



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

MEMORANDUM

TO: District Superintendents

FROM: John R. Payne
Deputy Superintendent, Division of Federal Programs, Accountability and School Improvement

DATE: August 25, 2020

RE: ESSER Subgrant Updates

The South Carolina Department of Education (SCDE) is providing important Elementary and Secondary Schools Emergency Relief (ESSER) subgrant updates regarding using Indirect Cost Rates, Time and Effort requirements, and Learning Management Systems (LMS) licensing.

Indirect Cost Rate

Subgrants awarded under the ESSER funds are not subject to the “supplement, not supplant” clause. Therefore, local educational agencies (LEAs) can elect to charge the unrestricted indirect cost rate to the grant instead of the restricted indirect cost rate. Because the unrestricted indirect cost is much higher than the restricted indirect cost rate, the SCDE recommends LEAs electing to charge indirect cost to the ESSER award maximize the funding available for COVID-19 efforts by utilizing the restricted indirect rate. There is no prohibition from LEAs choosing to charge the unrestricted indirect cost rate if they elect to do so, but they should submit an amended spending plan to account for the increased indirect cost recovery.

If a LEA included indirect costs in its initial application, and wants to change the rate to the unrestricted amount, the LEA needs to complete a [Spending Plan Amendment](#) and submit it to sscesser@ed.sc.gov. The SCDE will then issue the district a revised GAN, and the LEA will need to update its budget in the SCDE's Grants Accounting Processing System (GAPS).

Time and Effort Clarification

Compensation for salaries paid with ESSER funds must adhere to the standards for documentation of personnel expenditures required in 2 CFR Part 200.430 and the SCDE Guidelines for Retaining Documentation to Support Expenditures at <https://ed.sc.gov/finance/auditing/manuals-handbooks-and-guidelines/guidelines-for-retaining-documentation-to-support-expenditures1/guidelines-for-retaining-documentation-to-support-expenditures/>. Therefore, the applicable semi-annual certification and/or personnel activity reports must be completed and maintained by the LEA.

Learning Management Systems Licensing

Since the SCDE awarded subgrants to LEAs, the SCDE decided to purchase LMS licenses for LEAs from those available on state contract for cost savings. Those LMS platforms include Blackboard, Schoology, and Canvas. If any LEA had initially included these costs in their subgrant budgets, the LEA needs to complete and submit a Spending Plan Amendment since the SCDE is covering those costs.

If you have any questions or need any further clarification please do not hesitate to contact the ESSER e-mail account at scesser@ed.sc.gov.