



Native Hawaiian Education Grant  
Project Directors' Meeting  
September 21, 2015

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ALOHA

## Introductions



# Uniform Guidance

2 CFR 225 and 2 CFR 200

New Government-Wide Grant Rules



## Uniform Guidance

- Purpose for New Grant Rules:
  - Reduce admin burden on grantees
  - Reduce waste, fraud, abuse
  - Less on compliance, More on outcomes
  - More flexibility
  - Focus on Internal Controls



## Uniform Guidance

- Combines ALL 8 Circulars (A-21, A-87, A-89, A-110, A-122, A-130, A-133, etc) into Single Set of Guidance
- Significance changes in the Cost Principles
  - Indirect Costs 200.(412-417)
  - Compensation-Personal Services (T&A)200.430



## Uniform Guidance

- The Uniform Guidance (2 C.F.R. § 200) streamlines and consolidates government requirements for receiving and using federal awards.
- It became effective for new and continuation awards issued on or after December 26, 2014.
- New guidance will be effective for new and continuation awards issued this summer.



## Uniform Guidance

- General Principles/Cost Principles Same 200.403
- Allowable/Reasonable/Allocable
- Section 200.407 Prior Written Approval
- Provides a useful list of items that requires prior approval from the Federal awarding agency e.g. budget revision, entertainment, equipment, pre-award costs, travel costs



## Uniform Guidance

- Financial Connection to Performance
- Audit Requirements
- Submit Electronically to Federal Audit Clearinghouse- Attachments C
- Threshold for a Required Single Audit to \$500,000 to \$750,000



## Uniform Guidance

- Most Common Audit Findings
- -Allowable costs and activities (Documentation)
- Sub-recipient monitoring
- Cash Management
- Reporting & Internal Controls
- Property & procurement



## Uniform Guidance

- ED uses Single Audit data to:
  - Assess risk of making new and continuation grant awards (late or missing)
  - Provide technical assistance
  - Identify compliance trends develop program wide- monitoring plans
  - Audit resolution – 180 days



# Uniform Guidance Timelines

Beginning of Grantee's Fiscal Year;	Uniform Guidance Audit Requirements Apply	The First Audit Period Subject to 2 CFR Part 200, Subpart F Ends on	First Audit that is Subject to the 2 CFR Part 200, Subpart 200, Subpart F Must be submitted by
October 1, 2015	October 1, 2015	September 30, 2016	June 30, 2017



## Uniform Guidance Resources

- ED has launched the Uniform Guidance Technical Assistance for ED Grantees website located at:

<http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>.

- In addition to contacting your program officer, grantees can send any questions to [UniformGrantGuidanceImplementation@ed.gov](mailto:UniformGrantGuidanceImplementation@ed.gov).
- ED's Uniform Guidance Implementation Team will review all questions and post the answers on the Uniform Guidance webpage for all to see.



# Internal Controls

Integrity, Competence, Oversight  
Accountability, Structure



## Internal Controls

- Internal Controls- processes and methods by which an entity governs its activities to effectively and efficiently accomplish its mission & objectives
- An integral component of management that provides reasonable assurance that the following objectives are achieved:
  - Effectiveness and efficiency of operations
  - Reliability of financial reporting; and
  - Compliance with applicable laws and regulations



## Internal Controls

- Internal Controls are all the methods by which an organization governs its activities to accomplish its defined purposes.
  - Built into not added onto an entity's activities
  - Inherent in the way management's runs an organization
  - Integrated part of management and execution of a program



# Internal Controls

- Internal controls include procedures for expending funds for:
  - Personnel
  - Fringe
  - Travel
  - Equipment
  - Supplies
  - Contractual services/products
  - Indirect Costs
  - Training Stipends



# Internal Controls

## Summary- What's the Big Deal?

- Internal controls help ensure proper accountability with respect to:
- Validity and reliability of data
- Efficiency and effectiveness of operations
- Compliance with laws and regulations; and
- Achievement of agency objectives and safeguards of assets
- Maintain public trust
- Required by law.



# Internal Controls

## Laws Related to Internal Controls

- 1950 – Accounting and Auditing Act
- 1982- Federal Manager’s Financial Integrity Act (FMFIA)
- 1990-Chief Financial Officers Act (CFO) 1990
- 1993- Government Performance Results Act (GPRA)
- 1994-Government Management Reform Act (GMRA)



# Internal Controls

## Laws Related to Internal Controls

- 1996- Federal Financial Management Improvement Act (FFMIA)
- 2002- Federal Information Security Mgmt Act (FISMA)
- 2002- Improper Payments Information Act (IPIA)
- 2010- Improper Payments Elimination and Recovery Act (IPERA)



# Internal Controls

## Laws Related to Internal Controls

- 1999 GAO Publishes the Green Book & Establishes the Five Internal Control Standards
  - focus on those things that should be happening
- 2014 GAO's Exposure Draft
  - great emphasis on efficiency and effectiveness



# Internal Controls

Managers and employees should establish and maintain an environment through the organization that sets a positive and supportive attitude toward internal controls and conscientious management.



# Internal Controls

## Consider:

- Does your office undergo audits inspections investigation by outside organizations
- What types of self-assessment do you do
- How do you assess problems areas
- How are results communicated up and down the organization
- How do you communicate corrective actions throughout your office
- Do you self check that corrections are being implemented?



# Financial Management



# Financial Management

- Each grantee must expend and account for the Federal award in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award and with state laws and procedures for expending and accounting for the state's own funds.



Uniform Administrative Requirements  
200.302 Financial management



## Financial Management-con't

- The grantee's financial management records must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions
- The grantee's tracking of funds must be to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award



Uniform Administrative Requirements  
200.302 Financial management



## Financial Management-con't

- The grantee must establish and maintain effective **internal control** over the Federal award that provides reasonable assurance that the grantee is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
- The grantee must take prompt action when instances of noncompliance are identified (including audit findings).



Uniform Administrative Requirements  
200.303 Internal controls



## Financial Management-con't

- Financial Records Tips:
  - Clear, concise, and detailed
  - Consistent with institutional policy
  - Meets federal requirements
  - Aligned with GPRA
  - Within scope of project
  - Achieve project goals



## Financial Management-con't

- Financial Records must:
  - Provide for accurate, current, and complete disclosure of results regarding the use of project funds
  - Document both the federal and non-federal funds used to carry out the project and track partners
  - Maintain effective internal controls



## Financial Management-con't

- Audit Exceptions
  - Missing time and effort reports
  - Poor record-keeping
  - Failure to obtain prior approval
  - Incorrect indirect cost rates
  - Unallowable costs
  - Lack of internal controls



## Financial Management-con't

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## Carryover Considerations

- Funds may be carried over from one budget period to the next.
- The Program Officer may require a written statement and revised budget on how the unexpended funds will be used.
- Funds should be used in accordance with the application on file with the Department
- Carryover funds should not be used to make purchases outside of the project's scope



# Drawdowns



## Drawdowns

- Payments methods must minimize the time elapsing between the drawing down the funds and the disbursement of funds.
- Request funds for immediate needs.
- Draws must be commensurate with approved scope



Uniform Administrative Requirements  
200.305 Payment



# Drawdowns

- ED Concerns:
  - Large amounts of unobligated funds at end of the budget period
  - Excessive or infrequent drawdown of funds
  - Project goals not met



# Performance Reporting



# Annual Performance Reports

- Provide data on the status of funded projects;
- Correspond to the scope and objectives in the approved application and any approved amendments
- Provide most current performance and financial information
- Provide reasons why established goals were not met, if appropriate

Uniform Administrative Requirements

200.327 Financial reporting

200.328 Monitoring and reporting program performance



## Performance Reporting Forms

- Grantees must use the standard annual Grant Performance Report form (ED 524B), available online in G5;
- ED 524B may be used as both the continuation and final performance report

Uniform Administrative Requirements

200.328 Monitoring and reporting program performance



## Annual Performance Report Timeline

- Year 1 APRs due in late March/early April to inform continuation decisions made in early summer
- Supplemental report due in August for any data that isn't available in March/April
- Final reports are due 90 days after the grant ends

Uniform Administrative Requirements

200.328 Monitoring and reporting program performance



# Government Performance and Results Act (GPRA)

- Improve confidence of American people by holding Federal agencies accountable for achieving program results
- Improve Federal program effectiveness and public accountability by promoting focus on results, service quality, and customer satisfaction



## GPROA-con't

- Support improved service delivery by requiring that there is a plan for meeting program objectives
- Improve congressional decision making by providing more objective information on achieving statutory objectives, and on relative effectiveness and efficiency of Federal programs and spending



## GPR A-con't

- GPR A requires that no later than March 31 of each year, the head of each agency shall prepare and submit to the President and the Congress, a report on program performance for the previous year.
- Explain the performance achieved toward the performance goals.
- Describe where a performance goal has not been met.



## GPR A-con't

**\*\*The bottom line\*\***

- No GPR A, no money...
- No progress, no money...
- No report, no money...



## NHE GPRA Measures

1. The percentage of Native Hawaiian students in schools served by the program who meet or exceed proficiency standards for reading, mathematics, and science on the State assessments
2. The percentage of Native Hawaiian children participating in early education programs who consistently demonstrate school readiness in literacy as measured by the Hawaii School Readiness Assessment (HSRA)



## NHE GPRA Measures

3. The percentage of students in schools served by the program who graduate from high school with a high school diploma in four years
4. The percentage of students participating in a Hawaiian language program conducted under the Native Hawaiian Education Program who meet or exceed proficiency standards in reading on a test of the Hawaiian language.



## Other Performance Reporting Information

- Collecting similar information to tell the story about the impact of the program
- Identifying best practices that support effective program implementation
- Identifying risks that the grantee is addressing in the continuous improvement cycle
- Data that describes the impact on student achievement and learning



## Continuation Awards

For multi-year grants, continuation funding is contingent upon:

- If the grantee submitted a performance report that provides the most current performance and financial expenditure information
- If the grantee made substantial progress in achieving the goals and objectives of the project (GPRA and program specific)

EDGAR

75.253 Continuation of a multi-year project



## Continuation Awards

For multi-year grants, continuation funding is contingent upon:

- The grantee has maintained financial and administrative management systems that meet the requirements in 2 CFR 200.302, Financial management, and 200.303, Internal controls.



EDGAR

75.253 Continuation of a multi-year project



# Monitoring



## Monitoring

The goal of monitoring is to establish partnerships with grantees that allow for flexibility in local decision-making, in conjunction with a results-oriented approach to program management that demonstrates excellence, accountability and successful performance outcomes.



# Monitoring

Monitoring must also address ED's fiduciary responsibility to ensure the grantee's legal and fiscal compliance and to protect against fraud, waste and abuse.



## Monitoring Steps

- Monitoring calls support the following:
  - Partnership between the ED program officer and the grantee.
  - Mutual understanding of the expected performance outcomes and the measures for assessing the project's progress and results.
  - Clarifying the frequency and method for monitoring and ongoing communication between the ED program officer and the grantee.

Review project and budgeting activities, and progress toward meeting outcomes.



## Monitoring Steps

- Extensive monitoring is designed to gain a greater insight on grantee's programmatic and financial activities and provides ED an opportunity to provide technical assistance.



# Project Director Collaboration



# ED Updates



Questions?



## Program Contacts

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### Program Website

<http://www2.ed.gov/programs/nathawaiian/index.html>

