

FERNDALE SCHOOL DISTRICT NO. 502  
ADMINISTRATIVE PROCEDURES

No. 7000 P-3

MONITORING BUDGETS OF SPECIAL FEDERAL AND STATE PROGRAMS

I. INTRODUCTION

The F-1000B (budget summary form, pages 3 and 4 of 6), is one of the documents required when the district applies for a special federal and/or state program. Although other documents are required as well, the F-1000B will serve as baseline for monitoring expenditures from the budgets of the various programs.

The F-1000B reflects the dollar amount and the object of expenditure to which dollars are allocated in the program. Once the F-1000 budget form has been approved, there can be no expenditures outside the designated objects of expenditures beyond the allowed percentages of leeway allowed by the funding agency (typically 20% variance between objects), unless budget revisions are made and approved by the funding source.

Two budget revisions are permissible during each fiscal year.

II. YEAR-TO-DATE ENCUMBRANCE FORM

After the grant has been approved and a grant award number assigned or funding schedule established, the director of the program will prepare a Year-to-Date Encumbrance Form (page 5 of 6) which reflects the total number of dollars budgeted in each object of expenditure.

As purchase orders are originated, they will be forwarded to the director of the program who will verify that funds have been allocated to the proper object of expenditure and are reflected on the F-1000B.

If the item requested is a capital outlay item (Object 9), the program director must verify that the capital outlay item has been itemized on the grant application. If the item appears on the application and if funds are available, the director will assign the proper accounting code and approve, by signature, the purchase order on the Year-to-Date Encumbrance Form. The encumbered amount will be subtracted from the original allocation on a continuing basis so that the director is aware of the approximate budget balance for subsequent purchases in each of the categories.

III. PL 94-142 SPECIAL CONSIDERATION

An added restriction to spending is peculiar to Program PL 94-142 only.

The E-795 - Projected Budget Description Form (Page 6 of 6) must be prepared in this program prior to completing an F-1000B. The E-795 must specifically indicate how each dollar is to be spent in each of the categories. No variation from the items described on this form is allowed by the funding source unless a budget revision is requested and approved.

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IV. RECONCILIATION OF ENCUMBRANCES AND EXPENDITURES

The business office will forward a copy of actual program expenditures and encumbrances to the director each month for purposes of comparing the actual budget balance with the projected budget balance.