

Tuesday, April 18, 2017

Working Lunch: Refresher on Financial Reporting



Financial Topics

- 4% Administration
- [FSRS.GOV](https://www.fsr.gov)
- 34% Match
- Maintenance of Effort (MOE)



4% for Administration

- You are allowed 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
- There is a separate reporting box in the SPR Report for this information
- *Note: You are not required to use any of the award for administration. You can choose to cover those costs with state funds.*

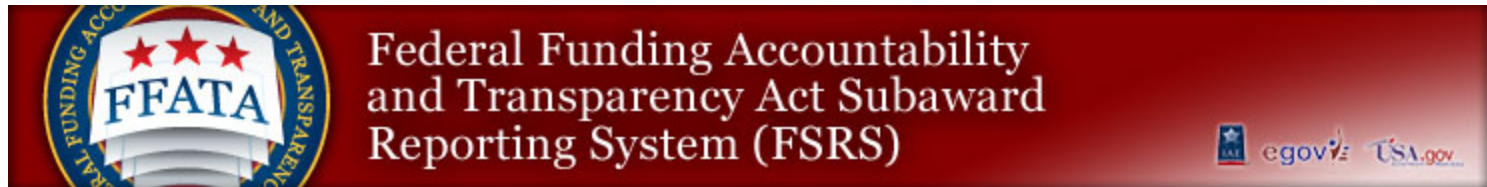
LSTA Purposes (20 U.S.C. §9121)

- (1) to enhance coordination among Federal programs that relate to library 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;

LSTA Purposes (20 U.S.C. §9121)

- (5) to promote literacy, education, and lifelong learning and to enhance and expand the services and resources provided by libraries, including those services and resources relating to workforce development, 21st century skills, and digital literacy skills;
- (6) To enhance the skills of the current library workforce and to recruit future professionals to the field of library and information services;
- (7) to ensure the preservation of knowledge and library collections in all formats and to enable libraries to serve their communities during disasters;
- (8) to enhance the role of libraries within the information infrastructure of the U.S. in order to support research, education, and innovation; and
- (9) To promote library services that provide users with access to information through national, state, local, regional, and international collaborations and networks

www.fsrs.gov



- IMLS provides the award figures to fsrs.gov
- SLAA inputs information on subrecipients of \$25,000 or more within 30 days of subgrant award
- Contact Federal Help Desk at 1-866-606-8220 for this system
- IMLS compares information in fsrs.gov to SPR report

SLAA Match Requirement

- **The LSTA Program is the sum of funds provided by the federal share (66%) and state Match (34%)**
- **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)**

Reporting Match in SPR

- SPR Final Financial Report prepopulates the required Minimal Match
- You report actual match in SPR
- Each SPR project has budget boxes for State-Match and Match-Other
- These figures rollup into the Final Financial Report

MOE Requirement

- Maintenance of Effort funds = all SLAA funds expended for library programs consistent with the LSTA legislative purposes, including SLAA funds reported in the Match
- It excludes capital expenditures, special one-time project costs and other similar windfalls

MOE calculation example

Figures from SPR Final Financial Reports

\$4,798,363 FY2013 MOE

+

\$4,809,721 FY2014 MOE

+

\$4,925,298 FY2015 MOE

$\$14,533,382 \div 3 = \$4,844,460$ is

FY2016 minimal MOE requirement

Reporting Maintenance of Effort

What if you can't meet the MOE?



Not meeting MOE Scenario

- DEC. FY2015 SPR Final Financial Report shows didn't meet MOE
- APR. IMLS notifies you that you did not meet the MOE requirement.
- JUNE 30 deadline State can request an MOE waiver, but only because of *exceptional or uncontrollable circumstances* such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.
- If MOE *isn't waived* by IMLS, an appeal is possible.
- If the appeal is not granted, the law requires that the **FY 2018 award be reduced by the same percentage by which the SLAA failed to meet MOE requirement.**

MOE Deduction

- Your FY 2015 award was \$4,000,000
- MOE required amount \$1,000,000
- Can't meet MOE by 50%
- Your future award (FY2018) will be reduced by \$2,000,000*

* Award size may vary based on IMLS funding, population data, etc.

Reporting Match

What if you can't meet the Match?



Can't meet Match Scenario?

- In Feb. you received FY2017 award and certified you can meet grant requirements.
- In May you want to drawdown FY2017 funds, but your state budget has just been so reduced you cannot meet the Match.
- Notify IMLS; your FY2017 award will need to be reduced
- IMLS' legislation does not permit waiving the match requirement.
- States are required to return IMLS Federal grant funds that are not matched.*

What if you can't meet Match?

- FY2017 award is \$1,320,000
- Match is \$680,000 but you are short \$200,000.
- Award will be reduced 29.41%
- $\$1,320,000 - \$388,212 = \$931,788$

Not meeting Match vs. MOE

- Match affects the *current* award
- Maintenance of Effort affects a *future* award
- IMLS can't waive the match requirement
- IMLS can waive the MOE requirement *if* the reasons in your waiver request meet those articulated in the IMLS authorization.

Final Financial Report Form

Total SLAA funds expended to meet the purposes of LSTA, including the
Five-Year Plan (MOE) **\$4,925,298.00**
Minimum MOE Required **\$4,780,117.83**

MATCH-State funds expended specifically on the Five-Year Plan
\$3,925,298.00

MATCH-Other funds expended specifically on the Five-Year Plan
\$392,241.00

Total Match **\$4,317,539.00**

Minimum Match Required **\$1,372,283.79**

LSTA Administrative Costs

Allowed **\$106,533.80**

Actual \$106,553.00 **Difference** \$.80

If you have questions...

- Call or email:
- Teri DeVoe
- Faith Steele
- Michele Farrell
- Dennis Nangle
- Robin Dale

