

## 03-01. Grant Approval and Management

<b>Internal Policies and Procedures of the Utah State Board of Education</b>
<b>Policy # 03-01</b>
<b>Subject:</b> Grant Approval and Management
<b>Effective Date:</b> 7/1/2016 <b>Revision Dates:</b> 11/4/2016; 5/9/2018
<b>Purpose:</b> To provide guidance for the USBE to accept funds from Federal, State, or private entities, and establish the minimum requirements for sub-recipients to be approved to receive the funds.
<b>Policy:</b> A USBE employee or Section may not submit a grant application as a primary or other recipient, without following the procedures outlined in state statute and this policy.
<b>References:</b> <a href="#">Utah Code Title 63J, Chapter 5, Federal Funds Procedures Act</a>

### Federal Funds and Grants

#### Procedures:

- The definition of federal funds and the varying degrees of approval required based on the level of federal funding are found in [Utah Code Title 63J, Chapter 5](#).

#### Primary Approval Process for Reauthorization of Federal Funds

- These Primary Approval Process procedures outline the typical process used for grant approval, when grant application deadlines allow for the legislature to complete its review processes during its annual general session.
- By May 1 each year, the Grants Compliance Officer of the USBE Financial Operations Section compiles a list of the existing approved federal grants (including grants for which USBE is a sub-recipient or participates in a co-sponsorship or agreement with another agency or partner) and provides the list to each Section.
- By May 30 each year, each responsible USBE Section shall review the list of approved federal grants, ensure that the following are updated for each grant, and respond to the Financial Operations Section.
  - Grant name and CFDA #
  - Federal awarding agency
  - Entity that awards funds to the USBE
  - Amount of award
  - Number of personnel funded by grant
  - Period of availability of existing approved grants
  - Application dates, renewal, or reauthorization deadlines

- Maintenance of effort requirements or matching requirements
  - Specific reports and reporting deadlines
- The Grants Compliance Officer compiles the list to create the Federal Funds Request, for approval by the Deputy Superintendent of Operations and the Board.
- By October 14 each year, the USBE submits the Federal Funds Request summary to the Governor’s Office of Management and Budget (GOMB), in compliance with Utah Code Section 63J-5-201.
- GOMB submits the Federal Funds Request Summary to the Office of the Legislative Fiscal Analyst (LFA).
- The LFA may include the federal funds in the base budget bill as directed by the Legislature’s Executive Appropriation Committee (EAC).
  - The LFA submits the summary to the appropriations subcommittees, which may recommend acceptance or non-acceptance of each grant.
- The EAC reviews subcommittee recommendations and directs the LFA to include or 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 for Federal Grants**

- These Secondary Approval Process procedures are used for grants that become available outside of the timeframe of the legislature’s annual general session, or for grants that were not approved through the primary approval process.
- A “Low-Impact Federal Grant” meets all of the following requirements:
  - Results in the state receiving \$1 million or less in federal funding per year;
  - Requires no additional permanent full/part-time employees; and
  - Requires no new state money to match or participate.
- A “Medium-Impact Federal Grant” meets any one of the following conditions:
  - Results in the state receiving more than \$1 million but less than \$10 million in federal funding per year;
  - Requires at least 1, but less than 11 new permanent full/part-time employees; or
  - Requires the state to expend between \$1 and \$1 million in new state money in a fiscal year to match or participate.
- A “High-Impact Federal Grant” meets any one of the following characteristics:
  - Results in the state receiving more than \$10 million in federal funding per year;
  - Requires 11 or more new permanent full/part-time employees; or
  - Requires the state to expend more than \$1 million in new state money in a fiscal year to match or participate.
- A USBE employee shall notify the USBE Grants Compliance Officer of all new federal grant applications or renewal applications, prior to submitting the application to the Federal Government or to another entity to qualify as a subrecipient.

- A USBE Section shall report all required information to the USBE Grants Compliance Officer in order to create a grant summary report.
- The Grants Compliance Officer provides the grant summary report of all pending new grant applications or reauthorizations, including the category of grant (low, medium, or high impact grants) and the status of the process in a monthly report to the Board, as an item on the Board's consent calendar.
- The Grants Compliance Officer shall follow the respective approval process as determined by the grant category.

#### **Low-Impact Federal Grants**

- Submit Terms and Conditions to the USBE Attorney General for review.
- Provide notice to the Board of the application or reauthorization in the monthly report.
  - The grant application is placed on the Board's consent calendar for consideration, and if the Board approves it, the application may move forward in the process.
- A change in status from application to awarded status is reported to the Board at the next monthly meeting.
- The USBE Grants Compliance Officer reports awarded status to the EAC, the LFA and the Office of Legislative Research and General Counsel (OLRGC) in the month the grant is approved by the Board.
  - The Grants Compliance Officer also provides notification to the respective USBE section, the Accounting office, and the Audit/Finance Analyst.

#### **Medium-Impact Federal Grants**

- Same process for Low-Impact Federal Grants, as well as:
- The USBE reports to EAC the approved status of all medium-impact grants that were approved by the Board that month.
- 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 GOMB that the Governor call a special session to review and approve or reject the acceptance of the new federal funds
- A medium-impact grant is not considered approved until ratified by the EAC or the GOMB as outlined above.
- The USBE Grants Compliance Officer reports approval status to the Board on its next monthly consent calendar.
  - The Grants Compliance Officer also provides notification to the respective USBE section, the Accounting office, and the Audit/Finance Analyst.

#### **High-Impact Federal Grants.**

- Same process for Low-Impact Federal Grants, as well as:
- The USBE reports to the EAC, LFA, and GOMB the approved status of all high-impact grants that were approved by the Board that month.

- The full legislature must approve a high-impact grant in a legislative session, before the grant may be executed.
- The Grants Compliance Officer reports approval status to the Board on its next monthly consent calendar.
  - The USBE Grants Compliance Officer also provides notification to the respective USBE section, the Accounting office, and the Audit/Finance Analyst.

### **Federal Funds Awards Exceeding 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:
  - The excess funds will not require the addition of one or more permanent full-time or part-time employees;
  - No new state money is required to match the excess federal funds; and
  - Receipt of the excess money will not require the state to comply with new requirements.

### **Private Grants and Interagency Agreements Involving Awarded Funds**

- Prior to submitting an application or accepting an award, A USBE employee shall notify the Grants Compliance Officer of a new private grant proposal, application, renewal, or interagency agreement that involves the acceptance of awarded funds.
- The Grants Compliance Officer provides in a monthly report on the Board’s consent calendar, a summary and status of all pending new private grant applications, reauthorizations, or interagency agreements, categorized by the same monetary levels that are used for federal grants (low, medium, or high impact grants).
- The Grants Compliance Officer shall follow the same approval process for private grants and interagency agreements involving awarding funds that is used for approval of federal grants, depending on the award impact level.
- The Grants Compliance Officer:
  - submits the terms and conditions to the USBE Attorney General for review;
  - provides notice to the Board of the application or reauthorization process on the Board’s monthly consent calendar, and if approved by the Board, may move forward in the process; and
  - uploads information pertaining to private grants to the website [grants.utah.gov](http://grants.utah.gov) for approval by GOMB;
- GOMB sends a grants report to the EAC for approval, based on criteria in Utah Code Title 63J, Chapter 7, Part 2.
- Approval by GOMB or the EAC, as appropriate, will be considered final approval for the time period indicated.
- A change in status from application to awarded status is reported to the Board at the next monthly meeting.
- The USBE Grants Compliance Officer provides notification to the respective USBE section, the Accounting office, and the Audit/Finance Analyst.

## Grants Management System and Compliance Monitoring

- The USBE Section responsible for implementing an approved federal, private, or other interagency agreements shall work with the Grants Compliance Officer to coordinate integration of the grants or programs into the USBE Grants Management System.

### **Sub-Recipient Award Process and Approval**

- Awards to USBE that pass through to sub-recipients are classified as either “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 USBE policies, Uniform Grant Guidance, and the awarding entity’s rules and regulations.
- Competitive award amounts and Sub-Recipients will be determined through a competitive application process in accordance with State law, USBE policies, Uniform Grant Guidance, and the awarding entity’s rules and regulations.
- To be eligible for funds, Sub-Recipients shall 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 shall complete an assurance document by the date determined by USBE.
  - Additionally, Sub-Recipients shall complete, as applicable, the following documents by the date determined by USBE:
    - Application;
    - Budget;
    - Program Plan and Goals;
    - Student Data needs or requirements;
    - Financial Reports; and
    - Other Documents required by USBE
- USBE sends an award letter notifying sub-recipients of their selection, including 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**

- USBE Sections shall 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 is responsible for evaluating, monitoring, and documenting grant compliance for all approved grants under its authority.
- A USBE section shall notify the USBE Internal Audit Director and the Grants Compliance Officer of all program-related findings.