



# North Carolina Community College System

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## **Title II Federal Grant Award Fiscal Responsibilities** *Adult Education and Family Literacy Act (AEFLA)*

August 1, 2023

2:00 PM-3:00 PM

Sandra Thompson, North Carolina State Director, Title II  
Arbony Cooper, Coordinator of Compliance and Monitoring  
Carla Parnell, Grants Management Administrator  
Brandy Brown, Monitoring and Reporting Specialist



## What do I need to know about the 231 budget?

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- A budget is a financial plan for the project or program that the federal awarding agency or pass-through entity approves during the federal award process or in the subsequent amendments to the federal award.
- For the 2023-2024 program year, the total budget amount submitted for Title II grants (231) must include the total ***Federal*** and ***State*** awards (*community colleges*).
- For the 2023-2024 program year, the total budget amount submitted for Title II grant (231) must include the Federal award and the required 40% matching funds (*community-based organizations*).

**CFR 200.8**



## Direct vs. Indirect Costs

- **Direct (Allowable as Budgeted Items)**

- Salaries/Wages/Fringes
- Materials and supplies
- Equipment (greater than \$5,000 and requires prior approval)
- Travel
- Consultant Fees
- Subcontracts

- **Indirect (Not Allowable as Direct Costs)**

- Costs are limited to 5% of federal allocation after infrastructure costs have been subtracted. See 231 allocation sheet for exact amount.
- Administrative costs unrelated to instruction.

**CFR 200.413**  
**CFR 200.313-200.314**  
**CFR 200.430-200.431**  
**CFR 200.439;200.453**

**CFR 200.56**



# Cost Principles

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## Cost principles address four tests for allowability:

- **Reasonableness** (Including Necessity) - *A cost may be considered reasonable if the nature of the goods or services acquired or applied and the associated dollar amount reflect the action that a prudent person would have taken under the circumstances prevailing when the decision to incur the cost was made.*
- **Allocability** - *A cost is allocable if it is incurred solely in order to advance work under the grant or meets the criteria for closely related projects.*
- **Consistency** - *All costs must be treated consistently for all work of the organization under similar circumstances, regardless of the source of funding.*
- **Conformance** - *This test of allowability-conformance with limitations and exclusions as contained in the terms and conditions of award, including those in the cost principles-varies by the type of activity, the type of recipient, and other characteristics of individual awards.*

2 CRF Part 200.302  
45CRF Part 75.302



## Allowable Costs Table

Audit Services	Bonding Costs
Costs to recover improper payments	Compensation-Personal Services
Compensation-Fringe Benefits	Depreciation
Employee health/welfare	Equipment
Exchange rates	Gains on disposition assets
Insurance/indemnification	Intellectual property
Maintenance/Repair	Materials/Supplies/Computers
Professional Service Costs	Publication Printing
Recruiting Cost	*Relocation cost of employees
Rental Cost of Property/Equipment	Specialized Service Facilities
Training and Education Costs	Transportation Costs
Travel Costs	Travel of Trustees



# Grant Management Unallowable Costs

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- Unallowable Costs are those charges to a Federal award that the pass-through agency determines to be unallowable in accordance with the applicable Federal principles contained in the award.
- Advisory Councils
- Alcohol
- Alumnae Activities
- Bad Debts
- Commencement Costs
- HSE Examiner

[Cost Allowability](#) document for Reference

**EDGAR CFR 200.302**  
**CFR 200.403-404**  
**CFR 200.420**



## Definitions for Equipment and Supplies

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- **Equipment** is tangible personal property having a useful life of more than one year and a per-unit cost which equals or exceeds \$5,000. *Prior approval is required to purchase equipment.* If equipment is included in your budget submitted for approval, that cost should be considered approved unless you are notified otherwise. Examples of equipment include:
  - Classroom Projectors/Smartboards
  - Laboratory Equipment
  - Reproduction and Printing Equipment
  - Assistive Device Technology
- **Supplies** are all tangible personal property with a per-unit cost which is less than \$5,000, regardless of the length of its useful life. Examples of supplies include:
  - Computing Devices
  - Textbooks

CFR 200.33



## Supplement – Not Supplant

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The purpose of the supplement not supplant clause is to ensure that state and other non-federal funding sources are not replaced by AEFLA funding.

- Supplant-Replacing an original funding source with the supplemental funding source.
- Supplemental funds should be used to increase the level of funds made available to the adult education program.
- Federal funds may **NOT** be used to pay for services, staff, programs, or materials that would otherwise be paid with state or local funds.





## Budget Submission Process

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1. Budget the correct amount(s) for each grant award.
2. Include all Title II federal and matching (state and/or private) funds for the 231 award.
3. If you receive special AEFLA funding such as (225) Corrections or (243) IELCE, please only budget the federal award amount. Matching funds are not required for either grant.
4. Use the correct budget form(s).
5. Include the signatures of two different individuals at the bottom of the budget form(s).
6. Know what can be included in indirect costs.
7. Know when prior approval is necessary.
8. Know what the term "equipment" means on a federal budget.
9. Know what the term "supplies" means.
10. Save and submit to [2023-24 Title II CCR Continuous Reporting](#) in PDF format.



## NCCCS Budget Approval Process

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1. Upon the State Board of Community Colleges (SBCC) approval, the State Aid section of the NCCCS Business and Finance Office sends a budget packet as an official notification of the award amount to the recipient.
2. Budget form(s) are completed and submitted in the Moodle portal at [2023-24 Title II CCR Continuous Reporting](#).
3. Budgets are reviewed by the Grants Management Administrator, Compliance Team, and Grant Representatives.
4. If budget forms are incorrect or incomplete, the provider will be contacted via email or phone with instructions to make necessary corrections to the budget. Upon completion of the corrected budget, providers are required to upload the revised budget forms to the portal.
5. Upon final approval by the Title II State Director, the College and Career Readiness state office staff sends written notification of the approval, along with a signed copy of the approved budget, to the Chief Financial Officer for each funded provider.



# 231 Budget Form for Community Colleges

FORM: NCCCS 2-34

NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES  
NORTH CAROLINA COMMUNITY COLLEGE SYSTEM  
Title II, AEFLA 231 BUDGET APPROVAL - Community Colleges

PROVIDER NAME	FEDERAL ID#
<b>Select Provider Name</b>	<b>FEDERAL ID #</b>
Effective Date: July 1, 2023 - June 30, 2024	

Upon recommendation of the North Carolina Community College System the following budget is allotted for the above indicated purpose and period.

	Category Total
	\$597,942
A Salaries, Instructional	\$192,455
B Salaries, Non-Instructional	\$119,350
C Employer's Retirement	\$64,534
D Employer's Social Security	\$23,853
E Employer's hospitalization	\$125,750
F Career Services	\$49,500
G Educational Supplies and Materials <=\$5,000 per unit price	\$5,904
H Equipment (must be pre-approved) >\$5,000 per unit price	\$5,000
I Contractual Services	\$1,200
J Staff Travel	\$10,396
K Administrative Costs/Indirect Costs	\$0
•Salaries	\$0
•Other Expenses	\$0
•Indirect Costs	\$0
Total Administrative Costs cannot exceed 5% of total Federal budget.	
Available Administrative/Indirect Funds	Net Available for Administration
Total	\$597,942

Chief Fiscal Officer of Provider	Date	Assist. Adult Ed. State Director	Date
Executive Director / Board Chair of Provider	Date	Adult Ed. State Director	Date

\*Total Administrative Costs cannot exceed 5% of total Federal budget.  
\*Administrative Cost are unallowable with State funds.

Signatures are required. 7/2023



# 231 Budget Form for CBOs

FORM: NCCCS 2-34

NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES  
NORTH CAROLINA COMMUNITY COLLEGE SYSTEM  
Title II, AEFLA 231 BUDGET APPROVAL - Community Based Organizations

PROVIDER NAME	FEDERAL ID#
<b>Select Provider Name</b>	<b>FEDERAL ID #</b>
Effective Date: July 1, 2023- June 30, 2024	

Upon recommendation of the North Carolina Community College System the following budget is allotted for the above indicated purpose and period.

	NCCCS Federal Allocation	40% Match	Category Total
<b>Total Federal and State</b>	\$0	\$0	\$597,942
A. Salaries, Instructional			\$192,455
B. Salaries, Non-Instructional			\$119,350
C. Employer's Retirement			\$64,534
D. Employer's Social Security			\$23,853
E. Employer's hospitalization			\$125,750
F. Career Services			\$49,500
G. Educational Supplies and Materials <=\$5,000 per unit price			\$5,904
H. Equipment (must be pre-approved) >\$5,000 per unit price			\$5,000
I. Contractual Services			\$1,200
J. Staff Travel			\$10,396
K. Administrative Costs/Indirect Costs			\$2,000
•Salaries	\$1,500		
•Other Expenses	\$500		
•Indirect Costs	\$0		
Total Administrative Costs cannot exceed 5% of total Federal budget.			
Available Administrative/Indirect Funds	Net Available for Administration		
Totals	\$0	\$0	\$599,942

	CXBO 231
Chief Fiscal Officer of Provider      Date	Assist. Adult Ed. State Dir.      Date
Executive Director/ CAO/President      Date	Adult Ed. State Director      Date

\*Total Administrative Costs cannot exceed 5% of total Federal budget.  
\*Administrative Cost are unallowable with State funds. Signatures are required.

7/2023







## Budget Narrative Sample(Continued)

### D. Employer's Social Security

Description			Amount
Total Salary Sum	\$ 311,805	7.65%	\$ 23,853
		7.65%	\$ -
		7.65%	\$ -
		7.65%	\$ -
<b>Category Total</b>			<b>\$ 23,853</b>

### E. Employer's Hospitalization

Description	Total # of Months	Rate per M	Amount
6 FT Employees @ 10 months	60	\$616	\$ 36,985
10 FT @ 12 months	120	\$616	\$ 73,970
		\$616	\$ -
		\$616	\$ -
		\$616	\$ -
<b>Category Total</b>			<b>\$ 110,956</b>

### F. Career Services

Description	Amount
FT Coordinator	\$ 49,500
<b>Category Total</b>	<b>\$ 49,500</b>





# Budget Transfer Form NCCCS 2-36

FORM: NCCCS 2-36

NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES  
NORTH CAROLINA COMMUNITY COLLEGE SYSTEM  
REQUEST FOR BUDGET TRANSFER, REVERSION OR ADDITIONAL BUDGET

PROJECT TITLE

ORGANIZATION NAME & FEDERAL ID # DATE

Cost Items	Prior Budget	Budget Adjustment	Revised Budget
A. Salaries, Instructional	\$ -	\$ -	\$ -
B. Salaries, Non-Instructional	\$ -	\$ -	\$ -
C. Employer's Retirement	\$ -	\$ -	\$ -
D. Employer's Social Security	\$ -	\$ -	\$ -
E. Employer's hospitalization	\$ -	\$ -	\$ -
F. Educational Supplies and Materials	\$ -	\$ -	\$ -
G. Equipment (must be pre-approved)	\$ -	\$ -	\$ -
H. Contractual Services	\$ -	\$ -	\$ -
I. Staff Travel	\$ -	\$ -	\$ -
J. Staff Training	\$ -	\$ -	\$ -
K. Administrative Costs/Indirect Costs	\$ -	\$ -	\$ -
•Salaries			
•Other Expenses			
•Indirect			
Total	\$ -	\$ -	\$ -

NOTE: In the Budget Adjustment column, Transfers must net to zero - transfers out must be in brackets and transfers in must be positive; Reversions must be reflected in brackets, and Additional Budget awarded must be positive.

We hereby request line item budget adjustments as \_\_\_\_\_ Approved by the North Carolina \_\_\_\_\_







## Budget Transfers During the Program Year

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Title II award recipients must specifically request approval if the following occurs:

- Transfers of **10%** or more of the overall budget
- Change in scope or the objective of the project or program
- Change in key personnel specified in the application for Federal award
- Disengagement from the project for more than three months or a 25% reduction in time
- Transfer from costs associated with serving students to other categories of expense
- Transferring or contracting out any work to an agency or individual not listed in the initial approved budget.

Your written request for budget modification approval should be addressed to Carla Parnell via email at [parnellc@nccommunitycolleges.edu](mailto:parnellc@nccommunitycolleges.edu). The budget modification form should be uploaded to the Moodle site [2023-24 Title II CCR Continuous Reporting](#).

**All budget modifications should be submitted by and no later than May 15, 2024**



## General Budget Guidance

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Your actual expenses should be compared at least monthly to the budget to ensure ...

- All funds are used appropriately.
- Total funds on the grant have not been exceeded.
- Maximum expenditures for any cost category have not been exceeded (e.g., 5% for administration).
- Actual expenses align with the approved budget.
- All financial records and supporting documentation pertinent to the Federal award must be retained for a period of five years following the Federal grant award program year (NCCCS Records Retention and Disposition Schedule).



# Grants Management

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## **Fiscal Reporting Requirements:**

- All providers must upload documents to Moodle by the **15<sup>th</sup>** of each month.
- XDBR (Community Colleges)
- Time and Effort (All providers)
- Copy of Request for Reimbursement (Community-Based Organizations)

## **Request for Reimbursement Requirements:**

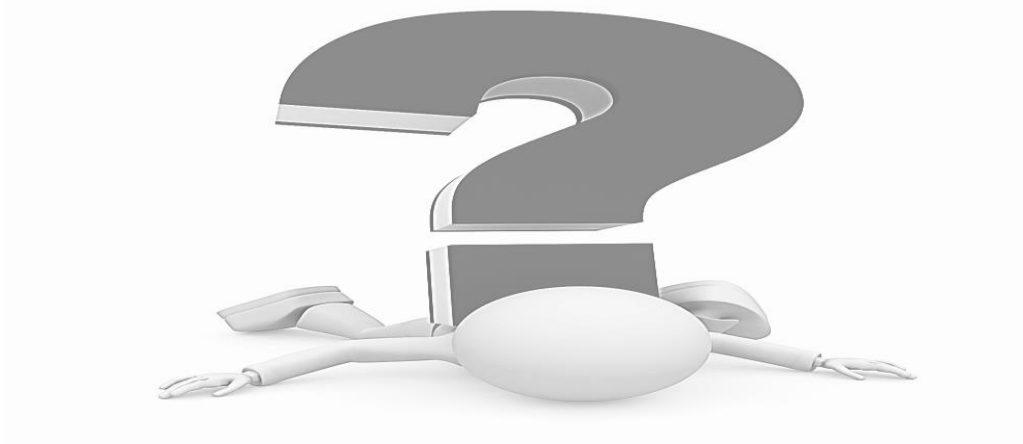
- Request for reimbursement CBOs must be received by the NCCCS Business and Finance Office by the **5<sup>th</sup>** working day of each month. Failure to do so may result in non-payment or suspension of funding.

## **Site to upload information:**

[2023-24 Title II CCR Continuous Reporting](#)

# Questions

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Arbony Cooper, [coopera@nccommunitycolleges.edu](mailto:coopera@nccommunitycolleges.edu)  
Carla Parnell, [parnellc@nccommunitycolleges.edu](mailto:parnellc@nccommunitycolleges.edu)  
Brandy Brown, [bbrown@nccommunitycolleges.edu](mailto:bbrown@nccommunitycolleges.edu)



## References

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- **NCCCS Records Retention and Disposition Schedule**
  - [2021 Community Colleges Records Retention & Disposition Schedule \(ncdcr.gov\)](https://www.ncdcr.gov/records-retention-and-disposition-schedule)
- **US Department of Education**
  - <https://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>
- **State Aid Allocations and Budget Policies**
  - [0. fy2022-23 budgetpacket\\_collegeprint.pdf \(nccommunitycolleges.edu\)](https://www.ncccommunitycolleges.edu/0_fy2022-23_budgetpacket_collegeprint.pdf)
- **Accounting Procedures Manual and Reference Guide**
  - [apm\\_section\\_2\\_2022.01\\_final.pdf \(nccommunitycolleges.edu\)](https://www.ncccommunitycolleges.edu/apm_section_2_2022.01_final.pdf)