



Grant Administration

FY 2007 Initial Grantee Meeting

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U.S. Department of Education

U.S. Department of Education, Office of Safe and Drug-Free Schools
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Learning Objective

- To provide FY 2007 REMS grantees with an overview of grants management and administration. This session will provide you with instructions, information, and resources you will need to administer the project as the grantee.
 - *The grantee administers or supervises the project. A grantee shall directly administer or supervise the administration of the project." EDGAR §75.701*



The session will not:

- Respond to issues specific to your grant
- Review all of the unique program requirements for REMS
 - *NOTE: You need to be aware of and adhere to any unique program requirements for REMS.*
- Cover every regulation, requirement, and resource applicable to your grant



Topics to be Covered

- Roles and Responsibilities
- Statutory and Administrative Governance
- Fiscal Management
- Audit Requirements
- Expanded Authorities
- Human Subjects
- Freedom of Information Act (FOIA)
- Resources



Roles and Responsibilities

- **Federal Project Office (FPO)** - the Federal staff who serves as the primary Federal contact with the grantee
 - Responsible for: monitoring grant's progress, providing ongoing technical assistance, building capacity, resolving problems, and ensuring compliance with Federal and program regulations, requirements, and rules
 - Performance calls (post award)
 - Phone calls, email, and other written correspondence
 - Budget review and GAPs reports
 - Site visits
 - Performance reports
 - Meetings - in person and virtual



Roles and Responsibilities (Continued)

- **Project Director (PD)** -The district staff who serves as the primary contact for the grantee to the FPO
 - Responsible for: oversight and implementing the grant, responding to requests from the FPO, preparing and submitting the interim and final performance reports, ensuring compliance with grant requirements and regulations, attending meetings as required, and maintaining a viable recordkeeping system
 - Your *official grant files (recordkeeping system)* should include: copy of your GAN(s), approved budget(s), all grant related memoranda, letters, and other correspondence (emails), performance reports, surveys, assessments, equipment inventory, evaluation plan, timelines, audit reports, site visit report, time and effort records, and other documents that relate to district policies (i.e., contracting process, etc.)



Roles and Responsibilities (Continued)

- **Authorized Representatives (AR)** - The district staff designated to represent and authorize matters related to the grant; this person is legally authorized to give assurances, make commitments, and enter into contracts and execute documents on behalf of the LEA -- in many instances this is the Superintendent
- Responsible for: honoring the commitments made in the grant proposal and ensuring that the grantee will adhere to grant requirements, regulations, guidelines and policies.



Roles and Responsibilities (Continued)

- Grantee - The legal applicant for the grant, the entity to which the grant was awarded
- Responsible for: managing and administering the grant (through the actions of the PD & AR), 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



Roles and Responsibilities (Continued)

- **The GAN - 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



Statutory and Administrative Governance

The following should be consulted in the management of the REMS grant

- EDGAR - Education Department General Administrative Regulations
 - Part 75 - Subpart E - "What Conditions Must Be Met by a Grantee?"
 - NOTE: Recent amendments to EDGAR to regulate faith-based organizations and grantees' interaction with faith-based organizations
 - 74.44 - Procurement procedures
 - 75.52 - Grant eligibility
 - 75.532 - Use of funds for religion prohibited
- OMB Circulars
- REMS grant announcement/application package
- Other ED requirements (e.g. FERPA)
- Written guidance provided by your FPO



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Fiscal Management

“A grantee shall use fiscal control and fund accounting procedures that insure proper disbursement of and accounting of Federal funds.” (EDGAR §75.702)

- As the REMS Project Director you are responsible for fiscal management of all grant funds, assuring financial accountability for grant funds. Other staff in the district’s budget/finance office may be assigned to perform a variety of financial functions with grant funds - such as, conducting draw downs, assigning accounting codes, processing procurement, paying invoices, etc. - you should be aware of these activities and keep a copy of all documents related to financial transactions.
- Managing grant funds appropriately helps to prevent fraud and mismanagement.



Fiscal Management (continued)

- As the PD you may want to -
 - ask to receive documentation of all GAPS drawdowns
 - regularly reconcile your records with the business office
 - maintain records in your office for all staff paid by grant (time and attendance certification, signed by appropriate staff & supervisors)
 - know the steps and staff involved in the procurement process (who initiates, approves, receives, authorizes payment)
 - keep an inventory of all equipment purchased or leased
 - maintain travel records (traveler, purpose of trip, appropriate approval, destination, and receipts of actual costs)



Fiscal Management (continued)

- Contracts and consultants can be a large part of your budget. Additional attention is needed to assure that -
 - district procurement process was adhered to when awarding the contract
 - contractor or consultant is meeting the terms and conditions of the contracts and products or services are acceptable and timely
 - consultant and contract is maintaining files to track expenditures
- **NOTE:** The Department has recently issued additional guidance on this issue via the listserv. Please be sure to review this guidance along with your business office/counsel and others in the district as appropriate.



Fiscal Management (continued)

- Accurate reporting of grant expenditures and encumbrances are essential to:
 - Meeting EDGAR 75.702
 - Completing the performance report cover sheet & Section B narrative
 - Minimizing the time between drawing down funds and paying them out for grant activities
 - Avoid Large Available Balances
 - 70% of project's budget is available 90 days or less before the budget period ends
 - Adhering to ED's drawdown policy - drawing down only enough cash to meet the grant's immediate need and minimize time between drawdown and pay out of funds
 - Avoid Excessive Drawdowns
 - First Quarter - 50% or more
 - Second Quarter - 80% or more
 - Third Quarter - 100%



Audit Requirements

- Any grantee that expends more than \$500,000 annually of Federal funds must conduct yearly, a non-Federal audit and submit the report to the Federal Audit Clearinghouse.
- Grantee initiated audit should
 - 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 (continued)

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
- REMS FY 2007 Program Announcement/Application Package
- Grant Award Notifications and Attachments (all versions)
- Post Award Conference Call Memo



Audit Requirements (continued)

Recommended documents to provide to your auditor(s) (continued)

- 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 (continued)

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 draw down/poor cash management



Audit Requirements (continued)

What to expect during an audit - one grantee's experience -

"....Next, he looked at the following documentation: (1) binder containing Monthly Payroll timesheets (2) binder containing monthly school board reports (3) folders containing contracts and non-kickback affidavits of all contractors/consultants, and (4) binders containing job descriptions, postings, resumes, etc. Then for an hour he read through the binder containing all the e-mails between you and me. (This is where he was delighted to find that we maintained a high level of communication and relieved to find that it was in writing.) He was also pleased to see that I had my own ledger and procedures for tracking every purchase order as a backup to the school's ADPC reports.



Audit Requirements (continued)

After a quick lunch, he randomly selected from the ADPC financial report approximately 40 items to look at in detail, such as why were we paying a sporting goods company (student T-shirts for character counts) or why we were paying a hotel (Safe Schools National Conference) or why we reimbursed petty cash (Fed Ex mailing of six-month SS/HS report), etc. I was so glad that I had attached all the documentation behind each P.O. when I processed it because it would have been a nightmare to try to recall everything under such intense pressure! But I calmly gave him the answers and even provided equipment pictures and serial numbers. He made copies of the SS/HS budget, the element matrix, the Federal financial report submitted, and the Federal award documents. As he checked these 40 items, he cross-referenced them back to the SS/HS Year 1 budget and matrix. I explained the three funding entities and how elements 3 & 4 are separate from 1, 2, 5, & 6. As I justified expenditures, there were times that I referred to your e-mails.



Audit Requirements (continued)

The next afternoon, he looked at every purchase order (all four 4" binders) to see if each had proper supporting documentation. He was pleased to see that XXXXX had improved their invoices to include details that cross-referenced back to their budget elements. We also spent one morning traveling to the different schools verifying all the equipment purchased through the grant. He even questioned me about some EDGAR rules. When I pulled out my EDGAR book to show him the answers, he took one look at how "dog-eared" and highlighted it was and started grinning. At the end of the audit, we had a good conversation over his critique of my procedures. He genuinely wants to know if the outcomes are met and if we see good results from the initiative. Like he said: "After all, these are my hard-earned tax dollars at work..."



Expanded Authorities

- 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 FPO -- specifically it provides for: a no-cost extension, budget transfers, carry-over of funds, and reimbursement of pre-award costs.
- 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 no-cost extension 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 (continued)

- A grantee must notify the Department (FPO) at least 10 days before the end of the project period, with supporting reasons for the extension and request that an NCE be processed
 - FPOs will review and respond with follow-up questions as needed
 - Additional information will be provided via the listserv in Spring 2009
- Budget transfers - Make transfers of funds among budget categories without prior approval from your FPO, unless it
 - Changes the project scope or objectives
 - Changes key personnel
 - 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 (via email) your FPO of the transfer - the amount of funds, involved budget categories, and purpose



Expanded Authorities (continued)

- Pre-award costs - Allows the grantee to be reimbursed for costs that occurred up to 90 days prior to the start of the first budget period, knowing that -
 - The 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

- Your local evaluation activity may be subjected to 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 (continued)

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[www.ed.gov/policy/fund/guid/
humansub/overview.html](http://www.ed.gov/policy/fund/guid/humansub/overview.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.**



FOIA (continued)

■ Processing a FOIA

- Project Director is contacted and provided 10 days to identify any information that the grantee would like redacted
- Requested documents and redacted request is forwarded to ED's FOIA Office
- Documents forwarded to the requestor (fee may be involved)



Resources

- Readiness and Emergency Management for Schools Technical Assistance Center
 - <http://rems.ed.gov/>
- School Emergency Management Planning Resources
 - www.ed.gov/emergencyplan
- Education Department General Administrative Regulations (EDGAR)
 - www.ed.gov/policy/fund/reg/edgarReg/edgar.html
- Grant-making at ED - Answers to Your Questions About the Discretionary Grants Process
 - www.ed.gov/fund/grant/about/grantmaking/index.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
- Office of Safe and Drug-Free Schools (OSDFS)
 - www.ed.gov/about/offices/list/osdfs/index.html



Resources

- Grants Policy and Oversight Staff -ED Grants Memoranda and Policy Bulletins
 - www.ed.gov/policy/fund/guid/gposbul/gposbul.html
- Information About the Protection of Human
 - www.ed.gov/policy/fund/guid/humansub/overview.html
- FERPA & PPRA
 - www.ed.gov/policy/gen/guid/fpco/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.
- What Works Clearinghouse
 - www.w-w-c.org
- The Challenge Newsletter
 - www.thechallenge.org

