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# Allowability

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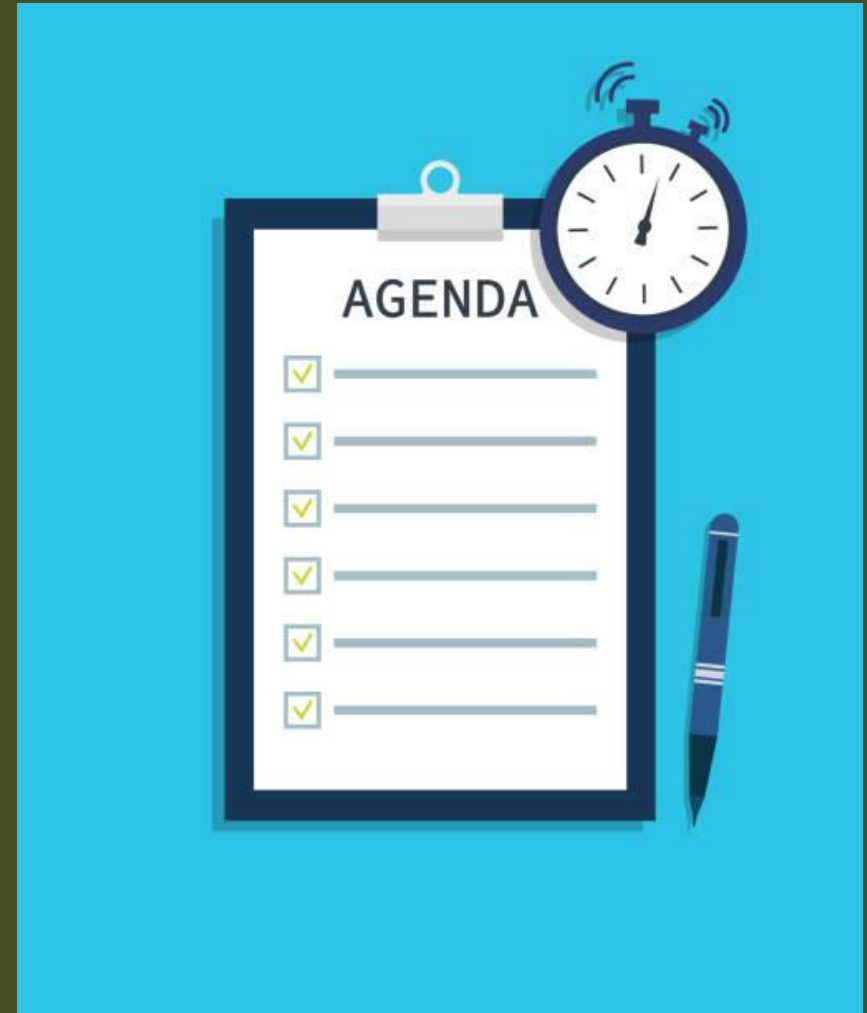
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# Agenda

- ✓ EDGAR/UGG on Allowability
- ✓ ESEA Titles
  - ✓ I-A
  - ✓ II-A
  - ✓ III-A
  - ✓ IV-A
  - ✓ IV-B
- ✓ Supplanting



# What Rules Apply to Grants Management?

## Education Department General Administrative Regulations (EDGAR)

- 34 CFR Parts 74-99

## Uniform Grants Guidance (UGG)

- 2 CFR Part 200

## Program Statutes and Regulations

- ESEA, 34 CFR Part 200

# EDGAR and the UGG

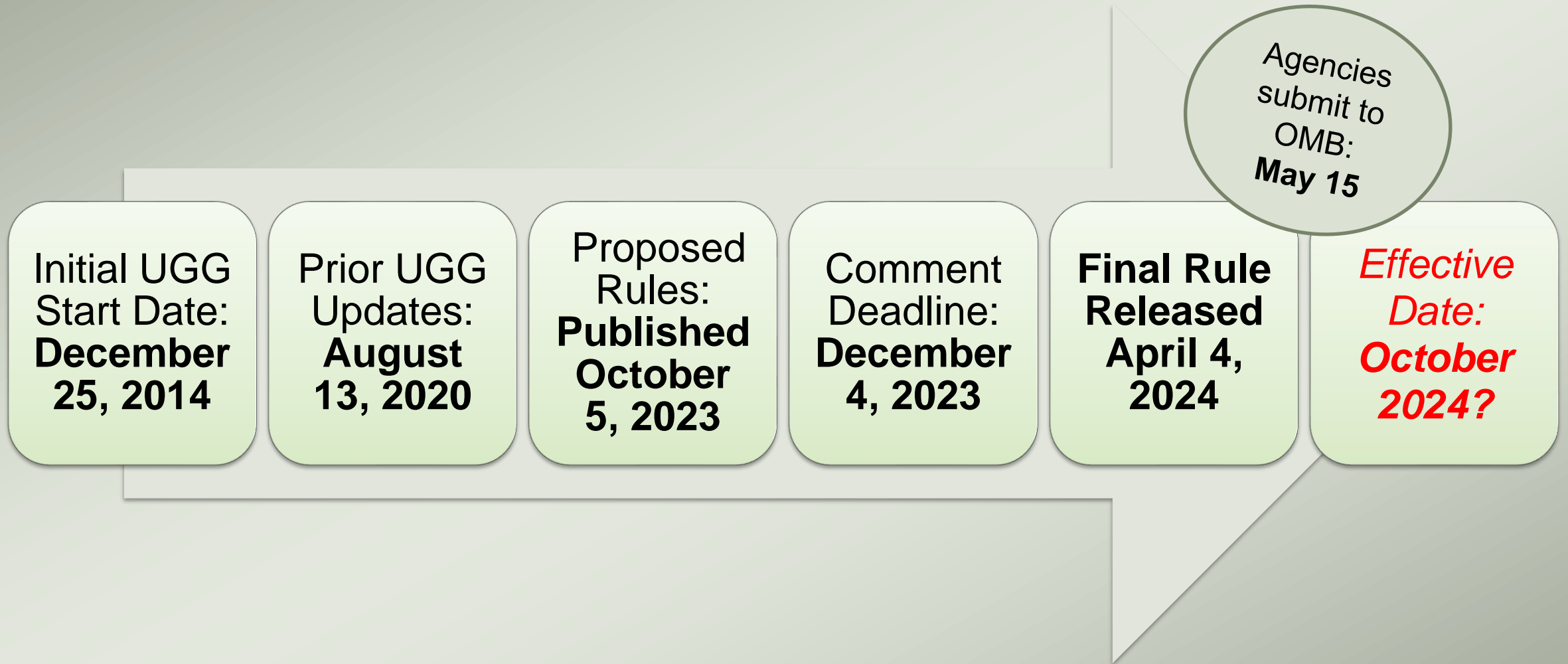
## EDGAR (34 CFR)

Part 75 - Direct Grant Programs  
Part 76 - State-Administered Programs  
Part 77 - Definitions  
Part 81 - Enforcement Regulations

## UGG (2 CFR Part 200)

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

# Final Changes to the UGG



# Effective Date - 200.110

- (a) The standards set forth in this part affecting the administration of Federal awards by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this part becomes final.
- Per OMB Memo M-24-11:
  - No later than awards issued on or after October 1, 2024
    - *“Federal agencies may elect to apply the 2024 Revisions to Federal awards issued prior to October 1, 2024, but they are not required to do so.”*
  - By May 15, 2024, all Federal agencies must submit to OMB their plan for implementing the 2024 Revisions.

<https://www.cfo.gov/resources/uniform-guidance/>

# Allowability – General Rules



# Basic Factors of Allowability - 200.403

To be allowable, a cost *must*:

- Be **necessary, reasonable** and **allocable**
- Comply with the cost principles and Federal award
- Be consistent with policies and procedures applying uniformly to Federal and non-Federal activities and costs
- Be consistently treated as either direct or indirect costs
- Be determined in accordance with GAAP
- Not be included or used to meet cost sharing / match requirements
- Be adequately **documented**
- **Administrative closeout costs may be incurred until due date of the final reports.** If incurred, these costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award unless otherwise specified by the Federal agency.

All other costs must be incurred during the approved budget period.



# Necessary – 200.404

A cost is “generally recognized as ordinary and necessary for the **recipient’s or subrecipient’s** operation or the proper and efficient performance of the Federal award.”



**Is the cost included in your plan/grant application?**



**Is it aligned with the goals of the program/grant?**



**Does your agency have the capacity to use what you are purchasing?**



**Is the staff knowledgeable regarding the program?**

# Reasonable – 200.404

“A cost is reasonable if it does not exceed an amount that a prudent person would incur under the circumstances prevailing when the decision was made to incur the cost.”

- a) Whether the cost is generally recognized as ordinary and necessary for the operation or the proper and efficient performance of the Federal award;
- b) Sound business practices; arm's-length bargaining; Federal, State, local, tribal, and other laws and regulations; and terms and conditions of the Federal award;
- c) Market prices for comparable costs for the geographic area;
- d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities; and
- e) Whether the cost represents a deviation from established written policies and procedures for incurring costs.

# Allocable – 200.405

Allocation means the process of assigning a cost, or a group of costs, to one or more cost objective(s), in reasonable proportion to the benefit provided or other equitable relationship (200.1).

Therefore, a cost is allocable to a Federal award if the cost is assignable to that Federal award in accordance with the relative benefits received.

- If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit
- However, when those proportions cannot be determined because of the interrelationship of the work involved, then the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

# Direct Costs – 200.413

- Direct Costs: those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
  - Typically incurred specifically to benefit an award (**including, for example, supplies needed to achieve the award's objectives and the proportion of employee compensation and benefits expended in relation to that specific award**)
- Most costs are directly charged to the grant
- For costs that cannot be directly charged, grantees have an indirect cost rate

# Direct Costs – 200.413(c)

- Salaries of administrative and clerical staff should normally be treated as “indirect” unless all of following are met:
  - Such services are integral to the activity
  - Individuals can be specifically identified with the activity
  - Costs not also recovered as indirect
  - *Removed “such costs are explicitly included in budget or have prior written approval of federal awarding agency”*

# Title I-A

# Title I-A Basics

- Program purpose:
  - To provide all students a fair, equitable, and high-quality education and to close achievement gaps
- Funds distributed based on poverty levels
- Funds are used to provide *supplemental services* to achieve the program purpose (above and beyond state/local educational services)
- Services are provided based on identified academic needs of eligible students, families, and teachers

# Use of Title I-A Funds

- Improve student achievement
- Well-rounded educational activities
- Turn around low performing schools
- Services to specific subgroups
- Engaging parents and family members
- Professional development



# Well-Rounded Education

## Sec. 8101(52)

- Courses, activities, and programming in subjects such as English, reading or language arts, writing, STEM, foreign languages, civics and government, economics, arts, history, geography, computer science, music, career and technical education, health, physical education, and any other subject, as determined by the State or local educational agency, with the purpose of providing all students access to an enriched curriculum and educational experience.

# Title II-A

# Title II-A Local use of Funds

- May: Grant or Contract
  - Partner with IHE
- Must: Address needs
  - English Learners
  - Students with Disabilities
  - Gifted and Talented

## II-A Use of Funds (cont.)

- Evaluation and support system
  - Teachers, principals, leaders
  - May include student growth
- Recruit, hire and retain
  - Especially in low income – low performing schools

## II-A Use of Funds (cont.)

- Recruit in other fields
  - Other occupations
  - Former military
  - Recent graduates IHE's
- Reduce class size – Evidence based

## II-a use of funds (cont.)

- High Quality PD – Evidence Based
  - Integrate technology
  - Use data – FERPA compliance
  - Parent and family engagement
  - Student skills
  - Experiential learning
- Effective teaching of
  - Students with cognitive disorders
  - EL's

# Title III-A

# Title III-A

## Sec. 3115(c)

- Effective language instruction educational programs that demonstrate effectiveness in increasing:
  - English language proficiency
  - Student academic achievement
- **Effective professional development to:**
  - Improve instruction and assessment
  - Enhance the ability of teachers to understand and implement curricula, assessment practices, and instructional strategies
  - Increase English language proficiency or substantially increasing knowledge
  - Of sufficient intensity and duration



# Required Activities 3115(c)

- Provide and implement other effective activities and strategies that enhance or supplement language instruction educational programs for ELs, which--
  - Shall include parent, family, and community engagement activities; and
  - May include strategies that serve to coordinate and align related programs.

# Title IV-A

# Title IV-A

- Purpose: To improve students' academic achievement by increasing the capacity of States, LEAs, schools, and local communities to—
  - provide all students with access to a well-rounded education;
  - improve school conditions for student learning; and
  - improve the use of technology in order to improve the academic achievement and digital literacy of all students.

## IV-A Needs Assessment

- In order to receive ESSA Title IV-A funds, LEAs that receive \$30,000 or more must conduct a comprehensive needs assessment once every three years (Sec. 4106(d)).
  
  - Assessment must examine needs for improvement of—
    - Access to, and opportunities for, a well-rounded education for all students;
    - School conditions for student learning in order to create a healthy and safe school environment; and
    - Access to personalized learning experiences supported by technology and professional development for the effective use of data and technology.
- (Sec. 4106(d)(1))

# IV-A Spending Restrictions

- LEAs that receive at least \$30,000 must spend:
  - At least 20% of funds on at least one “safe and healthy students” activity
  - At least 20% on at least one “well-rounded education” activity
  - Some portion of funds to support the effective use of technology
    - With no more than 15% \*of this portion\* to be spent on technology infrastructure

# Safe and Healthy Students

## sec. 4108

- Drug and violence prevention
- School-based mental health services
- Health and safety practices in school/athletics
- Physical/nutrition education
- Bullying and harassment prevention
- Relationship-building schools
- Dropout prevention and re-entry
- Training for school personnel in drug, violence, trafficking, and trauma

# Effective Use of Technology

## Sec. 4109

- Professional learning tools, technology, devices, and content for adaptive learning programs
- Building technological capacity
- Developing strategies for use of digital learning technologies
- Blended learning projects
- Professional development
- Remote access for students in rural/remote/ underserved areas

# Title IV-B



# 21<sup>st</sup> Century Purpose

- Sec. 4201(a): Establishing/expanding *community learning centers* to provide students with:
  - Academic enrichment opportunities
    - A broad array of additional services, programs, and activities
  - Must also offer families of eligible students opportunities for
    - Literacy
    - Related educational development

# Local Use of Funds – Sec. 4205

- Carry out a broad array of activities that advance student academic achievement and support student success, including—
  - Academic enrichment learning programs, mentoring programs, remedial education activities, and tutoring services,
  - Well-rounded education activities, including such activities that enable students to be eligible for credit recovery or attainment;
  - Literacy education programs, including financial literacy programs and environmental literacy programs;
  - Programs that support a healthy and active lifestyle, including nutritional education and regular, structured physical activity programs;
  - Services for individuals with disabilities;
  - Programs that provide after-school activities for students who are English learners that emphasize language skills and academic achievement;
  - Cultural programs;
  - Telecommunications and technology education programs

## Local Use of Funds (cont.)

- Drug and violence prevention programs and counseling programs;
- Programs that build skills in science, technology, engineering, and mathematics (referred to in this paragraph as “STEM”), including computer science, and that foster innovation in learning by supporting nontraditional STEM education teaching methods; and
- Programs that partner with in-demand fields of the local workforce or build career competencies and career readiness and ensure that local workforce and career readiness skills are aligned with the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.) and the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.).

# Supplanting

# Supplanting Rules

- Title I-A: ESEA Sec. 1118(b)(1): “funds received...only to supplement...**State and local** sources.”
- Title II-A: Sec. 2310: “Funds...shall be used to supplement, and not supplant, **non-Federal** funds.”
- Title III-A: Sec. 3115(g): “funds...shall...in no case...supplant such **Federal, State, and local public** funds.”
- Title IV-A: Sec. 4110: Funds...shall be used to supplement, and not supplant, **non-Federal** funds.”
- Title IV-B : Sec. 4204(b)(2)(G): funds may “in no case supplant **Federal, State, local, or non-Federal** funds.”

# ESEA's Two SNS Tests

## ESEA Title I-A

The LEA shall demonstrate that the methodology used to allocate State and local funds to each school receiving assistance under this part ensures that the school receives all the State and local funds it would otherwise receive if it were not receiving Title I funds.

## ESSA Section 1118(b)

## ESEA Titles I-D, I-C, II-VIII

### Presumptions of Supplanting

1. Required to be made available under (other federal) state, or local laws; or
2. Provided with non-federal funds in prior year.
3. Provided services to migrant students and the same services were provided to non-migrant students using non-federal funds.

2 CFR 200, Subpart F Compliance Supp

Questions???



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