
FEDERAL GRANT PROGRAMS



Agenda Topics

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Education Programs: From Congress to the Classroom

Federal Statutes

- A statute is the legislation authorizing a program or activity to be administered by a federal agency and details the minimum requirements.
- Program legislation may also:
 - Identify eligible entities to receive funding
 - The basis for how funds must be distributed and used
 - Broad reporting requirements

Federal Regulations

- Implement the requirements of the legislation
- A federal agency may issue:
 - Program-specific regulations, or
 - Regulations that govern specific types of programs or activities – for example:
 - EDGAR (Education Department General Administrative Regulations, 34 CFR Parts 74-99)
- OMB Circulars have the enforcement of regulation but are not always in regulation form.

Federal Guidance

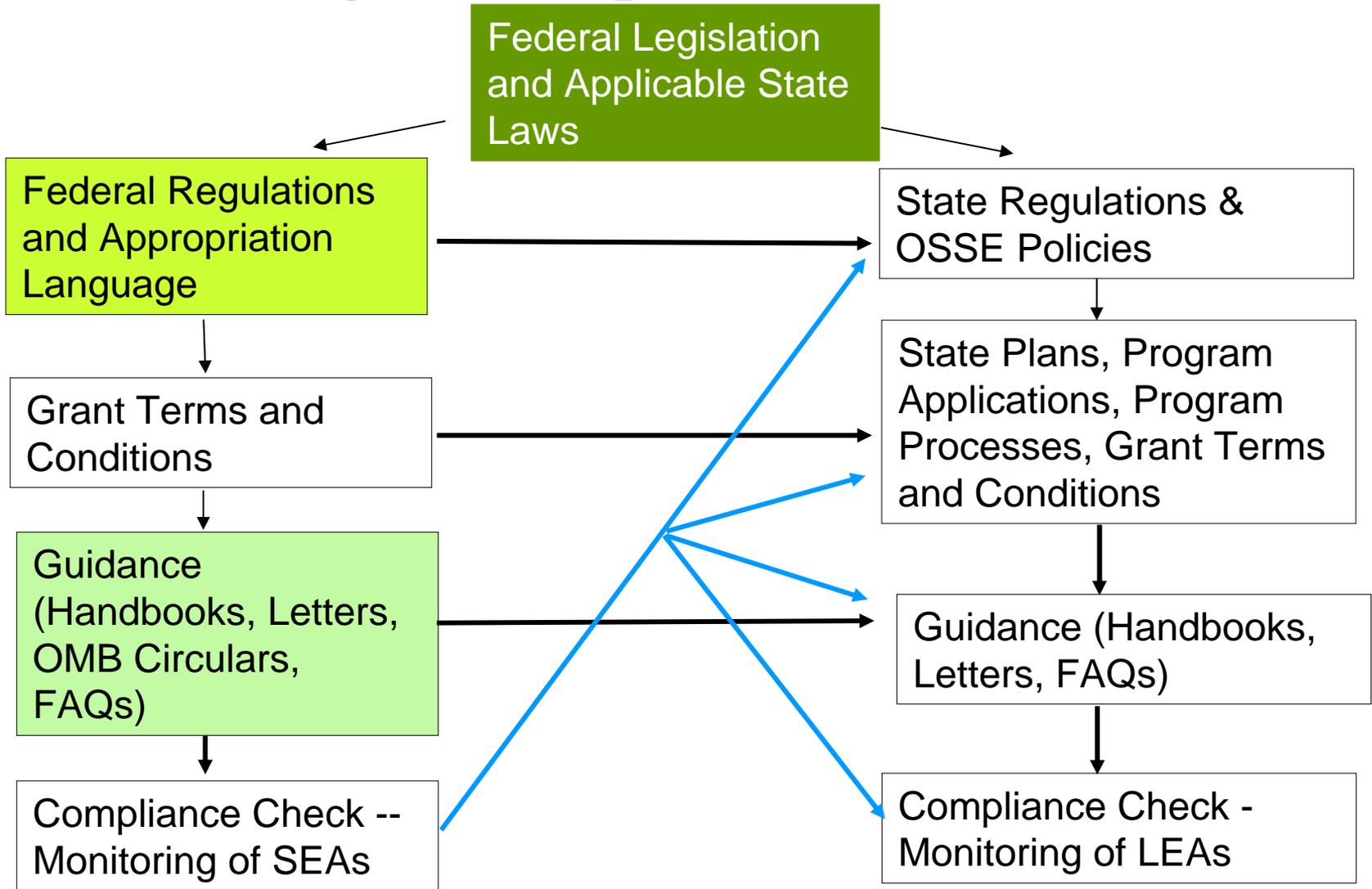
Provides additional information from the federal agency on how to implement legislative requirements and regulations. This is non-regulatory guidance, usually in the form of:

- ❑ Handbooks
- ❑ Letters
- ❑ Training/technical assistance materials

Impact on Programs

- Federal legislation, program-specific regulations, and OMB Circulars directly impact State-level:
 - Policies
 - Program administration and implementation
 - Grant requirements
 - Funding to LEAs
 - Monitoring indicators to ensure compliance

Federal Program Impact on State



Federal Legislation Impacting K-12 Programs

- ESEA –
 - Title I
 - Title II
 - Title III
 - Title IV
 - McKinney-Vento
- IDEA
- Perkins

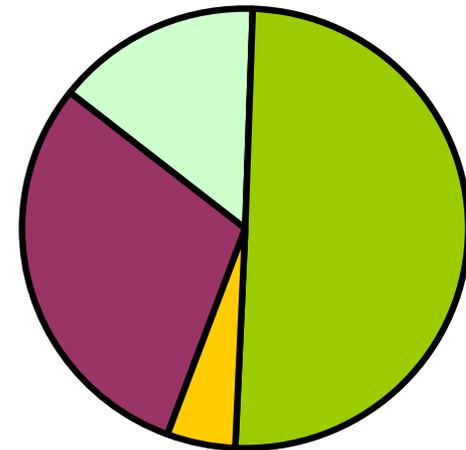
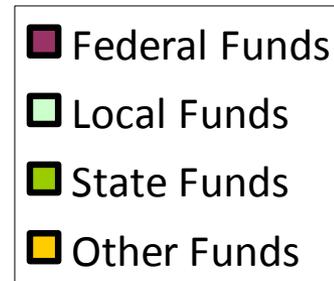
Funding Sources

Typical LEA Funding Sources

LEAs receive funding from a variety of sources:

- **Other funds**
 - Private donations, fundraising, etc..
- **Local funds**
 - Funds provided by County, District, or Local governments
- **State funds**
 - Funds provided by State government
- **Federal funds, such as:**
 - Titles I - IV
 - IDEA

An LEA's Funding Sources

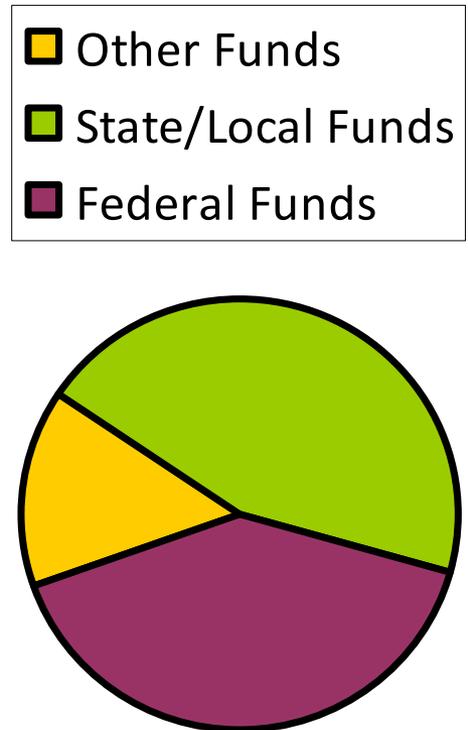


DC LEA Funding Sources

Below are the three major funding sources for DC LEAs:

- Other funds
 - LEA fund raising efforts
- State/Local funds
 - Uniform Per Student Formula funds
- Federal funds, such as:
 - Titles I - IV
 - IDEA

An LEA's Funding Sources



Types of Grants

Types of Grants

- Two basic types of grants:
 - Formula – Program funds are distributed on the basis of a ‘formula’ which is usually involves the number of eligible students and an amount per student.
 - Competitive – Eligible applicants submit applications to compete for the available funding. The program application must address specific criteria and is usually evaluated by a panel of reviewers.

Grant Requirements

- Eligibility and program requirements for each federal grant program will be detailed in the authorizing legislation, regulations, and guidance.
- However, there are some common requirements that will generally apply to all federal education grant programs.

Legal Reference

§ 76.51 A State distributes funds by formula or competition.

If a program statute authorizes a State to make subgrants, the statute:

(a) Requires the State to use a formula to distribute funds;

(b) Gives the State discretion to select subgrantees through a competition among the applicants or through some other procedure; or

(c) Allows some combination of these procedures.

(Authority: 20 U.S.C. 1221e-3, 3474, and 6511(a))

Grant Cycle and Applications

The Typical Federal Grant Cycle

- The Federal Fiscal Year begins on July 1 of each year.
- Most grants have an initial grant period of 15 months, beginning on July 1 and ending on September 30 of the following year.
 - For example, the initial grant period for Federal Fiscal Year 2009 runs from July 1, 2009 to September 30, 2010.
- For many grants, there is 12-month “Tydings period” that begins at the end of the initial grant period, during which funds may still be obligated from grant awards, subject to some limitations that are program specific.
- This means that, for many grants, sub-grantees have a total of 27 months to obligate funds provided by a federal grant program.

Formula Grant Application Process

- Many federal grant programs, particularly formula grant programs, follow common application procedures.
- OSSE'S process:
 1. OSSE releases preliminary allocations
 2. Sub-grantees complete a Phase I Application
 3. For formula grants, upon Phase I approval the sub-grantee is considered “substantially approved” and may begin obligating
 4. Sub-grantees complete a Phase II Application, outline plans for the use of the funds
 5. Upon Phase II approval, the OSSE issues a Preliminary Grant Award Notification (GAN) awarding the funds
 6. The sub-grantee begins submitting reimbursement requests
 7. Later in the year, the OSSE issues a Final Grant Award Notification (GAN) adjusting award amounts as necessary

Competitive Grant Application Process

- OSSE issues a Request for Application (RFA) which:
 - Identifies eligible applicants
 - Timelines for submission
 - Criteria for evaluation of proposal
 - Other pertinent information for the competition
- Eligible applicants submit proposals
- Applications are screened by OSSE staff for eligibility
- Eligible applications are evaluated and scored by a panel of reviewers
- OSSE reviews evaluations and scores, selecting the top scoring applications for funding
- Selected projects are notified and GANs issued.

Grant Award Notifications (GANS)

Understanding Your GAN

- The Grant Award Notification (GAN) is the official document that states the terms, conditions, and amount of an award and is signed by the official who is authorized to obligate funds on behalf of the Office of the State Superintendent of Education.
- The document is formatted into numbered blocks that provide specific information about the award, including administrative information, legal authority, and the name/s and phone number/s of the program contact/s.
- The GAN spells out additional terms and conditions of the award. Sub-grantees (LEAs, CBOs) are urged to pay particular attention to the terms and conditions.



GRANT AWARD NOTIFICATION

<p>1</p> <p>Recipient Name, Address and Telephone Number:</p> <p>Fosse Public Charter School 51 N St NE Washington, DC 20002</p> <p>(202) 555-1212 ext 101</p> <p>Recipient Contact Person:</p> <p>Mr. Oscar Wao</p>	<p>2</p> <p>Statutory Authority:</p> <p>TITLE I PART A OF NO CHILD LEFT BEHIND (PL 100-297 ELEMENTARY & SECONDARY EDUCATION ACT OF 1965)</p> <p>CFDA #: 84.010</p> <p>CFDA Title: Title I Grants To Local Educational Agencies</p>
<p>3</p> <p>OSSE Program Contact:</p> <p>Jeremy Skirmer (202) 727-9882 Jeremy.Skirmer@dc.gov</p>	<p>4</p> <p>OSSE Fiscal Information:</p>
<p>5</p> <p>Funding Amount:</p> <p>\$143,961.68</p>	
<p>6</p> <p>Timelines:</p> <p>Federal Award Period: 7/1/2009 - 9/30/2011 First date for obligating funds: 7/1/2009 Last date to obligate funds: 9/30/2011 Last date to liquidate funds: 10/30/2011</p>	
<p>7</p> <p>Terms and Conditions of Award:</p> <ul style="list-style-type: none"> This grant award is made subject to the terms and conditions of Title I Grants to Local Educational Agencies. This grant award is made subject to the terms of the approved application and budget submitted by the recipient. 	
<p>8</p> <p>Approved:</p> <p>_____ Authorized Official</p> <p>_____ Date</p>	

GAN Information

Pay particular attention to:

- Program being funded
- Amount of funding
- Period of fund availability
- LEA contact
- OSSE program contact
- Restrictions or conditions on the grant funds

Funding provided through a GAN is based on an entities' application; this is the basis for all expenditures of grant funds.

Spending Federal Funds

Uses of Funds

- Title IA and IDEA do not have a specific 'Uses of Funds' section and allowability is intentionally broad
- Funds can be used for virtually any **academic** cost that can be tied directly to the purpose of the grant
- Statutory program requirements must form the basis for all cost analyses
 - Supplemental
 - Eligibility
 - Beneficiaries
 - Caps
 - Restrictions
 - Set-Asides

When an Obligation is Made

Acquisition of property	On the date on which the sub-grantee makes a binding written commitment to obtain the property
Personal services by employees	When the services are performed
Personal services by a contractor	On the date on which the sub-grantee makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date on which the sub-grantee makes a binding written commitment to obtain the work
Public utility services	When the services are received
Travel	When the travel is taken
Rental of property	When the property is used

OMB Circulars – Generally not issued as regulations but have the same enforcement requirements

TYPE OF REQUIREMENT	TITLE
Cost Principles	2 CFR 225 (A-87)
Administrative Rules	A-102
Audit	A-133 A-133 Compliance Supplement
Debarment and Suspension	2 CFR 180
<u>http://www.whitehouse.gov/omb/circulars/index.html</u>	

Allowability

- Costs are Reasonable
- ‘Ordinary and necessary’
- Market prices
- Comply with terms and conditions of the federal award
- Costs can be directly related to the objectives of the application

Time and Effort Basics

- As a general rule, federal funds may be used to pay salaries and wages as long as appropriate time distribution records are maintained that accurately document time spent working on federal cost objectives
- Time and effort reports describe how each federally funded employee spent his or her compensated time and certify that the compensation is allocable
- Reports must indicate the proportion of an employee's time spent working on each cost-objective worked.

Some Definitions for Time & Effort:

- Cost Objective: a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred
- Personnel Activity Report: (PAR) documentation required on a monthly basis from employees who are paid with federal grant funds and who work on **two or more** federal cost objectives
- Semi-annual Certification: (SAC) documentation required semi-annually (every six months) from employees who are paid with federal grant funds and who work solely (**100%**) on a single cost objective

Carryover

- For some grants, the amount of a sub-grantee's award that may be used after the initial 15-month grant period (carryover) is limited by federal law.
- For awards with a carryover limitation, a sub-grantee must obligate a minimum percentage of its award by the end of the initial grant period or its award amount must be reduced by the amount its balance after the initial grant period exceeds the carryover limitation.
- Note: Carryover limitations do not apply to sub-grantees with awards lower than a specified amount (e.g., for Title I, Part A: \$50,000)

Carryover

Example:

- Title I, Part A has a 15% carryover limitation
- Fosse Public Charter School (an LEA) is awarded \$100,000 in its Final GAN
- Fosse PCS may only carry over (that is, retain for obligation after the initial grant period of 15 months) a maximum of \$15,000
- If Fosse PCS obligates only \$80,000 during the initial grant period, its award will be reduced to \$95,000, leaving no more than the maximum of \$15,000 to be obligated during the carryover period

Equipment and Supplies

§ 80.32 Equipment.

- (d) *Management requirements.* Procedures for managing equipment (including replacement equipment), **whether acquired in whole or in part with grant funds, until disposition takes place** will, as a minimum, meet the following requirements:
- (1) **Property records** must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

§ 80.32 Equipment.

- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Supplies

§ 80.33 Supplies.

- (a) *Title.* Title to supplies acquired under a grant or subgrant will vest, upon acquisition, in the grantee or subgrantee respectively.
- (b) *Disposition.* If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share.

**Supplement Not Supplant
and
Maintenance of Effort**

Two separate fiscal requirements ensure that federal grant funds add to, rather than replace, the funding and services that would be provided in the absence of those federal funds:

- Supplement Not Supplant
- Maintenance of Effort

Supplement Not Supplant

- Requires that federal funds be used to augment the regular educational program.
- Must not be used to substitute for funds or services that would otherwise be provided during the time period in question (such as those required to be provided by State or local law).
- Requires that state and local educational agencies (SEAs and LEAs) use federal funds received under the federal program to supplement the amount of funds available from non-federal sources for the education of students participating in the program services.

Maintenance of Effort

- Many federal programs require a Maintenance of Effort (MOE) to ensure that LEAs do not use federal funds to replace local and state funds.
- For Title IA, MOE is a financial calculation by the SEA that looks at an LEA's expenditures to determine –
 - If local and state funds are at least 90% from one fiscal year to the next (e.g., FY 2008 must be at least 90% of FY 2007's expenditures)
 - If the LEA met the 90% level on either a per pupil basis or an aggregate basis
 - If MOE is not met, the amount between the level of expenditure and the required 90% level is determined
- LEAs not meeting MOE may be subject to a decrease in their grant award by the percentage of MOE not met.

The Maintenance of Effort requirement applies to:

Title I, Part A;

Title I, Part B, Subpart 3, Even Start;

Title I, Part D, Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent, or At-Risk;

Title I, Part F, Comprehensive School Reform;

Title II, Part A, Improving Teacher Quality State Grants;

Title II, Part D, Educational Technology State Grants;

Title III, Part A, English Acquisition State Grants;

Title IV, Part A, Safe and Drug-Free Schools and Communities;

Title IV, Part B, 21st Century Learning Centers; and

Title VI, Part B, Subpart 2, Rural Education.

IDEA (process for calculating varies slightly)

Records

§ 80.42 Retention and access requirements for records.

(a) Applicability.

- (1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:
 - (i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or
 - (ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement.
 - (2) This section does not apply to records maintained by contractors or subcontractors. For a requirement to place a provision concerning records in certain kinds of contracts, see §80.36(i)(10).
- (b) Length of retention period. (see EDGAR, section 80.42)*
- (c) Starting date of retention period. (see EDGAR, section 80.42)*

§ 75.730 Records related to grant funds.

A grantee shall keep records that fully show:

- (a) The amount of funds under the grant;
 - (b) How the grantee uses the funds;
 - (c) The total cost of the project;
 - (d) The share of that cost provided from other sources; and
 - (e) Other records to facilitate an effective audit.
- (Authority: 20 U.S.C. 1221e–3 and 3474)

§ 75.731 Records related to compliance.

A grantee shall keep records to show its compliance with program requirements.

(Authority: 20 U.S.C. 1221e–3 and 3474)

§ 75.732 Records related to performance.

- (a) A grantee shall keep records of significant project experiences and results.
- (b) The grantee shall use the records under paragraph (a) to:
 - (1) Determine progress in accomplishing project objectives; and
 - (2) Revise those objectives, if necessary.

(Authority: 20 U.S.C. 1221e–3 and 3474)

Privacy

§ 75.740 Protection of and access to student records; student rights in research, experimental programs, and testing.

(a) Most records on present or past students are subject to the requirements of section 444 of GEPA and its implementing regulations in 34 CFR part 99. (Section 444 is the Family Educational Rights and Privacy)

(Authority: 20 U.S.C. 1221e–3, 1232g, 1232h, and 3474)

Examples of Types of Records to Maintain:

- Records that document or support your federal grant program activities must be collected and maintained, such as:
 - Applications and plans required by the program
 - Parent involvement
 - Parent notifications
 - Fiscal expenditures
 - Equipment purchased with program funds and equipment inventories
 - Time and effort documents and certifications (if required)

§ 76.304 Subgrantee shall make subgrant application available to the public.

A subgrantee shall make any application, evaluation, periodic program plan, or report relating to each program available for public inspection.

(Authority: 20 U.S.C. 1221e–3, 1232e, and 3474)

Additional guidance on many of these areas will be forthcoming in the near future.

QUESTIONS

RESOURCE INFORMATION

Cost Guidelines for Expenditures

2 CFR Part 225 (A-87)

- **Costs are Reasonable**
 - ‘Ordinary and necessary’
 - ‘Prudent Person’ standard
 - Market prices
 - Employ ‘Arm’s Length’ bargaining and sound business practices
 - Comply with terms and conditions of the federal award
 - Have no significant deviation from established practices

Cost Guidelines for Expenditures

2 CFR Part 225 (A-87)

- **Allocable** to federal awards
 - A cost is allocable if the goods or services in question are chargeable in accordance with the relative benefit received.
 - For example, computers that are used 50% of the time for Title IA should be charged 50% to Title IA
 - Costs allocable to a particular federal award or cost objective may not be charged to another federal award to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the federal awards, or for 'other reasons'

Cost Guidelines for Expenditures

2 CFR Part 225 (A-87)

Categories of Cost Allowability

- Allowable

Few costs are allowable under virtually all circumstances

Costs may **also** be allowable prior to date on which funds may be obligated for the grant award period *with prior written approval*

Cost Guidelines for Expenditures

2 CFR Part 225 (A-87)

- Unallowable

Though most costs are allowable under certain circumstances, some relevant costs are *always* unallowable:

- Alcoholic beverages
- Bad debts
- Contributions or donations rendered
- Costs of fundraising
- Entertainment
- Goods or services for personal use

Cost Guidelines for Expenditures

2 CFR Part 225 (A-87)

- Allowable under certain circumstances

Almost all costs fall under this category, maintaining some sort of conditional allowability

Other Cost Considerations:

- **Authorized** or at least **not prohibited** under state/local laws and rules
- Able to **conform** to limitations and exclusions of the federal award or other applicable rules
- **Consistent** with policies, regulations and procedures that apply uniformly to federal and non-federal funds alike
- Accorded **consistent treatment**
 - Like costs must always be charged the same way; direct or indirect
- Determined in accordance with **generally accepted accounting principles (GAAP)**

Other Cost Considerations:

- **Not counted towards matching or cost-sharing requirements for any other federal award**
 - Current or prior period
- **Net** of all applicable credits
- Adequately **documented**

Resources for Grants Management

- **The Authorizing Statute**

[www.ed.govhttps://www.ed.gov/policy/elsec/leg/esea02/index.html](https://www.ed.gov/policy/elsec/leg/esea02/index.html).

- **Non-Regulatory Guidance**

- **Notices of Request For Applications (RFA)**

- **Approved Grant Application and Contingencies**

- **Education Department General Administrative Regulations (EDGAR)**

<http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>

- **OMB Circular A-87**

- **OMB Circular A-122 (Non-Profit)**

- **OMB Circular A-21 (Educational Institutions)**

- **OSSE Website <http://www.osse.dc.gov>**