Understanding Your GAN: Your New Subgrant Award

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Agenda

- Origins of Change – new & updated regulations
- New GAN Format
- New Applicable Regulation Items
- New State Action: Procurement
- Reminders
- Questions & Answers

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Disclaimer

This presentation is designed to help you understand the subgrant award notification (a.k.a. the GAN).

This presentation is *not a substitute* for reading the subgrant award, any program-specific assurances, the SCDE's Assurances and Terms and Conditions for Federal Subawards, and the applicable federal regulations for the school district's subaward(s).

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Subgrant award lifecycles

continued throughout 2020…

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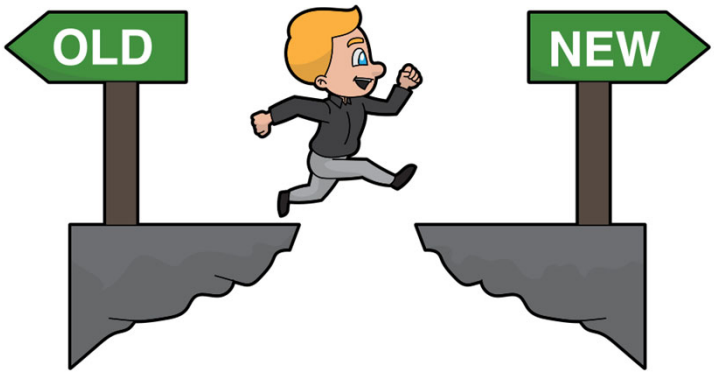

…despite changes in regulations

affecting federal subgrants after November 12, 2020.

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New and Updated Federal Regulations

- Federal Office of Management and Budget (OMB) released revisions to regulations August 13, 2020
- In effect immediately August 13, 2020:
  - New 2 CFR Part 200.216
  - Change conditions for termination of award in § 200.340
- Effective November 12, 2020: other revisions to 2 CFR Part 200 for *new* and *modified* awards.

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Important: 2 CFR Part 200.216

- Prohibition on certain telecommunications and video surveillance services or equipment
- *Cannot use federal funds* for video surveillance or telecommunications equipment produced by
  - Hytera Communications Corporation
  - Hangzhou Hikvision Digital Technology Company
  - Dahua Technology Company
  - *any subsidiary*
  - *any affiliate* of such entities.

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Know How You're Spending Federal Funds

- Ensure compliance with § 200.216 (check current contracts; make adjustments)
- Develop an affidavit to use with contractor/vendor to affirm that they are not a subsidiary or affiliate of an affected entity
- Auditors will check this ("low hanging fruit").

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Revisions to 2 CFR Part 200

- 426 changes including many section number *changes*
  - 2 CFR Part 200.1 contains *all* definitions (no individual sections)
  - Insertion of new regulation at §200.216
- §200.**332** Requirements for Pass-through Entities

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Changes to GAN to Comply with §200.332

STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

Directions: Please read carefully, sign in the appropriate space, and return the original to Dr. John R. Payne Federal Programs, Accountability and School Improvement at scesser@ed.sc.gov
Questions? Contact John at scesser@ed.sc.gov

SUBGRANT AWARD NOTIFICATION

Keep a signed copy for your records.

1. Name and Address of Subgrantee: Abbeville County School District 400 Greenville Street Abbeville, SC 29620-1749	**2. Subaward Information:** **Grant Status:** New **Grant Number:** H63010497521 **Subaward Name:** ESSER II **Sub Program Number:** 01 **Award Amount:** $4,017,118.00 **Total Amount of Funds Obligated to Subgrantee:** $4,017,118.00 **Total Amount of Funds Committed to Subgrantee:** $4,017,118.00 **District Revenue Code:** 4977 **District Subfund:** 225
3. Name of Authorized Official: Dr. Mason Gary	
4. Subgrantee Unique Identifier (UEI#): 093882488 **Subgrantee Code:** 0160	
5. Period of Performance: Start: 1/5/2021 End: 9/30/2023	
6. Budget Period: Start: 1/5/2021 End: 9/30/2023	**7. Federal Award Information (as applicable):** **FAIN:** S425D210019 **Awarding Agency:** US Department of Education **Federal Award Date:** January 6, 2021
8. Project Title: ESSER II	

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§200.332 (a) (1) Federal Award Identification

- Contents of subgrant award
- Formerly 13 items, now **14**
  - New item
  - Language changes
  - Numbering changes

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New Name! §200.332 (a) (1) (i–ii)

Good-bye DUNS; hello Unique Entity Identifier (UEI)

4.	**Subgrantee Unique Identifier (UEI#):** 093882488 **Subgrantee Code:** 0160
5.	**Period of Performance:**

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Currently UEI is DUNS but Not for Long

- Same number *for now*; UEI rolls out April 2021
- Keep your SAM registration current!

  Not active in SAM at time of UEI assignment?
  - Entity *will not* get UEI
  - Entity *will have to re-up* SAM registration to continue as subgrantee
- Tip: set internal control (process/procedure) for annual SAM registration.

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New item: §200.332 (a) (1) (vi)

- Subaward Budget Period Start and End Date
- §200.1 defines Budget Period

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Budget Period…

"…means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to §200.308."

§200.308 is Revision of budget and program plans.

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New item: §200.332 (a) (1) (vi)

Requires Budget Period section in subaward

- Start date
- End date

5.	**Period of Performance:** Start: 1/5/2021 End: 9/30/2023
6.	**Budget Period:** Start: 1/5/2021 End: 9/30/2023

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Same Items with New Numbers

(vii) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;

(viii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;

(ix) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;

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All Three in GAN Section 2

2. Subaward Information:
Grant Status: New
Grant Number: H63010497521
Subaward Name: ESSER II
Sub Program Number: 01
Award Amount: $4,017,118.00
Total Amount of Funds Obligated to Subgrantee: $4,017,118.00
Total Amount of Funds Committed to Subgrantee: $4,017,118.00
District Revenue Code: 4977
District Subfund: 225

Award Amount (Amount of Federal Funds Obligated)

Total Amount of Funds Obligated…

Total Amount of Funds Committed…

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More Same Items with New Numbers

(x) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);

(xi) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;

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Another Change: New Name

- Good-bye CFDA!
- Hello "Agency Listings"
- Same numbers; listings for
  - US Department of Education start with 84 (like 84.010A)
  - US Department of Agriculture start with 10 (like 10.555)
  - US Department of Health & Human Services start with 93 (like 93.243)

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Assistance Listings in the GAN

7. **Federal Award Information (as applicable):**
FAIN: S425D210019
Awarding Agency: US Department of Education
Federal Award Date: January 6, 2021
R&D Award? No
Assistance Listings # 84.425D **and Name:** Elementary and Secondary School Education Relief Fund

10. **Federal Project Description:** 84.425D Elementary and Secondary School Education Relief Fund

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Last Two Items: Same but New Numbers

(xiii) Identification of whether the award is R&D [that's "research and development"]; and

(xiv) Indirect cost rate for the Federal award (including if the *de minimis* rate is charged) per §200.414.

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Other Items Required by §200.332

- §200.332 (a) (2)–(6) other things, often program-specific, to be included in GAN

11. Scope of Work and/or Special Conditions (continued on pages 2, 3, and 4):

A. Allowable Activities: Funds may be used for

1. Any activity authorized by the ESEA of 1965, including
   a. the Individuals with Disabilities Education Act (20 U.S.C. 1400 *et seq.*) (IDEA),
   b. the Adult Education and Family Literacy Act (20 U.S.C. 1400 *et seq.*),
   c. the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 *et seq.*) (the Perkins Act), or
   d. subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*).
2. Coordination of preparedness and response efforts of the LEA with state and local public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.

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And in Applicable Regulations Section

12. Applicable Regulations (continuation from pages 1 and 2 and continued on page 4):

- 2 CFR Part 180 Nonprocurement Debarment and Suspension as adopted at 2 CFR 3485.
- 2 CFR Part 200, Uniform Grant Guidance Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as adopted at 2 CFR Part 3474.
- Education Department General Administrative Regulations (EDGAR) in 34 CFR Part 76, 77, 81, 82, 84, 97, 98 and 99.
- 34 CFR Part 300—Assistance to States for the Education of Children with Disabilities, as applicable.
- 34 CFR Part 463—Adult Education and Family Literacy Act, as applicable.
- Carl D. Perkins Career and Technical Education Act of 2006, as amended by the Strengthening Career and Technical Education for the 21st Century Act (Perkins V), as applicable.
- McKinney-Vento Homeless Assistance Act, Subtitle VII-B (42 U.S.C. § 11431 *et seq.*), as applicable.

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New: More Regulatory Language

- 2 CFR Part 175 Award Term for Trafficking in Persons. The grant condition specified in 2 CFR 175.15(b) is incorporated into this subgrant with Paragraphs a.2.ii.B and b.2. ii. revised as follows:
  "a.2.ii.B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85."
  "b.2. ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85."
  Under this condition, the SCDE may terminate this subgrant without penalty for any violation of these provisions by the subgrantee or its employees.

Language to indicate how US Department of Education modified and accepted 2 CFR Part 175 is passed-through to subgrantee.

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New: 2 CFR Part 322 Domestic Preference for Procurements

"As appropriate and to the extent consistent with law, the subgrantee should, to the greatest extent practicable under a federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products)."

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More about 2 CFR Part 322

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

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One More Thing from 2 CFR Part 322

- "The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award."
- Will be in subaward GAN
- Incorporate into procurement processes
- Include language in contracts and purchase orders.

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Reminder: What a grant/subgrant is not

Free money!

<u>All</u> grants and subgrant have "strings attached."

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"Strings" for Federal Grant/Subgrant Award

- Federal Grant and Cooperative Agreement Act
- Authorizing Legislation (programmatic statute)
- Appropriations Language\Law
- Administrative Statutes (i.e., Single Audit Act of 1984)
- Federal Regulations (i.e., for USED, it's EDGAR, which includes 2 CFR Part 200, the Uniform Grant Requirements)
- Non-Regulatory Guidance
- Letters and Press Releases

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More "Strings"

- State Laws (provisos)
- State Regulations (procurement)
- Grantee's policies and procedures
  - Organization/agency-wide
  - Office-specific.

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Why Are Reports Due When?

Why are the CRF (COVID Relief Fund) quarterly reports due the 5th day after the quarter ends whereas the other claims are not due until 45 days following?

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CARES Act Set State Reporting Deadline

- SCDE must report "Not later than 10 days after the end of each calendar quarter…"
- SCDE had to set reporting requirement "in order for the pass-through entity to meet its own responsibility to the Federal awarding agency"
- Subgrantee must report no later than the 5th day after the end of the quarter, including the second quarter ending June 30.

E. In accordance with generally accepted accounting principles (GAAP) and CARES Act, ESSER fund requirements, all expenditure reports for funds spent by June 30 each year are due to the SCDE by July 5 that year. No exceptions.

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But…some Subgrants Report August 15

F. In accordance with generally accepted accounting principles (GAAP), all expenditure claims for funds spent by June 30, each year are due to the SCDE by August 15, that year. No exceptions.

- State of South Carolina's Fiscal Year ends June 30
- All expenditures for *some* federal subaward funds through June 30 must be claimed by August 15.

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Know Your Subgrants

- Different purposes
- Different federal legislation
- May be similar and share characteristics with others
- Know specifics of what applies to *your* subgrants
  - With what federal agency did funds originate? (i.e., program requirements differ)
  - What are reporting requirements? Deadlines?

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Get and Stay Organized

Pay Attention to fiscal years, subgrant titles, etc.

- Waivers apply to individual subawards
- Waivers are not unilateral across different subgrant programs
- Not all subawards have applicable waivers.

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State of South Carolina on the move…

NEW FROM STATE PROCUREMENT

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Proposed
2020 Model School District Procurement Code

- Released **March 19** by SC State Fiscal Accountability Authority (SFAA) Division of Procurement Services
- Incorporates significant changes (May 2019) to SC Consolidated Procurement Code and Regulations
- When approved, will supersede 2011 version.

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Considerations

…school district's code "may accommodate the differing context of school districts (e.g. differences between state government and local school district operations, including size, purchasing staff resources, volume and type of procurements, and structure of its governing body and executive hierarchy)."

—Regulation 19-445.3000

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But…ultimate litmus test

Section 11-35-5340…dictates… — "the school code must be substantially similar to the Consolidated Procurement Code and regulations."

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Review, Consider and Comment

- Read the 2020 Proposed Model Code and Attachments https://procurement.sc.gov/schoolscodes
- Comment by April 2, 2021, via email to D. Crawford Milling at dcmilling@mmo.sc.gov

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Recommendation: Adopt Model Code

- Aligns with federal regulations
- Provides a written policy/procedures (as required)
- *All school districts* will be subject to federal audit requirement:
  - SC CARES/ESSER I subaward
  - ESSER II subaward (in process/pending)
  - ESSER III funds on the horizon.
- Will allow district to benefit from new thresholds

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Properly Use Federal Procurement Flexibilities

Small purchase procedures and thresholds *will not increase* for district's procurement (use of federal subgrant funds) *without approval* of district's Model Code from Division of Procurement Services of the State Fiscal Accountability Authority (SFAA).

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Things to consider

MORE RECOMMENDATIONS

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Update Policies & Procedures

Changes in 2 CFR Part 200 require updates to policies & procedures

- Section numbers changed
- Regulatory language changed

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Affected Policies & Procedures

- Allowability Procedures – 2 CFR Part 200.302(b)(7)
- Managing Equipment – §200.313(d)
- Travel Policy – §200.474(b)
- Time and Effort Procedures
- Record Retention Procedures

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Prepare for Audit

- Time and Effort documentation (100% of employee's time)
- Inventory Control (anything at risk of "walking")
- Written policies and procedures (documented internal control).

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Questions?