

Life Cycle of a Federal Grant

- ★ To provide an understanding of the federal grant process from the appropriations process to the final audit.
- ★ To identify the rules and regulations regarding federal grants.
- ★ To highlight overarching grant management structures that apply to all federal grants.

Session Objectives

Federal Grants

Authorized in Legislation

Congress authorizes funding in legislation and the President signs legislation

Examples:

- ESSA 2015
- CARES Act 2020

Appropriations

Congress develops a budget that is signed by the President

Appropriations *typically* reflect what was authorized

Awards

USDE awards funds as defined in statute.

Process:

- Direct
- State Administered

Types of Grants:

- Formula
- Competitive

Accountability

Funds must support the goals of the federal programs in accordance with grant regulations.

- Monitoring
 - USDE
 - DPI
- Audits
- Community

Federal Grants Process

Direct Grants

Grants awarded directly from USDE to recipients (states, LEAs, other entities, etc.)

- ESEA Title V - SRSA
(*Small Rural School Achievement*)
- ESEA Title VI
(*American Indian Education*)
- USDE's grant application webpage:
<https://www2.ed.gov/fund/grant/apply/grantapps/index.html>

Subgrants

Direct grants awarded to states to subgrant to subrecipients (LEAs, other entities, etc.)

- ESEA Titles I, II, III, IV, V-RLIS
(*Rural, Low Income Schools*)
- IDEA
- Perkins
- Education Stabilization Funds (ESF)
for COVID Relief

Types of Grants

FORMULA

“Formula” grants are awarded on a non-competitive basis to eligible subrecipients.

The amounts of the allocations are based on calculations set forth in the program's regulations.

COMPETITIVE

Eligible applicants provide information regarding the activities they would perform in order to meet the project's objectives.

Applications are scored and ranked by a review team.

Laws and Regulations

- ★ Federal Statute
 - ESEA, IDEA, Perkins, etc.
- ★ Uniform Grant Guidance (UGG)
- ★ General Education Provisions Act (GEPA)
- ★ Education Department of General Administrative Regulations (EDGAR)
- ★ Compliance Supplement for Auditors
- ★ State Statutes
- ★ State and Local Policies and Procedures

Uniform Grant Guidance

Regulations that establish rules that apply to all federal grants, regardless of which Federal agency is providing the award. Examples include:

- ★ Written Procedures (Cash Management, Conflict of Interest, Determining Allowed Costs)
- ★ Time and Effort Requirements
- ★ Procurement Standards
- ★ Cost Principles

EDGAR

The Education Department General Administrative Regulations governs all federal grants awarded by the U.S. Department of Education.

- ★ Part 75 - Direct grant programs
- ★ Part 76 - State administered programs (subgrants awarded to DPI to be administered to LEAs)
- ★ Part 81 - Regulations regarding the enforcement of the General Education Provisions Act (GEPA)

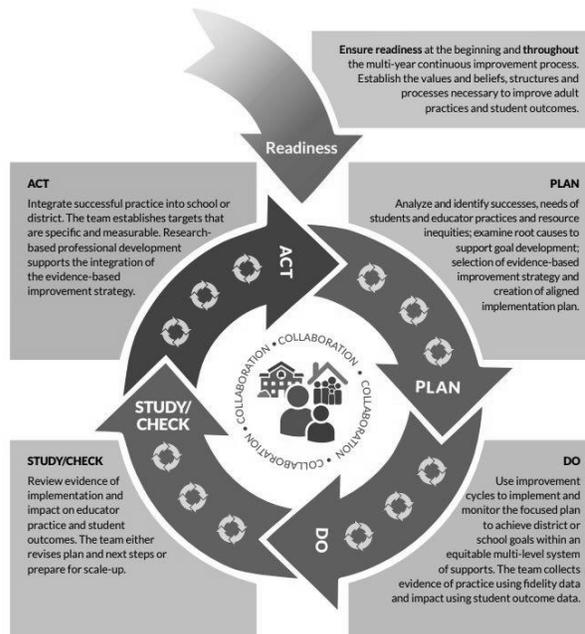
34 CFR, Parts 75, 76, and 81

General Education Provisions Act (GEPA)

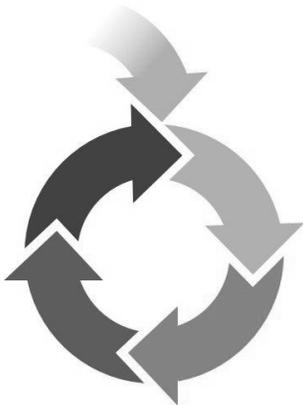
Defines statutory provisions applicable to federal education programs administered by the USDE, as well as provisions related to the powers and responsibilities of USDE. Examples include:

- ★ Section 421(b): Period of Performance – Generally, LEAs and SEAs must obligate funds during the 27-month period (aka the Tydings Amendment)
- ★ Section 427: Ensures equitable access to and equitable participation in the activities to be conducted with funds from USDE

Life Cycle of a Federal Grant

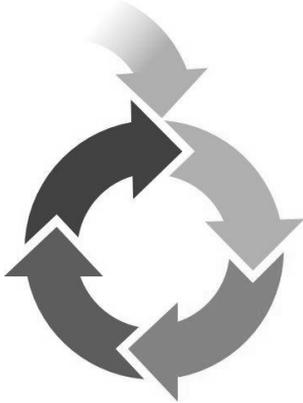


Readiness



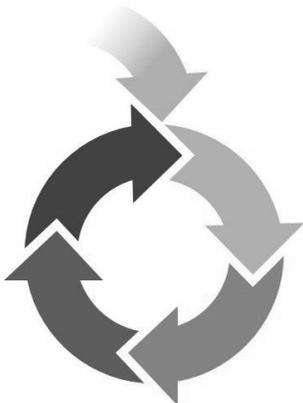
- Build a diverse team
- Calibrate around a common mission and vision focused on equity
- Ensure communication structures
- Access to data (student, fiscal, educator)

Plan



- **Conduct a needs assessment, which may include a root cause analysis**
- **Develop goals**
 - LEA and/or school level
- **Develop strategies to meet goals**
- **Develop a budget to implement the strategies and activities in the plan**

Plan



- **Complete the grant application and budget that reflects the goals and strategies to meet students' needs (Public and Private Students)**
- **Fund the Plan - Follow the agency's written procedures regarding procurement, determining allowed costs, cash management, to ensure the funds are allocated appropriately.**

Consistent Application Pieces

Federal Grant Assurances

- ★ Highlight compliance measures under the Federal awarding program, Uniform Grant Guidance, EDGAR and state statute.
- ★ Must be signed by an authorized agency representative before the subrecipient can access any funds.

Federal Grant Award

- ★ Detailed information such as award date, current award amount, federal identification numbers, and program contacts.

2 CFR, Part 200

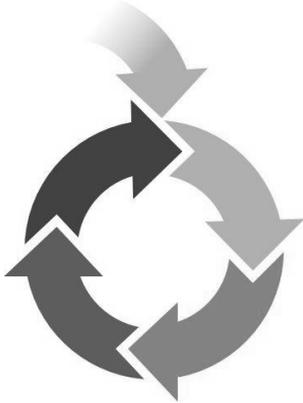
Consistent Application Pieces

Availability of Funds

- ★ Each grant has its own rules on availability of funds and the date the subrecipient can begin making charges against the grant.
- ★ Most formula grants awarded under the US Department of Education run for 27 months.
- ★ Most competitive grants are available for 12 months.
- ★ The Grant Award Notification, or subaward document, defines the grant's performance period.

2 CFR, Part 200

Do



- Implement the plan with fidelity
- Review adult practice data and student outcome data to monitor the plan
- Obligate funds within the fiscal year and claim on a regular and timely basis

Fiscal Year

Wisconsin has a fiscal year that runs July 1 to June 30.

- ★ Expenditures between July 1 and June 30 are identified with a specific fiscal year (such as FY 2023-2024).
- ★ At the close of the fiscal year (June 30), subrecipients have 90 days (September 30) to finalize their ledgers and submit final claims for the prior fiscal year.
- ★ Formula funds that are available for 27 months still adhere to the 12-month fiscal year in regard to claiming.

Obligation and Liquidation

Obligation - Orders placed for property and services, contracts made, and similar transactions during a given period that require payment by the grantee during the same or a future period.

- ★ EDGAR defines when obligations are made.
- ★ The subrecipient cannot make a claim for costs until the property is received, service performed, or contract is fulfilled.

Liquidation – Property is received, service performed, or contract is fulfilled. The subrecipient can then submit a claim for reimbursement.

34 CFR 76.607

When is staff salary obligated?

If the obligation is for -	The obligation is made -
(a) Acquisition of real or personal property	On the date on which the State or subgrantee makes a binding written commitment to acquire the property
(b) Personal services by an employee of the State or subgrantee	When the services are performed.
(c) Personal services by a contractor who is not an employee of the State or subgrantee	On the date on which the State or subgrantee makes a binding written commitment to obtain the services.
(d) Performance of work other than personal services	On the date on which the State or subgrantee makes a binding written commitment to obtain the work.
(e) Public utility services	When the State or subgrantee receives the services.
(f) Travel	When the travel is taken.
(g) Rental of real or personal property	When the State or subgrantee uses the property.

When can the the LEA seek reimbursement for staff salary?

After the work is performed, time and effort is documented appropriately, and staff has been paid.



Contracted Services

If the obligation is for -	The obligation is made -
(a) Acquisition of real or personal property	On the date on which the State or subgrantee makes a binding written commitment to acquire the property
(b) Personal services by an employee of the State or subgrantee	When the services are performed.
(c) Personal services by a contractor who is not an employee of the State or subgrantee	On the date on which the State or subgrantee makes a binding written commitment to obtain the services.
(d) Performance of work other than personal services	On the date on which the State or subgrantee makes a binding written commitment to obtain the work.
(e) Public utility services	When the State or subgrantee receives the services.
(f) Travel	When the travel is taken.
(g) Rental of real or personal property	When the State or subgrantee uses the property.

Obligation - Professional Development

Obligation – 12/15/2023

Subrecipient purchases three registrations for staff attending the Federal Funding Conference. At the end of the second quarter, the conference had yet to occur, so although expenses were paid out reimbursement could not be requested on the December 31st claim.

Liquidation – 2/28/2024

The three staff attend the Federal Funding Conference February 26 and 27. Claims for the registration costs can be submitted any time after this date.

Obligation - Private Vendor Contract

Obligation – 7/15/2023

LEA contracts with a vendor to provide Title I reading interventions to eligible private school students from September 1, 2023 through May 15, 2024. The contract is signed on 7/15/2023.

Liquidation – 1/22/2024

On January 3, 2024, the LEA confirms that the vendor fulfilled their contract for the first semester. Claims for the completed services can be submitted.

Travel Costs

If the obligation is for -	The obligation is made -
(a) Acquisition of real or personal property	On the date on which the State or subgrantee makes a binding written commitment to acquire the property
(b) Personal services by an employee of the State or subgrantee	When the services are performed.
(c) Personal services by a contractor who is not an employee of the State or subgrantee	On the date on which the State or subgrantee makes a binding written commitment to obtain the services.
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Obligation - Travel

Obligation – 2/25/2024 & 2/26/2024

On December 15, 2023, the individual reserves and pays for two nights at the Kalahari Conference Hotel for the Federal Funding Conference.

Obligation and liquidation is the same.

Liquidation – 2/25/2024 & 2/26/2024

Even though payment was already made, the “obligation,” per EDGAR, does not occur until the travel-related items happen. In the example, the individual did attend, liquidating the cost at the same time.

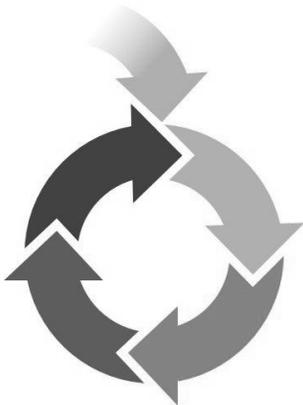
What does it mean when we say, “Funds must be spent by June 30th?”

The term, “spent” could mean several different things
(obligated, claimed, liquidated).

Please avoid using the term “spent” when
discussing federal funds.



Study



- Use student outcome and educator practice data to identify intended and unintended consequences
- Revise the plan and budget as necessary
 - Is the plan meeting the students’ needs?
 - Will there be carryover?
 - Do your claims and general ledger reconcile?

Carryover & Tydings Amendment

Formula grant funds are available for 27 months (and not just 12) because of the Tydings Amendment.

However, at the end of 27 months, funds not obligated and liquidated are no longer available to the subrecipient.



Senator Joseph Tydings

Photo Credit:
https://en.wikipedia.org/wiki/Joseph_Tydings

20 USC 1225(b)

Carryover for Formula Funds

To align with the state fiscal year, most grants “begin” on July 1 and “end” on June 30.

Any unspent funds from one year are “carried” over into the new fiscal year and added onto new grant funds (in the case of formula grants).

Discretionary grant rules are different, and many times carryover is not a practice. It all depends on the program.

2 CFR, Part 200

Availability of Formula Funds

FY 2023				FY 2024				FY 2025				FY 2026			
July 1, 2022	Oct 1, 2021	Jan 1, 2023	Apr 1, 2023	July 1, 2023	Oct 1, 2023	Jan 1, 2024	Apr 1, 2024	July 1, 2024	Oct 1, 2024	Jan 1, 2025	Apr 1, 2025	July 1, 2025	Oct 1, 2025	Jan 1, 2026	Apr 1, 2026
Federal Grant Award 2022-23 GAN Performance Period July 1 - June 30				Carryover available through September 30, 2024											
				Federal Grant Award 2023-24 GAN Performance Period July 1 - June 30				Carryover available through September 30, 2025							
								Federal Grant Award 2024-25 GAN Performance Period July 1 - June 30				Carryover availability through September 30, 2026			

Carryover and Tydings

“First In, First Out” protocol

- ★ When paying subrecipient claims, DPI accountants draw from the oldest line of credit first.
- ★ For a subrecipient to have an issue with the Tydings timeline, the aggregated claimed amounts for 27 months would need to be less than the original allocation amount.

Original Allocation:	–	Amount claimed first 12 months:	–	Amount claimed second 12 months:	–	Amount claimed final 3 months:	=	Amount lost to Tydings:
\$100,000		\$50,000		\$40,000		\$7,000		\$3,000

If an LEA lapses funds in September of 2024, what else happened?

SFY2023				SFY2024				SFY2025				SFY2026			
July 1, 2022	Oct 1, 2021	Jan 1, 2023	Apr 1, 2023	July 1, 2023	Oct 1, 2023	Jan 1, 2024	Apr 1, 2024	July 1, 2024	Oct 1, 2024	Jan 1, 2025	Apr 1, 2025	July 1, 2025	Oct 1, 2025	Jan 1, 2026	Apr 1, 2026
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								Federal Grant Award 2024-25 GAN Performance Period July 1 - June 30				Carryover availability through September 30, 2026			

Tydings Self-Monitoring: So Important!

- ★ Scrambling to find expenditures to spend down amounts in a three month-period leads to “reasonable and necessary” concerns.
- ★ By the time an LEA has reached the Tydings end point, it means that the entire prior year’s allocation has also been carried over.
- ★ Federal funds are meant to be spent on students. Not spending them raises concerns of overall compliance.
- ★ Leaving federal funds unclaimed is an uncomfortable conversation to have with administration and school board.

WISEdata Finance

- ▶ New financial data reporting system for LEAs that links their financial system directly to DPI was launched for FY 2021-2022.
- ▶ Links from WISEdata Finance to other DPI financial systems.

The screenshot shows the WISEdata Finance web application interface. At the top, there is a navigation bar with the following items: WISEdata Finance, Year 2022-23, Home, Validations, Data Reviews, Account Reviews, and Admin. Below the navigation bar, there is a 'Home' link. The main content area is divided into two sections: 'Validation Message Summary' and 'Data Pipeline Status'. The 'Validation Message Summary' section contains a table with the following data:

	2022 - 2023	2021 - 2022
Data Format L1 Validation Count	173	0
Budget L2 Validation Count	1	2
Actual L2 Validation Count	5	4
Addenda L2 Validation Count	0	0

The 'Data Pipeline Status' section shows 'School Years' with checkboxes for '2022 - 2023' and '2021 - 2022', both of which are checked. Below this, there is a 'Vendor(s)' section with a dropdown arrow. The 'Vendor / WISEdata Communication Status' section provides a list of vendors used by the district that have been approved for integration with WISEdata Finance. It includes a note that transactions may be included or excluded depending on user settings, and a warning that communication errors (Level 1 validation errors) are indicated by a red 'x' icon. A checkbox for 'Include API Read (GET) transactions' is present and unchecked. Below this, there are two vendor cards: one for '2022 - 2023' showing 'Last request to WISEdata Api' and another for 'Skyward Business (SMS)' showing 'Last request to WISEdata Api' as '2/18/2023 5:17:37 AM'.

And now, with live financial data, the possibilities for federal grant monitoring are endless.

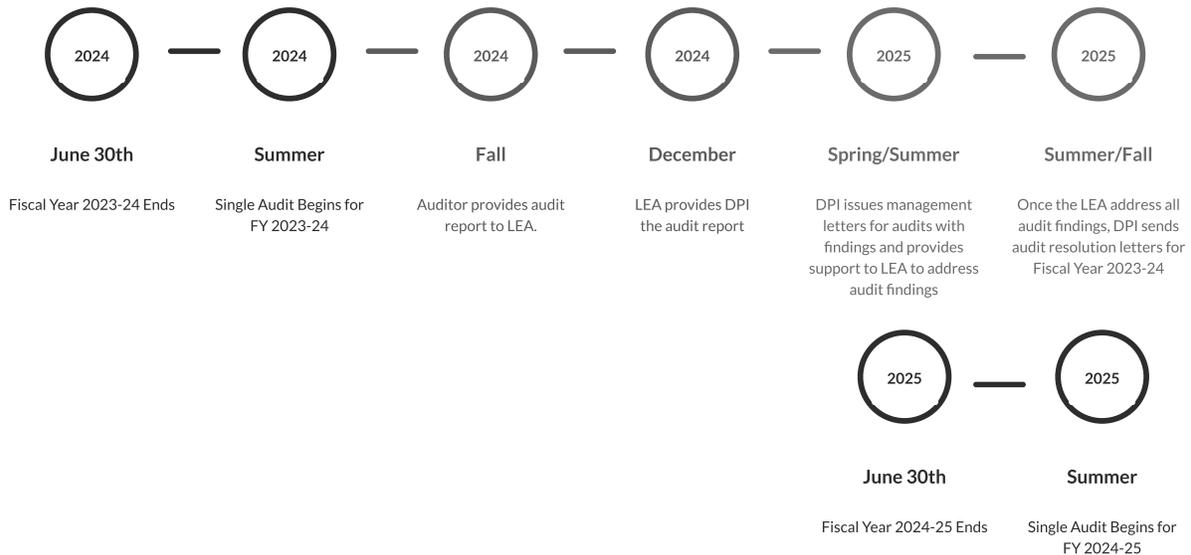
- 🔄 Periodic reconciliations lead to timely financial corrections.
- 👁️ LEA staff can use software tools to identify their own issues rather than waiting for DPI assistance.
- ✅ LEA staff can accurately and efficiently monitor their compliance throughout the year rather than after year-end.
- ★ Tools built using the data will guide LEAs in maximizing their federal, state and local funding options, leaving no funding on the table.

Reconciling Ledgers and Claims

DPI will begin to move into reconciling grant claims with WISEdata Finance, piloting with Fund 27.

- ★ First Phase will include highlighting items on a claim that are *more than* what the LEA has identified on their ledger as being grant funded at the time of claiming.
- ★ Second Phase will stop an LEA from submitting a final claim if there are reconciliation issues.
- ★ Third Phase will require LEAs to reconcile ledgers prior to any claims being submitted.

Single Audit



Other Annual “Study” Activities

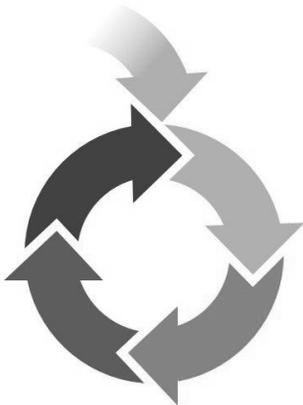
Programmatic Monitoring

Property Management

- **Personal Property** (*equipment and non-capital objects*)
 - Public and private school resources
- **Real Property** (*construction/remodeling funded by ESF funds*)

Records Retention

Act



- Scale-up or integrate successful practices into other schools or district services.
- Plan for sustainability as more staff members participate, turnover occurs, and improvement cycles continue.

Thank you for your commitment



To ensure that every child has access to quality public education programs, enrichment opportunities, and special education supports, so that all of our kids can be successful.