

Chapter 7

Project Finances

The project budget you created for your grant application had two parts:

- (1) local match (cost sharing) funds and
- (2) LSTA grant funds.

As a grantee, you are required to follow the local match policies described below, which will prove your compliance with federal grant requirements in the event of an audit. In order to receive LSTA grant fund reimbursement for project expenses, you must follow our reimbursement procedures. A copy of all records documenting account expenditures, reimbursements, and cash match should be maintained in a grant program file at your library through December 31, 2016.

Local Match

LSTA sub-grants require a local match equal to at least 10% of your LSTA award. Local match can be made up of both cash and in-kind contributions made by the library and outside sources. In-kind contributions are defined as goods, commodities, or services instead of money contributed to the project by the library or other sources.

Allowable Cost Share

You may only claim cost sharing for items and purposes allowable under federal and state law and federal OMB regulations¹. When you received your award, the LSTA Grant Consultant reviewed your project budget to ensure that your local match was allocated to allowable expenses. For this reason, you must immediately obtain approval from the LSTA Grant Consultant for changes to your cost sharing plan.

Required Record Keeping

You must maintain documentation of your cost share in order provide evidence of your compliance with the local match requirement in the case of an audit. A copy of all records documenting cash match and in-kind contributions should be maintained in a grant program

¹ Public Libraries should refer to 2 CFR 230 http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf; academic and school libraries should refer to 2 CFR 220 http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf.

file at your library through December 31, 2016. Requirements for documenting different types of local match are described below. Please contact the LSTA Grant Consultant with any questions.

(1) To document cash match (purchase of goods or services toward the project), you must maintain invoice records. Invoices must include the name of the vendor, invoice number, date, quantity, unit cost, and accurate descriptions of the goods and services.

(2) To document local cash spent to hire temporary staff allocating 100% of their time toward the LSTA project, you must maintain records of the employee name, number of hours worked, amount earned per hour, and total paid out.

(3) To document local cash spent to add hours for current part-time employees to devote to the LSTA project, please maintain records of employee name, the numbers of hours devoted to LSTA, the amount earned per hour, and the total paid out.

(4) Public libraries documenting the in-kind contribution of full-time staff allocating a portion of their time to the LSTA project should maintain records of the employee name, hourly pay rate and the number of hours worked on the LSTA project in a log or timesheet, along with a signed statement by the fiscal agent verifying that the time allocations are accurate.

(5) Academic and school libraries documenting the in-kind contributions of full-time staff allocating a portion of their time to the LSTA project should maintain records of the employee name, the annual salary and percentage of time worked on the LSTA project, and a signed statement by the fiscal agent verifying that the time allocations are accurate.

Reimbursement

LSTA funds awarded to sub-grantees are available through reimbursement only.

Reimbursement Standards

To receive reimbursement sub-grantees must meet the following standards:

- Expend funds for items and purposes allowable under federal and state law and

- federal OMB regulations²
- Expend funds for the purposes and items described in the contracted project application or approved project revision
 - Expend funds within the contracted time frame (contract finalization to contract end date)
 - Submit reimbursement request forms with appropriate documentation of expenditures
 - Fiscal agent must sign reimbursement requests in blue ink and submit the original
 - Meet all other grantee obligations including the timely submission of required reports
 - Maintain appropriate records of all grant transactions through December 31, 2016.

Sub-grantees who fail to meet any of the aforementioned criteria may be denied reimbursement.

Reimbursement Timeline

Grant spending begins only when the contract is complete (*see Chapter 4: Contracts*). **Monies spent before contracts are signed by all parties WILL NOT be reimbursed.**

May 31, 2011

Grant money must then be expended and/or obligated by May 31, 2011. Funds spent after this date WILL NOT be reimbursed unless prior approval has been obtained from the State Library.

If you are approaching the final date of the contract (*May 31, 2011*) and have not spent all funds, you may contact the State Library about the possibility of either obligating funds or obtaining a small extension. To obligate funds and/or obtain an extension, you must acquire approval prior to May 31, 2011. If no approval has been made prior to May 31, 2011, the contract ending date is binding *without exception*.

June 30, 2011

All reimbursement requests must be postmarked by June 30, 2011, unless prior approval has been obtained from the Indiana State Library.

² Public Libraries should refer to 2 CFR 230 http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf; academic and school libraries should refer to 2 CFR 220 http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf.

Reimbursement Procedures

Reimbursement requests should be made regularly, as you allocate funds, but no more than once a month.

Requests for reimbursement must clearly comply with the approved project budget.

Reimbursement claims and invoices are reviewed by the State Library and checked against the project budget to determine approval. Reimbursement will not be given for expenditures that differ from the approved budget unless the grantee obtained State Library approval prior to purchasing (*see [Budget Revision](#) below*). A budget revision must be requested for all budget changes, including reallocation of funds from one category to another (*i.e. from personal services to supplies*) and significant increases in item cost.

To receive reimbursement, grantees will submit (1) documentation of monies paid out, (2) an invoice describing purchases, and (3) a completed reimbursement form. A legible copy of a vendor invoice along with proof that funds were already allocated must be submitted with the request for reimbursement for every item purchased. This invoice must include the name of the vendor, invoice number, date, quantity, unit cost, and accurate descriptions of the goods and services. A blank reimbursement form will be included with the completed contract and is also available on [our webpage](#). Appropriate invoice documentation is described in more detail below, in [Reimbursement Documentation](#).

To ensure easy processing of your claim, you are also welcome to attach additional documentation demonstrating the relationship between your claim and your project budget.

Claim forms and supporting documentation should be mailed to *LSTA Coordinator, Indiana State Library, 315 West Ohio Street, Indianapolis, IN 46202*. **Reimbursement forms must have an original signature. Faxes or electronic copies will not be accepted.**

Reimbursement Documentation

Items Purchased (including contracts with individuals for services rendered)

A legible copy of a vendor invoice along with proof that funds were already allocated must be submitted with the request for reimbursement for every item purchased. This invoice must include the name of the vendor, invoice number, date, quantity, unit cost, and accurate descriptions of the goods and services.

Personnel Expenditures

- *100% LSTA Program Staff*

For temporary staff hired to allocate 100% of their time to the LSTA grant program, submit an invoice for the amount paid and a document indicating the name of the individual, the number of hours worked, the pay rate, and the total amount of LSTA funds reimbursement requested.

- *Part Time Staff Working on LSTA Projects*

For part-time staff given additional work hours to devote to the LSTA grant program, only the time spent on the LSTA grant program can be paid with LSTA funds. The sub-grantee is required to keep a log or timesheet for that individual that records the hours per pay period that the staff member worked on the LSTA grant program and the hours per pay period that they worked on other projects.

An invoice for the amount paid and a document indicating the name of the individual, the number of hours they worked on the LSTA project, the pay rate for the LSTA project, and the total amount of LSTA funds requested should be submitted with the reimbursement request. In addition, a confirmation, signed by the fiscal agent, that LSTA funds and salary were not earned at the same time and that the proper amount of hours were allocated to the LSTA project should be attached.

Budget Revision

Reimbursement claims for expenditures that differ from the approved budget will not be processed without prior-to-purchase approval from the Indiana State Library. As stated in Chapter 6, changes to the original project budget must first be approved by the Indiana State Library. To request a budget revision, you must contact the LSTA Grant Consultant before purchase.

Leftover Funds

If you determine that you will not spend the total amount of the grant, please contact the State Library as soon as possible. Early notification of unexpended funds will allow the Indiana State Library to reallocate those funds into other Indiana projects; otherwise, these funds will be sent back to Washington and will not directly benefit libraries in Indiana.

REIMBURSEMENT CHECKLIST

- Do your invoices list every item for which you are currently requesting reimbursement?
- Do your invoices list item names and descriptions?
- Do those item names and descriptions match those in your project budget?
- To ensure quick processing, should you include additional documentation to show how your claim and project budget match?
- Are there any purchases for which you are requesting reimbursement that aren't explicitly listed on your original project budget?
 - If so**, you should cancel your order and contact the grant consultant immediately to request a budget revision.
- Are there any significant price increases from the original estimates on your project budget?
 - If so**, you should contact the grant consultant immediately to request a budget revision.