



**DEPARTMENT OF EDUCATION**  
OFFICE OF POSTSECONDARY EDUCATION

**GAINING EARLY AWARENESS AND READINESS  
FOR UNDERGRADUATE PROGRAMS  
(GEAR UP)**



**Effective Grant Management**

**Presenters:**

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**James L. Davis**

**GEAR UP CAPACITY BUILDING WORKSHOP**

**New Orleans, LA**

**February 1, 2016**

# Agenda

- General ED Grant Administration
  - ED Financial Policies
  - Managing Budgets
  - Avoiding Audit Problems
  
- GEAR UP Specific Information
  - Expanded Authorities
  - Required Activities
  - Permissible Activities

# Purpose

The GEAR UP discretionary grant program is designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education.

The *Government Performance and Results Act* (GPRA) of 1993 is a statute that requires all federal agencies to manage their activities with attention to the consequences of those activities.

# Grantee Responsibilities

- Projects success and financial accountability
- Submit required reports (Specific to GEAR UP)
  - Annual Performance Report due April 15
  - Final Performance Report 90 Days after Close out
  - Interim Reports Due during (No Cost Extension Year)
  - Biennial Reports due every two years
- Attendance of Annual Conference and Capacity Building Workshop

# Managing Your Budget

- Clear, concise, and detailed
- Consistent with institutional policy
- Meets federal requirements
- Aligned with GPRA
- Revised within scope of project
- Achieve project goals

# Financial Management Systems

- Provide for accurate, current, and complete disclosure of results regarding the use of project funds
- Document both the federal and non-federal funds used to carryout the project and track partners
- Maintain effective **internal controls**

# Personnel

- Time & Attendance Certification
- Maintained for all staff paid by grant
- Reflects staff's total activity
- Signed by staff & supervisor
- Prepared monthly (coincide with pay period)
- Includes those whose salaries are supported by non-federal funds (matching)





# Budget Categories

Internal Controls –

Procedures for expending funds for:

Personnel

Contractual

Fringe

Other

Travel

Indirect Costs

Equipment

Training Stipends

Supplies


# Budget Items


- Allowable-  
permitted or not specifically prohibited
- Allocable-  
necessary for project's success
- Reasonable-  
costs incurred by a “prudent” person

# Cost Sharing/Matching

- Required component
- Honor Commitments
- Primary Grantee Tracks Contributions Of Partners
- Treat Federal Dollars The Same As The Matching Dollars

# Audit Requirements

 Non-Federal audit if expending \$750,000 or more annually in Federal awards

 Questioned cost <\$25,000 are no longer reported

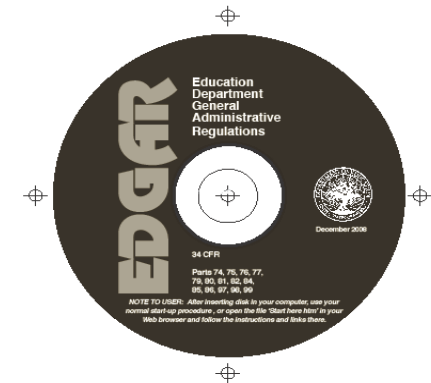
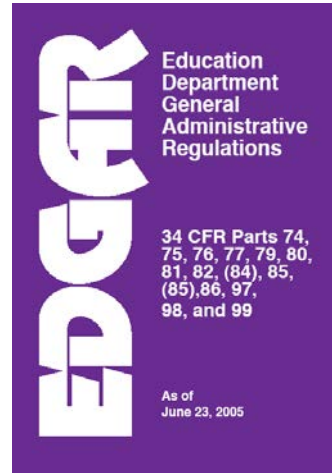
- Mail to Federal Audit Clearinghouse
- Review Attachment C for contact info on your New Grant Award Notification.
- OMB Circular A-133 <http://www.whitehouse.gov/omb/circulars/>

# Common Audit Findings

- Missing time and effort reports
- Poor record-keeping
- Failure to obtain prior approval
- Incorrect indirect cost rates
- Unallowable costs
- Lack of internal controls

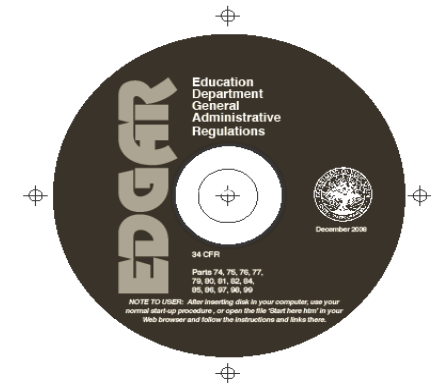
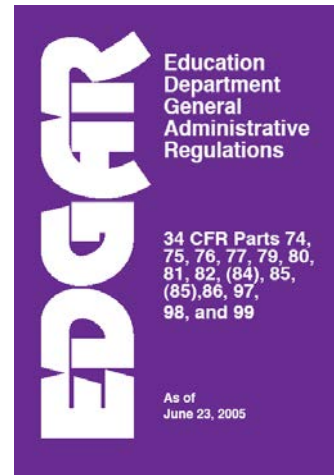
# Tools of the Trade

- **Grant Award Notification (GAN)**
- **Uniform Guidance**
- **EDGAR**
- **Regulation**
- **Legislation**
- **Your approved Application**



# Tools of the Trade: Correct Order

- **Legislation**
- **Regulations**
- **EDGAR**
- **Uniform Guidance**
- **Your approved Application**
- **Grant Award Notification (GAN)**





# Indirect Costs

- Draw down indirect costs only if included in your approved budget and only if covered by a current indirect cost rate agreement.
- You may not charge anything to direct costs that is included in your indirect cost rate agreement.
- If you do not have an indirect cost rate agreement (you should have received Attachment D):
  - You must submit an indirect cost rate proposal to your cognizant agency within 90 days of the award date (if it's ED, send an email to the Indirect Cost Group: [IndirectCostGroup@ed.gov](mailto:IndirectCostGroup@ed.gov)).
  - You are limited to drawing down 10% of direct salaries until a rate is formally established.
  - When a rate is formally established, you may only recover indirect costs on or after the date of your proposal or the new award date (whichever is later).
  - If your newly established rate is higher than the temporary rate approved in your application, you must get approval from your program officer in order to shift direct costs to indirect costs.



# Drawdown Policy

- Request funds for immediate needs
- Minimize time between requests & expenditures
- Draws commensurate with approved scope of the grant

## Excessive Drawdowns

1<sup>st</sup> Quarter                      More than 50%

2<sup>nd</sup> Quarter                      More than 80%

3<sup>rd</sup> Quarter                      100%

Must return excess cash & interest to government

# Allowable Project Revisions ( “Expanded Authorities” )

- Pre-award Costs
- Carryover
- Budget Transfers
- Time Extensions (if funds available)

# Pre-award Costs

Incurred up to **90 days before** budget period begins

- Reasonable expectation of receiving a grant
- Incurred at own risk
- Funds not available until the budget period begins
- Not for cost over runs

# Carryover

- Unexpended funds “forwarded” without prior approval
- Program Office may require a written statement describing how unexpended funds will be used
- For any allowable cost within the approved scope
- Not just for finishing uncompleted unfinished activities

# Budget Transfer

- No prior approval required for most budget transfers
- Exceptions: Transfer of \$ from direct student services and scholarships, changes in scope or objectives, changes in key personnel, absence for more than 3 months of the approved project director and the need for additional Federal funds.

# Time Extensions

## Final Year:

- One-time extension for up to one year without prior approval
- Grantees should carefully consider time extension needs
- Cannot be merely for the purpose of exhausting unexpended funds
- Cannot change the scope or objectives of the project

# EDGAR Prior Approval Requirements

- Changes in project scope or objectives
- Changes in key personnel
  - New project director, coordinator, etc.
  - Absence for more than 3 months
  - 25% reduction in time
- Need for additional Federal funds

# ED Concerns

- Project goals not met
- Excessive or infrequent drawdown of funds
- Annual substantial progress not met
- GPRA indicators not met
- Poor recordkeeping & fiscal accountability
- Failure to submit required reports on time
- Large amounts of unobligated funds at the end of the budget period



# Required GEAR UP Activities

- Provide information regarding financial aid for postsecondary education for participating students.
- Encourage student enrollment in rigorous and challenging curricula and coursework, in order to reduce the need for remedial coursework at the postsecondary level.
- Improve the number of participating students who obtain a secondary school diploma and complete applications for and enroll in a program of postsecondary education.
- Provide scholarships (eligible entities only).

# Permissible Activities

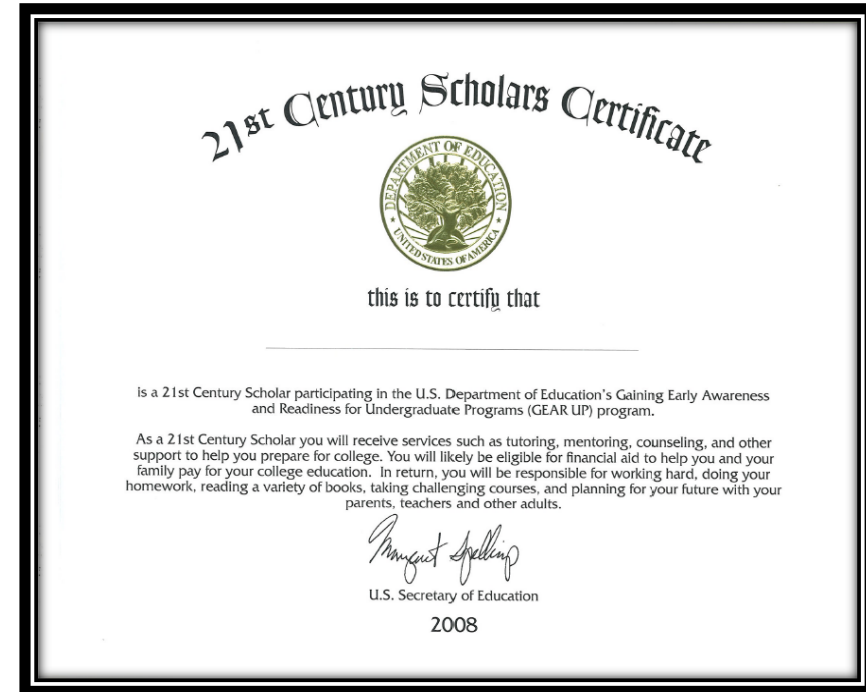
- Tutoring and mentoring
- The development or implementation of rigorous academic curricula, which may include college prep, Advanced Placement, or International Baccalaureate programs
- Dual or concurrent enrollment programs
- Fostering and improving parent and family involvement in elementary and secondary education
- Special programs or tutoring in science, technology, engineering or math
- Intensive extended school day, school year or summer programs
- Trips to institutions of higher education
- Programs for students who are limited English proficient

# Permissible Activities For States

- Technical assistance to secondary schools or partnerships that are located within the State
- Professional development opportunities to individuals working with eligible cohorts
- Administrative support to build capacity of eligible entities
- Disseminating information on the use of best practices to improve services to eligible students
- Working to align State academic standards and curricula with the expectations of postsecondary institutions and employers
- Creating community college programs to allow drop-outs to complete secondary school

# 21<sup>st</sup> Century Scholar Certificate

- Both State and Partnership grants must provide all GEAR UP students a 21<sup>st</sup> Century Scholar Certificate.
- The reverse side of the certificate must include a summary of how much Federal aid may be available to students based on income.
- The grantees may use GEAR UP funds to design and print the certificates.



# Matching Requirements

- Grantees are required to match the federal contribution dollar-for-dollar. Specifically, the non-Federal contribution must equal at least 50 percent of the total project costs.
- Matching may be provided in-cash or in-kind and may be accrued over the full duration of the grant award period.
- However, grantees must make substantial progress towards meeting the matching requirement in each year of the grant.
- The grantee is the fiscal agent and is responsible for documenting all matching contributions for the entire grant period.
- Matching contributions must be made from any non-Federal source and must be documented.
- Documentation of matching contributions must contain adequate documentation for the claimed cost sharing and provide clear valuation of in-kind matching.

# Important Reference Materials

- Legislation & Program Regulations

<http://www2.ed.gov/programs/gearup/legislation.html>

- Education Department General Administrative Regulations (EDGAR)

<http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>



- Uniform Guidance (aka 2CFR200)

University and Educational Institutions; (**OMB Circular A-21**)

Now Subpart E includes State, Local, Indian Tribal Governments and Territorial;  
Governments (including school districts); and Non-Profit Organizations

- Grant Award Notification (GAN)

- Approved Application

- G5 [www.g5.gov](http://www.g5.gov)

*Questions???*

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### Effective Grant Management

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**New Orleans, LA**

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Computer Business Methods, Inc.

