

California State Library  
California Civil Liberties Public Education Program  
**Quarterly Financial Report Instructions – FY 10/11**

1. General Information
  - a. **Accounting system.** The grantee is responsible for providing an accounting system that conforms to generally accepted accounting principles with established procedures. The system must support responsible project management and facilitate the submission of timely and accurate financial reports. Records of CCLPEP grants and grant years must be separately maintained and be readily available. The system must provide supporting documentation to substantiate allowable program costs throughout the life of the project.
  - b. **Retention of records.** Financial records for CCLPEP projects must be retained by the grantee for a period of three (3) years from the date of the project's completion for auditing purposes.
  - c. **Equipment.** The minimum value for items entered as Equipment is \$5,000. Approved items under \$5,000 are considered small equipment and are reported under operating expenses.
  - d. **Exceptions.** Any exception to standard reporting requirements, for projects of a special nature, will be made by the State Librarian. The CCLPEP Project Manager can provide assistance in interpreting instructions, and additional information is available from the California State Library Fiscal Office. The grantee is responsible for knowledge of and compliance with all CCLPEP reporting instructions.
  - e. **Early close.** Final fiscal and narrative reporting is required for all projects. If an early project close is considered, the grantee should discuss this with the CCLPEP Project Manager for advice and approval. In all cases, the project is expected to achieve its approved objectives and must comply with the June 30, 2012, final date for expenditure or encumbrance of funds, as well as the dates for liquidation and final reporting.
2. **Budget changes.** The grantee is given the opportunity during the period of the project to respond to local or unforeseen developments by adjusting the categories of the approved budget.
  - a. Adjustments within the grant budget
    - o Any budget changes needed must be authorized in advance by the CCLPEP Project Manager. The changes may or may not be found appropriate. The grantee wishing to request such a modification must file the Grant Award Modification (CCLPEP 4) form, according to instructions, for consideration and approval. Approved budget changes must be noted on the next quarterly financial report.
3. **Expenditures and encumbrances.** Expenditures and encumbrances are shown together on the Quarterly Report Financial Statement. Show valid encumbrances in the expenditure/encumbrance column. Encumbrances are shown separately only if they are carried beyond the close of the project period (June 30, 2012).
  - a. Under state regulations, an encumbrance or obligation is defined as a binding written commitment to do something in the future, such as the following actions:
    - o Acquire real or personal property.
    - o Obtain personal services by a contractor who is not an employee of the State or grantee.
    - o Obtain the performance of work other than personal services.
  - b. Encumbrances are not allowable beyond the June 30, 2012, project closing date, with the following exception:
    - o Those made by the fiscal authority to accrue funds from which to pay bills created before June 30, 2012.

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- c. Examples of encumbrances allowed and not allowed at the close of a project, June 30, 2012:
  - o A telephone bill may be paid after June 30, 2012, but additional new calls may not be covered with grant funds.
  - o Personal services contracts or other work arrangements may not be extended beyond June 30, 2012, by encumbrance, because work would be performed beyond the close of the project.
- d. The final 25% grant award is payable only if the grant recipient fulfills all project reporting requirements by the time specified in the grant agreement. Failure to provide timely reports is a serious breach of a grant recipient's administrative duty under the award. This may result in audit exceptions against the State Library and could cause the loss of CCLPEP funds. The CCLPEP Project Manager may extend the final deadline for good cause. Request for extension beyond the final deadline of September 15, 2012, must be received by the CCLPEP Project Manager in writing *at least* 30 days prior to that deadline. The final 25% grant award is the reimbursable part of the award for reporting and accounting purposes. It should NOT be treated as an outstanding encumbrance or as unspent funds in the final fiscal or liquidation report. The 25% amount should be reflected in the total shown in Col. 6 as expended or encumbered at the end of the project period (June 30, 2012).
- e. Projects have 60 days following termination of the grant award period to liquidate funds obligated or encumbered. The report of liquidation (on form CCLPEP 8) is due within 24 days.

**4. Project closing timetable:**

- a. All state funded program activity must cease on June 30, 2012.
- b. All services must be performed and funds must be expended or encumbered by June 30, 2012, or returned. Prior to the last weeks of the project, *the grantee should discuss any planned final encumbrances with the CCLPEP Project Manager to ensure that the encumbrances are appropriate.*
- c. Fourth quarter financial statement is due by July 31, 2012.
- d. Final Narrative Report (CCLPEP 9) is due by July 31, 2012, for all projects. This replaces the fourth quarter narrative report.
- e. Any project funds not expended or encumbered by June 30, 2012, must be returned to the California State Library by September 15, 2012. A check payable to the California State Library must be remitted. The check must bear reference to CCLPEP and the grant award number of the project for which funds are being returned.
- f. Liquidation of encumbrances report is submitted on the Quarterly Report Financial Statement (CCLPEP 8), due August 31, 2012. Any funds not liquidated are to be returned with the report.

**5. Completing the form CCLPEP 8, page 1.**

- a. The columns for reporting are:
  - (1) **Approved Budget.** Enter total amount of budgeted funds for the grant year as approved by the State Librarian and/or as changed by an approved grant award modification.
  - (2) through (5) **Quarterly Expenditures/Encumbrances.** For the purposes of this report, include encumbrances made during the program year together with expenditures in columns 2-5 for each three-month period. The number of reports required is dependent on the approved project period. Note the display of quarterly periods in the top left corner of the form: check the appropriate quarter for each report, and enter amounts in the corresponding column.

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(6) For **each row containing a budget item**, add the entries for each quarter across columns 2, 3, 4, and 5 and enter the result in column 6, updating the total each successive quarter.

(7) **Outstanding Encumbrances.** This column is used only at the close of the funded project period, the 4th quarter report. Enter the total of all encumbrances outstanding after June 30, 2012, i.e., expenses which have not at the time of this report been liquidated.

(8) **Liquidation.** If outstanding encumbrances are identified in the final report, a final liquidation report is required. This column is used for that submission, to report liquidation of encumbrances or obligations which were shown in the fourth quarter report.

(9) **Unexpended/Unencumbered Balance.** Enter in each quarter's report, the unexpended or unencumbered balance of CCLPEP funds awarded. (Column (1) minus column (6) equals column (9)). Only "0" may appear in this column in a separate liquidation report if one is submitted. These funds will be returned to the California State Library, according to instructions provided.

b. The rows for reporting are:

a. **Salaries and benefits.** Total salaries and benefits for all project staff, except staff under contract. (Funds for contract staff are budgeted under operating expenses, row c.)

b. **Materials.** Books and audiovisual formats, microforms, and computer software, etc.

c. **Operating expenses.** Contract services including publicity, maintenance of equipment and vehicles, and building equipment lease and rental. Also, include expenses for employees or consultants on contract. Other operating expenses: office and supplies; communications costs; small equipment (i.e., costing less than \$5,000); duplication, travel; etc.

d. **Equipment.** Any item that costs over \$5,000 per unit.

e. **Indirect costs.** Administrative charges or indirect costs as approved in the State Librarian's award letter.

6. **Send each Quarterly Financial Statement by the due date in two (2) copies, one with original signatures. If mailed, address to:**

California State Library  
Fiscal Office - CCLPEP  
P.O. Box 942837  
Sacramento, CA 94237-0001

7. **If direct delivery** is used, the street address is:

California State Library  
Fiscal Office – CCLPEP  
900 N Street  
Room 155  
Sacramento, CA 95814

*Thank you for your cooperation.*