

Office of Grants Management

General Federal Entitlement Grant Guidance

APPLICATION SUBMISSION

Central Contacts

The entitlement application submission process, which is online through the Electronic Web-Enabled Grant (EWEG) system, requires that the grantee complete the LEA Central Contact sections (either by copying prior year contact information or entering new contact information) prior to creating an application. This contact information may be updated at any time during the grant period, and will automatically populate the current grant applications. **It is important that grantees keep Central Contacts information current as this information is used to communicate with grantees throughout the grant process.** Beginning with the FY 2016 entitlement applications, grantees must agree to the General Assurances before they can create a new application. General Assurances for all entitlement programs are now standardized and located under LEA Central Contacts. Grant specific assurances will still appear in each grant application.

DUNS Number

The Federal Government requires that all applicants for Federal grants have a Dun and Bradstreet Data Universal Numbering System (DUNS) number, and that the registration be renewed annually. A currently registered DUNS number is required in order to submit a grant application, and also in order to submit a reimbursement request for payment of any grant funds. The grantee must enter a current SAM (System for Award Management, formerly known as Central Contractor Registration (CCR)) expiration date. In most cases, this will be done by the grantee's business office or business administrator.

- To obtain a DUNS number, go to <http://fedgov.dnb.com/webform/>
- To register with the SAM database, go to www.sam.gov

Board Approval for Submission of the Grant Application

The grantee must certify in the assurances of the grant application that board approval for submission of the application has been, or will promptly be, obtained and that the certified board resolutions and board minutes will remain on file and be available upon request.

GRANT AWARD ALLOCATIONS

The project period for all entitlement grants is July 1st through June 30th. Notifications of allocation amounts for the subsequent program year are distributed to eligible grantees in the spring. For certain grant programs, the grantee notifications include amounts or percentages for eligible nonprofit nonpublic schools, as applicable.

The NJDOE allocates entitlement grant funds to each eligible grantee that submits an approvable application. Allocations are calculated separately based on the federal requirements in the formula for each of the entitlement grant programs.

Allocation Refusal

The grantee (or nonpublic school, as applicable) may choose to refuse its allocation for one or more of the grant programs by completing the Refusal of Funds form in the EWEG application. Please refer to the guidance for the specific grant program for additional detailed information as it applies to the grant.

PERIOD OF OBLIGATION OF THE FUNDS

Pursuant to regulatory requirements, a grantee that receives an entitlement grant may begin to obligate funds as of the project start date on July 1, only if an application has been successfully submitted through EWEG (i.e. the application is deemed substantially approvable) **by the stated application due date or the project start date, whichever is later.** If the application is successfully submitted **after July 1 and the stated due date**, the earliest that funds may be obligated is the date the application is successfully submitted through EWEG (unless prior approval has been obtained by the grantee, see Late Submission below).

LATE SUBMISSION OF THE GRANT APPLICATION

Grantees that will not be able to submit applications by the due date may submit to NJDOE's Office of Grants Management a request for an extension of the due date. **However, please note that these requests must be submitted prior to the stated due date in order to be considered.** Also note that such approvals are rarely granted, and in fact may be granted only for extreme circumstances that are clearly beyond the grantee's control.

CONSORTIA

Grantees may choose to offer services as a consortium for any of the entitlement grant programs except the *ESEA-NCLB* Title I program. This provision is especially useful for grantees that receive an *ESEA-NCLB* Title III allocation of less than the federally required minimum of \$10,000, and requires partner grantees in order to meet the \$10,000 minimum allocation requirement. *Perkins* Secondary program also has a minimum required allocation that is set at \$15,000; otherwise grantees must participate in a consortium to achieve the minimum. *Perkins* Post-Secondary program requires a minimum allocation of \$50,000, or the grantee must participate in a consortium to meet this requirement.

Each consortium group designates a Lead Agency (the Applicant Agency), and the others in the group are the participant agencies in the consortium. Upon final verification and approval of the consortium information, the individual grant allocations for all participating agencies will be aggregated into one total allocation for the consortium's application. The Lead Agency is responsible for confirming in EWEG each participant agency in the consortium, and submitting a single grant application on behalf of the consortium participants (for *IDEA* grants, the confirmation is submitted by mail). The Lead Agency is also responsible for the use of the total amount of grant funds allocated (e.g. for payment of teachers, vendors, etc.) and for the submission of all required records and reports on behalf of the consortium's participant agencies. In addition, the Lead Agency is responsible for coordinating services for its nonpublic schools and also for those of the participating agencies. The Lead Agency ***cannot under any circumstances*** reimburse funds back to the participant agencies. Please refer to the guidance for the specific grant program for additional detailed information as it applies to the grant.

SUPPLEMENT NOT SUPPLANT

Pursuant to federal statutes, in general, a grantee may use federal grant funds only to supplement and, to the extent practical, increase the level of funds that would, in the absence of federal funds, be made available from nonfederal sources. In no case may the grantee use federal grant funds in place of ("to supplant") funds from nonfederal sources.

Generally, the grantee is presumed to fund state-mandated programs with local and/or state funds. The use of federal funds for these programs, in place of the local and/or state funds, would generally be considered supplanting. In certain instances, however, the grantee may overcome this supplanting presumption. The grantee would be required to demonstrate through written documentation (e.g., state or local legislative action, budget information, or other materials) that it does not have the funds necessary to implement the program or activity and that the program or activity would not be carried out in the absence of federal funds. The grantee may not, however, decrease state or local funds for particular activities because federal funds are available. Please refer to guidance for the specific grant program for additional detailed information as it applies to the grant.

MAINTENANCE OF EFFORT (MOE)

Pursuant to federal requirement, grantees that receive federal funds must budget at least the same amount of funds (from local, or state and local funds) for educational programs and services as was expended in the previous fiscal year for which expenditures are available. MOE is calculated annually to determine whether or not the requirement has been met. In general, failure by the grantee to meet this requirement may result in a proportional reduction in the subsequent year's grant. As the specific calculation process and requirements differ for the *ESEA-NCLB* and *IDEA* grant programs, please refer to the guidance for the specific grant program for additional detailed information as it applies to the grant. Note that this requirement is not applicable to the *Perkins* grant programs.

EQUIPMENT INVENTORY AND DISPOSITION (2 CFR 200.313)

Equipment items are any instrument, machine, apparatus, or set of articles that exceeds the capitalization threshold (currently \$2,000 per unit as noted in the *Uniform Minimum Chart of Accounts, Handbook 2R2*) and meets all of the following criteria:

1. It retains its original shape, appearance, and character with use;
2. It does not lose its identity through fabrication or incorporation into a different or more complex unit or substance;
3. It is nonexpendable; that is, if the item is damaged or some of its parts are lost or worn out, it is more feasible to repair the item than to replace it with an entirely new unit;
4. Under normal conditions of use, including reasonable care and maintenance, it can be expected to serve its principal purpose for at least one year.

Therefore, items for which the unit cost is not more than \$2,000, and/or that do not otherwise meet the above equipment criteria should generally be classified as supplies.

For *Perkins* grant programs only, equipment must be received, installed and available for student instruction no later than April 30th of each project period. Please refer to the guidelines for the *Perkins* grant program for additional detailed guidance related to equipment purchases as it applies to the grant.

The grantee must maintain a specific inventory of any item purchased with federal grant funds until transfer, replacement, or disposition takes place. The grantee that cannot produce a piece of equipment purchased with federal funds during an audit review risks an audit finding, even if the purchase was allowable under the relevant federal grant program. This inventory must, at a minimum, include the following information, as set forth in 2 CFR 200.313(d):

1. Description of the item/property;
2. Serial number, model number, or other identification number (bar code or local identifying number);
3. Funding source of the item/property;
4. Titleholder (name of funding title/grant);
5. Acquisition date;
6. Acquisition cost of the item/property;
7. Records showing maintenance procedures to keep item/property in good condition;
8. Percentage of federal participation in the cost of the item/property;
9. Location, use, and condition of the item/property, and date information was reported; and
10. All pertinent information on the ultimate transfer, replacement or disposition (including date of disposal and the sale of the item/property, if applicable) when the item/property is retired from service.

A physical inventory of equipment item/property must be taken and the results reconciled with the inventory property records at least once every two (2) years to: 1) confirm the equipment item/property was found at the location indicated; 2) assess condition of the equipment

item/property; and 3) verify equipment item/property is located in a secure environment that can be locked when not in use.

An inventory control system and records showing maintenance procedures must be developed and implemented to ensure adequate safeguards to prevent loss, damage or theft of the item/property. Any loss, damage, or theft must be investigated and fully documented by local law enforcement officials. This specific inventory information must be updated as equipment item/property is purged or new purchases are made.

Disposition of equipment acquired with federal grant funds, but that is no longer needed for the original project or program or for other activities currently or previously supported by federal funds, must be in accordance with the grant requirements. In the absence of specific instructions of the federal grant, equipment valued at \$5,000 or less may be retained, sold or otherwise disposed of with no further federal obligation. Please refer to 2 CFR 200.313(e), and the guidance for the specific grant program for additional detailed information as it applies to the grant.

REIMBURSEMENT REQUESTS FOR PAYMENT

After a grantee's grant application has been approved, an electronic notification is automatically sent through EWEG to the person(s) listed in the LEA Central Contacts. At that point, the grantee may begin to request through EWEG, reimbursement for funds already expended, or for funds that are anticipated to be expended by the end of the current month for the grant program. Grantees are required to submit reimbursement requests on a monthly basis for expenditures incurred that month for each approved entitlement grant. Failure to submit regular reimbursement requests may flag a grantee for monitoring, for example, due to the possibility that the grantee is not operating an approved grant program, or not expending grant funds appropriately for the program. Grantees may submit one reimbursement request for each program title per month. Please note that NJDOE schedules such payments to grantees once per month. In general, it is expected that for reimbursement requests that are submitted through EWEG prior to the 15th of the month, the grantee should receive payment within the first week of the following month.

Please note that pursuant to 2 CFR 200.415 of the Uniform Grant Guidance, upon submitting each reimbursement request, the grantee is required to certify the following:

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”

AMENDMENTS TO THE GRANT APPLICATION

If substantive changes to the program plan or grant expenditures are anticipated that meet the criteria listed below after the application has been approved by the NJDOE, the grantee is required to submit to the NJDOE for approval an amendment to the current-year application. *ESEA-NCLB* and *IDEA* Amendments to the application must be submitted online through the EWEG system no later than 30 days prior to the end of the project period. For *Perkins* grants, budget amendments must be submitted no later than 90 days prior to the end of the project period.

Criteria that require submission of an amendment application are:

- Changes among expenditure categories (measured cumulatively throughout the fiscal year) in excess of ten percent (10%) of the total grant award. Grantees are responsible for monitoring the cumulative ten percent (10%) level of budget changes;
- Moving funds into a budget category for which no funds were previously budgeted or approved (i.e. an unopened budget line);
- Changes in the scope of activities being implemented. All newly funded activities must be supported in the needs assessment and/or program plan even if funds are being used in existing budget categories;
- Changes in the type of equipment, the intended use of approved equipment, or a change in the program in which the equipment will be used. Note: If an eligible recipient wishes to purchase only additional pieces of approved equipment, a budget amendment is not required;
- Requests to purchase equipment other than those items approved in the grant application (unapproved equipment); or
- Approval of or changes in Title I – Schoolwide Program designation; or
- Changes in Title I served schools or per pupil expenditures.

Board Approval for Submission of the Grant Amendment

The grantee must certify in the assurances of the grant application amendment that board approval for submission of the amendment has been, or will promptly be obtained, and that the certified board resolutions and board minutes will remain on file and be available upon request.

LIQUIDATION PERIOD

The NJDOE is responsible for fiscal and program oversight of the federal grant programs. As such, please note that the entitlement grant period is July 1 through June 30, and all grants must be obligated within that grant period, pursuant to federal requirement. In addition, grantees must liquidate all entitlement grant funds by September 30 to allow NJDOE to meet its federal obligations and deadlines for closeout.

FINAL EXPENDITURE REPORTS (FERs)

Pursuant to 2 CFR 200.343, NJDOE is responsible to ensure that all entitlement grants are closed out with a timely annual final reporting of grant program expenditures for the approved program objectives and activities. The FERs are available to grantees in EWEG on or about August 15th. *ESEA-NCLB* and *IDEA* FERs must be completed and submitted to NJDOE no later than September 30th. For *Perkins* grants, the FERs must be completed and submitted to NJDOE no later than October 15th. The final expenditure report for each program, including each of the individual *ESEA-NCLB* Titles, must provide the budget expenditures and equipment purchases, as appropriate. As certain grant programs require additional program reporting, please refer to the guidance for the specific grant program for additional detailed information as it applies to the grant.

The FERs for a given grant year contain financial information including, but not limited to, total expenditures, funds paid to date, unexpended funds, overpayments, as well as refunds and release of funds to the NJDOE. This integrated information allows the electronic grants management system to close-out the current grant period by providing grantees with an exact accounting of the current year funds (which, for *ESEA-NCLB* and *IDEA*, includes any prior-year overpayment and/or carryover amounts, as applicable) as these relate to: 1) the amount of funds that remain to be paid to the grantee; 2) the amount of funds that were over paid to the grantee and will need to be subtracted (offset) from unexpended balances; and 3) for *ESEA-NCLB* and *IDEA*, the amount of unexpended funds that can be carried forward, as applicable, into the subsequent grant year.

The Final Expenditure Reports are electronically linked to New Jersey's electronic payment system. Thus, the approval of an FER triggers calculations of the total grant expenditures and any previous payments that were made to the grantee for the grant year. Based on these final calculations, the system does one or more of the following:

- automatically generates a final payment to the grantee for any expenditures that were not previously paid through the submission of a reimbursement request;
- indicates a carryover of grant funds to the subsequent grant year;
- indicates that a refund of an overpayment is due from the grantee; and/or
- indicates a release of grant funds.

Because of this direct connection between the electronic FERs and the electronic payment system, any changes to an approved final report may result in payment system problems that affect the disbursement of any payments due to the grantee. Additionally, FER amendments may cause a ripple effect throughout the grantee's various approved applications and FERs for past and/or subsequent years requiring additional amendments by the grantee. In order to avoid these and other unpredictable consequences, as a rule amendments to FERs are not permitted. In extremely rare circumstances, the department may consider making an exception, but only after careful consideration of all of the possible effects on the grantee and the system. Therefore, it is critical that staff with responsibility for the completion and submission of the FERs do so with the utmost care and consideration of the grant expenditure information to ensure that the reports are accurate upon submission. Please note, in the event that an error is discovered by the grantee after submission of the report, but prior to FER approval, NJDOE's Office of Grants Management should be contacted immediately with the request that the FER be returned for revisions. However, once the report is approved, in most cases an amendment to the FER will not be permitted for the reasons

noted above. Instead, any necessary adjustments to correct the error should be reflected in the grantee's internal accounting records, and supporting documentation should be maintained in the grantee's internal audit files for the grant.

Please note that pursuant to 2 CFR 200.415 of the Uniform Grant Guidance, upon submitting the Final Expenditure Report, the grantee is required to certify the following:

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”

CARRYOVER OF GRANT FUNDS (FOR *ESEA-NCLB* AND *IDEA* ONLY)

For *ESEA-NCLB* and *IDEA*, the total amount of budgeted and expended current year funds in the approved FER includes prior-year overpayment and/or carryover funds. Upon final NJDOE approval of the current year FER, these funds will transfer into a separate line in the allocation section of the subsequent year's application. At this point, if the grantee's subsequent year's grant application **does not have** final NJDOE approval, the grantee must budget the carryover funds as part of the original application submission (these carryover funds will be reviewed as part of the original application approval process). If, however, the subsequent year's grant application **has final** NJDOE approval, the grantee must budget the carryover funds (and/or overpayment funds, if applicable) by submitting an amendment to that application.

In general, those carryover funds may be reallocated to budget categories other than those categories specified in the original application, providing the funds are expended on approved activities in accordance with program guidelines in effect during the carryover period. However, there are federally mandated restrictions on the amount that can be carried over for certain grant programs, as well as federal restrictions on the carry-over timespan. Please refer to the guidance for the specific grant program for additional information as it applies to the grant.

Note: Carryover of funds is not allowed in either *Perkins* Secondary or Post-Secondary grants. Therefore, any *Perkins* grant funds not expended by the end of the project period are no longer available to the grantee.

As carryover funds are expended first consistent with FIFO accounting principles (First In, First Out), the grantee must expend in the current year at least the total amount of funds that were carried over from the prior year. If the carryover funds are not expended by the grantee by the end of the carryover project period, the unused carryover funds must be released (these amounts are indicated on the release/refund lines of the budget expenditure summary), or returned to the NJDOE with a copy of the EWEG 'Expenditure Summary' page, by a check made payable to Treasurer, State of New Jersey, and mailed as follows:

New Jersey Department of Education
 Office of Administration and Budget
 Revenue and Grant Accounting
 P.O. Box 500
 Trenton, NJ 08625-0500

State agencies should **not** send refund checks, but instead must process the refund as a transfer of funds through the state accounting system. Please contact the Office of Administration and Budget for assistance.

MAINTENANCE AND RETENTION OF RECORDS (2 CFR 200.333)

The grantee is responsible for the use of the grant funds, as well as the retention of all grant-related financial records, supporting documents, statistical records, etc., most of which must be retained per federal guidance for a period of three years from the date of submission of the final expenditure report. In addition, records for real property and equipment acquired with Federal funds must be retained for three years after final disposition of the real property or equipment. For more detailed guidance, which includes records that may require a longer retention period, please refer to the School District and Charter School Record Retention and Disposition Schedule (#M700101), which can be found on the web at http://www.nj.gov/treasury/revenue/rms/pdf/m700101_001.pdf.

ADDITIONAL RESOURCES

- **ESEA-NCLB Grant Programs** –
 - Title I, Part A information: <http://www.nj.gov/education/title1/grants/>
 - Title I, Part D information: <http://www.nj.gov/njded/grants/entitlement/nclb/>
 - Title II, Part A information: <http://www.state.nj.us/education/grants/entitlement/nclb/>
 - Title III information:
 - <http://www.state.nj.us/education/bilingual/title3/spending.htm>
 - <http://www.state.nj.us/education/bilingual/title3/nonpublic.htm>
 - Title III Immigrant information: <http://www.state.nj.us/education/bilingual/title3/>
 - Title VI information:
 - <http://www.state.nj.us/education/grants/nclb/programs/title6pbs1.htm>
 - Transitioning to the Every Student Succeeds Act (ESSA):
 - <http://www.fns.usda.gov/school-meals/income-eligibility-guidelines>
- **IDEA Grant Program** information: <http://www.state.nj.us/education/specialed/fund/>
- **Perkins Grant Program** information: <http://nj.gov/education/cte/perkins/>
- **Uniform Minimum Chart of Accounts** information: <http://www.state.nj.us/education/finance/fp/af/coa/>

UNIFORM GRANT GUIDANCE RESOURCES (2 CFR 200)

- **USDE primary website for Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:**
<http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>
- **Implementing the Uniform Guidance (slide-show presentation, 34 slides):**
<http://www2.ed.gov/policy/fund/guid/uniform-guidance/granteepresentation.pdf>
- **USDE guidance on Indirect Costs:**
<http://www2.ed.gov/about/offices/list/ocfo/fipao/abouticg.html>
- **Crosswalk from existing (previous) guidance to final guidance:**
<https://www.whitehouse.gov/sites/default/files/omb/fedreg/2013/uniform-guidance-crosswalk-from-predominate-source-in-existing-guidance.pdf>
- **Navigating the Uniform Grant Guidance: A Guide for New Jersey School Districts**
<http://www.state.nj.us/education/grants/ugg/NavigatingUGG.pdf>
- **USDE email address for UGG questions:** uniformgrantguidanceimplementation@ed.gov

EDUCATION DEPARTMENT GENERAL ADMINISTRATIVE REGULATIONS (EDGAR)

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

U.S. DEPARTMENT OF AGRICULTURE'S FOOD AND NUTRITION SERVICE: Income Eligibility Guidelines (by school year):

- <http://www.fns.usda.gov/school-meals/income-eligibility-guidelines>