

Grant Administration

FY 2009 EMHE New Grantee Meeting
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Objective

To provide FY 2009 grantees with:

- An overview of grants management and administration
- A summary of major responsibilities for implementing your grant/project



Topics to be Covered

- Partnership
- Roles and Responsibilities
- Compliance with Regulatory Requirements
- Accessing G5
- Fiscal Management
- Expanded Authorities
- Human Subjects
- Administrative Actions
- Audit Requirements
- Useful Resources



Partnership

- Communication with ED staff
- Implementing grant project



Roles and Responsibilities

- ED Program Contact/Officer – the Federal staff who serves as the primary Federal contact with the grantee.
 - Responsible for: monitoring, providing technical assistance, building partnerships, resolving problems, and ensuring compliance with Federal and program regulations, requirements, and policies



Roles and Responsibilities (Cont'd.)

- Project Director – an individual designated by the grantee to carry out and oversee the project or program being supported by the grant. They serve as the primary contact for the grantee to the ED Program Contact/Officer.
 - Responsible for: oversight and implementation, responding to requests, preparing and submitting performance reports, ensuring compliance, attending required meetings, and maintaining grant records



Roles and Responsibilities (Cont'd.)

- Authorized Representative – the individual entrusted by the applicant/grantee to sign the application on behalf of the organization and to represent and authorize matters related to the grant.
 - Responsible for: giving assurances, honoring the commitments made in the grant proposal, entering into contracts and executing documents on behalf of the grantee



Roles and Responsibilities (Cont'd.)

- Payee – the legal entity, designated by the grantee, to request and manage Federal funds on its behalf. Payees may designate an Account Servicer (accounting firm or contractor) as the entity that will request and manage funds on their behalf.

Note: Grantee and payee can be the same entity.



Compliance with Regulatory Requirements

- The following should be consulted in the management of the your grant:
 - EDGAR – Education Department General Administrative Regulations
 - OMB Circulars (cost principles, administrative requirements, and audit requirements)
 - grant announcement/application package
 - Other ED requirements
 - Written guidance provided by your ED Program Contact/Officer



Accessing G5

- G5 – electronic system for grants management and payment. Will replace GAPS. Website: www.g5.gov

Implementation in 3 phases

- Phase 1 (2007) Payment
 - Phase 2 (est. Feb 2010) Pre-Award
 - Phase 3 (est. Summer 2010) Post-Award
- GAPS (Grant Administration and Payment System) – current system that provides financial management support for grant life cycle.



Accessing G5

- Registering for G5

G⁵ Empowering the **grant** community.

Home Help

Login to G5

Email ID

Password
(Case Sensitive)

In order to log into G5, you must accept the Department of Education's [terms](#).

Yes, I Accept the Terms

[Login to G5](#)

[Not registered? Sign Up >](#)
[Forgot your Email ID? Email Now >](#)
[Forgot your password? Reset Now >](#)

[Help Desk](#)

Welcome to the G5 System!

You have reached the U.S. Department of Education's G5 Website. G5 is a state-of-the-art, web-based system for use by authorized recipients of Department of Education funds, in support of grant management and payment activities. G5 is replacing the current Grant Administration and Payment System (GAPS).

News and Events

10/16/2009 URGENT MESSAGE - GRANTEES PROHIBITED FROM PROVIDING FEDERAL FUNDS TO ACORN... [more >](#)

07/23/2009 TEACH DRAWDOWNS - Where to go in G5 to process a TEACH drawdown... [more >](#)

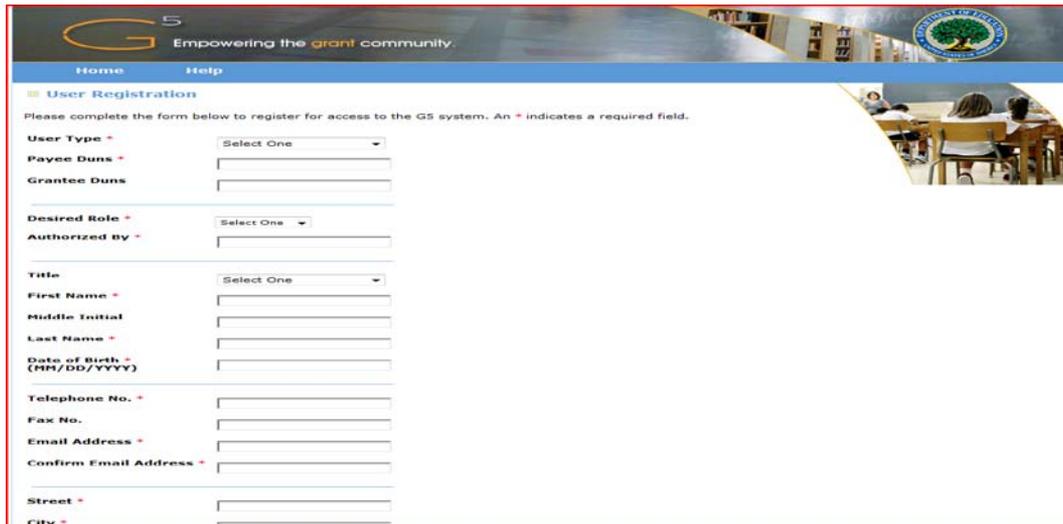
03/24/2008 User ID - After registering as a new or existing user in G5, what is my user ID? [more >](#)

Click the link "Not registered? Sign up>"



Accessing G5 (Cont'd.)

- User Registration Form



The screenshot shows the G5 User Registration Form. At the top, there is a logo with a large 'G' and the number '5', followed by the text 'Empowering the grant community.' and a circular seal on the right. Below the logo, there are links for 'Home' and 'Help'. The main heading is 'User Registration'. A note states: 'Please complete the form below to register for access to the G5 system. An * indicates a required field.' The form fields are as follows:

User Type *	Select One
Payee Duns *	
Grantee Duns	
Desired Role *	Select One
Authorized By *	
Title	Select One
First Name *	
Middle Initial	
Last Name *	
Date of Birth * (MM/DD/YYYY)	
Telephone No. *	
Fax No.	
Email Address *	
Confirm Email Address *	
Street *	
City *	

- Email confirming registration and used to activate ID



Accessing G5 (Cont'd.)

- Banking Information
- ACH or FEDWIRE
- Direct Deposit Form
 - New form if:
 - Change bank
 - Payee or bank changes the account number
 - Depositor's account is closed
 - Bank closes – either voluntarily or involuntarily



Fiscal Management

- *“A grantee shall use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds.” EDGAR §75.702*
- Accountability
 - Project Director is responsible for fiscal management of all grant funds even if other staff (finance office) may be assigned to perform a variety of financial functions.
 - obtain access to G5 system to monitor drawdowns
 - maintain fiscal records
 - knowledgeable about procurement process



Fiscal Management (Cont'd.)

Award periods – grants will have a different status during the life cycle of the grant.

- *Performance period* – the period of time between the grant award begin date and the date during which the grantee satisfies the requirements of the grant award.
- *Liquidation period* – the 90-day period immediately following the performance period, during which time a grantee is to submit their final performance report and draw down funds for obligations incurred prior to their performance period end date. No new obligations may occur during this time.



Fiscal Management (Cont'd.)

- Award periods (Cont'd.)
 - Suspension period – the 6-month period that follows the liquidation period to complete grant closeout activities. No new payment actions can occur without the approval of the ED Program Contact/Officer.
 - Manual Closeout – the 6-month period that follows the suspension period. This status is for those grantees that have either unexpended funds or not submitted a required report preventing the grant from closing.
 - Closed – a grant in the closed status indicates that the performance period has ended, all required reports received, and the remaining balance is zero so that the grant files can be transferred to Records Center.



Fiscal Management (Cont'd.)

- *Contracts and consultants*
 - *Can be a large portion of your budget. You need to ensure that:*
 - *district procurement process was adhered to when awarding the contract*
 - *contractor or consultant is meeting the terms and conditions of the contracts and that products or services are acceptable and timely*
 - *contract and consultant are maintaining financial files to track expenditures*
 - *vendor interactions do not violate open and free competition.*



Fiscal Management (Cont'd.)

- Internal Controls
 - Appropriate management of funds
 - Prevents fraud and mismanagement
- Drawing Down Funds
 - Draw down only those funds to meet immediate needs and obligations
 - Minimize time between drawdown and disbursement (EDGAR § 80.20-21)
 - Return quarterly interest earned on grant funds deposited in interest-bearing accounts
 - Avoid large available balances – 70% of project's budget is available 90 days or less before the budget period ends
 - Avoid excessive drawdowns – Department's thresholds are:
 - first quarter - 50% or more
 - second quarter - 80% or more
 - third quarter – 100%



Fiscal Management (Cont'd.)

- Returning Funds:
 - Payee must return fund to ED when any of the following occur:
 - Payee has excess funds/cash on hand
 - Payee owes ED for disallowed expenditures found during an audit or program review
 - Payee has earned interest on its federal funds
 - Funds can be returned electronically or manually via check.



Fiscal Management (Cont'd.)

- Indirect Cost Rates (ICR) – grantee must have a current ICR agreement in order to charge indirect costs to the grant.
 - Applicants that do not have a current negotiated indirect cost rate and are awarded a grant are subject to the terms and conditions included in Attachment D: Prohibition against Indirect Cost Recovery
 - Grantee shall submit ICR proposal to cognizant agency within 90 days after award of the grant
 - Grantee may not charge its grant for indirect costs until negotiated ICR agreement is in place
 - Grantee must provide proof of its negotiated ICR agreement to grant monitor



Fiscal Management (Cont'd.)

- Recordkeeping – should have in place a viable recordkeeping system that includes copies of:
 - Most recently approved budget
 - Policies or procedures for overseeing and implementing the grant
 - Any grant-related documents
 - All performance reports submitted to ED
 - Monitoring tools/forms
 - Inventory of all equipment purchased or leased
 - Evaluation plan – including timelines and measurement instruments
 - Site visit reports, if applicable



Expanded Authorities

- Background
 - In 1994 the Department revised parts of EDGAR to allow grantees to undertake certain types of administrative actions with discretionary grants without prior approval of the ED Program Contact/Officer.
 - Became effective July 28, 1997 and specifically permits: a one-time no-cost extension, budget transfers, carry-over of funds, and reimbursement of pre-award costs.



Expanded Authorities (Cont'd.)

- No-cost extensions (NCE) - extend the grant project period for up to 12 months to finish activities intended to be completed during the initial performance period, but have not been finished due to mitigating circumstances.
- A grantee must notify the ED Program Contact/Officer at least 10 days before the end of the project period, with supporting reasons for the extension and request that an NCE be processed



Expanded Authorities (Cont'd.)

- Budget transfers - Make transfers of funds among budget categories without prior approval from your ED Program Contact/Officer, unless it
 - Changes the project scope or objectives
 - Changes key personnel
 - Results in the absence for more than 3 months (or 25% reduction in time) of approved project director
 - Requires the need for additional Federal funds
 - Transfers funds for training to other budget categories
 - Transfers funds to contracting from other budget categories
- You should notify your ED Program Contact/Officer in writing of the transfer – the amount of funds, involved budget categories, and purpose



Expanded Authorities (Cont'd.)

- Pre-award costs – allows the grantee to be reimbursed for allowable costs that occurred up to 90 days prior to the start of the budget/performance period.
- Pre-awards costs that would occur during a period of longer than 90 days before the budget/performance period begins requires ED approval. The following considerations apply:
 - Applicants should have a reasonable expectation of receiving a grant
 - Expenditures are incurred at the applicant's own risk
 - Funds are not available until the budget period begins
 - Funds cannot be used to pay for cost overruns from the previous year



Human Subjects Regulations

- The form that applicants use to apply for a grant from ED includes a "human subjects research" item. Every applicant must respond to the item to indicate whether or not research activities involving human subjects are planned at any time during the project period.
- Your local evaluation activity may be subjected to human subjects regulations.



Human Subjects Regulations (Cont'd.)

- Definitions of research and human subjects: The regulations define research as "a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge." It includes activities which meet this definition, whether or not conducted under a program considered "research" for other purposes. [34 CFR 97.102(d)] *If an activity follows a deliberate plan whose purpose is to develop or contribute to generalizable knowledge, such as an exploratory study or the collection of data to test a hypothesis, it is research.* The regulations define human subject as "a living individual about whom an investigator (whether professional or student) conducting research obtains data through intervention or interaction with the individual or obtains identifiable private information." [34 CFR 97.102(f)(1) and (2)].



Human Subjects Regulations (Cont'd.)

- If you have any question about the Protection of Human Subjects in Research, you should contact the ED Human Subjects Coordinator - Jeffery Rodamar @ 202-260-3353 or via email @ jeffery.rodamar@ed.gov.
- Website - www.ed.gov/about/offices/list/ocfo/humansub.html



Administrative Actions

- Administrative action - a post-award request by the grantee to change the terms and conditions of the original grant.
- Administrative actions require ED Program Contact/Officer to update the project in GAPS, which will result in a new Grant Award Notification.
- ED will not permit a grantee to change the project's scope in order to provide basic fairness to other applicants.



Administrative Actions (Cont'd.)

- Administrative actions requiring approval
 - Grantee must submit written request to the ED Program Contact/Officer for approval/disapproval.
 - Actions requiring approval:
 - any prior approval requirement established by the terms and conditions of the grant
 - pre-award costs incurred more than 90 days prior to the performance/budget period
 - change in key personnel
 - absence of the project director for more than three months



Administrative Actions (Cont'd.)

- Actions requiring approval:
(Cont'd.)
 - a 25% reduction in the project director's time
 - transfer of substantive work to a third party
 - any other costs that require approval in accordance with the OMB Cost Circulars A-21, A-87, and A-122
 - revising grantee cost-sharing
 - transfer of a grant from one entity to another
 - grant extensions beyond the one-time expanded authority no-cost extension



Audit Requirements

- Two types of audits
 - Grantee-Initiated
 - Office of Inspector General (OIG) Audit
- Grantee-Initiated - any grantee that expends \$500,000 or more annually of Federal funds must have a non-Federal audit performed yearly and submit the report to the Federal Audit Clearinghouse.
 - Use an independent auditor
 - Comply with OMB Circular A-133

Important fact: OSDFS grants are not included in the Audit Compliance Supplement -- OMB Circular A-133, auditors should use Part 7- Guidance for Auditing Programs Not Included in Compliance Supplement



Audit Requirements (Cont'd.)

- **OIG Audit**
 - Complaint
 - Not every grant is audited
 - Office of Chief Financial Officer (OCFO) reviews audit reports and
OIG audit is triggered by serious
audit findings identified by OCFO



Audit Requirements (Cont'd.)

Recommended documents to provide to your auditor(s):

- OMB Circular A-133
(<http://www.whitehouse.gov/omb/circulars/a133/a133.html>)
- OMB Circular A-87 (Cost Principles)
(http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html)
- Program Announcement/Application Package
- Grant Award Notifications and Attachments (all versions)
- Post Award Conference Call Memo
- Grantee's original application
- Approved Budget (from your post award conference call memo)
- Performance Reports
- Correspondence (memos, emails, letters) regarding program changes and expenditures



Audit Requirements (Cont'd.)

Some common audit findings:

- Poor recordkeeping
- Unallowable costs/activities
- Missing time and effort reports for staff
- Failure to follow procurement standards
- Lack of internal controls
- Failure to obtain prior approval for expending or encumbering funds
- Incorrect calculation of indirect cost rate
- Excessive or infrequent drawdown/poor cash management



Useful Resources

- Office of Safe and Drug-Free Schools (OSDFS)
 - www.ed.gov/about/offices/list/osdfs/index.html
- Education Department General Administrative Regulations (EDGAR)
 - www.ed.gov/policy/fund/reg/edgarReg/edgar.html
- Office of Management and Budget (OMB) Circulars
 - www.whitehouse.gov/omb/circulars
- Protection of Human Subjects in Research
 - www.ed.gov/about/offices/list/ocfo/humansub.html



Useful Resources (Cont'd.)

- Family Educational Rights and Privacy Act (FERPA) & Protection of Pupil Rights Amendment (PPRA)
 - www.ed.gov/policy/gen/guid/fpc_o/index.html
- Indirect Cost Rate
 - www.ed.gov/about/offices/list/ocfo/fipao/icgindex.html
- Freedom of Information Act (FOIA)
 - www.ed.gov/policy/gen/leg/foia/foiatoc.html
- Federal Register
 - www.gpoaccess.gov/fr/index.html

