6112 REIMBURSEMENT OF FEDERAL AND OTHER GRANT EXPENDITURES

The Cash Management Improvement Act (CMIA) and related Federal regulations require a State to minimize the time elapsing between the transfer of funds from the United States Treasury and the expenditure of funds for program purposes. This requirement applies to grantees such as the State of New Jersey and their subgrantees, such as a school district. The State of New Jersey and school districts must assure funds have been, or will be, spent within a minimal amount of time after having been drawn from the Federal government.

In accordance with this requirement, the New Jersey Department of Education (NJDOE) has implemented a reimbursement request system of payment. The procedures as outlined in the NNJDOE Policies and Procedures for Reimbursement of Federal and Other Grant Expenditures shall be followed by school districts in submitting reimbursement requests. Reimbursement requests for entitlement grant awards under the Every Student Succeeds Act (ESSA), the Individuals with Disabilities Education Act (IDEA), the Strengthening Career and Technical Education for the 21st Century Act and any other program designated by the NJDOE shall be made using the NJDOE's Electronic Web-Enabled Grant (EWEG) System.

Reimbursement requests by the School Business Administrator/Board Secretary or designee shall be made for individual titles and awards using the payment functionality of the EWEG system. Only one reimbursement request per month may be submitted for an individual title, award, or subgrant. Reimbursement requests may only be for expenditures that have already occurred or will occur within three business days of receipt of funds.

The submission of a reimbursement request constitutes a certification by the School Business Administrator/Board Secretary that the school district has previously made the appropriate expenditures and/or will make the expenditures within three business days of receipt of funds and that the expenditures are allowable and appropriate to the cost objective(s) of the subgrant.

The Superintendent or designee is responsible for submitting an amendment application to the NJDOE for approval if a new budget category for which no funds were previously budgeted or approved has been created. The Superintendent or designee is responsible for submitting an amendment application to the NJDOE for approval if cumulative transfers among expenditure categories exceed ten percent of the total award. The Superintendent or designee is responsible for monitoring the cumulative ten percent level of fiscal change.

Reimbursement requests must be in accordance with approved grant applications. A reimbursement request may be submitted at any time after the subgrant has received final NJDOE approval. Reimbursement requests submitted at least ten business days before the end of the month but no later than the fifteenth day of the month will be reviewed and, if approved,

processed for payment the first business day of the following month. School districts will normally receive payment by the fifth business day of the month and will be able to track the grant's payment history in EWEG through the payments link of the grant application.

Reimbursement requests must contain a brief description of the expenditures for which reimbursement is being requested. Individual line items need not be detailed. Expenditures must be supported by documentation at the school district level but should not be submitted to the NJDOE with a reimbursement request. The Superintendent or designee is responsible to maintain supporting documentation for seven years and for making it available to the NJDOE, the United States Department of Education, and/or their authorized representatives upon request. Documentation for salary expenditures is subject to the requirements of the Federal Uniform Grant Guidance. Documentation for all other expenditures must include evidence that the expenditures are allowable costs and of the relationship of the expenditure to the subgrant's cost objectives.

The NJDOE staff will review reimbursement requests to determine that they meet the subgrant's criteria. When a reimbursement request is approved or denied, the school district will receive an email notification through the EWEG system. Approval of a reimbursement request by NJDOE does not imply approval of the expenditures as allowable or appropriate to the subgrant's cost objectives as the approval of expenditures will continue to be processed through the final report.

The School Business Administrator/Board Secretary or designee assumes responsibility for assuring that all funds requested through the EWEG system either have already been expended, or will be expended within three business days of receipt of funds.

New Jersey Department of Education Policies and Procedures for Reimbursement of Federal and Other Grant Expenditures – January 2023

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R 6112 REIMBURSEMENT OF FEDERAL AND OTHER GRANT EXPENDITURES

The State of New Jersey and school districts must assure certain Federal and other grant funds have been, or will be, spent within a minimal amount of time after having been drawn from the Federal government. In accordance with this requirement, the New Jersey Department of Education (NJDOE) has implemented a reimbursement request system of payment. The procedures outlined in this Regulation are to be followed by school districts in submitting reimbursement requests. Reimbursement requests for entitlement grant awards under Titles I, II-A, II-D, III, III Immigrant, IV and V of the No Child Left Behind Act (NCLB), the Individuals with Disabilities Education Act (IDEA), and the Carl D. Perkins Career and Technical Education Improvement Act of 2006 shall be made using the NJDOE's Electronic Web-Enabled Grant (EWEG) System.

A. Definitions

1. "Cost objective" means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

2. "Grant" means an award of financial assistance by the Federal government to the State of New Jersey, Department of Education or funds NJDOE receives from the State legislature to be awarded to eligible subgrantees.

3. "Grantee" means the State of New Jersey, Department of Education, to which a grant is awarded by the Federal government.

4. "Subgrant" means an award of financial assistance to an eligible subgrantee, in this case, awards by the State of New Jersey, Department of Education to local education agencies or other eligible entities.

5. "Subgrantee" means the local education agency, school district, or other legal entity to which a subgrant is awarded and which is accountable to the State of New Jersey, Department of Education for the use of funds provided.

B. Procedures

1. Functionality

a. The School Business Administrator/Board Secretary or designee will submit reimbursement requests using the payment functionality of the EWEG system.

b. The payment functionality will be enabled upon final NJDOE approval of the subgrant application through the EWEG system.

2. Submission of Reimbursement Requests

a. The School Business Administrator/Board Secretary or designee will make reimbursement requests for individual titles and awards. Therefore, reimbursement requests for NCLB will be made for each individual title. Reimbursement requests for IDEA must be made separately for Basic and Preschool as well as for the Perkins Secondary and Perkins Post-Secondary grant funds. Only one reimbursement request per month may be submitted for an individual title or award.

b. Reimbursement requests may only be for expenditures that have already occurred or will occur by the last calendar day of the month in which the request is made. The following examples are based upon the schedule in Section C. below.

(1) The school district has ordered and received supplies and has paid the vendor. The school district may request reimbursement.

(2) The school district has ordered and received equipment but has not yet paid the vendor. The school district expects payment to be made on the last day of the month, following the monthly Board meeting. The school district may request reimbursement.

(3) The school district makes salary payments on the fifteenth and last day of each month. In a given month, the school district may request reimbursement for payroll expenditures actually made during the month and for the payroll scheduled for the last day of the month. The school district may not request reimbursement in anticipation of subsequent pay dates in the following month.

(4) The school district is responsible for payment of health benefits to its provider on a quarterly basis. The subgrantee may request reimbursement prospectively if payment to the provider will be made during the calendar month in which reimbursement is requested.

(5) The school district is responsible for reimbursing the State of New Jersey for pension and social security payments made on behalf of employees paid with Federal funds. For members of the Teachers' Pension and Annuity Fund (TPAF), school districts shall reimburse

the State no later than November. The request for reimbursement for pension and social security contributions for members of TPAF should be made at the time the school district will make payment to the State. For members of the Public Employees Retirement System or other State pension systems, the school district should request reimbursement at the time payments are due to the State for pension contributions and to the Internal Revenue Service for Social Security contributions. The school district should not include fringe benefit calculations in their regular salary reimbursement requests.

c. The submission of a reimbursement request constitutes a certification by the School Business Administrator/Board Secretary that the school district has previously made the appropriate expenditures and/or will make the expenditures by the last calendar day of the month in which the request is made. The submission of a reimbursement request also constitutes a certification that the expenditures are allowable and appropriate to the cost objective(s) of the subgrant.

d. Reimbursement requests must be in accordance with approved grant applications.

(1) The Superintendent or designee is responsible for submitting an amendment application to the NJDOE for approval if a new budget category for which no funds were previously budgeted or approved has been created.

(2) The Superintendent or designee is responsible for submitting an amendment application to the NJDOE for approval if cumulative transfers among expenditure categories exceed ten percent of the total award or $50,000 for IDEA, Perkins, and NCLB (per title), whichever is less. The Superintendent or designee is responsible for monitoring the cumulative ten percent level of fiscal change.

C. Processing Timelines

1. Reimbursement requests may be submitted at any time after the subgrant has received final NJDOE approval. No more than one reimbursement request may be submitted per month for any one subgrant. Reimbursement may be made for expenditures that have already occurred or will occur by the last calendar day of the month in which the request is submitted.

2. Reimbursement requests submitted at least ten business days before the end of the month but no later than the fifteenth day of the month will be reviewed and, if approved, processed for payment the first business day of the following month.

   School districts will normally receive payment by the fifth business day of the month and will be able to track the grant's payment history in EWEG through the payments link of the grant application.

D. Content of Reimbursement Requests

1. Reimbursement requests must contain a brief description of the expenditures for which reimbursement is being requested. Individual line items need not be detailed.

   a. Example - $8,750 is being requested in the 100 function code. The description is "salaries and instructional supplies."

2. Expenditures must be supported by documentation at the school district level. This documentation should not be submitted to the NJDOE with a reimbursement request. The Superintendent or designee is responsible to maintain supporting documentation for seven years and for making it available to the NJDOE, the United States Department of Education, and/or their authorized representatives upon request.

3. Documentation for salary expenditures is subject to the requirements of the applicable Federal Office of Management and Budget Circular: A-21, "Cost Principles for Educational Institutions;" A-87, "Cost Principles for State, Local, and Indian Tribal Governments;" A-122, "Cost Principles for Non-Profit Organizations;" and Education Department General Administrative Regulations (EDGAR). Documentation for all other expenditures must include evidence that the expenditures are allowable costs and of the relationship of the expenditure to the subgrant's cost objectives.

E. Review and Approval of Reimbursement Requests

1. NJDOE staff will review reimbursement requests to determine that they meet the subgrant's criteria, including but not limited to the following:

   a. Adequate description of the expenditures is provided;

   b. No new budget category has been created; and

c. The reimbursement request does not exceed the allowable threshold for an amendment as a result of cumulative transfers among expenditure categories.

2. When a reimbursement request is approved or denied, the school district will receive an email notification through the EWEG system.

3. Approval of a reimbursement request by NJDOE does not imply approval of the expenditures as allowable or appropriate to the subgrant's cost objectives. Approval of expenditures will continue to be processed through the final report. The School Business Administrator/Board Secretary assumes responsibility for assuring that all funds requested through the EWEG system either have already been expended, or will be expended according to the requirements of the CMIA.