

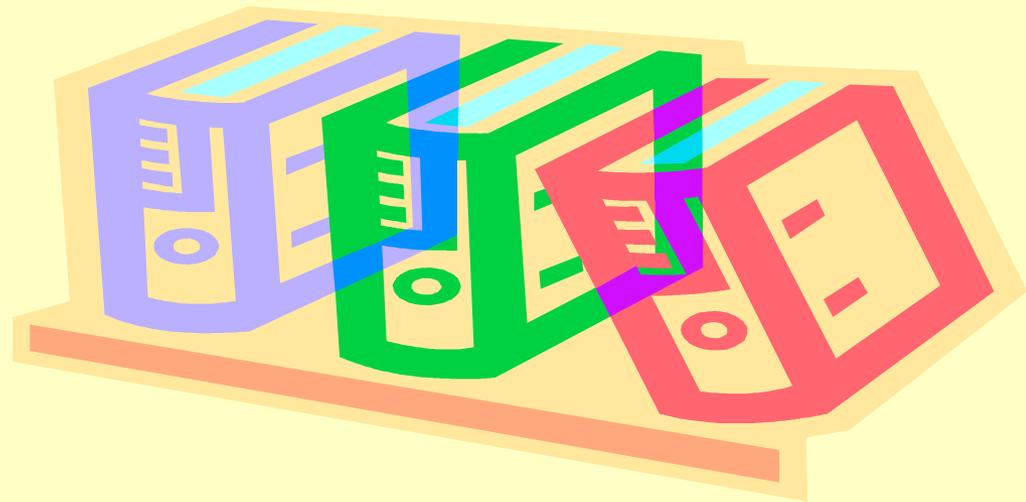


# **Discretionary Grants Administration**

**Office of Vocational and  
Adult Education  
RPOS Program**

# Tools of the Trade

- ∞ Legislation
- ∞ Regulations
- ∞ EDGAR
- ∞ Cost Principles (OMB Circulars)
- ∞ Grant Award Notification (GAN)
- ∞ Your approved Application



# GAN

## Things to Note:

- ∞ Grant award number
- ∞ ED contact – Block 3
- ∞ Budget/Performance Period
- ∞ Terms and Conditions

# EDGAR

## Parts 74 & 80

- 2 CFR Part 215 – Uniform Administrative Requirements for Grants and Other Agreements with IHE's, Hospitals and Other Non-Profit Organizations
  - (see OMB Circular A-110)
- OMB Circular A-102 – Grants and Cooperative Agreements with State and Local Gov'ts

# OMB Cost Principles

- OMB Circular A-21 - Educational Institutions  
(2 CFR Part 220)
- OMB Circular A-87 - State, Local and Indian  
Tribal Governments  
(2 CFR 225)
- OMB Circular A-122 - Non-Profit Organizations  
(2 CFR 230)

<http://www.whitehouse.gov/omb/circulars/>

# Accountability & Transparency

- ∞ Efficient
- ∞ Economical
- ∞ Effective
- ∞ Ethical
- ∞ Equitable



# GPRRA

## Modernization Act of 2010

### Agencies

- ✍ Performance framework more defined
- ✍ More frequent agency reporting
- ✍ More consultation with Congress

### Grantee

- ✍ Ties federal funding to results
- ✍ Greater accountability
- ✍ Activities reflect GPRRA indicators

<http://www.businessofgovernment.org/sites/default/files/GPRRA%20Modernization%20Act%20of%202010.pdf>

# Program Performance Indicators

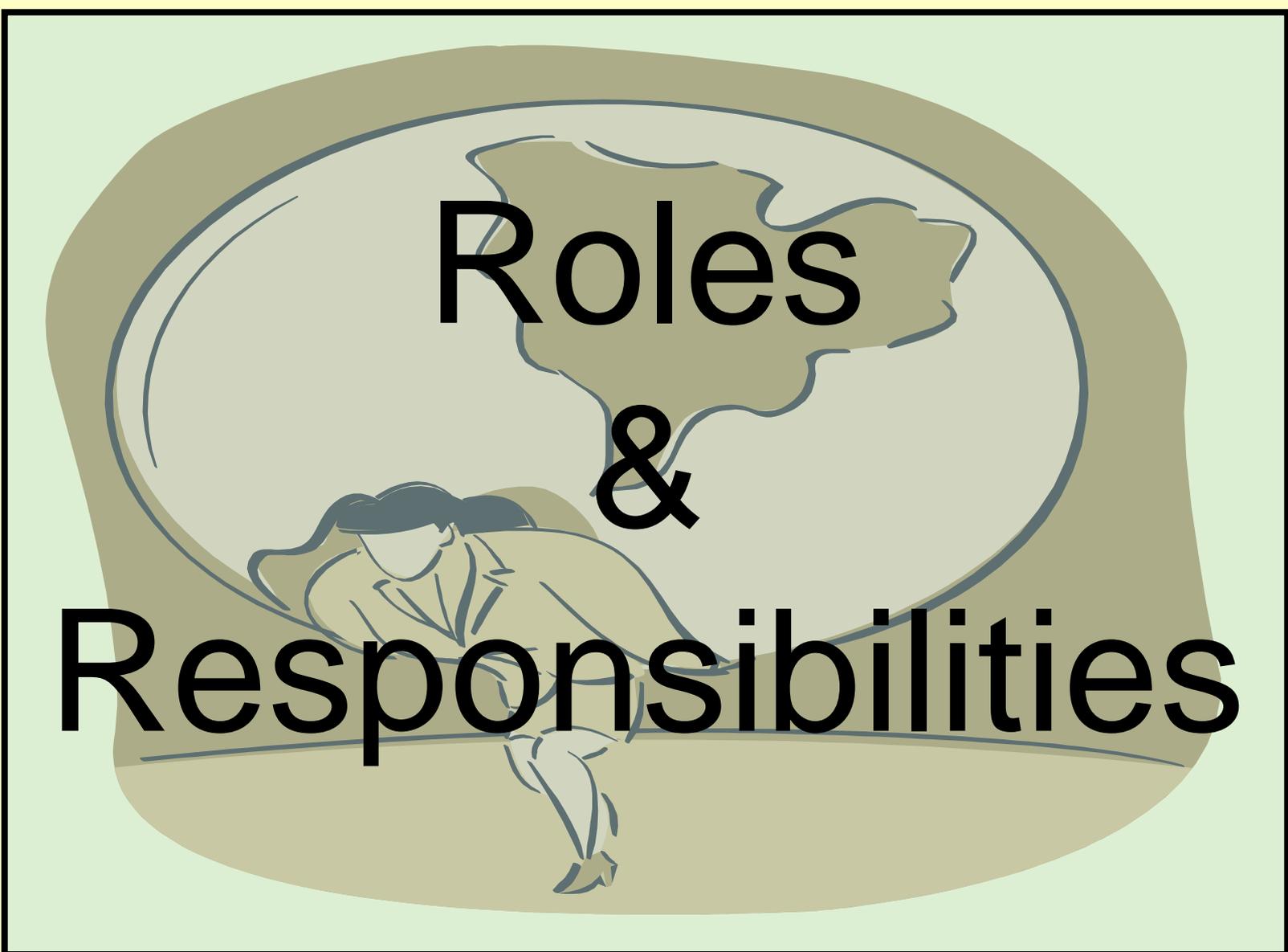
Program Goal: Increase percentage of Students attaining college degree

- ∞ Increase postsecondary enrollment
- ∞ Percentage of students enrolling into college

The RPOS Program has 7  
required performance  
indicators

# Monetary Road Map

- ∞ Clear, concise, and detailed
- ∞ Consistent with institutional policy
- ∞ Meets federal requirements
- ∞ Aligned with GPRA
- ∞ Revised within scope of project
- ∞ Achieve project goals



# Roles & Responsibilities

# Administration / Management

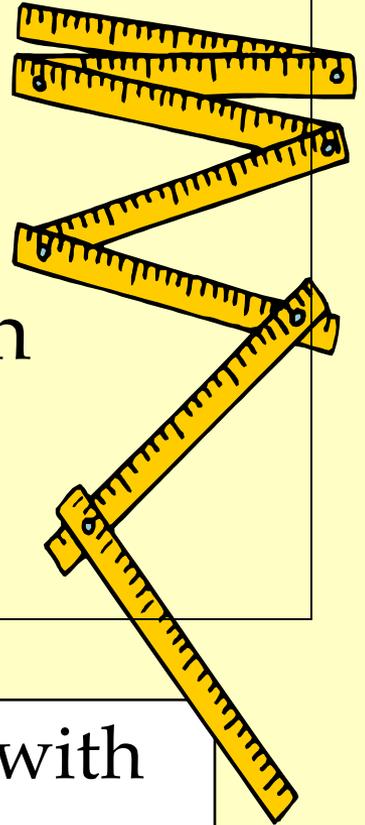
- ∞ Lines of authority – lists workers on the project
- ∞ As stated in approved application/budget
- ∞ Key personnel changes need ED approval
- ∞ Staff made aware of project's...  
purpose, duration, objectives

EDGAR  
§§74.25 & 80.30

# ED's Cash Management Policy

- ∞ Draw down only enough cash to meet grant's immediate need
- ∞ Minimize time between drawdown and payout of funds

Rate of drawdown must be commensurate with approved scope of work and milestones



# Grantee Responsibilities: Guiding Documents

Keep on site:

- ∞ Funded application, grant awards, contracts
- ∞ Previous audits / site visit reports
- ∞ Annual performance reports
- ∞ Project revision(s) documentation
- ∞ Current budget & personnel list
- ∞ Maintain ALL documentation

EDGAR  
§§74.51 & 80.40

# Grantee Responsibilities: Records Retention

Record retention – 3 years

- T & A, financial, POs – all records!
- Exception: litigation, claim or audit

EDGAR  
§§74.53 & 80.42

# Grantee Responsibilities: Fiscal Management

- ∞ Conduct a non-federal audit – more to follow
- ∞ Internal Controls – develop & practice
- ∞ Follow ED's cash management principle

EDGAR  
§§74. & 80.

# Grantee Responsibilities

## Performance Reporting

- \* Project's success and financial accountability
- \* Submit annual & final performance reports
  - Valid & reliable data
  - Report on GPRA standards & indicators
- \* Participation in an ED-sponsored evaluation
- \* Conduct an independent project evaluation

**ED monitors cash management!**

EDGAR  
§§74.51 & 80.40

An illustration within a black border shows a man in a grey suit on the left and a woman in a blue suit on the right. They are both holding up a large, stylized green bill that features dollar signs. The bill is positioned behind the text 'Budget Management'. The background consists of a light green field with a large, irregular tan shape in the center. Several orange triangles of varying sizes are scattered around the tan shape, some pointing towards the center and others away from it.

# Budget Management

# Financial Management Systems

must do the following...

∞ Provide for accurate, current, and complete disclosure of results regarding the use of project funds

∞ Document both the federal and non-federal funds used to carry out the project and track partners

EDGAR  
§§74.21 & 80.20

# Financial Management Systems

- ∞ Maintain effective internal controls
- ∞ Answer the following budgetary questions:

State systems must allow for the proper tracking of expenditures for itself, sub-recipients, contractors to ensure proper use of funds

# Budget Items

∞ Allowable -

permitted or not specifically prohibited

∞ Allocable -

necessary for project's success

∞ Reasonable -

costs incurred by a “prudent” person

# Budget Categories

Internal Controls –  
Procedures for expending funds for:

- ✓ Personnel
- ✓ Fringe
- ✓ Travel
- ✓ Equipment
- ✓ Supplies
- ✓ Contractual
- ✓ Other
- ✓ Indirect Costs
- ✓ Training Stipends



# Grantee Flexibilities

# Grantee Flexibilities

## Goals:

- /// Increase flexibility
- /// Increase accountability
- /// Reduce paperwork burden
- /// Develop relationships



Promote successful project outcomes

# Grantee Flexibilities

- /// Pre-award costs
- /// Carryover
- /// Budget transfers
- /// Time extensions

## EDGAR

§§74.25(e)(f) & 80.30 (75.261, 75.263, 75.264)

# Carryover

Program Office may require written statement:

- How will unexpended funds be used?
- When: At time of funding decision
- New funds can be reduced

Large Available Balance?  
Written statement required!

# Budget Transfer

The Cooperative Agreement says prior approval is necessary before transferring funds between cost categories.

# Prior Approval

- ∞ Changes in project scope or objectives
- ∞ Changes in key personnel
- ∞ IHE & non-profit project directors
  - > absent for more than 3 months
  - > 25% reduction in time
- ∞ Need for additional Federal funds



# Time Extension

Final year...

- /// One-time extension for up to one year without prior approval
- /// Grantees should carefully consider time extension needs



# Time Extension



- No later than 10 days before project ends
- State reasons for extension
- Include revised expiration date

# Time Extension Restrictions

Not just for using  
unexpended funds



No additional  
Federal funds



No change to scope  
or objectives



# ED Concerns

 Large amounts of unobligated funds at end of budget period

 Excessive or infrequent drawdown of funds

 Project goals not met

# Grant Monitoring



# Monitoring Using G5

Tracks spending patterns for each grant

Identify:

- ∞ performance issues
- ∞ financial issues



Work in collaboration to resolve

# G5 Monitoring Report: Excessive Drawdowns

1st Quarter      More than 50%

2nd Quarter      More than 80%

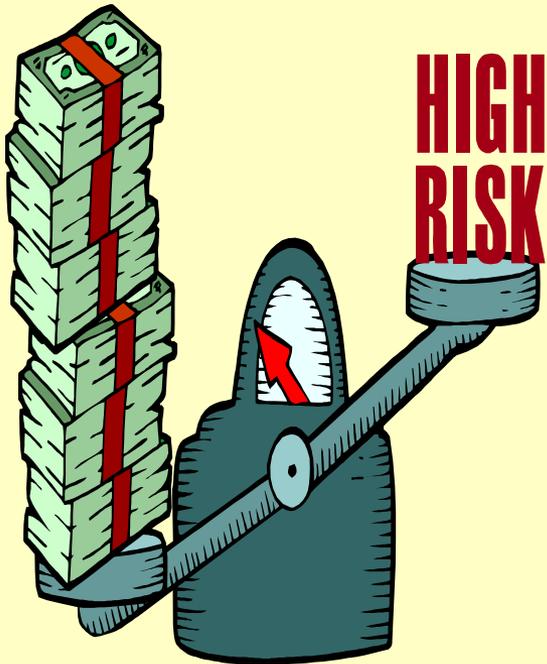
3rd Quarter      100%

Must return excess cash & interest to gov't

# G5 Monitoring Report: Large Available Balance

- ∞ Verifies financial data on annual performance report
- ∞ Discrepancies clarified before award
- ∞ Within 90 days, flags grants – 70% or more

# High Risk



- Serious implications
- Special terms/conditions added
- Unsuccessful implementing project
  - More technical assistance
  - Notified by correspondence

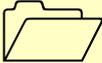
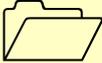
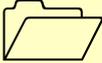
EDGAR  
§§74.14 & 80.12

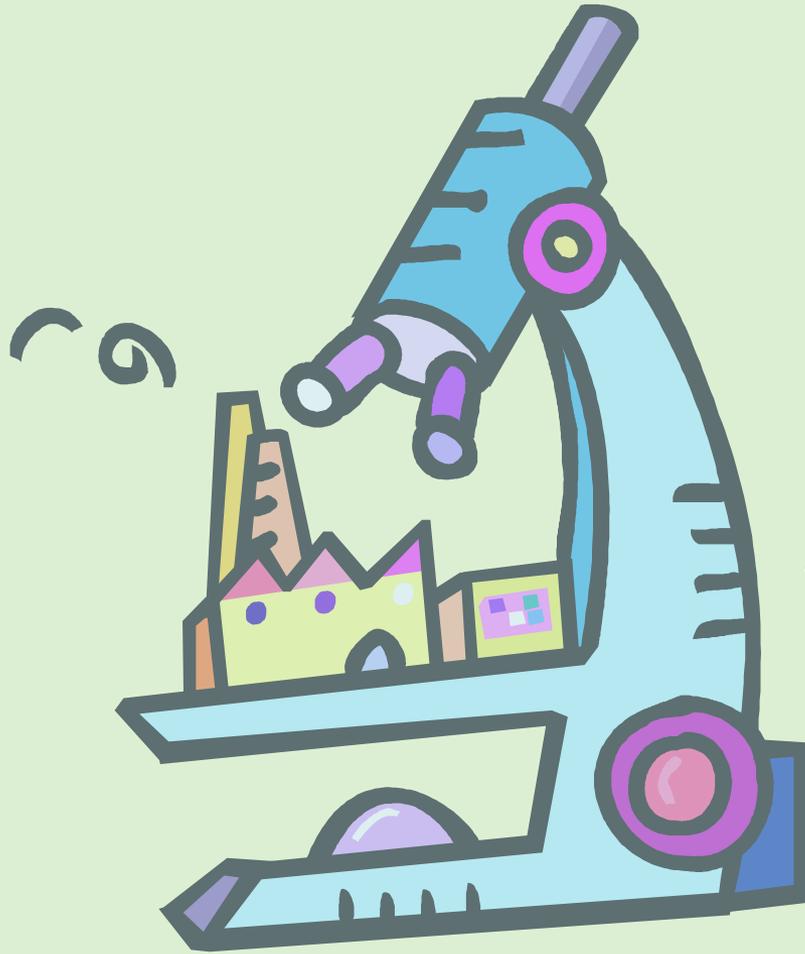
# High Risk Designation

- ∞ Documented unsatisfactory performance
- ∞ Financially unstable
- ∞ Non-standard management
- ∞ Non-conformance to terms/conditions
- ∞ Otherwise not responsible

Necessary to ensure compliance with grant requirements

# Special Conditions

-  Temporarily stop funds
-  Increased reporting
-  Require prior approval – “Att. Z”
-  Withhold continuation grant
-  Suspension/Termination



# Audits

# Audit Requirements

- /// Non-Federal audit if expending \$500,000 or more annually in total federal awards
- /// Mail to Federal Audit Clearinghouse
- /// Review Attachment C

EDGAR  
§§74.26 & 80.26

OMB Circular A-133

# Common Audit Exceptions

 Missing time and effort reports

 Poor record-keeping

 Failure to obtain prior approval

 Incorrect indirect cost rate

 Unallowable costs

 Lack of internal controls

# What ED Looks for...

Annual substantial progress met

GPRA “targeted” results met



Recordkeeping & fiscal accountability

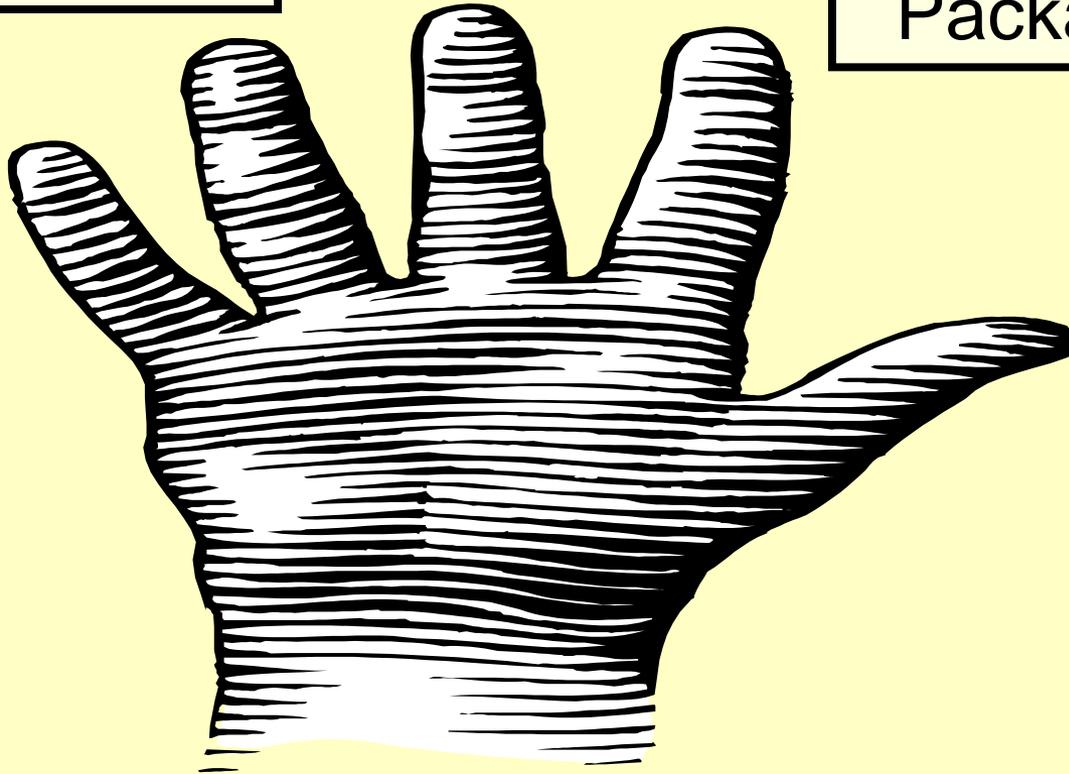
# At Your Fingertips...

2CFR

EDGAR

Application  
Package

Program  
Legislation



GPRA

# Important Reminders



- /// Check grant terms, conditions and grant award attachments for possible exceptions
- /// In rare circumstances, some or all may be denied
- /// When in doubt, call your Program Officer

# References and Resources

Main web page - [www.ED.gov](http://www.ED.gov)

∞ **Your Program's website**

<http://cte.ed.gov/>

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

<http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>

∞ **OMB Circulars**

<http://www.whitehouse.gov/omb/circulars/index.html>

∞ **Grantmaking at ED**

<http://www2.ed.gov/fund/grant/about/grantmaking/index.html?exp=1>

# References and Resources

∞ **Grants.gov - FIND. APPLY. SUCCEED**

<http://grants.gov>

∞ **Grant Awards Database**

<http://www.ed.gov/fund/data/award/grntawd.html>

∞ **List of Parties Excluded From Federal Procurement & Non-procurement Programs**

<http://epls.arnet.gov>

∞ **Federal Funding Accountability and Transparency Act (FFATA)**

<http://www.ffata.org/ffata/>

∞ **Online Grantee Training**

<http://vpp.ed.gov/training/>



**Questions?**