SPECIALTY CROP BLOCK GRANT REVIEW/REFRESHER
November 6, 2018 & November 15, 2018

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TOPICS DISCUSSED TODAY

• Why the Refresher?
• Ledgers – Overview
• Ledgers – Backup Documentation
• Procurement
• Travel
• Equipment vs. Supplies
• Written Reports
• Unallowable Costs
WHY THE REFRESHER?

- New Staff, New Grantees, and New Questions!

- Ledgers are being submitted with insufficient backup documentation.

- Expenses are being claimed that are not in the work plan or budget.

- We have had two site visits from USDA (2013 and 2017). USDA requires ISDA to collect all source documentation; therefore, we will need to collect from you all source documentation.
Ledgers - Overview

Before submitting Quarterly Ledgers:

• Check the **Title** to make sure it matches what is listed in the Agreement

• Check **Period Date Range** (No overlapping ledgers, and it needs to correlate to dates on back-up documentation).
  • If back-up documentation does not match ledger period, provide explanation as to why

• Check to make sure all fields have been completed for all ledger entries (i.e. check# or invoice#, date, vendor, line item description, budget category, expenditure, etc.) for both grant and matching funds.

• Please check to make sure that everything you are submitting is part of your approved work plan.
Ledgers – Overview

• Count only expenses for that quarter (if there is an expenditure from previous quarter provide email verification as to why it was not on previous quarter – i.e. Had not received invoice yet)

• Enter expenditures/payments only

• Use defined USDA budget categories and match them to your budget and work plan

• Make sure each column is filled out on Ledger

• Provide supporting documentation for all expenses including match
Ledgers – Overview (continued)

- Check totals under both grant funds and matching funds.
  - Make sure grant and matching funds remaining are accurate

- Email ledger. This email will act as a digital signature.
Per USDA- AMS Terms & Conditions:

“Recipients must collect and maintain source documentation so it is available to AMS upon request at any time during the performance period. At any point during the performance period, AMS may require the recipient to submit source documentation…. Source documentation includes, but is not limited to: receipts, canceled checks, paid bills, payrolls, time and attendance records, contracts, invoices, and sub award documents. If recipients pays a portion of the total amount indicated on the source document, it must appropriately identify the specific expenses and total amount charged to the grant on the source document.”
Ledgers - Back up Documentation

• All entries on each ledger must be supported by source documentation. Please make sure the source documentation is legible and we can tell exactly what was purchased. If there is an unusual charge, please explain why it is relevant to the project.

• Mark A, B, C on ledger and corresponding ledger receipts. New column on ledger this year just for that purpose.

• Must get prior approval to deviate from the Work Plan or Budget **before** expenses and ledger can be approved for payment.

• Any questionable costs must be approved by ISDA and documented in the file **before** that expense and ledger can be approved for payment.
Ledgers - Back up Documentation

- Submit receipts for **all** expenses. In the past, itemized expenditure reports were sufficient for universities. Receipts are now required to accompany the itemized expenditure reports.
- Ensure costs are reasonable, allowable, and allocable.
- Maintain accurate records.
- Keep records for at least three years following grant end date.
Ledgers - Back up Documentation

Splits/Cost Share

- If you are splitting the cost of something (supplies, airfare etc.), with another project and only charging a portion of the invoice/receipt to your Specialty Crop Block Grant project then you need to include the other program code you are using to bill the other portion(s) to on the invoice/receipt.

- A split must make sense also. It can be split by percentage, unit cost, acreage etc. However, it cannot just be an arbitrary number to make it work within the budget. Random splits raise red flags, and give the appearance that what you are charging to the SCBG project is not an accurate account.

- If you are splitting travel costs be consistent. Example: all airfare, lodging, per diem is split at 50% with another project. Do not split airfare in half and then charge 100% of per diem to another project, but all of the lodging to this project.
### Specialty Crop Block Grant: Growing your Specialty Crop

**Entity** Entity name here  
**For the Period:** October 1 - December 31 2018

#### Quarterly Financial Report - Grant Funds Only

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Date</th>
<th>Vendor</th>
<th>Backup documentation on label (A-Z)</th>
<th>Line item description “As listed on approved Line Item Budget”</th>
<th>Corresponding Budget Category</th>
<th>Expenditures occurring during this Quarter</th>
<th>Funds remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL AWARD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10,000.00</td>
<td>$ 10,000.00</td>
</tr>
<tr>
<td>Credit Card</td>
<td>10/1/2018</td>
<td>Alaskan Airlines</td>
<td>A</td>
<td>Economy flight for John Smith to SCBG Conference</td>
<td>Travel</td>
<td>402.73</td>
<td>9,597.28</td>
</tr>
<tr>
<td>Credit Card</td>
<td>10/1/2018</td>
<td>Enterprise Rental Car</td>
<td>B</td>
<td>Rental car for John Smith to SCBG Conference</td>
<td>Travel</td>
<td>212.36</td>
<td>9,784.74</td>
</tr>
<tr>
<td>Credit Card</td>
<td>10/1/2018</td>
<td>JW Marriott Hotel</td>
<td>C</td>
<td>Lodging for John Smith to SCBG Conference</td>
<td>Travel</td>
<td>342.93</td>
<td>9,641.75</td>
</tr>
<tr>
<td>Ck #1234</td>
<td>10/5/2018</td>
<td>The Ad Agency</td>
<td>D</td>
<td>Creation of marketing brochure</td>
<td>Contractual</td>
<td>2,900.00</td>
<td>6,641.75</td>
</tr>
<tr>
<td>Ck #1234</td>
<td>10/5/2018</td>
<td>The Ad Agency</td>
<td>E</td>
<td>Printing cost for marketing brochure</td>
<td>Contractual</td>
<td>425.00</td>
<td>6,216.75</td>
</tr>
</tbody>
</table>

**Totals**  
AMOUNT TO BE DISBURSED: $3,783.28  
6,216.75

### Specialty Crop Block Grant: Growing your Specialty Crop

**Entity** Entity name here  
**For the Period:** October 1 - December 31 2018

#### Quarterly Financial Report - Matching Funds Only

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Date</th>
<th>Vendor</th>
<th>Backup documentation on label (A-Z)</th>
<th>Line Item description (as listed on approved line item budget)</th>
<th>Budget Category</th>
<th>Payment/Debit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL Matching Funds Commited</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 5,000.00</td>
</tr>
<tr>
<td>Ck#1240</td>
<td>10/10/2018</td>
<td>Boise Weekly</td>
<td>F</td>
<td>Holiday Advertisement for specialty crops</td>
<td>Other</td>
<td>200.00</td>
<td>4,800.00</td>
</tr>
<tr>
<td>Ck#1240</td>
<td>12/24/2018</td>
<td>University</td>
<td>G</td>
<td>Waived overhead at 4%</td>
<td>Other</td>
<td>1,702.46</td>
<td>3,097.54</td>
</tr>
</tbody>
</table>

**Totals**  
AMOUNT TO BE DISBURSED: $11,902.46  
3,097.54

Was any Match portion paid with federal funds? **Y / N**

Name of Person

Date
Ledgers - Back up Documentation

Seven Budget Categories Specified by USDA

- Personnel
- Fringe
- Travel
- Equipment
- Supplies
- Contractual
- Other
Ledgers - Back up Documentation

Personnel/Salaries/Fringe

- Must provide payroll reports that show employees paid, dollar amount paid for each (broken down between salary and fringe), time period or pay date for each period paid, and grand total salary and fringe costs, that match what was reported on the ledger.

- Provide timesheets or reports (can be incorporated into the payroll report) that show each employees hours worked for each pay period that is included in the ledger request. Cannot do a percentage of time unless the employee is paid 100% by the grant.

- If there are any deviations from the work plan and budget on who is doing work on the grant, you must let ISDA know before requesting it on ledger for payment.
Ledgers - Back up Documentation

Travel

• Travel: Does your organization have its own travel policy? If so, please send a copy to ISDA. If not, the State Travel Policy applies. See: http://www.sco.idaho.gov/web/sbe/sbeweb.nsf/pages/trvlpolicy.htm

• Check all travel costs against what was written in your work plan (i.e. mode, type, timeframes, conferences identified, etc.).

• Individuals who travel must match to what was written in the work plan (i.e. employee A was identified as the sole traveler but travel costs for other employees are included - these would not be allowed without first asking for approval). Must get prior approval before deviations from work plan can occur.

• Vehicles – If you are claiming mileage for travel, then you cannot also claim direct vehicle expenses such as fuel, lube, etc. It is one or the other, but not both. If there are direct expenses such as lube and fuel for equipment such as tractors, then please explain on the receipt or ledger.
Travel (continued)

- For mileage, you will need to keep a log which has date, time, miles and vehicle. ISDA will NOT reimburse more than the Federal mileage rate regardless of what your own travel policy may state.

- Hotel bills need to include the name of the traveler and dates of the stay. Names of additional room guests (if room was shared) should be written on the invoice.

- Foreign Travel-Allowable with prior approval from USDA and ISDA. Each separate foreign trip must receive prior approval from USDA.

- Out of State Travel-Allowable with prior approval from ISDA. During project you must get prior approval for out of state travel, if not included in the work plan or budget.
Ledgers - Back up Documentation

Meals

• Allowable only if included in work plan and budget.

• Allowable for meals consumed while in official travel status – Official travel status is when traveler is physically away from their official primary work station by a distance of 50 miles or more, or includes an overnight stay.

• Under State Travel Policy, lunch within 50 miles of work station is not eligible.

• They are considered per diem expenses and should be reimbursed in accordance with the organization’s established written travel policies
Ledgers - Back up Documentation

Airfare

• All airfare must be included in the budget; if not, prior approval from ISDA is required to make adjustments. USDA approval is required for each foreign trip.

• For foreign travel, must also comply with the Fly America Act, 49 U.S.C. 40101 et. seq. Use United States and EU member air carrier service for all travel and cargo transportation services funded by the United States Government. When traveling between countries, if there is not U.S. Carrier available, a foreign carrier may be used. If it is a code share, the flight must be booked with the U.S. carrier flight number.

• Must provide receipt that shows all payments for flights and itineraries.

• First class or business class flights are unallowable – if you want to fly first class or business class you would need to pay the upgrade to first class out of non grant funds. Documentation must show that upgrade was paid separately.

• “Airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable”
  • Unrestricted airfare is fully-refundable and fully–changeable

• Any deviation must print quote for unrestricted flight on same day of purchase.
Ledgers - Back up Documentation

Airfare (continued) - Unrestricted Flight

Fri, Mar 16, 2018

2:54 pm  
Boise, ID, US (BOI) 
UA 357 | Airbus A319

4:44 pm  
Denver, CO, US (DEN) 
UA 357 | Airbus A319

Nonstop 
1h 50m total

Select Offer

1. Economy Plus®

+ $77 per person

MileagePlus earnings: Rectangular Ship

Base award miles: PQM | PQS | PQD

3250
974 | 1.5 | 650

Boise, ID, US (BOI) to Denver, CO, US (DEN)
2:54 pm - 4:44 pm (1h 50m)

United Economy (B) (unrestricted)

Snacks for Purchase
Ledgers - Back up Documentation

Airfare (continued) – Unrestricted flight

Mon, Mar 19, 2018

7:48 pm → 9:49 pm
Denver, CO, US (DEN) → Boise, ID, US (BOI)
Nonstop
2h 1m total

UA 453 | Airbus A320

1. Economy Plus®
+ $78 per person
Select

2. Premier Access®
+ $119 per person
Select

MileagePlus earnings:

Base award miles
PQM | PQS | PQD
3225 | 974 | 1.5 | 645
3225 | 974 | 1.5 | 645
3225 | 974 | 1.5 | 645

View fare rules and restrictions | Additional baggage charges may apply

Total $1,415.10

Printed quote will have date of quote at bottom. Must be printed the same date actual airfare was purchased
Ledgers - Back up Documentation

Procurement/Bidding

• If any contracts/services/equipment purchase exceed $10,000 (aggregated) procurement documentation is required and procurement procedures must be followed

• If > $10,000 aggregated, bidding process in which at least three bids are obtained

• Appropriate procurement documentation must be submitted before ledger payments can be made. This includes copies of the RFP and the respective bids from each vendor.

• We will schedule another training JUST for Procurement/Bidding in the near future.
Ledgers - Back up Documentation

Equipment Purchases (Tangible Items Over $5,000)

• All equipment purchases must have prior approval from USDA.

• Make sure all equipment costs correlate with what is written in your work plan and budget.

• If any individual equipment purchase exceeds $10,000, procurement documentation must be submitted before expenses are paid.

• Special Purpose vs General Purpose – general purpose equipment are unallowable under the grant. Special purpose equipment may be allowed.

• Inventory Tracking for Equipment: Annually you must sign a form, provided by ISDA, which will verify location of equipment. Additionally, ownership of equipment must be retained for life. If you want to dispose of equipment there are stringent federal disposal requirements. If so, let us know and we will work on the process with you.
Ledgers - Back up Documentation

Contractual Costs

• When submitting contractual costs make sure they match what was written in the work plan and budget

• Major contracts ($10,000 or more) must be documented in the file with a copy of the contract between the subrecipient and the contractor in addition to copies of the procurement documents

• Per I.C. 67-2332, agreements between state agencies or between state agencies and any other public entity are exempt from competitive procurement rules- but a copy of the contract is still needed
Ledgers - Back up Documentation

Supplies (Tangible Items Under $5,000)

• Check all supplies against what was written in the work plan

• Make sure supplies are actually supplies and not equipment, for example

• If you need to change the type of supplies that are listed in your work plan and budget, notify us for approval beforehand of the change
Ledgers – Match (Cost Share)

Matching Funds Documentation

• Check that all match you are submitting was outlined in the work plan

• Make sure that you are accounting for and submitting your match during the quarters they take place; for example, do not wait until the last quarter to enter all match

• For personnel match, a time log showing hours spent working on the grant must be attached (one per employee, signed by each employee)
Ledgers - Back up Documentation

Publication Costs

- Allowable if in work plan and budget
- Provide copy of published article
- If you want to credit USDA on your printed materials they have strict guidelines and please check in with ISDA prior to ensure compliance.

Registration Fees/Conferences

- Allowable only if in work plan and budget
- Registration fees are allowable for attendance at conference if necessary to accomplishing project or program objectives
- Conferences are allowable if the primary purpose of attendance is dissemination of technical information and is reasonable for successful project performance under the grant
Ledgers- Proof of Payment

Proof of payment is required for all grant funds and all matching funds. Acceptable proof of payment may include:

- Copies of checks paid to vendor
- Copies of wire transfers made to vendor
- Copies of credit card statements and corresponding payment made to credit card company (copy of check payment or electronic payment verified on credit card statement)
- Report run from an acceptable accounting system
WRITTEN REPORTS

Annual Progress Reports

• ISDA is no longer requiring a semi-annual report! 😊

• Your Annual Progress Report will be due by November 15th of next year.

• Make sure and include all trips taken (in state and out of state), all conferences attended (include paper if one was submitted)

• Make the reports as detailed as possible, writing about objectives and goals that are in your work plan.

• Use format provided by ISDA found at ISDA’s Specialty Crop Block Grant section of the website
WRITTEN REPORTS

Final Report

• Due 45 days following the end of the project

• Make sure and include all trips taken (in state and out of state), all conferences attended (include paper if one was submitted)

• Give detailed goals and objectives that were accomplished

• Use format provided by ISDA found at ISDA’s Specialty Crop Block Grant section of the website
Unallowable Costs

• Costs need to be directly attributable to the grant project’s goals and objectives

Indirect Costs Unallowable by ISDA

• We do not accept indirect costs as a cost under the grant

Tuition Unallowable by ISDA

• We do not accept tuition as a cost under the grant
  • Some states do allow it but we have decided not to because tuition covers all of a student’s educational course work and does not correlate directly to work done on the grant
Questions?