

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

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

2014-2015



**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION**

333 Market Street
Harrisburg, PA 17126-0333
www.education.state.pa.us



Commonwealth of Pennsylvania

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For Inquiries Concerning Nondiscrimination in Employment:

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
Fax: (717) 783-6802
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If you have any questions about this publication or for additional copies, contact:

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

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INDIVIDUALS WITH DISABILITIES EDUCATION ACT – PART B (IDEA-B)

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 (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 in the 2014-15 fiscal year, PDE will be allowing electronic signatures (e-Signature) on the eGrants LEA application documents. The use of e-Signatures is completely voluntary under law and if the LEA elects not to participate, LEAs 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 July 1, 2014, in 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, 2014, 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 the (BSE) 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 in which they may obligate the funds under the agreement (July 1, 2014 – Sept. 30, 2016). Accordingly, the grantee is authorized to expend funds in 15 months (July 1, 2014 – Sept. 30, 2015) 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, 2016) upon approval by PDE. These funds must be obligated prior to Sept. 30, 2016. Any carryover funds not so obligated must be returned to PDE within 30 days of the termination of the Grant Agreement.

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

A. Grantee’s Grant Agreement Application

“Grant Agreement Application 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. 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 2014-15 Administrative and Fiscal Guidelines. The Grant Agreement Program Narrative and Summary Budget is incorporated into the Grant Agreement as Appendix B.

C. Other Required Information

- (1) Federal Funding Accountability and Transparency Act Sub-recipient Data Sheet – Refer to Section 32 of the PDE Master Standard Terms and Conditions located on PDE’s website at www.education.state.pa.us/mstc
- (2) Miscellaneous Supplementary Budget Information
 - a. Supplementary Expenditure Detail-Expenditures by Minor Object
 - b. Supplementary Expenditure Detail

III. FISCAL GUIDELINES

A. Original Budget Application (Application for Support and Direct Services)

The original Budget Application reflects estimated project expenditures. The forms that are used are the Summary Budget (Appendix B), Supplementary Expenditure Detail-Expenditures by Minor Object, and Supplementary Expenditure Detail.

The Summary Budget form is part of the Grant Agreement Program Narrative and Summary Budget (Appendix B). The miscellaneous supplementary budget information, includes the “Supplementary Expenditure Detail-Expenditures by Minor Object” and “Supplementary Expenditure Detail.” Please note that failure to include any of the information requested might delay the project review process which, in turn, may result in payment delays on the project.

B. 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 30th 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.

C. 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.

D. 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 signed Agreement and 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 signed Agreement and 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. A Summary Budget involving a funding increase/decrease, and which is part of a Grant Agreement, shall be due on the date specified at the time of PDE's written notification of a funding adjustment.
- b. All 2014-15 budget revisions or budget transfers are due on or before April 30, 2015.

(5) Budget Revision/Funding Adjustment Documents

- Justification cover letter detailing the rationale and changes made to the budget -- Upload into PDE's eGrants website
- Grant Agreement including the Summary Budget—**FUNDING ADJUSTMENTS ONLY**
- Revised Narrative, if necessary
- Supplementary Expenditure Detail-Expenditures by Minor Object
- Supplementary Expenditure Detail

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

E-signed budget revision/funding adjustment documents do not have to be emailed to PDE. Two (2) original hard copies of manually signed documents 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

E. Final Expenditure Report (Fiscal)

The Final Expenditure Report is a report of the actual project expenditures. The Final Expenditure Report (FER), Final Program Narrative and Summary Budget, Supplementary Expenditure Detail-Expenditures by Minor Object and Supplementary Expenditure Detail must be completed and submitted no later than Dec. 1, 2015, in PDE's eGrants website at <http://www.egrants.pa.gov/>.

Hard copies of e-signed FERs do not have to be mailed to the 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.

Grantees are advised that failure to include any of the information requested in the form instructions may delay the review and processing of the report which, in turn, may result in payment delays on the project and/or on other federal projects the grantee may have with 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.

F. Audit Requirements

The grantee must comply with all federal and state audit requirements including: the Single Audit Act, as amended, 31 U.S.C. 7501 *et. seq.*; Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, as amended; and any other applicable law or regulation and any amendment to such other applicable law or regulation which may be enacted or promulgated by the federal government. If the grantee is a local government or non-profit organization and expends total federal awards of \$500,000 or more during its fiscal year, received either directly from the federal government or indirectly from a recipient of federal funds, the grantee is required to have an audit made in accordance with the provisions of OMB Circular A-133.

If the grantee expends total federal awards of less than \$500,000 during its fiscal year, it is exempt from these audit requirements, but is required to maintain auditable records of federal awards and any state funds which supplement such awards, and to provide access to such records by federal and state agencies or their designees.

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.

G. Federal General Administrative Regulations and Cost Principles

(1) Education Department General Administrative Regulations (EDGAR)

The Code of Federal Regulations (CFR) is a codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government. Title 34 of the CFR contains the regulations issued by the U.S. Department of Education. 34 CFR Part 80 contains the Education Department General Administrative Regulations (EDGAR) that apply to state and local governments (Part 80 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments).

(2) Equipment (EDGAR 80.32)

EDGAR defines "equipment" to be tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Property records must be maintained and a physical inventory of the property must be taken and the results reconciled with the property records at least once every two (2) years.

(3) Cost Principles

The cost principles that state and local governments are to adhere, as established by 34 CFR Part 80.22, are the cost principles stated in Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments.

Contractors must maintain time and effort documentation for all personnel charged to a federal grant that are paid from more than one funding source. Additionally, contractors that have any other shared costs must have a cost allocation plan indicating each funding source's share of the total amount to be spent.

(4) Support of Salaries and Wages

The OMB A-87 Cost Principles provide that charges to federal awards for salaries and wages, whether treated as direct or indirect cost will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit. Additionally, support of salaries and wages must meet the time distribution standards of the OMB A-87 Cost Principles (Attachment B, 11(h)). These standards, in part, provide that:

- a. Where employees are expected to work solely on a single federal grant or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.
- b. 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.

This documentary support is required when employees work on more than one federal project, a federal project and a non-federal project, or an indirect cost activity and a direct cost activity.

(5) Interest

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 Education Department General Administrative Regulations (EDGAR). Section 80.21 (i) of EDGAR requires that, subject to the exceptions in 80.4, subgrantees promptly, but at least quarterly, remit to the federal agency the interest earned on advances. The grantee or subgrantee may keep interest amounts up to \$100 per year for administrative expenses.

A check made payable to the U.S. Department of Education for interest earned in excess of \$100 on federal funds received in advance and a cover letter which includes your DUNS, CFDA and time period(s) for which interest was earned must be sent to the following address:

U.S. Department of Education
P.O. Box 979053
St. Louis, MO 63197-9000

Questions about the guidelines or the Grant Agreement Application may be referred to:

Karen Porambo
Bureau of Special Education
717-705-5186
kporambo@pa.gov

or

Jim Tobias
Bureau of Special Education
jatobias@pa.gov
717-783-6925