

21C Financial Do's and Don'ts

Financial Questions	Do...	Don't...
21c fund expenditure	Anticipated expenditure must be reasonable AND necessary, allocable and documented. Expenditure must be in line with your approved application and project goals. Contact the state coordinator for guidance if there is ever a question. Tip: Ask 3-5 people for their opinion if an item is reasonable and necessary and then discuss with the state coordinator.	Don't spend on any questionable items prior to approval. Don't spend on items for during the school day. Never co-mingle 21c funds with other funds in the accounting record.
21c budget amendments	Get approval before expenditure occurs. Do know the 10% rule. Always check budget changes 'in the thousands' with the 21c coordinator for guidance with what will need to be done.	Don't use the amendment deadline (April 1 annually) to reconcile accounts Never back spending or back date account information.
Bidding	Follow local Supervisory bidding policies.	
Carryforward	Carryforward is not allowed with 21c funds.	Don't spend for spending sake between April-June, particularly for expensive and/or newly conceived items without pre-approval.
Construction	--	Don't pay for construction or renovation type costs. These capital expenditures for improvements to land, buildings, or equipment which materially increase their value are not allowed.
Contracts	Make sure you have a complete contract signed and dated by both parties before the work begins in line with local district contracting policy.	Never enter into contracts via word of mouth.
Donations	Do bank unrestricted donations for future use if needed. A separate accounting account must be kept.	Don't think the word donation on a brochure means you can bank that money. A fee labeled as a donation or a contribution is still considered program income and must still be spent first.
Entertainment		Entertainment costs are not allowable.
Equipment	"Equipment" is very specifically defined in federal regulations and involves a more rigorous process of inventory. Single laptops are considered supplies.	--
Food for adults	Do apply the reasonable and necessary test; must be part of a necessary program.	Don't buy food for staff meetings with federal funds.
Fee Income	Do use program income for program expenses before drawing down federal funds. Fee income should be used and spent down first, as allowable within the reimbursement process.	Never "bank" program income (fees and subsidy payments) beyond June 30 th each year.
Gift Cards		Don't use them, you can't.
Grant Period	Make sure to pay very close attention to expenditures that are close or that could cross the grant year.	Never obligate federal funds outside the grant award period (July 1 -June 30 annually).
Inventories	Do make sure inventories are conducted bi-annually and preferably annually.	--

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Mileage Reimbursement to Employees	Do make sure the purpose of the mileage being reimbursed is well documented on mileage reimbursement forms.	Don't reimburse employees for mileage unless the purpose of the trip is detailed on their submission request. Just putting the name of a school travelled to is not adequate documentation. Don't pay for a commute.
Procurement	Do make sure to follow federal, state, and local procurement policies and DOCUMENT procurement for all purchases made with federal dollars.	--
Retirement Benefit		There is not a requirement to pay for retirement for licensed teachers who are <u>not</u> in the teacher retirement system, or for paraprofessionals.
Time and Effort	Do make sure all employees paid in whole or in part with federal grant funds are completing compliant time and effort documentation.	Don't assume timesheets cover this requirement.
Time and Effort-Continued	When using a blanket periodic certification for employees working on the same sole cost objective, do make sure certifications are completed separately for each site and signed by a "Supervisor with direct knowledge" – usually the site coordinator.	Don't assume the grant manager is always the appropriate signature on periodic certifications.
Title 1 expenditure within a 21c funded program	Make sure actual activity is eligible for Title I – including use of licensed teachers (check with Title I Grant Manager)	Don't assume all extended day/extended year or afterschool activities are eligible as a Title I expense. They are not.
	All Title I dollars must be documented as allocable to the Title I program.	Don't transfer a lump sum of Title I funds into the Afterschool program with the intent to spend it on anything.
	Treat work eligible for Title 1 as its' own cost objective for time and effort reporting purposes. (This may mean some staff move from a periodic certification to a personnel activity report.)	Don't record time and effort for Title I eligible work as 21C Program activity; separate the two.
	Know if Title 1 eligibility and expenditure for each school must follow rules as a Schoolwide program, or as a targeted assistance program: in a Title I Schoolwide program, all students are eligible to be served, but in a Title I targeted assistance school or a district/SU wide program, the students must be on the Title I caseload.	
Supplanting of Federal Funds	Do spend on new activities articulated in the grant application.	Never supplant local funds with federal funds. Supplanting is presumed, if year to previous year, in the absence of federal funds, activities would have occurred at the same level.