

DATE: March 1, 2019
TO: Local/Affiliate Presidents and Treasurers
FROM: Dayonna Knutson, Director
Education Minnesota Foundation for
Excellence in Teaching and Learning
SUBJECT: Fiscal Agent Responsibilities for Local
Education Minnesota Foundation Grants

Tucker Quetone
Foundation President
Paul Mueller
Foundation Vice President
Rodney Rowe
Foundation Secretary-Treasurer
Dayonna Knutson
Foundation Director

YOUR COPY

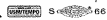
Congratulations! A member of your local/affiliate has been awarded a **Classroom-Focused Grant** from the Education Minnesota Foundation for Excellence in Teaching and Learning, and your local or affiliate has agreed to act as the grant's fiscal agent. This letter explains what it means to be a fiscal agent.

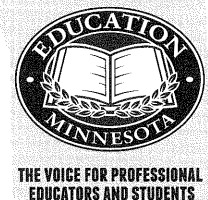
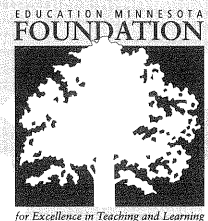
The role of the fiscal agent in our grant process is a simple one. The local/affiliate acts as a vehicle through which funds are disbursed to suppliers providing services or materials to the grant. Your regular treasury records provide an audit trail of expenditures in case verification of grant expenditures is needed. Using a fiscal agent also shields the grant recipient from the possibility that the IRS might view the grant proceeds as direct income to the grant recipient.

Procedure – Final Financial Report (see emailed final financial report form)

- ❖ Grant funds will be distributed to grant recipients by a single check made out jointly to the grant recipient and to your local/affiliate.
- ❖ After the grant recipient has endorsed the check, it should be deposited to your local checking account. An “account” should be created in your treasury records for the grant money.
- ❖ After that time, as funds are needed, the recipient will request funds using your regular disbursement procedures (most of you probably use an expense voucher system requiring receipts and the signature of one or more individuals having authorization privileges.) As *president*, your responsibility is NOT to determine whether the request is valid, but rather to authorize the *treasurer* to issue the check, *assuming that a receipt or other documentation is provided with the request.*
- ❖ The *treasurer* issues the requested check, recording the information as he/she would with any transaction, files the voucher, and enters the check into the local/affiliate's check register. The *treasurer* is responsible for accurate record keeping, and of course for being sure that disbursements do not exceed the balance in the grant “account.”
- ❖ Funds received from the November round of applications should be expended by the end of this school year.

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Education Minnesota is an affiliate of the American Federation of Teachers,
the National Education Association and AFL-CIO. 



- ❖ By **June 1, 2020**, the grant recipient is required to prepare and submit the **final financial report form**, which has been emailed to the grant recipient, the president, and the treasurer— if any forms are missing, please contact foundation@edmn.org as soon as possible to request the form. Please note that *neither the president nor the treasurer is responsible for preparing this report*. The grant recipient prepares the report and gives it to the *president* and *treasurer* for their signatures. The signatures indicate the *president* and *treasurer* have seen the report, and the expenditures shown are consistent with those documented in canceled checks, expense vouchers with accompanying receipts, and other records.

IRS Form 1099 – MISC

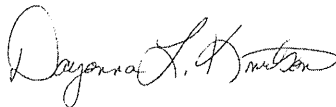
Your local/affiliate may be required to report information to the IRS about certain payments made to individuals that will amount to \$600 or more for the calendar year ending **December 31, 2019**. This procedure is the same one you may already be following if your local/affiliate pays honoraria to individuals for union work. Late in **2019**, treasurers will receive information from Education Minnesota on IRS reporting requirements.

Procedure – Final Project Report (see emailed final project report form)

Also emailed to the grant recipient, the president, and the treasurer was the **final project report form**, which each grant recipient must submit by **June 1, 2020**. This report is a summary of how the project went, and it requires only the *president's* signature indicating they have received a copy of the report and are aware of the status of the project. The purpose of the *president's* signature on this report is to ensure that they are kept informed regarding the project's progress.

We would like to thank local/affiliate *presidents* and *treasurers* for your help in ensuring the success of the grant program. Please feel free to contact me if you have questions or require further information.

Sincerely,



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