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## MEMORANDUM

**TO:** Members, Utah State Board of Education

**FROM:** Natalie Grange  
Assistant Superintendent of Financial Operations

**DATE:** November 3-4, 2016

**ACTION:** Modification to Grants Approval Policy

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### **Background:**

The Finance Committee will be provided with suggested policy revisions to the existing Grants Approval policy. Modifications include one additional notification step for the Governor's office.

### **Board Strategic Plan:**

This item supports the following imperative(s) and strategies in the Board's Strategic Plan:

- Educational Equity
- System Values

### **Anticipated Action:**

It is anticipated the Committee members will review the modifications and forward the policy to the full Board for approval.

**Contact:** Jacob Jorgensen, Grants Compliance Officer, 801-538-7671  
Natalie Grange, Assistant Superintendent of Financial Operations, 801-538-7668

# USBE Grant Approval and Management Policy

## USBE Policy related Federal Funds Approval Process

### Definitions

**“Federal Grants”** means cash or other money received from the United States government or from other individuals or entities for or on behalf of the United States and deposited with the state treasurer or any agency of the state. “Federal grants” includes federal assistance and federal assistance programs, but does not include money received from the United States government to reimburse the state for money expended by the state. “Federal Grants” does include awards in which the USBE is a sub-recipient or participates in a co-sponsorship or agreement with another agency or partner.

**“Low-Impact Federal Grants”** meet all of the following requirements:

- Result in the state receiving \$1 million or less in federal funding per year;
- Require no additional permanent full/part-time employees; and
- Require no new state money to match or participate.

**“Medium-Impact Federal Grants”** meet any one of the following conditions:

- Result in the state receiving more than \$1 million but less than \$10 million in federal funding per year;
- Require one but less than 11 new permanent full/part-time employees; or
- Require the state to expend \$1 to \$1 million in new state money in a fiscal year to match or participate.

**“High-Impact Federal Grants”** meet any one of the following characteristics:

- Result in the state receiving more than \$10 million in federal funding per year;
- Require 11 or more new permanent full/part-time employees; or
- Require the state to expend more than \$1 million in new state money in a fiscal year to match or participate.

### **Primary Approval Process for Federal Grants 63J-5-201**

Annually the grants management officer of the financial operations section will compile a listing of the existing approved federal grants. The list will be provided to each section by May 1 of each year. Each responsible section will review the listing of approved federal grants, ensure that the following are updated for each grant, and respond to the fiscal operations section by May 30 of each year.

- 1) Grant Name and CFDA #
- 2) Federal Awarding Agency
- 3) Amount of Award
- 4) Number of Personnel funded by grant

- 5) Period of Availability of existing approved grants
- 6) Application dates, renewal, or reauthorization deadlines
- 7) Maintenance of Effort requirements or matching requirements
- 8) Specific reports and reporting deadlines

The above information will also be provided for all grants in which the USBE is a sub-recipient or participates in a co-sponsorship or agreement with another agency or partner. The entity that awards funds to the USBE will also be noted.

This listing will be used to compile Federal Funds Request summary which is submitted to the Governor's Office of Management and Budget (GOMB) in compliance with 63J-5-201. This summary will be compiled by the grants officer, and approved by the Deputy Superintendent of Operations prior to submission to the Board. The Federal Funds Request summary will be submitted to the GOMB by October 14 each year.

The Governor's Office submits the Federal Fund Request Summary to the LFA. The LFA may include the federal funds in the base budget bill as directed by EAC. The LFA submits the summary to the appropriations subcommittees. Subcommittees recommend acceptance or non-acceptance of each grant. The EAC reviews subcommittee recommendations and directs LFA to include/exclude the funds in an appropriations act. The Legislature passes an appropriations act with federal funds, which constitutes legislative approval of the associated grants. Grants approved through the primary approval process are considered approved for the upcoming fiscal year.

### **Secondary Approval Process Federal Grants 63J-5-201**

For grants that become available outside of the timeframe of the annual general session or were not approved through the primary approval process the following procedures apply.

Notification will be provided to the USBE grants compliance officer of all new federal grant applications or renewal applications, prior to the submission of these application to the Federal Government or to another entity to qualify as a subrecipients. The grants compliance officer will provide a summary of all pending new grant applications or reauthorizations, the category of grant (low, medium, or high impact grants) and details of this categorization, and the status of the process in a monthly report to the Board. This report will appear in the consent calendar. USBE sections will report all required information to the USBE grants officer. The grants compliance officer shall follow the respective approval process as listed below as determined by the grant category:

#### **1. Low-Impact Federal Grants.**

- a. Terms and Conditions will be submitted to the USBE Attorney General for review
- b. Notification of the application or reauthorization process will be provided to the Board in the monthly report.

- c. Approval in the consent calendar by the Board will be considered authorization to move forward with the application or reauthorization process.
- d. Change in status from application to awarded status will be reported to the Board in the next monthly meeting.
- e. Awarded status will be reported to the EAC, the LFA and the LRGC in the month the grant is approved by the Board by the grants officer. Notification will also be provided to the respective USBE section, the Accounting office, and the Audit/Finance Analyst by the grants officer.

## 2. Medium-impact grants

- a. Terms and Conditions will be submitted to the USBE Attorney General for review
- b. Notification of the application or reauthorization process will be provided to the Board in the monthly report.
- c. Approval in the consent calendar by the Board will be considered authorization to move forward with the application or reauthorization process.
- d. Change in status from application to awarded status will be reported to the Board in the next monthly meeting.
- e. Board approved status will be reported to the EAC for its review and recommendations the month it is approved by the Board.
- f. The Executive Appropriations Committee may:
  - Recommend the agency accept the new federal funds;
  - Recommend the agency not accept the new federal funds; or
  - Recommend to the Governor that the Governor call a special session to review and approve or reject the acceptance of the new federal funds
- g. Grants are not considered approved until ratified by the EAC or the Governor as outlined in (f) above.
- h. Approval status will be reported Board in the next monthly consent calendar. Approval status will be reported to the respective USBE section, the Accounting office, and the Audit/Finance Analyst by the grants officer when it occurs.

## 3. High-Impact Federal Grants.

These grants must be approved USBE then submitted to the full Legislature for approval or rejection in a legislative session.

- a. Terms and Conditions will be submitted to the USBE Attorney General for review
- b. Notification of the application or reauthorization process will be provided to the Board in the monthly report.
- c. Approval in the consent calendar by the Board will be considered authorization to move forward with the application or reauthorization process.
- d. Change in status from application to awarded status will be reported to the Board in the next monthly meeting.
- e. Board approved status will be reported to the EAC, the LFA, and GOMB.
- f. Grants are not considered approved until approved by the full Legislature.

- g. Approval status will be reported Board in the next monthly consent calendar. Approval status will be reported to the respective USBE section, the Accounting office, and the Audit/Finance Analyst by the grants officer when it occurs.

### **Federal funds awards exceed approved amounts**

If the USBE receives federal funds that exceed the amount approved through the primary or secondary approval process for each grant, it may expend up to 25% in excess of the amount approved if all of these conditions are met:

1. The excess funds will not require the addition of one or more permanent full-time or part-time employees;
2. No new state money will be required to match the excess federal funds; and
3. Receipt of the excess money will not require the state to comply with new requirements.

### **USBE Policy related to private grants and interagency agreement approval process**

Notification will be provided to the grants compliance officer of all new private grant proposals, new applications, or renewals, and interagency agreements that involve the acceptance of awarded funds, prior to the acceptance of an award or submission of the application to the private awarding entity.

The grants compliance officer will provide a summary of all pending new private grant applications or reauthorizations or interagency agreements, the categories of federal categories will be used for private grants and interagency agreements (low, medium, or high impact grants) and details of this categorization, and the status of the process in a monthly report to the Board. This report will appear in the consent calendar. The grants compliance officer shall:

### **Private Grants and interagency agreements.**

- a. Terms and Conditions will be submitted to the USBE Attorney General for review.
- b. Notification of the application or reauthorization process will be provided to the Board in the monthly report.
- ~~c.~~ Approval in the consent calendar by the Board will be considered authorization to move forward with the application or reauthorization process.
- ~~d.~~ Private Grants will be loaded into grants.utah.gov by the Grant Compliance Officer for approval by the Governor's Office.
- ~~e.~~ The Governor's Office will send a grants report to the EAC for approval based on criteria in Title 63J Chapter 7 Part 2.
- ~~f.~~ Change in status from application to awarded status will be reported to the Board in the next monthly meeting. Approval by the ~~USBE in the consent calendar~~ Governor's Office or the EAC, as appropriate, will be considered final approval for the time period indicated.
- ~~e.~~ g. Awarded status will be provided to the respective USBE section, the Accounting office, and the Audit/Finance Analyst by the grants officer.

## Grants Management System and Compliance Monitoring

### **Grants Management System**

The USBE section responsible for implementing approved federal, private, or other interagency agreements shall work with the grants compliance officer to coordinate integration of the grants or programs in the USBE Grants Management System. Determinations will be based on the size and scope of the grant, the capabilities of the current grants management systems, and costs required for implementation.

### Sub-Recipient Award Process and Approval

Awards to USBE that will pass through to Sub-Recipients will be classified as Entitlement or Competitive. USBE reserves the right to establish additional requirements, obligations, or restrictions to funds passed through to Sub-Recipients.

Entitlement award amounts and Sub-Recipients will be determined by the USBE Program Manager and Section Director in accordance with the USBE policies, Uniform Grant Guidance, and the awarding entities rules and regulations.

Competitive award amounts and Sub-Recipients will be determined through a competitive application process in accordance with the USBE policies, Uniform Grant Guidance, and the awarding entities rules and regulations.

Sub-Recipients must comply with all requirements associated with the applicable funds received unless a waiver process is in place and a waiver for the Sub-Recipient has been pre-approved. At a minimum, Sub-Recipients must complete an Assurance document by the date determined by USBE. Additionally, Sub-Recipients must complete, as applicable, the following documents by the date determined by USBE:

1. Application
2. Budget
3. Program Plan and Goals
4. Other Documents as outlined by the Respective Program Manager

Sub-Recipients that are selected to receive funds will be notified of their award and the award amount. Award amounts are subject to change throughout the life of the grant and USBE will make every effort to promptly inform sub-recipients of potential and actual changes and any additional actions that need to be taken by the Sub-Recipient.

### **Compliance Monitoring**

Sections will also work with the grants compliance officer to ensure adequate systems, policies and supports are in place to mitigate areas of risk regarding compliance. Each USBE section shall be responsible for evaluating, monitoring, and documenting grant compliance for all approved grants under their authority. Notification of all program related findings, shall be reported to the USBE internal auditor and the grants compliance officer.