Grant Essentials

To keep your program coordinators and business office on the same page, here is a "Cheat Sheet" of terms that commonly trigger audit findings or repayment demands if misunderstood.

The Grant Audit "Cheat Sheet"

Term	Audit Risk Level	What it actually means for your Counselors
Supplement, Not Supplant	🔴 High	You cannot use grant money to pay for a counselor position that was already in your budget last year. The grant must fund a new or expanded service.
Allowable vs. Unallowable	🔴 High	Just because it’s "educational" doesn't mean it’s allowed. For example, some grants allow PD registration but strictly forbid travel/meals for that same PD.
Period of Performance	🟡 Med	All work must be performed and all invoices dated between the start and end dates of the grant. Buying next year's supplies with this year's "leftover" money is a major red flag.
Time and Effort (T&E)	🔴 High	If a counselor is 50% grant-funded and 50% district-funded, they must keep a log (Personnel Activity Report) proving they actually spent 50% of their time on grant tasks.
Indirect Cost Rate (ICR)	🟡 Med	This is the "overhead" fee (utilities, HR, payroll) the district takes. If a grant caps this at 4%, but your district usually takes 10%, the district must eat the 6% difference.
Encumbrance	🟢 Low	This is a "promise to pay." You must "encumber" (commit) the funds via a Purchase Order (PO) before the grant deadline, even if the check hasn't been cut yet.
Matching / In-Kind	🟡 Med	This is the "skin in the game." If the grant requires a 25% match, you must document the value of the office space, computers, or supervisor time the district is providing for "free."

Equipment vs. Supplies	🟡 Med	In SACS, "Equipment" usually means an item costing over $5,000. These often require pre-approval from the state before you buy them.

<u>Pro-Tip for Coordinators</u>

When an auditor asks, "How do you know this counselor's salary is a valid grant expense?" the answer should always refer back to the Grant Award Notification (GAN) and the SACS Resource Code 9010 (or similar) used in the budget string.

<u>Being Audit Ready</u>

To stay audit-ready, counselors funded by multiple sources (e.g., 50% Grant / 50% General Fund) must maintain a Personnel Activity Report (PAR).

Below is a simplified template that meets CDE and Federal (2 C.F.R. § 200.430) standards for documenting "Time and Effort."

Sample Time and Effort Log (Monthly)
Employee Name: ____________________ Position: School Counselor
Reporting Period: March 1, 2026 – March 31, 2026

LEA/District: [Your District Name]

Activity Description	SACS Resource (e.g., 9010)	Grant Name (e.g., COYA)	Total Hours	% of Effort
Apprentice Case Management (Recruitment, IEP/504 alignment for COYA students)	9010	COYA Grant	80	50%
General Guidance Counseling (Crisis intervention, scheduling for non-grant students)	0000	General Fund	80	50%
Professional Development (AI Literacy training required by grant)	9010	COYA Grant	0	0%
TOTALS			160	100%

<u>Golden Rules for School Counselors</u>

1. After-the-Fact: The log must be signed after the work is performed, not before.
2. Total Activity: The report must account for 100% of the employee's compensated time, even if only a small portion is grant-funded.
3. Frequency: For federal grants like YouthBuild, these should be signed monthly. For some state grants, semi-annual certifications may be allowed, but monthly is the "Gold Standard" for auditors.

Required Certifications

"I certify that the distribution of my time and effort represents a reasonable estimate of the actual work performed during the period covered by this report."

Employee Signature: ____________________________ Date: __________

Supervisor Signature: ___________________________ Date: __________

Records Retention

In California, K-12 school districts must generally retain grant-related records for five years after the submission of the final expenditure report to meet both state and federal requirements.

However, several critical factors can extend this timeline significantly:

Standard Retention Periods

- Federal & State Grants: Most programmatic and financial records, including time and effort logs, must be kept for 5 years.
- Federal Baseline: While federal regulations (2 CFR 200.334) often cite a 3-year minimum, California's Education Code typically imposes the stricter 5-year standard.
- Payroll & Time Records: In California, basic payroll and time cards should be kept for at least 4 years for wage and hour compliance, but 5 years is recommended if they support grant claims.

Critical Exceptions (Retention Beyond 5 Years)

- Open Audits or Litigation: If an audit or legal claim starts before the retention period ends, records must be kept indefinitely until all findings are fully resolved.
- Equipment & Property: Records for items purchased with grant funds (e.g., computers, tools) must be kept for 3 years after the final disposal of that equipment.
- Permanent Pupil Records: Documents classified as "Mandatory Permanent Pupil Records" must be maintained indefinitely.
- Special Programs: Certain programs, like National School Lunch Program "Base Year" records, may require 7 years or longer.

Compliance Best Practices

- Original Formats: If a record was created electronically (e.g., an Excel sheet), it must be stored in its original electronic format rather than converted to a PDF.

- Destruction Policy: Once the retention period expires, records must be destroyed in a manner that ensures complete eradication of confidential data, such as cross-cut shredding or secure digital wiping.

Preparing For an Audit

When an auditor reviews a grant-funded counselor position or program (like CAI or YouthBuild), they perform a "transaction walk-through." They want to see a clear paper trail from the moment the money was awarded to the moment the student received the service.

Here are the specific documents they prioritize:

1. Personnel & Payroll (The "People" Trail)
   - Position Description: A job description that explicitly lists the grant-related duties (e.g., "Apprenticeship Coordinator").
   - Employment Contract/Offer Letter: Proving the salary rate matches what was billed to the grant.
   - Time & Effort Logs (PARs): Signed monthly logs accounting for 100% of the counselor's time.
   - Payroll Registers: Reports from your Business Office showing the actual checks issued and the SACS codes used.

2. Procurement & Expenses (The "Paper" Trail)
   - Purchase Orders (POs): Evidence that the expense was approved before the purchase was made.
   - Itemized Invoices: Not just a credit card receipt, but a full invoice showing exactly what was bought (e.g., "50 Laptops for Apprentices" vs. "Electronics").
   - Proof of Payment: Cancelled checks or ACH transfer confirmations.
   - Inventory Log: For any equipment over $500 (like tablets or tools), a log showing the serial number, location, and "Grant-Funded" sticker identification.

3. Student & Programmatic (The "Proof" Trail)
   - Eligibility Documentation: Intake forms proving the students served meet the "Opportunity Youth" or age requirements (16–24).
   - Individual Service Strategy (ISS): The counselor’s notes and plan for each student, justifying why a specific "supportive service" (like a bus pass) was provided.
   - Attendance Records: Signs-in sheets for workshops or logs of counseling sessions.
   - Credentials Earned: Copies of certificates or diplomas awarded to students, which prove the grant met its Performance Metrics.

4. Professional Development
   - Agenda & Sign-in Sheets: Proof the counselor actually attended the training.
   - Certificate of Completion: If applicable.

- Travel Vouchers: Itemized receipts for hotel, airfare, and mileage, ensuring they stay within GSA (General Services Administration) per diem rates.

The "Red Flag" Document

Auditors look for "Credit Memos" or "Journal Entries" made at the very end of the fiscal year. Moving a counselor’s salary onto a grant at the last minute without a supporting Time & Effort log is the #1 way to trigger a "Return of Funds" demand.

Keeping School Counselors Audit Ready

To keep your counselors audit-ready without the stress, here is a Pre-Audit Checklist they can use to organize their files at the end of each semester.

Counselor’s Grant Compliance Checklist

1. Personnel & Time Accounting
   - Monthly Time & Effort Logs: Are they signed by both the counselor and supervisor for every month of the semester?
   - Activity Alignment: Does the work described in the logs match the Grant Award Notification (GAN) goals (e.g., "Recruiting Opportunity Youth" vs. "General Scheduling")?
   - Duty Statement: Is there a copy of the counselor's job description on file that mentions grant-specific tasks?

2. Student Records (The "Proof of Service")
   - Eligibility Verification: Does every student file have proof they meet the grant criteria (e.g., Age 16–24, Foster Youth status, or Residency)?
   - Individual Service Strategy (ISS): Is there a signed plan for each student that justifies the services they received?
   - Supportive Service Receipts: If a student was given a bus pass, boots, or a laptop, is there a signed Asset Acknowledgment Form showing they received it?
   - Outcome Documentation: Are copies of earned certifications, GEDs, or Apprenticeship contracts uploaded to the student folder?

3. Professional Development & Travel
   - Workshop Agendas: Do you have the actual schedule of the training attended to prove it was "allowable"?
   - Travel Vouchers: Are all receipts (hotel, parking, flight) itemized and attached to a signed travel claim?
   - Proof of Attendance: A certificate of completion or a sign-in sheet copy.

4. Equipment & Materials
   - Inventory Tagging: Does any high-value equipment (laptops, cameras, tools) have a "Property of [Grant Name]" sticker?

- Location Log: Is there a list showing which room or which student currently has the equipment?

5. Business Office Alignment
   - Budget String Check: Did you confirm with the Business Office that your salary is being charged to Resource 9010 (or the correct grant code)?
   - Encumbrance Review: Are there any open Purchase Orders (POs) for student supplies that need to be closed out before the semester ends?

<u>The "Golden Rule" for Auditors</u>

"If it isn't documented, it didn't happen." If a school counselor spends 4 hours a day helping an apprentice but doesn't write it down in a log or a case note, the auditor will assume that time was spent on non-grant activities.