DATE: October 11, 2001

TO: BOARD OF EDUCATION

FROM: Dr. J. Hairston, Superintendent

SUBJECT: Special Revenue Fund Grant Expenditures

ORIGINATOR: J. Robert Haines, Deputy Superintendent of Business Services

RESOURCE: Barbara Burnopp, Executive Director of Fiscal Services

PERSON(S): Ron Boone, Executive Director of Federal and State Programs

INFORMATION

That the attached exhibits be reviewed by the Board of Education.

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In response to a question from the Board of Education Work Session of August 15, 2001, the following exhibits are provided to demonstrate the schools’ effective use of special revenue fund grant expenditures.

The purpose of Attachment I, “Special Revenue Fund Grant Expenditures” is to provide accurate information on grant funding for FY1999 and FY2000 related to expenditures and unspent funds. The MGT study, released in April, had inaccurate figures related to lost revenues.

Attachment II, “Flow Chart: Sample BCPS Grant” depicts the sequence of events from the award of the grant through the assessment of its effectiveness.

As these attachments demonstrate, Baltimore County Public Schools effectively monitors and manages the utilization of grant funds for the purpose of meeting the Student Achievement Indicators in the Blueprint for Progress.

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Attachments:
Attachment I - Special Revenue Fund Grant Expenditures
Attachment II - Flow Chart: Sample BCPS Grant
Special Revenue Fund Grants Expenditures

During fiscal year 1999 BCPS spent Special Revenue grant funds totaling $50 million on more than 250 different grant awards. During FY 2000, BCPS spent $54 million on more than 300 grant awards. Some of these grant awards are distributed to many different schools, resulting in more than 400 grant accounts existing at a time. During these two years, Special Revenue Fund grants accounted for 7% of the total expenditures of the Board's Governmental Funds.

The MGT report stated that "BCPS returned almost $1.5 million in the past two years, funds that were available and could have been used for supplies, computers, curriculum materials, and many other needed resources to support the grants."

We have analyzed the fiscal year 1999 and 2000 data that MGT used to support their finding. Our analysis disclosed that actual funds unspent and/or returned to the grantor, that could have been used by the school system for other items allowable under the grant provisions, totaled $186,398 (0.4%) and $130,044 (0.2%), for fiscal year 1999 and 2000 respectively. These funds range from a low of $.03 to a high of $36,110, for an average of $3,596 from 88 grants during the two-year period.
The Life Cycle of a Grant in Baltimore County Public Schools
From Application to Assessment

1. Program office (ex. Title I) prepares grant application aligned with BCPS Blueprint for Progress; Grant Acct'g Office reviews and gives fiscal approval to budget

2. The Superintendent reviews and signs the grant application which is then submitted to granting agency (ex. MSDE)

3. BCPS receives the grant award notice and approved budget; grant manager prepares budget alignment

4. Grant Acct'g Office sets up the accounts and enters approved budget on the system; informs program office

5. Program office confirms information about any grant funded positions with Deputy Superintendent, Chief of Staff; communicates with offices, schools

6. Program office and school work together to begin implementing grant funded program

7. Schools follow the approved grant budget alignments to guide planned expenditures (ex. Salaries, benefits, instructional materials)

8. Program office works with schools to monitor expenditures, payroll charges, and financial reports from the system to ensure all expenses are charged correctly and grant guidelines are followed consistently

8a. Incorrect charges documented and sent to Accounting to be corrected (ex. Wrong budget code used for a salary charge)

8b. Program and Grant Acct'g Offices work to calculate carryover (if applicable), prepare grant amendment requests if needed, and complete required financial reports.

9. Schools and program office monitor impact of grant funded program on planned outcome (ex. Review student achievement data from multiple sources, including MSPAP)

10. Program office works with schools, offices to analyze data, investigate current research, and assess grant impact on achievement; plan refinements for next grant application

7a. Schools generate expenditures that are charged to the grant (ex. Timesheets, and purchase orders)

7b. Schools request budget revisions if needed (ex. Planned material not in stock)

This illustration addresses a grant cycle for a large, non-competitive grant that involves payroll expenditures; grants without payroll costs may have less complex cycles.