



Administering ED
Grants: A Risk
based Approach to
Ensuring Successful
Project Outcomes

U.S. DEPARTMENT OF
EDUCATION
Grants Management
Policy Division



Agenda

- Identifying key resources
- Sharing policy updates
- Administering your grant project
- Avoiding audit problems
- Understanding and implementing internal controls
- Ensuring successful project outcomes

Partnership Forged in Collective Stewardship

ED staff responsibilities include:

- Monitor programmatic and financial performance
- Provide technical assistance
- Implement necessary approvals, specific conditions, risk mitigation strategies as warranted
- Utilize G5
- Determine annual substantial progress
- Report project-specific findings to other ED offices
- Make continuation awards
- Close out grant awards

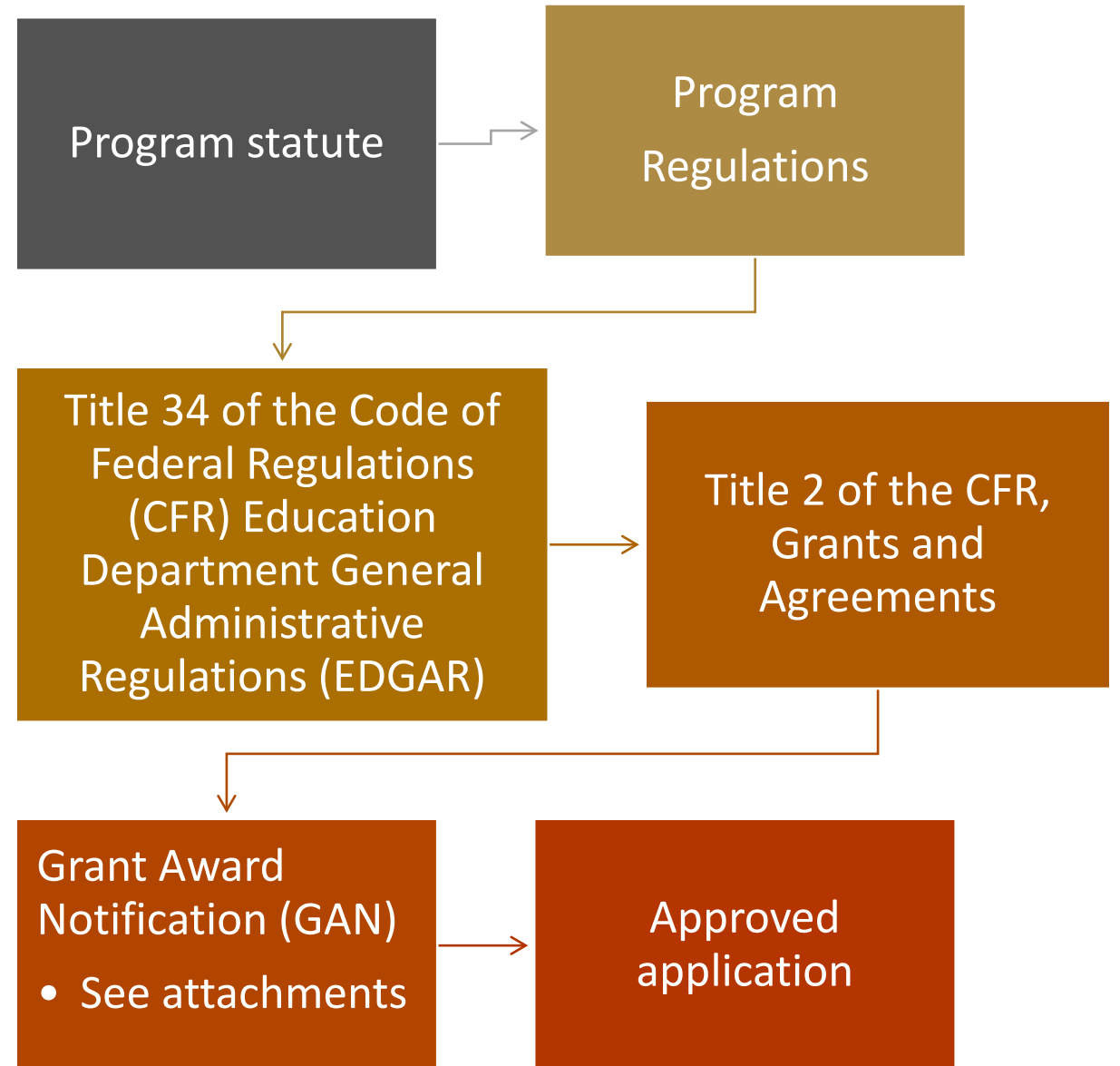
Grantee responsibilities include:

- Carry out the project based on approved, funded application
- Compliance with all statutes, regulations, terms and conditions of the grant awards
- Ensure and document programmatic success
- Ensure and document financial accountability
- Maintain records and, if applicable, monitor subgrantee performance
- Submit required reports in timely fashion

Tools of the Trade



G5/6



Education Department General

Administrative Regulations, Title 34

- Grant and cooperative agreement programs are located at Title 34 of the Code of Federal Regulations (CFR); Parts 75, 76, 77, 79, 81, 82, 85, 97, 98, and 99
- Suspension and Debarment Regulations are located at 2 CFR Part 180

2 CFR Overview

Key sections of 2 CFR includes the following:

- Part 25—Universal Identifier and System for Award Management
- Part 170—Reporting Subaward and Executive Compensation Information
- Part 180—OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)
- Part 183—Never Contract with the Enemy
- Part 184—Build America Buy America Act (BABAA)
- Part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

2 CFR Part 200 Table of Contents The Uniform Guidance

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C – Pre-Award Requirements
- Subpart D – Post-Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements
- Appendices III-V and VII – Indirect Cost/Cost
 - Allocation Plans
- Appendix XI – Compliance Supplement

Updated 2 CFR Part 200 In the Works

- OMB plans to reissue the Uniform Guidance by spring of 2024:
 - Reflects administration priorities and any statutory requirements
 - Clarify 2 CFR language and regulatory interpretations to ensure consistency between agencies
 - Consider policy changes recommended by agencies and external stakeholders
 - ED will clarify the impact on your grants once final regulations are issued



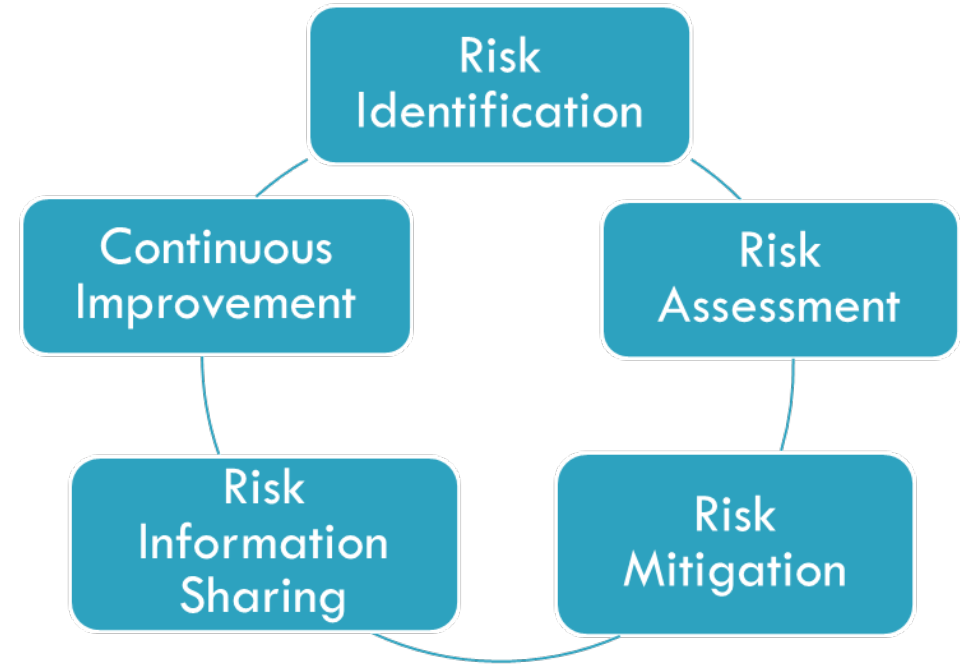
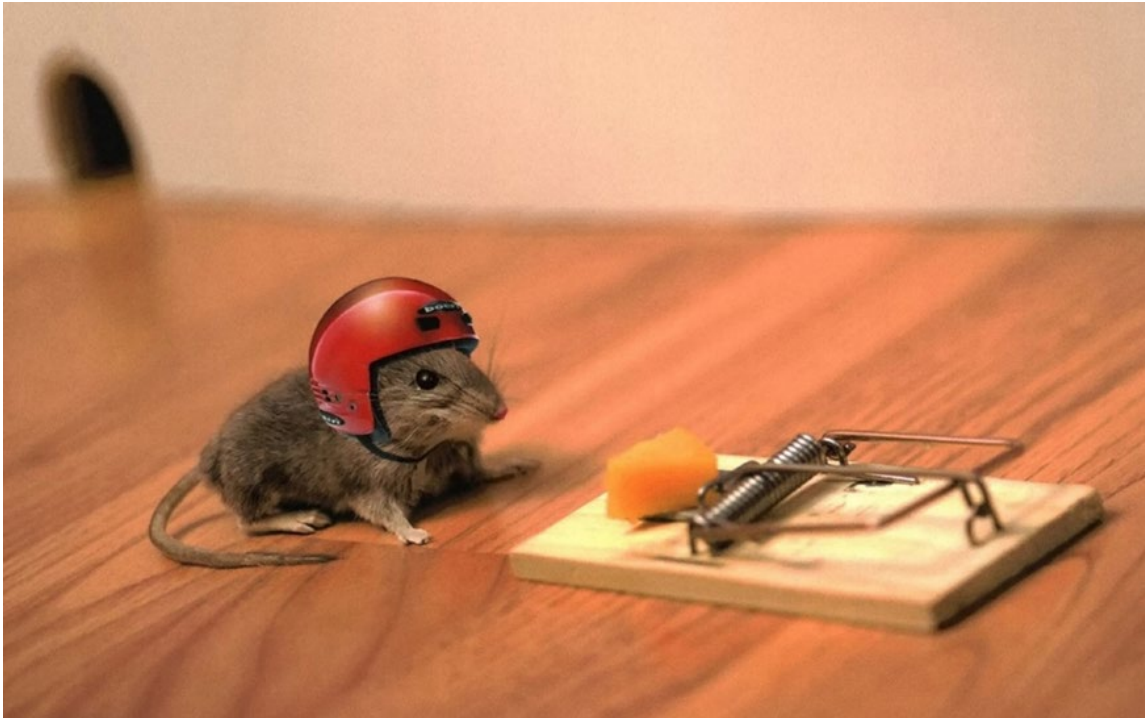
Grant Award Notification (GAN)

- GAN —the official document signed by an ED license holder stating the amount and conditions of an award for a discretionary grant or cooperative agreement (see EDGAR § 75.235 and EDGAR § 76.235)
- May consist of up to 30 to 40 pages inclusive of award terms and conditions, attachments, and enclosures which clarify an individual grantee's responsibilities to ED
- The GAN is accessible via G5
- Review a copy of your GAN identify your specific award terms and conditions

Administering Your ED Grant

While ED Monitors Your Grant

Risk Evaluation Cycle—2CFR §200.206



Risk Assessment Impact



If ED determines there is sufficient evidence of problems, one or more of the following actions will occur:



Impose specific conditions on the award to protect the Federal interest



Designate the applicant as “high risk” (2 CFR 3474.10)



Not make the award to protect taxpayer dollars

Imposing Specific Conditions

- 2 CFR Part 200.208 outlines types of conditions to impose on grantees to
 - Improve performance
 - Protect taxpayer dollars
- Through ongoing monitoring, risks and problem areas can be identified and targeted at any time to improve grantee performance
- Work with grantees to help them address problem areas and remove specific conditions

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

Budgetary Questions

Are the activities and or expenditures...

- Allowable – permitted or not specifically prohibited
- Allocable – necessary for project's success
- Reasonable – costs incurred by a “prudent” person

Common Grantee Issues

- Carryover of funds
- No-cost time extensions in the last year of a grant project
- Repurposing funds within scope of approved projects
- Establishing strong internal controls
- Implementing audit recommendations

Carryover

- 2 CFR 200.308 contains flexibilities ED previously referred to as Expanded Authorities
- Unexpended funds are carried over automatically without prior approval
- For any allowable expenditures within the approved project scope
 - For any uncompleted activities
 - For any new activities within scope

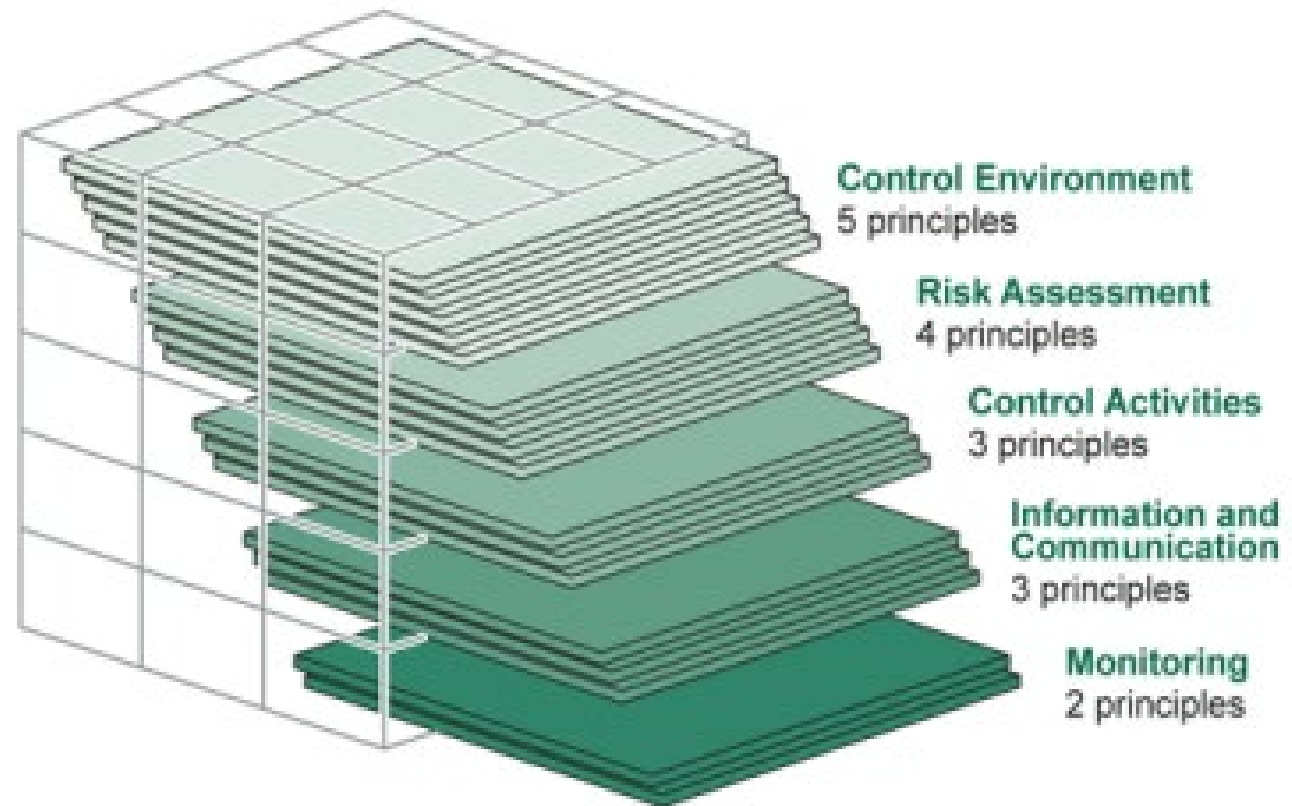
Carryover cont.

- This has resulted in potential large available balances and potential no-cost time extensions
- Grantees should provide a justification for carryover:
 - How will unexpended funds be used?
 - No later than the time of the funding decision
 - In rare cases, new funds may be reduced at the program office's discretion

§200.303 Internal Controls

- A process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved
- These objectives and related risks can be broadly classified into one or more of the following three categories:
- Operations - Effectiveness and efficiency of operations
- Reporting - Reliability of reporting for internal and external use
- Compliance - Compliance with applicable laws and regulation
 - See GAO's Green Book
<https://www.gao.gov/assets/670/665712.pdf>

Internal Control Components



Source: GAO. | GAO-14-704G

Single Audit Overview

- See 2 CFR Part 200 Subpart F
- Non-Federal audit if expending \$750,000 or more annually in Federal funds
- Questioned costs greater than \$25,000 are no longer required to be reported
- Review Attachment 3 of the GAN

Common Audit Findings

- Activities allowed or unallowed
- Allowable costs and Cost Principles
- Cash Management
- Eligibility
- Equipment and Real Property
- Cost-share and Match
- Level of effort
- Subrecipient monitoring
- Failure to adhere to internal controls

ED's Chief Concerns

- Project goals and GPRA indicators not met
- Excessive or infrequent drawdowns
- Poor recordkeeping and fiscal accountability



Indicators of Success

- Annual substantial progress met
- GPRA indicators met
- Good recordkeeping and fiscal accountability
- Timeliness



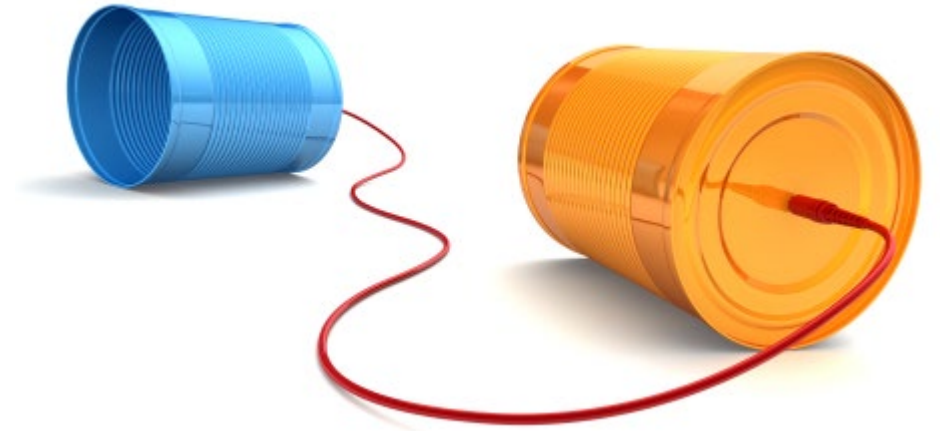


ED's Computer Based Training Courses

- **Internal Controls**
- **Indirect Costs**
- **Formula Grants Training**
- **Discretionary Grants Training**
- **Cash Management**
- **Protection of Human Subjects in Research**
- **Subrecipient Monitoring**
- **Allowable Costs**
- **Procurement**
- **Peer Reviewers**

Winning Reminders

- Document project activities and expenditures
- Establish and implement an internal control system that complies with laws and requirements AND provides that reasonable assurance
- Check grant terms, conditions and grant award attachments for possible exceptions
 - Read the “Fine Print”
 - Correctly cite the regulations
- Grow professionally to effectively administer your ED grants
- When in doubt, call your Program Officer



Frequently Asked Questions

- Once awarded a grant, where do the grant funds go and how do grantees access the funds from the University side?
- I am a financial officer overseeing multiple OSEP awards as well as awards in other Departments within ED. What are best practices that finance offices can implement to avoid conflating grant funds with other OSEP grants or department initiatives?



FAQs (1 of 3)

- Risk Mitigation Plan – I just received a new award and am told I need to submit a risk mitigation plan for the project. I have been asked to account for all similar grants at my IHE even though I have no role on those projects. If this is a new project, why is my project being flagged for risk? What information am I supposed to provide being that I am not involved with these other projects at my IHE? Finally, who is supposed to respond to this request?



FAQs (2 of 3)

- Budgetary Planning – We submitted a budget with our grant application, but costs have changed across the 5-year period of the grant that could not be projected in our initial budget. What are best practices related to budgetary planning and monitoring our actual costs vs. our projected costs? When should we contact our Project Officer if there is a discrepancy?
- I received a large available balance (LAB) notification. What is a LAB and what budget information is needed to respond to a LAB request?



FAQs (3 of 3)

- How do subawards/ subgrants/ subcontracts apply to indirect costs (determination of Modified Total Direct Cost base and the 25% cap on subawards over \$25,000) and grant requirements specific to subawards/subgrants?



Best wishes
administering your
ED grants.



Grants Management Policy
Division
Office of Finance and Operations