

Subaward Agreement: Important Things to Know

ESEA Academy

March 12, 2024

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Grants Program, Division for Legal Services

Ellen E. Weaver • State Superintendent of Education



How's it going?



Long two-days?

Budget blah,
blah, blah...

Funding blah,
blah, blah...

Subgrant blah,
blah, blah, blah,
blah, blah, blah,
blah...



WE'RE SO GLAD

YOU'RE HERE!



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Our Direction This Afternoon

- I. Things Program Offices Want You to Know
(Expectations)
- II. Tips
- III. Questions & Answers



Disclaimer

This presentation is to help increase your understanding of the subgrant award notification (a.k.a. GAN), subgrant requirements, and federal regulations, including parts of **2 CFR Part 200** Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.



Disclaimer, continued



This presentation is *not a substitute* for reading

- subgrant award
- program-specific assurances
- SCDE's Assurances and Terms & Conditions for Federal Subawards
- applicable federal regulations.



Remember, for effective subgrant management...

Reading
Is Fundamental

©Reading is Fundamental (RIF)



To prepare for today...

Conversations with
SCDE program office
staff.



Things Program Offices Want You to Know



“Know Your Project”

- Request for Proposals or Application Instructions
- Approved plan/application narrative
- Subaward document (GAN)



Know Your Project: Subaward Details


Scope of Work (section 12)

- Program requirements
- Financial reporting requirements
 - Quarterly expenditure reports
 - August 15 deadline for expenditures by June 30 -no exceptions
 - Final obligations and report deadlines
- Specific limitations



Subgrant Award Notification

- Legally binding contract between SCDE and recipient entity (LEA, nonprofit, IHE, for profit)
- Contains information about federal funding (items 2, 7, 10)

 STATE OF SOUTH CAROLINA DEPARTMENT OF EDUCATION ELLEN E. WEAVER STATE SUPERINTENDENT OF EDUCATION SUBGRANT AWARD NOTIFICATION		Directions: Please read carefully, sign in the appropriate space, and return <i>as soon as possible</i> to Susan Murphy at smurphy@ed.sc.gov . Questions? Contact Susan Murphy at 803-734-1601; smurphy@ed.sc.gov . Keep a signed copy for your records.
1. Name and Address of Subgrantee: Aiken County Public School District 1000 Brookhaven Drive Aiken, SC 29803-2109	2. Subaward Information: Grant Status: Amendment 1 Grant Number: H63010006723 Subaward Name: 23 Title III, Part A-ML Sub Program Number: 01 Award Amount: \$539.98 Total Amount of Funds Obligated to Subgrantee: \$129,424.47	
3. Name of Authorized Official: Mr. King Laurence	Total Amount of Funds Committed to Subgrantee: \$129,424.47 District Revenue Code: H6304341 District Subfund: 264	
4. Subgrantee Unique Identifier (UEI#): LU7JSJ4R3MM9 Subgrantee Code: 0201		
5. Period of Performance: Start: 7/1/2022 End: 9/30/2024		
6. Budget Period: Start: 7/1/2022 End: 9/30/2024		
8. Project Title: 23 Title III, Part A Multilingual Learner	7. Federal Award Information (as applicable): FAIN: S365A220040 Awarding Agency: US Department of Education Federal Award Date: July 1, 2022	
9. Type of Agency: LEA	R&D Award? No	
10. Federal Project Description: 84.365A English Language Acquisition: State Formula Grant Program	Assistance Listings #: 84.365A and Name: English Language Acquisition: State Formula Grant Program	
Amendment 1 is to award additional funds. The scope of work, applicable regulations, and terms of the original		



“Understand the Subgrant Award Notification”

Must be fully executed before funds accessible in GAPS

- Signed by State Superintendent & sent to LEA
- Signed by LEA Superintendent (no proxy or other signatory) - electronic signatures are allowable
- Returned to SCDE Program Office

Also need signed Assurances and Terms & Conditions

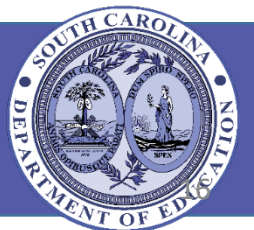


Example from Appropriations Act:

Public Disclosure Requirement in Subaward

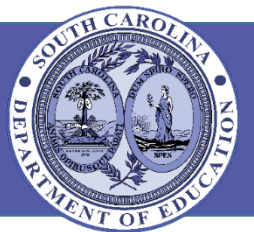
“When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing this project, the subgrantee shall state clearly:

- The dollar amount of the federal funds for the project;
- The percentage of the total cost of the project that will be financed with federal funds; and
- The percentage and dollar amount of the total cost of the project that will be financed by non-governmental sources.”



“Know Your Approved Budget”

- Project budget/finance person: “Be on top of it.”
- Other project person: “Know how the funding works.”



“Know Your Approved Budget” continued

- Allowable activities (expenditures)
 - Salaries/benefits? Must keep Time & Effort documentation/records
 - Equipment/Technology? Must have Inventory Control documentation/records
- Budget period start and end dates
- Expenditure report due dates



“Know the Rules”

- Law/authorizing legislation (purpose, allowable activities, etc.)
Example: Elementary and Secondary Education Act (ESEA) as reauthorized by the Every Student Succeeds Act (ESSA) - know which section applies to project
- Regulations that apply (specific & cross-cutting) - see GAN
 - EDGAR (Education Department General Administrative Regulations)
 - 34 Title 200 - Title I—Improving the Academic Achievement of the Disadvantaged
 - 2 CFR Part 200





eCFR is easy to use

- Title 2 Grants and Agreements
 - 2 CFR Parts 25, 170, 180 & 200
- Title 34 US Dept. of Education
 - 34 CFR Parts 75, 76, 77, 79, 81, 82, 84, 97 & 99
 - Also see 2 CFR Parts 3474 and 3485
- Title 7 US Dept. of Agriculture
 - 7 CFR Parts 3, 15 & 16
 - Also see 2 CFR Parts 415-418

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A point in time eCFR system

eCFR

READER AIDS

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Go to CFR Reference Go

Titles

	Last Amended	Recent Changes
Title 1 :: General Provisions	Nov 19, 2021	view changes
Title 2 :: Grants and Agreements	Mar 18, 2022	view changes
Title 3 :: The President	Mar 17, 2015	
Title 4 :: Accounts	May 01, 2018	
Title 5 :: Administrative Personnel	Jan 21, 2022	view changes
Title 6 :: Domestic Security	Feb 04, 2022	view changes
Title 7 :: Agriculture	Mar 16, 2022	view changes



“Know the Rules,” continued

- SCDE’s Assurances and Terms and Conditions
- Read it thoroughly
- Ensure signatories keep a signed copy to read

Assurances and Terms and Conditions for Federal Subawards

Assurances

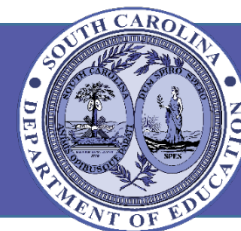
As the duly authorized representative of _____,
I certify that this applicant (Please print or type name of applicant.)

- A. Has the legal authority to apply for federal assistance and the institutional, managerial, and financial capability (including funds sufficient to pay the nonstate share of project costs) to ensure proper planning, management, and completion of the project described in this application.



“Know Available Tools”

- Federal cost principles in 2 CFR Part 200
- Federal Non-Regulatory Guidance
- Federal Program FAQs
- SCDE Guidance



Guidance from SCDE

Office of Finance

- [Reimbursement of Airfare and Registration Fees with Federal Funds](#)
- [Time and Effort Reporting - Procedures and Standards](#)

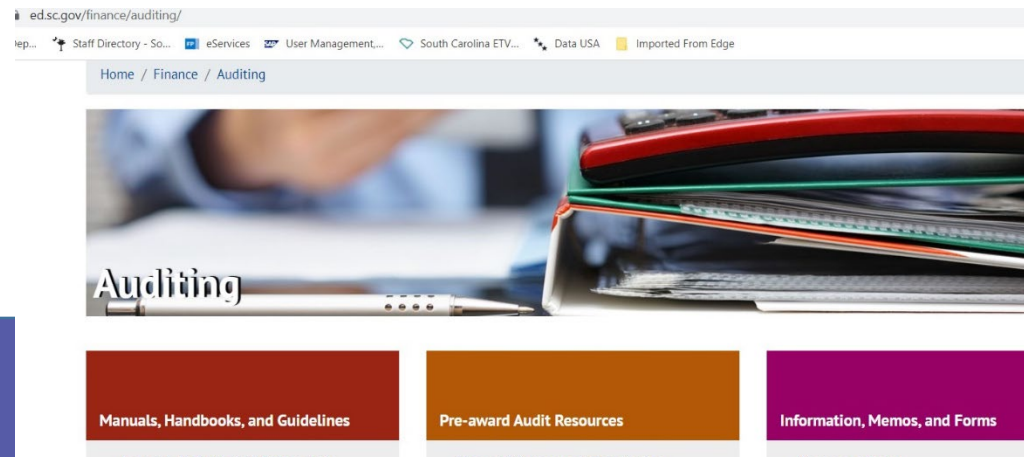


More Guidance from SCDE

Office of Auditing Services

- [Financial Accounting Handbook](#)
- [Financial Management Expectations](#)
- [Guidelines for Retaining Documentation to Support Expenditures](#)

And guidance from
Program Offices!





Tips

Tried and True Strategies for Grants Management



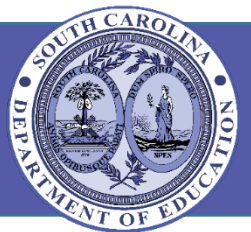
“Create Tools to Help”

- Quarterly spending plan
- Calendar, Siri, Alexa - deadline reminders:
 - Financial reports
 - Budget amendments
 - Quarterly expenditures
 - August 15 report of federal expenses by June 30
 - Final expenditure report deadline
 - Programmatic reports
 - Interim, if applicable
 - Final



Calendar Reminders: March 2024

- Assess whether budget amendment is needed
- Begin procurement plans for goods/services for next school year (using federal funds? Must be competed per 2 CFR Part 200.319–320)
- Plan for expenditures by 6/30/24 to be reported by 8/15/24
- Spend out ARP ESSER (a.k.a. ESSER III) funds



Document, Document, Document

- “A folder for everything”
- “No job is finished until the paperwork is done”
- Distinguish between professional communication and personal
- Record retention requirement is 6 years *after* closeout
- SCDE and federal funder can ask to see records at any time



Have Routines

Create routines for required tasks, such as

- Reconciling budget estimates to actual expenditures
- Monitoring project activities
- Monitoring contracts
- Preparing and submitting reports
- Reviewing and updating procedures/internal controls



Read Everything Carefully

- Subaward agreement
- SCDE's Assurances and Terms and Conditions
- Regulations
- Guidance from federal agency
- Guidance from SCDE offices



Communicate Often and Regularly

Within your LEA

- Program office talk with Finance office
- Finance office talk with Program office
- Other offices that interact with program & activities
- External Stakeholders

With SCDE Program Office

- Reports (meet all deadlines)
- Participate in all technical assistance
- Ask questions & request clarification



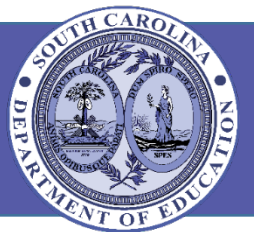
“I wonder if they’re even talking with each other.”



Practice Effective Internal Controls

Processes designed and implemented by non-federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (i) Effectiveness and efficiency of operations;
- (ii) Reliability of reporting for internal and external use; and
- (iii) Compliance with applicable laws and regulations.



What Feds View as Potential Issues of Noncompliance

- presence of noncompliance that should have been detected and corrected
- presence of noncompliance that may be considered intentional noncompliance
- certain improper or ineligible payments or expenditures
- efforts that intentionally harm other parties: theft, embezzlement, misappropriation of federal funds
- false representations and erroneous reporting
- other similar acts.



Prepare for Regulation Changes

- Office of Management & Budget updating 2 CFR, including Part 25, 175, 180, and 200 (the U.G.G.)
- US Department of Education updating EDGAR

Will require updates to policies and procedures! Review now to prepare.



Written Procedures for Allowability

“The subgrantee must have written procedures for *determining the allowability of costs* for their award. The subgrantee will comply with...2 CFR Part 200...requirements in Subpart D— Post Federal Award Requirements (§§200.300-346) and Subpart E—Cost Principles (§§200.400-476) to ensure that the subgrantee uses funds for purposes that are reasonable, necessary, and allocable under this subaward.”



2 CFR Part 200.302 – Financial Management

Written policies/procedures for

- Cash Management § 200.302(b)(6) and § 200.305
- Allowability of Cost Procedures § 200.302 (b)(7),
with
 - Cost Principles in Subpart E, and
 - Terms of subaward (subaward of USED funds includes 34 CFR Part 76.707 When Obligations are Made)



34 CFR Part 76.707 – When Obligations Are Made

If the obligation is for—	The obligation is made—
(b) Personal services by employee of state/subgrantee	When the services are performed.
(c) Personal services by contractor who is not employee of state/subgrantee	On date on which state/subgrantee makes binding written commitment to obtain services.
(f) Travel	When the travel is taken.*

*SCDE Guidance: Reimbursement of Airfare and Registration Fees with Federal Funds



Written Procurement Policy

“The subgrantee *must have a written procurement policy* in order to expend subgrant funds. The subgrantee is authorized,..., to follow the procedures outlined in Title 11 Chapter 35 of the South Carolina Procurement Code... (references Section 11-35-5320, Section 11-35-5340 and Section 11-35-40)...Where subgrant funds are used, the more restrictive requirements (federal or state) shall apply...”



2 CFR Part 200.318–327 **Procurement Standards**

- §200.318 - General Procurement Standards
 - **Must oversee** contactors (b)
 - **Written standards of conduct** covering Conflicts of Interest (c)
 - **Must maintain records** of history of the procurement (i)
- §200.319 - Competition
 - Written procedures** for procurement transactions (c).



Procedures define...

- Who (role) performs the procedure?
- What steps are performed?
- When are the steps performed?
- How are the steps are performed?



Questions and Answers

“Bring ‘em on!”



Contact Us

SCDE Grants Program

Grants@ed.sc.gov

(803) 734-5810

Audrey Shifflett, Grants Director

SCESSER@ed.sc.gov for ESSER questions

