

**Office of College and Career Readiness  
Uniform Grant Guidance and Revised EDGAR**

The Office of Management and Budget (OMB) has published Uniform Grant Guidance (UGG) for all Federal grant awards. In addition, the Education Department General Administrative Regulations (EDGAR) have been revised to incorporate changes from the UGG. These new regulations will impact the Federal grants LEAs receive starting in the 2015-16 school year. Thus, LEAs must implement the new guidance effective July 1, 2015.

Here is a summary of the new regulations that will impact the Federal Perkins Grant. The sections of the UGG where the information may be found are referenced throughout this document.

**Standards for Financial Management**

Identification of the Award in the LEA Accounts (200.302)

The financial management system of each LEA must include the following:

- CFDA Title and Number
- Federal Award Identification Number (FAIN)
- Fiscal Year of Award
- Name of the Federal Agency
- Name of the Pass-Through Entity

**Note: This information must be included in the LEA accounts (i.e. chart of accounts, general ledger, accounting system). Our Office will include this information on the Perkins Grant Allocation spreadsheet.**

Written Cash Management Procedures (200.305)

- LEAs must have written procedures on cash management
- Procedures must explain the process used to request reimbursement of Federal funds

**Note: Employees of the LEA who are responsible for submitting payment requests and FERs must abide by these procedures. These employees should obtain a copy of their LEA's procedures and keep them on file. These procedures and the process followed will be what are monitored related to the Perkins payment requests and FER.**

Written Allowability Procedures (200.403)

- LEAs must have written procedures on determining allowability of costs for the Federal award
- Procedures must explain the process used throughout the grant development and budget process (possibly reference Perkins Act, UGG, DESE Guidance, and/or List of Allowable and Unallowable Costs)
- Procedures should serve as a "roadmap" that is used from beginning to end
- Procedures should indicate what employees are responsible for preparing and approving the budget, approving and expending funds, and reporting payments and final expenditures
- Procedures should be a training tool and guide for employees

**Note: These procedures and the process followed will be what are monitored related to the Perkins budget, expenditure of funds, and the reporting of those expenditures.**

## **Performance and Financial Monitoring and Reporting**

### Financial and Performance Reporting (200.327 – 200.328)

LEAs must relate financial data to performance accomplishments of the Federal award. In addition, LEAs must provide cost information to demonstrate cost effective practices.

- New shift to OMB approved performance metrics
- LEAs must submit performance reports at intervals required by the Federal awarding agency or pass-through entity and must use OMB-approved information collections
  - Comparison of actual accomplishments to the objectives of the Federal award (quantify to extent possible)
  - Reasons why established goals were not met, if appropriate
  - Additional pertinent information

**Note: The U.S. Department of Education has indicated that the accountability measures (core indicators of performance) currently used for the Perkins grant comply with the UGG requirements for performance reporting.**

### Annual Risk Assessment (200.331)

A risk assessment for all LEAs will be performed by the Department on an annual basis prior to grant awards (regardless of cohort assignment). Risk factors will include, but will not be limited to:

- Audit Findings
- New Personnel
- Prior Experience/Performance
- Prior Monitoring Findings
- Late Reporting
- Allocation Amount
- Overpayments/Refunds
- Data Submission Errors
- Lapsed Funds/Carryover Amounts
- Financial Distress
- Indications of Fraud and Abuse
- Impending School Closures

Based upon the results of the risk assessment, all LEAs will be categorized as high, moderate, or low risk.

LEAs identified as high risk will be subject to one or more of the following:

- On-Site Monitoring
- Desk Monitoring
- Phone Monitoring
- Submission of Additional Documentation
- Required Attendance at Trainings/Technical Assistance

LEAs identified as moderate risk may be subject to one or more of the following:

- Desk Monitoring
- Phone Monitoring

- Submission of Additional Documentation
- Required Attendance at Trainings/Technical Assistance

LEAs identified as low risk may be subject to one or more of the following:

- Desk Monitoring
- Phone Monitoring
- Submission of Additional Documentation
- Required Attendance at Trainings/Technical Assistance

**Note: The Department will still maintain the Three Cohort Model for monitoring. However, all LEAs will be assessed for risk each year. Our Office will notify the LEAs that are identified as high risk. Some of these LEAs will receive an on-site monitoring while the others will complete the self-assessment, receive a phone monitoring, or be required to submit additional documentation through the Tiered Monitoring System. LEAs that are identified as moderate and low risk will only be required to complete the self-assessment, if applicable.**

### **Standards for Documentation of Personnel Expenses**

Compensation for Personal Services (200.430)

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated
- Be incorporated into the official records of the LEA
- Reasonably reflect the total activity for which the employee is compensated by the LEA, not exceeding 100% of compensated activities
- Encompass both federally assisted and all other activities compensated by the LEA
- Comply with the established accounting policies and practices of the LEA
- Support the distribution of the employee's salary or wages among specific activities or cost objectives

LEA Time and Effort Documentation

- School Districts
  - Semi-Annual Time Certification – single cost objective
  - Personnel Activity Report (PAR) – multiple cost objectives
- Institutions of Higher Education
  - Time and Effort Report

**Note: The new Federal regulations do not require any specific documentation to support the charges for compensation of personal services. However, our Department will be more restrictive and continue to require the use of semi-annual time certifications, personnel activity reports (PARs), and time and effort reports to support charges to the Federal award for salaries and wages. Our Department strongly recommends the use of the sample time and effort documents located on our website.**

### Salaries of Administrative and Clerical Staff (200.413)

- These salaries should normally be treated as indirect costs unless all of the following conditions are met:
  - Such services are integral to the project or activity
  - Individuals involved can be specifically identified with the project or activity
  - Such costs are explicitly included in the budget
  - Costs are not also recovered as indirect costs

**Note: For administrative (Directors, Assistant Directors, Coordinators, Deans, etc.) and clerical positions, the LEA must have a job/position description on file. However, the previous guidance requiring the percentage of time directly involved in the administration of the Perkins grant to be indicated in the job/position description has been eliminated.**

### Required Certifications

#### Certification of expenditures (200.415)

To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved budget, payment requests and FERs must include a certification, signed by an official who is authorized to legally bind the LEA, which reads as follows: *“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.”*

- Certification statement will be added to the payment requests and FERs in ePeGS
- Employees of the LEA who are responsible for submitting payment requests and FERs must ensure the information is accurate and complete
- All payment requests and FERs must have documentation (general ledger, accounting report, etc.) that supports the amount submitted

**Note: The supporting documentation will be what is monitored related to the Perkins payment requests and FERs.**

### Selected Items of Cost

#### Travel Costs (200.474)

—expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the LEA.

#### Written Travel Policy

- LEAs must have a written policy on travel
- Policy must explain the requirements of travel status and the reimbursement of travel costs (actual cost basis or per diem basis)

**Note: This policy and the process followed will be what are monitored related to the travel expenses charged to the Perkins grant.**

#### Travel Documentation Justification

- LEAs must retain documentation that participation of the individual is necessary to the Federal award and that the costs are reasonable and consistent with the LEA's travel policy
  - Written justification memo/statement
  - Travel approval/authorization form
  - Prior written approval
- Documentation should also include a copy of the agenda for the conference/meeting (this proves allocability to the Federal award)

**Note: The supporting documentation will be what is monitored related to the travel expenses charged to the Perkins grant.**

#### Conference/Meeting Costs (200.432)

—primary purpose is the dissemination of technical information and is necessary and reasonable for successful performance under the Federal award. Costs may include rental of facilities, speakers' fees, costs of meals, and other items incidental to the conference/meeting.

#### Meal Costs at Conferences/Meetings

- Meal costs are typically not allowable under Federal awards unless the LEA can document that the expenditures for food were reasonable in cost, necessary to accomplish program goals and objectives, and an integral part of the instructional program.

**Note: Our Office has revised the guidance on food costs at LEA hosted meetings or trainings. Effective July 1, 2015, LEAs must abide by the new guidance. The documentation for the food expenditures will be what is monitored related to the meal costs charged to the Perkins grant.**

#### Property Management

##### Equipment Requirements (200.313)

Equipment records must be maintained by the LEA and include the following:

- Description of the equipment
- Serial number or other identification number
- Source of funding for the equipment
- Federal Award Identification Number (FAIN)
- Who holds title, if applicable
- Acquisition date
- Cost of the equipment
- Percentage of Federal participation in the cost of the equipment
- Location of the equipment
- Use and condition of the equipment
- Ultimate disposition data including the date of disposal and sale price of the equipment

**Note: There has been one new data element added to the requirements for equipment records—Federal Award Identification Number (FAIN). Our Office will include the FAIN on the Perkins Grant Allocation spreadsheet. Our Department has created a sample equipment inventory document similar to the sample time and effort documents. Our Office strongly recommends the use of the sample equipment inventory document located on our website.**

Equipment Use—during the time that equipment is used for the program it was acquired, the LEA must also make equipment available for use on other programs provided that such use will not interfere with the work on the program for which it was originally acquired. Shared use priorities: (1) programs supported by the same Federal awarding agency, (2) programs funded by other Federal agencies, and (3) non-federally funded programs.

When acquiring replacement equipment, the LEA may use the equipment to be replaced as a trade-in or sell the equipment and use the proceeds to offset the cost of the replacement equipment.

Regardless of cost, the LEA must maintain effective control over and adequately safeguard all property and assets. In addition, the LEA must assure that they are used solely for authorized purposes.

### **Procurement Standards**

#### Written Procurement Procedures (200.318)

- LEAs must have written procedures on procurement
- Procedures must reflect applicable Federal, State, and local laws and regulations

#### Methods of Procurement (200.318)

- Micro-purchases (up to \$3,000 and no quotations)
- Small purchases (between \$3,000 and \$150,000 and must obtain rate quotations)
- Competitive sealed bids (greater than \$150,000)
- Competitive proposals (greater than \$150,000 and requests for proposals with evaluation methods)
- Sole source (unique and no competition)

#### Written Conflict of Interest Procedures (200.318)

- LEAs must have written procedures on standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts
- Procedures should include standards for situations in which a financial interest is not substantial or a gift is an unsolicited item of nominal value
- Procedures must provide for disciplinary actions to be applied for violations of such standards by employees of the LEA

**Note: LEAs have a one-year grace period for implementing the UGG's procurement standards. Thus, the written procurement procedures will be effective July 1, 2016. These procedures and the process followed will be what are monitored related to the Perkins budget, expenditure of funds, and the reporting of those expenditures.**