

**ILLINOIS STATE LIBRARY LITERACY OFFICE
ADULT LITERACY GRANT PROGRAM**

FINANCIAL MANAGEMENT & REPORTING

CONTRACT:

This document is signed and approved by both your agency and the Secretary of State. The budget line items in Attachment A and the accompanying budget narrative contain the approved amounts for your project for the fiscal grant period.

QUARTERLY FINANCIAL REPORTS: (a one-page form)

Financial reporting occurs quarterly during the term of the grant, due on October 15, January 15, April 15 and July 15. Separate reports are filed for each grant project, Adult Volunteer Literacy, Family Literacy or Workplace Skills Enhancement. The cumulative report can be typed, handwritten, completed in Word document format, or completed in Excel format (Excel would eliminate arithmetic errors).

Budget Amount (Column 1): These amounts are the approved budget amounts attached to your contract. Do not change these amounts on your own.

Expended First Quarter, Expended Second Quarter, Expended Third Quarter (Columns 2 – 4): Enter actual expenditures on appropriate budget lines. Total the lines horizontally and enter in the Total to Date column. Total the lines vertically for the Quarterly Total. Duplicate the report to include past **Quarterly Reports**. Keep a copy.

Expended Fourth Quarter (Column 5): Enter actual expenditures on appropriate budget lines. If any one line item shows expenditures that exceed 10% of the budget amount, the project will incur a penalty that must be paid. This report will show total grant funds awarded have been fully expended or are obligated to be expended by August 31. Any grant funds shown as unexpended must be returned to the Secretary of State. **Unexpended funds will jeopardize future grant awards.**

Encumbered, PSC Period (Column 6): A grant project has the option to continue to expend grant monies that are obligated by June 30 to extend services until August 31 at the latest. Funds obligated to be expended during this period are reported in this column. Add the **Encumbered PSC Period** (Column 6) amount to the quarterly amounts for the **Total to Date** (Column 7). **All encumbered amounts must be expended no later than August 31st.** Funds may be obligated in two ways as follows.

To Encumber Supplies and Instructional Materials: Goods which have been ordered on or before June 30, but which have not yet been paid, may be encumbered. Indicate these amounts on the appropriate budget line in the **Encumbered PSC Period** (Column 6).

To Encumber Personnel and Fringe Benefits: Use a **PERSONAL SERVICES CONTRACT (PSC)** (a one-page form) to obligate personnel and fringe benefits. The PSC outlines services to be performed and expenses to be incurred in salaries and benefits for staff working on the literacy project during the period of July 1 to August 31. Each staff person affected must sign a PSC by June 30. The PSC's are attached to the final **Quarterly Financial Report** that is submitted July 15. A totaling of all the attached PSC's should equal the amount on the Personnel line item in **Encumbered PSC Period** (Column 6).

ENCUMBRANCE REPORT (a one-page form):

If your final **Quarterly Financial Report**, submitted July 15, shows amounts in the **Encumbered PSC Period** (Column 6) then you must complete this report. If you did not incur expenses after June 30, you do not have to complete this report. Due September 15, this report will indicate that full expenditure of all grant funds occurred prior to August 31. Any grant funds shown as unexpended must be returned to the Secretary of State.

BUDGET CHANGE REQUEST (a one-page form):

If it becomes clear that any of budget amounts will not match expenses you MAY need to complete a **BUDGET CHANGE REQUEST**. If expenses exceed 10% over the budgeted amount on any one line item, a budget change is required. If expenses do not exceed 10% on any one line item, no budget change is required. Underexpenditures to any amount on any budget line item are acceptable as long as the entire grant is expended for the literacy project purposes outlined in your original application. **Approval of the Literacy Office staff is required of all budget changes. The final deadline for budget changes is May 1.** An approved Budget Change Request will initiate a new contract that will require signatures from your agency and the Secretary of State. Once your agency receives this signed contract, you may change the numbers in the "Budget Amount" on the **Quarterly Financial Report** to match your new contract. Attention to the allocation of expenses is expected of the project manager.