

# Wrapping up Federal Programs for FY 2015

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# “New” OMB Omni Circular

- The Office of Management and Budget (OMB) made available on December 26, 2014, the final Code of Federal Regulations which combined several circulars into one document known as the Omni Circular. The Omni Circular includes uniform administrative rules, cost principles, and audit requirements.

# What is the Primary Objective of the Omni Circular?

- The uniform guidance will streamline compliance requirements by eliminating duplicative and conflicting guidance;
- Focus from Compliance to focus on Performance;
- Strengthening accountability by improving policies that protect against waste, fraud and abuse.

# When Does the Omni Circular Become Effective?

- Administrative Requirements and Cost Principles are effective for new awards after December 2014;
- Existing Federal awards will continue to be governed by the requirements in place at the time of the award.

# Structure of the Omni Circular

The Omni Circular is divided into 6 parts:

## Subpart A—Acronyms and Definitions

- Sections 200.0-200.99

## Subpart B—General Provisions

Sections 200.100-200.113

## Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards

- Sections 200.200-200.211

## Subpart D—Post-Federal Award Requirements

- Sections 200.300-200.345

## Subpart E—Cost Principles; and

- Sections 200.400-200.475

## Subpart F—Audit Requirements

- Sections 200.500-200.251

# Significant General Changes

- **Administrative Rules**

- ❖ Required Certifications and Disclosures - Establish Conflict of Interest Policy and disclose in a timely manner, in writing all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Sections 200.112, 200.113

- **Cost Principles**

- ❖ 55 Selected Items of Cost –Prior Written Approval, Conferences/Travel, and Time and Effort Section 200.400

- **Audit Requirements**

- ❖ Audit threshold increased from \$500,000 to \$750,000 Section 200.501

- **Requirements of Pass-Through Entities**

- ❖ NEW: Must have in place a framework for evaluating risks for monitoring and before applicant receives funding. Section 200.205

# Training and Resources

LEAs will be notified as soon as possible.

Council on Financial Assistance Reform (COFAR) Frequently Asked Questions for OMB Uniform Grants Guidance at 2 CFR 200 [www.cfo.gov/](http://www.cfo.gov/)

**Full text of final guidance:** <https://federalregister.gov/a/2013-30465>

**• Crosswalks of existing guidance and uniform guidance:**

[http://www.whitehouse.gov/omb/grants\\_docs](http://www.whitehouse.gov/omb/grants_docs)

- Uniform Guidance crosswalk from predominant source in existing guidance
- Uniform Guidance crosswalk to predominant source in existing guidance
- Uniform Guidance cost principles text comparison
- Uniform Guidance audit requirements text comparison
- Uniform Guidance definitions text comparison
- Uniform Guidance Administrative Requirements Text Comparison

**• Additional information on Federal grant management policies:**

[www.cfo.gov/cofar](http://www.cfo.gov/cofar)

# Reallocated Funds

- Districts who received reallocated funds have until June 30<sup>th</sup>, 2015 to encumber the funds, and August 1<sup>st</sup> to claim the funds.
- Districts should not retroactively recode personnel salary which have been coded to State/Local funds all year.

# Reallocated Funds

- Encumbrances should occur after March 4<sup>th</sup>, 2015, when reallocated funds applications were due to OSDE.
- Any reallocated amount remaining unspent by June 30, 2015 will be withdrawn from the district and returned to OSDE.

# Community Eligibility

- The choice to participate in the Community Eligibility Program for Child Nutrition *may* have an effect on Title I allocations and Rank/Order process in future years.
- Typically, schools that have gone this route see a similar low-income equivalent count, with minor increases/decreases to Title I allocations and low-income percentages.

# Community Eligibility

- To determine how being a CEP school may affect Title I, take the count of students that help the school qualify for CEP (according to Child Nutrition/USDA guidelines) and multiply it by 1.6. This number is considered the schools “economically disadvantaged” count, which for Title I purposes, will act as the free/reduced count.

# Community Eligibility

- Hopefully, beginning this coming October, schools will report all relevant CEP and Free/Reduced count data in the WAVE at the same time. This will ensure student counts for both groups are pulled for the same school year, as required by USDE.
- Any school electing to become a CEP school for the first time this next school year will not be viewed as such for Title I purposes until the following school year.

# Consolidation of Funds

- Beginning in 2015-16 school year, any school that is approved as a Schoolwide site may elect to consolidate its Title I A allocation with funds from other programs, such as Title II, RLIS and possibly Title III.
- This process will take place within the Grants Management System, where the contributing funds will be moved into a new pool of funds with its own application/budget process.

# Consolidation of Funds

- Consolidating funds from multiple grant programs will allow the school sites to spend these funds in a way that is more flexible than is typically allowed within the individual grant programs.
- So long as the proposed use of funds is documented as a need in the Schoolwide Plan, and so long as the intent and purposes of the contributing programs are met, then the school may use the consolidated funds for any identified educational need.

# Consolidation of Funds

- Any expenditures claimed under the Consolidated Funds program will need to use the project reporting code of 785 – School Wide Consolidation of Federal Funds.
- All schools must first go through the rank/order process in the Title I application to properly determine their site allocation available to consolidate. Once consolidated with other sources of funds, each consolidating school must have at least as much as their calculated Title I allocation budgeted.

# Closing FY15 Consolidated Monitoring

- ❖ USDE requires that all LEA sub-recipients receiving federal funds participate in a monitoring process as an accountability component.
- ❖ Notification letters indicating whether the LEA was going to be Desk or Site monitored were sent in July 2014
- ❖ LEAs were asked to submit required Monitoring tool and supportive documentation to OSDE via flash drive, by **December 1, 2014.**

# Closing FY15 Consolidated Monitoring

- All the required monitoring documents (policies, plans, letters, etc.) should have been submitted to the OSDE reviewer by now.
- All the narrative statements in the Monitoring tool should have been appropriately addressed by now.
- If your district has not received a compliance letter by now, please work intensively with the OSDE reviewer to reach the FY15 monitoring compliance.

# Closing FY15 Consolidated Monitoring

- This is the last year of the 3-year monitoring cycle.
- A new monitoring cycle starts again in FY16
- OSDE performs a consolidated monitoring risk assessment to determine high risk LEAs that will be monitored more often and more closely .

# Sub-Recipient (LEA) Award Size Risk Factor

- The larger the sub-recipient award size, the more often the monitoring is performed.

# Financial Stability and Fiscal Assessment Risk Factors

- LEAs who had difficulty meeting Maintenance of Effort
- LEAs who lost 2<sup>nd</sup> year carryover funds
- LEAs who failed to submit timely monthly expenditures
- LEAs who made multiple application amendments within the current fiscal year

# Reports/Findings Risk Factors

- LEAs who had an audit finding in the previous fiscal year
- LEAs who had any reported Office of Civil Rights (OCR) violations
- LEAs with any legal action filed at OSDE against them

# Ability to Implement Statutory and Regulatory Requirements Risk Factors

- LEAs who failed to meet all the consolidated monitoring requirements for previous fiscal year
- LEAs who failed to close out each fiscal year's program by the last day of August
- LEAs who have ever had funds withheld for programmatic or fiscal noncompliance

# Quality of Management System Risk Factors

- LEAs who failed to submit their annual Oklahoma Cost Accounting System (OCAS) data to the Financial Accounting Office by the September 1<sup>st</sup> deadline
- LEAs who failed to submit their Independent Audit Findings to the Financial Accounting Office by March 31 (A Audit) or April 30 (B Audit)

# *OMB, § 200.338 Remedies for Noncompliance*

- “Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- Wholly or partly suspend or terminate the Federal award.
- Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- Withhold further Federal awards for the project or program.
- Take other remedies that may be legally available.”

# Schoolwide Plan Close-Out

- The FY15 Schoolwide process started in June 2014 by schools submitting the Letter of Intent to participate in the FY15 schoolwide year of planning
- A series of 7 Schoolwide Video Conferences were broadcasted by OSDE throughout the year.
- Sites who participated in this process have the deadline of May 1, 2015 to submit the FY15 Schoolwide Plan in GMS, for OSDE approval.

# Schoolwide Plan Close-Out (cont.)

- Throughout the month of May 2015, OSDE reviewers will review the plans and work with site principals for any needed corrections.
- If the plan is approved, the site will begin operating as schoolwide starting with July 1, 2015.
- An annual review of the effectiveness of the schoolwide program must be conducted, and revise the plan as necessary.
- The site will maintain its schoolwide status for as long as:
  - 1) the poverty level does not drop under 40% for more than 2 consecutive years;
  - 2) The site does not experience an interruption in services for more than 2 consecutive years.

# Benefits of Operating a Schoolwide School

- A school operating a schoolwide program is not required to:
  - a) Identify particular students as eligible to participate in the schoolwide program, and it may serve all students in the entire school.
  - b) Demonstrate that the services provided with Title I A funds are supplemental to services that would otherwise be provided as it relates to activities on a cost-by-cost basis, but instead meet the supplement-not-supplant requirement as it relates to ensuring that the schoolwide school was not denied access to state and local funds simply because it received Title I A funds.

# Benefits of Operating a Schoolwide School (cont.)

c) No distinction is made between staff paid with Title I funds and staff who are not.

They are all expected to direct their efforts toward upgrading the entire educational program and improving the academic achievement of all students.

# Benefits of Operating a Schoolwide School (cont.)

- Regardless of how schools use Title I A funds, districts must comply with the Maintenance of Effort (MOE) and comparability requirements of Title I.

# Updating the Schoolwide Plans

- Updating the schoolwide plan in GMS (Grants Management System) is mandatory, if the site consolidates funds (state, local, federal).
- Updating the schoolwide plan in GMS is optional for other existing schoolwide sites, but a “hard copy” update is still mandatory.

# Questions?

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