

# Private Schools as Recipients of Federal Funds

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November 18, 2021

# Disclaimer

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# Agenda

- ❑ Norms & Reminders
- ❑ Background & Hierarchy
- ❑ EDGAR
- ❑ Code of Federal Regulations (CFR)
- ❑ Grant Requirements from Awarding Agency
- ❑ Guidelines, Provisions, and Assurances
- ❑ Specific Considerations
- ❑ Resources
- ❑ Q&A

# Norms & Reminders



- Use the **Q&A** feature at the bottom of your screen to ask questions throughout the presentation.
- Save yourself some time and keystrokes; use the Up Vote feature of Q&A if you see a question that you intended to ask that has already been posted.
- We will address Q&A at the end of the webinar, covering the most frequently asked (up voted) questions from the top of the list
- We will address as many questions as we can. Any questions not answered will be answered later via our FAQ and/or via email.
- A recording of the webinar and presentation slides will be posted on our website by 5:00 tomorrow, Friday, November 19.

# Norms & Reminders



- Presentation is hyperlinked throughout; many resources to click and explore
- Stay connected to receive updates and timely information

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# Background & Hierarchy of Grant Requirements

# Definitions

- **Pass-through entity** is defined as a non-Federal entity that provides a subaward to a subrecipient to carry out part of a federal program. (2 CFR § 200.74)
- **Grantee** is defined as the legal entity to which a grant is awarded and that is accountable to the federal government for the use of the funds provided. The term “grantee” does not include any secondary recipients, such as subgrantees and contractors that may receive funds from a grantee. (34 CFR § 77)
- **Non-federal entity** is defined as a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a federal award as a recipient or subrecipient. (2 CFR § 200.69)
- **Subgrantee** is defined by TEA to be the same as a subrecipient which is defined as a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. (2 CFR § 200.93)  
Subgrantee is defined in 34 CFR § 77 as the legal entity to which a subgrant is awarded and that is accountable to the grantee for the use of the funds provided.

# Definitions

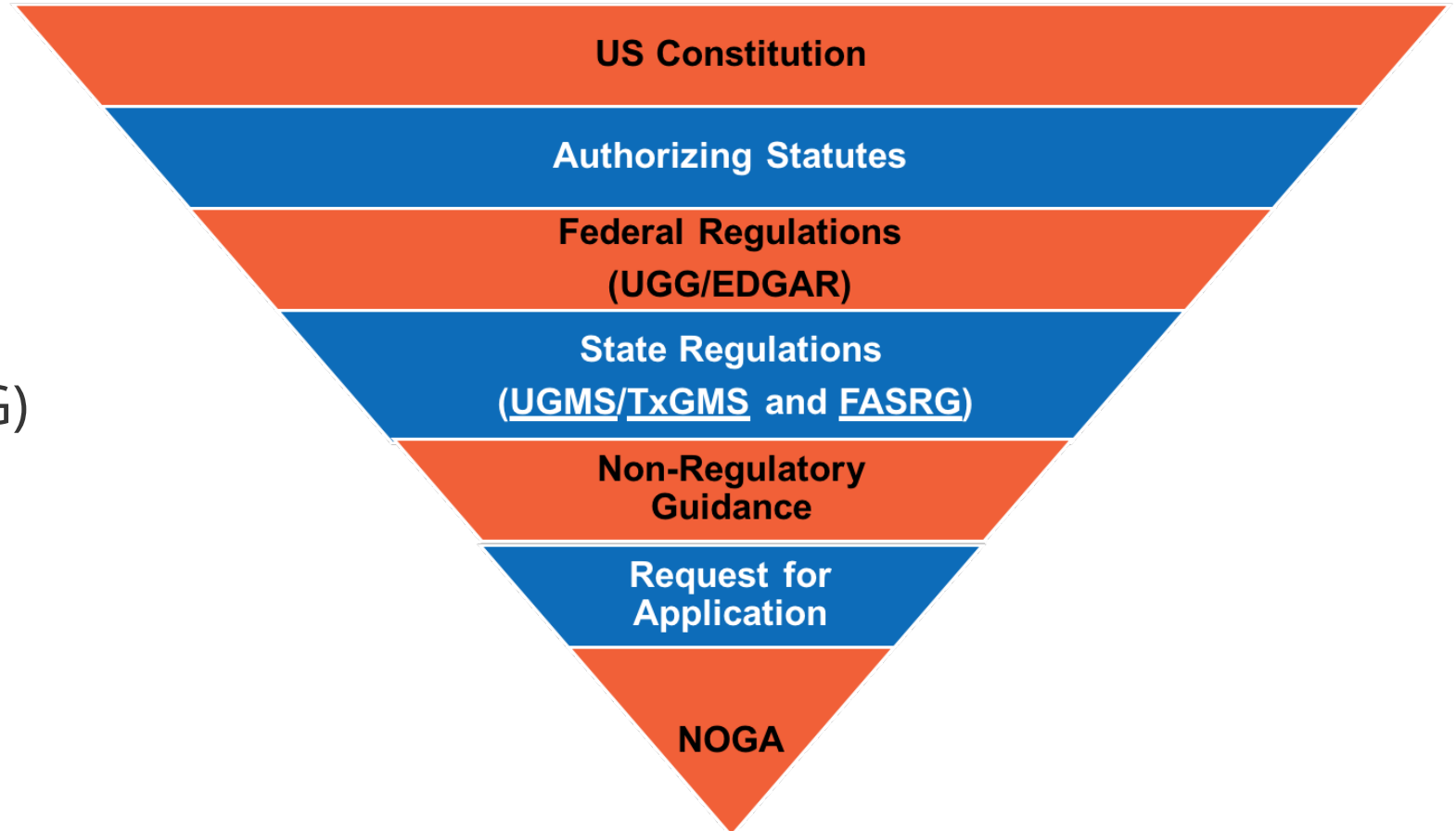
- **NOGA** is a Notice of Grant Award
- **FASRG** is the Financial Accountability System Resource Guide and describes the rules of financial accounting for school districts, charter schools, and education service centers. ([19 Texas Administrative Code §109.41](#))
- **UGG** is Uniform Grant Guidance; it encompasses 2 CFR § Part 200 and establishes requirements that apply to all federal grants; incorporated into EDGAR

More acronyms and definitions available at [2 CFR 200.0-200.1](#)



# Hierarchy of Grant Requirements

- US Constitution
- Authorizing Statutes
- Federal Regulations (UGG/EDGAR)
- State Regulations (UGMS/TxGMS and FARSG)
- Non-Regulatory Guidance
- Request Application
- NOGA



**EDGAR**

## Education Department General Administrative Regulations (EDGAR)

- EDGAR is the United States Department of Education's (USDE) compilation of administrative requirements for grants (includes Code of Federal Regulations or CFR)
- Governs all federal grants awarded by USDE
- Broadly, EDGAR impacts time and effort, indirect costs, timely obligation of funds and carryover, financial management rules, program income, record retention, property/ equipment/supplies inventory controls, procurement, monitoring, conflicts, travel policies, and allowable costs
- Emphasizes internal controls and documentation to strengthen oversight over federal funds to reduce risks of fraud, waste, and abuse

# Code of Federal Regulations (CFR)

# Code of Federal Regulations (CFR)

- The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government. It is divided into 50 titles representing broad areas subject to federal regulation.  
(<https://www.govinfo.gov/app/collection/cfr>)
- The Electronic Code of Federal Regulations (eCFR) is a continuously updated online version of the CFR and provides enhanced features that are not part of the published CFR. (<https://www.ecfr.gov/>)
  - not an official legal edition of the CFR
  - unofficial editorial compilation of CFR material

# Code of Federal Regulations (CFR)

- The compliance requirements for all non-federal entities receiving federal assistance can be found in Part 200 of Title 2 in the Code of Federal Regulations (2 CFR Part 200).
- By accepting federal assistance, whether through grants, cooperative agreements, or other financial assistance, private schools will be considered “non-federal entities,” and are thus subject to all applicable requirements (2 CFR §§ 200.1 and 200.101). These requirements include, but are not necessarily limited to, the federal rules on the following

# CFR

Requirement	Citation and Notes
<b>Financial Management</b>	<p><u>2 CFR § 200.302</u></p> <ul style="list-style-type: none"><li>• Expend and account for awards in accordance with state laws and procedures</li><li>• Assistance listing and number (CFDA), ID number and year, name of agency and passthrough</li><li>• Accurate, current, and complete disclosure of financial results of Federal award/program in accordance with the reporting requirements in §§ 200.328-329</li><li>• Records that identify adequately the source and application of funds for federally-funded activities</li><li>• Effective control over, and accountability for, all funds, property, and other assets</li><li>• Comparison of expenditures with budget amounts for each Federal award</li><li>• Written procedures to implement the requirements of § 200.305</li><li>• Written procedures for determining allowability of costs in accordance with subpart E and terms and conditions of the federal award</li></ul>

# CFR

Requirement	Citation and Notes
Internal Controls	<p data-bbox="445 325 828 378"><u>2 CFR § 200.303</u></p> <ul data-bbox="445 392 2458 1006" style="list-style-type: none"><li data-bbox="445 392 2102 449">• Establish and maintain effective internal control over federal awards</li><li data-bbox="445 464 2458 585">• Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards.</li><li data-bbox="445 599 1286 656">• Evaluate and monitor compliance</li><li data-bbox="445 671 2382 792">• Take prompt action when instances of noncompliance are identified including in audit findings</li><li data-bbox="445 806 2395 1006">• Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive</li></ul>



# CFR

Requirement	Citation and Notes
<b>Cash Management/ Federal Payment</b>	<p data-bbox="445 325 830 375"><u>2 CFR § 200.305</u></p> <ul data-bbox="445 396 2458 1172" style="list-style-type: none"><li data-bbox="445 396 2458 511">• Payments must minimize time lapsing between transfer of funds from Treasury and disbursement by non-federal entity</li><li data-bbox="445 529 1340 579">• Paid in advance or by reimbursement</li><li data-bbox="445 598 2458 776">• Disburse funds available from program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments</li><li data-bbox="445 795 2458 1043">• Restriction on withholding of payments<ul data-bbox="545 862 2458 1043" style="list-style-type: none"><li data-bbox="545 862 2458 976">• Failure to comply with project objectives, statutes, regulations, or terms and conditions</li><li data-bbox="545 995 1243 1043">• Delinquent in debt to federal</li></ul></li><li data-bbox="445 1062 1454 1112">• Banking and financial institution standards</li><li data-bbox="445 1130 848 1172">• Return of funds</li></ul>

# CFR

Requirement	Citation and Notes
<b>Inventory Management (Equipment/Supplies)</b>	<p><u>2 CFR 200.313</u> – <u>200.314</u></p> <ul style="list-style-type: none"><li>• Title to equipment will vest in the non-federal entity<ul style="list-style-type: none"><li>• Use for authorized purposes</li><li>• Not encumber without approval</li></ul></li><li>• Use under program acquired as long as needed, regardless of continuation of federal award</li><li>• After project end, equipment may be used in activities under another federal award from same agency, or another agency (in that order)</li><li>• Available for use by other federal projects or programs</li><li>• May not use to provide services for a fee less than private company for equivalent</li><li>• Replacement equipment and offset</li></ul>

# CFR

Requirement	Citation and Notes
<b>Inventory Management (Equipment/Supplies)</b>	<p><u>2 CFR 200.313</u> – <u>200.314</u></p> <ul style="list-style-type: none"><li>• Management must include property records, physical inventory, control system maintenance procedures, proper sales procedures</li><li>• Disposition when no longer needed, when approved by awarding agency<ul style="list-style-type: none"><li>• \$5,000 or less may be retained, sold or otherwise disposed of</li><li>• &gt;\$5,000 may be retained or sold, and retain \$500 or 10% of proceeds</li><li>• Transfer of title to an eligible third party</li></ul></li><li>• Title to supplies vests with non-federal entity; similar to equipment</li><li>• Must not use supplies to provide services to another organization for fee less than private companies</li></ul>

# CFR

Requirement	Citation and Notes
Procurement	<p data-bbox="445 325 1108 378"><u>2 CFR §§ 200.317 – 200.327</u></p> <ul data-bbox="445 396 2446 1006" style="list-style-type: none"><li data-bbox="445 396 2446 449">• Have and use documented procedures, consistent with State, local, and tribal laws</li><li data-bbox="445 464 1490 516">• Most restrictive (federal vs. state vs. local)</li><li data-bbox="445 531 1770 584">• Oversight to ensure performance, conflicts of interest</li><li data-bbox="445 598 1006 651">• Economic efficiencies</li><li data-bbox="445 665 1121 718">• Full and open competition</li><li data-bbox="445 732 1592 935">• Procurement Methods:<ul data-bbox="547 806 1592 935" style="list-style-type: none"><li data-bbox="547 806 1592 859">• Informal: Micro-purchase, Small purchase</li><li data-bbox="547 873 1312 926">• Formal: Sealed bids, Proposals</li></ul></li><li data-bbox="445 949 1210 1002">• Noncompetitive Procurement</li></ul>

# CFR

Requirement	Citation and Notes
Procurement	<p data-bbox="445 328 1108 378"><u>2 CFR §§ 200.317 – 200.327</u></p> <ul data-bbox="445 399 2140 735" style="list-style-type: none"><li data-bbox="445 399 2140 449">• Small, minority, and women’s businesses and labor surplus area firms</li><li data-bbox="445 471 993 521">• Domestic Preference</li><li data-bbox="445 542 980 592">• Recovered Materials</li><li data-bbox="445 614 1057 664">• Contract Cost and Price</li><li data-bbox="445 685 1286 735">• Federal and Pass-Through Review</li></ul>

# CFR

Requirement	Citation and Notes
<b>Reporting</b>	<p><a href="#">2 CFR §§ 200.328 – 200.330</a></p> <ul style="list-style-type: none"><li>• Financial Reporting</li><li>• Program Performance</li><li>• Real Property</li></ul>
<b>Record Retention</b>	<p><a href="#">2 CFR §§ 200.334 – 200.338</a></p> <ul style="list-style-type: none"><li>• Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.</li><li>• State requires 7 years or 5 years from closeout of the grant</li></ul>

# CFR

Requirement	Citation and Notes
Closeout	<p data-bbox="445 325 828 378"><u>2 CFR § 200.344</u></p> <ul data-bbox="445 396 2497 585" style="list-style-type: none"><li data-bbox="445 396 2497 585">• A subrecipient must submit to the pass-through entity, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award.</li></ul>

# CFR

Requirement	Citation and Notes
Allowability	<p data-bbox="445 325 830 378"><u>2 CFR § 200.403</u></p> <ul data-bbox="445 396 2474 1006" style="list-style-type: none"><li data-bbox="445 396 1276 449">• Necessary, Reasonable, Allocable</li><li data-bbox="445 468 1447 521">• Conform to any limitations or exclusions</li><li data-bbox="445 539 1931 592">• Consistent with policies and procedures that apply uniformly</li><li data-bbox="445 611 1633 664">• Consistent treatment of costs (direct or indirect)</li><li data-bbox="445 682 1658 735">• Generally Accepted Accounting Principles (GAAP)</li><li data-bbox="445 753 2474 863">• Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program</li><li data-bbox="445 882 1103 935">• Adequate documentation</li><li data-bbox="445 953 1676 1006">• Costs incurred during the approved budget period</li></ul>



# CFR

Requirement	Citation and Notes
Reasonableness	<p data-bbox="473 325 856 375"><u>2 CFR § 200.404</u></p> <ul data-bbox="473 396 2440 654" style="list-style-type: none"><li data-bbox="473 396 2440 582">• A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.</li><li data-bbox="473 604 1824 654">• Specific considerations in regulation must be reviewed.</li></ul>
Allocability	<p data-bbox="473 696 856 746"><u>2 CFR § 200.405</u></p> <ul data-bbox="473 768 2499 1232" style="list-style-type: none"><li data-bbox="473 768 2499 882">• Goods or services are chargeable or assignable to Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:<ul data-bbox="545 903 2474 1232" style="list-style-type: none"><li data-bbox="545 903 1651 953">• Is incurred specifically for the Federal award;</li><li data-bbox="545 975 2333 1089">• Benefits both the Federal award and other work and can be distributed in proportions that may be approximated using reasonable methods; and</li><li data-bbox="545 1110 2474 1232">• Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.</li></ul></li></ul>

# CFR

Requirement	Citation and Notes
Indirect Costs	<p data-bbox="445 325 830 378"><u>2 CFR § 200.414</u></p> <ul data-bbox="445 396 2484 1149" style="list-style-type: none"><li data-bbox="445 396 2484 592">• Because of the diverse characteristics and accounting practices of nonprofit organizations, it is not possible to specify the types of facilities and administration costs which may be classified as indirect cost in all situations.</li><li data-bbox="445 606 2484 802">• Identification with a Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect (F&amp;A) costs of Federal awards.</li><li data-bbox="445 816 2484 1149">• Generally, typical examples of indirect cost for many nonprofit organizations may include depreciation on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.</li></ul>

# CFR

Requirement	Citation and Notes
Selected Items of Cost (55)	<p data-bbox="445 328 1108 378"><u>2 CFR §§ 200.420 – 200.476</u></p> <ul data-bbox="445 399 2471 1078" style="list-style-type: none"><li data-bbox="445 399 2471 592">• This section provides principles to be applied in establishing the allowability of certain items involved in determining cost. These principles apply whether or not a particular item of cost is properly treated as direct cost or indirect cost.</li><li data-bbox="445 606 2471 871">• Failure to mention a particular item of cost is not intended to imply that it is either allowable or unallowable; rather, determination as to allowability in each case should be based on the treatment provided for similar or related items of cost, and based on the principles described in <u>§§ 200.402</u> through <u>200.411</u>.</li><li data-bbox="445 885 2471 1078">• In case of a discrepancy between the provisions of a specific Federal award and the provisions below, the Federal award governs. Criteria outlined in <u>§ 200.403</u> must be applied in determining allowability.</li></ul>

# CFR

Requirement	Citation and Notes
<b>Selected Items of Cost (55)</b>	<p><u>2 CFR §§ 200.420 – 200.476</u></p> <ul style="list-style-type: none"><li>• Costs are identified as allowable, allowable with prior approval, or unallowable</li><li>• Examples range from advertising, alcohol, payroll compensation, conferences, donations, entertainment, equipment, fund raising, interest, lobbying, materials including computer equipment, participant support costs, pre-award, professional services, proposal costs, publications and printing, rental property, telecommunications, transportation, travel, and other costs.</li></ul>
<b>Annual Audit Rules</b>	<p><u>Subpart F of 2 CFR Part 200</u></p> <ul style="list-style-type: none"><li>• Applicable if entity expends \$750,000 aggregate in federal funds</li></ul>

# Grant Requirements from Awarding Agency

# Grant Requirements from Awarding Agency

- Each federal awarding agency may impose limited additional grant requirements that must be followed.
- Each awarding agency, i.e., the Texas Education Agency, may also impose limited additional grant requirements that must be followed, such as but not limited to:
  - State travel rules
  - State procurement rules
  - Fingerprinting and federal background checks



# Guidelines, Provisions, and Assurances

# Guidelines, Provisions, and Assurances

- For all grants administered by TEA, the agency publishes general, fiscal, and program-specific guidelines. Grant recipients must assure that funds will be spent in accordance with all grant procedures and federal and state regulations.
- <https://tea.texas.gov/finance-and-grants/grants/grants-administration/guidelines-provisions-and-assurances>
- General and Fiscal Guidelines describe grant application procedures as well as general processes for distribution and management of grant funds based on the Education Department General Administrative Regulations (EDGAR). These guidelines apply to all grants that TEA administers and are part of every Request for Application (RFA) that TEA publishes.
- <https://tea.texas.gov/sites/default/files/general-and-fiscal-guidelines-7.1.2021-and-after.pdf>



# Guidelines, Provisions, and Assurances

## ■ Grant Program Guidelines

- TEA, as the *pass-through entity*, is the *grantee* from the *U.S. Department of Education (USDE)* and TEA awards *subgrants to non-federal entities* such as local educational agencies (LEAs), including school districts, charter schools, and education service centers, and to a lesser degree institutions of higher education (IHEs), and nonprofit organizations (NPOs) who are the agency's *Subgrantees*. These guidelines apply to all subgrantees of TEA, regardless of whether referenced herein as subgrantee or grantee. For purposes of this document, TEA may use the terms grantee and subgrantee synonymously for its subrecipients.
- This part of the *request for application (RFA), Program Guidelines*, is to be used in conjunction with the *General and Fiscal Guidelines* and the schedule instructions. The Standard Application System (SAS) consists of all schedules (i.e., forms) to be completed in order for the applicant to be eligible for funding. The application to which these instructions refer must be submitted electronically through the eGrants system.
- For applicants selected for funding, all guidelines and instructions will be incorporated by reference into the *Notice of Grant Award (NOGA)*.

# Guidelines, Provisions, and Assurances

- Grant Program Guidelines Components
  - Grant Program Name
  - Authorizing Statute
  - Contact Information
  - Funding/Appropriation
  - Program Purpose, Goals, and Objectives
    - Eligibility, Supplement, Not Supplant, Administrative Costs, Pre-Award
  - Statutory Requirements
  - TEA Program Requirements
  - Program-Specific Provisions and Assurances
  - Allowable vs. Unallowable Activities and Uses of Funds
  - Performance Measures
  - Federal Grant Requirements
    - Equitable Access and Participation, Private Nonprofit School Participation, Maintenance of Effort
  - Attachments
- Explore [TEA Grant Opportunities](#)

# Guidelines, Provisions, and Assurances

- General Provisions and Assurances: Required for every TEA grant agreement
  - For grants awarded on or after January 04, 2021: [Provisions and Assurances](#)
  - For grants awarded before January 04, 2021: [Provisions and Assurances](#)
- [Debarment and Suspension](#): Required for all federal grants, regardless of dollar amount
- [Lobbying Certification](#): Required for all federal grants greater than \$100,000
- [No Child Left Behind Act of 2001](#): Required for all programs funded under the Elementary and Secondary Education Act of 1965, as amended by Public Law 107-110, No Child Left Behind Act of 2001
- [Every Student Succeeds Act](#): Required for all programs funded under the Elementary and Secondary Education Act of 1965, as amended by Public Law 114-95, Every Student Succeeds Act (ESSA)

# Specific Considerations

# Specific Considerations

- Local policies and procedures
- Documentation
- Procurement
- Time and Effort
- Allowability of Costs
- Monitoring and Audit

# Resources

# Resources

Resource	Location
TEA Grant Opportunities Page	<a href="https://tea4avalonzo.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx">https://tea4avalonzo.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx</a>
General and Fiscal Guidelines	<a href="https://tea.texas.gov/sites/default/files/general-and-fiscal-guidelines-7.1.2021-and-after.pdf">https://tea.texas.gov/sites/default/files/general-and-fiscal-guidelines-7.1.2021-and-after.pdf</a>
Provisions, Guidelines, and Assurances	<a href="https://tea.texas.gov/finance-and-grants/grants/grants-administration/guidelines-provisions-and-assurances">https://tea.texas.gov/finance-and-grants/grants/grants-administration/guidelines-provisions-and-assurances</a>
Forms for Prior Approval, Disclosure, and Justification	<a href="https://tea.texas.gov/finance-and-grants/grants/grants-administration/forms-for-prior-approval-disclosure-and-justification">https://tea.texas.gov/finance-and-grants/grants/grants-administration/forms-for-prior-approval-disclosure-and-justification</a>
Budgeting Costs Guidance Handbook	<a href="https://tea.texas.gov/sites/default/files/budgeting_costs_guidance_handbook.pdf">https://tea.texas.gov/sites/default/files/budgeting_costs_guidance_handbook.pdf</a>
Procurement Guidance Handbook	<a href="https://tea.texas.gov/sites/default/files/procurement-guidance-handbook.pdf">https://tea.texas.gov/sites/default/files/procurement-guidance-handbook.pdf</a>

# Resources

- The TEA Department of Grant Compliance and Administration announces the launch of its new Back to Basics Training series. This is a multi-part, federal grant management training series with multiple sessions that will be offered through the 2021-2022 school year. While all are invited to attend, training content will focus on basic information that is geared to an audience of new federal grant staff at LEAs and ESCs.
- This is a statewide training. It will be recorded and shared with registered participants and posted on the Department of Grant Compliance and Administration playlist in TEA's YouTube channel located at [https://www.youtube.com/playlist?list=PLYCCyVaf2g1tZei97d\\_h5FeRXIK\\_1oCps](https://www.youtube.com/playlist?list=PLYCCyVaf2g1tZei97d_h5FeRXIK_1oCps).
- **Back to Basics: Federal Grant Management (Part I)**
  - Date: November 19, 2021
  - Time: 9 a.m. - 10:30 a.m.
  - Register to Attend:  
[https://us02web.zoom.us/webinar/register/WN\\_h0qF87PfRgmeDSdIfWyVXg](https://us02web.zoom.us/webinar/register/WN_h0qF87PfRgmeDSdIfWyVXg)



# Q & A

