



## Section 4: Expenditure and Reimbursement Procedures Regulations

The federal government provides billions of dollars in grants to over 30,000 organizations annually. This investment of taxpayer dollars means that the federal government must set up strong controls over grant projects to ensure the proper use of public funds. In addition to understanding federal requirements, we are also required to comply with the State of Iowa rates and procurement requirements. It is important to rely on GEAR UP Iowa staff when the federal and state regulations aren't clear on an issue. You also must follow GEAR UP Iowa reporting guidelines and budget categories.

GEAR UP Iowa is subject to a number of regulatory sources. The following list provides a brief description of each of the major policy sources.

**EDGAR** <http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>

The Education Department General Administrative Regulations (EDGAR) set broad administrative policies that impact nearly all grant programs funded at the USDE. The regulations are published in Title 34 of the Code of Federal Regulations (CFR). The pertinent sections of EDGAR to your grant administration are 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 84, 85, 86, 97, 98 and 99.

**GEAR UP Program Regulations** <http://www.ed.gov/policy/highered/leg/hea98/sec403.html>

The GEAR UP Iowa program regulations address the very unique administrative matters associated with GEAR UP Iowa. GEAR UP Iowa program regulations are published in 34 CFR parts 694.

### **OMB Circulars**

The circulars are developed by the Office of Management and Budget (OMB) and provide 26 federal agencies with instructions and guidance on a wide variety of administrative issues of interest to the executive branch. As guidance documents, they tend to be revised every few years. The OMB Circulars will affect your day-to-day decision-making because EDGAR cites specific OMB Circulars as regulation. Thus, much of the discussions in the grant administration world will revolve around the circulars, as they define cost principles and administrative and audit requirements. Common circulars are organized by their purpose and audience and are addressed by their circular number (e.g. OMB A-21).

Cost Principles:

- A-21, Educational Institutions
- A-87, State, Local and Indian Tribal Governments (Includes School Districts)
- A-122, Non-Profit Organizations

Administrative Requirements:

- A-102, State and Local Governments
- A-110, Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

Audit Requirements:

- A-133, States, Local Governments and Non-Profit Organizations

### **Federal Grants Training and Management Resources**

<http://www2.ed.gov/fund/grant/about/training-management.html>

### **State of Iowa - Policy and Procedures Manual**

<https://das.iowa.gov/state-accounting/sae-policies-procedures-manual>



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### **State of Iowa – Procurement Handbook**

<https://das.iowa.gov/sites/default/files/procurement/pdf/011014mb%20DAS%20Procurement%20Manual.pdf>

\*Note page 68 list Purchase Thresholds for goods/service

### **Time and Effort**

Develop a process for collecting time and effort sheets regularly and accurately. Federal regulations require that every GEAR UP Iowa staff whose salary is supported in full or in part need to document the time, effort and activities during any given pay period. When you use in-kind personnel contributions as match, they have to fulfill the same reporting obligations as if they were receiving federal funds. Also, all GEAR UP Iowa staff requesting reimbursement or match must complete a monthly time and effort form.

### **Supplement but not Supplant**

GEAR UP Iowa regulations require that GEAR UP Iowa funds supplement, but not supplant. GEAR UP Iowa funds are intended to build the capacity of school districts to create a college going culture. Therefore, GEAR UP Iowa funding may be used to enhance what is already in place or to create new activities. GEAR UP Iowa funds cannot be used to replace other federal, state or local funding.

Some examples:

- For the last five years, your school has paid for a software license. This year, the school needs new PE equipment so you have been asked to pay for the software license with GEAR UP Iowa funds to free up funding for PE equipment. This is supplanting and is not allowed.
- For the last several years, your school has annually purchased \$500 worth of new library books. This year you have been asked to use GEAR UP Iowa funds to pay for the books. This is supplanting and is not allowed.
- For the last two years, your school has been unable to purchase any curriculum enhancement materials for math classes, including an essential software package, because of budget cuts. You have been asked to purchase this software with GEAR UP Iowa funds this year. This is not supplanting and is allowed because without GEAR UP Iowa funding, your school would not be able to make this purchase.



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GEAR UP Iowa funds may be used to pay for activities that support the GEAR UP Iowa goals and objectives, as outlined in your School District's Implementation Plan.

To help you decide if costs are allowable or not, ask these questions:

Is the expense:

- Allowable and necessary to implement the program
- Reasonable
- Allocable to program objectives
- Compliant with the program's federal administrative regulations

We are required to follow State of Iowa Guidelines. The following link is a copy of the procurement handbook in which list out the requirements we must follow on all procurement for service and goods. If there are any questions or concerns please as Program Director for clarification.

State of Iowa – Procurement Handbook <https://das.iowa.gov/sites/default/files/procurement/pdf/011014mb%20DAS%20Procurement%20Manual.pdf>

\*Note page 68 list Purchase Thresholds for goods/service

Funds may be used to support activities for eligible GEAR UP Iowa students only. You may elect to serve additional students by including them in GEAR UP Iowa activities, but GEAR UP Iowa funds may not cover costs for those additional, non-program eligible students. Examples include the following:

#### **Field Trips:**

Option 1: You may opt to take only GEAR UP eligible students on the trip and pay the full cost of the trip with GEAR UP funds.

Option 2: You may opt to take both GEAR UP eligible students and other students. In this case, costs are proportionately covered by GEAR UP and other funds.

#### **Classroom Materials:**

You may purchase classroom materials with GEAR UP funds proportionate to the number of eligible GEAR UP students in the class. College Prep Tests: GEAR UP eligible students are eligible for waivers of test fees, so in many cases there will be no cost to testing GEAR UP eligible students.

Funds may be used to support activities for all students in the Class of 2020. If you opt to include additional students in any GEAR UP Iowa sponsored activities, costs should be covered proportionately from other funds.

*New Students:* We understand that student populations are often mobile. GEAR UP Iowa staff will closely monitor the attrition of cohort members to determine if it is feasible to make additions to the cohort in 9th grade.

#### **Property of GEAR UP Iowa**

All supplies, materials and equipment purchased with GEAR UP funds are the property of the GEAR UP Iowa program. They must be used exclusively to serve eligible GEAR UP Iowa students and remain with the program through the end of the grant.



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## Expenditure Guidelines

### Common GEAR UP Iowa Expenditures

(Sources: GEAR UP Statute, EDGAR, OMB Circular A-21, OMB Circular A-87)

The following list may help you determine whether your program expenses are allowable or not. It includes costs that are commonly incurred in GEAR UP, or are the subject of frequent questions or discussions about their permissibility.

Just because a cost is interpreted as being allowable under the OMB cost principles, it is not guaranteed that you will be able to make that expenditure. The State of Iowa is the primary entity that determines if an allowable cost is acceptable. This may happen when, for example, a cost identified as allowable under the circular may be disallowed in program regulations or statute, or fail to pass the USDE's judgment that it is justified, allowable or reasonable.

To be eligible for reimbursement of expenditures, they **MUST** be included in your School District's Implementation Plan. If you are not sure about expenditures, we highly recommend you request clarification with the Program Coordinator in writing. The information below will review potential expenditures, frequently questioned expenditures and/or discussion about their permissibility.

Description	Purpose
Advisory Councils	Costs incurred by advisory councils or committees are allowable as a direct cost when authorized by the awarding agency or as an indirect cost where allocable to the GEAR UP award.
Communication Costs	Costs incurred for telephone services, local and long distance telephone calls, telegrams, postage, messenger, electronic or computer transmittal services and the like are allowable.
Compensation (Salaries, Wages and Fringe Benefits)	Personnel cost such as salaries, wages and fringe benefits are allowable to the extent that the total compensation to individual employees conforms to the established policies of the institution, consistently applied, and provided that the charges for work performed directly with GEAR UP Students.
Consultants and Contracts	EDGAR states that costs associated with consultants are allowable if there is a need in the project for the services and the grantee cannot meet that need by using an employee rather than a consultant.
Equipment	Equipment means an article of non-expendable, tangible personal property having a useful life of more than one year and for GEAR UP accounting purposes, has a per-unit cost equal to or greater than \$5,000. Grantees must obtain approval from the GEAR UP Iowa office prior to purchasing any item or set of items costing \$1000 or more. The title (documented ownership) of the equipment vests in the grantee and may be used for other projects as long as that use does not interfere with the terms of the grant award.
Memberships, Subscriptions and Professional Activity Costs (with exceptions)	Costs associated with memberships in business, technical, and professional organizations are allowable. In addition, subscriptions to business, professional, and technical periodicals are allowable. Please note that the circulars make the following exceptions: <ul style="list-style-type: none"> <li>• State entities can use federal funds for membership in civic, community, and social organizations which are allowable as a direct cost with the approval of the USDE.</li> <li>• State entities cannot use federal funds for membership in organizations substantially engaged in lobbying.</li> </ul>



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Meetings and Conferences	Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of speakers' fees, and other items incidental to such meetings or conferences. Be aware of restrictions pertaining to entertainment costs.
Publications and Printing	Publication costs—including the costs of printing, distribution, promotion, mailing, and general handling—are allowable federal costs if they are allocable to project objectives. If not, any publications or printing should be paid for by institutional or indirect funds. A copy of document copied or printed must be included with reimbursement.
Rental Costs of Buildings and Equipment	With stipulations, rental costs are allowable to the extent that the rates are reasonable in light of such factors as: (1) rental costs of comparable property, if any; (2) market conditions in the area; (3) alternatives available; and, (4) the type, life expectancy, condition, and value of the property leased. Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available.
Severance Pay	Costs of severance pay, for personnel whose services have been terminated are allowable only to the extent that such payments are required by law, by employer-employee agreement, by established policy that constitutes in effect an implied agreement on the institution's part, or by circumstances of the particular employment
Supplies	Costs incurred for supplies to carry out the grant are allowable. Supplies have a per-unit cost of less than \$5,000.
Travel Costs	Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the institution. Travel outside of the United States requires prior approval. Travel costs also may be incurred in relation to local events for students, parents or professionals participating in programs authorized by the GEAR UP statute. Please see the State of Iowa, GEAR UP Travel Guidelines for additional guidance.



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### Specific Allowable Costs and Guidelines

Allowable Incentives		
Description	Amount	Purpose
Clothing items with GEAR UP Iowa or college message; any printing and/or set up charges must be included	Up to \$20 each	Students, staff, chaperons for field trips, school events, special programs, community service and other events to promote GEAR UP Iowa, teamwork and safety on field trips
Pens and pencils	Up to \$1 each	Student reward or incentive
Magnets or key chains	Up to \$2 each	Student reward or incentive
Stickers	Up to \$.50 each	Student reward or incentive
Backpacks	Up to \$20 each	Academic achievement, attendance or service incentive
School supplies (binders, folders, paper, bookmarks, highlighters, lanyards, markers, calculators and other school supplies)	Up to \$20 per student per year	Student reward or incentive
Coffee mugs, cups or water bottles	Up to \$5 each	Appreciation tokens for volunteers
Hats, scarves, bags and pennants with GEAR UP Iowa or college message	Up to \$10 each	Student reward or incentive
Career or educational books	Up to \$20 each	Student reward or incentive
Educational CDs	Up to \$20 each	Student reward or incentive
Educational DVDs	Up to \$20 each	Student reward or incentive
Decorations for events (flowers, centerpieces or balloons)	Up to \$25 per event	For GEAR UP Iowa events only
Candy	Up to \$1 each	Student reward or incentive
Educational games	Up to \$20 each	Student reward or incentive
Flash Drives	Up to \$10 each	Student reward or incentive

**Note:**

- The reward/incentive budget shall be no more than 2% of contractor's total annual budget and must be preapproved.
- iTunes or similar items are considered entertainment and are not an allowable expenditure.
- Gift cards are not an allowable expense for volunteers or students.



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### Meal, beverage and Snack Allowable Expenses

Food and beverages may be offered to students and families ONLY in conjunction with GEAR UP Iowa structured activities where the participants are receiving GEAR UP Iowa information, per the following guidelines.

Purpose	Description	Amount
Family or parent night event	Refreshments or meals	Up to \$5 per attendee for refreshments or up to \$8 per attendee for a meal
Field trips or college visits	Meals. We recommend that one meal per day be provided through school food service to reduce costs.	Up to \$8 per student per meal
Field trips, college visits and testing	Healthy, nutritious snacks (granola bars, string cheese, fruit, popcorn, trail mix, pretzels, crackers, milk, juice, yogurt, bagels or muffins)	Up to \$3 per student per day
Celebratory events or activities for students	Up to 1 event per quarter for student recognition for special achievement (GPA, attendance or GEAR UP Iowa benchmark, etc.)	Up to \$1 per student
Advisory meetings	Coffee and light refreshments or light meals (fruit, bagels, donuts, muffins, cookies or cheese and crackers) Full meals including pizza are not allowable	Up to \$5 per person per meeting
College and career fairs	Meals for full day events	Up to \$8 per presenter (does not include students or staff) and only if the career fair extends over the lunch hour

**NOTE:**

- Expenses that do not adhere to the above rules will not be reimbursed. Please do not ask for an exception.
- If you are sharing expenses of an event with another program, it is expected that you document this in IowaGrants.gov and that the distribution of charges is clearly detailed.



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### Student Classes, Camps and College Credit

GEAR UP Iowa allows expenses related to dual credit options, credit recovery, student camps and placement tests. Use the following guidelines when planning for these expenses.

Purpose	Description	Amount
Activities associated with academic college credit	College classes, online classes for credit retrieval, AP tests, Running Start or College in the High School costs	Tuition and test fees
Summer college campus experience	Individual student camps on a college campus	Pre-approval required
Placement tests	College placement tests	Published amount when no waiver is available

### Expenditure Submittal Requirements

At the beginning of each new grant year, you will be required to submit an Implementation Plan. Once approved, the plan will become your approved budget.

The claim and documentation of expenses are due monthly on the last day of the following month that expenses occurred, i.e. January expenses are due February 28th and are considered past due on the 1st of the following month, i.e. March. Even if you have nothing to submit we will still require you to submit a zero reimbursement claim. You will not be reimbursed for expenditures from a prior month. (Cannot claim December expenses in February.) You must retain all records for GEAR UP expenditures and match for 3 years after the Final Performance Report is approved at the end of the grant. The records may be subject to program review or audit. For GEAR UP Grant 2.0, 2014-2021, estimated that records must be retained through 2024, subject to the approval of the Final Performance Report.

**IMPORTANT: Match should be in by the end of the year. Last payment will be withheld if match is not in. Significant progress on match must be determined or funds can be suspended or reduced.**

You do not need to submit time sheets. However, they must be kept on file in accordance with Federal Time and Effort Requirements and your district practices.

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### Travel Guidelines

To ensure smooth processing and reimbursement of GEAR UP Iowa related travel expenses, there are two important considerations:

1. District employees must follow the district's rules and policies regarding travel allowances and reimbursement requirements.
2. GEAR UP Iowa will only reimburse for travel expenses (of any kind) based on an allowed amount set by the State of Iowa. Summary of travel reimbursement guidelines can be found at: [https://das.iowa.gov/sites/default/files/acct\\_sae/travel-relo/in\\_state\\_travel\\_reimbursement\\_summary.pdf](https://das.iowa.gov/sites/default/files/acct_sae/travel-relo/in_state_travel_reimbursement_summary.pdf)

All district employees need to claim travel expenses in the manner that their district requires while still providing GEAR UP Iowa with the necessary travel expense documentation required by the program for reimbursement. Staff members will submit a travel voucher and documentation to their school district to be reimbursed for travel expenses. The school district then submits for reimbursement of these expenses, just like any other GEAR UP Iowa expenditure. Following the guidelines below will ensure that your district is reimbursed for all GEAR UP Iowa related travel expenses.

#### Meals

- GEAR UP Iowa will only reimburse for the cost of meals up to the maximum allowed amount set by the "state meal per diem rates".
- Meals will only be reimbursable if the staff member is in travel status. This includes overnight travel or going on field trips with students/families.
- Travelers must be in travel status during the entire agency-determines meal period(s) in order to qualify to collect meal payments for meal(s). GEAR UP Iowa has established the following agency determined meal periods:

**Breakfast:** Must leave before 6 a.m.

**Lunch:** 12:00 p.m. - 1:00 p.m.

**Dinner:** Must return after 7:00 p.m.

(If you leave prior to the established meal period then you are entitled to that meal unless it is provided and as long as your school district allows for that reimbursement. Also, you cannot extend your travel just to qualify for a meal.)

- Departure and return times:
  - Per state rules, travelers must document their departure and return times for all trips.
  - Departure and return times are used to determine eligibility for meal reimbursement; without them, we cannot reimburse for meals.
  - Your **departure time** is recorded as the time you left either your home or place of business on the first day of the trip, whichever is later. If you do not go to your place of work on that day, then use the time you left your home.
  - Your **return time** is the time you arrive back at your home or place of work, on the final day of travel, whichever is earlier. If you do not return to your place of work on that day, then use the time you arrive at your home.
  - Departure and return times **must be filled in** on the travel documentation.

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- Receipts for meals:
  - A receipt is required with your reimbursement request, listing the actual cost of the meal, not to exceed the states per diem.
- Staff members will not be reimbursed for meals if the meal was provided at the event.

#### NOTE:

- Alcoholic beverages will not be reimbursed, we will not reimburse if alcohol is on receipt.
- When submitting meal receipts, if you are paying for your meal and another individual's meal, you must get separate receipts showing only the cost of your meal.
- GEAR UP Iowa will only pay for the approved traveling staff member's meal expenses even if combined meal costs for one approved traveler plus companion(s) does not exceed the allowed maximum amount.
- GEAR UP Iowa requires that all meal receipts be detailed – credit card receipts are not detailed and therefore are not an acceptable form of documentation. Receipts must show what was purchased. It also must include City, State and Zip, can be hand written with initials and date. It must also include time and date on receipt.
- The state allowed per diem amount per meal includes taxes and up to 15% tip (of the subtotal, do not include tax) so travelers will not be reimbursed if these items exceed the allowed per diem.
- If a hotel provides breakfast as part of the stay, it is considered a provided meal and will not be reimbursed.
- Incidentals, such as coffee and snacks, purchased separate from a meal are not reimbursable. We will only reimburse from one receipt per meal. Having more than one receipt is unacceptable.

#### Transportation

GEAR UP Iowa can reimburse for use of a district or personal vehicle up to the allowed maximum amount set by State of Iowa which is currently \$0.39/mile.

**Carpooling:** Staff members are expected to carpool to GEAR UP Iowa events. GEAR UP Iowa encourages carpooling to maximize resources.

GEAR UP Iowa can reimburse for the use of other district vehicles (SUV, van, bus) up to the allowed maximum amount set the by the school district, but will need written verification of the cost per mile being claimed from the district.

**Driver Cost:** When a district vehicle such as a bus is being used for transportation GEAR UP Iowa will reimburse for driver time, benefits and mileage, but will need written verification of these expenses, such as a transportation log or invoice.

**Tolls:** GEAR UP Iowa will reimburse for bridge and ferry tolls but will require a detailed receipt. High Occupancy Toll (HOT) lanes will not be reimbursed.

**Rental Car:** GEAR UP Iowa will not reimburse for the use of rental cars except in rare cases. All rental cars must be pre-approved and prior to the funds being spent.



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#### **Lodging**

- GEAR UP Iowa can reimburse for lodging up to the maximum allowed amount set by OFM. For in state lodging, the maximum the State of Iowa will reimburse is \$55 a night plus appropriate taxes.
- Taxes and fees associated are not included in the OFM lodging rates, and therefore are reimbursed in addition to the room rate.
- Internet: Must receive pre-approval from GEAR UP Iowa. Typically, Internet access may be approved if necessary for administrators but not for other staff. Free Internet is usually available in lobbies and public spaces.
- If lodging is required that exceeds the State Rate amount then pre-approval must first be obtained from GEAR UP Iowa. For example,
  - If a conference is being held at a hotel that charges over per diem, the costs will be reimbursed to the district only if pre-approval is given. This may be allowed when the cost of staying at a separate venue requires additional transportation expenses that would result in higher costs than staying at the conference venue.
- Under no circumstances will approval be given for lodging that exceeds 150% of per diem. If approval is given, the traveler must select the most economical room available under the circumstances.
- A detailed invoice is required for all lodging expenses (It must show the cost of room, fees and taxes, etc.).

#### **Parking**

- If parking at a hotel event, parking included on the lodging receipt will be reimbursed.
- GEAR UP Iowa will reimburse for other parking, but a detailed parking receipt is required.
- GEAR UP Iowa will not reimburse for valet parking. If you opt to use valet parking, only the standard rate will be reimbursed.
- If a GEAR UP Iowa rate is available, parking will only be reimbursed up to that amount.

#### **Airfare**

- Staff may travel by air (economy class) and a detailed receipt showing all costs is required for reimbursement from GEAR UP Iowa. Use caution when making online reservations. GEAR UP Iowa recommends booking directly with the airline rather than using a travel service. If you do book online, be sure to print out the actual receipt and not the confirmation.
- Baggage: GEAR UP Iowa will reimburse for up to one checked bag. A detailed receipt showing the expense is required.
- Change Fees: Charges for changing a flight arrangement is not reimbursable.
- Flight Insurance: Flight insurance is not an allowable expense.



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#### **Advance Travel**

- GEAR UP Iowa cannot reimburse for advance travel. Because travel advances are estimates of travel expenses, GEAR UP Iowa cannot accept these forms for reimbursement.
- GEAR UP Iowa cannot reimburse a school district more than what a school district reimbursed its employee for.
- Only completed travel expense vouchers with proper backup will be reimbursed.

#### **Travel Expense Voucher**

- GEAR UP Iowa accepts school district travel vouchers with receipts as backup.
- Staff members must complete the travel expense voucher completely by providing as much detail as the expense voucher requests. This includes the purpose of the trip, the location and the dates of travel. Departure and return times must also be filled in on the expense voucher even if the school district form does not require them.
- The following items must also be included:
  - Mileage: How many total miles are being claimed from destination to destination?
  - Meals: How much is being claimed for breakfast, lunch and dinner on each travel day(s)?
  - Lodging: How much for each night is being claimed for lodging?
    - A detailed invoice of lodging expenses is always required for reimbursement from GEAR UP Iowa.
  - Miscellaneous Expenses (tolls, parking, baggage, etc.) Detailed receipts must be provided.

#### **The Best Way to Show What/Who Was Paid**

- Provide copies of all detailed receipts/invoices for travel expenses being requested for reimbursement.
  - Copies of credit card receipts or bank statements are never accepted as backup.
- Provide copies of completed travel expense vouchers.
- Provide a copy of the transportation recap report showing who/what was paid with GEAR UP Iowa funds.

#### **Traveling for GEAR UP Iowa Events**

Prior to each GEAR UP Iowa sponsored professional development event, GEAR UP Iowa staff will send the information you need related to travel arrangements, including lodging reservation information, meals and any other guidance to ensure that you are prepared for your trip. Watch for these emails.

#### **Out-of-State Travel**

Out of state travel is rarely approved by GEAR UP. The exceptions are the national GEAR UP conferences. You will be reimbursed using state requirements. State of Iowa out of state meal limits can be found at <https://das.iowa.gov/state-accounting/travel-relocation/out-state-travel/out-state-city-levels>

#### **Questions**

Please contact the GEAR UP Iowa Coordinator at 877-272-4456.