

General Grants Management Issues



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Overview

- Sources of rules and requirements
- Obligating grant funds
- Budget transfers
- Carryover funds
- No cost time extensions

Sources of Rules and Requirements

- Approved grant application
- Authorizing statute
- Appropriations statute
- Program regulations
- Education Department General Administrative Regulations (EDGAR)
- OMB Circulars

Obligating Grant Funds

General Rule:

You may use grant funds only for obligations you make during the project period. (EDGAR § 75.703)

EXCEPTION:

- Pre-award costs

Obligating Grant Funds

Definition of obligation (EDGAR § 75.707)

Acquisition of property	Date of binding written agreement
Personal services by your employee	When services are performed
Personal services or work by contractor	Date of binding written commitment
Travel	When travel is taken

Obligating Grant Funds

- The end date on your grant award is the last day you may obligate funds
- Draw down only funds necessary to meet your immediate cash needs

Budget Transfers

General Rule:

You may transfer funds without approval, unless the transfer requires specific approval under § 74.25 of EDGAR or the OMB Cost Circulars.

Budget Transfers

EDGAR § 74.25(c) – Prior Approvals

- Change in scope or objectives;
- Need for additional Federal funding;
- Transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa;

Budget Transfers

EDGAR § 74.25(c) – Prior Approvals

- Transfer of funds allotted for training allowances;
- The subaward, transfer or contracting out of any work under an award (except for the purchase of supplies, materials, equipment or general support services)

Budget Transfers

Cost Principles – Prior Approvals

- Equipment and other capital expenditures (all grantees)
 - Equipment = unit cost equal or greater to \$5,000 or the capitalization level established by your organization (whichever is lower)
- Travel costs (LEAs and non-profits)
- Membership in “civic and community, social organizations”

Budget Transfers

Test your knowledge ...

Your original approved application indicated you would be contracting with a third party to conduct on-going data collection and analysis. This activity accounted for over 1/3 of your total annual budget. However, due to delays with the contracting process, you believe it would better serve your project to conduct the data analysis in-house. You believe you have the necessary expertise and it would cost less.

Budget Transfers

Test your knowledge ...

This change would require a large shift between your contractual and personnel line items. Additionally, you will need to purchase additional equipment including a server and several laptops.

Is prior approval required?

What are the other issues to consider?

Carryover Funds

General Rule:

You may carryover unexpended funds from one budget period to the next without prior approval

BUT ...

Carryover Funds

- We will ask you to explain (in your annual performance report) how the unexpended funds will be used in the next budget period, and
- We may reduce your continuation award if you have excessive carryover

No Cost Time Extensions

General Rule:

You may receive a one time project period extension (of up to 12 months) to complete the work of your grant – *as long as ...*

No Cost Time Extensions

First request requirements

EDGAR § 74.25(e)(2)

- The extension does not require additional funds;
- The extension does not change the project scope or objectives; and
- *The extension is not for the purpose of using unobligated balances.*

No Cost Time Extensions

Additional Requirements:

- The request must be in writing, 10 days before the project ends;
- The request may be up to 12 months

No Cost Time Extensions

Additional Time Extensions

EDGAR § 75.261(c)

- The request must be in writing, 45 days before the project ends;
- Higher standard for granting request – ED must determine that the delay is due to “special or unusual circumstances”