



**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: Joint Fiscal Committee members  
From: Daniel Dickerson, Fiscal Analyst *DD*  
Date: September 21, 2017  
Subject: Grant Request #2890 – 2893

Enclosed please find four (4) items, which the Joint Fiscal Office has received from the administration.

**JFO #2890** – \$1,940,000 from the U.S. Dept. of Education to the VT Agency of Education. The funds will be used to provide student support and academic enrichment (SSAE) sub-grants to Local Education Agencies (i.e. supervisory unions/districts). These sub-grants would be used for the following three broad goals: 1) well-rounded educational opportunities, 2) safe and healthy students, and 3) effective use of technology. Of the SSAE funding, the State is required to provide 95% in the form of sub-grants and may reserve the remaining five for State-level activities (up to 1% for Administration costs). The funding will be used over state FY18 and FY19.

*[JFO received 9/15/17]*

**JFO #2891** – \$10,000 from the Council of Chief State School Officers to the VT Agency of Education. The funds will be used to facilitate the development of a state policy and/or resources aimed at identifying and addressing inequities in the education system as they relate to students categorized as “historically marginalized.” The Agency will hold working sessions with educators of diverse backgrounds and education organizations. The work will take place over the remainder of state FY18.

*[JFO received 9/15/17]*

**JFO #2892** – \$2,562,253 from the Federal Emergency Management Agency (FEMA) to the VT Dept. of Public Safety. The funds will be used to complete pre-disaster mitigation projects in locations around the state. Projects will be undertaken in Brattleboro, Shrewsbury, Brownington and Eden aimed at reducing the risk of extensive damage during future extreme weather events. The projects would be completed over three state fiscal years, per the grant materials. Local jurisdictions would provide a 25% local match. FEMA has not yet formally awarded funding for these projects but the Department has submitted the grant materials in anticipation of the award.

*[JFO received 9/15/17]*

**JFO #2893** – \$5,170,254<sup>1</sup> from the Federal Emergency Management Agency (FEMA) to the VT Dept. of Public Safety. The funds would be used to provide public assistance in seven counties around the state that were impacted by storms that swept through on June 30 and July 1, 2017. The President made a disaster declaration on August 16, 2017, which subsequently allowed the State to be eligible for public assistance funding. Some State funding would be expended from the Emergency Relief and Assistance Fund as a match for the federal and local funding. Typically the state match ranges from 7.5% to 12.5% of project costs per municipality. *[JFO received 9/15/17]*

Please review the enclosed materials and notify the Joint Fiscal Office (Daniel Dickerson at (802) 828-2472; [ddickerson@leg.state.vt.us](mailto:ddickerson@leg.state.vt.us)) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by October 5, 2017 we will assume that you agree to consider as final the Governor's acceptance of these requests.

---

<sup>1</sup> This amount is an estimate based on initial damage assessments taken following the extreme weather that occurred in Vermont from June 30 to July 1, 2017. Approximately \$6.6 million in damage has been estimated thus far with \$5.1 million (75%) to be funded by FEMA.

State of Vermont  
 Department of Finance & Management  
 109 State Street, Pavilion Building  
 Montpelier, VT 05620-0401



Agency of Administration

JFO 2890

**STATE OF VERMONT  
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

<b>Grant Summary:</b>		Funding from the reauthorization of the Elementary & Secondary Education Act of 2015 to be used for the State, Local Education Agencies and local communities to provide all students with a well-rounded education, to support activities for safe and healthy students and to enhance technology to improve academic achievement and digital literacy for all students.			
<b>Date:</b>		8/28/2017			
<b>Department:</b>		Agency of Education			
<b>Legal Title of Grant:</b>		Title IV - Student Support & Academic Enrichment			
<b>Federal Catalog #:</b>		84.424			
<b>Grant/Donor Name and Address:</b>		U.S. Department of Education, Washington, D.C..			
<b>Grant Period:</b>		From: 7/1/2017		To: 09/30/2019	
<b>Grant/Donation</b>		\$1,940,000			
	<b>SFY 1</b>	<b>SFY 2</b>	<b>SFY 3</b>	<b>Total</b>	<b>Comments</b>
<b>Grant Amount:</b>	\$1,048,500	\$891,500	\$	\$1,940,000	.
<b>Position Information:</b>		<b># Positions</b>	<b>Explanation/Comments</b>		
<b>Additional Comments:</b>		Has Vantage budget detail been reviewed and reconciled? <input type="checkbox"/> Yes <input type="checkbox"/> No <span style="float: right;">PB 8/28/17 (Analyst Initial)</span>			
<b>Department of Finance &amp; Management</b>		AMG		(Initial)	
<b>Secretary of Administration</b>		BZ		(Initial)	
<b>Sent To Joint Fiscal Office</b>		9/13/17		<b>Date</b>	





**STATE OF VERMONT REQUEST FOR GRANT (\*) ACCEPTANCE (Form AA-1)**

<b>BASIC GRANT INFORMATION</b>				
<b>1. Agency:</b>	Agency of Education			
<b>2. Department:</b>				
<b>3. Program:</b>	Federal Programs			
<b>4. Legal Title of Grant:</b>	Title IV - Student Support and Academic Enrichment			
<b>5. Federal Catalog #:</b>	84.424			
<b>6. Grant/Donor Name and Address:</b>	U.S. Department of Education; 400 Maryland Avenue, SW; Washington, D.C. 20202			
<b>7. Grant Period:</b>	<b>From:</b>	7/1/2017	<b>To:</b>	9/30/2019
<b>8. Purpose of Grant:</b>	<p>The SSAE block grant is intended to improve students' academic achievement by increasing the capacity of States. Local Education Agencies (LEAs), schools and local communities to:</p> <ol style="list-style-type: none"> <li>1) Conduct activities and programs that provide all students with a well-rounded education,</li> <li>2) Conduct activities that support sage and heathy students, and</li> <li>3) Lead to the enhancement of technology to improve academic achievement and digital literacy of all students.</li> </ol>			
<b>9. Impact on existing program if grant is not Accepted:</b>	This block grant was added during the reauthorization of the Elementary and Secondary Education Act. These funds will support existing programs and came about only as a result of the Federal Government reorganizing funding streams.			
<b>10. BUDGET INFORMATION</b>				
	<b>SFY 1</b>	<b>SFY 2</b>	<b>SFY 3</b>	<b>Comments</b>
<b>Expenditures:</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY</b>	
Personal Services	\$40,000	\$40,000	\$	
Operating Expenses	\$8,500	\$8,500	\$	
Grants	\$1,000,000	\$843,000	\$	
<b>Total</b>	\$1,048,500	\$891,500	\$	
<b>Revenues:</b>				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$	\$	\$	
Federal Funds:	\$	\$	\$	
(Direct Costs)	\$1,040,497	\$883,498	\$	\$1,923,995
(Statewide Indirect)	\$8,003	\$8,002	\$	16,005
(Departmental Indirect)	\$	\$	\$	1,940,000
Other Funds:	\$	\$	\$	
Grant (source )	\$	\$	\$	
<b>Total</b>	\$1,048,500	\$891,500	\$	
<b>Appropriation No:</b>	5100070000	<b>Amount:</b>	\$1,048,500	
			\$	
			\$	

RECEIVED AUG 25 2017

**STATE OF VERMONT REQUEST FOR GRANT (\*) ACCEPTANCE (Form AA-1)**

		\$
		\$
	<b>Total</b>	\$1,048,500

**PERSONAL SERVICE INFORMATION**

**11. Will monies from this grant be used to fund one or more Personal Service Contracts?**  Yes  No  
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: \_\_\_\_\_ Agreed by: \_\_\_\_\_ (initial)

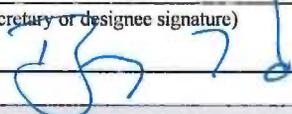
12. Limited Service Position Information:	# Positions	Title
<b>Total Positions</b>		

**12a. Equipment and space for these positions:**  Is presently available.  Can be obtained with available funds.

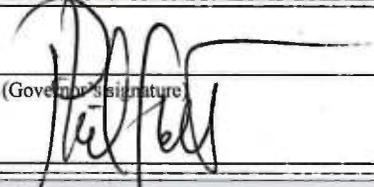
**13. AUTHORIZATION AGENCY/DEPARTMENT**

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):	Signature: 	Date: 8/23/17
	Title: Chief Financial Officer	
	Signature: 	Date: 8.23.17
	Title: Secretary of Education	

**14. SECRETARY OF ADMINISTRATION**

<input checked="" type="checkbox"/> Approved:	(Secretary or designee signature) 	Date: 7-1-17
---	---	--------------

**15. ACTION BY GOVERNOR**

<input checked="" type="checkbox"/> Check One Box: Accepted		Date: 9/13/17
<input type="checkbox"/> Rejected		

**16. DOCUMENTATION REQUIRED**

**Required GRANT Documentation**

<input type="checkbox"/> Request Memo	<input type="checkbox"/> Notice of Donation (if any)
<input type="checkbox"/> Dept. project approval (if applicable)	<input type="checkbox"/> Grant (Project) Timeline (if applicable)
<input type="checkbox"/> Notice of Award	<input type="checkbox"/> Request for Extension (if applicable)
<input type="checkbox"/> Grant Agreement	<input type="checkbox"/> Form AA-1PN attached (if applicable)
<input type="checkbox"/> Grant Budget	

**End Form AA-1**

(\*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).



219 North Main Street, Suite 402  
Barre, VT 05641 (p) 802-479-1030 | (f) 802-479-1835

## MEMORANDUM

TO: Rebecca Holcombe, Secretary, Agency of Education   
THRU: Emily Byrne, CFO, Agency of Education   
Kathy Flanagan, Financial Director  
FROM: Jennifer Gresham, Education Division Director  
SUBJECT: Federal Formula Grant Award: Title IV, Part A – Student Support and Academic  
Enrichment Grants (SSAE)  
DATE: August 23, 2017

---

The US Department of Education has recently awarded a new formula grant to the States as a supplement to Title IV funding for student support and academic enrichment (SSAE) grants. Vermont's award is \$1.94 million. SSAE is intended to improve students' academic achievement by increasing the capacity of States, Local Education Agencies (LEAs), schools and local communities to:

- Conduct activities and programs that provide all students with a well-rounded education,
- Conduct activities that support safe and healthy students, and
- Lead to the enhancement of technology to improve academic achievement and digital literacy of all students.

Under the Elementary and Secondary Education Act, SSAE funds are distributed to states based on their relative share of Title I, Part A funds (with a guaranteed-grant minimum for small states). States are required to sub-grant at least 95% of their SSAE funds to LEAs. States may reserve up to 1% for state-level administration costs, and may use the remaining funds (4% if the state reserves a full 1% for administration) for state level activities.

The Vermont Agency of Education (AOE) will allocate funds to the Supervisory Unions and/or Supervisory Districts (SUs/SDs). Allocation amounts to the SUs/SDs is determined by a formula based on their relative share of Title I, Part A funds. Each allocation is required to be a minimum of \$10,000 unless funds are not sufficient to provide that for each LEA.

Additional information about the grant can be found at:

<https://www2.ed.gov/policy/elsec/leg/essa/essassaegrantguid10212016.pdf>

Excerpt from :

- Student Support and Academic Enrichment  
Grant Guidance

### **Purpose of the Guidance**

*The U.S. Department of Education has determined that this guidance is significant guidance under the Office of Management and Budget's, Final Bulletin for Agency Good Guidance Practices, 72 Fed. Reg. 3432 (Jan. 25, 2007). See [www.whitehouse.gov/sites/default/files/omb/memoranda/fy2007/m07-07.pdf](http://www.whitehouse.gov/sites/default/files/omb/memoranda/fy2007/m07-07.pdf). Significant guidance is non-binding and does not create or impose new legal requirements. The U. S. Department of Education is issuing this guidance to provide State and local educational agencies with information to assist them in meeting their obligations under the Elementary and Secondary Education Act.*

*If you are interested in commenting on this guidance, please email us your comment at [OESEGuidanceDocument@ed.gov](mailto:OESEGuidanceDocument@ed.gov) or write to us at the following address:*

U.S. Department of Education  
Office of Elementary and Secondary Education  
400 Maryland Avenue, S.W.  
Washington, D.C. 20202

*For further information about the Department's guidance processes, please visit [www2.ed.gov/policy/gen/guid/significant-guidance.html](http://www2.ed.gov/policy/gen/guid/significant-guidance.html)*

### **INTRODUCTION**

President Obama signed the *Every Student Succeeds Act (ESSA)* into law in December 2015, which reauthorized the *Elementary and Secondary Education Act of 1965 (ESEA)*. *ESSA* reflects the civil rights tradition of *ESEA*, which reflects our nation's longstanding commitment to equity of opportunity for all students.<sup>1</sup> The new law has a clear goal of ensuring our education system prepares every child to graduate from high school ready to thrive in college and careers. The *ESEA* includes a number of provisions that promote equitable access to educational opportunity, including holding all students to high academic standards, ensuring meaningful action is taken to improve the lowest-performing schools and schools with underperforming student groups, and providing more children with access to high-quality preschool. As we work to improve education outcomes for students the ultimate goal is to provide all students—regardless of zip code, race, ethnicity, religion, family income, sex (including gender identity), sexual orientation, disability, language status, gender, or migrant status—with a high-quality education.

Newly authorized under subpart 1 of *Title IV, Part A* of the *ESEA*, the Student Support and Academic Enrichment (SSAE) program is intended to help meet these goals by increasing the capacity of State educational agencies (SEAs), local educational agencies (LEAs), schools, and local communities to: 1) provide all students with access to a well-rounded education,<sup>2</sup> 2)

---

<sup>1</sup> Throughout this document, unless otherwise indicated, citations to the *ESEA* refer to the *ESEA*, as amended by the *ESSA*.

<sup>2</sup> "Well-rounded education" is defined in *ESEA* section 8101(52). The text of the *ESEA*, as amended by *ESSA*, is available at: <http://legcounsel.house.gov/Comps/Elementary%20And%20Secondary%20Education%20Act%20OP%201965.pdf>.

improve school conditions for student learning, and 3) improve the use of technology in order to improve the academic achievement and digital literacy of all students. (*ESEA* section 4101).

In this guidance document, the U.S. Department of Education (Department) provides key information on the provisions of the new SSAE program including a discussion of the allowable uses of funds, role of the SEA, fiscal responsibilities, and the local application requirements. In addition, the guidance provides examples of several innovative activities that demonstrate some of the SSAE program allowable uses of funds. It is important to note that SSAE funds may not be sufficient to independently fund many of these innovative activities. This guidance discusses leveraging other state and local resources in combination with the SSAE grant funds to achieve the goals of SSAE programs and activities. Finally, the Appendix provides resources, tools, and additional innovative strategies to support effective implementation of the SSAE program to improve outcomes for all students.

The SSAE program provides SEAs, LEAs, and schools the flexibility to tailor investments based on the needs of their unique student populations. Where possible, the Department encourages coordination and integration of the SSAE program with activities authorized under other sections of the law, as well as other federal programs to improve outcomes for students. The Department notes that ensuring all students have access to a holistic well-rounded education is central to the shared work across programs in *ESSA*.<sup>3</sup> LEAs or a consortium of LEAs may apply for SSAE program funds<sup>4</sup> and must prioritize the distribution of funds to schools based on one or more of several factors, including schools that are (i) are among those with the greatest needs, as determined by the LEA, (ii) have the highest numbers of students from low-income families, (iii) are identified for comprehensive support and improvement under *Title I*, Part A of the *ESEA*; (iv) are implementing targeted support and improvement plans under *Title I*, Part A of the *ESEA*; or (v) are identified as a persistently dangerous public school under section 8532 of the *ESEA*. (*ESEA* section 4106(e)(2)). This provision is discussed further in the local application requirements section of this document.

Table 1 provides an overview of activities LEAs may consider as they prepare for implementation of the SSAE program. Allowable uses of funds under each of the three content areas may include, but are not limited to: direct services for students, professional development for teachers and administrators, salaries of personnel to carry out identified programs and services, and supplemental educational resources and equipment.

---

<sup>3</sup> See [Dear Colleague Letter on Using Federal Funds to Support Humanities](#) and [Dear Colleague Letter: Federal Funding for Technology](#).

<sup>4</sup> Throughout this document, when the term "LEA" is used, it includes a singular LEA or a consortium of LEAs, as SSAE subgrants may be made to LEAs or consortia of LEAs. (*ESEA* section 4105(a)(3)).

**Table 1. Overview of Examples of Allowable SSAE Uses of Funds\***

Overview of Allowable SSAE Program Activities		
Well-Rounded Educational Opportunities (ESEA section 4107)	Safe and Healthy Students (ESEA section 4108)	Effective Use of Technology (ESEA section 4109)
<ul style="list-style-type: none"> <li>Improving access to foreign language instruction, arts, and music education</li> <li>Supporting college and career counseling, including providing information on opportunities for financial aid through the early FAFSA</li> <li>Providing programming to improve instruction and student engagement in science, technology, engineering and mathematics (STEM), including computer science, and increasing access to these subjects for underrepresented groups</li> <li>Promoting access to accelerated learning opportunities including Advanced Placement (AP) and International Baccalaureate (IB) programs, dual or concurrent<sup>5</sup> enrollment programs and early college high schools<sup>6</sup></li> <li>Strengthening instruction in American history, civics, economics, geography, government education, and environmental education</li> </ul>	<ul style="list-style-type: none"> <li>Promoting community and parent involvement in schools</li> <li>Providing school-based mental health services and counseling</li> <li>Promoting supportive school climates to reduce the use of exclusionary discipline and promoting supportive school discipline</li> <li>Establishing or improving dropout prevention</li> <li>Supporting re-entry programs and transition services for justice-involved youth</li> <li>Implementing programs that support a healthy, active lifestyle (nutritional and physical education)</li> <li>Implementing systems and practices to prevent bullying and harassment</li> <li>Developing relationship building skills to help improve safety through the recognition and prevention of coercion, violence, or abuse</li> <li>Establishing community partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Supporting high-quality professional development for educators, school leaders, and administrators to personalize learning and improve academic achievement</li> <li>Building technological capacity and infrastructure</li> <li>Carrying out innovative blended learning projects</li> <li>Providing students in rural, remote, and underserved areas with the resources to benefit from high-quality digital learning opportunities</li> <li>Delivering specialized or rigorous academic courses and curricula using technology, including digital learning technologies and assistive technology</li> </ul>
<p>*Note: This table provides examples of allowable activities and is not an exhaustive list. Please consult the statute for more information. The text of the ESEA, as amended by ESSA, is available at: <a href="http://legcounsel.house.gov/Comps/Elementary%20And%20Secondary%20Education%20Act%20of%201965.pdf">http://legcounsel.house.gov/Comps/Elementary%20And%20Secondary%20Education%20Act%20of%201965.pdf</a>.</p>		

An LEA that receives at least \$30,000 in SSAE program funds must conduct a comprehensive needs assessment that includes, at a minimum, a focus on the three content areas identified in Table 1. (ESEA section 4106(d)). Additional recommendations about conducting a needs

<sup>5</sup> "Dual or concurrent enrollment programs" are defined in section 8101(15) of the ESEA. The text of the ESEA, as amended by ESSA, is available at: <http://legcounsel.house.gov/Comps/Elementary%20And%20Secondary%20Education%20Act%20of%201965.pdf>

<sup>6</sup> "Early college high school" is defined in section 8101(17) of the ESEA. The text of the ESEA, as amended by ESSA, is available at: <http://legcounsel.house.gov/Comps/Elementary%20And%20Secondary%20Education%20Act%20of%201965.pdf>

assessment are located in the “Implementing Effective SSAE Program Activities” section of this document. Based on the results of that assessment, the LEA must use:

- At least 20 percent of funds for activities to support well-rounded educational opportunities (*ESEA* section 4107);
- At least 20 percent of funds for activities to support safe and healthy students (*ESEA* section 4108); and
- A portion of funds for activities to support effective use of technology (*ESEA* section 4109).

Within each of these areas, LEAs have broad flexibility to use the SSAE program funds for a variety of activities to improve student outcomes and address the opportunity gaps identified through the needs assessment.

#### **Leveraging Federal, State and Local Resources**

In order to maximize the use of the SSAE program resources, SEAs, LEAs, and schools may partner with organizations such as nonprofits, institutions of higher education (IHEs), museums, and community organizations to offer programs and services to students. In addition, State and local leaders should consider how other Federal, State and local funds may be leveraged to support a holistic approach to well-rounded education. Under the law, SEAs must review existing resources and programs across the State and coordinate any new plans and resources under the SSAE program with existing resources and programs. (*ESEA* section 4103(c)(2)(C)(i)).

At the local level, schools may use other *ESEA* program funds to coordinate and strengthen complimentary services. For example, *Title IV*, Part B funding for 21st Century Community Learning Centers also provide opportunities for academic enrichment through an array of programs and activities such as nutrition and health education, drug and violence prevention, and arts education. The SSAE grant can also be used in conjunction with other titles within *ESEA* to support specific interventions, activities, or services. For example, *Title I*, Part A (*Title I*) of the *ESEA* may be used to promote supportive school climates to reduce the use of exclusionary discipline practices in a *Title I* schoolwide program. Likewise, LEAs may use *Title II* funds to provide training for school personnel to address issues related to school conditions for student learning, such as safety, peer interaction, drug and alcohol abuse, and chronic absenteeism. Rural LEAs that receive funding under either the Small, Rural School Achievement Program (SRSA) or the Rural and Low-Income School Program (RLIS) under *Title V*, Part B, may use those funds for activities allowed under the SSAE program funds, among other things. Additionally, LEAs may consider leveraging other federal resources such as AmeriCorps funds, if applicable, by partnering with grantees that provide similar programs or services in low-income schools and communities.<sup>7</sup>

---

<sup>7</sup> For a listing of individual AmeriCorps grantees in each State, please see: [www.NationalService.gov/State-Service-Locations](http://www.NationalService.gov/State-Service-Locations)

LEAs may also consider applying for funds in consortium to implement programs across districts. Working together, LEAs may be able to more efficiently deliver services through economies of scale that enable them to serve more students at lower cost and reduce administrative overhead.

### **Supplement not Supplant Requirement**

In considering how to use SSAE program funds, SEAs and LEAs should be mindful that SSAE program funds may be used only to supplement, and not supplant, non-Federal funds that would otherwise be available for activities authorized under the SSAE program. (*ESEA* section 4110). This means that, in general, SEAs and LEAs may not use SSAE program funds for the cost of activities in the three SSAE program content areas – well-rounded education, safe and healthy students, and technology – if the cost of those activities would have otherwise been paid with State or local funds in the absence of the SSAE program funds.<sup>8</sup>

### **Federal Civil Rights**

The SSAE grant recipients must comply with Federal civil rights laws that prohibit discrimination based on race, color, national origin, sex, disability, and age. These laws include *Title VI* of the *Civil Rights Act of 1964*, *Title IX* of the *Education Amendments of 1972*, *Title II* of the *Americans with Disabilities Act*, the *Equal Educational Opportunities Act*, Section 504 of the *Rehabilitation Act of 1973*, and the *Age Discrimination Act of 1975*. Further, Section 427 of the *General Education Provisions Act* (20 U.S.C. §1228a(a)) require the SSAE grant recipients to include in its application for the SSAE program funds, a description of the steps the applicant proposes to take to ensure equitable access to, and participation in, its Federally-assisted program for students, teachers, and other program beneficiaries with special needs. This provision allows applicants discretion in developing the required description. The statute highlights six types of barriers that can impede equitable access or participation: gender, race, national origin, color, disability, or age. Based on local circumstances, the SSAE grant recipient(s) should determine whether these or other barriers may prevent their students, teachers, etc. from such access or participation in, the Federally-funded project or activity. Recipients should be aware that failure to meet their civil rights obligations, or respond to the Section 427 requirement, may be considered violations of grant conditions as well as violations of the civil rights laws and therefore, they may be subject to civil rights and programmatic enforcement mechanisms if there is a possibility of a violation of these requirements. This may include adding special conditions on a grant, designating a grantee as having high risk status, and/or possibly withholding funds (subject to a hearing requirement).

## **ROLE OF THE STATE EDUCATIONAL AGENCY**

The SEA plays an important role in ensuring equitable access to an excellent education. In general, the Department allocates the SSAE program funds to States by formula based on each State's share of funds under *Title I*, Part A of the *ESEA*. (*ESEA* section 4103(b)). To receive its

---

<sup>8</sup> For additional information on the SSAE program supplement not supplant provision, please see Key Question 1 in Role of the SEA and Key Question 4 in the Local Application Requirements sections of this guidance.

allocation, an SEA must submit a plan to the Secretary of Education that, if submitted individually for the SSAE program,<sup>9</sup> must include the in *ESEA* sections 4103(c)(2)(A)-(C).

An SEA must reserve at least 95 percent of its SSAE program allocation for subgrants to LEAs and not more than one percent of its SSAE program allocation for administrative costs, including public reporting on how LEAs are using the funds and the degree to which LEAs have made progress towards meeting identified objectives and outcomes. (*ESEA* section 4104(a)(1) and (2)). SEAs award SSAE subgrants to LEAs by formula<sup>10</sup> in the same proportion as to the LEAs' prior year's *Title I*, Part A allocations. (*ESEA* section 4105(a)(1)). An SEA may use any remaining funds to support LEA activities and programs designed to meet the purposes of the program, which may include monitoring and providing technical assistance to LEAs; identifying and eliminating State barriers to the coordination and integration of programs, initiatives, and funding streams that meet the purposes of the program; and otherwise supporting LEAs in carrying out activities in the three SSAE program content areas. (*ESEA* section 4104(a)(3)).

SEAs are also responsible for developing the application that LEAs must submit to receive their funds from the State. At a minimum, the application must contain the elements described in the "Local Application Requirements" section of this guidance, and may include such other information as the SEA may reasonably require. (*ESEA* section 4106(a)(1)). An SEA may wish to consider how the local application for funding may promote strategies to maximize the impact of the SSAE program funds and advance the State's goals related to implementation of the *ESEA*. For example, an SEA may consider:

- Needs assessment criteria and protocol – SEAs may include specific needs assessment criteria for LEAs to address, consistent with the statutory requirements in section 4106(d) of the *ESEA*.
- Matching funds – SEAs may identify particular activities for which a State would provide matching funds to LEAs. For example, an SEA may publish a list of activities for which, if implemented by LEAs with SSAE program funds, the State would contribute matching funds to help enhance or scale-up the activity.
- Encouraging consortia – States may wish to encourage LEAs to apply for funding as a consortium as authorized in *ESEA* section 4105(a)(3). Combining SSAE program funds may result in economies of scale so that smaller LEAs may benefit more than if they had received their individual allocation. LEAs in a consortium may also benefit from

---

<sup>9</sup> Under section 8302 of the *ESEA*, a State has the option to submit to the Secretary a consolidated State plan covering multiple *ESEA* programs including the SSAE program. On May 31, 2016, the Department published a Notice of Proposed Rulemaking (NPRM) in the *Federal Register* that proposed specific requirements for the submission of State plans under *ESEA* programs, including optional consolidated State plans. Please note that these regulatory provisions are what the Department has proposed. They may change based on the Department's review of comments received during the public comment period, which closed on August 1, 2016.

<sup>10</sup> The specific formula in Section 4105(a)(1) provides: "The State shall allocate to each local educational agency in the State that has an application approved by the State educational agency under section 4106 an amount that bears the same relationship to the total amount of such reservation as the amount the local educational agency received under subpart 2 of part A of *Title I* for the preceding fiscal year bears to the total amount received by all local educational agencies in the State under such subpart for the preceding fiscal year."

communities of practice and glean lessons from other LEAs implementing similar activities.

### Key Questions

- 1) How should an SEA determine if an activity included in a local application is an allowable use of funds under the SSAE program?

*Generally, an SEA should first consider whether a proposed activity is consistent with the purposes of the three content areas in the SSAE program (well-rounded education in section 4107, safe and healthy students in section 4108, or the effective use of technology in section 4109). Assuming that the activity is consistent with the purposes of one of the three content areas, as applicable, the SEA should make further determinations as to allowability of costs in accordance with the cost principles in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) at 2 CFR Part 200, Subpart E. Specifically, the cost of an activity is allowable under the SSAE program, is reasonable and necessary for performance of the grant (i.e., it is of a type generally recognized as ordinary and necessary for operation of the grant) and allocable to the grant (i.e., it is chargeable to the grant award in proportion to the benefits received by the grant award as a result of the cost). Also, because section 4110 prohibits supplanting, the SEA should consider whether the proposed use of funds for the activity is supplemental and would not supplant other State or local funds that would otherwise be used for the activity in the absence of the SSAE program funds.*

- 2) What is the SEA required to do if the amount of SSAE program funds reserved for LEA allocations is insufficient to make allocations to LEAs equal to the minimum amount of \$10,000?

*If the SEA does not have sufficient funds to make allocations to any of its LEAs in an amount equal to the minimum of \$10,000, it must ratably reduce the LEA allocations, as required by section 4105(b) of the ESEA. This means that the SEA must reduce all LEA allocations proportionately to fit the funds that the SEA has available for LEA allocations. Ratable reduction ensures that all of the LEAs will receive allocations of some amount.*



**US Department of Education  
Washington, D.C. 20202  
GRANT AWARD NOTIFICATION**

S424A170047

<b>1</b>	<b>RECIPIENT NAME</b>  Vermont Agency of Education 219 North Main Street, Suite 402 Barre, VT 05641 - 4125	<b>2</b>	<b>AWARD INFORMATION</b>  PR/AWARD NUMBER     S424A170047 ACTION NUMBER        1 ACTION TYPE            New AWARD TYPE            Formula																				
<b>3</b>	<b>PROJECT STAFF</b>  <b>RECIPIENT STATE DIRECTOR</b> Jennifer Gresham            (802) 479-1191 <a href="mailto:Jennifer.gresham@vermont.gov">Jennifer.gresham@vermont.gov</a> <b>EDUCATION PROGRAM CONTACT</b> Bryan K Williams            (202) 453-6715 <a href="mailto:bryan.williams@ed.gov">bryan.williams@ed.gov</a> <b>EDUCATION PAYMENT HOTLINE</b> G5 PAYEE                    888-336-8930 HELPDESK <a href="mailto:edcaps.user@ed.gov">edcaps.user@ed.gov</a>	<b>4</b>	<b>PROJECT DESCRIPTION</b>  84.424A Student Support and Academic Enrichment Grants																				
<b>5</b>	<b>KEY PERSONNEL</b>  N/A																						
<b>6</b>	<b>AWARD PERIODS</b>  BUDGET PERIOD        07/01/2017 - 09/30/2018 FEDERAL FUNDING PERIOD    07/01/2017 - 09/30/2018  <b>FUTURE BUDGET PERIODS</b>  N/A																						
<b>7</b>	<b>AUTHORIZED FUNDING</b>  CURRENT AWARD AMOUNT        \$1,940,000.00 PREVIOUS CUMULATIVE AMOUNT    \$0.00 CUMULATIVE AMOUNT        \$1,940,000.00																						
<b>8</b>	<b>ADMINISTRATIVE INFORMATION</b>  DUNS/SSN            884902701 REGULATIONS        EDGAR AS APPLICABLE 2 CFR AS APPLICABLE ATTACHMENTS        1 , 3 , 8 , 9 , 11 , 12 , 13 , 14 , E-3 , E4 , E5																						
<b>9</b>	<b>LEGISLATIVE AND FISCAL DATA</b>  AUTHORITY:                    PL 20 U.S.C. 7101 TITLE IV ESEA, AS AMENDED BY ESSA PROGRAM TITLE:                STUDENT SUPPORT AND ACADEMIC ENRICHMENT (SSAE) PROGRAM CFDA/SUBPROGRAM NO:        84.424A  <table border="1"> <thead> <tr> <th>FUND CODE</th> <th>FUNDING YEAR</th> <th>AWARD YEAR</th> <th>ORG. CODE</th> <th>CATEGORY</th> <th>LIMITATION</th> <th>ACTIVITY</th> <th>CFDA</th> <th>OBJECT CLASS</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>1000M</td> <td>2017</td> <td>2017</td> <td>ES000000</td> <td>B</td> <td>QMA</td> <td>000</td> <td>424</td> <td>4101A</td> <td>\$1,940,000.00</td> </tr> </tbody> </table>			FUND CODE	FUNDING YEAR	AWARD YEAR	ORG. CODE	CATEGORY	LIMITATION	ACTIVITY	CFDA	OBJECT CLASS	AMOUNT	1000M	2017	2017	ES000000	B	QMA	000	424	4101A	\$1,940,000.00
FUND CODE	FUNDING YEAR	AWARD YEAR	ORG. CODE	CATEGORY	LIMITATION	ACTIVITY	CFDA	OBJECT CLASS	AMOUNT														
1000M	2017	2017	ES000000	B	QMA	000	424	4101A	\$1,940,000.00														



US Department of Education  
Washington, D.C. 20202

S424A170047

GRANT AWARD NOTIFICATION

10

PR/AWARD NUMBER: S424A170047  
RECIPIENT NAME: Vermont Agency of Education

TERMS AND CONDITIONS

- (1) The Office of Management and Budget requires all Federal agencies to assign a Federal Award Identifying Number (FAIN) to each of their financial assistance awards. The PR/AWARD NUMBER identified in Block 2 is your FAIN.

If subawards are permitted under this grant, and you choose to make subawards, you must document the assigned PR/AWARD NUMBER (FAIN) identified in Block 2 of this Grant Award Notification on each subaward made under this grant. The term subaward means:

1. A legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
  2. The term does not include your procurement of property and services needed to carry out the project or program (The payments received for goods or services provided as a contractor are not Federal awards, see 2 CFR 200.501(f) of the OMB Uniform Guidance: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards").
  3. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
- (2) The negotiated indirect cost rate or the indirect cost allocation plan approved for the entity identified in Block 1 of this GAN applies to this grant award.
  - (3) THIS GRANT AWARD IS MADE SUBJECT TO THE PROVISIONS OF ALL APPLICABLE ACTS, REGULATIONS, AND ASSURANCES.

THIS GRANT IS SUBJECT TO THE PROVISIONS OF TITLE IV AND TITLE VIII, AS APPLICABLE, OF THE ELEMENTARY AND SECONDARY EDUCATION ACT AND THE GENERAL EDUCATION PROVISIONS ACT (P.L. 103-382). THIS GRANT IS ALSO SUBJECT TO THE EDUCATION DEPARTMENT GENERAL ADMINISTRATIVE REGULATIONS (EDGAR) IN 34 CFR PARTS 76, 77, 81, AND 82, 2 CFR 3485, AND THE UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS IN 2 CFR PART 200 AND 3474.

- (4) UNDER THE "TYDINGS AMENDMENT," SECTION 421(b) OF THE GENERAL EDUCATION PROVISIONS ACT, 20 U.S.C. 1225(B), ANY FUNDS THAT ARE NOT OBLIGATED AT THE END OF THE FEDERAL FUNDING PERIOD SPECIFIED IN BLOCK 6 SHALL REMAIN AVAILABLE FOR OBLIGATION FOR AN ADDITIONAL PERIOD OF 12 MONTHS.



**US Department of Education  
Washington, D.C. 20202  
GRANT AWARD NOTIFICATION**

S424A170047

A handwritten signature in cursive script that reads "Jason Botel".

**Jason Botel**  
**Acting Assistant Secretary**

**07/03/2017**

**AUTHORIZING OFFICIAL**

**DATE**

## EXPLANATION OF BLOCKS ON THE GRANT AWARD NOTIFICATION

**For Discretionary, Formula and Block Grants** (See Block 2 of the Notification)

- 1. RECIPIENT NAME** - The legal name of the recipient or name of the primary organizational unit that was identified in the application, state plan or other documents required to be submitted for funding by the grant program.
- 2. AWARD INFORMATION** - Unique items of information that identify this notification.
  - PR/AWARD NUMBER** - A unique, identifying number assigned by the Department to each application. On funded applications, this is commonly known as the "grant number" or "document number." The PR/Award Number is also known as the Federal Award Identifying Number, or FAIN.
  - ACTION NUMBER** - A numeral that represents the cumulative number of steps taken by the Department to date to establish or modify the award through fiscal or administrative means. Action number "01" will always be "NEW AWARD"
  - ACTION TYPE** - The nature of this notification (e.g., NEW AWARD, CONTINUATION, REVISION, ADMINISTRATIVE)
  - AWARD TYPE** - The particular assistance category in which funding for this award is provided, i.e., DISCRETIONARY, FORMULA, or BLOCK. If this award was made under a Research and Development grant program, the terms RESEARCH AND DEVELOPMENT will appear under DISCRETIONARY, FORMULA OR BLOCK.
- 3. PROJECT STAFF** - This block contains the names and telephone numbers of the U.S. Department of Education and recipient staff who are responsible for project direction and oversight.
  - \*RECIPIENT PROJECT DIRECTOR** - The recipient staff person responsible for administering the project. This person represents the recipient to the U.S. Department of Education.
  - EDUCATION PROGRAM CONTACT** - The U.S. Department of Education staff person responsible for the programmatic, administrative and businessmanagement concerns of the Department.
  - EDUCATION PAYMENT CONTACT** - The U.S. Department of Education staff person responsible for payments or questions concerning electronic drawdown and financial expenditure reporting.
- 4. PROJECT TITLE AND CFDA NUMBER** - Identifies the Catalog of Federal Domestic Assistance (CFDA) subprogram title and the associated subprogram number.
- 5.\* KEY PERSONNEL** - Name, title and percentage (%) of effort the key personnel identified devotes to the project.
- 6. AWARD PERIODS** - Project activities and funding are approved with respect to three different time periods, described below:
  - BUDGET PERIOD** - A specific interval of time for which Federal funds are being provided from a particular fiscal year to fund a recipient's approved activities and budget. The start and end dates of the budget period are shown.
  - PERFORMANCE PERIOD** - The complete length of time the recipient is proposed to be funded to complete approved activities. A performance period may contain one or more budget periods.
  - \*FUTURE BUDGET PERIODS** - The estimated remaining budget periods for multi-year projects and estimated funds the Department proposes it will award the recipient provided substantial progress is made by the recipient in completing approved activities, the Department determines that continuing the project would be in the best interest of the Government, Congress appropriates sufficient funds under the program, and the recipient has submitted a performance report that provides the most current performance information and the status of budget expenditures.
- 7. AUTHORIZED FUNDING** - The dollar figures in this block refer to the Federal funds provided to a recipient during the award periods.
  - \*THIS ACTION** - The amount of funds obligated (added) or de-obligated (subtracted) by this notification.
  - \*BUDGET PERIOD** - The total amount of funds available for use by the grantee during the stated budget period to this date.
  - \*PERFORMANCE PERIOD** - The amount of funds obligated from the start date of the first budget period to this date.
  - RECIPIENT COST SHARE** - The funds, expressed as a percentage, that the recipient is required to contribute to the project, as defined by the program legislation or regulations and/or terms and conditions of the award.
  - RECIPIENT NON-FEDERAL AMOUNT** - The amount of non-federal funds the recipient must contribute to the project as identified in the recipient's application. When non-federal funds are identified by the recipient where a cost share is not a legislation requirement, the recipient will be required to provide the non-federal funds.
- 8. ADMINISTRATIVE INFORMATION** - This information is provided to assist the recipient in completing the approved activities and managing the project in accordance with U.S. Department of Education procedures and regulations.

**DUNS/SSN** - A unique, identifying number assigned to each recipient for payment purposes. The number is based on either the recipient's assigned number from Dun and Bradstreet or the individual's social security number.

**\*REGULATIONS** - Title 2 of the Code of Federal Regulations(CFR), Part 200 as adopted at 2 CFR 3474; the applicable parts of the Education Department General Administrative Regulations (EDGAR), specific program regulations (if any), and other titles of the CFR that govern the award and administration of this grant.

**\*ATTACHMENTS** - Additional sections of the Grant Award Notification that discuss payment and reporting requirements, explain Department procedures, and add special terms and conditions in addition to those established, and shown as clauses, in Block 10 of the award. Any attachments provided with a notification continue in effect through the project period until modified or rescinded by the Authorizing Official.

**9. LEGISLATIVE AND FISCAL DATA** - The name of the authorizing legislation for this grant, the CFDA title of the program through which funding is provided, and U.S. Department of Education fiscal information.

**FUND CODE, FUNDING YEAR, AWARD YEAR, ORG.CODE, PROJECT CODE, OBJECT CLASS -**

The fiscal information recorded by the U.S. Department of Education's Grants Management System (G5) to track obligations by award.

**AMOUNT** - The amount of funds provided from a particular appropriation and project code. Some notifications authorize more than one amount from separate appropriations and/or project codes. The total of all amounts in this block equals the amount shown on the line, "THIS ACTION" (See "AUTHORIZED FUNDING" above (Block 7)).

**10. TERMS AND CONDITIONS** - Requirements of the award that are binding on the recipient.

**\*PARTICIPANT NUMBER** - The number of eligible participants the grantee is required to serve during the budget year.

**\*GRANTEE NAME** - The entity name and address registered in the System for Award Management (SAM). This name and address is tied to the DUNS number registered in SAM under the name and address appearing in this field. This name, address and the associated DUNS is what is displayed in the SAM Public Search.

**\*PROGRAM INDIRECT COST TYPE** - The type of indirect cost permitted under the program (i.e. Restricted, Unrestricted, or Training).

**\*PROJECT INDIRECT COST RATE** - The indirect cost rate applicable to this grant.

**\*AUTHORIZING OFFICIAL** - The U.S. Department of Education official authorized to award Federal funds to the recipient, establish or change the terms and conditions of the award, and authorize modifications to the award

**FOR FORMULA AND BLOCK GRANTS ONLY:**

(See also Blocks 1, 2, 4, 6, 8, 9 and 10 above)

**3. PROJECT STAFF** - The U.S. Department of Education staff persons to be contacted for programmatic and payment questions.

**7. AUTHORIZED FUNDING**

**CURRENT AWARD AMOUNT** - The amount of funds that are obligated (added) or de-obligated (subtracted) by this action.

**PREVIOUS CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant before this action.

**CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant, this action included.

---

\* This item differs or does not appear on formula and block grants.

UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
& CHIEF INFORMATION OFFICER

Vermont Agency of Education  
219 North Main Street, Suite 402

Barre, VT 05641 - 4125

SUBJECT: Payee Verification for Grant Award S424A170047

This is to inform you of the payee for the above listed grant award issued by the United States Department of Education

Grantee DUNS/SSN: 884902701

Grantee Name: VERMONT STATE AGENCY OF EDUCATION

Payee DUNS/SSN: 884902701

Payee Name: VERMONT STATE AGENCY OF EDUCATION

If any of the above information is not correct, please contact a Payee Customer Support Representative at 1-888-336-8930. Please send all the correspondence relating to the payee or bank information changes to the following address:

U.S. Department of Education  
550 12th Street, SW  
Room 6087  
Washington, DC 20202

Attn: Stephanie Barnes  
Phone: 202-245-8006

**SPECIFIC GRANT CONDITIONS FOR PAYMENTS**

**THE G5 PAYMENTS MODULE**

Payments under this award will be made through the G5-Payments module of the U.S. Department of Education's (Department) electronic payments system. The G5 Payments module within the Education Central Automated Processing Systems (EDCAPS) is administered by the Office of the Chief Information Officer, Financial Systems Services.

The internet address for G5 is <https://www.g5.gov>. To access the G5 Payments module, you must first have a G5 User Id and Password. You will need to request a G5 User Id and Password from the Department of Education by submitting an **External Access Security Form**. This form is electronically available during online registration under "*Not Registered? Sign Up*", when you access the website. The Department will issue G5 User IDs and Passwords to those individuals authorized by the payee to access G5 to request funds and report expenditures. User IDs and Passwords cannot be faxed or given over the phone, and may not be shared by multiple users. The External User Access Request Form must be completed and mailed to the following address:

U.S. Department of Education  
Office of the Chief Information Officer  
Mail Stop – 4138  
Attn: G5 Functional Application Team  
400 Maryland Avenue, SW  
Washington, DC 20202

New grantees will be requested to provide pertinent information before they may begin requesting funds. Information to be provided includes:

- Designation of payee;
- Payee contacts and mailing addresses;
- Depositor account information; and
- Individuals authorized by the payee to access G5 to request funds - these individuals will be provided User IDs and passwords to access G5.

The payee is the entity identified by the grantee to handle the financial aspects of the grant (e.g., request payments, report expenditures, etc.). While a grantee may designate an entity to be its payee, alternatively, a grantee and payee may be the same entity.

Payees may begin requesting funds for the grantee once their award authorization is entered into G5 and the award start date is reached.

A copy of the Department of Education G5 Training Guide (*Guide*) is available on the G5 website at the "Help" link. The guide provides detailed instructions on all electronic payment processes. If you are not Internet capable, please contact the G5 Hotline at toll free 1 (888) 336-8930 to request a hard copy of the Guide.

### REQUESTING FUNDS USING THE G5 MODULE

Payees can access the G5-Payments Module on-line to request funds. To access the G5 Payments Module, payees need a Web browser (such as Microsoft Internet Explorer) and Internet connectivity. Payees will request funds by award using **the PR/Award Number** found in **Block 5** of the **Grant Award Notification**. Instructions for navigating through the G5-Payments screens to make a payment request are given in the G5 Training Guide and in the G5 On Demand training located under the "Help" link. Instructions for modifying payment requests, adjusting drawdown amounts, and viewing award and authorization histories are also included in the Guide.

Those payees who do not have the technology to access G5-Payments on-line may request funds by calling ED's G5 Hotline by at 1-888-336-8930.

### AWARD INFORMATION

Payees can get information on this award on-line, or by calling ED's G5 Hotline Staff at 1-888-336-8930.

#### ➤ On-Line:

Payees may access G5 via the Internet at <https://www.G5.gov> to retrieve and view information on their awards, such as:

- Net authorization and authorization history;
- Net draws;
- Available balance;
- History of pending and completed payments;
- Award status; and
- Award history - including detailed transactions on drawdowns, returns, refunds, and adjustments.

#### ➤ ED's G5 Hotline Staff:

Payees can contact a G5 Hotline Staff for information on any award. Because award information is organized in G5 by a unique identifier - the Dun & Bradstreet Number (DUNS Number) - payees should have their DUNS number, identified in **Block 8** of the **Grant Award Notification**, available when contacting a G5 Hotline Staff Representative.

### FINANCIAL REPORTS:

When a Payee requests a drawdown of funds by grant award, the Department records this drawdown as an expenditure against the specified grant award. This method of identifying expenditures, at the time of drawdown, and the capability to make adjustments on-line, eliminates the need for the submission of the Federal Cash Transactions Report Form 272. Thus, additional financial reporting generally will not be required, unless otherwise specified by ED.

**An Overview of Single Audit Requirements of States,  
Local Governments, and Non-Profit Organizations**

To meet audit requirements of U.S. Office of Management and Budget (OMB) Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards (Uniform Guidance), grantees must submit all documents required by Uniform Guidance 2 CFR 200.512, including Form SF-SAC: Data Collection Form, to:

Federal Audit Clearinghouse  
1201 East 10th Street  
Jeffersonville, Indiana 47132  
(301) 763-1551 (voice)  
(800) 253-0696 (toll free)  
(301) 457-1540 (fax)

Below is a summary of the single audit requirements:

- (1) **Single Audit.** A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with 2 CFR 200.514, "Scope of Audit," except when it elects to have a program specific audit conducted.
- (2) **Program-specific audit election.** When an auditee expends Federal awards under only one Federal program (excluding R&D), and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.
- (3) **Exemption when Federal awards expended are less than \$750,000.** A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in 2 CFR 200.503, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

12/2014

(4) Federally Funded Research and Development Centers (FFRDC). Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity.

(5) Report Submission. The audit must be completed, and the data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day. Unless restricted by Federal statutes or regulations, the auditee must make copies available for public inspection. Auditees and auditors must ensure that their respective parts of the reporting package do not include protected personally identifiable information. (2 CFR 200.512)

Grantees are strongly urged to obtain the "OMB Compliance Supplement" and to contact their cognizant agency for single audit technical assistance.

The designated cognizant agency for single audit purposes is "the Federal awarding agency that provides the predominant amount of direct funding to the recipient." Grantees should obtain a copy of the OMB Compliance supplement. This supplement will be instructive to both grantees and their auditors. Appendix III of the supplement provides a list of Federal Agency Contacts for Single Audits, including addresses, phone numbers, fax numbers, and e-mail addresses for technical assistance.

If the U.S. Department of Education is the cognizant agency, grantees should contact the Non-Federal Audit Team in the Department's Office of Inspector General, at the address, phone, or fax number provided on page 3 of this attachment.

Grantees can obtain information on single audits from:

The OMB Publications Service, (202) 395-7332. (To obtain OMB Compliance Supplement, and Form SF-SAC: Data Collection Form)

The OMB web site. The Internet address is [www.omb.gov](http://www.omb.gov). Look under OMB "Information for Agencies", then in OMB Circulars. (To obtain OMB Compliance Supplement, and Form SF-SAC: Data Collection Form)

The Federal Audit Clearinghouse, 1-888-222-9907. (to obtain Form SF-SAC: Data Collection Form), or

The American Institute of Certified Public Accountants (AICPA). AICPA has illustrative OMB Single Audit report examples that might be of interest to accountants, auditors, or financial staff. The examples can be obtained by their fax hotline: (202) 938-3797, request document number 311; or from their Internet page. The Internet address is [www.aicpa.org](http://www.aicpa.org).

12/2014

If the U.S. Department of Education is the cognizant agency for the grantee organization, the following shows, according to the location of the grantee entity, which location of the Office of Inspector General to contact for single audit-related questions. For programmatic questions, grantees should contact the Education Program Contact shown on the Department's Grant Award Notification.

U.S. Department of Education Non-Federal Audit Teams

Director, Non-Federal Audits  
Office of Inspector General  
U.S. Department of Education  
Wanamaker Building  
100 Penn Square East, Suite 502  
Philadelphia, PA 19107  
Phone: Voice (215) 656-6900  
FAX (215) 656-6397

NATIONAL OFFICE CONTACT and audits in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, Puerto Rico, and the Virgin Islands.

Non-Federal Audit Team  
Office of Inspector General  
U.S. Department of Education  
1999 Bryan Street, Suite 2630  
Dallas, TX 75201-6817  
Phone: Voice (214) 880-3031  
FAX (214) 880-2492

For audits in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas.

Non-Federal Audit Team  
Office of Inspector General  
U.S. Department of Education  
8930 Ward Parkway, Suite 2401  
Kansas City, MO 64114-3302  
Phone: Voice (816) 268-0502  
FAX (816) 823-1398

For audits in Alaska, Arizona, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming, and the Pacific Islands.

12/2014

## GRANT ATTACHMENT 8

### **Trafficking in Persons**

The Department of Education adopts the requirements in the Code of Federal Regulations at 2 CFR 175 and incorporates those requirements into this grant through this condition. The grant condition specified in 2 CFR 175.15(b) is incorporated into this grant with the following changes. Paragraphs a.2.ii.B and b.2.ii. are revised to read as follows:

“a.2.ii.B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85.”

“b.2.ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85.”

Under this condition, the Secretary may terminate this grant without penalty for any violation of these provisions by the grantee, its employees, or its subrecipients.

12/2014

## Reporting Prime Awardee Executive Compensation Data As Required under the Federal Funding Accountability and Transparency Act

The Federal Funding Accountability and Transparency Act (FFATA) is designed to increase transparency and improve the public's access to Federal government information. To this end, FFATA requires that executive compensation data be reported for all new Federal grants funded at \$25,000 or more that meet the reporting conditions as set forth in this grant award term, and that are awarded on or after October 1, 2010. For FFATA reporting purposes, the prime awardee (i.e. the grantee) is the entity listed in box 1 of the Grant Award Notification.

### **a. Reporting Total Compensation of the Prime Awardee's Executives:**

**1. *Applicability and what to report.*** The prime awardee must report total compensation for each of its five most highly compensated executives for the preceding completed fiscal year, if all of the following conditions are applicable: —

**i.** the total Federal funding authorized to date under this award is \$25,000 or more; **and**

**ii.** in the preceding fiscal year, the prime awardee received--

**(A)** 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); **and**

**(B)** \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); **and**

**iii.** The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Securities and Exchange Commission total compensation filings at [www.sec.gov/answers/execomp.htm](http://www.sec.gov/answers/execomp.htm).)

**2. *Where, what and when to report.*** The prime awardee must report executive compensation described in paragraph **a.1.** of this grant award term as part of its registration profile in the System for Award Management ([www.SAM.gov](http://www.SAM.gov)).

**i.** The types of compensation that must be reported for each subrecipient are listed in the definition of "total compensation" appearing in item **b** of this grant award term. If this is the first award the prime awardee has received that is subject to the reporting requirements in paragraph **a.1.**, the prime awardee must report by the end of the month following the month in which this award is made, and on each anniversary of this award.

### **b. Definitions. For purposes of this grant award term:**

**1. *Entity*** means all of the following, as defined in 2 CFR Part 25:

- i. A Governmental organization, which is a State, local government, or Indian tribe;
- ii. A foreign public entity;
- iii. A domestic or foreign nonprofit organization;
- iv. A domestic or foreign for-profit organization;
- v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

2. **Executive** means officers, managing partners, or any other employees in management positions.

3. **Total compensation** means the cash and noncash dollar value earned by the executive during the prime awardee's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

i. Salary and bonus.

ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

v. Above-market earnings on deferred compensation which is not tax-qualified.

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

**SPECIFIC CONDITIONS FOR DISCLOSING  
FEDERAL FUNDING IN PUBLIC ANNOUNCEMENTS**

When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, U.S. Department of Education grantees shall clearly state :

- 1) the percentage of the total costs of the program or project which will be financed with Federal money;
- 2) the dollar amount of Federal funds for the project or program; and
- 3) the percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

Recipients must comply with these conditions under Division H, Title V, Section 505 of Public Law 113-76, Consolidated Appropriations Act, 2014.

12/2014

**PROHIBITION OF TEXT MESSAGING AND EMAILING WHILE  
DRIVING DURING OFFICIAL FEDERAL GRANT BUSINESS**

Federal grant recipients, sub recipients and their grant personnel are prohibited from text messaging while driving a government owned vehicle, or while driving their own privately owned vehicle during official grant business, or from using government supplied electronic equipment to text message or email when driving.

Recipients must comply with these conditions under Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009.

12/2014

**Registration of Data Universal Numbering System (DUNS) Number and Taxpayer Identification Number (TIN) in the System for Award Management (SAM)**

The U.S. Department of Education (Education) Grants Management System (G5) will begin disbursing payments via the U.S. Department of Treasury (Treasury) rather than directly through the Federal Reserve as in the past. The U.S. Treasury requires that we include your Tax Payer Identification Number (TIN) with each payment. Therefore, in order to do business with Education you must have a registered DUNS and TIN number with the SAM, the U.S. Federal Government's primary registrant database. If the payee DUNS number is different than your grantee DUNS number, both numbers must be registered in the SAM. Failure to do so will delay the receipt of payments from Education.

A TIN is an identification number used by the Internal Revenue Service (IRS) in the administration of tax laws. It is issued either by the Social Security Administration (SSA) or by the IRS. A Social Security number (SSN) is issued by the SSA whereas all other TINs are issued by the IRS.

The following are all considered TINs according to the IRS.

- Social Security Number "SSN"
- Employer Identification Number "EIN"
- Individual Taxpayer Identification Number "ITIN"
- Taxpayer Identification Number for Pending U.S. Adoptions "ATIN"
- Preparer Taxpayer Identification Number "PTIN"

If your DUNS number is not currently registered with the SAM, you can easily register by going to [www.sam.gov](http://www.sam.gov). Please allow 3-5 business days to complete the registration process. If you need a new TIN, please allow 2-5 weeks for your TIN to become active. If you need assistance during the registration process, you may contact the SAM Federal Service Desk at 866-606-8220.

If you are currently registered with SAM, you may not have to make any changes. However, please take the time to validate that the TIN associated with your DUNS is correct.

If you have any questions or concerns, please contact the G5 Hotline at 888-336-8930.

12/2014

**System for Award Management and Universal Identifier Requirements**

**1. Requirement for System for Award Management (SAM)**

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

**2. Requirement for Data Universal Numbering System (DUNS) Numbers**

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
2. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

**3. Definitions**

For purposes of this award term:

1. System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).
2. Data Universal Numbering System (DUNS) number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).
3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
  - a. A Governmental organization, which is a State, local government, or Indian Tribe;
  - b. A foreign public entity;
  - c. A domestic or foreign nonprofit organization;
  - d. A domestic or foreign for-profit organization; and
  - e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
4. Subaward:
  - a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
  - b. The term does not include your procurement of property and services needed to carry out the project or program (see 2 CFR 200.501 of the OMB "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards").
  - c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
5. Subrecipient means an entity that:
  - a. Receives a subaward from you under this award; and
  - b. Is accountable to you for the use of the Federal funds provided by the subaward.

12/2014

**UNITED STATES DEPARTMENT OF EDUCATION**  
*Office of the Chief Financial Officer*

**MEMORANDUM to ED GRANTEES REGARDING THE USE OF GRANT FUNDS FOR CONFERENCES AND MEETINGS**

You are receiving this memorandum to remind you that grantees must take into account the following factors when considering the use of grant funds for conferences and meetings:

- Before deciding to use grant funds to attend or host a meeting or conference, a grantee should:
  - Ensure that attending or hosting a conference or meeting is consistent with its approved application and is reasonable and necessary to achieve the goals and objectives of the grant;
  - Ensure that the primary purpose of the meeting or conference is to disseminate technical information, (e.g., provide information on specific programmatic requirements, best practices in a particular field, or theoretical, empirical, or methodological advances made in a particular field; conduct training or professional development; plan/coordinate the work being done under the grant); and
  - Consider whether there are more effective or efficient alternatives that can accomplish the desired results at a lower cost, for example, using webinars or video conferencing.
- Grantees must follow all applicable statutory and regulatory requirements in determining whether costs are reasonable and necessary, especially the Cost Principles for Federal grants set out at 2 CFR Part 200 Subpart E of the, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." In particular, remember that:
  - Federal grant funds cannot be used to pay for alcoholic beverages; and
  - Federal grant funds cannot be used to pay for entertainment, which includes costs for amusement, diversion, and social activities.
- Grant funds may be used to pay for the costs of attending a conference. Specifically, Federal grant funds may be used to pay for conference fees and travel expenses (transportation, per diem, and lodging) of grantee employees, consultants, or experts to attend a conference or meeting if those expenses are reasonable and necessary to achieve the purposes of the grant.
  - When planning to use grant funds for attending a meeting or conference, grantees should consider how many people should attend the meeting or conference on their behalf. The number of attendees should be reasonable and necessary to accomplish the goals and objectives of the grant.
- A grantee hosting a meeting or conference may not use grant funds to pay for food for conference attendees unless doing so is necessary to accomplish legitimate meeting or conference business.
  - A working lunch is an example of a cost for food that might be allowable under a Federal grant if attendance at the lunch is needed to ensure the full participation by conference attendees in essential discussions and speeches concerning the purpose of the conference and to achieve the goals and objectives of the project.
- A meeting or conference hosted by a grantee and charged to a Department grant must not be promoted as a U.S. Department of Education conference. This means that the seal of the U.S. Department of Education must not be used on conference materials or signage without Department approval.

**UNITED STATES DEPARTMENT OF EDUCATION**  
***Office of the Chief Financial Officer***

- All meeting or conference materials paid for with grant funds must include appropriate disclaimers, such as the following:
  - The contents of this (insert type of publication; e.g., book, report, film) were developed under a grant from the Department of Education. However, those contents do not necessarily represent the policy of the Department of Education, and you should not assume endorsement by the Federal Government.
- Grantees are strongly encouraged to contact their project officer with any questions or concerns about whether using grant funds for a meeting or conference is allowable prior to committing grant funds for such purposes.
  - A short conversation could help avoid a costly and embarrassing mistake.
- Grantees are responsible for the proper use of their grant awards and may have to repay funds to the Department if they violate the rules on the use of grant funds, including the rules for meeting- and conference-related expenses.

12/2014



UNITED STATES DEPARTMENT OF EDUCATION

MEMORANDUM

ENCLOSURE 4

DATE: July 12, 2016

TO: Recipients of grants and cooperative agreements

FROM: Tim Soltis   
Delegated the Authority to perform the Duties and Functions of the Chief  
Financial Officer

SUBJECT: Department of Education Cash Management Policies for Grants and Cooperative  
Agreements

The purpose of this memorandum is to remind the Department of Education's (the Department's) grant and cooperative agreement recipients (grantees) of existing cash management requirements regarding payments. The Department expects that grantees will ensure that their subgrantees are also aware of these policies by providing relevant information to them.

There are three categories of payment requirements that apply to the draw of funds from grant accounts at the Department. The first two types of payments are subject to the requirements in the Treasury Department regulations implementing the Cash Management Improvement Act (CMIA) of 1990, 31 U.S.C.6513, and the third is subject to the requirements in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) at 2 CFR part 200,<sup>1</sup> as follows:

- (1) Payments to a State under programs that are covered by a State's Treasury State Agreement (TSA);
- (2) Payments to States under programs that are not covered by a TSA; and
- (3) Payments to other non-Federal entities, including nonprofit organizations and local governments.

**CMIA Requirements Applicable to Programs included in a TSA**

Generally, under the Treasury Department regulations implementing the CMIA, only major assistance programs (large-dollar programs) are included in a State's written TSA. See 31 CFR part 205, subpart A. Programs included in a TSA must use approved funding techniques and both States and the Federal government are subject to interest liabilities for late payments. State interest liabilities accrue from the day federal funds are credited to a State account to the day the State pays out the federal funds for federal assistance program purposes. 31 CFR 205.15. If a

<sup>1</sup> The Department adopted the Uniform Guidance as regulations of the Department at 2 CFR part 3474.

State makes a payment under a Federal assistance program before funds for that payment have been transferred to the State, Federal Government interest liabilities accrue from the date of the State payment until the Federal funds for that payment have been deposited to the State account. 31 CFR 205.14.

### **CMIA Requirements Applicable to Programs Not Included in a TSA**

Payments to States under programs not covered by a State's TSA are subject to subpart B of Treasury's regulations in 31 CFR part 205. These regulations provide that a State must minimize the time between the drawdown of funds from the federal government and their disbursement for approved program activities. The timing and amount of funds transfers must be kept to a minimum and be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs. 31 CFR 205.33(a). States should exercise sound cash management in funds transfers to subgrantees.

Under subpart B, neither the States nor the Department owe interest to the other for late payments. 31 CFR 205.33(b). However, if a State or a Federal agency is consistently late in making payments, Treasury can require the program to be included in the State's TSA. 31 CFR 205.35.

### **Fund transfer requirements for grantees other than State governments and subgrantees**

The transfer of Federal program funds to grantees other than States and to subgrantees are subject to the payment and interest accrual requirements in the Uniform Guidance at 2 CFR 200.305(b). These requirements are similar to those in subpart B of the Treasury Department regulations in 31 CFR part 205, requiring that "payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity." 2 CFR 200.305(b) introduction.

The Federal Government and pass-through entities must make payments in advance of expenditures by grantees and subgrantees if these non-Federal entities maintain, or demonstrates the willingness to maintain, written procedures "that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability as established in" 2 CFR 200.305(b). If a grantee or subgrantee cannot meet the criteria for advance payments, a Federal agency or pass-through entity can pay that entity through reimbursement. See 2 CFR 200.305(b)(1) and (4) for more detailed description of the payment requirements and the standards for requiring that payments be made by reimbursement.

Non-Federal entities other than States must maintain advance payments in interest bearing accounts unless certain conditions exist. See 2 CFR 200.305(b)(8) for those conditions. The requirements regarding interest accrual and remittance follow:

- Grantees other than States and subgrantees must annually remit interest earned on federal advance payments except that the non-Federal entity may retain up to \$500 of interest earned on the account each year to pay for the costs of maintaining the account.
- Grantees other than States and subgrantees must remit interest earned on Federal advance payments to the Department of Health and Human Services, Payment Management

System (PMS), through either Automated Clearinghouse (ACH) network or Fedwire. Detailed information about electronic remittance of funds via ACH or Fedwire are specified in 2 CFR 200.305(b)(9)(i) and (ii). For non-Federal entities that do not have electronic remittance capability, checks must be made payable to HHS and addressed to:

U.S. Department of Health and Human Services  
Program Support Services  
P.O. Box 530231  
Atlanta, GA 3035-0231

The remittance should be accompanied by a letter stating that the remittance is for "interest earned on Federal funds" and should include the DUNS number of the non-Federal entity making the payment.

Grantees, including grantees that act as pass-through entities and subgrantees have other responsibilities regarding the use of Federal funds. For example, all grantees and subgrantees must have procedures for determining the allowability of costs for their awards. We highlight the following practices related to the oversight of subgrantee compliance with the financial management requirements in the Uniform Guidance that will assist State grantees (pass-through entities) in meeting their monitoring responsibilities. Under 2 CFR 200.331, pass-through entities must –

- Establish monitoring priorities based on the risks posed by each subgrantee, including risks associated with the drawdown of grant funds and remittance of interest to the Federal Government;
- Monitor the fiscal activity of subgrantees as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

A small number of ED grant programs have program-specific cash management and payment requirements based on the authorizing legislation or program regulations. These program-specific requirements may supplement or override general cash management or payment requirements. If you have any questions about your specific grant, please contact the program officer, whose contact information is on Block 3 of your Grant Award Notification (GAN).

Thank you for your attention to this matter. If you have any questions, please contact Blanca Rodriguez at (202) 245-8153 or [blanca.rodriguez@ed.gov](mailto:blanca.rodriguez@ed.gov)

Attachment

**Recipients of ED Grants and Cooperative Agreements  
Frequently Asked Questions on  
Cash Management**

**Q What are the Federal Laws and Regulations Regarding Payments to the States?**

**A** The *Cash Management Improvement Act of 1990 (CMIA)* establishes interest liabilities for the Federal and State governments when the Federal Government makes payments to the States. See 31 U.S.C. 3335 and 6503. The implementing regulations are in Title 31 of the Code of Federal Regulations (CFR), Part 205, <http://www.fms.treas.gov/fedreg/31cfr205final.pdf>.

**Q What is a Treasury-State Agreement (TSA)?**

**A** A TSA documents the accepted funding techniques and methods for calculating interest agreed upon by the U.S. Department of the Treasury (Treasury) and a State. It identifies the Federal assistance programs that are subject to interest liabilities under the CMIA. The CMIA regulations specify a number of different funding techniques that may be used by a State but a State can negotiate with the Treasury Department to establish a different funding technique for a particular program. A TSA is effective until terminated and, if a state does not have a TSA, payments to the State are subject to the default techniques in the regulations that Treasury determines are appropriate.

**Q What are the CMIA requirements for a program subject to a Treasury-State Agreement?**

**A** Payments to a State under a program of the Department are subject to the interest liability requirements of the CMIA if the program is included in the State's Treasury-State Agreement (TSA) with the Department of Treasury. If the Federal government is late in making a payment to a State, it owes interest to the State from the time the State spent its funds to pay for expenditure until the time the Federal government deposits funds to the State's account to pay for the expenditure. Conversely, if a State is late in making a payment under a program of the Department, the State owes interest to the Federal government from the time the Federal government deposited the funds to the State's account until the State uses those funds to make a payment. For more information, see the recently issued Memorandum from the Chief Financial Officer on Cash Management which is posted on the ed.gov "ED Memoranda to Grantees" page at: <http://www2.ed.gov/policy/fund/guid/gposbul/gposbul.html>

**Q What are the CMIA requirements for a program that is not subject to a Treasury-State Agreement?**

**A** If a program is not included in the State's TSA, neither the State nor the Federal government are liable for interest for making late payments. However, both the Federal government and the State must minimize the time elapsing between the date the State requests funds and the date that the funds are deposited to the State's accounts. The State is also required to minimize the time elapsed between the date it receives funds from the Federal government and the date it makes a payment under the program. Also, the Department must minimize the amount of funds transferred to a State to only that needed to meet the immediate cash needs of the State. The timing and amount of funds transferred must be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs.

**Q What if there is no TSA?**

**A** When a State does not have a TSA in effect, default procedures in 31 CFR, part 205 that the Treasury Department determines appropriate apply. The default procedures will prescribe efficient funds transfer procedures consistent with State and Federal law and identify the covered Federal assistance programs and designated funding techniques.

**Q Who is responsible for Cash Management?**

**A** Grantees and subgrantees that receive grant funds under programs of the Department are responsible for maintaining internal controls regarding the management of Federal program funds under the Uniform Guidance in 2 CFR 200.302 and 200.303. In addition, grantees are responsible for ensuring that subgrantees are aware of the cash management and requirements in 2 CFR part 200, subpart D.

**Q Who is responsible for monitoring cash drawdowns to ensure compliance with cash management policies?**

**A** Recipients must monitor their own cash drawdowns **and** those of their subrecipients to assure substantial compliance to the standards of timing and amount of advances.

**Q How soon may I draw down funds from the G5 grants management system?**

**A** Grantees are required to minimize the amount of time between the drawdown and the expenditure of funds from their bank accounts. (See 2 CFR 200.305(b).) Funds must be drawn only to meet a grantee's immediate cash needs for each individual grant. The G5 screen displays the following message:

**By submitting this payment request, I certify to the best of my knowledge and belief that the request is based on true, complete, and accurate information. I further certify that the expenditures and disbursements made with these funds are for the purposes and objectives set forth in the applicable Federal award or program participation agreement, and that the organization on behalf of which this submission is being made is and will remain in compliance with the terms and conditions of that award or program participation agreement. I am aware that the provision of any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me, and the organization on behalf of which this submission is being made, to criminal, civil, or administrative penalties for fraud, false statements, false claims, or other violations. (U.S. Code Title 18, Section 1001; Title 20, Section 1097; and Title 31, Sections 3729-3730 and 3801-3812)**

**Q How may I use Federal funds?**

**A** Federal funds must be used as specified in the Grant Award Notification (GAN) and the approved application or State plan for allowable direct costs of the grant and an allocable portion of indirect costs, if authorized.

**Q What are the consequences to recipients/subrecipients for not complying with terms of the grant award?**

**A** If a recipient or subrecipient materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, including those in 2 CFR part 200, an assurance, the GAN, or elsewhere, the awarding agency may take one or more of the following actions:

1. Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity not in compliance.
3. Wholly or partly suspend or terminate the Federal award.
4. Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal award agency regulations (or in the case of a pass-through be initiated by a Federal awarding agency).
5. Withhold further Federal awards for the project or program.
6. Take other remedies that may be legally available.

- Q Who is responsible for determining the amount of interest owed to the Federal government?**
- A** As set forth in 31 CFR 205.9, the method used to calculate and document interest liabilities is included in the State's TSA. A non-State entity must maintain advances of Federal funds in interest-bearing accounts unless certain limited circumstance apply and remit interest earned on those funds to the Department of Health and Human Services, Payment Management System annually. See 2 CFR 200.305. Also, see the July 6, 2016, memorandum from the Department's Chief Financial Officer on Department of Education Cash Management Policies for Grants and Cooperative Agreements posted at <http://ww2.ed.gov/policy/fund/guid/gposbul.html>
- Q What information should accompany my interest payment?**
- A** Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from ASAP, NSF or another federal agency payment system. CFR 200.305(b)(9).
- Q Are grant recipients/subrecipients automatically permitted to draw funds in advance of the time they need to disburse funds in order to liquidate obligations?**
- A** The payment requirements in 2 CFR 200.305(b) authorize a grantee or subgrantee to request funds in advance of expenditures if certain conditions are met. However, if those conditions are not met, the Department and a pass-through agency may place a payee on reimbursement.
- Q For formula grant programs such as ESEA Title I, for which States distribute funds to LEAs, may States choose to pay LEAs on a reimbursement basis?**
- A** A subgrantee must be paid in advance if it meets the standards for advance payments in 2 CFR 200.305(b)(1) but if the subgrantee cannot meet those standards, the State may put the subgrantee on reimbursement payment. See 2 CFR 200.305(b)
- Q Will the Department issue special procedures in advance if G5 plans to shut down for 3 days or more?**
- A** Yes, before any shutdown of G5 lasting three days or more, the Department issues special guidance for drawing down funds during the shut down. The guidance will include cash management improvement act procedures for States and certain State institutions of higher education and procedures for grants (including Pell grants) that are not subject to CMIA.