



## **EDGAR/UGG/Federal Grants Management Q&A**

- 1) 2 CFR Part 200 applies to States and districts, but not to non-profits.

**Answer:** False (2 CFR §200.69)

*“Non-Federal entity means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or sub-recipient.”*

- 2) During your inventory of grant-purchased equipment, you discover a piece of equipment is missing. You are in compliance as long as you update the inventory records to indicate that the equipment went missing.

**Answer:** False (2 CFR §200.313(d)(3))

*“A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage or theft must be investigated.”*

- 3) When determining whether or not a State or LEA has an obligation to pay back the Federal share of a piece of equipment after disposition, the State or LEA must determine whether or not the item is valued at more or less than \$5000. Value is determined at:

**Answer:** The time of disposition (2 CFR §200.313(e)(1))

*“Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.”*

- 4) Pursuant to EDGAR, the following list includes some of the policies and procedures that must be in writing:

**Answer:** Procurement, cash management, allowable costs  
(2 CFR §200.318(a))

*“The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.”*

(2 CFR §200.302(6))

*“Written procedures to implement the requirements of §200.305 Payment.”*

(2 CFR §200.302(7))

*“Written procedures for determining the allowability of costs in accordance with Subpart E—Cost Principles of this part and the terms and conditions of the Federal award.”*

- 5) Grantees and sub-grantees must remit to HHS any interest earned on cash advances over:

**Answer:** \$500 (2 CFR §200.305(b)(9))

*“Interest earned amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System”*



- 6) Under the micro purchase method, grantees and sub-grantees do not have to maintain records for any purchase below \$3500.

**Answer:** False (34 CFR §76.730)

*"A State and a subgrantee shall keep records that fully show:*

- (a) The amount of funds under the grant or subgrant;*
- (b) How the State or subgrantee uses the funds;*
- (c) The total cost of the project;*
- (d) The share of that cost provided from other sources; and*
- (e) Other records to facilitate an effective audit."*

- 7) Under EDGAR requirements, computing devices that cost less than \$5000 may be considered supplies as such grantees and sub-grantees no longer need to have controls in place to safeguard such property.

**Answer:** False (2 CFR §200.302(b)(4))

*"Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes."*

- 8) Office Wow!, where you normally purchase your supplies from, is having a sale. The store is offering rebates on items that you need for your USDE program. You decided to purchase a scanner that costs \$150 with a \$50 rebate. The Federal grant can be charged:

**Answer:** \$100

*(2 CFR §200.406(a)) "Applicable credits refer to those receipts or reduction-of-expenditure-type transactions that offset or reduce expense items allocable to the Federal award as direct or indirect (F&A) costs. Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the non-Federal entity relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate."*

- 9) Can you use Federal grant funds to pay a student's registration fee to attend an employment seminar?

**Answer:** Yes, as long as you received prior approval from the Federal awarding agency

*(2 CFR §200.456) "Participant support costs as defined in §200.75 Participant support costs are allowable with the prior approval of the Federal awarding agency."*

- 10) During a happy hour discussion with your co-worker, you learn that your co-worker obtained a reimbursement of Federal grant funds for a tablet she purchased for her grandchild. It was a relatively small amount of funds compared with the total grant amount and as far as you know, this is the only time she has done something like this. You must:

**Answer:** Tattle on your co-worker to the state or USDE

*(2 CFR §200.113) "The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award including the term and condition outlined in Appendix XII—Award Term*



*and Condition for Recipient Integrity and Performance Matters are required to report certain civil, criminal, or administrative proceedings to SAM. Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for noncompliance, including suspension or debarment.”*

- 11) A friendly and competent vendor, who your office has worked with in the past, has recently been suspended or debarred. However, his quote is the lowest price out of the bids you collected for the goods you are looking to purchase. Can you contract with the vendor?

**Answer:** No

(2 CFR §200.318)(k)

*“The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.”*

(2 CFR §200.326)

*“The non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.”*

(2 CFR §200.213)

*“Non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.”*

- 12) You are attending a conference in San Diego, California. The conference is in May and you purchase your airplane ticket in January. The airplane ticket obligates to the Federal grant award:

**Answer:** On the date you take the flight to San Diego

(34 CFR §76.707(f))

*“When the travel is taken.”*

- 13) Costs are allocable to the grant if:

**Answer:** The cost of the goods or services is proportionate to the benefits received by the grant.

(2 CFR §200.405(a))

*“A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.”*

- 14) All obligations must be liquidated within 90 days after the end of the grant award funding period.

**Answer:** True (2 CFR §200.343(b))

*“Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity*



*must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award."*

- 15) You are in charge of hosting your annual conference. In preparation you make a list of all your conference costs. Currently your list includes: speakers' fees, local transportation, supplies, and providing locally available dependent-care. What costs are not allowable?

**Answer:** Providing locally available dependent-care (2 CFR §200.432)

*"A conference is defined as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-Federal entity and is necessary and reasonable for successful performance under the Federal award. Allowable conference costs paid by the non-Federal entity as a sponsor or host of the conference may include rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the Federal award. As needed, the costs of identifying, but not providing, locally available dependent-care resources are allowable. Conference hosts/sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the Federal award. The Federal awarding agency may authorize exceptions where appropriate for programs including Indian tribes, children, and the elderly."*

- 16) Generally, the salaries of administrative and clerical staff must be treated as indirect costs.

**Answer:** True (2 CFR §200.413(c))

*"The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs."*

- 17) An administrator spends 10% of her time working on Perkins administration activities and the rest of her time working on nonfederal activities. Because most of her time is spent on nonfederal activities, she does not need to keep time and effort reports.

**Answer:** False (2 CFR §200.430(i)(1))

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

- 18) A sub-grant is different from a contract because:

**Answer:** A sub-grant uses the Federal funds to carry out a program as compared to providing goods and services for a program. (2 CFR §200.330)

- 19) The Science Department uses telescopes that were purchased in 2005. The director of the department wants to upgrade the equipment because his students were unable to see the 2016 blood moon. He asks for new telescopes, stating "the next time an astronomical phenomenon occurs I want to be ready." Can you trade in the old telescopes to offset the cost of the replacement telescopes?

**Answer:** Yes (2 CFR §200.313(c)(4))

*"When acquiring replacement equipment, the non-Federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property."*



- 20) You signed a contract on August 21, 2015 for a speaker to present at a professional development event hosted by your organization on September 21, 2015. The payment for the speaker is issued on October 1, 2015. The expense for the speaker obligated on:

**Answer:** August 21, 2015 [34 CFR §76.707(c)]

*"On the date on which the State or subgrantee makes a binding written commitment to obtain the services."*

- 21) Budget estimates alone are appropriate support for salary charges to a Federal award.

**Answer:** False [2 CFR §200.430(h)(8)(viii)]

*"Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes..."*

- 22) A compliant conflict of interest policy must address:

**Answer:** Gratuity violations [2 CFR §200.318(c)(1)]

*"The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts."*

- 23) Grantees and sub-grantees may sole source procurement from a vendor as long as that vendor was included in an approved application.

**Answer:** False [2 CFR §200.320(f)]

*"...a proposal from only one source and may be used only when one or more of the following circumstances apply: 1) the item available only from a single source; 2) the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; 3) The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or 4) After solicitation of a number of sources competition is determined inadequate."*

- 24) Recipients are not permitted to retain and store electronic records.

**Answer:** False [2 CFR §200.335]

*"When original records are electronic and cannot be altered, there is no need to create and retain paper copies."*

- 25) When original records are in paper, electronic versions may be substituted provided that the electronic records:

**Answer:** Are subject to periodic quality control reviews, provide reasonable safeguard against alteration, and remain readable [2 CFR §200.335]

*"...When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable."*

- 26) An LEA purchases a computer lab with Title I funds that meet the threshold for equipment under the state rules. Occasionally, students in the 21<sup>st</sup> CCLC after school program use the computer lab as well. This is



permissible as:

**Answer:** The shared use is minimal and it does not interfere with the Title I students' ability to use the robots. [2 CFR §200.313(c)(2)]

- 27) Pursuant to EDGAR an inventory of equipment purchased in whole or in part with Federal funds must be conducted:

**Answer:** Once every two years (2 CFR §200.313(d)(2)); however, the **State** requirement is more restrictive. Therefore, the **State** requirement must be followed.

"A physical inventory of the property must be taken and the results reconciled with the property records at least **yearly**"

*"...A physical inventory of the property must be taken and the results reconciled with the property records at least once a year."*

- 28) The following circumstances restrict competition in procurement transactions:

**Answer:** In state or local preferences, requiring unnecessary experience, and specifying a brand name. (2CFR §200.319(a) and (b))

*"All procurement transactions must be conducted in a manner providing full and open competition...Some of the situations considered to be restrictive of competition include but are not limited to: 1) Placing unreasonable requirements on firms in order for them to qualify to do business; 2) Requiring unnecessary experience and excessive bonding; 3) Noncompetitive pricing practices between firms or between affiliated companies; 4) Noncompetitive contracts to consultants that are on retainer contracts; 5) Organizational conflicts of interest; 6) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of procurement; 7 an arbitrary action in the procurement process.*

**For More Information:**

**SPECIAL EDUCATION FUNDING AND ACCOUNTABILITY**

**CONTACT:** Anthony Mukuna, Coordinator

Phone: (208) 332-6916 Email: [amukuna@sde.idaho.gov](mailto:amukuna@sde.idaho.gov)

**FEDERAL PROGRAMS FUNDING AND ACCOUNTABILITY CONTACT:**

Elmira Feather, Coordinator

Phone: (208) 332-6900 Email: [efeather@sde.idaho.gov](mailto:efeather@sde.idaho.gov)