

EDGAR Compliance for Federal Grants

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GRANTS ADMINISTRATION DIVISION**

JULY 23, 2020

Agenda

Education **D**epartment **G**eneral **A**ministrative **R**egulations

- 1) EDGAR Overview and Upcoming Revisions
- 2) Financial Management
- 3) Allowability of Costs
- 4) Obligation of Funds
- 5) Procurement

EDGAR Overview and Upcoming Revisions

EDGAR  Uniform Guidance

OMB revised rules and cost principles for all nonfederal entities effective December 26, 2014

Education Department General Administrative Regulations

- Part 75: Direct Grant Programs
- Part 76: State-Administered Programs
- Part 77: Definitions
- Part 81: General Education Provisions Act

EDGAR 2 CFR Part 200 (Uniform Guidance)

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C – Pre-Federal Award Requirements
- Subpart D – Post Federal Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements

What About An “EDGAR Manual”?



EDGAR Manual



Written policies and procedures are required



Board approval is not required by EDGAR – must follow local policy



Does not have to be uploaded annually – kept locally



Staff should be trained on all procedures annually or as needed

EDGAR Required Policies and Procedures

- Financial Management
- Payment
- Determining Allowability of Costs
- Procurement and Standards of Conduct
- Compensation for personal services
- Travel Costs

EDGAR Proposed Revisions

- Dec. 26, 2019 – fifth year of implementation of 2 CFR's Uniform Guidance
- Must be reviewed every five years
- Jan. 22, 2020 – the Office of Management and Budget (OMB) released a Proposed Guidance Federal Register notice titled *Guidance for Grants and Agreements*

Financial Management

Components:

- Identification of Awards
- Financial Reporting
- Accounting Records
- Internal Control

Components (continued):

- Budget Control
- Written Cash Management Procedures
- Written Allowability Procedures

200.302 Financial Management

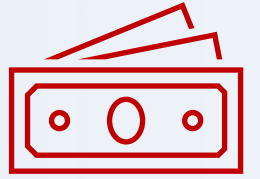
- Maintain records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal grant
- Meet reporting requirements and trace all grant funds to specific expenditures
- Ensure that funds have been used according to all federal requirements

200.302 Financial Management

- Identify all Federal grants received and expended
- Disclose the financial results of each grant
- Identify the source and application of funds for federally-funded activities
- Effectively control and be accountable for, all funds, property, and other assets

200.302 Financial Management

- Compare expenditures with budget amounts for each Federal grant
- Have written procedures:
 - to implement the requirements for payment of grant funds (200.305 Payment)
 - for determining the allowability of costs (Subpart E – Cost Principles)



How often should I draw down grant funds from Expenditure Reporting (ER)?

- A. Each time I have an expense to charge to the grant
- B. Monthly
- C. According to my local written procedures
- D. Before the grant ends

Your federal award must include the following general information:

- (1) Recipient name
- (2) Recipient's unique entity identifier
- (3) Unique Federal Award Identification Number (FAIN)
- (4) Federal Award Date

Your federal award must include the following general information (continued):

(5) Period of Performance Start and End Date

(6) Amount of Federal Funds Obligated by this action

(7) Total Amount of Federal Funds Obligated

(8) Total Amount of the Federal Award

Your federal award must include the following general information (continued):

(9) Budget Approved by the Federal Awarding Agency

(10) Total Approved Cost Sharing or Matching, where applicable

(11) Federal award project description

§200.210 Information contained in a Federal award

Your federal award must include the following general information (continued):

(12) Name of Federal awarding agency and contact information for awarding official

(13) CFDA Number and Name

(14) Identification of whether the award is R&D

(15) Indirect cost rate for the Federal award

Supplement to the NOGA

Texas Education Agency										Application ID: 002338027142
eGrants TEXAS EDUCATION AGENCY		Organization: COLUMBUS ISD			County District: 045902					
SAS #: ESSAAA20		Campus/Site: N/A			ESC Region: 03					
		Vendor ID: 1746000547			School Year: 2019-2020					
Notice of Grant Award										
Application Submit Date: 1/24/2020								Amendment Number: 02		
NOGA ID	Name of Grant Program	FAR Fund Code	FAR Rev Code	Fed Awd # CFDA #	Federal Aid Agency	TEA USE Only	Begin Date	End Date	Increase (Decrease)	Amount
20610101045902	TITLE I, PART A-IMPROVING BASIC PROGRAMS	211	5929	S010A190043 84.010A	USDE		8/27/2019	9/30/2021	\$0.00	\$368,848.00
						61012001	8/27/2019	9/30/2021	\$0.00	\$316,618.00
						61011901	10/1/2019	9/30/2021	\$0.00	\$52,230.00
20671001045902	TITLE III, PART A-ELA	263	5929	S365A190043 84.365A	USDE		8/27/2019	9/30/2021	\$0.00	\$20,180.00
						67102001	8/27/2019	9/30/2021	\$0.00	\$20,180.00
						67101901	10/1/2019	9/30/2021	\$0.00	\$0.00
20680101045902	TITLE IV, PART A, SUBPART 1	289	5929	S424A190045 84.424A	USDE		8/27/2019	9/30/2021	\$0.00	\$28,478.00
						68012001	8/27/2019	9/30/2021	\$0.00	\$22,490.00
						68011901	10/1/2019	9/30/2021	\$0.00	\$5,988.00
20694501045902	TITLE II, PART A-SUPPORTING EFFECTIVE INSTRUCTION	255	5929	S367A190041 84.367A	USDE		8/27/2019	9/30/2021	\$0.00	\$68,465.00
						69452001	8/27/2019	9/30/2021	\$0.00	\$54,759.00
						69451901	10/1/2019	9/30/2021	\$0.00	\$13,706.00

Texas Education Agency Supplement to Notice of Grant Award (NOGA)		
1	Subrecipient Name Columbus ISD 105 CARDINAL LN COLUMBUS, TX 78934	2 Subrecipient Unique Entity Identifier 045902
3	Subrecipient Information	
	Grant name:	TITLE I, PART A-IMPROVING BASIC PROGRAMS
	Subaward period of performance start and end date:	See NOGA certificate
	Amount of federal funds obligated by this action:	See NOGA certificate
	Total amount of federal funds awarded:	See NOGA certificate
	Indirect cost rate:	3.789%
	De minimis indirect cost rate:	Not applicable
	Research and development grant:	Not applicable
4	Subrecipient Terms and Conditions	
	(1) New EDGAR including 2 C.F.R. Part 200 applies	
	(2) Grant program requirements	
	(a) Incorporated by reference in General and Fiscal Guidelines	
	(b) Incorporated by reference in Program Guidelines	
	(c) Incorporated by reference in General Provisions and Assurances	
	(d) Incorporated by reference in Program-Specific Provisions and Assurances (if applicable)	
	(3) Additional requirements	
	Incorporated by reference in the To The Administrator Addressed correspondence sent to grantee as applicable	
	(4) Access to subrecipient records	
	Per 2 CFR §200.331, the subrecipient must permit TEA as the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for TEA to meet the requirements of this section.	
	(5) Closeout of subaward	
	(a) Incorporated by reference in General and Fiscal Guidelines	
	(a) Incorporated by reference in NOGA transmittal letter	
5	Name of Pass-Through Entity Texas Education Agency	6 Contact Information for TEA Awarding Official See NOGA certificate
7	Federal Award Information	
	Federal awarding agency:	USDE
	Federal award identification number:	See NOGA certificate
	CFDA number:	See NOGA certificate
	CFDA name:	Title I Grants to Local Educational Agencies
	Federal award date:	July 1, 2019
	Total amount of federal award:	\$1,512,297,540
8	Federal Award Project Description Incorporated by reference in program guidelines	

Supplement to the NOGA

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Supplement to the NOGA

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Supplement to the NOGA

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Allowability of Costs

200.403 Factors affecting allowability of costs

In order to be allowable, costs must be:

- Necessary, reasonable, and allocable
- Conform with federal law and grant terms
- Consistent with state and local policies
- Consistently treated

200.403 Factors affecting allowability of costs

In order to be allowable, costs must be:

- In accordance with GAAP
- Not included as match or cost share
- Adequately documented

200.407 Prior Written Approval

In order to avoid subsequent disallowance, subrecipients may seek prior written approval from TEA, or from the federal awarding agency (USDE) in advance of the incurrence of *special or unusual costs*.

- Conflict of Interest Disclosure
- Inventory Disposition Request
- Mandatory Disclosure
- Request to Add Program Income to Federal or State Grant Award and Expand Delivery of Programmatic Services

Contact GrantSupport@tea.texas.gov for more information.

EDGAR Forms

- Request for Approval of Special or Unusual Costs
- Request for Noncompetitive Procurement (Sole-Source) Approval
- Request for Other Noncompetitive Procurement Approval (Not Sole Source)

Contact GrantSupport@tea.texas.gov for more information.



Which of these is not an acceptable way to determine whether a cost is allowable?

- A. Reviewing the EDGAR cost principles
- B. Asking for guidance from your ESC contact or TEA grant negotiator
- C. Verifying that other grantees are purchasing the same items with federal grant funds
- D. Consulting with your local written policies on allowable costs

EDGAR – Obligation of Funds



**“Sign here to indicate you have no idea
what you’ve signed for.”**

When Can You Obligate Federal Funds?

34 CFR 76.707 When obligations are made

Personal Services

by an **employee** of the subgrantee

When the services are performed

Personal Services

by a **contractor** of the subgrantee

Performance of work

other than personal services

On the date on which the subgrantee makes a binding written commitment to obtain the services (signed contract)

Travel

When travel is taken

Rental

of real or personal property

When the subgrantee uses the property



Can I obligate federal funds prior to receiving deliverables by having a signed contract by both parties?



My school district just signed a contract with a professional development provider to conduct training to staff in five months. Since I am using federal funds, when can I pay the provider?

- A. Once you have signed the contract
- B. The day of the training
- C. As soon as the invoice is received



I am using federal funds for travel. When can I obligate these funds for the travel?



What about conference registration fees? When can I obligate the funds?

Conference Registration Fees

How do you code conference registration fees in order to pay them prior to travel?

You can code the cost under 6200 Professional and Contracted Services instead of 6400 Other Operating Costs. This is an optional flexibility offered to LEAs.

Procurement



Procurement Under EDGAR

2 CFR 200.318

General Procurement
Standards

2 CFR 200.319

Competition

2 CFR 200.320

Methods of Procurement to
be followed

2 CFR 200.213

Suspension and Debarment

Suspension and Debarment

How do I verify that a vendor has not been suspended or debarred?

- A. Ask people who have done business with the vendor to vouch for them
- B. Check SAM.gov
- C. Collect a certification from the vendor
- D. Either B or C

Methods of Procurement

Micro-purchase

Small Purchase

Sealed Bids or
Competitive
Proposals

Noncompetitive
Proposals

Micro-purchase

Procurement by micro-purchase is the acquisition of supplies or services, *the aggregate dollar amount of which does not exceed the micro-purchase threshold.*

To the extent practicable, the grantee must distribute micro-purchases equitably among qualified suppliers.

Micro-purchases may be awarded without soliciting competitive quotations if the grantee considers the price to be reasonable.

Methods of Procurement

Micro- purchase



Aggregate cost not to exceed **\$10,000**

Price must be reasonable

Distributed among qualified vendors,
as applicable

Intent is to reduce administrative
burden for purchase of small items

What is meant by “aggregate” cost?

- Aggregate is defined by TEA at the item level as **“like types”**
- Will use **LEA-defined** subcategories with the Commodity Codes
- “like type” of purchase does not equal the commodity code itself

LEA must define in policy how it defines the “**like type**” of item being purchased.

“Like type” is **NOT** defined as:

- A single purchase order
- A single vendor

Micro-Purchase Threshold

- Once you meet the \$10,000 threshold, price quotes must be collected for the next same “like type” of purchase
- Across all federal funds
- Per year

Micropurchase

What is the threshold of cost you cannot exceed in order to use the micropurchase method?

- A. It depends on the type of item being purchased
- B. \$3,500
- C. \$150,000
- D. \$10,000

Methods of Procurement



Small Purchase

Simple and informal method for purchases above **\$10,000** but less than **\$250,000**

Price or rate quotations from adequate number of sources (minimum of two or LEA policy)

Use a selection matrix to document decision on vendor

Choose the vendor that is most advantageous to the LEA (best fit)

Required Number of Price Quotes

- Adequate = two or local policy, whichever is greater
- TEA does recommend three quotes as best practice
- Internet searches qualify as price quotes
- An official vendor quote is not required

Methods of Procurement



State Rules Apply

For purchases of **\$50,000 or more**, **competitive procurement** is required

See the *Financial Accountability Resource Guide (FASRG)* Purchasing Module for competitive procurement options

Small
Purchase

Small Purchases

I need to purchase a reading program using federal funds. The cost will be around \$45,000. How many quotes am I required to get?

- A. Three
- B. Just one if I need it immediately
- C. Two
- D. As many as I can find in my research

Methods of Procurement

Noncompetitive Proposals



Can only be used when one or more of the following apply:

1. The item is available only from a single source (sole source)
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation. (Example: Hurricane Harvey)

Methods of Procurement



Noncompetitive Proposals

3. TEA expressly authorizes noncompetitive proposals in response to a written request from the subgrantee
4. After solicitation of a number of sources, competition is determined inadequate

Noncompetitive Proposals

Which of these is not one of the circumstances under which a noncompetitive proposal method can be used?

- A. The item is available only from a single source.
- B. The product is copyrighted.
- C. After soliciting a number of sources, competition is inadequate.
- D. A public emergency does not allow time for a competition.

Contact Information

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