

# Understanding Your Subaward Agreement and Compliance

2025 ESSA Academy

Audrey Shifflett, SCDE Office of Grant Services

March 25, 2025

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**SOUTH CAROLINA**  
**DEPARTMENT OF EDUCATION**

# Agenda

**1 Subaward**

**2 Expectations for Subgrantees**

**3 About Updated Regulations**

**4 Recommendations**



# Disclaimer

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This presentation is to help increase your understanding of subaward agreements. It includes updates to federal regulations, specifically parts of **2 CFR Part 200** Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.



This presentation is *not a substitute* for reading **2 CFR Part 200** and **other parts of Title 2 of the Code of Federal Regulations** (CFR) or any of the following:

- subaward
- SCDE's Assurances and Terms & Conditions for Federal Subawards
- any applicable program-specific assurances.



# Subaward

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## Important Details





# Subgrant Award Notification

- Legally binding contract between SCDE and recipient (LEA, nonprofit, IHE, for profit)
- Includes federal funding information (items 2, 7, 10, 12)
- Important to read, retain, refer to throughout performance period.

 <b>STATE OF SOUTH CAROLINA DEPARTMENT OF EDUCATION</b>  ELLEN E. WEAVER STATE SUPERINTENDENT OF EDUCATION		<b>Directions:</b> Please read carefully, sign in the appropriate space, and return as soon as possible (ASAP) to Jennifer Rhodes at <a href="mailto:jrhodes@ed.sc.gov">jrhodes@ed.sc.gov</a> . Office of Federal and State Accountability  Questions? Contact Jennifer at 803-734-8110; <a href="mailto:jrhodes@ed.sc.gov">jrhodes@ed.sc.gov</a> .  Keep a signed copy for your records	
<b>SUBGRANT AWARD NOTIFICATION</b>			
<b>1. Name and Address of Subgrantee:</b> Anderson School District 3 335 West Front Street Iva, SC 29655-8702		<b>2. Subaward Information:</b> <b>Grant Status:</b> New <b>Grant Number:</b> H63010100125 <b>Subaward Name:</b> 25 Title I <b>Sub Program Number:</b> 01 <b>Award Amount:</b> \$962,616.35 <b>Total Amount of Funds Obligated to Subgrantee:</b> \$962,616.35 <b>Total Amount of Funds Committed to Subgrantee:</b> \$962,616.35 <b>District Revenue Code:</b> H6304310 <b>District Subfund:</b> 201	
<b>3. Name of Authorized Official:</b> Ms. Kathy Hipp			
<b>4. Subgrantee Unique Identifier (UEI#):</b> WNG5JDUMFFM5 <b>Subgrantee Code:</b> 0403			
<b>5. Period of Performance:</b> Start: 7/1/2024      End: 9/30/2026			
<b>6. Budget Period:</b> Start: 7/1/2024      End: 9/30/2026		<b>7. Federal Award Information (as applicable):</b> <b>FAIN:</b> S010A240040 <b>Awarding Agency:</b> US Department of Education <b>Federal Award Date:</b> July 1, 2024 <b>R&amp;D Award?</b> No <b>Assistance Listings #:</b> 84.010A <b>and Name:</b> Title I, Part A Basic Grants to LEAs	
<b>8. Project Title:</b> 2025 Title I, Part A			
<b>9. Type of Agency:</b> LEA			
<b>10. Federal Project Description:</b> 84.010A Title I, Part A Basic Grants to LEAs			
<b>11. Scope of Work and/or Special Conditions (continued on pages 2 and 3):</b> A. To ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency <u>on</u> challenging state academic achievement standards and state academic assessments. B. This subgrant is provided with the understanding that the program will be implemented in a manner that complies with all assurances, terms and conditions, and applicable regulations.			
<b>12. Applicable Regulations (continued on pages 2 and 3):</b> <ul style="list-style-type: none"><li>• Provisions of Title I, Part A and F, and Title VIII, as applicable of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act.</li><li>• The General Education Provisions Act (P.L. 103-382).</li><li>• Title I regulations in 34 CFR Part 200 and the Education Department General Administrative Regulations (EDGAR) in 34 CFR Parts 76 (except for 76.650 – 76.662 (participation of students enrolled in private schools)), 77, 81, and 82.</li></ul>			
<b>13. This grant award is made on the premise that the funds will be spent as designated in the approved application and budget for the amount indicated below:</b>			



# Details: Section 11 Scope of Work and/or Special Conditions

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## 11. Scope of Work (specifics and deadlines; create a calendar)

- Program/manage requirements
- Reporting requirements
  - Quarterly financial/expenditure reports
  - August 15 deadline for expenditures by June 30 – no exceptions
  - Final obligations and report deadlines
- Specific limitations
- Closeout requirements
- Record retention requirements
- Special Conditions, if applicable.



## Example of addition to Scope of Work resulting from new law: **Public Disclosure Requirement in Subaward**

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

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



# Details: Section 12 Applicable Regulations

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## 12. Applicable Regulations (by reference; look these up)

- Federal laws and regulations applicable to funding program
  - Cross-cutting, like 2 CFR Parts 25, 170, 175, 180 and 200
  - Federal agency-specific, like 34 CFR Parts 75, 76, and 79 (EDGAR – Education Department’s General Administrative Regulations)
- State laws and provisos
- SCDE’s Assurances and Terms and Conditions
  - Expectations for grants management
  - Includes references to federal laws, regulations, and state laws.







# Expectations for Subgrantees

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**Project, Budget, Rules**



# **Things Program Offices Want You to Know**



# Understand the Subgrant Award Notification

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Must be **fully executed** *before funds accessible in GAPS* (grants accounting processing system):

- 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 **Assurances and Terms & Conditions** signed by LEA Superintendent (no proxy or etc.) and Financial Official returned to SCDE Program Office.



# Know Your Project

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Important to retain and refer to:

- Request for Proposals (RFP) or Application Instructions
- Approved plan/application narrative
- Subgrant award notification (a.k.a. GAN)
- Amendments during performance period.



# Know Your Approved Budget

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

## Understand:

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





# Know the Rules

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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 (specific & cross-cutting) – see subaward (a.k.a. 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 your friend! [www.ecfr.gov](http://www.ecfr.gov)



# eCFR is easy to use

[www.ecfr.gov](http://www.ecfr.gov)

- Title 2 Federal Financial Assistance (formerly 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 (a.k.a. EDGAR)
  - 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

The screenshot shows the eCFR website interface. At the top, there is a navigation bar with links: Home, Browse, Search, Recent Changes, Corrections, Reader Aids, and My eCFR. The main header features the National Archives logo, the title "Code of Federal Regulations", and the subtitle "A point in time eCFR system". A "Sign In" link is also present. Below the header, a "READER AIDS" section contains a welcome message and a link to the "Getting Started" guide. A search bar is provided with the placeholder text "Enter a search term or CFR reference (eg. fishing or 1 CFR 1.1)". The "Titles" section is a table listing various titles and their last amended dates.

Titles	Last Amended	Recent
Title 1 :: General Provisions	Dec 29, 2022	
Title 2 :: Federal Financial Assistance	Jan 03, 2025	<a href="#">view c</a>
Title 3 :: The President	Mar 17, 2015	
Title 4 :: Accounts	Jul 18, 2024	
Title 5 :: Administrative Personnel	Mar 12, 2025	<a href="#">view c</a>
Title 6 :: Domestic Security	Jan 14, 2025	<a href="#">view c</a>
Title 7 :: Agriculture	Mar 04, 2025	<a href="#">view c</a>
Title 8 :: Aliens and Nationality	Mar 12, 2025	<a href="#">view c</a>
Title 9 :: Animals and Animal Products	Jan 28, 2025	<a href="#">view c</a>





# About Updated Regulations


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## Title 2 of Code of Federal Regulations



# Updates Announced in Federal Register April 22, 2024

**Title 2** of the Code of Federal Regulations (CFR) is now **OMB Guidance for Federal Financial Assistance** (previous title: OMB Guidance for Grants and Agreements)

 Titles		Last Amended	Recent Changes
Title 1	:: General Provisions	Dec 29, 2022	
Title 2	:: Federal Financial Assistance	Jan 03, 2025	<a href="#">view changes</a>
Title 3	:: The President	Mar 17, 2015	

Updated 2 CFR Parts 1, 25, 170, 175, 180, 182, 183, 184, and 200

2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is still **Uniform Guidance** (a.k.a. Super Circular, Uniform Grant Guidance or UGG).



## 2 CFR Part 200.303 Internal Controls

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- a) Establish, **document**, and maintain effective internal control over the Federal award.... These internal controls should **align** with (Green Book or COSO's Internal Control-Integrated Framework)...
- b) Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal award.
- c) Evaluate and monitor...compliance with statutes, regulations, and the terms and conditions of Federal awards.
- d) Take prompt action when instances of noncompliance are identified.
- e) Take reasonable **cybersecurity and other** measures to safeguard **information including** protected personally identifiable information (**PII**) and other **types of information. This also includes** information the Federal agency or pass-through entity designates as sensitive or **other information the recipient or subrecipient** considers sensitive **and is** consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.





# Required and Suggested Written Policies

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## Policies define standards.

- Accounting Policies — §200.306 (h) (2) (i); §200.400; §200.430(i)
- Conflicts of Interest Policy — §200.318(c)
- Time and Effort Policies — §200.430(a)
- Fringe Benefits Policies — §200.431
- Employee Health and Welfare Policies — §200.437
- Travel Reimbursement Policy — §200.475(a)
- **NEW** Participant Support Cost Classification — §200.456; §200.1 (define in written policies/procedures)

Suggested **NEW** Whistleblower Protections — §200.217 because “...The recipient and subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 U.S. C. 4712.”



# Required Written Procedures

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## Procedures tell what you're doing.

- Real property sales procedures — §200.311(c)(2)
- Time and Effort Procedures — §200.430
- Allowability Procedures — §200.302(b)(7); §200.403(c)
- Cash Management Procedures — §200.302(b)(6); §200.305
- Procedures for Managing Equipment — §200.313(d)
- Record Conversion Quality Control — §200.336
- **NEW** Participant Support Cost Classification — §200.456; §200.1 (define in written policies/procedures)





# Updated UGG Effective Date

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**October 1, 2024**  
**for New and Amended Awards**



# Effective Dates: Updated Uniform Grant Guidance (UGG)

- Updates to Title 2 announced in [Federal Register](#) on April 22, 2024
- 2 CFR Part 200.110(a) – “...become effective once implemented by Federal Agencies of when any future amendment to this part becomes final.”
- OMB Memo [M-24-11](#): “Consistent with 2 CFR 200.106 and applicable law, Federal agencies must take appropriate steps to ensure the 2024 Revisions are effective for all Federal awards issued on or after October 1, 2024. Agencies should ensure that Federal award terms and conditions, notices of funding opportunities (NOFOs), internal agency policies and procedures, agency templates, and other program documents reflect the 2024 Revisions for those Federal awards.”
- [US Department of Education’s FAQ on the Uniform Guidance](#) in July 2024 – effective date of October 1, 2024, for discretionary, new and continuation awards, and direct formula grants –all except state-administered formula grants which had the option of implementing as early as July 1, 2024 – provided they were prepared.



**And then, January 2025 happened...**





# ***Federal Register, January 16, 2025***

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US Department Of Education  
updates all awardees' Grant Award  
Notices (GANs) to apply the  
updated UGG:

[Application of the Revised Version  
of the Uniform Guidance to  
Department Grants](#)



# ***Federal Register, February 10, 2025***

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US Department Of Education walks that back:

[Retroactive Application of the Revised Version of the Guidance for Federal Financial Assistance](#)

So – “Revised Version of the Uniform Guidance” is effective for new grants and amendments issued to SCDE from US Department of Education **on and after October 1, 2024.**

**What about your subawards?**



# Check Your Subaward!

Currently (3/20/25) only Subaward Name:

- 25 Title I
- 25 Title I Distinguished Schools
- 25 Title I N&D (LEA)
- 25FFVP

Language to look for:

- “...as updated by the federal Office of Management and Budget on 4/22/24...”
- “...eff. 11/1/24.” for the assurances, terms and conditions

or terms, as appropriate.

## **12. Applicable Regulations (continuation from pages 1 and 2):**

- 2 CFR Part 180 Guidelines to Agencies on Governmentwide Debarment and Suspension, **as updated by the federal Office of Management and Budget on 4/22/24**, and as adopted at 2 CFR Part 3485 Nonprocurement Debarment and Suspension.
- 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements, **as updated by the federal Office of Management and Budget on 4/22/24**, and as adopted at 2 CFR Part 3474.
- “Tydings Amendment,” Section 421(b) of the General Education Provisions Act, 20 U.S.C. 1225 (B).
- Travel: State budget proviso, S.C. General Appropriations Act, Proviso 117.20, Act 178 of 1981, and 1976 Code Section 19-101.01 of South Carolina Code of Regulations.
- The SCDE’s Assurances and Terms of Conditions for Federal Subawards (**eff. 11/1/24**).





# Recommendations and Resources

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## For Subgrant Management



# **Read Everything Carefully**

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



# Communicate Often and Regularly

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## Within your LEA/Organization

- Program office talk with Finance office (GEMS/GAPS, plans, deadlines, etc.)
- Finance office talk with Program office
- Other offices that interact with program & activities
- External Stakeholders

## With SCDE Program Office

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



# Document, Document, Document

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- “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. For example:
  - Subgrant period of performance ends 9/30/25
  - Closeout period ends 12/30/25 (90 days)
  - Record retention period *begins* 12/31/25 and ends 12/31/31 (6 years)
- SCDE and federal funder can ask to see records at any time during project and record retention period.



# Follow Routines

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Create routines for required tasks, such as

- Reconciling budget estimates to actual expenditures (must do “regularly” for federal funds)
- Monitoring project activities
- Monitoring contracts
- Preparing and submitting reports
- Reviewing and updating procedures/internal controls



# Reminder: It's March 2025! Time to...

- Determine whether budget amendment is needed
- Begin procurement plans for goods/services for next school year— MUST compete if using federal funds (2 CFR Part 200.319–320)
- Plan for expenditures by June 30, to be reported *before* August 15, 2025



# Resources

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US GAO's **Green Book**:

<https://www.gao.gov/greenbook>

COSO Integrated Framework for  
Internal Control:

<https://www.coso.org/internal-control>

**COFFA** (Counsel on Federal Financial  
Assistance):

<https://www.cfo.gov/coffa/uniform-guidance-coffa/2024/>

Resources on 2024 Revisions to Title 2  
CFR, including

- Federal Register Notice
- Redline Edits
- **2 CFR Crosswalk**
- FAQs

and more!



# US Department of Education Items

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US Department of Education FAQ on  
2 CFR Part 200:

- <https://www.ed.gov/sites/ed/files/about/offices/list/ofo/oaga/uniformguidancefaqs.pdf>

Keep these in your files:

US Department of Education actions:

- January 16, 2025: [Federal Register :: Application of the Revised Version of the Uniform Guidance to Department Grants.](#)
- February 10, 2025: [Federal Register :: Retroactive Application of the Revised Version of the Guidance for Federal Financial Assistance.](#)





# Questions?

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# Contact Us

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## SCDE Office of Grant Services

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