

**Individuals with Disabilities Education Act – Part B (IDEA-B)
Section 611 – Grants to States**

**Administrative and Fiscal Guidelines for Support and Direct
Services**

2015-2016



**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION**

333 Market Street
Harrisburg, PA 17126-0333

www.education.pa.gov



Commonwealth of Pennsylvania

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Pennsylvania Department of Education
Equal Employment Opportunity Representative
Bureau of Human Resources
333 Market Street, 11th Floor
Harrisburg, PA 17126-0333
Voice Telephone: (717) 787-4417
Fax: (717) 783-9348
Text Telephone TTY: (717) 783-8445

For Inquiries Concerning Nondiscrimination in All Other Pennsylvania Department of Education Programs and Activities:

Pennsylvania Department of Education
School Services Unit Director
333 Market Street, 5th Floor
Harrisburg, PA 17126-0333
Voice Telephone: (717) 783-3750
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If you have any questions about this publication or for additional copies, contact:

Pennsylvania Department of Education	Voice: (717) 783-6913
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INDIVIDUALS WITH DISABILITIES EDUCATION ACT – PART B (IDEA-B) SECTION 611 – GRANTS TO STATES

I. Overview of the Grant Agreement Documents

The grantee will adhere to all federal and state regulations and guidelines relating to the program funded under the Grant Agreement which constitute the conditions upon which these program funds are allocated. The Program Guidelines issued by the Pennsylvania Department of Education's (PDE) Bureau of Special Education (BSE) are hereby incorporated by reference and made a part of this Agreement, and all the terms, conditions and provisions of the Program Guidelines (unless specifically modified by this agreement) will apply to this Agreement the same as if they were expressly rewritten and included here at length.

Grant Agreement System The Grant Agreement System includes the following elements:

- PDE Master Standard Terms and Conditions
- Individual Grant Agreements, for each grant program
- Special Program Terms (Appendix A)
- Grantee's Program Narrative and Summary Budget (Appendix B)
- Payment Terms, Responsibilities and Contact Information (Appendix C)
- Reconciliation of Cash on Hand Quarterly Report
- Final Expenditure Report for Federal/State Program Funds
- Agreement Numbering Format/Agreement Tracking System
- Standard Payment System

Beginning with the 2014-15 fiscal year, PDE began allowing electronic signatures (e-Signatures) on the eGrants Local Education Agency (LEA) application documents. The use of e-Signatures is completely voluntary under law and if LEAs elect not to participate, they will still be able to print and manually sign the application documents. LEAs wishing to use e-Signatures must have their governing body (school board, board of directors or board of trustees) adopt resolutions identifying and authorizing the chief school administrator or authorized representative to sign electronic agreements with PDE.

Manually-signed LEA application documents must be signed in **blue ink** by the chief school administrator or an authorized representative of the LEA. Documentation indicating that the signatory is authorized to sign contracts is required in one of the following four ways: (1) a copy of the minutes of the Board of Trustees indicating that the person was authorized to sign contracts; (2) a copy of board by-laws indicating that the person was authorized to sign contracts; (3) a signed certification by the Secretary of the Board that either minutes or by-laws exist that authorize the signatory to sign; or (4) a letter signed by appropriate board officers indicating that they ratify the signature of the individual who signed the contract.

All LEA application documents must be submitted on or before the July 1, 2015, via PDE's eGrants website at <http://www.egrants.pa.gov/>. If you require technical assistance with the eGrants website, you may contact the help desk at 717-783-6686.

Hard copies of e-signed LEA application documents do not have to be mailed to PDE. Two (2) hard copies of manually-signed application documents must be submitted to PDE on or before June 30, 2015, at the address below:

Pennsylvania Department of Education
Bureau of Special Education
333 Market Street – 7th Floor
Harrisburg, PA 17126-0333

Attention: Lisa Wolfe

II. Administrative Guidelines

All grant/project applications include Grant Agreements. The date that the Grant Agreement is received by PDE determines the actual starting date for the grant/project. Federal regulations prohibit obligation or expenditure of funds prior to the beginning date of the grant/project.

Grantees that submit timely, substantially approved applications shall have a 27-month period during which they may obligate the funds under the Agreement (July 1, 2015 – Sept. 30, 2017). Accordingly, the grantee is authorized to expend funds in 15 months (July 1, 2015 – Sept. 30, 2016) to cover the cost of the program provided under the Grant Agreement. Any additional carryover funds will be extended an additional 12 months (Sept. 30, 2017) upon approval by PDE. These funds must be obligated prior to Sept. 30, 2017. Any carryover funds not so obligated must be returned to PDE within 30 days of the termination of the Grant Agreement.

The IDEA-B Grant Agreement Program Application for Support and Direct Services includes the following items:

A. Grant Agreement

“Grant Agreement for Individuals with Disabilities Education Act of 2004 - Part B, P.L. 108-446, 118 Stat. 2647, for Support and Direct Services, 20 U.S.C. §§1411 (e)(2)(C)(i)” appropriately completed, and either e-signed or manually signed in **blue ink** by the chief school administrator or authorized representative of the LEA.

B. Special Program Terms (Appendix A)

C. Grantee’s Program Narrative and Summary Budget (Appendix B)

An “IDEA-B P.L. 108-446 Grant Agreement Program Narrative and Summary Budget” completed in accordance with the 2015-16 Program Narrative, Administrative and Fiscal Guidelines. The Grant Agreement Program Narrative and Summary Budget is incorporated into the Grant Agreement as Appendix B.

D. Payment Terms, Responsibilities and Contact Information (Appendix C)

E. Other Required Information

1. Federal Funding Accountability and Transparency Act Sub-recipient Data Sheet – Refer to Section 32 of PDE’s Master Standard Terms and Conditions located on PDE’s website www.education.state.pa.us/mstc.
2. Supplementary Expenditure Detail

III. Fiscal Guidelines

A. Payments

After the Grant Agreement is approved, payments are initiated in the Financial Accounting Information (FAI) system. The approved funding allocation is divided into equal monthly payments based on the duration of the project. The payment is sent to the grantee each month for the duration of the project.

A monthly payment detail report is available in the FAI web system. Grantees must establish security clearance through PDE’s website before accessing the FAI web system. If you need assistance accessing PDE’s website and/or the FAI web system, contact the help desk at 717-783-6686.

Note:

The project payment system does not process an automatic monthly payment once the project end date has passed. Projects with payments remaining in their schedule will not automatically receive a monthly payment in the next cycle if the end date has passed. For example, a project ending September 30 with one monthly payment remaining in the schedule will not receive an automated monthly payment in October. Outstanding project balances will be processed for payment based on an approved Final Expenditure Report. Project grantees are advised to submit their Final Expenditure Report in a timely manner.

B. Reconciliation of Cash On Hand Quarterly Report

The purpose of this report is to ascertain that the scheduled payments are adequate to cover the monthly cash needs of the grantee without allowing substantial cash reserves to accumulate at the local level. Grantees can also use the report to alert the Office of Comptroller Operations about any extraordinary cash needs it may have in any month of the quarter for which the report is being filed.

1. Filing Requirements

All grant recipients are required to submit their quarterly reports electronically using the FAI system. A Reconciliation of Cash On Hand Quarterly Report is to be electronically submitted to the Office of Comptroller Operations, Federal Accounting Division, on or before the 10th working day of the month after the quarter ends (October, January, April and July). Electronic reports are considered delinquent if submitted after the 10th working day. The Office of Comptroller Operations’ work calendar is used to determine the 10th working day of the month. Paper copies of the Reconciliation of Cash On Hand Quarterly Report are not accepted, processed or returned.

If the quarterly cash report is not received by the 10th working day, the Grant Agreement payment(s) will be suspended until such time as the report is received and processed for payments. Quarterly reports are required only after funds have been received. For example, funds received in January require a quarterly report submission on or before the 10th working day in April. Also, a quarterly report is not required for Grant Agreements having received all of their scheduled monthly payments and/or for the final fiscal quarter of the Grant Agreement.

2. Excess Cash

A cash surplus exists when a quarterly cash report shows cash on hand that exceeds one monthly payment by one dollar. If the surplus cannot be satisfactorily explained or justified, future payment(s) will be suspended until the excess cash is used. The Office of Comptroller Operations will make the final determination as to whether or not the extraordinary cash needs are properly explained and justified. Extraordinary cash needs are defined as cash requirements that are materially more than the regularly scheduled monthly payment(s).

3. Cash Deficit

A cash deficit exists when a quarterly cash report shows cash on hand that is less than zero. A cash deficit greater than 50 percent of the scheduled monthly payment will initiate accelerated payment(s) to compensate for the cash deficit. A Grant Agreement experiencing a cash deficit may also have extraordinary cash needs. In this situation, extraordinary cash needs that are properly explained and justified may result in additional accelerated payments. The Office of Comptroller Operations will make the final determination as to whether or not the extraordinary cash needs are properly explained and justified.

C. Budget Revisions and Funding Adjustments

1. Budget Revision

A budget revision is a change to the program budget that does not increase or decrease the grant (budget) amount within the terms of the Grant Agreement. The purpose of a budget revision is to transfer funds from cost functions or object codes to other cost functions or object codes.

A project budget revision is required when:

- There is a variance in any major category of expenditure that exceeds 10 percent of the category amount in the approved budget, and that variance exceeds \$10,000; or
- A transfer of funds is to be made to a previously unbudgeted category.

A major category of expenditure, for purposes of these project grants, is considered to be a Cost Function Total or a Major Object Code Total. To determine if a budget revision is needed, check the Summary Budget. If a row or column total will exceed 10 percent of the approved Summary Budget row or column totals, and the amount of the variance will exceed \$10,000, then a budget revision is necessary.

2. Funding Increase

PDE shall notify the grantee in writing of any funding increases under the Agreement. Upon receipt of the written notice, the grantee shall revise and submit a revised Program Summary Budget and if necessary, any revised pages of the Narrative which shall reflect the increase of funds. Funding increases will take effect upon the commonwealth's receipt and approval of the revised documents, which shall be incorporated in and made part of the Agreement.

3. Funding Decrease

PDE shall notify the grantee in writing of any funding decreases under the Agreement. Upon receipt of the written notice, the grantee shall revise and submit a revised Program Summary Budget and if necessary, any revised pages of the Narrative which shall reflect the decrease of funds. Funding decreases will take effect upon the commonwealth's receipt and approval of the revised documents, which shall be incorporated in and made part of the Agreement.

4. Due Dates

- a. Funding adjustment documents involving a funding increase/decrease shall be due on the date specified at the time of PDE's written notification of a funding adjustment.
- b. All 2015-16 budget revisions are due on or before April 29, 2016.

The budget revision/funding adjustment documents must be completed and submitted in PDE's eGrants website at <http://www.egrants.pa.gov/>.

D. Final Expenditure Report

The Final Expenditure Report is a report of the actual project expenditures. The Final Expenditure Report (FER) and Final Program Narrative and Summary Budget must be completed and submitted no later than Dec. 1, 2016, in PDE's eGrants website at <http://www.egrants.pa.gov/>.

Hard copies of e-signed FERs do not have to be mailed to PDE. Two (2) original hard copies of manually-signed FERs must be signed in **blue ink** by the chief school administrator or authorized representative of the LEA and submitted to PDE at the address below:

Pennsylvania Department of Education
Bureau of Special Education
333 Market Street, 7th Floor
Harrisburg, PA 17126-0333

Attention: Lisa Wolfe

If circumstances will prevent the grantee from completing the report within 60 calendar days, a written request for an extension may be made. The written request must include the reason the extension is needed and must be received prior to the 60 day due date.

The Final Expenditure Report provides a section for computing the reconciliation of project funding received from the commonwealth with project expenditures. If a refund is due to the commonwealth, a refund check should be attached to the Final Expenditure Report. If a final payment is due to the grantee, the payment is processed by the Office of Comptroller Operations after they receive the approved Final Expenditure Report from PDE.

Actual expenditures that were not approved in the project application budget or budget revision may be disallowed. Additionally, actual expenditures in any major category of expenditure that exceed 10 percent of the category amount in the approved budget and the amount of variance exceeds \$10,000, without prior approval, may also be disallowed. Variances of this nature should be fully explained.

E. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - 2 CFR Part 200

The Cash Management Act of 1990 governs interest earned on federal funds. The specific policies for federal programs administered and funded by the U.S. Department of Education are promulgated in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

1. Administrative Requirements

a. Payment - 2 CFR §200.305

- 1) Grantees must maintain advance payments of federal awards in interest-bearing accounts unless the following apply [see 2 CFR §200.305(b)(8)]:
 - i. The grantee receives less than \$120,000 in federal awards per year.
 - ii. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on federal cash balances.
- 2) Grantees can retain interest earned on advance payments up to \$500 per year for administrative expenses. Interest in excess of \$500 must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) using either Automated Clearing House (ACH) network or Fedwire Funds Service payment [see 2 CFR §200.305(b)(9)]. The remittance must be submitted as follows:
 - i. For ACH Returns:
Routing Number: 051036706
Account Number: 303000
Bank Name and Location: Credit Gateway-ACH Receiver
St. Paul, MN
 - ii. For Fedwire Returns*:

Routing Number: 021030004
Account Number: 75010501
Bank Name and Location: Federal Reserve Bank Treas NYC/Funds
Transfer Division
New York, NY

*Please note that the grantee may incur a charge by their financial institution for Fedwire payments.

- iii. For grantees who don't have electronic remittance capability, a check should be made payable to "The Department of Health and Human Services." The check must be mailed to:

HHS Program Support Center
P.O. Box 530231
Atlanta, GA 30353-0231

Additional information/instructions may be found on the PMS website at <http://www.dpm.psc.gov/>.

b. Equipment

Equipment, as defined in 2 CFR §200.33, is tangible personal property (including information technology systems) having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000 per unit.

The use, management, and disposition of equipment shall be in accordance with 2 CFR §200.313.

2. Cost Principles – Compensation-personal services 2 CFR §200.430

- a. Charges for salaries and wages must be based on records (time and effort) that accurately reflect the work performed [see 2 CFR §200.430(i)(1)]. These records must:
 - 1) Be supported by a system of internal control to insure that the charges are accurate, allowable, and properly allocated;
 - 2) be incorporated into the official records of the grantee;
 - 3) reasonably reflect the total activity for which the employee is compensated by the grantee, not to exceed 100 percent;
 - 4) cover both federal and non-federal activities;
 - 5) comply with established accounting policies and practices; and
 - 6) support distribution of employee's salary or wages among specific activities or cost objectives.

- b. The following supporting documentation is required to accurately reflect the work performed:
- 1) Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by semi-annual certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
 - 2) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which reflects an after-the-fact distribution of the actual activity of each employee, accounts for the total activity for which the employee is compensated, is prepared at least monthly and coincides with one or more pay periods, and is signed by the employee.

3. Audit Requirements

The grantee must comply with all federal and state audit requirements including: the Single Audit Act Amendments of 1996; Office of Management and Budget (OMB) Uniform Guidance 2 CFR Part 200; and any other applicable law or regulation and any amendment to such other applicable law or regulation that may be enacted or promulgated by the federal government.

A grantee that expends total federal awards of \$750,000 or more during its fiscal year must have a single or program-specific audit conducted in accordance with the provisions of 2 CFR §200.501.

If the grantee expends total federal awards of less than \$750,000, it is exempt from federal audit requirements for that year, but records must be available for review or audit by appropriate officials (or designees) of the federal agency, pass-through entity, and Government Accountability Office (GAO).

For additional audit requirements information, please refer to PDE's Master Standard Terms and Conditions at www.education.state.pa.us/mstc. Technical assistance regarding an entity's specific audit requirements may be obtained from the Commonwealth of Pennsylvania, Office of the Budget, Bureau of Audits at 717-783-9120.

Questions about the guidelines or the grant agreement application may be referred to:

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