



Subrecipient Fiscal Guide



The Intermediate School District (ISD) is the grantee and fiscal agent for all Great Start Readiness Program (GSRP) funds. As such, the ISD is responsible for ensuring that allocated funds are used to provide high quality programming, supports and services. A subrecipient is responsible for following general accounting practices and maintaining proper fiscal compliance with the Great Start Readiness Program. All individual subrecipient budgets and final expenditure reports (FER) are required documentation for a fiscal review and may be required, if requested, by the ISD or the Michigan Department of Lifelong Education, Advancement and Potential (MiLEAP). This guide is in alignment with MiLEAP and the GSRP Implementation Manual and is a detailed explanation on the components of the fiscal process as a subrecipient.

Subrecipient Budget

Function codes are the basic account identifier for allowable costs to GSRP funds, whereas object codes identify the type of expenditure.

Subrecipient budget descriptions must be clearly stated to ensure consistency and faster budget approval. The ISD will ensure that all expenditures are approvable. Each entry should provide clear information to determine the allowability of planned expenditures. Detailed items should be reasonable for the quality of the project activities proposed, include appropriate function and object codes. Salary and benefit descriptions along with the number of hours or full time equivalent (FTE) must be included for each category of employee.

Typical GSRP budget items may include

- Staff costs including teaching staff, lunch aides, a reasonable portion of administrative costs (center director, receptionist, principal)
- Classroom equipment and supplies
- Operational costs for maintaining the facility
- Fiscal services
- Playground equipment
- In house field trips, guest speakers, and off-site fieldtrips

- Costs incurred for meals and snacks for the students that are not covered by CACFP Mileage

GSRP funds MAY NOT be used to pay for

- Existing administrative, educational, or support personnel funded through other sources
- Costs that should be covered by Special Education
- Any costs associated with breakfast, lunch and/or snack if the program does not participate in federal food programs for which it is eligible
- Any state tax, including sales and property tax, when an organization is not for profit
- Maintenance, utilities, or any other costs when included in a rental agreement
- Gift cards to make purchases or use as incentive payments for employee or contracted employee use or for family participation within advisory committees or family participation groups. (Per Section 380.1814 of The Revised School Code Act 451 of 1976, a person shall not use public funds for purchasing gifts.)

Indirect costs |

Below are the object codes that may be used. The function codes are listed in the chart description, below, covering the allowable costs.

Salaries 1000: The amount determined by the program director or owner to be paid per hour or as a yearly salary.

Benefits 2000: Taxes that are paid by GSRP and in some cases inclusive of a 401k and/or medical benefits.

Purchased Services 3000, 4000: Amount paid to company (ex. ADP, snow removal, landscaping, utilities, rent, and marketing) or staff person that is issued a direct check not in the salary and benefits package.

Supplies and Materials 5000: Purchases made (consumables, furniture, food, and custodial supplies.

Other 7000, 8000: Other expenses not included above such as dues and fees.

Capital Outlay

Capital outlay applies to projects and equipment over \$5,000. All capital outlay requests must be pre-approved using a completed Capital Outlay Request form. For subrecipient requests below \$20,000, the ISD may approve without forwarding to MiLEAP. Subrecipient requests that exceed \$20,000 must first be approved by the ISD, and then forwarded to MiLEAP for approval.

Function Codes and Descriptions

Commonly used function codes are listed and described below. If a subrecipient identifies an expense that is not included here, refer to the complete [Function Codes and Descriptions](#) document.

118 Basic Programs
<ul style="list-style-type: none">• Salary and benefits of the lead teacher: If there are more than one lead, combine the salary and benefits into one line• Salary and benefits of associate teacher: If there are more than one associate, combine salary and benefits into one line• Salary and benefits for other classroom staff• Lead teacher/ associate teacher mileage (e.g. home visits)• Field trips: Entry fees for children, parents, and staff. If the field trip is in house, the cost would cover the presenter's fee• Classroom furniture• Consumable supplies and materials for the classroom (both indoor and outdoor)• CBO food service cost over and above CACFP reimbursement including Meals and snacks, supplies, catering company (purchased services), in house cook (salary and benefits or purchased services)
220 Support Services
221
<ul style="list-style-type: none">• Improvement of instruction• Early childhood specialist

- In-service training supplies
- Conferences, workshops, training
- Travel expenses related to professional development
- Mileage
- Online program evaluation tool
- Comprehensive curriculum resources: tools for curriculum your program uses
- NAEYC or other professional memberships

225

- Classroom technology materials for adult use:
Technology supports for teaching staff, computers and printers and subscriptions for tablets and iPads

226

- Program Coordinator: the person responsible for overseeing center operations

227

- Developmental screener materials, ongoing child assessment, curriculum, and CLASS

230 Support Services

232

- Office Supplies: materials used to conduct daily center business

240 Support Services

241

- Local Support Staff to the Local Program Administrator:
- Secretarial duties
- Assisting program administrators
- Receptionist duties

250 Support Services

252

- Fiscal Services: Company issuing paychecks (purchased services)

257

- Printing Usage of in-house copy machine/printer
- Maintenance of equipment
- Outside printing

260: Operation and Maintenance

261

- Operating Building Services: All function codes under this category will charge GSRP the percentage determined in the facility operational costs
- Rent: Monthly amount determined by the lease (a copy of the lease)
- Utilities: Must have actual copies and invoices from the following:
DTE, Consumers Energy, water/sewer bill
- Telephone: Must have actual copies and invoices from the following:
AT&T, Comcast, WOW
- Building Maintenance: Person on staff responsible for the upkeep of the interior and exterior of the building
- Licensing fees and/or inspections. Programs that are up for
 - Licensing during the school year
 - Insurance: Building insurance
 - Student insurance: Many policies are inclusive of building and student
 - Insurance

261

266

- Security Services
- Security system fees: Installation, maintenance updates and cameras

270: Pupil Transportation Services

271

- Field trip transportation: Usage of outside bus services that transport students, staff, and parents to and from field trip

280: Support Services

282

- Marketing: to promote the program: direct mailing: advertising (news media) personal contact, signs/banners, and window painting
- Recruitment for staff: Indeed, and recruitment services

283

- Fingerprinting, TB testing and other background checks: Staff will be reimbursed if agreed that GSRP funds are paying

284
<ul style="list-style-type: none"> • Support Services Technology: outside source that supports center technology
285
<ul style="list-style-type: none"> • MSDS Reporting: If center reports their own MSDS
310 Community Services
311
<ul style="list-style-type: none"> • Family and Parent Activities: end of the year celebration • Materials for families; group meetings twice a year with parents, snacks, speaker, and books
450: Facilities Acquisition, Construction, and Improvements
452
<ul style="list-style-type: none"> • Playground Maintenance: Upkeep on the outdoor playground area, adding mulch, adding ground cover, landscape • Playground Equipment: <ul style="list-style-type: none"> • Installing large playground equipment outdoors • Adding playground equipment for centers having a gross motor room/gym • Bikes, scooters, wagons, and sand tables
456
<ul style="list-style-type: none"> • Existing Building Improvements: <ul style="list-style-type: none"> • Plumbing issues • Carpeting replacement • Painting • Unforeseen building issues

General GSRP Budget Guidance

GSRP funds are appropriated annually based on the State of Michigan's fiscal year; October 1 through September 30. The ISD may identify an alternate expenditure period that subrecipients must follow. The funds are to be used efficiently and effectively while maintaining compliance with grant requirements.

It is imperative that all staff in the program have been identified. You will need a list of all persons working in your program with clear identification of those paid for with GSRP funds. All staff must have adhered to the requirements from MiLEAP Childcare Licensing. You will also need to identify the full time equivalent (FTE) for each person paid with GSRP funds.

FTE: an employee's status based on the scheduled hours of work per week

For example: a GSRP employee that works 40 hours per week is 1 FTE, a staff member that works 20 hours per week is .50 FTE and staff works 10 hours per week is .25 FTE.

Facility Operational Costs

When GSRP is only one aspect of an organization's services, some program costs can be split among the different funding streams, for example, if half of children are paid for by tuition and half are funded through GSRP and new playground equipment is purchased, 50% may be paid from each. Subrecipients should work closely with the ISD to determine how to best calculate these funding splits.

Resources to Support Cost Allocation:

Controller.ucsf.edu/reference/contracts-grants-accounting/cost-allocation-methodology-best-practices

Bruman.com/wp-content/uploads/2020/01/Cost-Allocation-Guide-2019.pdf

Final Expenditures, Carryover, and New Budgets

A Final Expenditure Report (FER) details how funds have been spent over the program year.

Your ISD will provide you with detailed instructions for completing your FER. It is likely that you will minimally need the following to complete your final expenditure:

- On each receipt
- Copy of your updated monthly budget
- A copy of your updated lease agreement

Carryover

After you complete your final expenditure, any remaining funds will be put in carryover. The ISD may have policies and procedures on how these funds may be used.

Transportation

Transportation funding is an additional budget available to some subrecipients. The ISD determines the allocation for subrecipient transportation.

Transportation services include:

- Cost for child safety restraint systems
- Additional or extended bus routes/bus runs/mileage
- Fuel
- Vehicle maintenance or modifications
- Drivers and bus aides

Need Further Assistance

If you have questions regarding any fiscal section in this guide, reach out to your Early Childhood Contact or your ISD's Fiscal Officer for support. This is a guide to the requirements of GSRP from MiLEAP and your ISD will have process and procedures for these and may have additional policies to follow.