Fiscal Year 2022 Higher Education Congressionally Funded Community Projects
Frequently Asked Questions
July 2022

These Frequently Asked Questions (FAQs) are in response to technical questions the U.S. Department of Education (Department) received from applicants for fiscal year (FY) 2022 Higher Education Congressionally Funded Community Projects (Earmark). The Earmark awards are authorized by the Consolidated Appropriations Act, 2022. Find a list of Higher Education earmarks in the Explanatory Statement here, beginning on page 341.

Indirect Costs

Question 1: Is an institution allowed to use our previously negotiated indirect cost rate? If so, are there limitations on what can be included?

Answer: Yes. The institution may use its negotiated indirect cost rate from its current Federal negotiated indirect cost rate agreement, keeping in mind that the total amount of funds for the entire costs (direct and indirect) of the program cannot exceed the earmarked amount. Additionally, scholarships cannot be included when calculating the indirect costs. However, if the Department determines that a particular earmark award qualifies as a training project under 34 C.F.R. § 75.562, the Department will apply either the grantee’s negotiated indirect cost rate agreement, or eight percent of a modified total direct cost base, whichever amount is less.

Question 2: In finalizing the indirect costs in the budget, are there particular costs that we should not include in the final budget submitted in grants.gov?

Answer: Yes. Examples of costs that should not be included are stipends and scholarships. Note is made here that a recipient may request their organization’s/institution’s negotiated indirect cost rate. However, if you have determined that your grant is a training grant, the indirect cost rate is 8 percent.

Allowable Costs

Question 3: How can we determine the costs that are allowable for our project? If we include costs in our application that are determined later to be unallowable, how and when will we be contacted regarding the needed corrections?

Answer: All costs should be reasonable and necessarily related to the project description provided in the Consolidated Appropriations Act, 2022. Someone from the Department will contact recipients as soon as possible for clarification if there are any questions regarding budget line items.
Question 4: How much of a grant can be used to cover renovation costs?

Answer: It is up to the institution/organization to determine how the funds will be allocated based on the congressionally directed project.

Question 5: May Congressionally directed funds be used to provide scholarships to students/participants and other forms of direct financial assistance (i.e., room and board, meal plans, etc.)

Answer: Under 20 USC 1138 (d)(1), no earmark funds may be used to provide direct financial assistance in the form of grants or scholarships to students who are not Title IV eligible, unless the Congressional language explicitly provided that scholarship funds are designated for a certain group of participants.

Equipment

Question 6: Does equipment purchased through this grant have any specific requirements pertaining to fixed asset management and depreciation beyond what the institution already has in place for its property control program? For example, is there specific guidance for classifying the equipment, replacing or reporting on damaged/lost/stolen equipment, or rules for retention, depreciation, and transferability to other locations/programs outside the use of the grant?

Answer: To the extent that a grantee has detailed an equipment expense in its budget consistent with 2 CFR 200.439, so long as the expense is both reasonable and necessary, the Department considers the approval of the grant application as also providing the prior approval of this capital expenditure required for general purpose equipment under 2 CFR 200.439.

Grantees are expected to follow all applicable Uniform Guidance requirements when using grant funds for the purchase of equipment, including 2 CFR 200.313, 2 CFR 200.439 and 200.436. When Congressionally Funded Community Project funds are used for capital equipment, the grantee must consult with the Department on disposition instructions in the event that the equipment is no longer needed for Federal programs. See, e.g., 2 CFR §§ 200.310-200.313. For example, the U.S. Department of Education may be entitled to an amount calculated by multiplying the current market value or proceeds from sale by the U.S. Department of Education’s percentage in the cost of the original purchase (2 C.F.R. §§ 200.313(e)).

Question 7: Can budgets for equipment purchases include equipment maintenance agreements and multi-year software licenses that will extend beyond the three-year grant period?
Particularly, would it be allowable if the agreements/licenses were purchased at the same time as the equipment and are part of a bundle?

**Answer:** As a preliminary matter, a grantee or subgrantee must obligate earmark funds within the period of availability and must liquidate those obligations within 120 days of the end of the period of availability ([2.C.F.R. § 200.344(b)](http://xref.commack.ny.us/2.C.F.R.)) (or within 18 months if the grantee or subgrantee receives approval for a late liquidation). Under some limited circumstances in which a grantee or subgrantee timely obligates earmark funds, earmark funded activities may continue for a reasonable time beyond the liquidation period (including an approved late liquidation period). Factors impacting how long earmark funded activities may extend past the liquidation period include:

- Whether the funds were properly obligated and liquidated in a timely manner;
- Whether the extended activities constitute a reasonable and necessary use of Federal funds; and
- Whether prudent business practices ([2.C.F.R. § 200.404(b) & (d)]) and internal controls (which generally limit prepayment) would support the continued activities for the length of time proposed.

**Question 8:** Can our entity purchase vehicles in order to support the activity of the grant?

**Answer:** It depends. Entities using their earmark grant funds for vehicle purchases must receive prior approval from the Department. As such, entities must include any proposed vehicle purchases in the budget of their earmark grant application.

In evaluating your earmark grant application, the Department weighs whether purchasing a vehicle, as opposed to alternatives such as a lease or rental, is reasonable and necessary for your specific proposed earmark project under the Uniform Guidance’s cost principles for federal grants ([2 CFR part 200 subpart E](http://xref.commack.ny.us/2 CFR part 200 subpart E)). Generally, to obtain the most value and impact of federal dollars, the Department looks at a potential vehicle purchase as opposed to a more limited lease or rental to ensure the “best deal.”

Specifically, some things the Department may consider are the following:

Is the vehicle purchase necessary to carry out the project or activity? (Examples where a vehicle purchase is reasonable and necessary could include an earmark specifically for training future truckers on a freightliner truck, transporting students to receive afterschool services, or purchasing a recruitment van to reach students in rural communities)

Are the costs of purchasing vs. a rental/leasing reasonable given (a) the vehicle needed, (b) and the period it is intended to be used (including after the earmark funding ends)?

Is the vehicle specifically mentioned in the description of the earmark?
Will the entity be able to continue the use the vehicle for the same activity supported by the earmark after the period of earmark funding ends?

**Question 9:** If we purchase a vehicle using grant funds, what do we do with that vehicle when the grant ends?

**Answer:** Entities have several options under the Uniform Guidance’s disposition regulations (2 CFR § 200.313(e)):

1. If the vehicle is valued at $5,000 or less at the end of the earmark funding period, it may be retained, sold, or otherwise disposed of with no further responsibility to the Department.
2. An entity may continue to use the vehicle for the same activity supported by the earmark after the end of the grant with no further responsibility to the Department (and if the market value depreciates to $5,000 or less, the entity may follow Option 1, above)
3. An entity may sell the vehicle and provide a calculated amount of the proceeds of the sale to the Department (the amount is calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase)

**Subgrants**

**Question 10:** Forthcoming information on subgrants was mentioned during the earmark training webinar. Are subgrants allowed and where can I find the information mentioned during the training?

**Answer:** Yes, subgrants are allowed for Earmark funds under certain conditions. Please refer to the notice on subgrants was published in the *Federal Register* on June 10th, available here: [https://www.govinfo.gov/content/pkg/FR-2022-06-10/pdf/2022-12529.pdf](https://www.govinfo.gov/content/pkg/FR-2022-06-10/pdf/2022-12529.pdf).

**Endowment**

**Question 11:** How should an institution develop a budget for funding intended for an endowment?

**Answer:** Earmark funds can only be used to support an endowment where this use is explicitly provided for in your earmark language. In your application you should address the following:

- The amount that will be used towards the endowment
- How the endowment will be managed - Are you proposing to add the lump sum into an existing endowment or open a new account?
Also, with respect to the endowment you can only draw earmark funds down once you are ready to invest. Therefore, you should indicate (in your application for funding?) who will manage the investment, as you will need to show documentation of the investment.

**Question 12:** What are the reporting requirements for earmark funds that are designated to be added to an existing endowment fund? Will the Department require an update in the yearly reports on the endowment’s investments during the grant period?

**Answer:** If the intent is to invest the entire amount into an existing endowment, you will need to report the amount invested and the value of the endowment prior to the investment as part of your application. At the end of the year, if all funds have been invested, and the grant is now at a zero balance, you will be required to submit a final report so the grant can be closed out.

**Performance Period**

**Question 13:** Some things have changed since we originally submitted our proposal for this grant. Can the budget and performance period for the grant be modified?

**Answer:** Yes, so long as the proposed changes to the project align with the original earmark description as articulated in the Consolidated Appropriations Act, 2022.

**Question 14:** If project activities have occurred prior to receiving this grant, can they be added to the application budget?

**Answer:** Yes, if they occurred within 90 days of receiving the grant award. These costs should be included in the application along with a justification. Pre-award costs must be documented carefully, be reasonable and necessary to carry out the grant, and meet all other requirements for allowability under the cost principles of the Uniform Guidance set out in Subpart E of 2 CFR Part 200.

**Question 15:** What is the timeline for expending these grant funds?

**Answer:** All funds will be frontloaded. Earmark recipients may request a performance period of one to three years. This means that a recipient can show in the budget if they plan to expend all funds in one year or spread expenditures across two or three years. We have provided a timeline of up to three years from time of award for grantees to implement their projects. The project period for the congressionally directed community projects is 9/1/2022 – extending up to 8/31/2025.
Project Personnel

**Question 16:** What are the positions that recipients are required to describe and provide resumes/curriculum vitae for in our completed application package?

**Answer:** Only key personnel that will be administering the grant need to be included. The applicant can include the number of individuals that will be hired using grant funds and outline the roles and responsibilities for those positions only if paid by the grant.

Uniform Guidance

**Question 17:** If Uniform Grant Guidance conflicts with local/state regulations, will our local/state directives supersede the Uniform Grant Guidance, or are we required in all instances to follow the Uniform Grant Guidance?

**Answer:** Federal grant funds must be used in accordance with applicable Federal statutory and regulatory requirements, including the Uniform Guidance. State and local regulations or directives cannot supersede the requirements of the Uniform Guidance with respect to the expenditure of Federal grant funds.

Application Forms

**Question 18:** Should I check yes or no for the potential new grantee question?

**Answer:** For some Department of Education competitions, competitive preference points are given for a new grantee or novice applicant. In this context, the applicant is not a new or novice applicant. We are not awarding additional points, therefore the answer would be no.

**Question 19:** Please provide an explanation of how an institution should address the project narrative.

**Answer:** The project narrative should address the project purpose, based on the language that is included in the Consolidated Appropriations Act. A brief overview should directly address the appropriations act language authorizing this project and how your organization intends to carry out a project consistent with the appropriations act language.

In addition to the budget narrative, the application should discuss the project design, project personnel, and management plan. Details on each of these can be found in the application for
Congressionally Directed Awards at FY 2022 Application for Congressionally Directed Awards (PDF).

**Question 20:** Is ED Form GEPA 427 a required element of the application we will be submitting in grants.gov?

**Answer:** Yes, please read the form and include an explanation in your application on how you will address the GEPA requirements. See explanation and examples here: General Education Provisions Act (GEPA) section 427 (PDF).

**Question 21:** Please clarify the difference between what budget information needs to be reported on Form SF 424 and ED Form 524.

**Answer:** Form SF 424 is where you provide basic information about the applicant and the application. The budget form ED 524 must delineate the costs for each line item and the timeframe within which you expect to complete the project. The Department will accept proposed project lengths of between one to three years.

**Question 22:** Can the same person be both the point of contact for the grant and the Principal Investigator on the 424?

**Answer:** Yes, if this is approved by the certifying official, who has final approval of the form. The 424 should include the name of the main point of contact and the name of the authorizing official. In the application, the applicant can include the roles of the various key individuals. The Grant Award Notification (GAN) and all other information will go to those named as Project Director and Authorizing Representative on the 424.

**Question 23:** Are applicants required to use the same project title in grants.gov that was used at the time the original request was submitted to their congressional delegation?

**Answer:** No. Applicants may change the title of the project. However, the funds can only be used for the purpose identified in the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2022. Any unrelated costs will be determined to be unallowable.

**Question 24:** How should the project abstract be developed and what should be included?

**Answer:** The abstract should provide a one-page summary that includes the name of your organization, the name of your organization’s project, and a brief overview that directly addresses the Consolidated Appropriations Act language authorizing this project and how your
organization intends to carry out a project consistent with the Consolidated Appropriations Act language. Include the following information:

- What your organization wants to accomplish with the grant money;
- How your organization plans to carry out its goals; and
- How your organization will determine progress and gauge overall impact that may further understanding of a particular educational policy or practice.

The abstract may be single spaced. The Department recommends that all sections of the grant application, as well as the abstract, include 1-inch margins at the top, bottom, and both sides using a font that is either 12 pitch or larger, and no smaller than 10 pitch (characters per inch).

Question 25: We are currently working with the System for Award Management (SAM) to get our Unique Entity Identifier (UEI) registration renewed. Is there any opportunity for an extension of the June 30th application deadline?

Answer: The Department is monitoring SAM for updates regarding UEI registration renewal and will provide updates on our website and/or direct outreach to points of contact regarding any extension.

Question 26: Is the Department of Education able to provide a copy of the original application that our organization submitted to our congressional representative when these funds were requested?

Answer: The Department does not have the application that your organization submitted to Congress when requesting these funds.
Resources

Earmark-specific Resources
• Slides from webinar on higher education earmark grants for fiscal year 2022 can be found here.

Relevant Definitions
• Training Grants - Educational training grants provide funding for training or other educational services. Examples of the work supported by training grants are summer institutes, training programs for selected participants, the introduction of new or expanded courses, and similar instructional undertakings that are separately budgeted and accounted for by the sponsoring institution. These grants do not usually support activities involving research, development, and dissemination of new educational materials and methods. Training grants largely implement previously developed materials and methods and require no significant adaptation of techniques or instructional services to fit different circumstances.
• Subgrant – An award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subgrantee. The term includes financial assistance when provided by contractual or any other form of legal agreement, but does not include procurement purchases, nor does it include any form of assistance that is excluded from the definition of “grant or award” (see EDGAR § 77.1(c)). Also, the term “subgrant” has the same meaning as “subaward” in 2 C.F.R. § 200.92. Additional information on subgrants can be found at 34 CFR 75.708 (b). The Department of Education notice giving Authorization of Subgrants for the Congressionally Funded Community Projects for Fiscal Year 2022 can be found here.

Relevant Materials from Frequently Asked Grant Questions
• Unique Entity Identifier (UEI) Fact Sheet
• Grants.gov Frequently Asked Questions (FAQs)
• Link to an online version of the Code of Federal Regulations (CFR)

Contact Information
• For SAM.gov customer service: https://www.fsd.gov/gsafsd_sp
• For Grants.gov customer service: call 1-800-518-4726 or email support@grants.gov

Relevant Department-produced Trainings
• Link to a 30-minute training on allowable costs
• Link to a 45-minute training on indirect costs
• Link to a 30-minute training on the procurement process with federal funds
• Other Department-produced trainings for grantees
Relevant Grants.gov Resources

• Workspace is Grants.gov shared, online environment to collaboratively complete and submit federal grant applications:
• Grant application process: https://www.grants.gov/web/grants/applicants/applicant-training.html