fee associated with the revalidation. This cost should be booked to Fund 27 as a cost associated with the delivery of special education, but it is not a cost that is eligible for IDEA or state special education categorical aid reimbursement. This fee should be coded to 27-940 or 949-223300-019.

Instructional or Non-Instructional

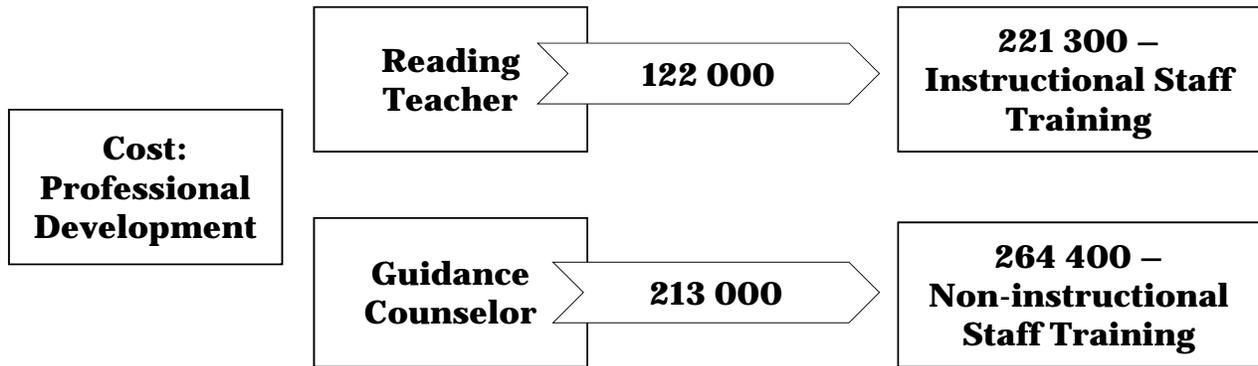
Functions that begin with 1 are “instructional”

- ❖ Functions tied to teachers
- ❖ 122 000 – English Language; 158 000 – Cross Categorical

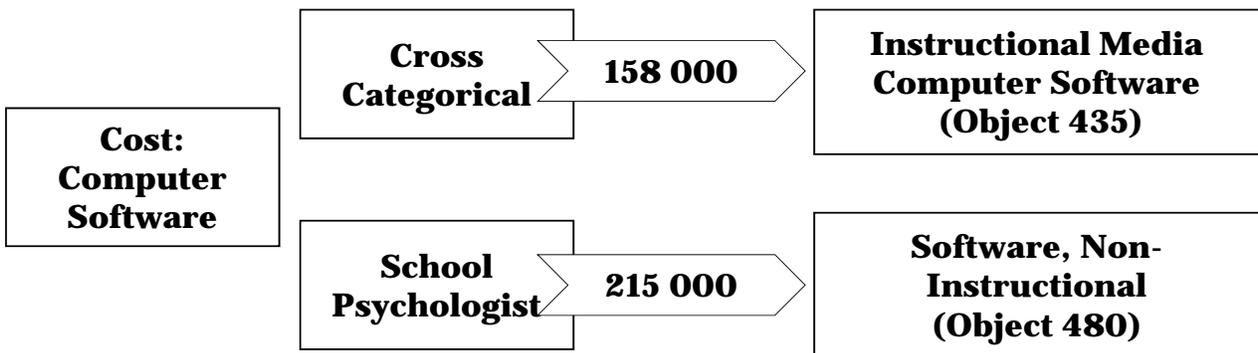
Functions that begin with 2 are “non-instructional”

- ❖ Functions tied to pupil- and related services staff
- ❖ 212 000 – School Social Worker; 215 000 – School Psychologist;
211 000 – Dean of Students; 218 000 – Physical Therapist

Instructional or Non-Instructional



Instructional and Non-Instructional

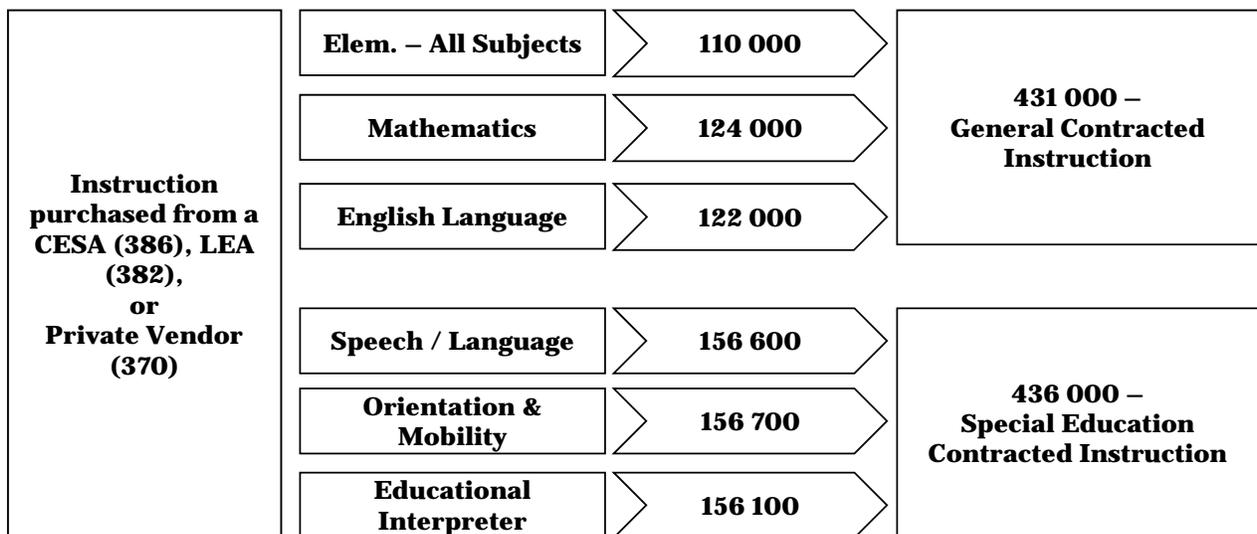


Avoid Lumping

Although tempting, shared costs associated with instructional and non-instructional staff should be separated on the subrecipient's ledger and on the subrecipient's grant budget.

- ❖ Professional development – easy to enter a single amount for function 221 300 (instructional staff training), but the cost should be broken out between teachers and 264 400 for related services staff (school psychologists, social workers, guidance counselors, pupil services directors, school nurses...)

Purchasing Instruction



Professional Development Coding

Conference or workshop registration costs are always a purchased service with a function of 221 300 or 264 400.

- ❖ The WUFAR object number is based on who is providing the training – CESA, Private Vendor, DPI, etc.

Object 900 – “Dues and Fees”

- ❖ Never used for conference or workshop registration costs. Dues and fees cover professional organization fees, DPI staff license fees, or field trip costs.

Allowable Costs

The phrase “Allowable Costs” refers to items of cost, that in general, are costs that can be funded with federal grant dollars as long as the cost fits within a framework of responsible stewardship of public funds.



<p>Overarching Federal Rules</p> <p>Subpart E – Cost Principles</p> <p>Law: 2 CFR Part 200</p>	<p>The Uniform Grant Guidance lists 55 “items of cost” that receive clarification regarding the allowability of charging to federal funds.</p> <ul style="list-style-type: none"> ❖ Salaries & Benefits – Yes! Lobbying – No! <p>The 55 items are not exhaustive of every expenditure out there, and leave a lot of gray area, so...</p> <p>The law provides guidance called “Basic Considerations” to apply to all costs, regardless of whether or not they were mentioned in the list of 55.</p> <p>Federal Uniform Grant Guidance</p>
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Fundamental Premise

- Subrecipient has in place sound management practices.
- Subrecipient will follow the terms and conditions of the specific federal award.
- Subrecipient will determine, based on its own unique combination of staff, facilities, and experience how to assure proper and efficient administration of the federal funds.



Reasonable & Necessary

#1 Basic Consideration – 2 CFR §200.403(a)

Necessary

- ❖ A cost is “necessary” if it meets an important program objective - it must address an existing need.

Reasonable

- ❖ A cost is “reasonable” if, in its nature and amount, it does not exceed that which would be incurred by a prudent person.

Prudent

Prudent is

- ❖ Acting with or showing care and thought for the future.
- ❖ Wise, Sensible, Sage, Well Advised, Cautious, Economical, Reasonable, Vigilant, Far-Sighted, Discerning, Tactical.

Prudent is not

- ❖ A person who hoards wealth and spends as little money as possible.
- ❖ Careless, Foolish, Hasty, Inattentive, Incautious, Indiscreet, Rash, Reckless, Thoughtless, Wasteful, Unwise.

Consistent with Policies & Procedures

The cost must be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the subrecipient. (2 CFR §200.403(c))

- ❖ Subrecipients cannot apply different rules for allowable costs based on the funding source.

Example: If the LEA's policy is to not reimburse staff for DPI license costs, the LEA cannot reimburse grant-funded staff because the federal funds are available (and it's an allowable cost).

Accorded Consistent Treatment

A cost may not be assigned to a Federal award as a direct cost if the same type of cost has already been allocated as an indirect cost.
(2 CFR §200.403(d))



<p>Basic Considerations</p> <p>Accorded Consistent Treatment</p> <p>2 CFR 200.413(c)</p>	<p>Salaries of Administrative & Clerical Staff</p> <ul style="list-style-type: none"> • Should normally be treated as indirect costs • Only allowed if <u>all</u> of following are met: <ul style="list-style-type: none"> ✓ Administrative or clerical services are integral to a project or activity; ✓ Individuals involved can be specifically identified with the project or activity; ✓ Such costs are explicitly include in the budget or have the prior written approval of the Federal awarding agency; and ✓ The cost are not recovered as indirect costs.
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<p>Basic Considerations</p> <p>Accorded Consistent Treatment</p> <p>2 CFR 200.413(c)</p>	<p>Salaries of Administrative & Clerical Staff</p> <p>Function 252 000 (fiscal) is automatically pulled in to determine an LEA’s indirect rate. Function 252 000 includes salaries and benefits for bookkeepers.</p> <div style="border: 1px solid black; padding: 10px; text-align: center;"> <p>Unless an adjustment is made to the LEA’s indirect calculation, a bookkeeper’s salary and benefits should not be charged to a federal grant.</p> </div>
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Allocable to the Federal Award

A cost is allocable to a particular Federal award if the goods/services involved are assignable to that Federal award in accordance with relative benefits received.

(2 CFR §200.405(a))

To what extent are the expenditures charged to a particular grant program benefiting the program?

Allocable to the Federal Award

When a subrecipient charges 100 percent of an expenditure to a federal program, the LEA must ensure that the program is receiving the entire benefit of these costs.

Example:

100 supplemental reading program site licenses are purchased with IDEA flow-through funds. The LEA uses 75 site licenses for special education and 25 site licenses for “any student who needs it.” This is not allocable. The cost of 25 site licenses would be considered an unallowed cost.

Additional Technical Assistance

Allowable Costs Technical Assistance Page

<https://dpi.wi.gov/wisegrants/uniform-grant-guidance/allowablecosts>

Allowable Costs Checklist

https://dpi.wi.gov/sites/default/files/imce/wisegrants/pdf/Allowable%20costs%20checklist_Final.pdf

