



Financial Bootcamp

Madison Bolls
Cindy Boyden
Dennis Nangle

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Overview

- Administrative Costs
- Match/MOE
- Financial Management Procedures



Administrative Costs



4% Administrative Costs

- You are allowed up to 4% of your LSTA award to administer this program as a whole
- Typically, this amount covers (fully or partially) the LSTA Coordinator position and/or the State Librarian position
- *Note: You are not required to use any of the award for administration. You can choose to cover those costs with state funds.*
- [Check out the Administrative Costs Memo in the Grants to States Manual](#)



4% Administrative Costs and the SPR

- Administrative Project is the sole location within the SPR to report SLAA 4% administrative costs
- “Other Operational Expenses” in Project budget information is for non-SLAA administrative (indirect) costs only
- Do not report the same cost in both places
- Non-SLAA administrative (indirect) costs do not count in the 4% cap

4% Administrative Costs and the SPR (cont.)

- Need to “re-save” Financial Status Report (FSR) in order for any changes to the admin project to be reflected
- Same goes for any changes to project financials



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Administrative Financials in the SPR

LSTA Balance in SPR Administrative Project

Totals: \$63,423.00 \$988,718.00 \$0.00 \$1,052,141.00

Administrative Project Balance in FSR

LSTA Administrative Costs

Allowed	Actual	Difference
\$ 78,470.08	\$ 63,423.00	\$ 15,047.08

Admin + Projects = Total LSTA Funds

LSTA Balances in all SPR Projects

LSTA
32922
11410
134955
74293
120273
3914
168210
48214
57724
179503
104553
779262
24178
148712
10206

\$1,961,752.00

Administrative Project

LSTA
63423

Total LSTA funds spent displayed in the FSR

Federal share of net outlays ⓘ

\$ 1,961,752.00

Match/MOE



SLAA Match Requirement

- **Match is the non-Federal share** – any combination of SLAA, local, and private funds used to support the LSTA priorities in your Five-Year Plan from non-federal, state, or local sources 20 U.S.C. § 9133(b)
- Required State Match for your total LSTA funding is 34% of your total program costs (and federal share is 66%)
- If for any reason you cannot meet your Match, notify IMLS immediately.



MOE requirement – 20 U.S.C. § 9133(c)(1)

- SLAA required to maintain certain level of State expenditures for library programs
- MOE requirement ensures that Federal funds enhance, rather than replace State funds
- IMLS required to reduce the allocation otherwise payable to a State if State fails to maintain proper MOE level of expenditure
 - (2023 MOE requirement affects the 2026 allotment)

MOE funds – 20 U.S.C. § 9133(c)(2)

“All State dollars expended by the SLAA for library programs” consistent with LSTA purposes (excluding capital expenditures, special one-time project costs, similar windfalls)”



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LSTA Purposes - 20 U.S.C. § 9121

- (1) to enhance coordination among Federal programs that relate to library, education and information services;
- (2) to promote continuous improvement in library services in all types of libraries in order to better serve the people of the United States;
- (3) to facilitate access to resources in all types of libraries for the purpose of cultivating an educated and informed citizenry;
- (4) to encourage resource sharing among all types of libraries for the purpose of achieving economical and efficient delivery of library services to the public;
- (5) to promote literacy, education, and lifelong learning, including by building learning partnerships with school libraries in our Nation's schools, including tribal schools, and developing resources, capabilities, and programs in support of State, tribal, and local efforts to offer a well-rounded educational experience to all students;

(continued)



LSTA Purposes - 20 U.S.C. § 9121, continued

- (6) to enable libraries to develop services that meet the needs of communities throughout the Nation, including people of diverse geographic, cultural, and socioeconomic backgrounds, individuals with disabilities, residents of rural and urban areas, Native Americans, military families, veterans, and caregivers;
- (7) to enable libraries to serve as anchor institutions to support community revitalization through enhancing and expanding the services and resources provided by libraries, including those services and resources relating to workforce development, economic and business development, critical thinking skills, and health information, digital literacy skills, financial literacy and other types of literacy skills, and new and emerging technology;
- (8) to enhance the skills of the current library workforce and to recruit future professionals, including those from diverse and underrepresented backgrounds, to the field of library and information services;

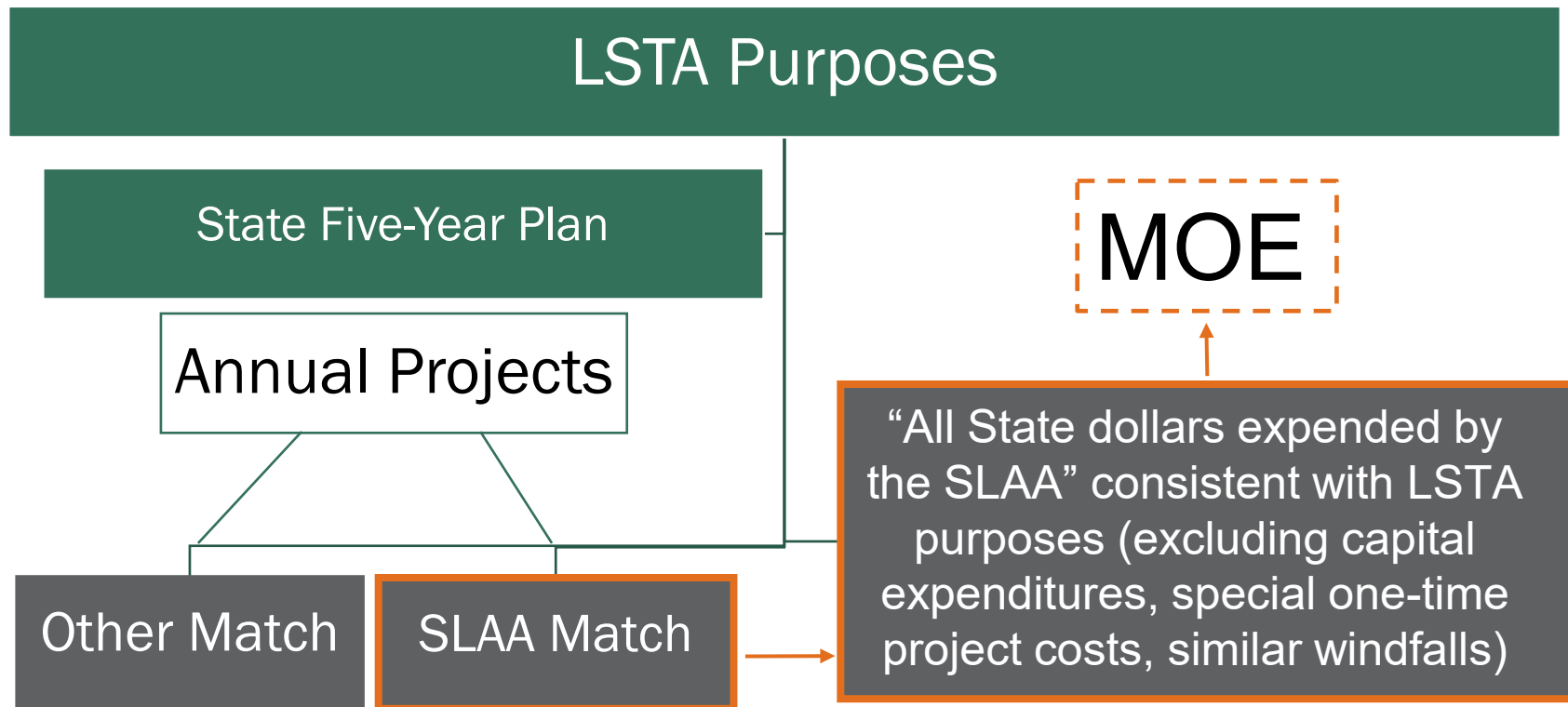
(continued)



MOE: LSTA Purposes - 20 U.S.C. § 9121

- (9) to ensure the preservation of knowledge and library collections in all formats and to enable libraries to serve their communities during disasters;
- (10) to enhance the role of libraries within the information infrastructure of the United States in order to support research, education, and innovation;
- (11) to promote library services that provide users with access to information through national, State, local, regional, and international collaborations and networks; and
- (12) to encourage, support, and disseminate model programs of library and museum collaboration.

MOE and the Purposes of LSTA



MOE calculation – 3-year average

FY 2020 MOE

FY 2021 MOE

FY 2022 MOE



3



FY 2023 MOE
requirement



MOE Scenario

MOE: Waiver vs. Recalculation

Waiver:

- Precipitous and unforeseen circumstance affecting a state's finances

Recalculation:

- SLAA-initiated
- An assessment and re-evaluation of an historical approach to calculating MOE



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MOE: Recalculation- Process (1)

- In eGMS, SLAA submits:
 - A cover letter with the reason for the recalculation, and explanation of updated cost categories
 - An attachment reflecting the updated cost categories for the current year and 3 prior years
 - [Spreadsheet example on the G2S Manual](#) (MOE Expenditures tab)



MOE: Recalculation- Process (2)

- If the request is approved, IMLS will send a formal confirmation letter and re-open the previous 3 years' FSRs in the SPR
- The SLAA updates the MOE figures in the FSRs and recertifies, which will result in a new MOE 3-year average in advance of the next SPR submission



MOE waiver – 20 U.S.C. § 9133(c)(3)

- IMLS is authorized to waive MOE requirement if the agency determines that:
 - a waiver would be *equitable*...
 - based on *exceptional or uncontrollable* circumstances, such as...
 - (financial hardship) *precipitous and unforeseen* decline in the financial resources of the State; **or**
 - natural disaster

Financial hardship showing

- If based on State's financial resources, then must be:
 - Exceptional or Uncontrollable circumstances which are both
 - Precipitous and
 - Unforeseen



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Financial hardship “equitability”

First threshold showing:

Overall State FFY budget

(Accompanied by comparison of FFY and previous year)

(1) State budget (total actual appropriations)

FFY20 (SFY19-20)	%Diff	FFY21 (SFY20-21)
\$144,722	3%	\$149,078
(in millions)		

Financial hardship “equitability” (1)

Second threshold showing:

**Actual total FFY SLAA
appropriation**

(Accompanied by
comparison of FFY and
previous year)

(2) SLAA budget (total actual appropriations)

FFY20 (SFY19-20)	%Diff	FFY21 (SFY20-21)
\$176,955,000	-2%	\$174,215,000

Financial hardship “equitability” (2)

Third threshold showing:

Comparing proportionality of total State budget with total SLAA appropriation

(Is the % difference for both proportional?)

(1) State budget (total actual appropriations)

FFY20 (SFY19-20)	%Diff	FFY21 (SFY20-21)
\$144,722	3%	\$149,078
(in millions)		

(2) SLAA budget (total actual appropriations)

FFY20 (SFY19-20)	%Diff	FFY21 (SFY20-21)
\$176,955,000	-2%	\$174,215,000

Natural disasters

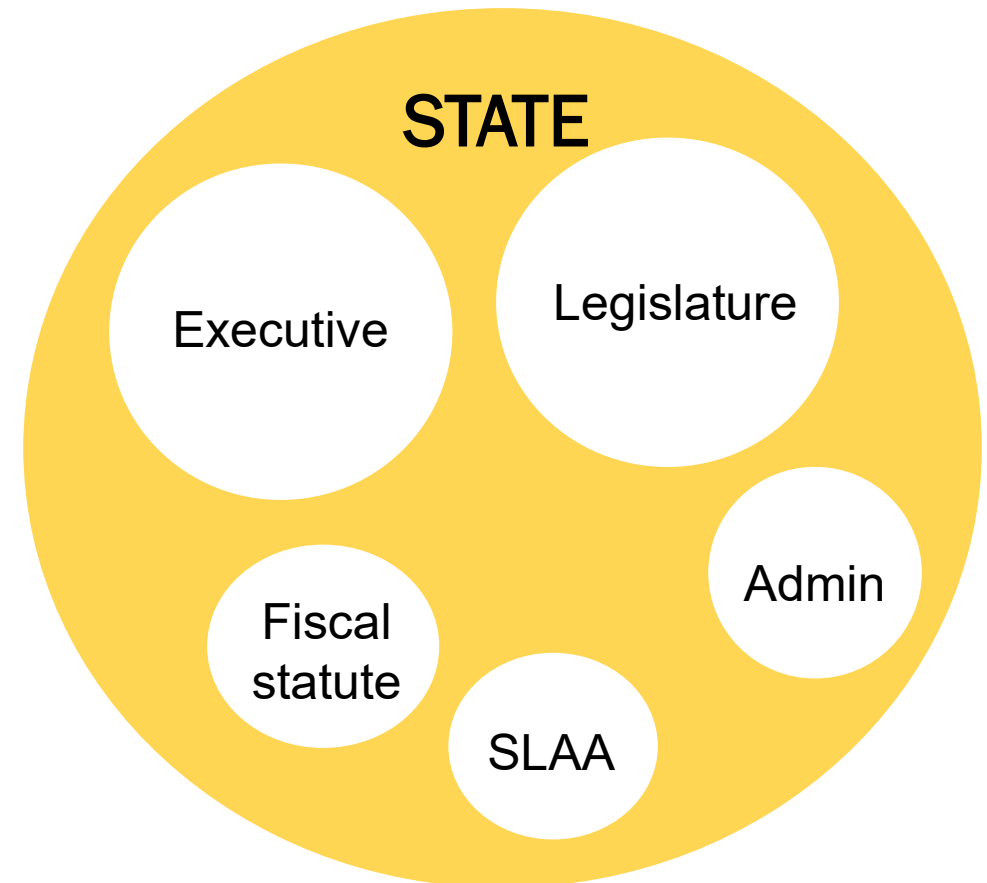
- Exceptional or uncontrollable
- “Act of God”
- Impacting overall State financial resources



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State overall

- Looking at the State in aggregate: SLAA, legislature, etc.
- “Uncontrollable” points back to the State: was it within the State’s control to avoid?





Not Meeting Match vs. MOE

- Match affects the *current* award
 - IMLS **cannot** waive the Match requirement
 - You need to notify IMLS if you're at risk of not meeting Match
- Maintenance of Effort affects a *future* award
 - IMLS **can** waive the MOE requirement if the reasons in your waiver request meet those articulated in the IMLS authorization
 - IMLS will notify you with waiver guidance in spring if you don't meet MOE
- Either reduction would be proportional to the percentage by which you miss Match or MOE

Financial Management Procedures

Requesting Payment (1)

Award: RE- [REDACTED] 22

Information Funding Instructions Documents Forms and Reports Venues Change Requests **Payments** Messages

Request Summary

[View Payment Request Instructions](#)

Award Amount: \$150,000.00
Total Approved Requests: \$2,070.84
Remaining Funds: \$147,929.16

Progress Report Approved

[Add Payment Request](#)

Actions	Request Number	Amount Requested	Date Submitted	Status/Date	Decision
	1	555.5700	10/31/2022	Approved 11/2/2022	
	2	1515.2700	11/17/2022	Approved 11/17/2022	

Submit a Payment Request

[View Payment Request Instructions](#)

1. Recipient Account or ID Number (Optional)	<input type="text"/>
2. Type of Payment Requested	Partial <input type="text"/>
3. Basis of Request	Cash <input type="text"/>
4. Period Covered by this Request Starting Date	2/1/2023 <input type="text"/> Required
5. Period Covered by this Request Ending Date	2/28/2023 <input type="text"/> Required
6. a. Total Program Outlays	\$ 5000.00 <input type="text"/> as of Select Date 11223 <input type="text"/>
b. Estimated Net Cash Outlays Needed for Advance Period	\$ 0.00 <input type="text"/>
c. Total (a plus b)	\$ 5000.00 <input type="text"/> (Calculated)
d. Non-Federal share of amount on line c	\$ 0.00 <input type="text"/>
e. Federal Share of Amount on line c (c minus d)	\$ 5000.00 <input type="text"/> (Calculated)
f. Payment Previously Requested	\$ 0.00 <input type="text"/>
g. Federal Share Now Requested (e minus f)	\$ 5000.00 <input type="text"/> (Calculated)
7. Assurances	<input checked="" type="checkbox"/> I agree to the Assurances . By checking this box, I agree to the Certification .

Cancel

Submit Payment Request

View the instructions here:

<https://imls.gov/sites/default/files/2024-08/payment-request-instructions.pdf>

Requesting Payment (2)

- Get to know your finance office!
- Utilize eGMS' features to stay abreast of finance office activity
- Requests submitted at the end of the quarter (Dec, Apr, Jun, Sept) may take longer to process



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How to Get Paid Fast

- **New:** submit no more than one payment request per week per award.
- You can request payment as an advance or as a reimbursement, but not both for the same time period. Avoid overlapping payment periods.
- Know your award's end date. Don't request funds for a date that occurs after the end of your award's period of performance.



Returning Funds to IMLS

- In some situations, it is necessary for a SLAA to return funds to IMLS
- Two primary methods for returning funds:
 - Electronically via pay.gov (preferred)
 - Mailing a paper check
- For more information, refer to our guidance on the G2S Manual:
https://www.imls.gov/sites/default/files/returningfundsofundersorearnedinterest_december2018.pdf



Advances vs. Reimbursements

- All previously requested advance funds must be fully expended before submitting your next request
- Advances must be spent within 30 days of making the payment request; notify us via eGMS Reach message when funds are spent
- Reimbursements may be a more appropriate approach than advances; please reach out to your Program Officer to discuss your situation



Indirect Costs and Modified Total Direct Costs

- For SLAAs that offer subgrants:
 - Subrecipients are entitled to more than SLAA's rate of 4% (de minimis indirect rate OR federally-negotiated indirect cost rate)
 - If claiming a federally-negotiated rate, subrecipients should provide documentation (none required for de minimis)
 - Subrecipients may take less in indirect costs, but that is for them to decide
 - If using the de minimis rate, be aware of **Modified Total Direct Costs: [2 C.F.R. § 200.68](#)**
 - The indirect rate can only be calculated on the first \$25K of any subawards/subcontracts (moving to \$50K with 2 C.F.R. updates)
 - Also excluded from MTDC: equipment, rental costs, tuition remission, scholarships and fellowships, [participant support costs](#), etc.

Budget Examples: Salaries/wages/benefits

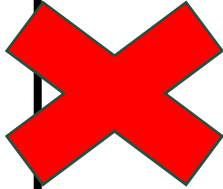
- Provide position titles and FTE equivalents
- Differentiate LSTA and Match funds (narrative)

Salaries/Wages/Benefits	\$15,599.41	\$29,487.37	\$0.00	\$45,086.78
Description	LSTA: 25% Project Manager's salary; State: 50% Project Manager's salary			

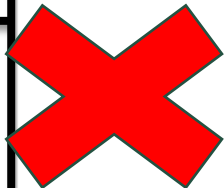
<u>Budget Information</u>				
	LSTA	MATCH- State	MATCH- Other	Total
Salaries/Wages/Benefits	\$0.00	\$16,950.00	\$0.00	\$16,950.00
Description	Salary and benefits for State Data Coordinator (SDC). NOTE: This figure corresponds to the amount of time attributed to statistics tasks. The SDC also performs general consulting service and that portion of the salary is included in Consulting Services.			

Budget Examples: Other operational expenses

Other Operational Expenses	\$40,977.88	\$0.00	\$0.00	\$40,977.88
Description	Database subscriptions for State Library's collection available to public.			



Other Operational Expenses	\$57.51	\$0.00	\$0.00	\$57.51
Description	Domain renewal and postage used to promote the site			



Other Operational Expenses	\$11,382.67	\$0.00	\$0.00	\$11,382.67
Description	Indirect costs at the federally negotiated rate of 33%.			



Budget Examples: Aggregating Subgrantee Expenditures

Supplies/Materials	\$312,418.69	\$0.00	\$408,140.51	\$720,559.20
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Description

Technology grants (\$312,418.69) were given to sub-recipients for purchasing computer-related items such as software, desktops, laptops, servers, networking equipment, mobile devices, and peripherals. A detailed breakdown of those items is attached under the Additional Materials section for this project. Sub-recipients were required to provide a minimum of a 50/50 match in local funds (\$408,140.51).

Q & A