

SUMMER TRANSITION PROGRAM

RECONCILIATION INSTRUCTIONS

The following instructions include information from the Summer Transition Program Operating Guidelines. Funds can only be used to cover costs of the Summer Transition Program (STP) and the program's prorated share of other allowable expenses incurred through normal operations. Funds are to be used only for ordinary and necessary expenses, directly benefiting, or resulting from STP program operations. Only these allowable and verifiable expenditures should be recorded on the reconciliation report.

Generally Accepted Accounting Principles (GAAP) referred to in the guidelines provide authoritative guidance that must be followed for identifying the appropriate basis for allocating shared costs. The basis of allocating cost should be similar to the unit of measure for incurring the costs or consuming the expensed item.

An example of a shared costs would be determining STP's portion rent/mortgage expense:

Total space 24,000sq. ft

STP's portion of square footage is 6,000sq. ft

Monthly rent \$6,000

STP's portion of the monthly rent expense = $6,000/24,000=25\%$

$25% * \$6,000 = \$1,500$ per month (only when STP's program is operating)

Expenses must be allocated using the most logical basis for the costs incurred. As an example, meal costs would be better allocated based on number of children enrolled in the STP program rather than total number of children enrolled at the center. The above allocations are examples and providers are not required to use the examples given as there are many variables to consider when determining the correct allocation. The provider must maintain the source documentation used to support the allocation used (e.g., enrollment documentation, square footage support).

Expenses involving related parties must also be charged in accordance with GAAP. Related parties are one or more entities subject to the significant influence over the operating and financial policies of another entity. Providers involved in related party transactions with their centers should survey the surrounding business area and provide support that financial charges to the STP program are within the range of same or similar arms-length transactions for their area. An example of a related party transaction occurs when the owner of the facility is paid rent by the STP.

Documentation and records of all financial transactions must be available in the event a provider is selected for an Agreed upon Procedures (AUP) review. Providers must clearly identify costs and provide documented support for all costs, including the methodology used to determine allocations to the STP.

IMPORTANT:

- Use the GAPREK Provider STP Reconciliation User Guide to assist you in completing your reconciliation. The user guide can be found on our website at <https://www.decal.ga.gov/PreK/ProviderPortalUserGuides.aspx>
- When entering data into GAPREK do not use any special characters such as dollar symbols, commas, or apostrophes.
- Only expenses paid with **STP funds** should be entered on the STP reconciliation report.

The directions below are designed to assist in completing the reconciliation report and to assist in maintaining the appropriate documentation of expenditures. The examples of documentation are intended to provide guidance and are not intended to be a complete listing. Documentation is not to be submitted with the STP reconciliation but should be stored for recordkeeping.

Summer Transition Program Grant Agreement and Roster Payment Reconciliation:

Instructions	Examples of supporting documentation
Salaries - Lead Teacher: Report the gross salary paid. 100% of the funded Lead Teacher salary must be paid to the position. Any unused salary money must be returned to DECAL.	Completed time records, payroll records, canceled checks, direct deposit detail, bank statements, etc.
Salaries - Assistant Teacher: Report the gross salary paid. 100% of the funded Assistant Teacher salary must be paid to the position. Any unused salary money must be returned to DECAL.	Completed time records, payroll records, canceled checks, direct deposit detail, bank statements, etc.
Salaries - Transition Coach: Report the gross salary paid. 100% of the funded Transition Coach salary must be paid to the position. Any unused salary money must be returned to DECAL.	Completed time records, payroll records, canceled checks, direct deposit detail, bank statements, etc.
Operating Costs per Classroom: For purposes of the STP Reconciliation, operating costs may consist of classroom supplies selected from the Basic Equipment, Materials, and Supplies Inventory List. Operating costs may also include, but is not limited to, travel, transportation, family engagement activities, student transition materials, rental/mortgage payments, utilities, janitorial services, and meal costs that are not reimbursed by another funding source. Operating costs must be properly allocated, prorated, and documented (see STP Operating Guidelines).	Paid invoices, receipts, executed contracts, cancelled checks, bank statements, etc. Rent and utilities are typically billed by invoice or agreement. The agreement must be in place at the time the charges are made. In addition, the charges must be appropriately allocated and paid according to the agreement. The documentation must be available for review. Food charges are typically billed by invoice. Food charged to the STP must be allocated correctly.

<p>Administrative Expenses: STP providers use no more than 6% of the total STP budget for administrative expenses. Administrative expenses include prorated expenses for: Director's salary, bookkeeping/clerical salaries, office supplies, and royalties (See STP Operating Guidelines).</p>	
<p>Totals:</p> <p>A. Total STP Revenue (auto field): The sum of monthly deposits from Georgia Department of Early Care and Learning (DECAL) is PRE-POPULATED</p> <p>B. Total expenditures (auto field): The sum is calculated by the system automatically.</p> <p>C. Balance (auto field):\ Calculation of the difference between A-B.</p> <p>D. If line A is greater than line B, enter the difference online C. This remaining balance should be remitted to DECAL at the following address:</p> <p style="text-align: center;">Georgia Department of Early Care and Learning Attn: STP Repayment 2 Martin Luther King Jr. Drive, SE Suite 754, East Tower Atlanta, GA 30334</p> <p style="text-align: center;"><i>In the memo section of the check/money order, please include:</i> STP Recon</p>	

Overall, providers should be prepared to show documentation to support all costs charged to the STP. These documents may vary by organization, but should include original source documents like cancelled checks, payroll records, executed agreements, bank statements, paid invoices, and time sheets that support amounts charged. Furthermore, only the portion of expenses that are related to the STP should be charged to STP. All methods for allocation along with supporting documentation should be maintained by providers.

The intent of this document is to assist in completing the reconciliation report and preparing for a possible Agreed upon Procedures (AUP) review. During this type of review, the STP reconciliation report is tested for accuracy. A provider selected for AUP review must support costs charged to the STP with records that will allow a third party to recalculate costs charged. Every element of this calculation must be verifiable.

DECAL is committed to fiscal responsibility. Our agency must assure the citizens of the State of Georgia those funds are spent in accordance with program policies. Please remember the importance of accurate records and complete documentation for our reconciliation requirement and your Grant Agreement with this agency. Prior to submitting your reconciliation, you will be required to agree to the following statement:

I certify that the statements I have made to DECAL are true and accurate to the best of my knowledge. I understand that any false, fraudulent, or fictitious statement or representation made to DECAL is punishable by law and could result in a felony charge and/or civil penalties of up to \$11,000 plus damages for each false claim made, pursuant to O.C.G.A. § 16-10-20 and 23-3-121.

If you have questions or concerns regarding the reconciliation report or AUP review process, please email prekbusiness.support@decalfga.gov or submit a help ticket in GAPREK.