

# Grant Administration

Fiscal Year 2009 Initial Grantee Meeting  
November 18 – 19, 2009 ~ Irving, Texas

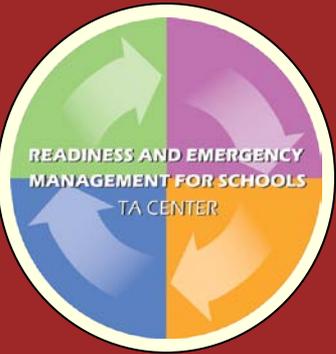


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# Objective

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- **To provide FY 2009 REMS grantees with:**
  - An overview of grants management and administration
  - A summary of major responsibilities for implementing your grant/project



# Topics to be Covered

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- Roles and Responsibilities
- Monitoring and Reporting Requirements
- Compliance with Regulatory Requirements
- Accessing G5
- Fiscal Management
- Expanded Authorities
- Human Subjects
- Freedom of Information Act (FOIA)
- Administrative Actions
- Audit Requirements
- Useful Resources



# 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.)

- **Grantee** – the legal applicant/entity that has been awarded financial assistance under one of ED's discretionary grant programs.
  - Responsible for: managing and administering the grant, which includes but is not limited to--
    - implementing the grant as described in the application
    - being a steward of Federal funds (fiscal management)
    - complying with Federal and program regulations and requirements
    - demonstrating and measuring progress (GPRA)
    - submitting performance and financial data
    - maintaining official grant files and records
  - *“A grantee shall directly administer or supervise the administration of the project”. EDGAR §75.701*



# Monitoring and Reporting Requirements

- **Grant Award Notification** – 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 Department of Education.
- **Performance Call** – communication between a grantee and ED Program Contact/Officer to monitor the grant throughout the project performance period.
  - Post-Award
  - Periodic Monitoring
- **Technical Assistance** – guidance provided to the grantee to respond to inquiries, provide assistance, or clarification.
  - Communication
    - correspondence (emails, letters, faxes)
    - meetings (workshops, trainings)



# Monitoring and Reporting Requirements (Cont'd.)

- **Site Visits** – grant monitoring tool that allows the ED Program Contact/Officer to observe first-hand the outcomes and progress.
  - Program performance
  - Notification of requirements for site visit
  - Report and findings
- **Performance Reports**
  - Grant Performance Report (ED-524B) is ED's generic performance report that is used by discretionary grantees. May submit this performance report in hard copy or electronically through e-Reports.
  - Types of Reports: Interim and Final



# Compliance with Regulatory Requirements

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



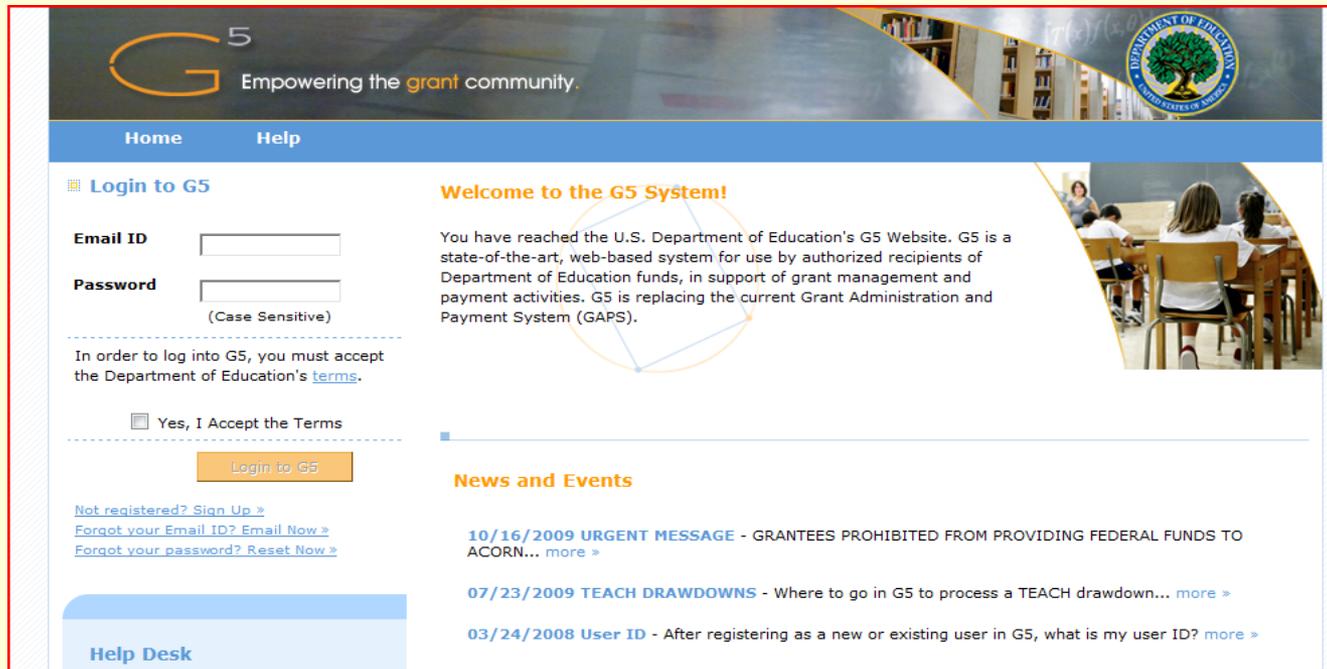
# Accessing G5

- **G5** – electronic system for grants management and payment. Website: [www.g5.gov](http://www.g5.gov)
- **Implementation** in 3 phases
  - Phase 1 (2007) Payment
  - Phase 2 (est. Fall 2009) Pre-Award
  - Phase 3 (est. Summer 2010) Post-Award



# Accessing G5

## ■ Registering for G5



The screenshot shows the G5 website interface. At the top left is the G5 logo with the tagline "Empowering the grant community." To the right is the U.S. Department of Education seal. Below the logo are "Home" and "Help" navigation links. The main content area is divided into two columns. The left column contains a "Login to G5" section with input fields for "Email ID" and "Password" (noted as case sensitive), a checkbox for "Yes, I Accept the Terms", and a "Login to G5" button. Below this are links for "Not registered? Sign Up >", "Forgot your Email ID? Email Now >", and "Forgot your password? Reset Now >". A "Help Desk" link is at the bottom left. The right column features a "Welcome to the G5 System!" message, a "News and Events" section with three news items (dated 10/16/2009, 07/23/2009, and 03/24/2008), and a background image of students in a classroom.

Click the link “Not registered? Sign up>”



# Accessing G5

- **Banking Information**
- **ACH or FEDWIRE**
- **Direct Deposit Form**
  - New form if:
    - Change banks
    - 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

**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

- **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*
- **NOTE: The Department has issued additional guidance on awarding contracts. This information is available on the Department's website and in the REMS application package. Make sure you review this guidance along with your business office, counsel and others in your district as appropriate.**



# 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.)

- **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 NCE cannot:
  - require additional Federal funds
  - change the scope or objectives of the project
  - be used merely for the purpose of exhausting unexpended funds
  - be contrary to Federal statute, regulation, or grant conditions



# Expanded Authorities (Cont'd.)

- 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
  - ED Program Contact/Officer will review and respond with follow-up questions as needed
  - Process the NCE in the Grants Administration Payment System and generate a revised Grant Award Notification



# 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 application 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

- 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

- 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](mailto:jeffery.rodamar@ed.gov).
- **Website -**  
[www.ed.gov/about/offices/list/ocfo/humansub.html](http://www.ed.gov/about/offices/list/ocfo/humansub.html)



# Freedom of Information Act (FOIA)

- The Freedom of Information Act (FOIA), 5 U.S.C. § 552, was enacted in 1966 and generally provides that:
  - **Any person has the right to request access to Federal agency records or information.**
  - **All agencies of the U.S. Government are required to disclose records upon receiving a written request for them.**
- There are some exemptions that protect certain records from disclosure.
  - **There is a special REMS exemption that allows grantees to request that confidential information about emergency management plans or district vulnerabilities be redacted before materials are released.**



# Freedom of Information Act (FOIA) (Cont'd.)

- **Processing a FOIA**
  - Project Director is contacted and provided 5 days to identify any information that the grantee would like redacted
  - Requested documents, including redacted information, is forwarded to ED's FOIA Office
  - Documents forwarded to the requestor (fee may be involved)



# Administrative Actions

- **Administrative action** - a post-award administrative 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: **REMS – 84.184E is 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](http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html))
- REMS FY 2009 Program Announcement/Application Package
- Grant Award Notifications and Attachments (all versions)
- Post Award Conference Call Memo
- Grantee's original REMS 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](http://www.ed.gov/about/offices/list/osdfs/index.html)
- **Readiness and Emergency Management for Schools Technical Assistance Center**
  - <http://rems.ed.gov/>
- **School Emergency Management Planning Resources**
  - [www.ed.gov/emergencyplan](http://www.ed.gov/emergencyplan)
- **Education Department General Administrative Regulations (EDGAR)**
  - [www.ed.gov/policy/fund/reg/edgarReg/edgar.html](http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html)
- **Office of Management and Budget (OMB) Circulars**
  - [www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars)



# Useful Resources

- **Protection of Human Subjects in Research**
  - [www.ed.gov/about/offices/list/ocfo/humansub.html](http://www.ed.gov/about/offices/list/ocfo/humansub.html)
- **Family Educational Rights and Privacy Act (FERPA) & Protection of Pupil Rights Amendment (PPRA)**
  - [www.ed.gov/policy/gen/guid/fpco/index.html](http://www.ed.gov/policy/gen/guid/fpco/index.html)
- **Indirect Cost Rate**
  - [www.ed.gov/about/offices/list/ocfo/fipao/icgindex.html](http://www.ed.gov/about/offices/list/ocfo/fipao/icgindex.html)
- **Freedom of Information Act (FOIA)**
  - [www.ed.gov/policy/gen/leg/foia/foiatoc.html](http://www.ed.gov/policy/gen/leg/foia/foiatoc.html)
- **Federal Register**
  - [www.gpoaccess.gov/fr/index.html](http://www.gpoaccess.gov/fr/index.html)
- **National Clearinghouse for Educational Facilities**
  - [www.edfacilities.org](http://www.edfacilities.org)

