Montana State and Federal Grants Handbook

March 2012

This handbook provides the basic grant management requirements for grants administered by the Montana Office of Public Instruction.

The Montana Office of Public Instruction (OPI) provides financial assistance to school districts and other subgrantees to enhance educational opportunities for our state's students, support professional development for our teachers and administrators, provide services for our students with special needs, and help foster a safe environment for students and staff.

In the 2011-12 school year, OPI distributed federal grant funds totaling over $166 million to Montana school districts and other subgrantee entities! As a subgrantor of federal and state funds, OPI is responsible for administering these programs in accordance with general and specific program regulations and for ensuring our subgrantees also comply. Compliance and accountability are essential elements for ensuring our state's continued eligibility for federal and state funds for Montana's schools.

The OPI created this handbook to help subgrantees understand and comply with grant management requirements by explaining the basic policies and processes required for all covered grant programs administered by the OPI.

By providing consistency of processes and policies for the various programs, the OPI strives to make compliance with federal and state laws and regulations more manageable for schools and other subgrantees.

We thank our subgrantees for their dedication and for working so hard to provide a quality education for Montana's students!

This handbook is not published in hardcopy format but is available online on the OPI website: http://opi.mt.gov/Finance&Grants/Index.html#p7GPc1_9

MONTANA
Office of Public Instruction

State and Federal Grants Handbook

Last revised: March 2012

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OPI GRANTS CALENDAR

Click to Jump

January	April	July	October
February	May	August	November
March	June	September	December

JULY

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July 1 — State fiscal year begins (20-1-301, MCA).

July 10 — **No grant payments** in July. Next payment is August 10.

July 25 — Cash requests due for grant payments in August.
For E-Grants projects, submit requests online using the E-Grants Cash Request process. For non-E-Grants projects, submit a hardcopy Cash Request form to OPI (one time per year).

July 31 — Last day to liquidate obligations for projects that ended June 30, including:

Federal Programs
- Adult Basic and Literacy Education
- Carl Perkins
- IDEA Part B, Students with Disabilities
- IDEA Preschool
- ESEA Title IV, Part B, 21st Century Community Learning Centers

State Programs
- Gifted and Talented
- Indian Education for All (various grants, depending on year)
- Services for Significant Needs Students (formerly Day Treatment)
- State Adult Education

Each month, May through September, districts update their E-Grants roles and passwords as needed. Superintendents/Authorized Representatives must consider whether changes in personnel or changes in staff responsibilities for grant management makes it necessary to update/disable/add the roles and passwords for E-Grants access. If so, submit an LEA E-Grants Security Assignments to the OPI E-Grant Security Coordinator at (406) 444-3448.

AUGUST

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August 10 — OPI pays cash requests received through July 25.

August 10 — Final Expenditure Reports due for projects that ended June 30. [NOTE -- For E-Grants projects, submit the Final Expenditure Report online on E-Grants]

Federal Programs

- Adult Basic and Literacy Education
- Carl Perkins
- IDEA Part B, Students with Disabilities
- IDEA Preschool
- ESEA Title IV, Part B, 21st Century Community Learning Centers

State Programs

- Gifted and Talented
- Indian Education for All (various grants, depending on year)
- Services for Significant Needs Students (formerly Day Treatment)
- State Adult Education

Final Program Reports due for projects ended June 30. [NOTE – None of the program reports are on E-Grants.]

Federal Programs

- Carl Perkins

State Programs

- Gifted and Talented
- Indian Education for All (various grants, depending on year)
- Services for Significant Needs Students (formerly Day Treatment)
- State Adult Education

August 25 — Cash requests due for grant payments in September.

For E-Grants projects, submit requests online using the E-Grants Cash Request process. For non-E-Grants projects, submit a hardcopy Cash Request form to the OPI (one time per year).

August 30 — Migrant Education Program (summer projects) Final Program Report due to the OPI.

ESEA Title I, Part E, Striving Readers applications are due to the OPI on E-Grants.

Each month, May through September, districts update their E-Grants roles and passwords as needed. Superintendents/Authorized Representatives must consider whether changes in personnel or changes in staff responsibilities for grant management makes it necessary to update/disable/add the roles and passwords for E-Grants access. If so, submit an LEA E-Grants Security Assignments to the OPI E-Grant Security Coordinator at (406) 444-3448.

SEPTEMBER

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In September

"Withholding of Funds" notice mailed for projects ended June 30 for which all required Final Expenditure Reports and/or Final Program Reports have not been submitted to the OPI and approved.

Federal Programs

Adult Basic and Literacy Education
Carl Perkins
IDEA Part B, Students with Disabilities
IDEA Preschool
ESEA Title IV, Part B, 21st Century Community Learning Centers

State Programs

Gifted and Talented
Indian Education for All (various grants, depending on year)

School Discipline Data Collection (also known as the "Suspension/Expulsion Log") is opened for data entry in early September, with submission date starting May 15. [more information]

September 1

Last day to submit grant amendments (budget or program modifications) for projects that will end September 30.

For E-Grants projects, submit amendments online using the E-Grants Amendment process. For non-E-Grants projects, submit a hardcopy Grant Amendment Request form to the OPI.

Federal Programs

ESEA Title I, Part A, Improving Basic Programs
ESEA Title I, Part A, Improvement Grants
ESEA Title I, Part B, Subpart 3, Even Start
ESEA Title I, Part C, Migrant Education
ESEA Title I, Part D, Neglected, Delinquent and At-Risk Youth
ESEA Title I, Part E, Striving Readers
ESEA Title II, Part A, Improving Teacher Quality
ESEA Title III, Part A, English Language Acquisition & Language Enhancement
ESEA Title VI, Part B, Subpart 2, Rural and Low-Income School Program (RLIS)
ESEA Title X, Part C, Education of Homeless Children and Youth

September 10

The OPI pays cash requests received through August 25.

September 15

Trustees' Financial Summary (TFS-year-end district revenue and expenditure report) due to the OPI.

Carl Perkins application due to the OPI on E-Grants [NOTE: Due date may vary by year.]

September 15 ESEA Annual Consolidated Applications are due to the OPI on E-Grants: [*NOTE: Due date may vary by year*.]

ESEA Title I, Part A, Improving Basic Programs
ESEA Title II, Part A, Improving Teacher Quality
ESEA Title III, Part A, English Language Acquisition & Language Enhancement
ESEA Title VI, Part B, Subpart 2, Rural and Low-Income School Program (RLIS)

September 25 Cash requests due for grant payments in October.

For E-Grants projects, submit requests online using the E-Grants Cash Request process. For non-E-Grants projects, submit a hardcopy Cash Request form to the OPI (one time per year).

September 30 Last day to obligate funds for projects that will end September 30.

Federal Programs

ESEA Title I, Part A, Improving Basic Programs
ESEA Title I, Part A, Improvement Grants
ESEA Title I, Part B, Subpart 3, Even Start
ESEA Title I, Part C, Migrant Education
ESEA Title I, Part D, Neglected, Delinquent and At-Risk Youth
ESEA Title I, Part E, Striving Readers
ESEA Title II, Part A, Improving Teacher Quality
ESEA Title III, Part A, English Language Acquisition & Language Enhancement
ESEA Title VI, Part B, Subpart 2, Rural and Low-Income School Program (RLIS)
ESEA Title X, Part C, Education of Homeless Children and Youth

Deadline for submitting IDEA Consolidated Application (IDEA Part B and IDEA Preschool). Later application may be accepted, but this date for submission is preferable.

Each month, May through September, districts update their E-Grants roles and passwords as needed. Superintendents/Authorized Representatives must consider whether changes in personnel or changes in staff responsibilities for grant management makes it necessary to update/disable/add the roles and passwords for E-Grants access. If so, submit an LEA E-Grants Security Assignments form to the OPI E-Grant Security Coordinator at (406) 444-3448.

OCTOBER

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In October	Annual Data Collection (ADC) due to the OPI. Data snapshot is the 1st Monday in October. Reporting window begins in early October. In mid-October, an electronic file and a hardcopy checklist, school calendar, and master schedule are due to county superintendents. In late October, the electronic files and hardcopy reports are due to the OPI. [more information]
October 1	Carl Perkins Fall Accountability Data Collection begins in AIM. [more information]
First Monday	Districts and Special Education Cooperatives count number of students with disabilities for IDEA, Part B child count. [more information]
October 10	The OPI pays cash requests received through September 25.
October 15	Applications for Title I reallocated funds due to the OPI for ESEA Title I, Part A (if applying).
October 25	Cash requests due for grant payments in November. For E-Grants projects, submit requests online using the E-Grants Cash Request process. For non-E-Grants projects, submit a hardcopy Cash Request form to the OPI (one time per year).
October 31	Last day to liquidate obligations for projects ended September 30. Federal Programs ESEA Title I, Part A, Improving Basic Programs ESEA Title I, Part A, Improvement Grants ESEA Title I, Part B, Subpart 3, Even Start ESEA Title I. Part C, Migrant Education ESEA Title I, Part D, Neglected, Delinquent and At-Risk Youth ESEA Title I, Part E, Striving Readers ESEA Title II, Part A, Improving Teacher Quality ESEA Title III, Part A, English Language Acquisition & Language Enhancement ESEA Title VI, Part B, Subpart 2, Rural and Low-Income School Program (RLIS) ESEA Title X, Part C, Education of Homeless Children and Youth

NOVEMBER

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In November	OPI sends preliminary maintenance of effort report to authorized representatives, district clerks and special education clerks (ESEA Programs, Impact Aid Program, and IDEA Programs).
On or before November 1	State Secondary Vocational Education payment (20-7-306, MCA) made by the OPI (one annual payment).
Second Friday	Special Education Child Count due to the OPI. [more information]
November 10	The OPI pays cash requests received through October 25.

Final Program Reports due for projects ended September 30 [NOTE –No Final Program Reports are submitted through the E-Grants system. Most are hardcopy reports.]

Federal Programs

(NOTE: ESEA Title I, Part A Final Program Reports are due June 30, so the program is not listed below.)
ESEA Title I, Part B, Subpart 3, Even Start
ESEA Title I, Part C, Migrant Education
ESEA Title I, Part D, Neglected, Delinquent and At-Risk Youth
ESEA Title I, Part E, Striving Readers
ESEA Title II, Part A, Improving Teacher Quality
ESEA Title III, Part A, English Language Acquisition & Language Enhancement
ESEA Title VI, Part B, Subpart 2, Rural and Low-Income School Program (RLIS)
ESEA Title X, Part C, Education of Homeless Children and Youth

Final Expenditure Reports (fiscal closeout reporting) due for projects ended September 30 [NOTE -- For E-Grants projects, submit the Final Expenditure Report online on E-Grants].

Federal Programs

E-Grants -- ESEA Title I, Part A, Improving Basic Programs
E-Grants -- ESEA Title I, Part A, Improvement Grants
Paper -- ESEA Title I, Part B, Subpart 3, Even Start
E-Grants -- ESEA Title I, Part C, Migrant Education
Paper -- ESEA Title I, Part D, Neglected, Delinquent and At-Risk Youth
Paper -- ESEA Title I, Part E, Striving Readers
E-Grants -- ESEA Title II, Part A, Improving Teacher Quality
E-Grants -- ESEA Title III, Part A, English Language Acquisition & Language Enhancement
E-Grants -- ESEA Title VI, Part B, Subpart 2, Rural and Low-Income School Program (RLIS)

Paper -- ESEA Title X, Part C, Education of Homeless Children and Youth

November 25 — Cash requests due for grant payments in December.
For E-Grants projects, submit requests online using the E-Grants Cash Request process. For non-E-Grants projects, submit a hardcopy Cash Request form to the OPI (one time per year).

DECEMBER

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In December — "Withholding of Funds" notice mailed for projects that ended September 30 for which Fiscal Expenditure Reports and/or Final Program Reports have not been submitted to the OPI and approved.

Federal Programs

ESEA Title I, Part A, Improvement Grants
ESEA Title I, Part B, Subpart 3, Even Start
ESEA Title I, Part C, Migrant Education
ESEA Title I, Part D, Neglected, Delinquent and At-Risk Youth
ESEA Title II, Part A, Improving Teacher Quality
ESEA Title III, Part A, English Language Acquisition & Language Enhancement
ESEA Title VI, Part B, Subpart 2, Rural and Low-Income School Program (RLIS)
ESEA Title X, Part C, Education of Homeless Children and Youth

December 1-20 — Window for submitting Trustees' Financial Summary (TFS) information to the OPI to correct reporting errors that affected Maintenance of Effort (MOE).

December 10 — OPI pays cash requests received through November 25.

December 20 — Last day for school districts and cooperatives to submit corrections to Trustees' Financial Summary (TFS) data to the OPI for Maintenance of Effort calculations. Data changes after this date will be made only through the hearings process.

December 26 — Cash requests due for grant payments in January.
For E-Grants projects, submit requests online using the E-Grants Cash Request process. For non-E-Grants projects, submit a hardcopy Cash Request form to the OPI (one time per year).

December 31	Last day to submit applications and obtain OPI approval of awards for Title I, Part A. After this date, the OPI will reallocate funds to other subgrantees from districts that have refused funds or have not yet applied for funds. Carl Perkins Fall Accountability Data Collection ends in AIM. [more information]

JANUARY Back to Top

January 10	OPI pays cash requests received through December 25.
January 25	Cash requests due for grant payments in February. For E-Grants projects, submit requests online using the E-Grants Cash Request process. For non-E-Grants projects, submit a hardcopy Cash Request form to the OPI (one time per year).
January 31	ESEA Title VIII, Impact Aid applications due to U.S. Department of Education, with a copy to the OPI (Date may vary by year depending on federally established due date or extension).
Late January	Career and Technical Education Student Participation Reports – OPI emails an electronic link for the reports to all high school districts and posts the report on the OPI website.

FEBRUARY Back to Top

February 10	OPI pays cash requests received through January 25.
February 15	OPI transmits ESEA Title VIII, Impact Aid information to the U.S. Department of Education.
February 25	Cash requests due for grant payments in March. For E-Grants projects, submit requests online using the E-Grants Cash Request process. For non-E-Grants projects, submit a hardcopy Cash Request form to the OPI (one time per year).
End of February	Career and Technical Education Student Participation Reports due to the OPI.

MARCH

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In March	Gifted & Talented State Grant Program – "Intent to Participate" due to the OPI. ESEA/NCLB "Intent to Participate" is made available. Due to the OPI in mid-April. Private/nonpublic school participation in federal program packets distributed by the OPI to authorized representatives. E-Grants Prime Applicants and Consortiums Determined: Annual opportunity for districts to submit changes in Prime Applicant districts, consortium memberships, and intention to apply for grants as an elementary/high school system. Districts must notify the OPI of changes planned in consortium or school system projects by the stated response date or the previous year's consortiums and systems will remain in place for another year. The OPI makes indirect cost rate applications for ensuing year available online. Due by April 30 in order to be available for budgeting in E-Grants for next year's projects. The OPI will accept later applications, but the subgrantee may not apply the indirect cost rate to grant expenditures incurred before the date the OPI approves the rate. [more information] Carl Perkins "Intent to Apply" is available electronically (high school districts only). Due in mid-April. State Career and Vocational/Technical Education electronic applications and "Intent to Apply" are due to OPI in mid-April.
March 1	Carl Perkins Spring Accountability Data Collection begins in AIM. [more information]
March 10	OPI pays cash requests received through February 25.
March 25	Cash requests due for grant payments in April. For E-Grants projects, submit requests online using the E-Grants Cash Request process. For non-E-Grants projects, submit a hardcopy Cash Request form to the OPI (one time per year).
March 31	Audit reports due to the OPI from subgrantees spending federal funds of $500,000/year or more (i.e., A-133 audits).

APRIL

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In April	Final maintenance of effort report and application packet for IDEA Part B and preschool grants is posted on the OPI website, and OPI sends a notice to authorized representatives of districts and cooperatives. Private/nonpublic school participation in federal programs information must be completed by authorized representatives and returned to the OPI [more information].
April 10	OPI pays cash requests received through March 25.
Mid April	Carl Perkins "Intent to Apply" and State Career and Vocational/ Technical Education electronic application are due to OPI (high school districts only). Only high school districts or K-12s who submit their intent to apply to the OPI will receive a Carl Perkins allocation for the coming year.
April 25	Cash requests due for grant payments in May. For E-Grants projects, submit requests online using the E-Grants Cash Request process. For non-E-Grants projects, submit a hardcopy Cash Request form to the OPI (one time per year).
April 30	Indirect Cost Rate (IDC) applications due to the OPI for the following school year. Title IV, Part B, 21st Century Community Learning Centers applications for new projects due to the OPI. Carl Perkins Spring Accountability Data Collection ends in AIM. [more information]

MAY

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In May	Gifted & Talented State Grant Program – The OPI approves applications and sends award notifications on E-Grants. Adult Basic and Literacy Education (ABLE) approval letter mailed to authorized representatives.
In May	Applications with preliminary allocation amounts are usually available on E-Grants for the following year's grant projects. Release date varies depending on date of preliminary federal allocations and computer programming needs of the OPI.

NOTE: Districts or other subgrantee organizations must submit an application ("Substantially Approvable") before incurring grant expenditures.

May 10 — OPI pays cash requests received through April 25.

May 15 — School Discipline Data Collection (also known as the "Suspension/Expulsion Log") is available for submission. System opens for data entry in early September, with submission date starting May 15. [more information]

May 25 — Cash requests due for grant payments in June.

For E-Grants projects, submit requests online using the E-Grants Cash Request process. For non-E-Grants projects, submit a hardcopy Cash Request form to the OPI (one time per year).

Each month, May through September, districts update their E-Grants roles and passwords as needed. Superintendents/Authorized Representatives must consider whether changes in personnel or changes in staff responsibilities for grant management makes it necessary to update/disable/add the roles and passwords for E-Grants access. If so, submit an LEA E-Grants Security Assignments form to the OPI E-Grant Security Coordinator at (406) 444-3448.

JUNE

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In June — Adult Basic and Literacy Education (ABLE) applications are mailed from the OPI.

June 1 — Last day to request grant amendments (budget and program modifications) for projects that will end June 30.

For E-Grant projects, submit a grant amendment online using the E-Grant Amendment process. For non-E-Grant projects submit a hardcopy Grant Amendment form to the OPI.

Federal Programs

Adult Basic and Literacy Education
Carl Perkins
IDEA Part B, Students with Disabilities
IDEA Preschool
ESEA Title IV, Part B, 21st Century Community Learning Centers

State Programs

Gifted and Talented
Indian Education for All (various grants, depending on year)

Services for Significant Needs Students (formerly Day Treatment)
State Adult Education

June 10 "First June Grant Payment" – The OPI pays cash requests received through May 25.

June 23 "Second June Grant Payment" – The OPI pays cash requests received from May 26 - June 20. Next payment is August 10.

June 30 Last day to obligate funds for projects ending June 30.

Federal Programs
Adult Basic and Literacy Education
Carl Perkins
IDEA Part B, Students with Disabilities
IDEA Preschool
ESEA Title IV, Part B, 21st Century Community Learning Centers

State Programs
Gifted and Talented
Indian Education for All (various grants, depending on year)
Services for Significant Needs Students (formerly Day Treatment)
State Adult Education

State fiscal year ends.

Title IV, Part B, 21st Century Community Learning Centers applications for continuing projects due to the OPI on E-Grants.

Title I, Part A Final Program Reports due to the OPI. (NOTE: Projects run through September 30, but program reports must be submitted by June 30).

Migrant Education Program (regular year project) Final Program Reports due to the OPI.

Audit reports due to OPI from subgrantees spending federal funds of less than $500,000/year (i.e., non-A-133 audits).

Late June Adult Basic and Literacy Education (ABLE) applications are due to the OPI.

Each month, May through September, districts update their E-Grants roles and passwords as needed. Superintendents/Authorized Representatives must consider whether changes in personnel or changes in staff responsibilities for grant management makes it necessary to update/disable/add the roles and passwords for E-Grants access. If so, submit an LEA E-Grants Security Assignments form to the OPI E-Grant Security Coordinator at (406) 444-3448.

100.1 PROGRAM DESCRIPTIONS

The following state, federal, and private grant programs are administered by the Office of Public Instruction(OPI):

State Program Descriptions

ADULT EDUCATION

Legal Reference: 20-7-701, 20-7-702, 20-7-711, 20-7-712, 20-7-714, MCA

The funds provided by the state of Montana are combined with the federal adult basic education funds to provide adult basic education services throughout Montana. The state funds are used to help maintain Montana's obligation for match and maintenance of effort requirements to receive federal funds.

In addition to state-provided funds, provision is made for local public school and community college districts and counties to levy funds to provide for adult basic education and literacy services. These funds also provide an important portion of the match and maintenance of effort requirements for local programs in Montana to receive federal adult basic education funding.

Refer to the FEDERAL ADULT EDUCATION BASIC GRANT PROGRAM below for further information.

GIFTED AND TALENTED STATE GRANT PROGRAM

Legal Reference: 20-7-903, MCA

The Gifted and Talented state grant program provides grant funds for supplemental financial assistance to school districts to strengthen the quality of programs for gifted and talented students. Approximately 100 school systems receive state funding to supplement their gifted and talented programs each year, based on and application and the local district gifted and talented education plan required under ARM 10.55.804, with approval based on successful completion of the application. Grants are awarded according to a formula determined by the size and number of applicant school systems, the amount of their matching funds (required by law) and the funds provided to the program by the legislature.

INDIAN EDUCATION FOR ALL

Legal Reference: 20-1-501, MCA

Indian Education for All Montanans encourages every Montanan to learn about the distinct and unique heritage of American Indians in a culturally responsive manner in cooperation with Montana tribes. Funding is provided to school districts and regional service providers to support and enhance their efforts to implement Indian Education for All.

SERVICES FOR SIGNIFICANT NEEDS STUDENTS

Authority: HB2, Appropriation Language

These are state funds which, when available, are announced and provided to school districts on a priority basis to assist with the costs of students with significant behavioral or physical needs served by public schools. Students eligible to be served with these funds include all of the following: students with significant behavioral or physical needs, conduct disorder students, juvenile sex offenders, students identified as emotionally disturbed (ED) under special education or as severely emotionally disturbed (SED) under the Montana Mental Health Access Plan. To be considered treatment services, the funds must be used for meeting a student's mobility or physical/health care needs and/or treating, managing and/or directing student behavior during the course of the school day. Examples of day treatment services include: nursing services, therapy (group, family, and individual), cost of instruction for teacher and paraprofessional time assigned to serving children in therapeutic group home settings and alternate education sites, provision of behavior management specialist services and enhanced supervision, including probation and contracted mental health services.

Announcements regarding the availability of such funds are made through the Division of Special Education.

STATE CAREER AND VOCATIONAL/TECHNICAL EDUCATION FUNDS

Legal Reference: 20-7-301, 20-7-302.1, 20-7-303, 20-7-305, 20-7-306, MCA

The program provides funding to assist high schools in paying the additional costs of approved career and technical education programs. Career and technical education programs eligible for state vocational funding include: agriculture education; health science education; business education; family and consumer sciences education; industrial/technology education; and marketing education. Programs must be taught by instructors endorsed in the respective curricular area.

Federal Program Descriptions

ADULT EDUCATION--BASIC GRANTS TO STATES

Authority: Adult Education and Family Literacy Act of 1998, Section 211(b).
Regulations: EDGAR
CFDA#: 84.002

Provides grants to states to fund local programs of adult education and literacy services, including workplace literacy services, family literacy services, and English literacy and civics education programs. Participation in these programs is primarily adults and out-of-school youths at least 16 years old.

GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS (GEAR UP)

Authority: The Higher Education Act of 1965, Title IV, Part A, Subpart 2, Chapter 2 as amended
Regulation: 34 CFR 694
CFDA#: 84.334

Encourages disadvantaged young people to pursue high goals, remain in school, and complete coursework suitable for college acceptance. The program administers early college preparation and awareness activities to provide Montana students with comprehensive mentoring, counseling, outreach, and other supportive services. The GEAR UP program also operates a financial assistance program that awards scholarships to students participating in Montana higher education. The program consists of approximately 20 staff, more than 20 cooperating campuses, and 21-23 school districts. The Office of the Commissioner of Higher Education (OCHE) is the fiscal agent for GEAR UP in Montana.

TITLE PROGRAMS

ESEA TITLE I, PART A -- IMPROVING BASIC PROGRAMS

Authority: Elementary and Secondary Education Act of 1965 as reauthorized by the No Child Left Behind Act of 2001, P.L. 107-110, Title I, Part A, Section 1111-1127
Regulations: EDGAR
CFDA#: 84.010A

Provides financial assistance through state education agencies (SEAs) to local education agencies (LEAs) to help improve instruction in high-poverty schools and ensure that poor and minority children have the same opportunity as other children to meet challenging state academic standards.

ESEA TITLE I, PART A, IMPROVEMENT GRANTS

Authority: Elementary and Secondary Education Act of 1965 as reauthorized by the No Child Left Behind Act of 2001, P.L. 107-110, Title I, Part A, Section 1111-1127
Regulations: EDGAR
CFDA#: 84.010A

Provide assistance to LEAs with supplemental resources to carry out their school improvement and corrective action responsibilities under section 1116(c) of Title I.

ESEA TITLE I, PART A, SCHOOLWIDE

Authority: Elementary and Secondary Education Act of 1965 as reauthorized by the No Child Left Behind Act of 2001, P.L. 107-110, Title I, Part A, Section 1114
Regulations: EDGAR
CFDA#: N/A – Part of Title I, Part A

To provide a comprehensive reform strategy designed to upgrade the entire educational program in a Title I school. Schoolwide programs have great latitude to determine how to organize their operations and allocate the multiple funding sources available to them. They do not have to identify particular children as eligible for services or separately track Federal dollars. Instead, schoolwide programs can use all allocated funds to increase the amount and quality of learning time.

ESEA SCHOOL IMPROVEMENT GRANTS (SIG Cohort 2)

Authority: Elementary and Secondary Education Act (ESEA), as amended, Title I, Part A, Section 1003(g), 115 Stat. 1442, 20 U.S.C 6303(g).
Regulations: EDGAR
CFDA#; 84.377

To support competitive subgrants to local educational agencies (LEAs) that demonstrate the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources in order to raise substantially the achievement of students in their lowest-performing schools. In general, SEAs must give priority to LEAs with Title I-eligible schools ranked in the bottom five percent of such schools, based on student achievement and lack of progress in improving student achievement, as well as secondary schools with a graduation rate below 60 percent over a number of years (Tier I schools). LEAs seeking funding to serve such schools must implement one of four school intervention models: turnaround model, restart model, school closure, or transformation model. LEAs may also seek funding for other Title I schools in improvement that have been designated as eligible for funding according to the state's definition of persistently lowest achieving schools (Tier II or Tier III schools).

ESEA TITLE I, PART C -- MIGRANT EDUCATION

Authority: Elementary and Secondary Education Act of 1965 as reauthorized by the No Child Left Behind Act of 2001, P.L. 107-110, Title I, Part C, Section 1301-1309
Regulations: EDGAR
CFDA#: 84.011A

Provide financial assistance to the state education agencies (SEAs) to support high-quality and comprehensive educational programs for children of migratory workers to help reduce the educational disruptions and other problems that result from repeated moves.

ESEA TITLE I, PART C, MIGRANT EDUCATION COORDINATION PROGRAM

Authority: Elementary and Secondary Education Act of 1965, Title I, Part C, Section 1308, 20 USC 6398
Regulations: EDGAR
CFDA#: 84.144A

To encourage the interstate and intrastate coordination of migrant education including consortium arrangements in order to reduce the administrative costs of state education agencies (SEAs) receiving Title I, Migrant Education Program funds under 84.011A

ESEA TITLE I, PART D -- EDUCATION OF NEGLECTED AND DELINQUENT AND AT-RISK YOUTH

Authority: Elementary and Secondary Education Act of 1965 as reauthorized by the No Child Left Behind Act of 2001, P.L. 107-110, Title I, Part D, Section 1411-1420
Regulations: EDGAR
CFDA#: 84.013A

To extend services and learning time in state institutions and community day programs and encourages smooth transitions to continue schooling or enter the job market; supports collaboration with local correctional facilities.

ESEA TITLE I, PART E – STRIVING READERS

Authority: Elementary and Secondary Education Act of 1965, as amended, Title I, Part E, Section 1502; FY 2010 Consolidated Appropriations Act , Public Law 111-117.
Regulations: EDGAR
CFDA#: 84.371C

The purpose of Montana's Striving Readers Program (MSRP), is to: (1) improve the school readiness and success of disadvantaged youth, birth through grade 12, by advancing their literacy skills, including the pre-literacy skills of children birth through age 5; (2) establish a comprehensive approach to literacy development based on Montana's Literacy Plan (MLP), with emphasis on data-based decision making and effective use of technology; and (3) decrease the percentage of participating high school students who drop out of high school and, therefore, increase the graduation rate at all participating high schools. Funds are used to award MSRP subgrants to eligible applicants for the purposes above.

ESEA TITLE II, PART A, IMPROVING TEACHER QUALITY

Authority: Elementary and Secondary Education Act of 1965, as reauthorized by the No Child Left Behind Act of 2001, P.L. 107-110, Title II, Part A, Section 2101-2123
Regulations: EDGAR
CFDA#: 84.367A

Provides grants through state education agencies (SEAs) to local education agencies (LEAs) to increase student academic achievement by improving teacher and principal

quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools; and by holding local educational agencies and schools accountable for improvements in student academic achievement.

ESEA TITLE II, PART B, MATHEMATICS AND SCIENCE PARTNERSHIPS

Authority: Elementary and Secondary Education Act of 1965 as reauthorized by the No child Left Behind Act of 2001, P.L. 107-110, Title II, Part B, Sections 2201-2203
Regulations: EDGAR
CFDA#: 84.366

Provides grants through state education agencies (SEAs) to improve the academic achievement of students in mathematics and science through projects that support partnerships of organizations representing preschool through higher education. The MSP program is intended to increase the academic achievement of students in mathematics and science by enhancing the content knowledge and teaching skills of classroom teachers. Partnerships between school districts, including high need districts, and the science, technology, engineering, and mathematics (STEM) and education facilities in institutions of higher education are at the core of these improvement efforts. Other partners may include state education agencies, public charter schools or other public schools, businesses, and nonprofit or for-profit organizations concerned with mathematics and science educations.

ESEA TITLE III, PART A, ENGLISH LANGUAGE ACQUISITION, LANGUAGE ENHANCEMENT AND ACADEMIC ACHIEVEMENT ACT

Authority: Elementary and Secondary Education Act of 1965, as reauthorized by the No Child Left Behind Act of 2001, Title III, Part A, P.L.107-110, Sections 3111-3129
Regulations: EDGAR
CFDA#: 84.365

Provides financial assistance to state and local agencies to help ensure that children who are limited English proficient, including immigrant children and youth, attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging State academic content and student academic achievement standards as all children are expected to meet.

ESEA TITLE IV, PART B, 21st CENTURY COMMUNITY LEARNING CENTERS

Authority: Elementary and Secondary Education Act of 1965, as reauthorized by the No Child Left Behind Act of 2001, PL.107-110, Title IV, Part B, Section 4201-4206
Regulations: EDGAR
CFDA#: 84.287

Provides financial assistance for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment during

non-school hours (before school, after school, and summer hours). Services must reinforce and complement regular academic programs, and may also offer literacy and educational development to families. Award priority is given to applicants that serve students who attend Title I school wide schools or schools that serve a high percentage of students from low-income families. Priority is further given to applications submitted jointly by LEAs receiving funds under Title I, Part A and community-based entities.

ESEA TITLE VI, PART A, SUBPART 2, TRANSFERABILITY

Authority: Elementary and Secondary Education Act of 1965, as reauthorized by the No Child Left Behind Act of 2001, P.L.107-110, Title VI, Part A, Sections 6121-6123
Regulations: Guidance from the U.S. Department of Education

Allows local educational agencies (LEAs) that have not been identified as in need of improvement or corrective action under Title I to transfer up to 50 percent of its formula allocation under Improving Teacher Quality (Title II-A) to supplement its allocation under any of the programs listed above. An LEA also may use the funds to supplement the Title I allocation.

An LEA identified as in need of improvement may transfer up to 30 percent of its allocation for the programs listed above only if it transfers the funds to: (1) supplement its school improvement allocation; or (2) carry out Title I improvement activities. An LEA identified as in need of corrective action may not transfer any funds.

ESEA TITLE VI, PART B, SUBPART 1, SMALL RURAL SCHOOLS ACHIEVEMENT (SRSA)

Authority: Elementary and Secondary Education Act of 1965, as reauthorized by the No Child Left Behind Act of 2001, P.L.107-110, Title VI, Part B, Sections 6211-6213
Regulations: Guidance from the U.S. Department of Education and EDGAR
CFDA#: 84.358A

Provides 100% flexibility among title programs, except no funds can be flexed from Title I, Part A. In addition to the flexibility provisions, SRSA provides additional grants directly from the United States Department of Education to help eligible districts meet the requirements of ESEA/NCLB.

ESEA TITLE VI, PART B, SUBPART 2, RURAL AND LOW-INCOME SCHOOLS (RLIS)

Authority: Elementary and Secondary Education Act of 1965, as reauthorized by the No Child Left Behind Act of 2001, P.L.107-110, Title VI, Part B, Sections 6221-6224
Regulations: Guidance from the U.S. Department of Education and EDGAR
CFDA#: 84.358.B

Provides financial assistance by state educational agencies to local educational agencies for activities authorized under ESEA, Title I, Part A; parental involvement activities that meet the requirements of ESEA Title I, Part A; teacher recruitment and

retention that meet the requirements of Title II, Part A; teacher professional development that meets the requirements of Title II, Part A; educational technology that meets the requirements of ESEA, Title II, Part D; activities authorized under ESEA Title III; Safe and Drug-Free Schools and Communities activities that meet the requirements of Title IV, Part A, Subpart 1.

ESEA TITLE X, PART C, EDUCATION OF HOMELESS CHILDREN AND YOUTH

Authority: Elementary and Secondary Education Act of 1965, as reauthorized by the No Child Left Behind Act of 2001, P.L.107-110, Title X, Part C, Sections 1031-1034
Regulation: EDGAR
CFDA#: 84.196

To provide activities and services to ensure that homeless children and youths enroll in, attend and achieve in school. Establishes a representation in each SEA for coordinating programs and to develop and carry out a state plan for education of homeless children and youths, implement programs to heighten awareness of school personnel regarding the problems of the homeless and to provide grants to LEAs.

SPECIAL EDUCATION PROGRAMS

INDIVIDUALS WITH DISABILITIES EDUCATION ACT, (IDEA) PART B

Authority: Education for All Disabled Children Act of 1975, as amended by the Individuals with Disabilities Education Act of 2004, P.L.108-446
Regulations: EDGAR and 34 CFR 300
CFDA#: 84.027

Provides financial assistance to state and local educational agencies in order to support special education and related services to students with disabilities.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA) PRESCHOOL

Authority: Education for All Disabled Children Act of 1975, as amended by the Individuals with Disabilities Education Act of 2004, 20 USC 1419
Regulations: EDGAR and 34 CFR 301
CFDA#: 84.173

Provides financial assistance to states to assist them in providing special education and related services to disabled children ages 3 through 5 years, planning and developing a statewide comprehensive delivery system for disabled children from birth through age 5 years and providing direct and support services to disabled children ages 3 through 5 years.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA), STATE PROGRAM IMPROVEMENT GRANTS FOR CHILDREN WITH DISABILITIES

Authority: P.L.105-107 Individuals with Disabilities Education Act, 20 USC 1451-1456
Regulation: EDGAR
CFDA#: 84.323A

To assist state education agencies and their partners in reforming and improving their systems for providing educational, early intervention, and transitional services, including their systems for professional development, technical assistance, and dissemination of knowledge about best practices, to improve results for children with disabilities.

OTHER PROGRAMS

TEAM NUTRITION PROGRAM

Authority: P.L.108-199, Consolidated Appropriations Act, 2004
Regulations: OMB Circulars No. A-87, A-102, and A-133; 41 CFR 1-15.2; and any USDA Regulations implementing OMB Circulars, such as 7 CFR 3015-3019, 3021, as amended
CFDA#: 10.574

To provide grants to assist state agencies in achieving the team nutrition goal of improving children's lifelong eating and physical activity habits using the Dietary Guidelines for Americans and the Food Guide Pyramid.

CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES

Authority: Carl D. Perkins Career and Technical Education Act of 2006.
Regulations: EDGAR
CFDA#: 84.048A

To provide states with support for career and technical education programs that improves the academic, career, and technical skills of students. It supports the developing, improving, and expanding use of technology in career and technical education. It also supports professional development programs and assists with the preparation for nontraditional training and employment as well as providing support for partnerships among local educational agencies, institutions of higher education, adult education providers, and, as appropriate, other entities. It serves individuals in state institutions as well as providing support for programs for special populations that lead to high skill, high wage careers.

AMERICAN RECOVERY AND REINVESTMENT ACT PROGRAMS (ARRA)

ESEA TITLE I, PART A -- IMPROVING BASIC PROGRAMS, RECOVERY ACT (ends 9/30/11)

Authority: Elementary and Secondary Education Act of 1965 (ESEA), Title I, Part A, 20 USC 6301 et seq. and the American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5
Regulations: EDGAR
CFDA#: 84.389A

To help local educational agencies (LEAs) and schools to improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging state academic achievement standards.

ESEA TITLE II, PART D -- ENHANCING EDUCATION THROUGH TECHNOLOGY (ED-TECH), RECOVERY ACT (ends 9/30/11)

Authority: Elementary and Secondary Education Act of 1965, as amended, Title II, Part D - Enhancing Education Through Technology
Regulations: EDGAR
CFDA#: 84.318

The NEW SLATE (ARRA funded) grants were awarded to five partnerships consisting of a host local school district, additional high need districts, a Regional Service Agency (RSA) provider, and the OPI. A hallmark of the implementation of the EETT program has been to serve rural schools through the creation of effective consortia. The RSAs, through consultation with the OPI and each other, implemented effective strategies for meeting the wide range of goals and objectives as set forth by the U.S. Department of Education and the OPI.

ESEA Title II, Part D, Ed Tech Program Goals

1. To improve student academic achievement through the effective use of technology in teaching and learning,
2. To improve the technology literacy of teachers and students, and
3. To improve the capacity of teachers to effectively and efficiently integrate technology into their curriculum and instruction.

EDUCATION FOR HOMELESS CHILDREN AND YOUTH, RECOVERY ACT (ends 9/30/11)

Authority: McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B; American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5
Regulations: EDGAR
CFDA#: 84.387A

To ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, the Education for Homeless Children and Youth program provides assistance to states, outlying areas, and the Bureau of Indian Education (BIE) to: (1) establish or designate an Office of Coordinator of Education of Homeless Children and Youths; (2) develop and carry out a state plan

for the education of homeless children; and (3) make subgrants to local educational agencies to support the education of those children.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA) PRESCHOOL, RECOVERY ACT (ends 9/30/11)

Authority: Individuals with Disabilities Education Act (IKEA), as amended, Part B, Section 619, 20 USC 1419; American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5
Regulations: EDGAR
CFDA#: 84.392A

To provide grants to states to assist them to make available special education and related services for children with disabilities ages 3 through 5 years, and at a state's discretion, to 2-year-old children with disabilities who will reach age 3 during the school year.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA), STATE PROGRAM IMPROVEMENT GRANTS FOR CHILDREN WITH DISABILITIES, RECOVERY ACT (ends 9/30/11)

Authority: Individuals with Disabilities Education (IDEA), as amended, Part B, Section 611-618, 20 USC 1411-1418; American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5
Regulations: EDGAR
CFDA#: 84.391A

To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

ESEA TITLE I, SCHOOL IMPROVEMENT GRANTS, RECOVERY ACT (ARRA SIG) (ends 9/30/13)

Authority: Elementary and Secondary Education Act of 1965, as amended, Title I, Part A, Section 1003(g); American Recovery and Reinvestment Act of 2009 (ARRA)
Regulations: EDGAR
CFDA#: 84.388 -- OPI "Schools of Promise" projects

School Improvement Grants (SIG), authorized under section 1003(g) of Title I of the Elementary and Secondary Education Act of 1965 (Title I or ESEA), as amended by the Recovery Act, are grants to state educational agencies (SEAs) that SEAs use to make competitive subgrants to local educational agencies (LEAs) that demonstrate the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources in order to raise substantially the achievement of students in their lowest-performing schools.

GRADUATION MATTERS MONTANA (GMM)

Grant from the Dennis and Phyllis Washington Foundation

The Montana Office of Public Instruction received a grant from the Dennis and Phyllis Washington Foundation, to fund up to 15 local Graduation Matters Montana (GMM) initiatives each year, for three years, starting in 2012. Grants of up to $10,000 are available to Montana public schools for existing GMM initiatives and for new GMM initiatives through a competitive application process.

100.2 PROJECT NUMBERS

Each grant administered by the Office of Public Instruction (OPI) is assigned a 16-digit identification number called a "project number". The following table shows the structure of the project number assigned to each state and federal project:

OPI Project Numbering Structure: AAA - BBBB – **CC** - DD – XXXXX
Project Number Example: 032 0584 56 12 XXXXX (no spaces)

AAA County Identifier (example: 032 = Missoula County)
BBBB Legal Entity ("LE") number (example: 0584 = Missoula High School)
CC **Money Type** (OPI grant type) – see chart below (example: 56 = ABLE)
DD State Fiscal Year in which the project is awarded (example: 12 = FY 2011-12)
XXXXX Up to 5 unique numbers or letters used to identify a program

PROJECT NAME	MONEY TYPE (AAA-BBBB-**CC**-DD-XXXXX)	STATE OR FEDERAL
Adult Basic and Literacy Education, (ABLE)	56	State/Federal
Carl Perkins Basic (Vo-Ed)	81	Federal
Carl Perkins Leadership	82	Federal
ESEA Title I, Part A, Improving Basic Programs	31	Federal
ESEA Title I, Part A, Schoolwide	32	Federal
ESEA Title I, Part A, Improvement Grants	37	Federal
ESEA Title I, Part B, Subpart 3, Even Start	38	Federal
ESEA Title I, Part C, Migrant Education	36	Federal
ESEA Title I, Part C Migrant Incentive Grant	43	Federal
ESEA Title I, Part D, Neglected, Delinquent, and At-Risk Youth	42	Federal
ESEA Title I, Part E, Striving Readers	35	Federal
ESEA Title I, School Improvement Grants 1003g	33	Federal
ESEA Title II, Part A, Improving Teacher Quality	14	Federal
ESEA Title II, Part B, Math Science Partnerships	15	Federal
ESEA Title III, Part A, English Language Acquisition & Language Enhancement	41	Federal
ESEA Title IV, Part B, 21st Century Community Learning Centers	17	Federal
ESEA Title VI, Part B, Subpart 2, Rural and Low-Income School (RLIS)	99	Federal
ESEA Title X, Part C, Education of Homeless Children and Youth	57	Federal
GEAR UP	84	Federal
Gifted and Talented	13	State

PROJECT NAME	MONEY TYPE (AAA-BBBB-**CC**-DD-XXXXX)	STATE OR FEDERAL
Graduation Matters Montana (GMM)	98	Private
IDEA Part B, Children with Disabilities	77	Federal
IDEA Preschool	79	Federal
IDEA State Program Improvement	78	Federal
Indian Education for All	46	State
Services for Significant Needs Students (formerly Day Treatment)	76	State
Team Nutrition Training	21	Federal
School Nutrition Equipment Assistance	90	Federal

American Recovery and Restoration Act (ARRA) Programs (temporary)

Title I, Part A, ARRA (ends 9/30/11)	91	Federal
Title I, Part A, Schoolwide, ARRA (ends 9/30/11)	97	Federal
McKinney-Vento Homeless Children & Youth – ARRA (ends 9/30/11)	96	Federal
IDEA Part B, ARRA (ends 9/30/11)	92	Federal
IDEA Preschool, ARRA(ends 9/30/11)	95	Federal
ESEA Title I, School Improvement Grants (ARRA SIG-Schools of Promise) (ends 9/30/13)	94	Federal

200 GENERAL ADMINISTRATIVE REQUIREMENTS FOR FEDERAL GRANTS

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200.1 GENERAL REQUIREMENTS

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This section discusses the general legal requirements for subgrantees receiving federal assistance. These general requirements are federal policies established by legislative or executive authority, which apply to all federal programs. Auditors review these general requirements during audits of entities which receive federal financial assistance. Subgrantees should adopt policies implementing each of these requirements.

Requirements for each federal program are listed in the **OMB Circular A-133 Compliance Supplement**: http://www.whitehouse.gov/omb/assets/a133_compliance/pt3.pdf.

Program requirements for U.S. Department of Education programs are found in **Education Department General Administrative Regulations (EDGAR)**: http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html.

POLITICAL ACTIVITY

Federal funds cannot be used for partisan political purposes of any kind by any person or organization involved in the administration of federally assisted programs.

[Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970, as amended by Title VI of Civil Services Reform Act (Public Law 95-454 Section 4728)]: http://www.osc.gov/hatchact.htm

DAVIS-BACON AND RELATED ACTS (DBRA)

The Davis Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on federal construction contracts or federally assisted contracts in excess of $2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. The prevailing wage rates and benefits are determined by the Secretary of Labor for inclusion in covered contracts.

[40USC 3141-3144, 3146 and 3147 (formerly 40 U.S.C. 276A-276A): 29 CFR part 29: the A-102 Common Rule (36(i)(5): OMB Circular A-110 (2CFR part 215, Appendix A. Contract Provisions]

Montana Prevailing Wage Information:
http://erd.dli.mt.gov/labor-standards/state-prevailing-wage-information.html
or call (406) 444-5600 and ask to speak to a Prevailing Wage Compliance Specialist.

U.S. Department of Labor (DOL) Davis-Bacon and Related Acts Internet page:
http://www.dol.gov/compliance/laws/comp-dbra.htm.

CIVIL RIGHTS

No person shall be discriminated against on the grounds of race, color, national origin, age, or handicap in any program or activity funded by federal funds. Discrimination on the basis of sex or religion is also prohibited in some federal programs.

[Age-42 U.S.C. 6101 et seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794]

CASH MANAGEMENT

The timing between the transfer of funds from the U.S. Treasury and the disbursement of funds by the receiving subgrantee must be minimized with proper cash management procedures. Subgrantees that in turn sub-grant/transfer federal funds to other subgrantees for final expenditure shall conform to the same standards of timing and amount. Generally, this standard has been interpreted to mean a subgrantee should have the minimum amount of federal cash on hand needed for expenditures. Excess cash on hand must be repaid to the grantor. (See "Cash Requests" in Section 400.)

Investment of Federal Funds—Subgrantees should not have excessive federal cash on hand for investment. If federal funds are invested, interest earnings in excess of $100 per year must be refunded to the federal government.

[A-102 Common Rule, OMB Circular A-110 (2 CFR section 215.22; 31 CFR part 205]

RELOCATION AND REAL PROPERTY ACQUISITION

[Note: This section is included for reference only. Real property acquisitions using grant funds received from the OPI must be pre-approved and would be extremely unlikely.]

Occasionally, federal aid programs may require the acquisition of property by a subgrantee and the subsequent displacement of households and businesses. Property acquired in the administration of federal aid must follow systematic procedures. For example, property must be appraised in the presence of the owner, appraisals must be reviewed, price set and settlements negotiated.

Similarly, when relocations are involved, the subgrantee must, for example, provide assistance in locating replacement housing, assure that it meets acceptable standards and maintain records on all acquisitions and relocations.

[Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) 49 CFR part 24 Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs: http://www.hud.gov/offices/cpd/affordablehousing/training/web/relocation/overview.cfm.

FEDERAL FINANCIAL REPORTS

Most federal programs require the periodic preparation of financial reports. During an audit, the auditor reviews supporting documentation and the timeliness and accuracy of the reports submitted.

(A-102 Common Rule – Financial reporting, section 42; Performance reporting, section 40(b). and OMB Circular A-110 – Financial reporting, 2 CFR section 215.52; Performance reporting, 2CFR section 215.51.)

200.2 APPLYING FOR GRANTS

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A grant application is a legal agreement between the applicant and the Office of Public Instruction (OPI). Depending on the specific grant regulations, an applicant may be a school district, a special education cooperative, a nonprofit entity, or an institution of higher education. Each grant is specific about the type of entity that is eligible to apply.

Most grants administered by the OPI are managed on E-Grants, the electronic grant management system. E-Grants contains electronic allocation information, applications and approvals of applications and subsequent amendments for approved grant budgets, cash requests, payments tracking, and grant fiscal and program close-out reporting.

> How Do I Know When to Apply and What Grants are Available? Schedules for grant applications contained in E-Grants are listed in the OPI Grants Calendar in this handbook. Grant applications that are not on E-Grants are announced and made available on the OPI website. Applicants will find application deadlines, due dates, and professional development opportunities on the OPI website calendar:
> OPI Grants Management Calendar
> OPI Professional Development Calendar

What if We Want to Refuse Funds? An entity may refuse funds allocated under a formula grant, such as ESEA Title I, Part A. Most OPI formula grants are on E-Grants, which allows for online refusal of funds. Contact the OPI program accountant or program specialist for assistance (see OPI Resources in this handbook).

The OPI requires each subgrantee to electronically or manually sign a "Common Assurances" form (see "Common and Program Specific Assurances " below) which is the entity's agreement to follow important state and federal laws and regulations related to the administration of state and federal grant programs. On the Common Assurances form, the subgrantee agrees to the designation of an Authorized Representative (AR). If additional assurances are required specifically by an individual program, OPI includes those assurances in the grant application for the program.

APPLICATION PROCESS – NONCOMPETITIVE GRANTS

1. The OPI makes an application form available on the OPI website or mails the application materials to the AR of eligible entities. Most non-competitive grants administered by the OPI are contained in E-Grants, so the majority of non-competitive grant applications will be made available on the E-Grants system.

2. The AR leads a cooperative effort of administrators, business managers, parents, teachers and other staff in planning the activities of the project and filing the application with the OPI. Applications for E-Grants programs must be submitted on E-Grants. Programs that offer a hardcopy application process or alternative electronic fill-in application process will inform applicants how to submit these application formats to the OPI.

3. The OPI reviews and acts on the application. The application is approved, preliminarily disapproved, or finally disapproved as explained below.

   Approval: The OPI approves the application. For E-Grants and other electronic applications, the OPI will notify the AR of the approval by sending an e-mail and posting a Grant Award Notification (GAN) on E-Grants. For hardcopy applications, OPI will send the AR a letter stating the terms of the approval or a containing a GAN.
   OR
   Preliminary Disapproval: The OPI disapproves the application. If the application is not approved, the OPI will e-mail or mail the AR a written notification of the preliminary disapproval and the reasons for preliminary disapproval, and will provide the applicant an opportunity to correct deficiencies that caused the disapproval. For E-Grant applications, the AR will find the OPI's comments about necessary corrections in the E-Grant application itself.
   OR

Final Disapproval: A preliminary disapproval notice will become final if the applicant does not correct deficiencies in the application or does not request a hearing within the time allowed (see COMPLAINTS AND HEARINGS PROCESS below).

4. The OPI sends written notice of its action to the AR via mail or e-mail.

5. The AR will share all written notices and program instructional materials with other administrators, the business manager/clerk and other management official(s), local program/project directors, teachers and other instructional or support staff, as appropriate.

Note: The OPI may require additional information or action from an applicant who has been designated as "high-risk" (see RISK CATEGORIES FOR SUBGRANTEES in Section 600 of this handbook).

APPLICATION PROCESS – COMPETITIVE GRANTS

1. The OPI makes an application form available on the OPI website or mails the application materials to the AR of eligible entities. Often, the OPI posts an announcement of the application process, and the AR of an interested party may download forms online or request hardcopy forms, depending on the application process.

2. The AR leads a cooperative effort of administrators, business managers, parents, teachers and other staff in planning the activities of the project and filing the application with the OPI.

3. The OPI reviews and acts on the application. The application is approved or disapproved as explained below.

   Approval: The OPI approves the application and sends written notice of approval to the AR by mail or e-mail;
   OR
   Disapproval: The OPI disapproves the application and sends written notice of disapproval and the reason for disapproval to the AR by mail or e-mail.

4. The AR will share all written notices and program instructional materials with the other administrators, business manager/clerk and other management official(s), local program/project directors, teachers and other instructional or support staff, as appropriate.

Note: The OPI may require additional information or action from an applicant who has been designated as "high-risk" (see RISK CATEGORIES FOR SUBGRANTEES in Section 600 of this handbook).

APPLICATION PROCESS – DISCRETIONARY GRANTS

Some federal grant programs allow the OPI to make discretionary subgrants to eligible entities. Entities eligible to receive discretionary grants may include school districts, education cooperatives and consortia, institutes of higher education, and educational associations, depending on the grant.

1. Eligible entities desiring a discretionary grant must contact the OPI program officer for the federal grant program.

2. The OPI program officer provides the Discretionary Grant Application.

3. Project stakeholders work together to develop the program description and complete the grant application.

4. The AR of the entity submits the completed application to the federal grant program officer at the OPI. The grant application must be submitted and approved prior to the beginning date of the project to be funded.

5. The OPI approves or disapproves the application.

   Approval: The OPI approves the application and sends written notification of approval to the applicant;
   OR
   Disapproval: The OPI disapproves the application and sends written notice of disapproval and the reason for disapproval to the applicant.

Note: The OPI may disqualify an applicant who has been designated as "high-risk" (see RISK CATEGORIES FOR SUBGRANTEES in Section 600 of this handbook) or may specify additional conditions as part of the approval process.

200.3 COMMON AND PROGRAM-SPECIFIC ASSURANCES Go to Top

Grant programs require applicants to certify they will follow certain laws and regulations as a condition of receiving funds under a certain program. Some required certifications apply to multiple federal programs, and other certifications are specific to one particular program. The OPI has combined the certifications required by more than one OPI-administered program into a single document called the "Common Assurances" (see Appendix J of this handbook).

Applicants need only submit the Common Assurances certification once, with an annual update, to cover their participation in all OPI-administered programs. Applicants must certify, by signature of the Board Chair or Executive Officer, or by electronic approval by the Authorized Representative on E-Grants, that they will abide by the Common Assurances as a condition for receiving funds under OPI grants.

On the Common Assurances form or online certification, the subgrantee designates authority to an Authorized Representative to make statements and commitments on behalf of the applicant entity under the provisions of each program.

Certifications required by individual programs are contained in individual grant applications and are submitted with the applications.

PROCESS FOR COMMON ASSURANCES

Most subgrantees file the Common Assurances form electronically on the E-Grants system during the annual application process for common OPI-administered grants like Title I, Part A and IDEA special education grants. Every entity applying for a grant on E-Grants must file the Common Assurances certification in order to submit an application.

Applicants who do not file at least one application on E-Grants must submit a signed hardcopy of the Common Assurances to OPI when applying for a grant covered by the assurances. The applicant is responsible for keeping a copy of the Common Assurances on file.

If the assurances required by the federal government are unchanged from one year to the next, the OPI asks the applicant to certify annually that no conditions have changed since the original certification of Common Assurances. OPI will distribute a new Common Assurance form for certification by subgrantees receiving funding whenever the federal requirements for assurances change.

200.4 COMPLAINTS AND HEARINGS

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CAUSE FOR COMPLAINT OR REQUEST FOR HEARING

At times, a subgrantee may disagree with the OPI's action or decision involving a federal or state grant program. In this case, the subgrantee may ask for reconsideration of the action or decision by using the process outlined in this section.

The following are examples of situations in which a subgrantee may want to enter a complaint and/or request a hearing:

a) The OPI denied a non-competitive grant application submitted by the entity or did not make an award for the application;

b) The OPI requires certain corrective action on an audit finding or as a result of a site visit or other monitoring effort, and the entity does not agree that corrective action is necessary;

c) The entity feels the OPI has otherwise violated a specific federal statute or program regulation; or

d) The OPI terminates an approved project or portion of a project.

OPI NOTICE -- INTENT TO DENY A NON-COMPETITIVE GRANT AWARD

If the OPI proposes to deny, in whole or part, any subgrantee application for a non-competitive federal subgrant, the applicant shall be afforded reasonable notice of:

a) OPI's intent to deny the application and the reasons for denial; and

b) The applicant's right to request a hearing before the OPI prior to final denial of the application.

The application may be denied, in whole or part, if the applicant fails to request a hearing.

COMPLAINT PROCESS

This process is used in cases where a subgrantee feels the OPI or another organization has violated a specific law or regulation.

1. Filing a Complaint

Any individual or organization may file a written, signed complaint with the OPI. The complaint must be addressed to the OPI program director.

The complaint must include a statement that the OPI or subgrantee has violated a requirement of a federal statute or regulation or a state statute or administrative rule that applies to the state or federal grant program. The statement must identify:

a) The specific section of the law, regulation or administrative rule that has been violated; and
b) The facts upon which the statement is based.

2. OPI's Receipt and Review of Complaint

The OPI will review and act on any complaint within 60 days of the date the complaint was received. The OPI may take one or more of these actions to review and resolve the complaint:

a) Resolve the complaint based on facts presented;
b) Request additional data to be used in resolving the complaint; or
c) Conduct an on-site review to collect data to resolve the complaint.

If an LEA's decision is being appealed, the OPI will resolve the appeal or provide a decision within the 60 days.

If resolution is not possible within 60 days due to exceptional circumstances, the OPI may provide an extension on the time limit for resolution.

The OPI will issue the complainant a written notice of resolution.

3. Appealing the OPI's Decision

If the OPI does not rescind its action, the applicant may file an appeal to the U.S. Secretary of Education within 20 days of the OPI's ruling on the hearing. If supported by substantial evidence, findings of fact of the OPI will be final. The OPI will provide the complainant with the address of the federal contact person at the time the OPI sends the written notice of resolution.

The Secretary may also issue interim orders to the OPI, if necessary, pending appeal or review.

If the Secretary determines that the action was contrary to laws or regulations, the Secretary may issue an order to the OPI to take appropriate action. Failure to comply may cause the loss of all federal assistance to the state.

HEARINGS PROCESS (34 CFR 76.783, 76.401)

This process is used in cases when the subgrantee disagrees with the OPI's actions, such as the resolution of an audit finding, additional monitoring required of the entity as the result of an on-site visit or other monitoring effort, withholding of a portion or all of an award because of failure to maintain effort, failure to provide a match, disapproval of a non-competitive grant application, etc.

1. Requesting a Hearing

The subgrantee or applicant must submit a written request for a hearing to the appropriate OPI program director. If the request for hearing is related to audit resolution problems, the request must be submitted to the OPI School Finance Division Administrator.

When the cause for the request is a controversy over the acceptability of the entity's response to an audit finding, the request must be received within 30 days of the date of the Department of Administration's notice stating the audit response is not acceptable.

2. The OPI's Hearing and Review

Within 30 days of receiving the applicant's request, the OPI will hold a hearing on the record and review its action.

Within 10 days after the hearing, the OPI will issue a written ruling, including findings of fact and reasons for the ruling.

If the OPI determines its action was contrary to law or regulations, the OPI will review its action and change its action to be in compliance with law or regulations.

3. Appealing the OPI's Decision

If the OPI does not rescind its action, the subgrantee or applicant may file an appeal to the U.S. Secretary of Education within 20 days of the OPI's ruling on the hearing. If supported by substantial evidence, findings of fact of the OPI will be final. The OPI will provide the entity with the address of the federal contact person at the time the OPI sends the written notice of resolution.

The Secretary may also issue interim orders to the OPI, if necessary, pending appeal or review.

If the Secretary determines that the action was contrary to laws or regulations, the Secretary may issue an order to the OPI to take appropriate action. Failure to comply may cause the loss of all federal assistance to the state.

200.5 MAINTENANCE OF EFFORT (MOE)

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DEFINITION AND PURPOSE

"Maintenance of Effort" (or "MOE" or "Maintenance of Fiscal Effort") is required by many grant programs to ensure the recipient of federal funds does not spend federal funds in place of state and local dollars. By maintaining fiscal effort, a subgrantee supports activities using state and local money as they would continue to do if federal dollars were not available. Thus, federal programs supplement the normal activities of the entity and do not replace, or supplant, their normal activities.

Subgrantees who do not meet MOE requirements may lose eligibility to a portion or all of the grant funds under the program which requires it.

TYPES OF MAINTENANCE OF EFFORT

The OPI monitors four types of MOE, including: 1) ESEA Title MOE; 2) IDEA MOE; 3) Carl Perkins Career and Technical Education MOE; and 4) Adult Basic and Literacy Education MOE. The applicability, overview of requirements, and calculations are discussed below.

ESEA Title MOE

This MOE level applies to the following grants:

- Title I, Part A, Improving Basic Programs
- Title I, Part C, Migrant Education
- Title I, Part D, Neglected, Delinquent and At-Risk Youth
- Title II, Part A, Improving Teacher Quality
- Title III, Part A, English Language Acquisition and Language Enhancement
- Title IV, Part B, 21st Century Community Learning Centers
- Title VI, Part B, Subpart 2, Rural and Low-Income School (RLIS)

(NOTE: This calculated MOE also applies to Title VII Indian Education and Title VIII Impact Aid programs, which are direct federal grants (not OPI-administered). The OPI submits MOE information to the U.S. Department of Education, which makes reductions at the federal level for those programs if MOE is not met.

Under these programs, a subgrantee may receive its full allocation if either the combined fiscal effort per student or the aggregate of all expenditures of local funds used for providing a free public education for the preceding fiscal year was not less than 90 percent of the combined fiscal effort per student or the aggregate expenditures for the second preceding year.

The MOE for these programs is calculated using data reported on the school district's Trustees' Financial Summary (TFS). See a detailed explanation of the calculation in Appendix C – Federal Maintenance of Effort (MOE) for ESEA Title I and Related Programs.

IDEA MOE

This MOE level applies to the Individuals with Disabilities Education Act (IDEA) Part B program.

Under this program, a subgrantee may receive its allocation if the expenditures for special education and related services in the preceding year were at least equal to the expenditures for special education and related services in the second preceding year.

A subgrantee may not reduce its level of expenditures of state or state and local funds below the level of those expenditures for the preceding fiscal year except for those conditions provided for under 34 CFR 300.203 and 300.205 (see Appendix D – Maintenance of Effort for Idea Programs).

The MOE for members of a special education cooperative is determined for the cooperative as a whole. Expenditures of the member districts and the cooperative itself are combined to calculate MOE.

If a district's Level of Determination under the IDEA is not "meets requirements" the district is not allowed to reduce its level of effort in the ensuing fiscal year. The OPI reviews the MOE amounts for each district that did not meet requirements and requires any district that reduced its effort to provide documentation of an allowed exception for that reduction.

If the subgrantee school district or special education cooperative/consortium fails to maintain effort, the subgrantee is required to repay the OPI an amount equal to the decrease in state and local expenditures for special education. Any repayment of funds must be made from the entity's state and local funds.

The MOE for these programs is calculated using data reported on the school district's Trustees' Financial Summary (TFS). See a detailed explanation of calculations and exceptions in Appendix D – Maintenance of Effort for Idea Programs).

Carl Perkins Career and Technical Education MOE

The MOE requirement for the Carl Perkins program applies at the state level and does not affect individual subgrantees. The OPI is responsible for ensuring the state as a whole meets the required MOE level with statewide expenditures of state funding for the covered programs.

The state must continue to provide funding for career and technical education programs at least at the level of support of the previous year. The U.S. Secretary of Education may grant a waiver of up to 5 percent for exceptional or uncontrollable circumstances (such as a natural disaster or a dramatic financial decline) that affect the state's ability to continue funding at the prior year's levels.

Adult Basic and Literacy Education MOE

The MOE requirement applies at the state level rather than the individual subgrantee level.

The state is required to match, with non-federal funds, 25 percent of the total amount of federal money expended for adult education and literacy activities. The statute retains the typical "supplement, not supplant" provision. If the state fails to maintain effort from the prior year, the U.S. Secretary of Education is authorized to apply pro rata reductions in federal funding rather than a total cutoff.

HOW THE OPI MONITORS MAINTENANCE OF EFFORT

As a subgrantor, the OPI is required to monitor and verify that each of its subgrantees maintained effort. The Prime Applicant for each grant project is responsible for ensuring the subgrantee maintains effort.

The OPI calculates MOE levels for school districts and special education cooperatives using data reported on the districts' or cooperatives' annual Trustees' Financial Summary (TFS) reports submitted to the OPI each September. For subgrantees who do not submit TFS reports because they are not public school districts, cooperatives or consortiums, the OPI requests other data to verify their MOE.

TIMELINE FOR MAINTENANCE OF EFFORT

September 15 -- The OPI receives annual Trustees' Financial Summary (TFS) reports from each school district and special education cooperative (MCA 20-3-209).

November 20 -- The OPI calculates preliminary MOE and notifies subgrantees of their status.

By December 10 -- School districts and special education cooperatives must submit any changes or corrections to data reported on their TFS reports to the OPI or submit an application for an exception. Changes after this date will only be accepted through the hearings process.

December 20 -- The TFS reports are locked. School districts or special education cooperatives which have not maintained effort despite TFS changes or approved exceptions are notified and provided an opportunity to request a hearing.

In the Spring -- The OPI reports final MOE status to subgrantees as part of the application process for the next year.

200.6 MATCHING REQUIREMENTS

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A small number of the grants administered by the OPI require the subgrantee to "match" the grant funds using local dollars. When a match is required, the recipient must spend the required amount of state and local dollars in order to be eligible to spend the grant funds. If a subgrantee does not meet the matching requirements of a particular grant, the OPI must disallow the grant expenditures and may require repayment of grant funds used without providing the necessary match.

MONEY USED FOR MATCHING

Grant regulations specify the type and amount of required match. Depending on the program, the match may include cash outlay and/or in-kind contributions. Generally, matching requirements state the recipient must spend state and/or local dollars to provide the match.

"Cash outlay" is the subgrantee's cash spending. The cash may have come to the subgrantee from individuals, public agencies, institutions, private organizations, etc. Although not common, other federal grants may be used as cash outlay to meet matching requirements when authorized by the program's regulations.

"In-kind contributions" are the non-cash contributions made by the subgrantee, individuals, public agencies, institutions, private organizations, etc. Examples include the value of the usage of office space and equipment or the value of goods and services provided toward the grant activities by the subgrantee using non-grant funds. In-kind contributions must directly benefit and be specifically identifiable to the grant program. Although not common, property purchased with other federal grants may be used as in-kind contributions to meet matching requirements when authorized by the program's regulations.

ACCOUNTING FOR THE MATCH

A subgrantee is responsible for demonstrating the appropriate matching funds were spent. To do that, a recipient must record expenditures of the grant and the matching expenditures in enough detail to track the match.

Usually, the clerk/business manager tracks matching funds by using the same expenditure program number to record the expenditure of matching funds as is used for expenditure of the grant funds themselves. For example, charges to the Title I, Part B, Subpart 3, Even Start grant are recorded using expenditure program 424, so matching funds spent in the general fund would also be charged to expenditure program 424. See the Chart of Accounts in Section 3-0600 of the School Accounting Manual for expenditure program code identifiers.

MATCHING REQUIREMENTS BY PROGRAM

Adult Basic and Literacy Education (ABLE)

The state as a whole is required to meet the higher of: 1) the matching (25 percent); or 2) the maintenance of effort requirement during a particular fiscal year. This includes a combination of all non-federal local and state funds. Individual subgrantees are not required to meet matching requirements on a stand-alone basis.

Gifted and Talented

Gifted and talented grants require 100 percent or more in cash match. In-kind match is not allowed by state statute (section 20-7-903(3), MCA).

200.7 SUPPLEMENT NOT SUPPLANT

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An LEA may use program funds only to supplement and, to the extent practical, increase the level of funds that would, in the absence of the federal funds, be made available from non-federal sources for the education of participating students. In no case may an LEA use federal program funds to supplant funds from non-federal sources.

The following are instances where it is presumed that supplanting has occurred:

a. The LEA used federal funds to provide services that the LEA was required to make available under other federal, State or local laws.

b. The LEA used federal funds to provide services that the LEA provided with non-federal funds in the prior year.

c. The LEA used Title I, Part A or Migrant education Program funds to provide services for participating children that the LEA provided with non-federal funds for nonparticipating children.

These presumptions are rebuttable if the LEA can demonstrate that it would not have provided the services in question with non-federal funds had the federal funds not been available.

"Supplement not supplant" provisions apply to the following OPI-administered programs:

Adult Basic Literacy Education
Carl Perkins Basic Grants
Gaining Early Awareness & Readiness for Undergraduate Programs (GEAR UP)
IDEA, Part B
IDEA, Preschool
ESEA Title I, Part A, Improving Basic Programs
ESEA Title I, Part C, Migrant Education
ESEA Title I, Part D, Neglected and Delinquent
ESEA Title II, Part A, Improving Teacher Quality
ESEA Title III, Part A, English Language Acquisition and Language Enhancement
ESEA Title IV, Part B, 21st Century Community Learning Centers
ESEA Title VI, Part B, Subpart 2, Rural and Low-Income School (RLIS)

NOTE: The ESEA Title VI, Part B, Subpart 1, Small, Rural School Achievement (SRSA) Program is also subject to supplement-not-supplant requirements, but it is funded directly by the U.S. Department of Education, not administered by the OPI.

200.8 CARRYOVER FUNDS

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BASIC CARRYOVER PROVISIONS

"Carryover" funds are grant funds which, if not obligated by the end of the project period, remain available to the subgrantee for one additional project period.

Grant project periods for most of the grants administered by the OPI begin July 1 and end on either June 30 or September 30. For some grants, funds that remain unobligated at the end of the project period are considered for inclusion in the ensuing year's project as carryover. That is, a portion or all of the unobligated funds are added to the amount awarded for the following year. The percentages and amounts of carryover differ by program, depending on program regulations (see PROGRAM PROVISIONS AND RESRICTIONS FOR CARRYOVER below).

Subgrantees must request cash for obligations incurred in one project period by the time the projects' fiscal close out report is due. If cash is not requested by that deadline, the subgrantee is typically eligible to carryover the amount, but it becomes part of the next project period. Consequently, any obligations for which the subgrantee fails to request cash reimbursement by the project's close-out deadline must be funded using other available funds of the district and cannot be charged to the grant.

The carryover provision, however, would make an equal amount of funding available to fund grant activities during the next project period by adding the amount to the following project year's grant award.

Carryover funds are subject to the same spending requirements as all other funding under that particular federal program. A recipient must spend the carryover funds in compliance with the same regulations and terms as other program funds in the current year's award.

PROGRAM PROVISIONS AND RESRICTIONS FOR CARRYOVER

Limitations are applied at the end of the project period based on information submitted on the Final Expenditure Report for the previous project. The carryover provisions applicable to OPI-administered programs are explained below.

ESEA Title I, Part A - Improving Basic Programs

If the district received an allocation of $50,000 or more, the carryover amount for ESEA Title I, Part A is limited to 15 percent of the allocation. The $50,000 allocation level applies to each separate district in a school system (elementary and high school) combined application. That is, if an elementary district and a high school district share a combined ESEA Title I, Part A application and only one district generated an allocation of $50,000 or more, then the carryover limitation would be applied only to that district's portion of the allocation. Districts with allocations less than $50,000 may carryover 100 percent of their remaining balance to the next grant period.

All carryover funds stay with the prime applicant on the Consolidated Application for ESEA/NCLB. The prime applicant is responsible for submitting amendments to build carryover into the approved grant application; member districts do not take any action.

Applicants that received reallocated funds may not carry forward any remaining balance (see Appendix F – Title I Reallocation and Comparability Policies).

A district may submit a written request for a waiver to one or more of the ESEA carryover limitations by June 1. In the case of ESEA Title I, a request may be granted only once every three years. Criteria for approval of such requests and detailed directions on submission are available from the OPI program specialists for each program.

Programs Allowing 100% Carryover

The following programs' regulations do not limit the amount of carryover:

ESEA Title II, Part A - Improving Teacher Quality
ESEA Title III, Part A - English Language Acquisition
ESEA Title VI, Part B, Subpart 2 - Rural and Low-Income School (RLIS)
ESEA Title X, Part C - Education of Homeless Children and Youth
IDEA, Part B - Education of Children with Disabilities
IDEA Preschool

Therefore, any "current-year" funds in an applicant's project which were not expended during the project year will be automatically provided to the applicant in the next school year as carryover funds.

All carryover funds stay with the prime applicant on the Consolidated Application for ESEA/NCLB or for IDEA. The prime applicant is responsible for submitting amendments to build carryover into the approved grant application; member districts do not take any action.

Programs With No Carryover

1. Carl Perkins Career and Technical Education does not allow carryover. All funds must be spent within the original award period.

2. ESEA Title I, Part C, Migrant Education does not allow carryover.

CARRYOVER PROCESS

The OPI automatically allows subgrantees to carryover the funds which are subject to the allowable carryover provisions.

To do this, the OPI verifies final carryover amounts for all programs after receiving final expenditure reports and refunds. The OPI determines final carryover amounts and then adds the final carryover amount (up to any percentage limitation as explained above) into the application.

E-Grants automatically brings eligible unexpended funds forward to the districts' current year grant application budget as carryover and generates an automatic e-mail to the district AR and other staff persons who are entered on the respective application's Contact Information page. This is the district's notice that there may be carryover funds to include in the current-year budget. If the prior year final expenditure report is approved *after* the creation of the current year application and carryover amounts are available, the subgrantee must submit an amendment to the current year grant budget on E-Grants. Carryover affects the funding page and the budget page on the E-Grants application.

If an indirect cost rate was included on the proposed and first-approved budgets, the OPI also recalculates the maximum amount allowed for indirect cost recovery on the amended award. Indirect cost rates are automatically calculated for the E-Grants application, but the LEA needs to create an amendment to budget the additional indirect cost recovery funds if they choose to use them.

200.9 PRIVATE/NONPUBLIC SCHOOL PARTICIPATION Go to Top

Federal statutes require that public school districts have meaningful and timely consultation with private/nonpublic schools within their boundaries concerning the availability of the various federal programs in which private/nonpublic schools may participate, whether individually or in a consortium or cooperative. All districts must offer the opportunity for a free and appropriate public education for students with disabilities residing within their boundaries.

PRIVATE/NONPUBLIC SCHOOL PARTICIPATION NOTIFICATION

Annually, public school districts will consult with all private/nonpublic schools within their boundaries, informing them of opportunities to participate in federal education programs and designing programs that will benefit the participating public and private/nonpublic school students.

Public school officials must annually contact home school parents and officials of private schools within the district boundaries to determine whether those schools wish to participate in federal programs, regardless of whether the home school parents or private school officials have recently participated or not and regardless of whether they indicated they prefer not to be contacted regarding participation.

For more information, see the OPI's Private Nonpublic Schools web page: http://www.opi.mt.gov/Programs/TitlePrgms/NonPublic/index.html

PROCESS FOR NOTIFICATION

In March, the OPI provides districts with forms to use for private/nonpublic school participation notification, lists of private/nonpublic schools reported in October and program descriptions.

Between March and late April, districts will notify all private/nonpublic schools within their boundaries of a general meeting to explain the federal programs for which private/nonpublic students are eligible and invite them to participate. Districts will contact all private/nonpublic schools who are unable to attend the meeting to explain services available.

Districts should maintain records of schools contacted and the method of notification (some use registered mail). Following distribution of the information and timely and meaningful consultation with private/nonpublic schools, districts return the Private/Nonpublic Participation in Federally Funded Programs to the OPI in April,

informing the OPI that they have had meaningful consultation with the private/nonpublic schools within their boundaries and listing which private/nonpublic school students will participate in the federal programs with the public school district. For ESEA programs this information is entered into the E-Grants system.

BASIC PROVISIONS

The authorizing statutes for most federal programs administered by the OPI require that the state and subgrantee provide for participation by students enrolled in private/nonpublic schools. Some programs also allow participation by private/nonpublic school staff.

Subgrantees sign a "Common Assurances" certification form which indicates their intention to provide equitable services to eligible private/nonpublic school students under the various programs. Copies of forms are kept on file at the OPI and must be retained by each subgrantee recipient for audit purposes.

ADMINISTRATIVE RESPONSIBILITY FOR PRIVATE/NONPUBLIC SCHOOL PARTICIPATION

Subgrantees must fulfill these general administrative responsibilities: (34 CFR 76.651662)

1. Provide eligible private/nonpublic school students a genuine opportunity for equitable participation in accordance with federal laws and regulations for a program;

2. Provide private/nonpublic school students the opportunity to participate consistent with the number of private/nonpublic school students and their needs;

3. Maintain administrative control over federal funds and federal property used for students enrolled in private/nonpublic schools;

4. Ensure timely and meaningful consultation with appropriate private/nonpublic officials during the design and development of the district's programs under this part;

   TIMING—Such consultation shall include meetings of district and private/nonpublic school officials and shall occur before the LEA makes any decision that affects the opportunities of eligible private/nonpublic school children to participate in programs under this part. Such meetings shall continue throughout implementation and assessment of services provided under this section.

   DISCUSSION—Such consultation shall include a discussion of service delivery mechanisms an LEA can use to provide equitable services to eligible private/nonpublic school children.

CHECKLIST---Consultation shall include discussions on issues such as:

a) How the children's needs will be identified;
b) What services will be offered;
c) How, where, and by whom the services will be provided;
d) How the services will be assessed (academically assessed in Title I, Part A) and how the results of that assessment will be used to improve those services;
e) The size and scope of the equitable services to be provided to the eligible private/nonpublic school children, and the amount of funds available for those services;
f) How and when the district will make decisions about the delivery of services to such children including a thorough consideration and analysis of the views of the private/nonpublic school officials on the provision of services through a contract with potential third-party providers; and
g) How, if the district disagrees with the views of the private/nonpublic school officials on the provision of services through a contract, the LEA will provide in writing to such private/nonpublic school officials an analysis of the reasons why the LEA has chosen not to use a contractor.

CONSULTATION REQUIREMENTS UNDER IDEA, Part B---To ensure equitable participation of private/nonpublic school children with disabilities who are parentally enrolled in private/nonpublic schools, the school district must consult with private/nonpublic school representatives during the design and development of special education and related services for the children, including:

a) The child find process and how private/nonpublic school children suspected of having a disability can participate equitably, including how parents, teachers, and private school officials will be informed of the process;
b) The determination of the proportionate amount of federal funds available to serve private/nonpublic school children with disabilities, including the determination of how the amount was calculated;
c) The consultation process among the school district, private/nonpublic school officials, and representatives of parents of parentally placed private/nonpublic school children with disabilities, including how such process will operate throughout the school year to ensure that parentally placed private school children with disabilities identified through the child find process can meaningfully participate in special education and related services;
d) How, where, and by whom special education and related services will be provided for private/nonpublic school children with disabilities, including a discussion of types of services, including direct services and alternate service delivery mechanisms, how such services will be apportioned if funds are insufficient to serve all children, and how and when these decisions will be made; and
e) How, if the school district disagrees with the view of the private/nonpublic school officials on the provision of services or the types of services,

whether provided directly or through a contract, the school district shall provide to the private/nonpublic school officials a written explanation of the reasons why the school district chose not to provide services directly or through a contract.

5. Assure that program benefits provided for private/nonpublic school students are comparable in quality, scope, and opportunity to participate as are benefits provided to students in public schools;

6. Assure that if needs of students in private/nonpublic schools are different than in public schools, the benefits provided are different;

7. Assure that equitable opportunities are provided for students in private/nonpublic schools as provided to students with the same needs in public schools;

8. Assure the program funds are not used to finance the existing level of instruction or otherwise benefit the private/nonpublic school;

9. Assure the same average amount of program funds are spent for benefits to private/nonpublic and public schools, or that the average cost is different because the needs differ from needs of students in public schools;

10. Keep title and control over equipment purchased for use in a private/nonpublic school;

11. Place equipment and supplies in a private/nonpublic school for the time needed for the project;

12. Assure that equipment or supplies placed in a private/nonpublic school are used only for the project and are removable without remodeling at the end of the project;

13. Remove equipment or supplies from a private/nonpublic school if they are no longer used for the project or if necessary to avoid use on a different project;

14. Assure that program funds are not used for construction of private/nonpublic school facilities;

15. Use program funds to pay services of an employee of a private/nonpublic school if the services are performed outside the regular workday and if the employee performs the services under the control and supervision of the public school; and

16. Report private/nonpublic school fiscal and evaluation data by program to the OPI as required by various program regulations.

SPECIFIC PROGRAM ELIGIBILITY

NOTE: For all ESEA programs, the private/nonpublic equitable share is calculated in the E-Grants system and must be reserved in the program before public share can be REAP-Flexed or transferred.

ESEA Title I, Part A - Improving Basic Programs

Private/nonpublic school students with academic needs who reside in ESEA Title I attendance areas may receive equitable services to the extent possible with funds generated by low-income private/nonpublic school students.

ESEA Title II, Part A - Improving Teacher Quality

Professional development for core teachers is the only ESEA Title II, Part A activity available to private/nonpublic schools. If there are participating private/nonpublic schools within a district boundary, the public district must design a professional development program that meets the needs of the private/nonpublic core teachers. The private/nonpublic teachers may be included in the public school ESEA Title II, Part A program or attend different professional development that meets their needs. Local education agencies shall consult with appropriate private/nonpublic school officials during the design and development of the district ESEA Title II program.

ESEA Title III, Part A - English Language Acquisition and Language Enhancement

Students identified as limited English proficient and/or immigrant under the Immigration and Nationality Act and who are enrolled in a private/nonpublic school may be eligible.

ESEA Title IV, Part B - 21st Century Community Learning Centers

Eligible applicants include public schools, community-based organizations, other public or private entities, or a consortium of two or more of such agencies or entities. Award priority is given to eligible entities that serve a high percentage of students from low-income families.

IDEA Part B

Public schools are obligated to establish a service agreement for students with disabilities attending private/nonpublic schools in accordance with the requirements of 34 CFR 300.130 through 300.144. This agreement must be established with input from the private/nonpublic school. For those private/nonpublic schools who indicate a desire to participate in IDEA services, the public school is obligated to make special education services available consistent with its service agreement, but may limit the services provided to an amount calculated under the provisions of IDEA regulations.

Carl Perkins

Private/nonpublic schools may participate through a public school. Private/nonpublic schools cannot apply for funds directly.

300 PROGRAM COSTS

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300.1 Allowable and Unallowable Costs
300.2 Indirect Cost Recovery
300.3 Procurement (Purchasing)

300.1 ALLOWABLE AND UNALLOWABLE COSTS

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FEDERAL COST PRINCIPLES

The federal government provides uniform rules for determining allowable costs of federal grants and contracts among different types of subgrantee organizations. The basic intent of the rules is to ensure federally assisted programs bear their fair share of costs of a subgrantee's operations.

When the OPI subgrants federal funds to an entity, the entity must follow the federal cost principles that apply to their type of organization, as follows:

Subgrantee Organization	Federal Cost Principles
State, Local, and Tribal Governments (includes school districts, counties, and Tribal governments)	2 CFR, Part 225 (previously OMB Circular A-87)
Colleges, Universities, and Hospitals	2 CFR, Part 220 (previously OMB Circular A-21)
Non-Profit Organizations that are not Institutions of Higher Education	2 CFR, Part 230 (previously OMB Circular A-122)

BASIC COST REQUIREMENTS

To be an allowable charge to a federal program, a cost must be:

1. Necessary and reasonable to the performance and administration of the project;
2. Allocated equitably to the federal award, including non-federal activities;
3. Authorized or not prohibited by state or local laws or regulations;
4. In accordance with limitations and exclusions in the applicable federal cost principles (see above) regarding specific types of costs and amounts;
5. Consistently treated as non-federal costs are treated;
6. Charged either as a direct cost or an indirect cost, but not both;
7. Recorded and reported in conformance with Generally Accepted Accounting Principles (GAAP);

8. Excluded from costs used to meet matching requirements for another federal award, except where specifically allowed by program regulations;
9. Net of applicable credits;
10. Approved in advance if subject to prior approval requirements;
11. Incurred in accordance with competitive purchasing procedures, if required; and
12. Adequately supported by source documentation.

ALLOWABLE AUDIT COSTS

The cost of a Single Audit (i.e., audit performed under the provisions of the Single Audit Act and OMB Circular A-133 for an entity spending more than $500,000 in federal funds) is an allowable cost of federal programs either as a direct or indirect charge. However, a subgrantee may only allocate the cost of a Single Audit directly to federal programs after adopting an allocation plan as described in the applicable federal costs principles (see Federal Cost Principles above).

The cost of a regular "Yellow Book" audit for an entity that does not spend $500,000 or more in federal funds is not an allowable cost of federal grants. Consequently, an entity may not charge those audit costs as direct charges to federal programs and may not charge audit costs to the entity's indirect cost pool. Non-federal funds must be used to pay for the audit.

UNALLOWABLE COSTS

The following costs are unallowable under most federal programs:

1. Alcoholic beverages;
2. Bad debt write-offs;
3. Contributions to a contingency (emergency) reserve;
4. Entertainment;
5. Fines and penalties;
6. Governor's expenses;
7. Interest on borrowings;
8. Legislative expenses (includes any political spending);
9. Excess of costs over the grant amount;
11. Termination pay (see below); and
12. Pre-award costs (i.e., costs incurred before the beginning of the grant award term), unless specifically allowed with prior approval of the OPI.

In addition, credits such as purchase discounts and price adjustments must be deducted from total costs.

Termination Pay

Subgrantees must not charge termination payouts, such as sick leave and vacation leave payouts, directly to federal grants.

Termination pay may either be paid from non-federal funds or included as part of the indirect cost rate calculation.

Accordingly, termination pay may either be:

1. Paid directly from the general fund, school food fund, impact aid fund, the compensated absences fund (non-teaching staff only) or other appropriate non-federal fund; or
2. Be included in the indirect cost rate calculation and paid using the indirect cost pool.

EQUIPMENT

Subgrantees must obtain the OPI's written pre-approval to use federal funds to purchase equipment costing over $5,000 and having a useful life of at least one year. Obtain pre-approval either by describing planned equipment purchases on the grant application or by submitting a budget and program modification to the OPI for approval. See Equipment and Supplies in Section 500 of this handbook.

GRANT PERIOD

Costs must be incurred within the grant award period to be allowable, unless pre-award costs were specifically authorized in writing by the grantor. That is, obligations must occur between the beginning date of the grant period and not later than the ending date of the grant period.

The award period is stated on the Grant Award Notification (GAN). Most OPI-administered grants are awarded for 12 months (July 1 through June 30) or 15 months (July 1 through September 30).

DISALLOWANCE OF COSTS

An auditor or OPI reviewer may question the costs charged to a grant program, resulting in costs being disallowed. The OPI may require the subgrantee to refund grant money for disallowed costs, or money may be withheld from future payments to the grantee.

A subgrantee may appeal a decision of the OPI (see Hearings and Complaints in Section 200 of this handbook).

300.2 INDIRECT COST RECOVERIES

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DEFINITION OF INDIRECT COSTS

An "indirect cost" (IDC) is a cost incurred for a common or joint purpose benefiting more than one cost objective, but not readily assignable to the specific programs benefited. The IDCs are "pooled" and charged by allocation to various programs.

Common examples of indirect costs are centralized accounting and purchasing functions of an organization that participates in multiple programs and activities. The costs of the shared functions can be spread among all the organization's activities, including grant and non-grant activities, using an indirect cost allocation.

An "indirect cost rate" is a percentage that has been approved for charging indirect costs to a subgrantee's state and federal programs. The indirect cost rates for public school districts must be approved annually by the OPI. Other types of entities, such as colleges and non-profit organizations, generally have a federal cognizant agency that is responsible for approving that subgrantee's indirect cost rate. See Indirect Cost Application and Information.

An "indirect cost recovery" is the amount charged to a federal grant using an approved IDC rate. A subgrantee may "draw" IDC recoveries from a grant award as expenditures are incurred. The approved indirect cost rate times the direct grant expenditures incurred equals the allowable indirect cost recovery amount that the subgrantee may request. The amount of a grant award is not affected by the amount of IDC recovery, but the amount available for direct costs of the project is smaller if IDC recoveries are drawn from the award.

APPLYING FOR AN INDIRECT COST RATE

Indirect costs are optional. A subgrantee must have an approved indirect cost rate before applying indirect costs to grants administered by OPI or any other grantor agency.

Public school districts may apply for an indirect cost rate by submitting a "Certification and Request for Authorized Indirect Cost Rate" application to the OPI School Finance Division for approval. An elementary and high school district operating under a combined school board will apply for a single combined rate for the school system. An application filed in the Spring (usually by March 31) is the basis for a rate applicable to awards received in the following school year. See Indirect Cost Application and Information.

Subgrantees which are not public school districts should contact the federal agency which awards them the greatest amount of federal funds ("federal cognizant agent"). That agency is responsible for approving the subgrantee's indirect cost rate and ensuring overall compliance with indirect cost recovery regulations.

INDIRECT COST RATES FOR GRANT AWARDS TO COOPERATIVES/CONSORTIUMS

The prime applicant of a consortium may apply their approved rate to claim IDC recoveries if the grant program allows it.

When an elementary school district and a high school district form a consortium to apply for a grant, the school system's combined IDC rate will apply.

Pass-through entities (i.e., subgrantees that receive the IDEA grant and transfer it to members of their consortium or cooperative) may not claim any IDC recoveries on pass-through funds.

Special education cooperatives are not authorized to claim indirect cost recoveries on OPI-administered programs.

SPENDING INDIRECT COST RECOVERIES

Section 20-9-507, MCA, allows indirect cost (IDC) recoveries to be spent at the discretion of the trustees. Accordingly, the school district should adopt a policy addressing how they will spend indirect cost recoveries. The subgrantee should use IDC recoveries for general administrative expenses and should not accumulate IDC recovery money beyond the end of the fiscal year unless a spending plan has been approved by the trustees. The subgrantee may accumulate IDC recoveries to a level that is adequate to pay termination payouts (unused vacation and sick leave) for federally paid employees.

LIMITS ON THE RECOVERY OF INDIRECT COSTS

There are five major limitations that affect the amount of indirect costs a subgrantee may recover. These limitations are:

1. Approved Rate or Lower Rate Allowed by Federal Program

   The rate negotiated with the OPI or federal cognizant (oversight) agent is the maximum allowable indirect cost for any federal program in which the subgrantee participates. Federal law or grant conditions may further limit the amount of indirect costs or the indirect cost rate. For example, if the subgrantee has an approved restricted rate of 5 percent and the law allows only a 3 percent rate of recovery for a particular program, then the subgrantee can only recover indirect costs equal to 3 percent of the direct costs under that program and up to 5 percent under the other programs in which they participate. Some grants may prohibit any recovery of indirect costs.

2. Availability of Funds

   Recovery of indirect costs on grants is subject to the availability of funds. Most restricted grants are allocated to the state as a block grant in which each subgrantee is entitled to a maximum grant amount. The total direct costs plus indirect costs cannot exceed the maximum entitlement.

3. Direct Costs Incurred

   Indirect costs are recovered only to the extent of direct costs incurred. The indirect cost rate is applied to the direct cost amount expended less capital outlay and transfers to other entities, not to the total grant award.

4. Rates Approved after the Grant Begins

A subgrantee may apply for a rate midyear; however, indirect costs may only be applied and drawn after the rate is approved. Based on expenditures incurred after the date of the rate approval, the subgrantee may apply and draw indirect costs. Expenditures prior to the rate approval cannot be used as a basis for indirect costs. Consequently, a subgrantee who applies for a rate midyear must report to the OPI program accountant the amount of the total of expenditures to date. The OPI will monitor to allow IDC recoveries after the rate is approved.

5. Period for Which Rates are Applicable

An indirect cost rate approved by the OPI is effective for one year. The rate is valid from July 1 through June 30 of the applicable fiscal year of approval or the term of the grant award. To recover indirect costs, a subgrantee applies the indirect cost rate in effect for a given fiscal year or the term of the grant award to the direct expenditures less capital outlay during that fiscal year or the term of the grant award.

USING THE INDIRECT COST RATE

Once the proposal has been approved by the Office of Public Instruction or federal cognizant agent, the subgrantee may elect to:

1. Apply the approved and applicable rate to all eligible state and federal projects;
2. Apply the approved and applicable rate only to specific eligible projects;
3. Not apply the rate to any projects; or
4. Apply the rate approved or less than the rate approved. If the rate applied is less than the rate approved, it is not necessary to apply the reduced rate uniformly to all projects.

BUDGETING FOR INDIRECT COST RECOVERIES

The following formula determines the amount that may be budgeted for indirect cost recoveries:

$$\text{Budgeted IDC Recovery} = \frac{\text{Approved Indirect Cost Rate \%}}{(1.00 + \text{Indirect Cost Rate \%})} \times \text{Total Award less Capital Outlay and Transfers}$$

"Capital outlay" includes payments for equipment and facilities acquisition. The IDC recovery cannot be claimed for capital outlay expenditures. Exclude those expenditures from the award amount in calculating the budgeted IDC recoveries.

CALCULATING AND RECORDING ACTUAL INDIRECT COST RECOVERIES

The IDC recoveries may be taken on actual expenditures incurred, less capital outlay and transfers to other entities.

Example: If actual total direct expenditures less capital outlay are $10,000 and the IDC rate approved by OPI is three percent, a subgrantee could "take indirects" up to $300. This amount should be "transferred" from the grant to the "Indirect Cost Recovery" project in the Miscellaneous Programs Fund (15) where it should be spent for administrative and overhead expenses at the discretion of the trustees (20-9-507, MCA). (See page 14 of the Indirect Cost Rate Instructions for coding of this transaction)

INDIRECT COST RECOVERIES SUBJECT TO AUDIT

The IDC recoveries are subject to review during the subgrantee's annual audit. The OPI will also monitor final expenditure reports to ensure IDC recoveries were appropriate.

The OPI or any other grantor, including the federal government, may require a recipient to repay IDC recoveries if a recipient draws too much IDC recovery from an award. Common causes of overdrawn IDC recoveries include:

1. Using an IDC rate that exceeds the approved rate;
2. Drawing the amount of IDC recovery listed on the project budget instead of applying it to actual expenditures (for example, a subgrantee cannot draw budgeted IDC recoveries of $500 if actual direct grant expenditures only made the subgrantee eligible for $450 by the end of the grant period); and
3. Failing to exclude capital outlay and transfers from the actual expenditures used to calculate the amount of IDCs drawn (for example, a subgrantee cannot applying the IDC rate to a purchase of a $5,000 copier because it is a capital outlay that is exempt from IDC recoveries, even if the purchase was pre-approved as an allowable cost of the grant award).

300.3 PROCUREMENT (PURCHASING)

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Each subgrantee should have written policies for the procurement of goods and services. The policies must be based on state and federal laws and regulations on procurement. The major requirements in state and federal laws and regulations are summarized here.

SCHOOL PURCHASING LAWS

Schools must follow section 20-9-204, MCA regarding bids for all purchases, including purchases using federal and state grant funds. This law requires:

1. Except for district needs that must be met due to an unforeseen emergency as defined in section 20-3-322(5), MCA, whenever the estimated cost of any building, furnishing, repairing, or other work for the benefit of the district or purchasing of supplies for the district exceeds the sum of $50,000, state law requires the work done or the purchase made must be by contract.

2. Each contract must be let to the lowest responsible bidder after advertisement for bids.

   A school district may contract for certain services without a bid process. The bidding requirements applicable to services performed for the benefit of the district under section 20-9-204, MCA, do not apply to a registered professional engineer, surveyor, real estate appraiser, or registered architect; a physician, dentist, pharmacist, or other medical, dental, or health care provider; an attorney or actuary; or an accountant licensed under MCA Title 37, chapter 50.

3. The advertisement must be published in the newspaper that will give notice to the largest number of people of the district as determined by the trustees. The advertisement must be made once each week for two consecutive weeks, and the second publication must be made not less than five days or more than 12 days before consideration of bids.

4. A contract not let pursuant to this section is void.

5. Whenever bidding is required, the trustees shall award the contract to the lowest responsible bidder, except that the trustees may reject any or all bids.

6. The board of trustees is not required to let a contract for any routine and regularly performed maintenance or repair project or service that can be accomplished by district custodial/maintenance staff.

7. A school district trustee may not:
   a) Have any "pecuniary interest," either directly or indirectly, in any contract made by the trustee while acting in that official capacity or by the board of trustees of which the trustee is a member; or
   b) Be employed in any capacity by the trustee's own school district.

   "Pecuniary interest" does not include holding an interest of 10 percent or less in a corporation;

   "Contract" does not include:
   (i) Merchandise sold to the highest bidder at public auctions;
   (ii) Investments or deposits in financial institutions that are in the business of loaning or receiving money when the investments or deposits are made on a rotating or ratable basis among financial institutions in the community or when there is only one financial institution in the community; or
   (iii) Contracts for professional services, other than salaried services, or for maintenance or repair services or supplies when the services or supplies are not reasonably available from other sources if the interest of any board member and a determination of the lack of availability are entered in the minutes of the board meeting at which the contract is considered.

SPLITTING A PROJECT IS NOT PERMITTED

Section 20-9-205, MCA, prohibits splitting a project or purchase in order to circumvent the bid laws.

WRITTEN CODE OF CONDUCT

All subgrantees of federal grants must have a written code of standards governing performance of their employees engaged in awards and administration of contracts.

The code must:

1. Disallow conflicts of interest, real or perceived, from being tolerated;
2. Disallow the acceptance of gifts, tips or favors from contractors or potential contractors; and
3. Provide penalties, sanctions, or other disciplinary actions for violations of the code by the subgrantee's employees, officers, or agents or by the contractors or their agents.

FEDERAL REQUIREMENTS FOR PROCUREMENT POLICIES

Subgrantee policies for expenditures using federal grants must ensure the entity will:

1. Avoid unnecessary purchases and duplications;
2. Encourage the most economical purchases (Lease vs. Purchase, etc.);
3. Use common goods and services, such as state term contracts, etc., to get the best deals;
4. Use federal surplus items in lieu of purchasing additional items;
5. Award contracts only to responsible contractors based on such things as organizational integrity, past performance, etc.;
6. Provide full and open competition, by not:
   a) placing unreasonable requirements on firms to qualify to do business;
   b) requiring unnecessary bonding or experience from a firm to qualify;
   c) allowing noncompetitive pricing between vendors;
   d) using retainer contracts;
   e) allowing organizational conflicts of interest;
   f) specifying brand names instead of allowing "equal" quality products; or
   g) applying any other arbitrary action that unfairly discourages competition.
7. Avoid geographical preferences, except those required by state law;
8. Identify all qualifying requirements in the request for proposals;
9. Include written selection procedures for procurement to ensure clear, accurate description of the technical requirements for a material, product, or service; and
10. Encourage contracts and awards with minorities.

PROCUREMENT RECORDS

Subgrantees must maintain procurement records which detail the history of purchasing decisions, including:

1. the method of procurement and why it was chosen;

2. the type of contract used;
3. contractor selection and the basis for it; and
4. the basis for the contractor's price.

(See Records Retention in Section 400 of this handbook.)

RESOLVING DISPUTES

The grantee and subgrantee are responsible for resolving contractual disputes. The federal grantor agency will only handle questions of federal law and disputes over protest procedures for failure to review a complaint or process.

PURCHASING PROCESS REQUIRED

A summary of the type of process to use, depending on the organization and the amount of purchase, is shown below:

Goods/Services Under $50,000

All subgrantee organizations may follow informal purchasing policies as adopted by their governing boards. Informal purchasing processes often involve solicitation of informal bids to ensure the best price. Subgrantees that are subject to stricter policies for procurement must follow those restrictions.

Goods/Services more than $50,000

School districts must use formal bids and formal purchasing procedures, including formal advertising of the bid process. Montana school districts must have a contract for purchasing goods and services with a cost exceeding $50,000.

Other subgrantee organizations may follow informal purchasing policies as adopted by their governing boards.

Goods/Services more than $100,000

All subgrantee organizations must use formal purchasing procedures, including formal advertising of the bid process.

Federal regulations require the formal purchasing procedures to include:

1. Formal advertising;
2. Sealed bids;
3. Public bid opening process, at time and place advertised in invitation for bids; and
4. Written awarding of a fixed price contract to the lowest bidder.

REJECTING BIDS

Under state and federal laws, subgrantees may reject any or all bids. However, the entity must adequately document the reasons for their actions.

NON-COMPETITIVE PROPOSALS

Non-competitive proposals are only allowed when:

1. The purchase of goods or services is less than $50,000 for a school district or $100,000 for an entity other than a school district; and
2. Sealed bids or competitive proposals are not feasible; and
3. At least one of the following circumstances applies:
   a) Item is only available from a single source ("Sole Source");
   b) A public emergency situation will not permit a delay resulting from competitive solicitation;
   c) The awarding agency authorizes non-competitive proposals; or
   d) After solicitation of a number of sources, competition is determined inadequate.

Even when non-competitive processes are used, federal regulations require the subgrantee must analyze the cost to determine it is reasonable before making the purchase.

400 ACCOUNTING AND REPORTING PROCEDURES

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400.1 Fiscal Control and Accounting Requirements
400.2 Amendments
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400.1 FISCAL CONTROL AND ACCOUNTING REQUIREMENTS

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The federal government requires the Office of Public Instruction (OPI) to set fiscal control and accounting procedures for its own funds and those of its subgrantees in accordance with state laws and policies.

These fiscal control and accounting procedures must:

a. Permit preparation of required reports for state and federal officials; and

b. Permit funds to be traced to a level of expenditures adequate to establish that the funds have not been used in violation of restrictions and prohibitions of program statutes.

FEDERAL FINANCIAL MANAGEMENT STANDARDS

Federal financial management standards require the OPI and our subgrantees must:

a. Provide accurate, current and complete disclosure of federally assisted activities in accordance with financial reporting requirements of the program;

b. Maintain records to adequately identify the source and application of funds for federally assisted programs: award letters, authorization statutes, obligations, unobligated balances, assets, liabilities, expenditures and revenue (see RECORDS RETENTION below);

c. Maintain effective control and accountability for all grant and subgrant cash, real and personal property and other assets. Subgrantees must adequately safeguard property and ensure it is used solely for authorized purposes;

d. Maintain comparisons of actual expenditures to budgeted expenditures for each grant;

e. Follow applicable federal Office of Management and Budget (OMB) cost principles, the OPI program regulations and the terms of the grant agreements;

f. Support accounting records with source documentation, e.g., approved requisitions and purchase orders, cancelled warrants, paid invoices, payrolls, time and attendance records, contracts and award documents, etc.; and

g. Establish reasonable procedures to request funds as close as possible to the time they are needed to make payments for grant activities.

REVIEWING A SUBGRANTEE'S FINANCIAL MANAGEMENT SYSTEM

The OPI may review the adequacy of the financial management system of any subgrantee as part of the pre-award process or any time subsequent to the award. The OPI reviews the annual or biennial audit reports of each subgrantee to ensure compliance with federal and state audit requirements. For more information, see Audit Requirements and OPI Monitoring in Section 600 of this handbook.

SEPARATE ACCOUNTING REQUIRED FOR EACH GRANT PROJECT

Subgrantees must maintain a separate accounting of revenues and expenditures by project and by fiscal year. This also applies to funds transferred or REAP-Flexed under the provisions of Title VI of the No Child Left Behind Act.

SCHOOL DISTRICTS—DEPOSIT OF GRANT FUNDS FROM THE OPI

Nearly all state and federal grants administered by the OPI and distributed to public school districts are required to be deposited into the Miscellaneous Programs Fund (15) of the Prime Applicant school district. Federal Impact Aid, which is paid directly to school districts by the federal government, must be deposited into a district's Impact Aid Fund (26).

FISCAL YEAR PERIOD

"Fiscal Year" means a year used as an accounting period. The State of Montana, including Montana school districts, uses a fiscal year that begins July 1 and ends June 30. The federal fiscal year is October 1 through September 30.

400.2 AMENDMENTS

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BUDGETING FOR GOOD MANAGEMENT CONTROL

To ensure good fiscal control, each subgrantee of federal or state grant funds must establish a "line item" budget for each project. That means each expenditure account (e.g., instructional salaries, instructional supplies, rent and contracted services) must be allocated based on an estimated amount of what will be spent for that purpose. Planned indirect cost recoveries, equipment purchases, or transfers to other districts must also be budgeted. Federal regulations require a subgrantee to maintain its accounting records in a manner that allows for comparison of actual expenditures to budgeted amounts for each grant.

A sample template for a Detailed Line-Item Budget is shown in Appendix B of this handbook.

CHANGES THAT DO REQUIRE THE OPI'S APPROVAL

A subgrantee must request OPI's approval for certain types of post-award changes in budgets and projects by submitting an amendment to the approved grant application.

Changes that require OPI pre-approval include:

Budget Modifications

1. Plans to purchase additional equipment items costing $5,000 or more per unit;
2. A change in the overall funding of the project (such as the addition of carryover or reallocated funds or an increase or decrease of the federal appropriation after the original application was submitted); or
3. A re-budget between line items within an approved budget to meet unanticipated needs, if the new line item was not included in the original approved grant budget or if the change results in a difference of 50 percent or more in any previously approved line item.

Program Modifications

1. A change in the program scope and objectives, regardless of whether there is an associated budget revision; or
2. A request to extend the project period from June 30 to September 30.

CHANGES THAT DO NOT REQUIRE THE OPI'S APPROVAL

Subgrantees may make **minor** changes in the scope and budget of the approved grant project without OPI approval.

Minor changes not requiring amendments include:

1. A change in personnel that does not change the planned activities or scope of the grant project; and
2. Budget changes that do not exceed 50 percent of a line item total which was previously approved on the grant budget, except when the scope of a project is changing.

> For example, if a project budget included $20,000 for staff and $600 for supplies but the staff person cost only $19,500, the remaining $500 could be spent on supplies without submitting a budget amendment. Previously approved line items are not being affected by more than 50 percent of the original amounts, and the scope was not changed from the originally approved project plan.

Contact the appropriate OPI program specialist with questions about whether changes in project plans will require OPI approval.

HOW TO SUBMIT AN AMENDMENT REQUEST - DEADLINES

Grants amendment requests must be submitted to the OPI by June 1 for programs ending June 30 and by September 1 for programs ending September 30.

For E-Grants programs, the subgrantee must submit the request online in the E-Grants system. Contact the OPI E-Grants Coordinator at (406) 444-7841 for assistance, if needed.

For non-E-Grants programs, submit a Grant Amendment Request form for the OPI's approval of an amendment (see Appendix B of this handbook).

OBTAINING APPROVAL BEFORE INCURRING OBLIGATIONS

Budget amendments which require approval must be submitted to the OPI and approved before making obligations or expenditures.

PROJECT EXTENSIONS

Most OPI-administered grants end on June 30 or September 30. In limited cases and with the OPI approval, districts/cooperatives may extend the project year to September 30 for a project that would otherwise end June 30.

Submit a request for an extension to the OPI no later than June 1. E-Grants programs require an online amendment and non-E-Grants programs require a hardcopy Grant Amendment Request form (see Appendix B of this handbook).

Program specific Information about project extensions:

IDEA Part B and Preschool Entitlement Grants: IDEA programs allow 100 percent carryover of funds. Carryover is added to the following year's project allocation, so subgrantees should not need extensions. Extensions may be allowed only for extraordinary circumstances which result in the applicant needing additional time to expend carryover funds. Contact the OPI Special Education Division at (406)444-2504 for assistance.

ESEA Titles I-A, II-A, III-A, IV-B, and VI: Extensions are not needed because those programs already end on September 30.

Carl Perkins: Extensions are not allowed, and projects end June 30.

EFFECT OF A PROJECT EXTENSION

If the OPI approves an extension, the subgrantee must obligate funds by September 30 and liquidate all obligations by October 31.

PROJECT NUMBER FOR AN EXTENDED PROJECT

Approved extensions are treated as an amendment to the district's/cooperative's project budget. The same project number will be used to track expenditures incurred during the extension period. That is, for example,

If the original project number was:	56-0965-77-03-XXXXX
The project number after an extension to September 30 is approved remains unchanged:	56-0965-77-03-XXXXX

400.3 OBLIGATIONS AND EXPENDITURES

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"Obligations" are orders placed, contracts awarded and goods and services received but not paid for during the project period. Obligations must be liquidated (i.e., paid for) within 30 days following the end of the project period. School districts and cooperatives/consortia are required by law to record and report transactions in accordance with the Montana School Accounting Manual.

See HAS AN OBLIGTION BEEN MADE? below for details.

EARLIEST DATE TO OBLIGATE FUNDS

No funds may be obligated or expended before July 1 or before the OPI's approval of the award, if the approval date is after July 1. The OPI may, on occasion, approve pre-award costs in accordance with federal cost principles.

DEADLINE FOR OBLIGATIONS

Depending on the source of funds, the project period for the OPI-administered programs is usually July 1 through June 30, or July 1 through September 30. This means that for projects ending June 30, program funds must be spent or "obligated" by June 30. For projects ending or extended to September 30, program funds must be spent or "obligated" by September 30.

HAS AN OBLIGATION BEEN MADE?

The following table (based on 34 CFR 76.707) describes when an obligation occurs with respect to various categories of activities.

IF THE OBLIGATION IS FOR:	THE OBLIGATION IS MADE:
Acquisition of real or personal property (includes real estate, equipment, and supplies)	On the date on which the subgrantee makes a binding written commitment to acquire the property (i.e., purchase order or contract).
Personal services by an employee	When the service has been performed.
Personal services by a contractor (not an employee)	On the date on which a binding written commitment to obtain the services has been made (provided that the work can be completed within 45 days of the end of the project).
Performance of work other than a personal service	On the date on which a binding written commitment to obtain the work has been made (provided that the work can be completed within 45 days of the end of the project).
Public utility service	When the service is received.
Travel	When the travel is taken.
Rental of real or personal property	When the property is used.
A pre-agreement cost that was approved by the state under the cost principles identified in 34 CFR 74.171 and 80.22	When the pre-agreement costs were approved. (Example: If a project is approved to begin October 1, the subgrantee may request the OPI's approval to charge the project for costs incurred for a summer program before October 1. In limited cases, and within federal regulations, OPI may choose to approve such pre-award costs.)

400.4 TIME AND EFFORT

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TIME AND EFFORT TRACKING REQUIREMENTS

Payroll costs charged to federal grant programs must be based on payrolls documented and paid in accordance with school accounting policies and state and federal laws and regulations. Charges must be approved by appropriate officials.

Subgrantees must maintain records to document payroll costs charged to each grant award. The records must show the time actually spent by an employee in carrying out the objectives of that program. That is, subgrantees must not charge payroll costs to grants based on estimated allocations of an employee's time. This applies to both state and federal programs.

DOCUMENTATION DEPENDS ON WORK

The type of documentation required for time and effort depends on whether an employee works on a "single cost objective" (e.g., 100% special education or 100% Title IA) or if the employee works on "multiple cost objectives" (e.g., 20% special education and 70% Title IA and 10% regular classroom aid). An employee working on multiple cost objectives must complete a personnel activity report (timesheet) at least monthly.

An employee working on a single cost objective may complete monthly personnel activity reports or may instead complete a semi-annual certification. The employer must establish policy on the type(s) of time and effort documents required by their staff to ensure compliance with federal regulations

Employee Working on Multiple Grant Projects – Personnel Activity Report

When an employee works on more than one project (i.e., multiple federal grant programs or a combination of federal and non-federal programs) the subgrantee must keep records showing the salaries, wages, and benefits charged to each program with appropriate time distribution records for the employee.

This requires an ongoing accounting, such as a timesheet or detailed daily log of activities performed for each grant. The federal regulations (OMB Circular A-87, 2 CFR Part 225) refer to this timesheet or log as a "personnel activity report" and set criteria for the reports.

Personnel activity reports must:

a. Show charges to federal projects were made based on actual time spent working on the activities ("after-the-fact record");
b. Account for the total time of each employee;
c. Be prepared at least monthly and coincide with one or more pay periods;
d. Be signed by the employee; and
e. Not be based on budget estimates of the employee's time, but may be estimated in the interim if revised at least quarterly to reflect actual time and effort.

An example of the Time and Effort Form (i.e., timesheet) used by the OPI is included in Appendix B of this handbook for reference.

Employee Working on a Single Grant Project – Semi-Annual Time Certification

An employee is considered to be working on a single cost objective if the employee:

1. is paid fully or partially with federal grant funds; and
2. works solely on activities allowable under the terms and conditions of a specific federal grant.

If an employee works solely on a single federal award or a single cost objective, the subgrantee may document the salaries and benefit costs charged to the single grant by having the employee and immediate supervisor sign a semi-annual (or more frequent) certification stating the employee worked solely on that particular program for the period covered by the certification. Federal regulations require this type of periodic certification to be done at least semi-annually. This method may be an easier alternative to timesheets and logs when only one grant award is used to pay an employee.

An Example of Semi-Annual Time Certification is included in Appendix B of this handbook for reference.

RECOMMENDED POLICY STATEMENT

The OPI recommends the School Trustees adopt and distribute a personnel policy dealing with time and effort reporting similar to the example below:

> "Office of Management and Budget (OMB) Circular A-87 [now 2 CFR Part 225], Cost Principles for State, Local and Indian Tribal Governments, sets forth federal policies on documenting time spent on federal grant activities. Employees who work on multiple activities (i.e., more than one federal award, an indirect and a direct activity, a federal award and a non-federal activity), are affected by these policies.
>
> Staff paid from multiple funding sources must report their hours worked according to the activities actually performed during a given pay period, and not according to how their salary is budgeted. Circular A-87 says compensation for personnel services is an allowable cost of federal programs only if our time sheets reflect an "after-the-fact" distribution of the "actual activity" of each employee. Accordingly, staff is required to complete their timesheet by reporting hours worked according to the activities actually performed during that pay period, and charging the appropriate budget code [funding source]. For audit purposes, employees charging time to a federal grant are expected to have reasonable, creditable evidence to support the charges (i.e., daily calendar, job description, work products, travel schedules, etc.).

Paid leave time and hours worked that can't be reasonably identified to a specific budget code, for example time spent attending an all staff meeting, will initially be allocated according to how an employee's salary is currently budgeted. If necessary, those charges will be adjusted between budget codes later in the year to correspond with actual hours worked."

TIME AND EFFORT CONSIDERATIONS FOR SCHOOLWIDE PROGRAMS

Usually, personnel costs are allowable grant expenditures only if the employee's time is spent performing activities for that particular grant project. However, when the district has a school that qualifies for a "schoolwide" program under ESEA and the district has approved a Schoolwide Plan for that program, federal regulations and OPI policy allow the subgrantee to charge costs of that school's programs, including personnel costs, to the general fund, to other non-grant funding sources, or to the school's grant allocations without regard to a particular grant's purpose. [NOTE: The district and school are still required to demonstrate certain progress and show certain results in accordance with grant regulations. Also, some grants may not be included in the district's Schoolwide Plan and so would have to be separately tracked.]

For more information, see Appendix G - Schoolwide Programs in this handbook.

For time and effort reporting purposes, staff working in a school that has a schoolwide program is considered to be working on one, rather than multiple activities. Hourly employees only need to report hours worked and leave taken, without associating hours worked with a particular grant(s) and non-grant activities. Payroll for the school can be paid from any combination of grants and non-grant sources at the district's discretion.

For practical purposes, the district may want to apply the same time and effort reporting requirements to all employees, rather than applying a less rigorous system to schoolwide programs. That is, the district can choose to apply the flexibility afforded to schoolwide programs at the payment, rather than reporting level. Consistent reporting of staff time may help avoid confusion, especially for employees that later move to another school or routinely work at more than one school.

TIME AND EFFORT AUDITS

Retain time and effort records for audit purposes.

400.5 CASH REQUESTS

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OVERVIEW AND DUE DATES

A subgrantee must submit a "cash request" to the OPI to request a payment of federal or state program funds. The cash request provides the OPI with a subgrantee's estimated cash needs. Separate cash requests must be submitted for each program.

E-Grant Programs

For programs managed on the E-Grants system, cash requests must be submitted using the E-Grants system online. Cash requests should be submitted monthly. The subgrantee must submit an electronic cash request to the OPI by the 25th of the month for disbursement by the 10th of the following month. For example, if a cash request is received by the OPI by October 25th, a payment will be sent on November 10th. Cash requests are not required to be submitted monthly, but the OPI encourages monthly cash requests.

Non-E-Grants Programs

For non-E-Grants programs (usually small and discretionary projects), subgrantees typically submit one annual cash request form at the beginning of each fiscal year of the project. The form estimates cash needs by month throughout the fiscal year. Subgrantees must submit a hardcopy Cash Request form (see Appendix B of this handbook) by mail or fax to the OPI.

Mailing address:	Centralized Services Division, OPI Box 202501 Helena, MT 59620-2501
Fax number:	(406) 444-1369

After the OPI approves the form, the OPI will make monthly grant payments to the subgrantee according to the cash request form beginning on the 10th of the following month. The subgrantee may submit a revised Cash Request form to modify the amounts of future months' payments.

DUE DATES AT FISCAL YEAR-END

In June, the OPI makes two grant payments: one payment on the 10th and one on or about the 25th of the month. Therefore, requests are due to the OPI by May 25th and June 20th.

In July, the OPI does not process grant payments. So, requests submitted between June 20th (deadline for June 25th payment) and July 25th (deadline for August 10th payment) will be paid on August 10th.

FACTORS THAT MAY DELAY PAYMENTS

Grant payments may be delayed by such factors as: the timeliness of a subgrantee's submission of acceptable applications and project reports; the timing of OPI's approval of the proposed project, including time to review proposed project plans of applicants and time for applicants to revise proposals as needed; the timing of federal program authorizations and notifications to the OPI of the state's allocations; the subgrantee's unacceptable performance on previous projects; or unacceptable or late submissions of required reports.

HOW TO REQUEST CASH

The "Prime Applicant," which is the entity acting as the fiscal host for a grant, is responsible for submitting cash requests to the OPI online through E-Grants on using hardcopy forms, as appropriate.

The prime applicant estimates the amount of cash needed to support the project for the month. Subgrantees may either request cash as a reimbursement for grant expenditures in a previous month or may request a cash advance for the coming month. (In rare cases, an OPI-administered grant may be offered only on a reimbursement basis.)

The prime applicant must submit a separate cash request to the OPI for each approved project.

Both the district clerk/business official and the authorized representative must "sign" the form. On E-Grants, the district clerk/business manager typically prepares the online cash request and the authorized representative approves and submits it. For a paper cash request, both parties must sign the form.

The total cash requested for a project may not exceed the approved budget for the project. The amount of cash requested may vary from month to month, since cash may be needed in some months and not others. A small grant might be expended entirely within one or two months of the year.

CASH MANAGEMENT REQUIREMENTS

By federal law, grant cash on hand must be minimized. The OPI allows subgrantees to request cash advances or cash reimbursements.

If requesting a cash advance, the subgrantee must request only the estimated minimum amount needed each month for actual disbursement to carry out the purpose of the approved project. The OPI accounting staff may request an explanation from subgrantees who request a large cash advance in any one month. Subgrantees should never request more cash than is needed to pay the next month's costs. Excessive cash on hand must be returned immediately to the OPI. Contact the OPI accountant for the program for directions on how to return funds, if needed.

Subgrantees are encouraged to request cash on a timely basis. The last date for requesting cash for a given project is August 10 for projects ending June 30 and November 10 for projects ending September 30 (e.g., the date a project's Final Expenditure Report is due).

AMENDING CASH REQUESTS (paper forms process only)

Subgrantees who file an annual hardcopy Cash Request form may need to amend it during the year as necessary to:

- Manage a project's cash balance; and
- Request cash related to an approved budget amendment. For example, if OPI adds carryover funds or supplemental appropriations by the U.S. Congress to a project budget after the initial Cash Request form is submitted, the subgrantee must submit an amended Cash Request form to specify the scheduled payments of these additional funds.

Each month, the clerk/business official and the authorized representative must review the cash status for each grant project. The purpose of the monthly review is to ensure that neither a significant cash shortfall nor excessive cash-on-hand is accumulating, and the most recent Cash Request form filed with the OPI is still an accurate projection of cash needs for the project period.

Submit amendments by submitting another Cash Request form with the "Amended Request" box checked. An amended request must be approved and signed by both the clerk/business official and the authorized representative.

NOTE: For E-Grants projects, the cash request process is done monthly, so amendments are not usually necessary. Contact the OPI grant accountant to unlock an online cash request for editing, if needed.

CASH DISBURSEMENT REPORTS - WHEN REQUIRED

Do not submit additional cash disbursement reports or supporting documentation for grant expenditures unless the items are specifically requested by the OPI.

In limited cases, the OPI may request submission of detailed cash disbursement reports and supporting documentation (e.g., invoices, trip reports, payroll reports, etc.) to:

a. Verify the subgrantee has implemented a corrective action plan on audit report findings;
b. Monitor the district's federal program expenditures in detail after the entity has been designated "high-risk" (For more information, see Audit Requirements and OPI Monitoring in Section 600 of this handbook); or
c. Ensure that project funds were obligated within the authorized project period.

EXPENDITURES LIMITED TO CASH BALANCES

The fund used by school districts and cooperatives/consortiums for state and federal grant project accounting is the Miscellaneous Programs Fund (15), which is a "non-budgeted" fund.

State law (section 20-9-210, MCA) and administrative rules (ARM 10.10.207) limit the expenditures in a non-budgeted fund to the combined total of cash on hand and valid accounts receivable to be collected within 30 days for all projects in the fund.

School districts and cooperatives may consider the amounts submitted on cash requests to the OPI as valid receivables subject to expenditure under ARM 10.10.207. To avoid confusion, the clerk should notify the county treasurer of the anticipated date of receipt of amounts receivable (i.e., date of next OPI grant payment).

OVERDRAFT OF GRANT AWARD AMOUNT

Any expenditure which exceeds the grant award amount is not an allowable cost of the federal program. A subgrantee must use other available funds of the entity to pay for an over-expenditure. For example, if the grant award is $1,000 and the subgrantee spends $1,010, the extra $10 must come from the entity's "own pocket" because it will not be reimbursed by the grant program.

Subgrantees that over-expend a grant award will incur a cash overdraft in the project. The trustees must reimburse the overdraft with general fund money (or other available funds) and record the expenditure as an expenditure against the general fund budget. If the grant award is exhausted before the program is finished, the trustees may elect to subsidize the project by charging expenditures directly to the general fund or other legally available funds.

REQUESTING REIMBURSEMENT PAYMENTS WHILE ON HIGH-RISK STATUS

A subgrantee on "high-risk" status with the OPI may be placed on reimbursement basis rather than cash advance basis for OPI-administered grants. For more information, see Audit Requirements and OPI Monitoring in section 600 of this handbook.

To request reimbursement for grant expenditures, the subgrantee must submit the following items to the OPI:

1. Full documentation of each expenditure, including:
   a) Requisition, approved by the District Superintendent;
   b) Purchase order, approved by the District Superintendent;
   c) Copy of warrant and a computer printout showing the expenditure coding, warrant number, and payee; and
   d) For payroll expenses, a computer printout showing the warrant number, expenditure coding, and payee.
2. A cash request form (unless already submitted).

Requests for reimbursement should be submitted to the OPI by the 25th of a month to be paid on the 10th of the following month. The OPI will not approve incomplete documentation for reimbursement. The OPI will not pay requests for reimbursement submitted after the final expenditure report is due.

400.6 PROGRAM INCOME AND INTEREST EARNED

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WHAT IS PROGRAM INCOME?

"Program income" is income generated by an activity supported with federal funds during the grant period. For example, it would include:

1. Fees for services performed;
2. Fees for use of or rental of, property acquired with grant funds; and
3. Proceeds from the sale of commodities or items fabricated under a grant agreement.

Federal funds subgranted by the OPI are generally not used to generate program income.

Sometimes federal projects allow funds to start stores or similar projects that generate a profit or return the start-up money. For the OPI-administered projects, those kinds of profits should be considered program income and must be used in the current grant period in accordance with regulations of the grant that generated the profits.

USE OF PROGRAM INCOME

If program income does result from the use of federal funds administered by the OPI, the income must be used during the current grant period in accordance with regulations of the grant which generated it.

Contact the appropriate OPI program specialist with questions about the generation and use of program income under a specific project. See OPI Resources in this handbook.

PROCEEDS FROM SALE OF PROPERTY

Proceeds from the sale of property or equipment purchased using federal funds are not considered program income and are subject to special rules. For more information, see Property Management in section 500 of this handbook.

INTEREST EARNED ON INVESTMENT OF GRANT FUNDS

Federal cash on hand should be limited at any given time and the interest earned on the cash should not be considered a major source of income. Federal and state grant funds may be invested and earn interest. However, federal cash management regulations require that the time between the receipt of federal grant cash and the time it is spent must be minimized.

Each subgrantee may retain up to $100 of interest earned on all federal grant funds combined in a given fiscal year for administrative expenses. For public school districts, this includes interest earned on any building-related grants in Fund 60 and all federal grants in Fund 15.

This limitation does not apply to the Federal Impact Aid entitlement. Subgrantees may retain all the interest earned on state grant funds.

Interest earned in excess of $100 must be refunded to the federal government at the following

U.S. Department of Education
P.O. Box 979053
St. Louis, MO 63197-9000

The remittance should be accompanied by a letter stating that the remittance is for "interest earned on federal funds" and must include the subgrantee's DUNS number.

ACCOUNTING FOR RETENTION OF $100 OF INTEREST EARNED

The subgrantee must track interest earnings in sufficient detail to allow audit of the amounts of interest earned and refunded.

Suggested Process for Public School Districts

Deposit all interest revenue earned on grants in the Miscellaneous Programs Fund 15 directly into the "Indirect Cost Recovery" project in the Miscellaneous Programs Fund 15 as interest income until the amount exceeds $100 for all federal projects in all funds for a fiscal year. After collecting $100 in a year, at least quarterly reverse the interest income exceeding $100 off the books and return the money to the federal government (see address above). The amount retained up to $100 may be used for any expenditure in the indirect cost pool.

Other Subgrantees

Nonpublic school entities are not required to use Miscellaneous Programs Fund 15. The OPI recommends subgrantees pool the interest earned on all grants in one account until the $100 mark is used, retain the $100 as interest income in an unrestricted account such as general fund, and return subsequent interest earnings at least quarterly to the federal government (see address above).

Contact the OPI School Finance Division at (406) 444-0783 for detailed accounting assistance, if needed.

400.7 RECORDS RETENTION

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Federal regulations require subgrantees to retain records for three years after the day the final expenditure report for a project has been submitted.

If any litigation, claim, negotiation, audit, or other action involving the records begins before the expiration of the three-year period, the subgrantee must retain records until completion of the legal action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.

RETENTION PERIOD FOR STUDENT RECORDS AND PERSONNEL RECORDS

State records retention laws require student records to be kept permanently and personnel employment files to be retained for 10 years after termination (section 20-1-212, MCA).

GRANT FILES REQUIRED

The subgrantee's business office must keep a grant file for each separate project containing the following documents for audit purposes:

1. Grant application*
2. Approved budgets*
3. Award document*
4. Record of cash requests (copies of cash request forms)*
5. Record of cash receipts*
6. Cash disbursements
7. Matching expenditures
8. Important correspondence
9. Final expenditure and program reports

NOTE: For E-Grants programs, the E-Grants system holds the necessary copies of items marked with "*" above. Non-E-Grants projects must have paper files containing these items.

For more detailed explanations of the required accounting procedures for grants, including examples of forms and worksheets for tracking grant fiscal activity, see Section 9-0400.34 of the Montana School Accounting Manual, and Fund 15 Recap Worksheet.

DETAILED RECORDS RETENTION SCHEDULE FOR MONTANA SCHOOLS

Every school district and cooperative should obtain and follow the state record retention policy for all school records. The policy is called "Schedule 7" and can be downloaded from the Montana Secretary of State's website: http://sos.mt.gov/Records/forms/local/Local_Schedule7.pdf.

400.8 PROJECT CLOSEOUTS

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FINAL GRANT REPORTS DUE BY PROJECT

A separate Final Expenditure Report and Final Program Report, if required, are required for each state and federal grant administered by the OPI.

For E-Grants programs, final expenditure reports must be submitted online. Final program reports, if required, will be provided by OPI either in a hardcopy format or an alternative electronic format, such as a PDF fill-in form, at the close of the grant term.

For non-E-Grant programs, final expenditure reports and final program reports, if required, will be provided by the OPI either in a hardcopy format or an alternative electronic format, such as a PDF fill-in form, at the close of the grant term.

DUE DATES FOR FINAL GRANT REPORTS

The Final Expenditure Report and Final Program Report are due to the OPI at the same time. Subgrantees are encouraged to submit their final expenditure and final program reports to the OPI as soon as all obligations are paid.

> If the project year ends June 30: Obligations existing at June 30 must be liquidated within 30 days following the end of the project year (i.e., by July 31). Submit the final expenditure report and final program report, if required, to the OPI **no later than August 10.**
>
> If the project year ends September 30: Obligations existing at September 30 must be liquidated within 30 days following the end of the project year (i.e., by October 31). Submit the final expenditure report and final program report, if required, to the OPI **no later than November 10.**
>
> > NOTE: Final Program Reports for Title IA are due by June 30 to facilitate OPI's federal reporting.

UNSPENT CASH ON HAND—REFUNDING TO THE OPI

Unexpended cash held by a subgrantee at the end of the project, if greater than $10, including funds which are eligible for carryover to the next year's project, must be returned to the OPI with the Final Expenditure Report. This includes funds which were not obligated by the last date of the project.

The subgrantee must refund (in whole dollar amounts) any cash balance on hand for the project to the OPI, **excluding** interest earnings and program income.

> Exception - If the cash balance on hand is less than $10, the subgrantee is not required to send a refund to the OPI. School districts may move balances of less than $10 to the "Indirect Cost Recovery" project in the Miscellaneous Programs Fund in the same manner as indirect cost recoveries are taken. Contact the OPI School Finance Division at (406) 444-0783 for assistance.

FINAL REIMBURSEMENT DUE TO A SUBGRANTEE – CLAIMING PAYMENT FROM THE OPI

It is very important to submit all final grant reports on time! Late reports may result in OPI denying final cash requests on the current project and delaying approval of new projects.

For E-Grants programs, the subgrantee should request any amount still owed by OPI under the award by submitting a Final Expenditure Report and a final Cash Request. After receiving the Final Expenditure Report and Cash Request, OPI will pay the

subgrantee the amount due, provided the Final Program Report (if any) and the Final Expenditure Report are submitted on or before the date they are due.

For non-E-Grant programs for which the subgrantee submitted a hardcopy annual Cash Request form submitted to the OPI, the subgrantee will indicate a final cash request on the Final Expenditure Report, so submitting that form will result in an automatic final payment.

Note: OPI will not pay a reimbursement that is requested on a late Final Expenditure Report (i.e., received by the OPI after August 10 for a project ended June 30 or after November 10 for a project ended September 30) (see "Carryover Funds" in section 200 General Administrative Requirements in this handbook).

WHO TO CONTACT FOR ASSISTANCE

Questions regarding final expenditure reports or refunds for the OPI-administered grants should be directed to the OPI program accountant for that program listed in the OPI Resources section of this handbook.

Questions regarding final program reports should be directed to the program specialist listed in the OPI Resources section of this handbook.

500 PROPERTY MANAGEMENT

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500.1 Equipment and Supplies
500.2 Rentals and Leases - Federal Restrictions

500.1 EQUIPMENT AND SUPPLIES

DEFINITIONS

"Equipment" means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A subgrantee may use its own definition of equipment if such definition would include at least all equipment defined above.

"Supplies" are items which do not meet the definition of equipment. Generally, supplies are low-cost items that are used in current operations, such as pens, toners, paper, etc. However, higher cost items that do not cost $5,000 or more per unit, such as individual computers, are also treated as supplies.

ACCOUNTING TREATMENT

School districts must capitalize equipment, which means a subgrantee must record the equipment as a fixed asset and include the cost on the Schedule of Changes in Fixed Assets. School districts and cooperatives must record equipment purchases using a 7XX expenditure object code. See the School Accounting Manual, 5-1200 Fixed Assets.

Subgrantees must record a purchase of supplies as an expenditure. School districts and cooperatives must record supply purchases using a 6XX expenditure object code. See the School Accounting Manual, 5-0500 Supplies.

USE OF FEDERALLY PURCHASED EQUIPMENT

Subgrantees may not use equipment purchased with federal funds to earn income in a way that poses unfair competition to private companies.

MANAGEMENT REQUIREMENTS – EQUIPMENT

At a minimum, subgrantees must meet these requirements for managing equipment purchased wholly or partially with federal funds:

1. Maintain property records that include
   a) Description of property;
   b) Serial number or other identifying number;
   c) Source of funds used to purchase the item;
   d) Who holds title;
   e) Date of acquisition;

f) Cost;
g) Percentage of cost paid using federal funds;
h) Location;
i) Use and condition of property; and
j) Disposition data, including date of disposal and sale price.

2. Take a physical inventory and reconcile the counts with the records at least every two years;

3. Maintain a control system which safeguards against theft, loss, or damage of property and investigate any loss, theft, or damage;

4. Maintain the property in good condition; and

5. If authorized to sell the property, get the highest return possible.

OPI PREAPPROVAL REQUIRED FOR PURCHASE OF EQUIPMENT

Subgrantees of federal awards must obtain the OPI's written pre-approval to purchase equipment using federal program funds.

Pre-approval may occur when the OPI approves the original application or an amendment to the application, as explained below. To request pre-approval, the subgrantee must either:

1. List the equipment items on the project budget when applying for the grant. Most grant applications and budgets are done through the E-Grants System. For programs not on E-grants, use the paper application and budget forms; or

2. Submit an amendment to an already approved grant application. For programs on the E-Grants System, submit an amendment to the application, explaining the intention to purchase equipment on the Amendment Description page. For programs outside of the E-Grants System, submit a hardcopy of the Grant Amendment Request form (see Appendix B of this handbook).

TITLE TO EQUIPMENT PURCHASED WITH FEDERAL FUNDS

The Migrant Education Program retains title to any equipment purchased with federal funds. The OPI may relocate property purchased by one recipient to a migrant program administered by another recipient if they determine the equipment is needed elsewhere.

For OPI-administered grants other than the Migrant Education Program, the title to property purchased by a subgrantee using federal funds vests with that entity.

WHAT TO DO WITH EQUIPMENT AFTER THE GRANT

A subgrantee must use federally funded equipment for the program or project for which it was intended, as long as it is needed, even if the project is no longer federally funded. When no longer needed for that program, equipment can be used for any other federal program activities.

A subgrantee should also make the equipment available for use on other projects, as long as that use does not interfere with use of the equipment by the program for which it was purchased. User fees may be charged when equipment is used by other projects. User fees are considered program income.

The OPI Migrant Program director will determine how property purchased using Migrant Education Grant funds will be used.

USING ITEMS AS "TRADE-IN"

When buying replacement equipment, the subgrantee may use equipment purchased with federal funds as a trade-in or may sell the equipment and use the proceeds to offset the cost of replacement property.

DISPOSAL OF PROPERTY

Except for property purchased under the Migrant Education Program, when the subgrantee no longer needs original or replacement equipment purchased with federal funds under a grant or subgrant administered by the OPI for the original project or for any project currently or previously supported with federal funds:

1. The subgrantee may retain, sell, or otherwise dispose of equipment with a current per-unit fair market value of **less than $5,000** with no further obligation to the federal government; and

2. The subgrantee may retain or sell equipment with a per unit fair market value of **$5,000 or more**, and the federal government is entitled to claim an amount equal to the current fair market value or proceeds from the sale, times the percentage of the asset's value that was originally contributed by federal funds. Contact the OPI Program Director for directions.

The subgrantee must amend inventory records to reflect the disposal.

Items of equipment purchased with federal funds under programs <u>not</u> administered by the OPI are subject to provisions of those grantor agencies. Contact the grantor for further information.

SCHOOL DISTRICTS SUBJECT TO STATE LAW ON DISPOSAL OF PROPERTY

School districts must also advertise the intent to sell or otherwise dispose of property in accordance with Section 20-6-603, MCA, before disposing of property, including property purchased with federal funds.

500.2 RENTALS AND LEASES – FEDERAL RESTRICTIONS

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A subgrantee may find it more efficient to rent or lease buildings or equipment rather than purchasing those items for use with a grant project. However, the federal government restricts the amount a subgrantee can charge to a grant project for rent, lease, or usage charge for buildings and equipment.

The amount that a subgrantee can pay for renting or leasing a building or equipment using grant funds is based on the ownership of the building or equipment. If a subgrantee has any ownership or even an indirect tie to ownership of a building or equipment, rent and lease costs are strictly limited.

Charges for a building or equipment usage are allowable as follows, based on ownership:

1. If the building or equipment is owned by a third party (i.e., a totally separate party and no portion is owned by the subgrantee), then the cost of the rent or lease is an allowable cost for the grant project, assuming it was approved in the grant application or subsequent amendment;

2. If the building or equipment is owned by the subgrantee under a "less than arms length transaction" (i.e., owned wholly or partially by the subgrantee, owned by a close affiliate or partner of the subgrantee, owned by another branch of the organization of the subgrantee, or owned by a member of a consortium of the subgrantee, etc.), the amount of rent or lease payment that is allowable under a grant is limited to the amount that the subgrantee could charge to the grant if they owned the building or equipment, either as depreciation or as a usage allowance.

3. If the building or equipment is owned by the subgrantee, they can charge the grant for either depreciation or a usage allowance, but not both.

Under (2) and (3), the subgrantee could charge either of these costs to the grant:

Depreciation: The acquisition cost, not including cost of land or any federally funded portion of the cost of the building or equipment, divided by the useful life of the building on a straight-line depreciation basis using IRS guidelines on useful lives. The typical useful life for a government building is 40 years for depreciation purposes; or

Use Allowance: For buildings - annually not more than 2% of the building's acquisition cost, not including cost of land or any federally funded portion of the building's cost. For equipment - annually not more than 6-2/3% of the equipment's acquisition cost.

The subgrantee will be asked to justify how the cost for rent, lease, depreciation, or use allowance complies with these limits when completing the grant application.

600 AUDIT REQUIREMENTS AND OPI MONITORING

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600.1 Audits
600.2 OPI Monitoring Procedures

600.1 AUDITS

STATE AND FEDERAL AUDIT REQUIREMENTS

Recipients of state and federal funds are responsible for complying with audit regulations. Federal law requires an audit for each subgrantee that spends over $750,000 per year of federal assistance; state law applies additional audit requirements for school districts and related cooperatives that spend less than $750,000 per year. The requirements are explained below.

School Districts and Related Cooperatives

Montana school districts and related cooperatives are required by state law to be audited for each year the **combined revenues** of all funds of the entity total $500,000 or more. Audits must be performed at least every two years; however, annual audits are encouraged. (Section 2-7-503, MCA)

For school districts and related cooperatives that meet the threshold requiring an audit, the type of audit depends on the level of **federal expenditures**:

1. If the entity spent $750,000 or more of federal funds, including USDA commodities, in a year, the audit must conform to CFR Title 2, Subtitle A, Chapter 11, Part 200 "Uniform Administrative Requirements, Cost Principles & Audit Requirements for Federal Awards." This type of audit is called a "Single Audit" or "federal audit".

2. If federal expenditures did not exceed $750,000, the entity must have an audit performed that meets generally accepted auditing standards. This type of audit is referred to as a "non-federal audit" or "Yellow Book" audit.

Districts and cooperatives which do not receive $500,000 of total revenues per year must have an auditor perform a financial review at least once every four years, based on a schedule prepared by the OPI. Typically, the OPI will ask districts within a county for the financial review in the same year, to provide an opportunity for entities to contract with an auditor for combined services with neighboring districts.

School-related cooperatives and consortia with a school district prime applicant (i.e., fiscal host) must be audited as part of the school system that acts as the prime applicant. Cooperatives or consortia which do not use a school district as a host are responsible for contracting for their own audit to ensure compliance with state and federal audit laws and regulations.

Subgrantees Other Than School Districts and Related Cooperatives

Nonpublic entities which receive federal money from the OPI are subject to federal audit requirements in CFR Title 2, Subtitle A, Chapter 11, Part 200 "Uniform Administrative Requirements, Cost Principals & Audit Requirements for Federal Audits" if the entity spends more than $750,000 of federal assistance during the year (including USDA commodities). Requirements for "federal audits" in this section apply. If the entity does not spend $750,000 or more of federal assistance, the entity is not subject to audit requirements unless specified by another subgrantor.

OPI AUDIT MONITORING RESPONSIBILITIES

Federal audit regulations in 2 CFR, Part 200 require the subgrantor (e.g., the OPI) to monitor subrecipients to ensure they comply with federal audit requirements. The OPI must review the federal ("Single Audit")audit report and the subgrantee's responses to any audit findings listed in the report and follow up to ensure the subrecipient takes timely and appropriate action on all deficiencies pertaining to federal awards administered by the OPI and detected through audits. (2 CFR §200.331(d)(2))

For nonfederal audits, the OPI monitors and assists the entity in addressing audit findings. Findings specific to federal programs and findings that affect the expenditure of federal dollars are more closely monitored, and failure to address audit issues may affect the risk assessment OPI uses to determine federal award eligibility and the level of monitoring applied to the entity's awards.

MORE INFORMATION ABOUT AUDIT REQUIREMENTS AND PROCESSES

State administrative rules require school districts and related cooperatives to choose an auditor from a state roster and enter into a contract with the auditor including the Montana Department of Administration as a party to the contract (ARM 2.4.406 and 2.4.408). The Department of Administration Local Government Services Bureau provides standardized contact forms and assistance with the process. See Department of Administration - Local Government Services Audit Section.

Subgrantees who are not local government entities are not required to use the Department of Administration (DofA) auditor roster or to include DofA as a party to the audit contract.

See the OPI Auditing website for a summary of requirements and information about the audit process for school districts, cooperatives, and other OPI subgrantee organizations.

AUDIT COSTS

Subgrantees must pay for their audits. Federal regulations restrict the cases in which a subgrantee can use federal funds to pay for an audit.

Paying for a Federal Audit

The cost of a federal audit required by 2 CFR Part 200 may be charged as a direct or indirect cost to federal programs. The subgrantee may either prorate the cost of the audit as a direct charge across all state and federal programs or charge the cost to the indirect cost pool, which is funded by indirect cost recoveries drawn from all programs.

Paying for a Non-Federal Audit or Financial Review

The cost of a non-federal audit or financial review cannot be charged to federal programs. In this case, the cost of the audit or review is an unallowable charge to federal funds, including the entity's indirect cost pool. The cost must instead be paid using the general fund, impact aid fund, or other available non-federal funds of the entity.

ACCESS TO RECORDS

The awarding federal agency and the OPI as the subgrantor, or an authorized representative of either the federal agency or the OPI, shall have access to any documents and records of a subgrantee which are pertinent to the grant as necessary for audit, examination and review.

AUDIT DEADLINES

Federal Audits (aka "Single Audits")

If the subrecipient spent $750,000 or more of federal funds for the year, a federal Single Audit under 2 CFR Part 200 must be completed and submitted to the OPI within nine months of the close of the fiscal year, or by March 31. Annual audits are required unless two-year audits have been approved by the Department of Administration.

The entity's written response to the audit findings, including necessary corrective action plans, should be submitted within the audit report. If the response is not included in the report, it must be submitted to the Department of Administration and the OPI within 30 days after the audit report was issued (ARM 2.4.409).

Non-Federal (aka "Yellow Book") Audits

If the subgrantee spent less than $750,000 of federal funds in a year and received more $500,000 or more in total revenues in a year, the entity is responsible for ensuring the audit commences no later than nine months after the close of the fiscal year, which means the audit must be started by April 1. The audit report must be completed and submitted to the OPI within one year of the close of the fiscal year, or by the following June 30.

The entity's written response to the audit findings, including necessary corrective action plans, should be submitted within the audit report. If the response is not included in the report, the entity must submit it to the Department of Administration and the OPI within 30 days after the audit report was issued (ARM 2.4.409).

Financial Reviews

School districts and related cooperatives that receive less than $500,000 of total revenue annually will receive a notice form the OPI every four years regarding the need for a financial review under Section 2-7-503, MCA. The deadlines for non-federal audits also apply to financial reviews (see "Non-Federal Audits" above).

RESOLVING AUDIT FINDINGS

For all types of audits and financial reviews, subrecipients are responsible for follow-up and corrective action, as defined by 2 CFR §200.26, on report findings. The auditee must prepare a corrective action plan to address each audit finding included in the current year's audit report for current year audit findings. (2 CFR §200.511(e)

As defined by 2 CFR §200.26, "Corrective Action" means action taken by the auditee that:
(a) Corrects identified deficiencies;
(b) Produces recommended improvements; or
(c) Demonstrates that audit findings are either invalid or do not warrant auditee action.

The school district or cooperative must submit to the OPI a written response to all audit findings, either included in the audit report or financial review report or submitted separately, within 30 days after receiving the report.

The response must list a corrective action plan addressing each audit finding and questioned cost listed in the report. The response should specify:

1. The action planned, or an explanation of the reason the entity plans not to take the recommended action;

2. The person who will be responsible for the corrective action; and

3. The anticipated completion date.

If the response is not clear, the OPI may request additional information or additional corrective action plans from the entity. In the next audit, the auditor must determine whether the subrecipient accomplished the planned corrective action.

If the subgrantee does not agree with an audit finding or the required corrective action, the entity may explain their objection in writing. Auditors may be willing to resolve the difference of opinion before the final report is issued.

The auditor will submit a copy of any federal audit report to the Federal Audit Clearing House as required by federal audit regulations on behalf of the subgrantee.

The OPI will notify the Department of Administration if the auditee's response is not adequate. The OPI will state the reason(s) and what action is needed by the auditee in order to make the response or corrective action plan acceptable. The Department of Administration will notify the school district or cooperative that the response is accepted or that additional action is required.

After receiving a notice stating the response or corrective action plan is not acceptable, the audited entity must resubmit an acceptable response or corrective action plan to the Department of Administration and the OPI within 30 days.

Within that 30 days, if the auditee feels the action, response, or corrective action required by the OPI is not in accordance with state or federal laws or regulations, the auditee may submit a written request for hearing (see "200.4 Complaints and Hearings" in Section 200 of this handbook).

FAILURE TO SUBMIT ACCEPTIBLE AUDIT RESPONSE

After 30 days, if the auditee did not request a hearing and the subgrantee's response is still not sufficient, the Department of Administration may request state agencies to withhold state funding from the auditee pending receipt of an acceptable response or corrective action plan. Money withheld will be released upon written order of the Department of Administration after the acceptable response is received (ARM 2.4.409).

FAILURE TO SUBMIT AUDIT OR RESOLVE FINDINGS

Subgrantees must comply with federal and state laws, regulations, and federal audit requirements that apply to them.

If a subgrantee fails to submit to an audit in compliance with federal law or to resolve federal audit findings, the OPI may take appropriate actions such as: (2 CFR §200-505 and §200.338)

1. Withholding some or all of the federal awards and/or withholding further awards until the audit is completed satisfactorily;

2. Suspending cash disbursements for federal awards until the audit is conducted;

3. Terminating the federal awards(s).

If a subgrantee fails to submit to an audit in compliance with state law or to resolve audit findings, the OPI may take appropriate action such as:

1. Notifying the Board of Public Education of the failure of the school district or cooperative to comply with audit requirements;

2. Requesting the Board of Public Education to require the entity's management to appear before the Board to discuss the noncompliance and planned corrective action; and/or

3. Requesting the Board of Public Education to order withholding of the district's state funding received from the OPI until the audit report is completed satisfactorily. (MCA 20-9-344(2)(a))

Additionally, entities are subject to fines imposed by the Department of Administration under 2-7-517, MCA for failure to submit audits.

600.2 OPI MONITORING PROCEDURES

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OBJECTIVES OF MONITORING

The OPI is a pass-through entity, meaning the OPI provides federal awards to sub-grantees to carry out federal programs in accordance with specific federal requirements. As a pass-through entity, federal regulations require the OPI to monitor activities supported using subgrants.

The OPI monitors to ensure the subgrantee:

1. Uses federal awards for authorized purposes in compliance with laws, regulations and provisions of grant agreements;

2. Achieves performance goals; and

3. Corrects issues of noncompliance and addresses weaknesses in internal controls and system procedures to ensure future compliance.

The OPI monitoring procedures may differ among subgrantees and programs depending on the cost-effectiveness of a particular procedure and relative size and complexity of the federal award(s) managed by a subgrantee.

The OPI will apply routine monitoring procedures to all subgrantees. When the OPI has assessed that the subgrantee is at high risk for noncompliance with Federal statutes, regulations, and conditions of grant awards, the OPI may apply additional conditions on awards and may apply expanded monitoring procedures as determined necessary. Those assessments, conditions and procedures are explained below.

ROUTINE MONITORING PROCEDURES

The routine monitoring procedures performed by the OPI for all sub-grantees include a review of:

1. Subrecipient Audit/Review Reports - Section 2-7-503, MCA, requires a subrecipient must send one copy of the audit/review report to the OPI (see "AUDIT DEADLINES" earlier in this section).

2. Final Program Report - When required by law or the OPI, an annual program report is required for each federal and state grant award a subgrantee receives. The OPI will make available the appropriate forms for programs requiring a final program report.

3. Final Expenditure Report - An annual final expenditure report is required for each state and federal award a subgrantee receives. E-Grants programs require an online Final Expenditure Report, and the OPI will provide a hardcopy Final Expenditure Report form for programs that are not on the E-Grants system. This report provides information to allow:

   a) A comparison of actual expenditures to approved budgets for direct costs, indirect costs and equipment; and

   b) A reconciliation of cash advances/reimbursements to expenditures/refunds.

4. Other Required Program Monitoring: The OPI also monitors in accordance with specific federal and state program requirements, which differ among programs.

5. Data reports required by OPI, such as student information reports and accreditation reports.

RISK CATEGORIES FOR SUBGRANTEES

The OPI assesses subrecipients to identify those at greater risk of noncompliance with federal laws, regulations and grant award provisions. OPI uses the risk assessment when evaluating the entity's applications for competitive and continuing federal formula awards to determine whether specific conditions and/or additional monitoring will be applied to the entity's federal awards.

High-Risk

A subgrantee may be designated as high-risk for noncompliance if the subgrantee:

1. Has a history of failure to comply with general or specific terms and conditions of a federal award;

2. Has failed to meet performance goals specified in the federal award;

3. Is not financially stable;

4. Has a management system which does not meet the management standards set forth by the federal government;

5. Has not conformed to terms and conditions of previous awards, including timely submission of required fiscal and program reports and audits;

5. Has numerous and/or serious and/or repeated audit findings that have not been satisfactorily addressed; or

6. Is otherwise not responsible.

SPECIAL CONDITIONS AND ADDITIONAL MONITORING PROCEDURES

The OPI may apply special conditions, restrictions, or monitoring procedures to federal competitive and formula grants that are awarded to high-risk subgrantees. Such special conditions and restrictions will correspond to the risk condition that exists for a particular subgrantee and may include: (2 CFR §200.207)

1. Payment on a reimbursement, rather than an advance basis;

2. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;

3. Additional financial and/or program reports with more detail;

4. Additional project monitoring;

5. Requiring the subgrantee to obtain additional technical or management assistance; and/or

6. Requiring additional prior approvals.

Prior to imposing special conditions or restrictions, the OPI will notify the subgrantee in writing of: (2 CFR §200.207)

1. The nature of the special conditions/restrictions;

2. The reason(s) for imposing special conditions/restrictions;

3. Corrective actions which must be taken before the special conditions or restrictions will be removed and the time allowed for completing the corrective actions; and

4. The method whereby a subgrantee may request reconsideration of the conditions/restrictions imposed.

ENFORCEMENT ACTIONS FOR FEDERAL NONCOMPLIANCE

If the OPI determines that a subgrantee has failed to comply with the terms of a federal award, including audit requirements and any special conditions or restrictions, the OPI may take one or more of the following enforcement actions as appropriate in the circumstances: (2 CFR §200.338)

1. Temporarily withhold cash payments to the sub-grantee pending correction of the deficiency;

2. Disallow all or part of the cost of the activity or action not in compliance;

4. Wholly or partly suspend or terminate the current award for the subgrantee's program;

5. Withhold further awards for the sub-grantee's program; and/or

6. Take other remedies that may be legally available.

700 SPECIALIZED DUTIES OF RECIPIENTS

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700.1 Duties of the Authorized Representative (AR)
700.2 Cooperatives and Consortia
700.3 Pass-Through Entities

700.1 DUTIES OF THE AUTHORIZED REPRESENTATIVE (AR)

WHO IS THE AUTHORIZED REPRESENTATIVE?

An Authorized Representative (AR) is a person who legally acts on behalf of the subgrantee of federal and state grants. The authorized representative is the liaison between the subgrantee and the grantor. The OPI assigns the role of AR depending on the type and size of the subgrantee organization, as explained below.

Authorized Representative of a School District

The authorized representative is initially established by OPI policy depending on the relative size of the school district. The role may be reassigned to the Board Chair or other representative of the organization by official school board action, as described later in this section.

The authorized representative for a school district receiving federal and/or state grant funds is:

1. the district superintendent; or

2. if there is no district superintendent, the principal; or

3. if the district has neither a district superintendent nor a principal, the county superintendent; or

4. the Board Chair or other individual, based on an exception approved by the OPI.

School Board's Option to Request the Board Chair or Another Person as AR

The Board of Trustees has the authority to act on behalf of the school district. Although the AR duties are assigned by the OPI as listed above, the trustees may instead request and exception to designate the School Board Chair or another individual as AR. The Board Chair must submit a written request to the OPI using the Request for Exception to the Authorized Representative form in Appendix B of this handbook. The Chairman must attach a copy of the School Board minutes indicating the Board approved the designation.

Authorized Representative of a Subgrantee Who is Not a School District

Subgrantees who are not school districts include special education cooperatives, community-based organizations, and non-profit organizations receiving state or federal grants from the OPI.

The chairperson of the managing board or committee of the subgrantee organization will be the AR, unless the board requests an exception to designate an alternative in writing to the OPI using a Request for Exception to the Authorized Representative form in Appendix B of this handbook.

ROLE OF THE AUTHORIZED REPRESENTATIVE

The signature of the AR forms a legal contract between the subgrantee and the grantor agency, the OPI. By signing or submitting documents on behalf of the organization, the AR commits the subgrantee to perform within the terms of the grant agreement, common assurances and specific program assurances, administrative requirements, programmatic requirements, etc.

The signature of the authorized representative: 1) protects the legal rights and interests of the subgrantee; and 2) commits the subgrantee to fulfill obligations of federal projects.

The Authorized Representative is responsible for:

1. Developing a work plan or calendar to administer and achieve the goals and objectives of the grant award;

2. Informing the clerk/business manager of the local education agency (LEA) or other entity of the application, approval of the award, applicable requirements for allowable costs of the program, reporting requirements, budget or program modifications (i.e., "amendments"), closeout procedures, etc;

3. Completing and submitting the E-Grants Security Assignments form to set up staff roles and access rights in the E-Grants system;

4. Ensuring the entity meets the Federal Financial Management Standards (see Fiscal and Accounting Requirements in section 400.1 of this handbook);

5. Ensuring an appropriate system of time and effort records is used in cases where an employee paid using grant funds is also paid using local or state funds or funds of another federal program (see Time and Effort in section 400.4 of this handbook);

6. Submitting timely, accurate program reports and ensuring the person responsible for fiscal reporting is also prompt and accurate; and

7. Ensuring the grant award is administered in compliance with applicable state and federal laws and regulations.

700.2 COOPERATIVES AND CONSORTIA

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WHAT ARE COOPERATIVES AND CONSORTIA?

The OPI subgrants certain federal program funds to cooperatives or consortia. Some programs either allow or require groups of applicants to jointly apply for a single grant award. The groups are consortia or cooperatives depending on the legal nature of their creation and operation.

Cooperatives

The term "cooperative" for purposes of special education means an administrative entity formed in accordance with the requirements of sections 20-7-451 through 20-7-457, MCA, and which provides special education services. Districts which participate in a special education cooperative must apply for their federal IDEA B and Preschool grant funds through the cooperative.

There are 22 special education cooperatives in Montana, and the boundaries are set by the OPI based on geographic areas. School districts must participate in the special education cooperative in which the district is located, or the district may opt out of the cooperative to offer special education services as a separate entity or form a consortium with one or more other school districts. The IDEA Part B program requires a minimum $10,000 allocation in order to apply for a grant, so most small school districts participate in the local cooperative where the district is located for grant purposes.

The prime applicant or fiscal host for the cooperative is the cooperative itself with the director of the cooperative designated as the authorized representative (AR). The federal IDEA grant programs for special education allow the cooperative to subgrant money to the members of the special education cooperative, with restrictions (see PASS-THROUGH ENTITIES below).

Consortia

"Consortia," as used in this manual, means two or more school districts or other statutorily allowable entities that work together for a common purpose. Examples of consortia are:

1. School districts which have an inter-local agreement for the purpose of providing special education or other agreed upon services (i.e., districts that do not participate in a special education cooperative join with one or more districts to form a consortium used to provide special education services);

2. A school system – an elementary school and high school with a combined school board that applies for a grant to serve both the elementary and high school programs;

3. A group of otherwise unrelated schools, including elementary and /or high schools, that apply to use a single grant award. A school district may be a member of several consortia at the same time for different grant programs; and

4. A group of entities that may include school districts, non-profit organizations, and tribal or other local governments that form a group to apply for a grant and carry out the grant activities.

The prime applicant, or host, for a consortium grant project depends on several factors. Grant program regulations usually restrict the types of entities that participate in a consortium and may also restrict the type of entity that can host the consortium project. If only school districts are members, the districts must designate one of the districts to be the prime applicant. When a consortium also includes entities that are not school districts, the consortium often applies for the grant using a school district as the prime applicant for simplicity; school districts are already familiar with the OPI's application, cash request, and reporting processes.

In general, the OPI prohibits consortium prime applicants from passing grant funds through to members of the consortium, so the prime applicant is responsible for spending funds directly for grant activities.

OPI PROGRAMS THAT ALLOW COOPERATIVE/CONSORTIUM APPLICATIONS

The following federal programs administered by the OPI are available to cooperatives and consortia:

IDEA Part B and Preschool - Districts which participate in a cooperative or in a consortium for special education services must apply for their IDEA funds through a single application. The cooperative must apply for the grants as the prime applicant on behalf of its participating member districts. A school district must apply as the prime applicant on behalf of the districts participating in a consortium for delivering special education services. In both cases, participating member districts must submit an application to the prime applicant. The prime applicant has additional responsibilities for program monitoring (see PASS-THROUGH ENTITIES below).

The consolidated application for IDEA Part B and IDEA Preschool funds is in the E-Grants system. Cooperative and consortium membership is set up in the system before grant applications are released each spring for the next school year.

ESEA Title I, Part A, Improving Basic Programs - Grants to unified elementary/high school districts (i.e., consortiums that are "school systems") are allowed and encouraged. Allocations are made separately for elementary and high school programs within the total award amount, but the combined award may be used for the school system in

accordance with required set-asides, targeting, comparability requirements, and other specific budgeting constraints established in approved project applications.

The consolidated application for ESEA Title I, Part A and related grant programs is in the E-Grants system. Cooperative and consortium membership is set up in the system before grant applications are released each spring for the next school year.

ESEA Title I, Part A, Improvement Grants (1003a) - Grants to unified elementary/high school districts (i.e., consortiums that are "school systems") are allowed and encouraged.
ESEA Title I, Part E, Striving Readers - Grants to unified elementary/high school districts (i.e., consortiums that are "school systems") are allowed and encouraged.

ESEA Title I, School Improvement Grants (1003g) - Grants to unified elementary/high school districts (i.e., consortiums that are "school systems") are allowed and encouraged.

ESEA Title II, Part A, Improving Teacher Quality – The program allows an elementary and a high school district to apply as a school system. This grant is included on the consolidated application for ESEA Title I, Part A and related grant programs in the E-Grants system. Cooperative and consortium membership is set up in the system before grant applications are released each spring for the next school year.

ESEA Title III, Part A, English Language Acquisition - School districts are not eligible for an award if they qualify for less than $10,000. Two or more districts may join a consortium in order to qualify for an award. This program is included in the consolidated application for ESEA Title I, Part A and related grant programs in the E-Grants system. Consortium membership is determined before grant applications are opened in the spring for the next school year.

ESEA Title IV, Part B, 21st Century Community Learning Centers - Consortiums of school districts, non-profit organizations, and local governments are required. The members of the consortium are indicated when the prime applicant applies for the grant in the E-Grants system. Approved projects span 5 years.

ESEA Title X, Part C, Education of Homeless Children and Youth Program – Consortiums of districts are encouraged, but not required. The members of the consortium are (school districts), indicated when the prime applicant applies for the grant on the E-Grants system. Funding is based on the total number of homeless students in the consortium and the estimated costs of program functions. Projects are approved on a yearly basis.

Adult Basic and Literacy Education - Consortia are allowed, and eligible agencies include local education agencies community-based organizations of demonstrated effectiveness, volunteer literacy organizations of demonstrated effectiveness, institutions of higher education, public or private non-profit agencies, libraries, public housing authorities, and non-profit institutions that have not previously been listed as having the ability to provide literacy services to adults and families.

COOPERATIVE/CONSORTIUM RESPONSIBILITIES

The prime applicant, or host, of the special education cooperative or a consortium must fulfill the following responsibilities:

1. Applications - Submit all applications and reports of all participants required under the program;

2. Spend the money directly for project activities - Funds may not be passed-through to members of a cooperative or consortium for OPI-administered grants, except for IDEA B and Preschool programs (see RESPONSIBILITIES OF PASS-THROUGH ENTITIES below);

3. Reports - Submit all Final Expenditure Reports, Final Program Reports, and other reports to the OPI as required;

4. Cash Requests and Cash Management - Request the project cash and ensure compliance with federal cash management regulations requiring a subgrantee to minimize the time between cash draws and expenditures;

5. Pass-Through Monitoring - Under the IDEA B and Preschool programs, monitor expenditures of all money passed-through to participants for compliance with federal program regulations pertaining to the program (see RESPONSIBILITIES OF PASS-THROUGH ENTITIES below);

6. Audits - Comply with federal and state audit requirements by having audits performed as required and taking appropriate corrective action on audit findings. The prime applicant will have the federal award audited as part of their annual financial compliance audit. Pass-through funding will be reported in the audit. Money passed-through to cooperative or consortium members under the IDEA B and Preschool programs must also be reported in their audit reports;

7. Questioned Costs/Refunds - Resolve any questioned costs noted during audits or other monitoring processes. The prime applicant of a cooperative or consortium is responsible for any refund due to the OPI; and

8. Equipment - Inventory and track any equipment purchased directly by the prime applicant. Recipients of pass-through moneys must track equipment purchased using the pass-through grant funds on their own records.

700.3 PASS-THROUGH ENTITIES

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DEFINITION OF "PASS-THROUGH ENTITY"

A "pass-through entity" is a prime applicant that receives a grant award and passes grant funds to another school district or organization who is a member of the cooperative or consortium under the grant award. Except as expressly stated, OPI programs do not allow pass-through entities.

PASS-THROUGH IS A SUBGRANT

Passing grant money through to another entity is a subgrant, which carries all the federal legal regulations and requirements along with it. The recipient of pass-through money is therefore subject to all applicable federal requirements of the grant, and the pass-through entity must perform monitoring duties of a grantor agency. To avoid the additional administrative burdens on subgrantees, the OPI prohibits pass-through funding except in limited cases.

OPI PROGRAMS THAT ALLOW PASS-THROUGH

IDEA Part B and Preschool programs are the only OPI-administered programs that allow prime applicants to pass-through federal funds.

RESPONSIBILITIES OF PASS-THROUGH ENTITIES

Prime applicants of cooperatives which pass-through federal IDEA funds to participating member districts of the cooperative must monitor and manage the pass-through recipients' use of funds according to OPI and federal requirements.

A pass-through entity must:

1. Collect cash request forms from pass-through recipients, review for reasonableness, and request cash from the OPI;

2. Collect and review fiscal reports from each pass-through recipient to ensure the funds were used in accordance with program regulations;

3. Ensure unspent money is refunded to the OPI through the prime applicant as required;

4. Inform each pass-through recipient of the Catalog of Federal and Domestic Assistance (CFDA) title and number, award year and the federal grantor agency;

5. Advise pass-through recipients of the program requirements imposed upon them by federal laws, regulations and contractual agreements, and any further restrictions imposed on them by the pass-through entity;

6. Monitor activities of pass-through recipients as necessary to ensure federal awards are used for authorized purposes in compliance with state and federal laws, regulations, and contracts and those performance goals are achieved;

7. Ensure a pass-through recipient expending $500,000 or more in federal funds (all federal programs combined) meets the federal audit requirements (the OPI already fulfills this obligation if the pass-through recipient is a public school district);

8. Review the pass-through recipient's audit report and ensure appropriate corrective action is appropriate and timely; and

9. Require each pass-through recipient to permit the prime applicant and auditors to have access to records and financial statements as necessary for audit.

UNAUTHORIZED PASS-THROUGH OF FEDERAL PROGRAM FUNDS

The OPI administered programs, other than IDEA Part B and Preschool programs, do not allow pass-through of funds by prime applicants. The OPI may require a prime applicant to refund federal funds which were passed-through to members of a cooperative or consortium without authority.

APPENDIX A – GLOSSARY

A-87 (OMB CIRCULAR)

Cost Principles for State, Local and Indian Tribal Governments (05/10/2004) HTML or PDF (58 pages, 216 KB), Relocated to 2 CFR, Part 225 (18 pages, 362 KB)

A-102 (OMB CIRCULAR)

Uniform Administrative Requirements for Grants and Agreements with State and Local Governments ("Common Rule") OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (11/19/1993) (further amended 09/30/1999, Relocated to 2 CFR, Part 215 (32 pages, 243 KB))

A-133 (OMB CIRCULAR)

Audits of States, Local Governments, and Nonprofit Institutions (March 2011) http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2011

ACQUISITION COST

For federal grants, the acquisition cost of an item of equipment means the net invoice unit price of the property, including the cost of modifications, delivery, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. (See definition for Equipment in this Glossary.)

ADMINISTRATIVE COSTS

Costs of administration are those reasonable, necessary and allowable costs associated with the overall project management and administration and which are not directly related to the provision of services to participants. These costs can be both personnel and non-personnel and both direct and indirect. Generally, direct administration costs differ from indirect charges in that the latter are considered organization-wide costs. Examples of administration are salaries, benefits, and other expenses of staff that perform the following functions:

- Overall project management, project coordination, and office management functions;
- Preparing project plans, budgets, and related amendments;
- Monitoring of projects, and related systems and processes;
- Developing systems and procedures, including management information systems, for assuring compliance with project requirements;
- Preparing reports and other documents related to the project requirements;

- Evaluating project results against stated objectives; and
- Performing administrative services such as project specific accounting, auditing or legal activities.

Examples of non-labor costs for administration include:

- Costs for goods and services required for administration of the project, including such goods and services as the rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space; and
- Travel costs incurred for official business in carrying out administrative activities.

ADMINISTRATIVE REQUIREMENTS

Matters common to grants in general, such as financial management, kinds and frequency of reports, and retention of records. These are distinguished from "programmatic requirements," which are restrictions applied on a program-by-program basis, such as kinds of activities allowable under a grant (34 CFR Part 80).

ADMINISTRATIVE RULES OF MONTANA (ARM)

A compilation of all rules of state departments and attached boards. The Montana Legislature enacted the Montana Administrative Procedure Act. The primary purpose of the act is to make the rules of state agencies readily available to the public and to make them available in a convenient, current and concise form. To implement this purpose, the Secretary of State compiles and publishes all rules filed pursuant to the act in a publication known as the Administrative Rules of Montana, commonly known as ARM. Each state agency is responsible for preparing its portion of the rules in accordance with the prescribed format.

ARM for K-12 education:
http://www.mtrules.org/gateway/Department.asp?DeptNo=10

ADVANCE

Payment of all or a portion of a federal award before the grant expenditures have been incurred. Advances are the opposite of reimbursements, wherein costs incurred by a subgrantee are later repaid by the grantee.

ALLOCATION

In regard to federal programs, the amount of money an entity will be given under a federal grant award.

ALLOWABLE COST

A cost which is appropriately charged to a federal program. To be allowable, a cost must be necessary and reasonable, be allocable (i.e., chargeable in relation to service given) under the federal award, be authorized or not

prohibited by state or local laws, conform to OMB Circular A-87, be consistently treated as are other costs of the entity, be treated in accordance with generally accepted accounting principles, not be used for matching in another program, be net of applicable credits and be properly documented.

APPLICANT

A party requesting a grant or subgrant.

APPLICATION

A written request for a grant or subgrant.

APPROVAL

As it applies to grant applications, requests for changes of authorized representatives, requests for grant amendments, etc., approval is the act of the OPI agreeing with the document and sending written documentation of the agreement to the applicant's authorized representative.

AUDIT FINDING

Deficiencies reported by the auditor in the audit report's schedule of audit findings and questioned costs.

AUDIT RESOLUTION

Corrective action taken by a subgrantee and verified by the grantee in response to a finding of noncompliance or questioned cost listed in a subgrantee's audit report.

AUTHORIZED REPRESENTATIVE (AR)

An agent designated by the Board of Trustees to act on its behalf to make certifications and applications to the OPI on behalf of a school district or other education entity. A person who legally acts on behalf of the subgrantee of federal and state grants. In Montana schools, the AR is usually the District Superintendent or Cooperative Director.

AVERAGE NUMBER BELONGING (ANB)

An enrollment number used to establish state funding levels for Montana school districts. The ANB is based on the average of two semi-annual enrollment counts, adjusted for kindergartners and part-time students.

AVERAGE DAILY ATTENDANCE (ADA)

Average number of enrolled students who were present on the enrollment count dates used to establish ANB for funding.

AWARD (FEDERAL)

Federal financial assistance that nonfederal agencies receive directly from federal agencies or indirectly from pass-through entities. Does not include moneys used for procurement of goods and services under contracts.

AWARDING AGENCY

The federal agency that awards a federal grant. The term is also used to refer to a grantee, such as the OPI, that awards subgrants of federal funds to school districts and other subgrantees.

BOARD OF PUBLIC EDUCATION (BPE)

The Montana Board of Public Education is responsible for establishing and maintaining standards for all public schools and accredited private schools in Montana. There are seven members on the BPE and the governor appoints the members.

BUDGET PERIOD

The award period. The budget period for OPI-administered grants is usually July 1 to June 30, or July 1 to September 30.

CASH MANAGEMENT

Reasonable procedures which must be established for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursements by grantees and subgrantees.

CAPITAL EXPENDITURE

Cost of a fixed asset, including costs of placing the asset in a condition of usefulness. Includes delivery charges, modifications, attachments and accessories which are needed to make an asset useable for the intended purpose. Federal programs require assets having a unit price of $5,000 or more to be considered a capital expenditure.

CAREER AND TECHNICAL EDUCATION

Career and Technical Education is also referred to as State Secondary Vocational Education and Carl Perkins Vocational Technical Education.

CARRYOVER

Unexpended funds from an award may, within statutory limits, be "carried over" and added to the project allocation of the following year.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE

Federal publication listing Catalog of Federal Domestic Assistance (CFDA) number of each federal assistance program. See https://www.cfda.gov/ .

CFDA NUMBER

The number assigned to a federal program in the Catalog of Federal Domestic Assistance. Number is in this format: XX.XXX

CFDA numbers for OPI-administered grant programs are listed in Appendix H - List of CFDA Numbers in this handbook.

CODE OF FEDERAL REGULATIONS (CFR)

The Code of Federal Regulations is published periodically by the Director of Federal Regulations. This publication has general applicability and legal affect and contains rules issued by federal agencies to implement federal statutes and government-wide directives from the President (Executive Orders), the Office of Management and Budget and the Treasury Department.

See the CFR online at: http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=%2Findex.tpl

COGNIZANT AGENCY

Federal agency assigned by the U.S. Office of Management and Budget to carry out responsibilities to assure that audits of federal assistance are made as required by OMB Circular A-133. The cognizant agency is the federal agency that provides the largest portion of federal financial assistance to a grantee organization.

COMMON ASSURANCES

The legislated requirements, common across several programs, that agencies must abide by as conditions for receipt of federal funds. See Appendix J - Common Assurances in this handbook.

COMMINGLING

Depositing funds in a general account without the ability to identify each specific source of funds used for an expenditure. Commingling of federal funds is generally not allowed.

COMPETITIVE GRANT

May also be called a discretionary grant. A competitive grant is not based on a formula or legislative mandate, and funds are awarded based on an application process created by the OPI in accordance with program regulations.

COMPLIANCE SUPPLEMENT

OMB Circular A-133 Compliance Supplement. Guidance for auditing federal program requirements, published by the Office of Budget and Management of the U.S. Government. Specific program requirements are addressed. http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2011

CONSORTIUM

A group of two or more local education agencies (nonpublic LEAs may be included) or educational service agencies that group together in order to establish, operate or improve local education or prevention programs. A consortium must be represented by a "prime applicant" (i.e., host) which is normally a public school district.

COOPERATIVE

Two or more school districts which join together, in accordance with MCA sections 20-7-451 through 20-7-457, for the purpose of performing any or all education administration services, activities and undertakings that the school district entering into the contract is authorized to perform by law. In accordance with ARM 10.16.3809(1)(a), no more than 23 special education cooperatives may be established.

CORRECTIVE ACTION

Action taken by the audited entity to:

1) correct identified deficiencies;
2) produce recommended improvements; or
3) demonstrate that audit findings are either invalid or do not warrant remedial action.

COST ALLOCATION PLAN

Documentation of identifying, accumulating and distributing allowable costs under grants together with the allocation method used.

COST PRINCIPLES

General policies for allowability of costs charged to federal programs are specified in OMB Circular A-87, A-21 and A-122 for federal programs administered by the OPI. See section 300 Program Costs in this handbook.

DEBARMENT

Action taken by a debarring official to exclude a person, organization, or business from participating in a covered transaction (34 CFR part 80).

DIRECT COST

Cost identifiable to a particular program, and charged to a particular state or federal program award. Direct costs are the opposite of indirect costs.

DISALLOWED COST

A charge to a grant which the program determines is not allowable, in accordance with applicable federal cost principles or conditions of the award. Typically, the federal program will not pay for the disallowed charges, so the charges must be supported by the subgrantee using other nonfederal sources.

DISAPPROVAL

As it applies to grant applications, requests for changes of authorized representatives, requests for grant amendments, etc., approval is the act of the OPI agreeing with the document and sending written documentation of the agreement to the applicant's authorized representative.

DISCRETIONARY GRANT

May also be called a competitive grant. A competitive grant is not based on a formula or legislative mandate, and funds are awarded based on an application process created by the OPI in accordance with program regulations.

ED

The U.S. Department of Education. Also abbreviated as USEd.

EDGAR

Education Department General Administrative Regulations (Title 34, Code of Federal Regulations (CFR), Parts 74-86 and 97-99, December 2008 edition) EDGAR is a compilation of the regulations for administering discretionary and formula grants awarded by the U.S. Department of Education. http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html

Contents of EDGAR

Part 74 - Administration of Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-profit Organizations
Part 75 - Direct Grant Programs
Part 76 - State-Administered Programs
Part 77 - Definitions that Apply to Department Regulations
Part 79 - Intergovernmental Review of Department of Education Programs and Activities
Part 80 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
Part 81 - General Education Provisions Act-Enforcement
Part 82 - New Restrictions on Lobbying
Part 84 - Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)
Part 85 - Governmentwide Debarment and Suspension (Nonprocurement)
Part 86 – Drug and Alcohol Abuse Prevention
Part 97 – Protection of Human Subjects
Part 98 – Student Rights In Research, Experimental Programs and Testing
Part 99 – Family Educational Rights and Privacy

E-GRANTS

The OPI's electronic grants management computer system. E-Grants is a web-enabled system used by school districts and other entities to apply for OPI-administered grants, submit grant budgets and programmatic plans, request grant cash, and report expenditures and various reports required by the grant programs. The OPI uses the system to monitor subgrantees' grant expenditures, make grant payments, and track various grant management processes required by federal grantors. E-Grants is accessible to all Local Education Agencies (LEAs) and other subgrantees via the internet without need for installing any special software or hardware. http://opi.mt.gov/Finance&Grants/egrants/

ENCUMBRANCES

Obligations for goods ordered but not yet received as of the end of the project period, which is usually June 30 or September 30.

EQUIPMENT

For federal grants, tangible, nonexpendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. (See definition of Acquisition Cost in this Glossary.)

ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA)

Elementary and Secondary Education Act of 1965, as reauthorized under the No Child Left Behind Act of 2001. ESEA provides targeted resources to help insure that disadvantaged students have access to a quality public education.

EXCESS COSTS

Under the Individuals with Disabilities Education Act (IDEA) 34 CFR 300.184, excess cost is defined as "those costs that are in excess of the average annual per student expenditure in an LEA during the preceding school year for an elementary or secondary school student, as may be appropriate..." Calculation of excess costs and general requirements can be found under 34 CFR 300.16.

A calculator for determining excess costs:
http://www.northcentralrrc.org/calculators/Excess_Cost_Calc_v1.html

FEDERAL FINANCIAL ASSISTANCE

Assistance provided by a federal agency in the form of grants, loans, cooperative agreements, contracts, loan guarantees, and property. It includes awards received directly from the federal agency or indirectly through other units of state and local governments.

FISCAL YEAR

The state fiscal year is July 1 through June 30. The federal fiscal year is October 1 to September 30.

GENERALLY ACCEPTED AUDITING STANDARDS

Standards promulgated by the Auditing Standards Board for the performance of audits. http://www.aicpa.org/Research/Standards/AuditAttest/Pages/SAS.aspx

GEPA

General Education Provisions Act. See 34 CFR 81 - General Education Provisions Act-Enforcement: http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr;rgn=div5;view=text;node=34%3A1.1.1.1.27;idno=34;sid=48fe120a2048044e20ac161b30f9e20d;cc=ecfr

GRANTEE

The entity to which a grant is awarded and which is accountable for the use of funds provided. The grantee is the entire legal entity, even if only a particular component of the entity is designated in the award document.

GRANT PERIOD

The project or award period. Depending on the type of grant, the grant period for most OPI-administered grants is July 1 to June 30 or July 1 to September 30, unless an extension is requested in writing to the OPI and approved.

INDIRECT COST

A cost which is incurred for a common or joint purpose benefiting more than one cost objective, which is not readily assignable to a specific program being benefited. Indirect costs are charged to various programs and "pooled."

INDIRECT COST RATE

Percentage approved for recovery from federal programs. The rate for a school district must be approved annually by the OPI. The rate may be charged to approved federal programs by multiplying direct charges by the approved rate. Some programs restrict the rate used in that particular program, which may be lower than the rate approved by the OPI.
http://www.opi.mt.gov/Finance&Grants/SchoolFinance/Index.html#gpm1_12

INDIRECT COST RECOVERY

The amount allowed to be charged to a federal grant based on application of an approved indirect cost rate.

INTERNAL CONTROLS

Processes, established by management and other personnel, designed to provide reasonable assurance regarding the achievement of the following objectives:

1. Transactions are properly recorded and accounted for to:
    a. Permit the preparations of reliable financial statements and federal reports;
    b. Maintain accountability over assets; and
    c. Demonstrate compliance with laws, regulations, and other compliance requirements.
2. Transactions are executed in compliance with:
    a. Laws, regulations and the provisions of contracts or grant agreements;
    b. Any other laws and regulations that are identified in the compliance supplement; and
3. Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

JOURNAL VOUCHER (JV)

A transaction made to correct or adjust a previous transaction. When a JV involves more than one fund, the clerk must notify the county treasurer of the adjustment.

LOCAL EDUCATION AGENCY (LEA)

Local education agency (LEA) includes: a) a public school district; b) any other public institution which administers a public elementary or secondary school; and c) as used in 34 CFR 400, 408, 525, 526, and 527 (Vocational Education Programs), any public institution or agency that has administrative control and direction of a vocational education program (34 CFR Part 77).

LOCAL GOVERNMENT

A community, municipality, city, town, township, local public authority (including any public and Indian housing agency under the U.S. Housing Act of 1937), a school district, special district, council of governments, or any other regional or interstate government, or any agency or instrumentality of a local government (34 CFR 80).

MAINTENANCE OF EFFORT (MOE)

For ESEA title programs "Maintenance of Effort" (or "maintenance of fiscal effort") is required by several grant programs. The purpose of a maintenance of effort requirement is to ensure the subgrantee of federal funds does not spend those funds in place of local dollars. Maintenance of Effort ensures a subgrantee spends local dollars for the same activities that would be provided if federal dollars were not available. Thus, federal programs supplement the normal activities of the entity and do not replace, or supplant, their normal activities.

MAJOR PROGRAM

Federal program determined by the auditor to be a major program in accordance with OMB Circular A-133, §__.520 Major Program Determination. The auditor must perform audit procedures to determine whether the auditee has complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on the federal program consistent with the requirements for a major program. (OMB Circular A-133)

MANAGEMENT DECISION

Evaluation by the federal awarding agency or pass-through entity of the audit findings and corrective action plan and the issuance of a written decision as to what corrective action is necessary.

MATCHING

The value of contributions by the entity to support a portion of the project. Many federal programs require a local match.

MONTANA CODES ANNOTATED (MCA)

The MCA is a compilation of existing general and permanent Montana laws, including the statutory text and history. The Code is arranged topically. http://data.opi.mt.gov/bills/mca/..%5Cmca_toc%5Cindex.htm

NO CHILD LEFT BEHIND ACT (NCLB) of 2001

Public Law 107-110, reauthorized the Elementary and Secondary Act (ESEA) of 1965. The purpose of the Act is to close the achievement gap with accountability, flexibility and choice so that no child is left behind. The NCLB Act can be found at: http://www2.ed.gov/nclb/landing.jhtml

NONPROFIT

As applied to an agency, organization, or institution, means it is owned and operated by one or more corporations or associations whose net earnings do not benefit, and cannot legally benefit, any private shareholder or entity (34 CFR 77). The term generally refers to an organization that is registered as a 501(c)(3) organization under Internal Revenue Code.

NONPUBLIC (see PRIVATE/NONPUBLIC)

OBLIGATION

Orders placed, contracts awarded, and goods and services received but not paid for by June 30 or the end of the project period.

OFFICE OF PUBLIC INSTRUCTION (OPI)

The Montana Office of Public Instruction (OPI) provides services to Montana school-age children and to teachers in approximately 500 school districts. The agency provides technical assistance in planning, accreditation, school curriculum, school finance and school law. The agency also administers a number of federally funded programs and provides a variety of information services. OPI's website: www.opi.mt.gov

OPI staff members provide assistance to the Superintendent of Public Instruction in performing prescribed duties. Staff responsibilities include:

- Support for the Superintendent's statutory role with the Board of Public Education, Board of Regents and Land Board;
- The distribution and accounting of state and federal funds provided to a school district;
- Operation support to the OPI; and
- Assistance and information to school districts.

OMB

The United States Office of Management and Budget.

OUTLAY

Cost charged to a federal program.

PASS-THROUGH ENTITY

Nonfederal entity which provides a federal award to a subgrantee.

PRE-AWARD COST

Costs incurred prior to the effective date of the federal subgrant award after receiving written approval from the OPI. Pre-award costs are only allowable if the OPI determines the immediate expenditures are necessary to fulfill the required service or activity under the grant.

PRIME APPLICANT

The prime applicant is the school district that files an application for a grant, receives and manages program funds and ensures funds are audited in accordance with federal requirements.

PRIOR APPROVAL

Documentation evidencing consent prior to incurring specific costs.

PRIVATE (referred to as private/nonpublic)

As applied to an agency, organization, or institution, means that it is not under federal or public supervision or control (34 CFR 77). Federal laws require public schools to provide certain services to private/nonpublic schools in Montana under federal grants. See 200.9 Private/Nonpublic School Participation in Section 200 of this handbook.

PROJECT NUMBER

Number assigned by the OPI to identify a specific state or federal grant project that has been awarded to a legal entity. Number identifies county, legal entity, money type, state fiscal year, and up to five unique identifying numbers or letters that may be used to identify a program. See 100.2 Project Numbers in this handbook.

PROJECT REPORTER CODE

Three-digit code assigned by the district and used to identify the revenue and expenditures of a certain grant project. Each project having a unique project number is separately accounted for using a unique project reporter code.

PROGRAM INCOME

Income generated by a grant-supported activity, or earned as the result of a grant agreement during the grant period. Includes fees for services performed, sale of commodities or use/ rental of real or personal property acquired with grant funds. Does not include interest earned on grant funds, rebates, discounts, refunds, etc.

QUESTIONED COST

Cost questioned by an auditor because an audit finding indicates:

1. a possible violation of a law, regulation, contract, grant, or other agreement covering use of federal funds, including use of nonfederal funds used to match federal funds;
2. costs which were not supported by adequate documentation at the time of audit; or
3. costs incurred seem unreasonable to charge to the grant.

REAP-Flex

See Appendix E - REAP-Flex and Transferability.

REALLOCATED (TITLE I)

Districts may apply to the Title I program at the OPI to receive additional funds when the district can demonstrate an extremely high need based on free and reduced-lunch figures. The funds are limited and the available amount varies from year to year. See Appendix F - Title I Reallocation and Comparability Policies.

REIMBURSEMENT

Payment received by a subgrantee for work or services performed or other allowable expenditures already incurred for a grant project.

REQUISITIONS

Formal documentation of purchases requested by staff.

REVENUE

Income from federal, state or local sources. Federal grant money is generally recorded as revenue in the year it is spent.

SCHOOLWIDE PROGRAM

A schoolwide program is a strategy for implementing comprehensive school change under ESEA Title I, Part A. A schoolwide program permits a high poverty school (40 percent or more) to use funds from Title I, Part A and other Federal education program funds and resources with local and state resources to upgrade the entire educational program of the school in order to raise academic achievement for all the students. See Appendix G - Schoolwide Programs.

STATE EDUCATION AGENCY (SEA)

State education agency (SEA), such as the OPI.

SINGLE AUDIT

Audit in accordance with OMB Circular A-133 that covers both the entity's financial statements and the federal awards.

SUBGRANT

Award of money or property made under a grant by a grantee to an eligible subgrantee. Does not include vendor payments.

SUBGRANTEE

A government, agency or other organization which receives federal financial assistance under a grant award through a state or local government. Does not include an individual who is a beneficiary of the program.

SUPPLEMENT NOT SUPPLANT

Provision of many federal programs which requires the recipient of a grant award to use federal funds only to supplement and, to the extent it is practical, increase the level of funds that would, in the absence of federal funds, be made available from non-federal sources for the education of participating students. See 200.7 Supplement Not Supplant in Section 200 of this handbook.

TERMS OF A GRANT OR SUBGRANT

All requirements of a grant or subgrant, whether in statute, regulations, or the award document.

THIRD PARTY IN-KIND CONTRIBUTIONS

Property or services which benefit a federally supported project or program and which are contributed by non-federal third parties without charge to the grantee.

TRANSFERABILITY OF FUNDS

See Appendix E- REAP-Flex and Transferability.

UNLIQUIDATED OBLIGATIONS

Amount of obligations incurred which have not yet been paid.

UNEXPENDED FUNDS

Amounts of award which are not obligated by the end of the project period. Unexpended funds must be refunded to the OPI at the end of the project period.

UNOBLIGATED BALANCE

The portion of the award which has not been obligated by the grantee or subgrantee. Determined by subtracting the cumulative obligations from the funds authorized by the award.

UNITED STATES CODE (U.S.C.)

United States Code, federal law.

USED

U.S. Department of Education, also abbreviated as USEd or ED.

WAIVER

Approval by a grantor to allow the subgrantee to avoid an action that would otherwise be required or to allow an action that would otherwise be denied. Waivers under grants administered by the OPI are most often related to carryover limitations under ESEA programs, which allow the OPI to approve a subgrantee's request every three years to waive the percentage limitation on carryover if the request is deemed reasonable and necessary or if supplemental appropriations become available.

Federal/State Grant Control Record

OPI policy requires a central grant file to be maintained for each state and Federal grant. Use this sheet as a cover page for a file for each grant or contracted project. Each grant file should contain this page and Section A-F below.

Grant Name:	Fiscal Year:
Level: ☐ Elementary	☐ High School
Budget #:	Project Reporter Code:
Revenue Source Code:	Expenditure Program Code:
Authorized Representative:	
Program Director:	
Award / Project #:	County Treasurer #:
Grant Amount:	Grant Period (dates) From: To:
School Fiscal Year:	CFDA #:
Type of Grant ☐ Federal ☐ State ☐ Local	
Direct Grant or Flow Thru Grant:	
Carryover Allowed? ☐ Yes ☐ No	Is a Match Required? ☐ Yes ☐ No
Grant Specialist:	Grant Accountant:
Phone:	Phone:
Fax:	Fax:
Address:	Address:

Section A Grant Award

	Date
Proposal/Application	
Grant Award Notice	

Section B Budget

	Date	Date	Date
Budget Submitted			
Revision Submitted			

Section C

	Date	Amount Requested	Annual or Periodical
Cash Request Submitted			
(2nd request. or amendment)			
(3rd request or amendment)			
(4th request or amendment)			

Section D Cash Control / Match Records

Section E Correspondence

Section F Final Evaluation / Close Out Reports

	Date	Amount
Fiscal Report		
Programmatic Report		
Refund Sent?		

Elsie Arntzen, Superintendent
Office of Public Instruction
P O Box 202501
Helena, MT 59620-2501

Detailed Line-Item Budget for Grant Projects

District Name:		**LE:**	**Project Number:**	
Grant Name: **OPI Contact:**		**phone:**	**e-mail:**	
Fiscal Year of Award:		**Award Amount: $**	Revenue Code:	Exp. Pgm Code: / Proj. Rptr:

Expenditure Account Code XXX Fund Code-- XXX Exp Pgm Code-- XXXX Function Code-- XXX Exp Object Code-- XXX Proj. Rprtr Code	**Type of Cost**	**Detailed Explanation of Planned Expenditure** [i.e. salaries/benefits, who will be paid and what work will they accomplish? Identify what supplies or equipment will be purchased?]	
		AMOUNT	**PURPOSE/DETAIL**
TOTAL			

(add extra rows to table as needed) See next page for instructions.

Reviewed & Approved:

OPI Program Specialist **Date** **OPI Program Accountant** **Date**

This form is a tool for generating a line-item budget for a grant project. The Office of Public Instruction may require a school district that has been designated a "high-risk" district to submit a copy of the line-item budget in order to qualify for funding under a grant.

Additional assistance with school accounting requirements and federal grant accounting and administration requirements can be found in the following two documents:

1. Montana School Accounting Manual A copy is available at http://www.opi.mt.gov/pub/index.php?dir=School%20Finance/SchoolAccountingManual/

2. OPI State and Federal Grants Handbook. A copy is available at http://www.opi.mt.gov/Finance&Grants/Index.html?gpm=1_9

A detailed budget should be prepared for every grant project as a cooperative effort between the clerk, the superintendent, and the grant administrator/director. Accounting line items must reflect the planned activities according to the approved grant application and grant budget. Districts in "High Risk" status with OPI may be required to submit changes for pre-approval by OPI.

Process:

- Before ~~preparing~~ requisitions or purchase orders, the grant administrator/superintendent should indicate the grant line item they intend to be charged.
- Before approving requisitions and purchase orders, the superintendent should compare each request to the detailed budget to ensure the activity is within the grant's approved plan.
- Before processing invoices for payment, the clerk should compare the invoice to the purchase order and ensure that the grant line item input into the accounting system is correct.
- The clerk should give each grant administrator/superintendent a monthly status report of the amount paid-to-date (and obligated-to-date, if purchase orders are input into the accounting system) from each line item and the budget amount remaining to be spent. Districts in "High Risk" status with OPI may be required to report status of grant projects periodically with OPI staff.

Grant Reminders:

- The district must keep time and effort records for staff paid from multiple grant projects or a combination of grant and non-grant projects. See OPI Federal and State Grant Handbook for more information.
- Expenditures that exceed the grant award must be paid using general fund or other non-grant resources.

Elsie Arntzen, Superintendent
Office of Public Instruction
Accounting Division
PO Box 202501
Helena, Montana 59620-2501
www.opi.mt.us

Cash Request for State and Federal Grant Programs
(For Programs Not on E-Grants)

DIRECTIONS—Only a Prime Applicant should complete this form. Use a separate form for each project.

1. Complete and sign, then send the original of this form to the Office of Public Instruction, Accounting Department or fax to (406) 444-1369. Retain a copy for district files.
2. The amount requested for a particular month must be the minimum amount needed in that month for actual immediate cash required to carry out the purpose of the approved project.
3. The Office of Public Instruction may, at its discretion, request written documentation and/or an explanation for the amount requested for any or all months, and may request a report of cash-on-hand at anytime during the project period.
4. The total amount of the cash requested for this project may be less, but not more, than the approved project budget.
5. This form must be received at the Office of Public Instruction by the 25th of the month PRECEDING the first month cash is needed. The amount requested for a particular month will be sent on the 10th day of that month (e.g., the amount of cash requested below for August will be sent on August 10th if this form is received at the Office of Public Instruction by July 25th).
6. Amended cash request forms should be submitted for this project if at anytime during the year a significant cash shortfall or excessive cash-on-hand exists.
7. For assistance, contact (406) 444-3408.

Prime Applicant	County:	☐ Elem Legal Entity: ___ ___ ___ ___ ☐ H.S. Legal Entity: ___ ___ ___ ___ ☐ K-12 Legal Entity: ___ ___ ___ ___ ☐ Other Legal Entity: ___ ___ ___ ___

Fill in the project name and number (from the budget page) for which this CASH REQUEST is being requested.

State/Federal Program Name	Project Number
_____	PN: __ __ - __ __ __ __ - __ __ - __ __ -__ __ __ __

Check below to indicate if this is an initial or an amended cash request for this project period ____ - ____.

☐ Initial request ☐ Amended request

Amount of cash requested for disbursements to be made in:

July	$ _____	March	$ _____
August	$ _____	April	$ _____
September	$ _____	May	$ _____
October	$ _____	June	$ _____
November	$ _____	July	$ _____
December	$ _____	August	$ _____
January	$ _____	September	$ _____
February	$ _____		

TOTAL..... $ _____

I certify that the amount of the monthly cash requested above is a reasonable estimate of the minimum amount needed in each month to carry out the purpose of this project.

Authorized Representative

Signature:_____ Date:_____

Clerk/Business Official

Signature:_____ Phone:_____ _____

FOR OPI USE ONLY

☐ Approved ☐ Denied ☐ Recorded

Signature:_____ Date:_____
OPI Program Accountant

Elsie Arntzen, Superintendent
Office of Public Instruction
Department of Education Services
PO Box 202501
Helena, Montana 59620-2501
www.opi.mt.gov

Grant Amendment Request
Non-E-Grant Programs

DIRECTIONS—Only a Prime Applicant should complete this form. Use a separate form for each program.

1. **Budget** modifications are required when there is:
   a. additional purchase of equipment costing $5,000 or more per unit, or
   b. a revision in the budget which results in a change in overall funding.
2. **Program** modifications are required when there is:
   a. a change in the Program Components, or
   b. a request to extend the project period to September 30 for projects scheduled to end June 30.
3. Extensions must be requested if expenditures will be incurred during the period July 1-September 30. Extensions beyond September 30 cannot be approved.
4. Requests for budget or program modifications must be submitted by June 1 for projects that end June 30, September 1 for projects that end September 30. Send to the Office of Public Instruction, Department of Education Services. Retain a copy for district files.

Prime Applicant/Fiscal Agent:	County:	☐ Elem Legal Entity: ___ ___ ___ ___ ☐ H.S. Legal Entity: ___ ___ ___ ___ ☐ K-12 Legal Entity: ___ ___ ___ ___ ☐ Other Legal Entity: ___ ___ ___ ___

Fill in the program name and project number (from the approved budget page) for which this AMENDMENT is being requested.

Grant Program Name	**Project Number**
_____	PN: __ __ - __ __ __ __ - __ __ - __ __ -__ __ __ __

Expenditures for these modifications or extension must be made using the above project number. Check below to indicate a Budget or Program Modification or Extension.

☐ Budget Modification
•If a **budget** modification is requested, attach a copy of the revised budget. Give explanation for revision.

☐ Program Modification
•If a **program** modification is requested, describe the program change.

☐ Program Extension
•If eligible or necessary, give extension ending date: _____ (no later than September 30). Give reasons for extension for projects scheduled to end June 30.

Authorized Representative Signature

Authorized Representative: (Print or Type Name)

Signature of Authorized Representative: _____ Date:_____

FOR OPI USE ONLY

☐ Approved ☐ Approved with conditions (see attached) ☐ Denied

Signature:_____ Date:_____
OPI Program Representative

Signature:_____ Date:_____
OPI Program Accountant

Denise Juneau, Superintendent
Office of Public Instruction
Accounting Division
PO Box 202501
Helena, Montana 59620-2501
www.opi.mt.gov

Fiscal Closeout Report
for State and Federal Grant Programs

DIRECTIONS—ONLY A PRIME APPLICANT SHOULD COMPLETE THIS FORM. USE A SEPARATE FORM FOR EACH PROJECT. Complete and sign, then send the original of this form to the Office of Public Instruction, Accounting Department. Retain a copy for your files. **SEE INSTRUCTIONS ON THE BACK.**

Prime Applicant:	County:	☐ Elem Legal Entity: ___ ___ ___ ___ ☐ H.S. Legal Entity: ___ ___ ___ ___ ☐ K-12 Legal Entity: ___ ___ ___ ___ ☐ Other Legal Entity: ___ ___ ___ ___

Fill in the project name and number (from the budget page).

State/Federal Project Name: _____

Project Number: PN: __ __ - __ __ __ __ - __ __ - __ __ - __ __ __ __

Project Period: From: _____-_____-_____ (mo / day / yr) To: _____-_____-_____ (mo / day / yr)

Expenditures (SEE INSTRUCTIONS ON THE BACK.)	(a) Elementary Expenditures (Title I only)	(b) High School Expenditures (Title I only)	(c) Total Project Expenditures [(a) + (b)] (All programs)	(d) Matching Funds (If required by program)
1. Salaries and Benefits Objects 1xx, 2xx				
2. Operating Expenses Objects 3xx, 4xx, 5xx, 6xx, 8xx				
3. SUB-TOTAL DIRECT COSTS (Sum of lines 1 + 2)				
4. Indirect Cost Recovery _____% Object 62xx-940				
5. Equipment ($5,000 or more per unit) Object 7xx				
6. Transferred to Other Districts Object 6200-930 (IDEA only)				
7. TOTAL Expenditures (Sum of lines 3, 4, 5 + 6)				

8. TOTAL Funds Received _____

9. TOTAL Funds Expended _____
(line 7 MUST = line 9)

10. Due to OPI (attach refund) _____
(line 8 > line 9)

OR

11. Due from OPI _____
(line 8 < line 9)

Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all expenditures are for the purposes set forth in the award documents.

Authorized Representative

Signature:_____ Phone:_____ Date:_____

Clerk/Business Official

Signature:_____ Phone:_____ Date:_____

FOR OPI USE ONLY

☐ Approved ☐ Final

Signature:_____ Date:_____
OPI Program Accountant

Instructions

Please type or print legibly. The following general instructions explain how to complete lines 1 through 11 of the Expenditures section. Submit the Fiscal Closeout Report for a July-June project to OPI **no later than August 10**. Submit the Fiscal Closeout Report for a July-September project to OPI **no later than November 10. Reimbursements requested on a late fiscal closeout report will not be paid.**

Columns (a) and (b): Title I requires a breakdown of elementary and high school expenditures. **Use these columns to report Title I projects expenditures only.**

Column (c): All programs require expenditures to be listed in this column. For Title I, combine amounts from columns (a) and (b). For programs other than Title I, list the total project expenditures here.

Column (d): ABE and Gifted and Talented programs require a local match. Report matching expenditures in this column.

Lines
1, 2, and 3. Self-explanatory.

Line 4. Use the approved indirect cost rate of the prime applicant in effect the first day of the project period. The amount entered on this line cannot exceed the approved percentage rate times the amount on line 3. The indirect cost rate applied to a Carl Perkins grant may not exceed 5 percent.

Line 5. Enter the amount of expenditures for purchased or leased equipment for which prior OPI budget approval was given.

Line 6. Enter the dollar amount of IDEA funds that you, as a prime applicant, transferred to other school districts.

Line 7. Self-explanatory.

Line 8. Enter the total amount of cash advances/reimbursements received from OPI during the project period.

Line 9. Enter the amount from line 7.

Line 10. Use line 10 if total funds received exceed total funds expended. If the dollar amount entered on line 10 is less than $10, the recipient is NOT REQUIRED to send a refund to OPI.

Line 11. Use line 11 if total funds expended exceed total funds received. OPI will automatically send the balance owed if line 8 is less than line 9.

Montana
Office of Public Instruction
opi.mt.gov Elsie Arntzen, Superintendent

Request for Exception to the Authorized Representative (AR)

Includes School Districts, Special Education Cooperatives, and Community-Based Organizations

Authorized Representative (AR) of a School District - The Board of Trustees has the authority to act on behalf of the school district. The Office of Public Instruction (OPI) assumes the Board of Trustees delegates its authority to the district superintendent, who will act as authorized representative (AR) of the school district receiving federal and/or state grants. If the school district, because of its size, does not have a district superintendent, the principal will be presumed to be the AR. If a district has neither a superintendent nor a principal, the county superintendent will assume the role of AR. Although the AR role is presumed to follow that rule, the trustees may instead request an exception to the rule in order to designate the board chair, another board member, or an employee in the role of AR for the board. The board chair must submit this form to the OPI to request an exception.

Authorized Representative of a Sub-Recipient Who is Not a School District - The chairperson of the managing board or committee of the sub-recipient organization is assumed to be the authorized representative, unless the board designates an alternative by submitting this form to the OPI.

Purpose of Form - This form allows:

- Trustees to assign a designee to act as AR on behalf of the board of trustees. The designee will act legally on behalf of the trustees for the sub-recipient of federal and state grants. All related correspondence to the LEA will flow through the designee.
- Trustees to reverse a previously approved authorized representative exception back to the delegated authority.
- Sub-recipients who are not school districts to assign an AR to act on their behalf.

The designee assignment and position will remain in effect until the OPI receives notice of a change. Should the approved designee leave at any time, the approved position will remain in effect until the OPI receives notice of a change.

The role of the AR is explained in Section 700-1 of the State and Federal Grants Handbook:
http://www.opi.mt.gov/Finance&Grants/Index.html?gpm=1_9

Submit the Form - The Board Chairman may submit the form by fax 406-444-1373 or by mail: Office of Public Instruction, Attn: BJ Granbery, PO Box 202501, Helena, MT 59620-2501.

Contact Information - If you have questions regarding this form, please contact Tobie Liedes by telephone at 406-444-2417, or by email at tliedes2@mt.gov.

Designee Information

Full Name _____

☐ New Designee ☐ Reverse an Approved AR Exception back to the Delegated Authority

Position _____
Mailing Address _____
Telephone _____
Email _____

Board Chair Approval-With my signature below (typed or written), I certify the accuracy of the information submitted on this form.

_____ _____

Signature of Board Chair Date

_____

Name of School District or Organization

New Designee/Reversed Delegate, please indicate position:

☐ Superintendent
☐ Principal (if there is no superintendent)
☐ County Superintendent
☐ Approved Exception
☐ Other (state the role) _____

The OPI requires the official meeting minutes from the Board of Trustees authorizing the AR representative change for the district.

Minutes attached: Yes ☑ No ☑

OPI Use Only

☐ Approved ☐ Disapproved

_____ _____

OPI Assistant Superintendent Signature Date

Office of Public Instruction

Name:_____ Employee ID#:_____
Last First MI

Pay Period Ending:_____ Hours not identified to a budget **OR** Budget #:_____

	WEEK #1								WEEK #2							
Date								Total of Week #1**								Total of Week #2**
	Sat	Sun	Mon	Tues	Wed	Thur	Fri		Sat	Sun	Mon	Tues	Wed	Thur	Fri	
Regular Hours Worked																
Holiday																
Vacation																
Sick Leave																
*Comp. Time Taken																
Jury Duty/Military Duty (circle one)																
Leave Without Pay																
*Hour for Hour Comp. Time Earned																
*FLSA Comp. Time Earned (record actual hours worked)																
*Overtime																

*Overtime or comp time accrued the same week as leave or comp time is taken may not be approved.

**Note: These columns should total Week #1 and Week #2 for each separate budget section

Reason for compensatory time/overtime worked:_____

Budget #_____

	WEEK #1								WEEK #2							
Date								Total of Week #1**								Total of Week #2**
	Sat	Sun	Mon	Tues	Wed	Thur	Fri		Sat	Sun	Mon	Tues	Wed	Thur	Fri	
Regular Hours Worked																
*Hour for Hour Comp. Time Earned																
*FLSA Comp. Time Earned (record actual hours worked)																
*Overtime																

*Overtime or comp time accrued the same week as leave or comp time is taken may not be approved.

*Note: These columns should total Week #1 and Week #2 for each separate budget section

Reason for compensatory time/overtime worked:_____

Budget #_____

	WEEK #1								WEEK #2							
Date								Total of Week #1**								Total of Week #2**
	Sat	Sun	Mon	Tues	Wed	Thur	Fri		Sat	Sun	Mon	Tues	Wed	Thur	Fri	
Regular Hours Worked																
*Hour for Hour Comp. Time Earned																
*FLSA Comp. Time Earned (record actual hours worked)																
*sOvertime																

*Overtime or comp time accrued the same week as leave or comp time is taken may not be approved.

*Note: These columns should total Week #1 and Week #2 for each separate budget section

Reason for compensatory time/overtime worked:_____

	WEEK #1		WEEK #2
Total all hours from each budget section front & back including comp time/overtime		Total all hours from each budget section front & back including comp time/overtime	

Budget #_____

	WEEK #1								WEEK #2							
Date								Total of Week #1**								Total of Week #2**
	Sat	Sun	Mon	Tues	Wed	Thur	Fri		Sat	Sun	Mon	Tues	Wed	Thur	Fri	
Regular Hours Worked																
*Hour for Hour Comp. Time Earned																
*FLSA Comp. Time Earned (record actual hours worked)																
*Overtime																

*Overtime or comp time accrued the same week as leave or comp time is taken may not be approved.

**Note: These columns should total Week #1 and Week #2 for each separate budget section

Reason for compensatory time/overtime worked:_____

Budget #_____

	WEEK #1								WEEK #2							
Date								Total of Week #1**								Total of Week #2**
	Sat	Sun	Mon	Tues	Wed	Thur	Fri		Sat	Sun	Mon	Tues	Wed	Thur	Fri	
Regular Hours Worked																
*Hour for Hour Comp. Time Earned																
*FLSA Comp. Time Earned (record actual hours worked)																
*Overtime																

*Overtime or comp time accrued the same week as leave or comp time is taken may not be approved.

**Note: These columns should total Week #1 and Week #2 for each separate budget section

Budget #_____

	WEEK #1								WEEK #2							
Date								Total of Week #1**								Total of Week #2**
	Sat	Sun	Mon	Tues	Wed	Thur	Fri		Sat	Sun	Mon	Tues	Wed	Thur	Fri	
Regular Hours Worked																
*Hour for Hour Comp. Time Earned																
*FLSA Comp. Time Earned (record actual hours worked)																
*Overtime																

*Overtime or comp time accrued the same week as leave or comp time is taken may not be approved.

**Note: These columns should total Week #1 and Week #2 for each separate budget section

ADVANCE LEAVE/OVERTIME/COMP TIME REQUEST

Date															Total
	Sat	Sun	Mon	Tues	Wed	Thur	Fri	Sat	Sun	Mon	Tues	Wed	Thur	Fri	
Advance Vacation Request															
Advance Comp. Time Leave															
Advanced Request to Accrue Comp.Time/ Overtime															

Employee's Signature:_____ Date:_____

Supervisor's Signature:_____ Date:_____

I certifiy that the hours claimed and budget(s) charged are valid.

Employee's Signature:_____ Date:_____

I approve this claim. To the best of my knowledge this is the employee's hours worked and leave taken.

Supervisor's Signature:_____ Date:_____

Semi-Annual Certification

School/District: _____

Federal Program: _____

For the Six-Month Period of: _____ through _____
Month/Year Month/Year

I certify that the employee(s) listed below worked 100% of their time on activities authorized by the federal program state above.

Employee Name	**Title**	**Employee Signature**	**Date**

_____ _____
*Supervisory Official's Signature Date

This form is to be completed every six months for any employee who is paid solely with federal funds from a single federal grant.

**Signatures must be dated AFTER the last date of service.*

APPENDIX C - FEDERAL MAINTENANCE OF EFFORT (MOE) FOR ESEA TITLE I AND RELATED PROGRAMS

PROGRAMS AFFECTED BY THIS REQUIREMENT

This maintenance of effort (MOE) requirement applies to the following programs administered by the OPI:

Title I, Part A, Improving Basic Programs
Title I, Part B, Subpart 3, Even Start
Title I, Part C, Migrant Education
Title I, Part D, Neglected, Delinquent and At-Risk Youth
Title II, Part A, Teacher and Principal Training and Recruiting Fund
Title II, Part D, Educational Technology
Title III, Part A, English Language Acquisition and Language Enhancement
Title IV, Part B, 21st Century Community Learning Centers
Title VI, Part B, Subpart 2, Rural Low-Income Schools

NOTE: This type of MOE also affects two programs which are not administered by the OPI. Title VII, Indian Education and Title VIII, Impact Aid are directly funded by the U. S. Department of Education rather than administered by the OPI. The OPI provides MOE information to the U.S. Department of Education, and that agency adjusts school district allocations and awards under those programs if MOE is not met, depending on program regulations.

GENERAL MOE REQUIREMENT

A subgrantee may receive its full allocation if either the combined fiscal effort per student or the aggregate of all expenditures of local funds used for providing a free public education for the preceding fiscal year was not less than 90 percent of the combined fiscal effort per student or the aggregate expenditures for the second preceding year.

CALCULATING MOE FOR TITLE PROGRAMS

Data Sources

Following are the components used for the calculation of maintenance of effort:

Data source:	Pupil enrollment report – district data
Completed by:	District attendance office, District responsible official, County Superintendent
Due at OPI:	Mid October - First Monday in October count February 10 - February 1 count

Used to calculate average number belonging (ANB) and average daily attendance (ADA).

Data source:	Special education child count
Completed by:	District responsible official
Due at OPI:	December 10

Data source:	Annual trustee's financial Summary (TFS) – Also known as the "Trustees' Report"
Completed by:	District Clerk, Board of Trustees, Count Superintendent
Due at OPI:	September 15

Treatment of Related Services Block Grant for Cooperative Members

Special education cooperatives receive the related services block grant (RSBG) per ANB paid by the OPI for each participating school district in the cooperative. If a school district is not a member of a cooperative, the district rather than the cooperative receives the RSBG. The RSBG paid to the cooperative on behalf of a school district is added to the district's expenditures in the Title I maintenance of effort calculation.

TITLE I MOE CALCULATION

The chart on the following page shows the expenditures that are used in calculating the school district's MOE level. The expenditures are taken from the Trustees' Finance Summary reports submitted by districts each year-end.

For more information, contact the OPI Program Accountant for Title I, Part A at (406) 444-3408.

Montana
Office of Public Instruction
Denise Juneau, State Superintendent
opi.mt.gov

Federal Maintenance of Effort (MOE) for ESEA Title I and Related Programs

Allowable Funds	Expenditure Programs INCLUDED (From Allowable Funds)	Expenditure Functions EXCLUDED (From Allowable Funds)	Expenditure Objects EXCLUDED (From Allowable Funds)	Revenues SUBTRACTED from Allowable Funds *Not from Fund 15
01 General **10** Transportation **11** Bus Depreciation **12** Food Services **13** Tuition **14** Retirement **18** Traffic Education **21** Compensated Absences **24** Metal Mines **25** State Mining Impact	**ALL** Expenditure Programs, **EXCEPT**: **365** Indian Education For ALL (Fund 14) **5XX** Non Public **6XX** Adult Ed ** Related Services Block	**32XX** Enterprise Services **33XX** Community Service **4XXX** Facilities Acquistion and Construction **5XXX** Debt Service	**7XX** Property/Equipment **910** Operating Transfers to Other Funds **920** Resource Transfers to other Schools/Coops **971** Residual Equity Transfers Out	**1310** Individual Tuition **1311** Drivers Ed Fees - From Individuals **1340** Fees for Adult Education **1410** Individual Transportation Fees **1440** Other Transportation Fees **163X** Food Service **1700** Student Extracurricular Activity Receipts **1800** Community Services **19XX** Other Revenue from Local Sources **41XX** Miscellaneous Direct Federal Grants **42XX** Title I-A, B, C, D, F, G **43XX** Title II, III, IV, V, VI, X, I-G (School Improvement) **45XX** Carl Perkins, ABE, ABLE, Federal School Food Reimbursement, Fresh Fruit and Vegetable, School Foods Summer Program, Adult/Child Care Program, IDEA - Part B, IDEA Preschool, IDEA State Program Improvement **46XX** Miscellaneous Federal Grants from OPI **47XX** Miscellaneous Federal Grants Through State Agencies Other than OPI **48XX** Federal Revenue in Lieu of Taxes **49XX** Federal Other Revenue on Behalf of District
Fund	**Expenditure Programs INCLUDED**	**Functions EXCLUDED** (From Allowable Expenditure Programs)	**Objects EXCLUDED** (From Allowable Expenditure Programs)	
15 Miscellaneous Programs	**280** Special Ed **390** State Career and Technical Education (CTE) Entitlement **391** Agriculture **392** Marketing Education **393** Health Occupations **394** Home Economics **395** Technology Education/ Industrial Arts **396** Office Occupations **397** Trades and Industrial	**32XX** Enterprise Services **33XX** Community Service **4XXX** Facilities Acquistion and Construction **5XXX** Debt Service	**7XX** Property/Equipment **910** Operating Transfers to Other Funds **920** Resource Transfers to other Schools/Coops **930** Fed/State Transfers **940** Indirect Cost Transfers	

Contact	Phone	E-mail
Sunni Hitchcock	(406) 444-3408	sunnih@mt.gov
Schl Finance Audit Specialist	(406) 444-0783	

APPENDIX D -- MAINTENANCE OF EFFORT FOR IDEA PROGRAMS

This section summarizes the requirements for Maintenance of Effort (MOE) for IDEA Part B, how MOE is calculated using expenditure data submitted to the OPI, and how to check the school district or cooperative's expenditure reports to ensure MOE will be accurately calculated.

WHAT IS MAINTENANCE OF EFFORT UNDER IDEA PART B?

Maintenance of effort under Part B means that an applicant for funds under Part B may not reduce the level of expenditures for support of special education below the level of expenditures for support of special education for the preceding fiscal year (34 CFR 300.203(a)). Reductions in expenditures are allowed, only if they meet the provisions of 34 CFR 300.204 and/or 34 CFR 300.205.

The U.S. Department of Education determines compliance with the maintenance of effort regulation by comparing actual expenditures one year to actual expenditures the next year. Prior to the 1997 amendments to IDEA, federal regulations required that maintenance of effort be determined by reviewing the applicant's expenditures of <u>state and local funds</u> for special education. IDEA '97 now states that maintenance of effort can be demonstrated by a comparison of expenditures of <u>either</u> state and local funds <u>or</u> local funds (34 CFR 300.203(b)).

<u>Legal References for IDEA Maintenance of Effort</u>

§ 300.203 Maintenance of effort

(a) General. Except as provided in §§300.204 and 300.205, funds provided to an LEA under Part B of the Act must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year.

(b) Standard.

(1) Except as provided in paragraph (b)(2) of this section, the SEA must determine that an LEA complies with paragraph (a) of this section for purposes of establishing the LEA's eligibility for an award for a fiscal year if the LEA budgets, for the education of children with disabilities, at least the same total or per capita amount from either of the following sources as the LEA spent for that purpose from the same source for the most recent prior year for which information is available:

(i) Local funds only.

(ii) The combination of State and local funds.

(2) An LEA that relies on paragraph (b)(1)(i) of this section for any fiscal year must ensure that the amount of local funds it budgets for the education of children with disabilities in that year is at least the same, either in total or per capita, as the amount it spent for that purpose in the most recent fiscal year for which information is available and the standard

in paragraph (b)(1)(i) of this section was used to establish its compliance with this section.

(3) The SEA may not consider any expenditures made from funds provided by the Federal Government for which the SEA is required to account to the Federal Government or for which the LEA is required to account to the Federal Government directly or through the SEA in determining an LEA's compliance with the requirement in paragraph (a) of this section. (Approved by the Office of Management and Budget under control number 1820–0600) (Authority: 20 U.S.C. 1413(a)(2)(A))

§ 300.204 Exception to maintenance of effort.

Notwithstanding the restriction in §300.203(a), an LEA may reduce the level of expenditures by the LEA under Part B of the Act below the level of those expenditures for the preceding fiscal year if the reduction is attributable to any of the following:

(a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.

(b) A decrease in the enrollment of children with disabilities.

(c) The termination of the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the SEA, because the child—

(1) Has left the jurisdiction of the agency;

(2) Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or

(3) No longer needs the program of special education.

(d) The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

(e) The assumption of cost by the high cost fund operated by the SEA under §300.704(c). (Approved by the Office of Management and Budget under control number 1820–0600) (Authority: 20 U.S.C. 1413(a)(2)(B))

§ 300.205 Adjustment to local fiscal efforts in certain fiscal years.

(a) Amounts in excess. Notwithstanding §300.202(a)(2) and (b) and §300.203(a), and except as provided in paragraph (d) of this section and §300.230(e)(2), for any fiscal year for which the allocation received by an LEA under §300.705 exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures otherwise required by §300.203(a) by not more than 50 percent of the amount of that excess.

(b) Use of amounts to carry out activities under ESEA. If an LEA exercises the authority under paragraph (a) of this section, the LEA must use an amount of local funds equal to the reduction in expenditures under paragraph (a) of this section to carry out activities that could be

supported with funds under the ESEA regardless of whether the LEA is using funds under the ESEA for those activities.
(c) State prohibition. Notwithstanding paragraph (a) of this section, if an SEA determines that an LEA is unable to establish and maintain programs of FAPE that meet the requirements of section 613(a) of the Act and this part or the SEA has taken action against the LEA under section 616 of the Act and subpart F of these regulations, the SEA must prohibit the LEA from reducing the level of expenditures under paragraph (a) of this section for that fiscal year.
(d) Special rule. The amount of funds expended by an LEA for early intervening services under §300.226 shall count toward the maximum amount of expenditures that the LEA may reduce under paragraph (a) of this section. (Approved by the Office of Management and Budget under control number 1820–0600) (Authority: 20 U.S.C. 1413(a)(2)(C))

HOW DOES THE OFFICE OF PUBLIC INSTRUCTION (OPI) DETERMINE MAINTENANCE OF EFFORT (MOE)?

1. For each entity participating in an application, the OPI compares expenditures made for special education, using state and local funds, for the last two years, minus any approved exceptions (34 CFR 300.204) and allowable decreases (34 CFR 300.205). Expenditures are compared on a dollar for dollar basis as well as per capita, using child count figures reported for the same years. The MOE is based on the sum total of expenditures by all entities participating in the application. For purposes of the MOE calculation under IDEA Part B, state funds means state funds distributed to schools and cooperatives to support special education. State and local funds expenditures are those expenditures reported on the Trustees' Financial Summary determined as "allowable expenditures" based on revenue and expenditure codes for the purpose of MOE. Medicaid, Impact Aid, proceeds from private insurance and federal funds are not included in the MOE calculation.

2. For each entity participating in an application, the OPI compares expenditures made for special education, using local funds, for the last two years, minus any approved exceptions (34 CFR 300.204) and allowable decreases (34 CFR 300.205). Expenditures are compared on a dollar for dollar basis as well as per capita, using child count figures reported for the same years. MOE is based on the sum total of expenditures by all entities participating in the application. Local fund expenditures are those expenditures reported on the Trustees' Financial Summary determined as "allowable expenditures" based on revenue and expenditure codes for the purpose of MOE. Medicaid, Impact Aid, proceeds from private insurance and federal funds are not included in the MOE calculation. Local funds will equal the allowable expenditures minus state funds (Instructional Block grant, Related Services Block grant, and Reimbursement for Disproportionate Costs and minus Reversion), including cooperative travel and administrative entitlements.

WHAT HAPPENS IF THE APPLICANT DOES NOT MAINTAIN EFFORT?

When reviewing applications in June, the OPI determines whether the district/cooperative applicant for Part B funds has met the maintenance of effort requirement. If the OPI determines the applicant has not maintained effort, the OPI shall provide reasonable notice to the applicant of:

a. The intent to reduce or not provide any further payment and the reason for the action; and
b. The applicant's right to a hearing before the OPI prior to a final decision.

Data Source: Annual Trustees' Financial Summary (TFS)
Completed by: District Clerk, Board of Trustees, County Superintendent
Due at OPI: September 15

The OPI checks the Trustees' Financial Summary (TFS) data for accurate coding of revenues and expenditures. Once the information is considered accurate, the OPI uses those files to determine final MOE.

HOW CAN AN APPLICANT HELP ENSURE THAT IT IS MAINTAINING EFFORT?

It is critical that individual districts, special education cooperatives, and districts participating in special education cooperatives monitor their state and local expenditures for special education each year to ensure maintenance of effort.

Verification of MOE at the local level will help districts and cooperatives determine if corrections to data are required. The OPI guidance for checking special education expenditures reported is enclosed.

WHAT IS INCLUDED IN MAINTENANCE OF EFFORT CALCULATIONS FOR IDEA?

For IDEA Part B Entitlement funds, MOE is based on total current special education expenditures in the funds listed below as reported on the annual TFS report. The MOE calculation isolates special education expenditures made from state and local revenue sources.

FUND	COOP	DISTRICT	FUND	COOP	DISTRICT
01 General Fund		X	**15** Misc Programs Fund	X	X
10 Transportation Fund	X	X	**24** Metal Mines Tax Reserve Fund		X
13 Tuition Fund		X	**25** State Mining Impact Fund		X
14 Retirement Fund	X	X	**82** Interlocal Agreement Fund	X	X

[SEE SCHOOL ACCOUNTING MANUAL CHART OF ACCOUNTS, PAGE 3-0200.20 FUND DEFINITIONS]

In calculating MOE, the OPI applies the following restrictions:

Expenditure Program 280

Only program 280 expenditures are used to determine the state and local contributions for calculating MOE. For accurate calculation of MOE, districts/cooperatives must CLEARLY separate local and state grants in the Miscellaneous Programs Fund (15) from federal grants using proper revenue and expenditure program codes. Use expenditure program 280 to code special education expenditures for local, state, and direct (non-OPI) federal revenue sources. Use expenditure program code 277 for the IDEA Part B grants and 279 for IDEA Preschool grants subgranted by OPI.

Expenditure Objects **EXCLUDED**

The following expenditure objects are not included in MOE even when spent for special education:

- 7XX Equipment
- 910 Operating transfers to other funds
- 920 Resource transfers to other districts (local moneys)
- 930 Federal or state grant resource transfers to other districts/cooperatives
- 971 Residual Equity Transfers Out

Expenditure Functions **EXCLUDED**

The following expenditure functions are not included in MOE even when spent for special education:

- 4XXX Facilities Acquisition
- 5XXX Debt Service

Expenditures **INCLUDED** in Fund 15

All expenditures reported in Fund 15 will be **EXCLUDED** except for the expenditures of the following revenues if spent for special education (program 280):

Revenue Source: 3450--Accelerated Local Government Severance Tax (if deposited in Fund 15)

Revenue Source: 5710--Special Education Resource Transfers

[SEE SCHOOL ACCOUNTING MANUAL CHART OF ACCOUNTS, SECTION 3-0600.20 OPERATING STATEMENT ACCOUNTS AND 3-0600.40 EXPENDITURE OBJECT CODE DEFINITIONS]

Examples

1. District A reports the following expenditures in special education:

01-280-1XXX-1XX 14-280-1XXX-2XX 01-280-1XXX-2XX 01-280-6200-920

All line items would be considered for Maintenance of Effort, except 01-280-6200-920. It is a special education resource transfer as recorded by the sending district.

2. District B reports the following expenditures in special education:

01-280-1XXX-1XX 14-280-6200-920 10-280-26XX-4XX
15-277-1XXX-1XX-001 (Revenue Source 5700-001)

The two line items above that would **not** be considered in the calculation of Maintenance of Effort would be 14-280-6200-920, because it is a resource transfer to a cooperative, and 15-277-1XXX-1XX-001, because it is an expenditure of revenue source 5700 federal IDEA Part B funds.

GUIDELINES FOR REVIEWING REVENUE AND EXPENDITURES ON TRUSTEES' FINANCIAL SUMMARY

This list is provided to districts and cooperatives to assist them in reviewing special education expenditures reported on the Trustees' Financial Summary (TFS) for accuracy. Accurate coding is extremely important. A district or cooperative must be able to demonstrate maintenance of effort (MOE) to remain eligible for federal IDEA funding. The MOE is calculated using the districts' and cooperatives' TFS reports.

Workers' Compensation/ Payroll Tax and Retirement Benefits

A district or cooperative may report Workers' Compensation/Payroll Tax Benefits or Retirement Benefits using one of two options, undistributed or distributed. (Please refer to the School Accounting Manual, Pages 4-0400-12 and 4-0400-13.)

Workers' Comp/Payroll Tax Benefits reported as "undistributed:" (i.e., combined total of Workers' Comp expenditures for all functions reported as 01-999-9999-2XX)

-- The OPI will "distribute" this amount across programs and functions according to the proportion of salaries reported in the fund. Workers' comp for salaries reported in Fund 15, Program 280, will be included in MOE.

Workers' Comp/Payroll Tax Benefits reported as "distributed:" (i.e., reported under each program and function like the related salaries)

-- The OPI will use expenditures as reported in calculating MOE.

Fund 14 Retirement Benefits reported as "undistributed:" (i.e., combined total of retirement benefit expenditures for all functions (except resource transfers) was reported as 14-999-9999-2XX)

-- The OPI will "distribute" this amount across programs and functions based on the proportion of salaries reported in all funds. Retirement costs related to salaries reported in any fund using program code 280 will be included in MOE.

Fund 14 Retirement Benefits reported as "distributed": (i.e., reported under each program and function like the related salaries)

--The OPI will use expenditures as reported in calculating MOE.

Fund 14 Retirement funds transferred from a district to a cooperative for special education employees:

-- The district should record the expenditure as a resource transfer (X14-280-6200-920). The cooperative should record the receipt as a resource transfer (314-5710). This amount will **not** be included in the OPI "distributions" discussed above.

RESOURCE TRANSFERS BETWEEN DISTRICTS AND COOPERATIVES

Resource transfers from district to district, district to cooperative, or cooperative to district are NOT COUNTED FOR MOE. If counted at the point of the transfer and again when spent by the receiving agency, the money would be double-counted. The following examples show how a district or cooperative should report transfers.

NOTE: When a cooperative sends money to a member district, it MUST BE EITHER:

1. A refund of the related services block grant match, with the cooperative's written approval for the district to spend the match on other special education related services using its general fund in lieu of providing the match; OR

2. A payment for contracted services to be provided by the district on behalf of the cooperative. Based on a written contract, the money must be deposited into the district's Miscellaneous Programs Fund (15) and be spent for that purpose or returned to the cooperative by June 30; OR

3. A sub-grant of a federal or state grant award obtained by the cooperative on the members' behalf. Examples would be the IDEA Part B or Preschool entitlement funds.

No other payments from cooperatives to districts should be made.

District, as a participating member of a special education cooperative, transfers funds to the cooperative for: 1) the district's related services block grant match (RSBG), 2) the district's share of the cooperative budget, or 3) additional contribution to the cooperative:

-- District must use X01-280-6200-920 to identify this type of transfer.
-- Cooperative uses 382-5710 to code receipt of the payment.

District, as a participating member of a special education cooperative, signs a <u>written</u> agreement with the cooperative saying the district will spend its own related services money in lieu of match: (i.e., district keeps and spends its related services block grant (RSBG) match, rather than sending it to the cooperative)

-- District must record its local expenditures in lieu of match as special education expenditures in the normal manner using the general fund (e.g., X01-280-XXXX-XXX). The expenditures will be included in MOE. They also are included in the special ed spending to avoid reversion. The district would not transfer the match to the cooperative, so the TFS would not indicate a transfer. (NOTE: If not spent by the district after entering such an agreement, MOE and special ed reversion may be affected.)

The cooperative then returns money under a contract to be spent by the district locally for SPECIFIC SPECIAL ED SERVICES:

-- Cooperative must report the transfer using 382-280-6200-920.
-- District must deposit the money to Fund 15 using X15-5710 and assign a project reporter number. The district must report expenditures of the money using the same project reporter number assigned to the revenue source.
-- Any funds remaining unspent at June 30th must be returned to the cooperative. The district must report the amount returned as a revenue abatement (i.e., negative revenue) under X15-5710. The cooperative must receive the refund as an expenditure abatement (i.e., negative expenditure) under 382-280-6200-920.

District made a resource transfer to the cooperative to pay the RSBG match. The cooperative then returns money to the district, directing the district to spend it locally for NON-SPECIFIC SPECIAL ED SERVICES in lieu of providing the required RSBG match:

-- District transfers its match to the cooperative using X01-280-6200-920. The cooperative records the revenue using 382-5710.
-- The cooperative reports the payment back to the district by abating (decreasing) revenue source 382-5710 while the district abates

(decreases) expenditure X01-280-6200-920. Thus the records show the match transfer from district to cooperative was never made in the first place.

NOTE: Money returned to a member district without a contract for providing specific services is considered first to reimburse the district's match paid from the general fund; any payment in excess of the amount of required match must be deposited to the district's Miscellaneous Programs Fund (15) and used or returned by June 30 as discussed in the previous example.

District pays for contracted special education services received from another district or cooperative, and the services are not covered under the cooperative agreement or as a participating member of a consolidated IDEA Part B application (e.g., contracted services):

-- Paying district uses X01-280-21XX-354 to code a one time payment for additional services. The cooperative codes the receipt using 382-1950.

-- A district who provides a service to another district uses X15-1950 or X82-1950 to code a one-time receipt for additional special education services.

District, as a member of a special education cooperative or member of a consolidated application with another district, receives its federal IDEA special education grant from the grant's prime applicant (cooperative or host district):

-- Cooperative records the transfer of federal IDEA grant money using 315-XXX-6200-930-###, where ### is a project reporter number assigned to the grant. A district who is a prime applicant (grant host) and transfers the grant to another district must use X15-XXX-6200-930-###. Use expenditure program code 277 for the IDEA Part B grant and 279 for IDEA Preschool.

-- District must deposit Federal IDEA special education grants "passed through" from another district or cooperative in the Miscellaneous Programs Fund (15), using revenue code X15-5700-###, where ### is a project reporter code. Transfers and subsequent expenditures of the grant money must be identified with same project reporter number. Expenditures must be coded using the expenditure program number, such as X15-**277**-1XXX-XXX-### for IDEA Part B.

For further information regarding resource transfers, please refer to the School Accounting Manual, pages 3-0500, 4-0400-10 and 4-0400-11.

MISCELLANEOUS PROGRAMS FUND (15), PROGRAM 280 EXPENDITURES

Fund 15 is a Miscellaneous Programs Fund with a variety of revenue sources. Incorrectly using 280 for federal grant expenditures could significantly impact your MOE. Use program 280 for state and local special education expenditures, program 277 for federal IDEA grant expenditures, and program 279 for federal IDEA Preschool grant

expenditures. Refer to the School Accounting Manual Section 3-0600 for further information.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT (Part B) CALCULATION OF MAINTENANCE OF EFFORT -- QUESTIONS AND ANSWERS

1. If I amend my Trustees' Financial Summary (TFS), will it affect the amount of state special education funds the district will receive?

Response: It may, if the amendment is to correct an expenditure reported as a special education allowable cost. Any change to a special education allowable cost expenditure will affect a district's minimum amount to avoid reversion in the current year, as well as reimbursement for disproportionate costs in the ensuing fiscal year.

Please refer to the district's special education reversion worksheet submitted with the Trustees' Financial Summary to determine if the amendment will affect the district's minimum amount to avoid reversion.

Special education allowable costs are defined in 20-7-431, MCA and 10.13.3806, ARM.

2. After December 20, how will an applicant correct an error in the Trustees' Financial Summary in order to demonstrate Maintenance of Effort?

Response: The applicant should submit a written request to the Division of Special Education for a hearing. If, as a result of the hearing, it is determined that errors were made in the Trustees' Financial Summary and corrections would result in the district demonstrating fiscal effort for Part B, an amended Trustees' report would be allowed.

3. How will an applicant know if it has maintained effort and if not, what action the Office of Public Instruction will take regarding its application for funds?

Response: Applicants for Part B funds should carefully review the preliminary maintenance of effort report sent to them in December by the OPI. The report will indicate whether the applicant has maintained effort through a review of the total expenditures and on a per capita basis. If a "yes" appears on either the state or state and local expenditures report, the applicant has maintained effort. If an applicant has not maintained effort and it may have allowable exceptions, it should submit the documentation in accord with the OPI procedures.

Prior to reducing or withholding any payments to the applicant, the OPI sends the applicant notice of its intent to reduce or withhold payments, identifies the reason for its intended action and the applicant's right to request a hearing.

4. Is there any allowance allowed for decrease in maintenance of effort?

Response: Yes, reauthorization of IDEA provides for a reduction in the level of expenditures attributable to the following:

a. The voluntary departure, by retirement or otherwise, or departure for just cause, of special education personnel;
b. A decrease in the enrollment of children with disabilities;
c. The termination of the obligation of an LEA, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the state education agency, because the child -
   i. has left the jurisdiction of the LEA ;
   ii. has reached the age at which the obligation of the LEA to provide a free appropriate public education to the child has terminated;
   iii. no longer needs such program of special education; or
d. the termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

5. Isn't the maintenance of effort requirement for Part B the same as for Title I?

Response: No.

6. Does a membership change in a cooperative affect maintenance of effort?

Response: It may. If a membership change will occur in a cooperative, we encourage you to call the OPI to determine what affect that may have on maintenance of effort. Circumstances vary, and we will try to address the situation when it happens.

7. Are expenditures of proceeds from private insurance, impact aid or Medicaid funds included in maintenance of effort calculations?

Response: No.

8. Who can I contact for more information?

Response: Contact the staff of the OPI Special Education Division at (406) 444-2504.

APPENDIX E — REAP-FLEX AND TRANSFERABILITY

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REAP-Flex
Transferability
Accounting for REAP-Flex and Transferability

REAP-FLEX

REAP-Flex is the term that the U.S. Department of Education has given to the "alternative uses of funds" authority under Title VI, Part B, Subpart 1 of the No Child Left Behind Act of 2001, the Small Rural School Achievement (SRSA) program. This authority provides an eligible local education agency (LEA) with greater flexibility in using specific formula grant funds (the LEA's applicable funding) to support local activities under a number of Federal programs in order for the LEA to address local academic needs more effectively. REAP-Flex is intended to assist an LEA to ensure that all students meet academic achievement standards as measured by the definition of adequate yearly progress. Thus, in determining how best to use its applicable funding under REAP-Flex, an LEA should consider whether the planned activities would assist in meeting AYP.

LEAs eligible to participate in the SRSA program must:

- Have an ADA (average daily attendance) of less than 600 students or serve only schools located in counties with a population density of less than 10 persons per square mile; *and*
- Serve only schools that have an NCES school locale code of 7 or 8 (assigned by the U.S. Dept. of Education's National Center for Education Statistics) or be located in an area of the state defined as rural by a governmental agency of the state.

Each spring the OPI provides enrollment and locale code information to the Federal Department of Education to verify SRSA eligibility.

One hundred percent (100%) of the funds allocated in the following programs (applicable funding) may be flexed:

- Title II, Part A - Improving Teacher Quality
- Title II, Part D - Educational Technology State Grants*
- Title IV, Part A - Safe and Drug-Free Schools*
- Title V, Part A - Innovative Programs*

(* NOTE: Federal funding is not currently available under Titles II-D, IV-A, and V-A.)

Under the REAP-Flex program, an LEA must spend its "applicable funding" on local activities authorized under one or more of the authorized programs, but does not have to meet the set-aside requirements of those programs. Participation in the REAP-Flex

program does not relieve the LEA of its responsibility to provide for equitable services for private school students and teachers under the flexed Titles.

When entering grant applications on the E-Grants system, applicants will be able to view the funding amounts and REAP-Flex options for which they are eligible. All funds are REAP-Flexed at the time of application.

Funds are requested and reported fiscally under the Title from which they were originally allocated, but the grant activities are reported programmatically under the Title for which they were used.

TRANSFERABILITY Go to Top

Title VI, Part A, Subpart 2, of the No Child Left Behind Act of 2001 allows any LEA not identified for improvement or corrective action to transfer up to 50% of the funds allocated to it from identified programs into other specific programs.

Funds may be transferred from the following programs:

- Title II, Part A – Improving Teacher Quality
- Title II, Part D - Educational Technology State Grants*
- Title IV, Part A - Safe and Drug-Free Schools*
- Title V, Part A - Innovative Programs*

(*NOTE: Federal funding is not currently available under Titles II-D, IV-A, and V-A.)

Funds may be transferred into any of the four programs noted above as well as into Title I, Part A. Funds may **not** be transferred out of Title I, Part A. Funds transferred into Title I, Part A may not be transferred out of Title I, Part A later.

An LEA that has been identified as being in need of improvement may transfer up to 30% of the allocated funds in Titles II-A, II-D, IV-A and V-A. Title I-A funds may **not** be transferred; this applies to both original Title I funds and funds transferred into Title I. The transferred funds may only be used to supplement school improvement activities or for improvement activities under Title I, Section 1116(c).

An LEA in corrective action may not transfer funds.

Funds transferred under Title VI, Part A, Subpart 2 are subject to all of the rules of the receiving program, including any statutory set-asides. Since each program covered by the transferability authority is required to provide equitable participation of private schools, timely and meaningful consultation with private school officials must be held prior to transfer.

When entering grant applications on E-Grants, applicants will be able to view the funding amounts and REAP-Flex options for which they are eligible. Funds are REAP-Flexed at the time of application.

Funds are requested and reported fiscally under the Title from which they were originally allocated, but reported programmatically under the Title for which they were used.

ACCOUNTING FOR REAP-FLEX AND TRANFSERABILITY

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When OPI approves an eligible subgrantee to REAP-Flex or transfer funds, the OPI combines the funds with the allocation in the program into which funds were REAP-Flexed or transferred. For that point on, the subgrantee will account for the money under the program into which funds were REAP-Flexed or transferred.

For example:

> If OPI approves a subgrantee's application to REAP-Flexed or transfer 100% of the Title II, Part A allocation of $5,000 into a Title I, Part A, project which had an allocation of $35,000, then the total allocation in the approved Title I, Part A project would be $40,000. The grant award under Title I, Part A would be $40,000. The grant award under Title II, Part A would be zero.
>
> The Clerk/Business Manager must request the combined funds under Title I, Part A. Cash receipts must be coded as Title I, Part receipts. There would not be cash requests under Title II, Part A.
>
> Expenditures of the combined allocation amount would be recorded as expenditures (i.e., using the expenditure program code) of Title I, Part A.
>
> The subgrantee would be responsible for submitting close-out reports under Title I, Part A. Close-out reports specific to Title II, Part A would not be required.
>
> On the E-Grants system, the subgrantee will see the amount of money sent for the combined project under each federal program. The audit report schedule of federal financial assistance must report the amount received under each program separately.

Call the OPI School Finance Division at (406) 444-1960 if you need information or assistance.

APPENDIX F - TITLE I POLICY

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Montana Title I Reallocation Policy
Title I Comparability

MONTANA TITLE I REALLOCATION POLICY

REVISED MARCH 2012
REALLOCATED POLICY
PUBLIC LAW 107-110, SECTION 1126(c) AND 1127(a)

It is the policy of the Office of Public Instruction (OPI) that school districts with additional need for Title I services may apply for reallocated funds or receive funds in accordance with the following: the local education agency (LEA) has requested or obligated all available current and carryover funds in their current Title I project; the LEA has refunded all unspent Title I funds from the previous year's project; the LEA has the previous year's program completed before requesting reallocated funds and the LEA's allocation has not been reduced because of Maintenance of Effort requirements in Section 1120A. All deadline dates that apply are listed on the cover page of the current Reallocated Application.

I. Sources and Collection of Funds for Reallocation

A. The state education agency (SEA) shall deallocate funds from an LEA that:
   1. Is not participating in the Title I LEA program;
   2. Has its allocation reduced because it failed to meet the Maintenance of Effort requirements in Section 1120A;
   3. Has carryover funds that exceed the percentage limitation in Section 1127(a); or
   4. Has excess funds for other reasons.

B. The SEA shall also deallocate funds that the SEA has recovered after determining that an LEA has failed to spend funds received in accordance with Public Law 107-110 and other applicable state and federal laws and regulations.

II. Timelines

A. The SEA, on the Friday of the second week of September of the current fiscal year, will notify all LEAs that have not created an E-Grant application that if they do not create an application by the Friday of the third week of September, the SEA will deallocate the unused Title I funds for the purposes of reallocating to another district with a greater need. The SEA will begin distribution of these funds in January, if possible.

B. The SEA will take all Title I funds in excess of the allowable carryover amount and begin distribution of these funds as soon as available amounts are documented in January, if possible.

C. The SEA can grant a district a waiver of the carryover provisions once every three years, in accordance with Section 1127(b), if the request is reasonable and necessary or there has been a supplemental Title I appropriation made that becomes available during the fiscal year. Further guidance on obtaining a waiver to the carryover limitation may be requested from the OPI, if needed.

III. Selection of Programs/LEAs with Additional Needs

A. The LEA applications for reallocated funds will be ranked according to the percentage of children eligible for free/reduced lunch or milk. This percentage will be from the previous October and will be supplied by the School Foods program office at the Office of Public Instruction. Reallocated funds will be given to those school districts that have the greatest percentage of children eligible for free/ reduced lunch or milk. (If an LEA has no free/reduced lunch/milk program, the SEA will substitute the LEA's most recent total count used for allocations.)

B. The maximum amount of reallocated funds a district may apply for will be controlled by the free/reduced lunch/milk count in that district. The maximum amount will be determined by multiplying $100 times the number of students approved for free/reduced lunch/ milk count. The lunch/milk count will be from the previous October and will be supplied by the School Foods program office at the Office of Public Instruction. (If an LEA has no free/reduced lunch/milk program, the SEA will substitute the LEA's most recent total count used for determining allocations.)

C. The amount of reallocated funds that each such LEA will receive will be based on the additional needs and the cost of the services proposed by the LEA to meet such additional needs. Justification must be provided in the application for reallocated funds to support the request for additional funds to address the additional needs.

TITLE I COMPARABILITY

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A local education agency (LEA) may receive Title I, Part A funds only if it uses state and local funds to provide services in project areas that are at least comparable to the services provided in school attendance areas that are not receiving Title I funds. This assurance is part of complying with the comparability requirement contained in Section 1120A, subsection (c) of Public Law 107-110, the Elementary and Secondary Education

Act (ESEA), as amended by the No Child Left Behind Act of 2001. The LEA must have these items in place.

If the LEA selects all of its school attendance areas as project areas, the LEA must use state and local funds to provide services that are substantially comparable in each project area.

A state education agency (SEA) shall consider an LEA to have met the comparability requirement if the LEA:

1. files with the SEA a written assurance that the district has established and implemented --
   a. a district wide salary schedule;
   b. a policy to ensure equivalence among schools in teachers, administrators, and auxiliary personnel; and
   c. a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies; **and**
2. establishes and implements other measures for determining and documenting compliance such as student/instructional staff ratios.

In addition to establishing the above policies an LEA must develop procedures for compliance with the comparability requirement and implement those procedures annually. Federal statute specifies biennial documentations. However, the OPI requires that this data be collected and submitted every year. This is the only way for the OPI to assure **annual** compliance.

School districts fall into one of the following categories: (Districts and schools with an enrollment of less than 100 are excluded. Use the fall Annual Data Collection (ADC) to determine enrollment.)

Please refer to the categories below to determine whether or not your district is required to do this report.

Categories

1. Only on school per level in the district.
2. Districts with more than one school per level; all schools eligible for Title I and all schools being served by Title I.
3. Districts with more than one school per level; all schools eligible for Title I, but only part of them being served by Title I.
4. District with more than one school per level; some schools eligible for Title I and some not eligible for Title I service.

Process

In Montana, each LEA must file a written assurance and keep records that is has established and implemented a district-wide salary schedule and policies to ensure equivalence among schools in staffing and in the provision of material and supplies.

The LEA must also establish and implement other measures for determining compliance with comparability requirements, such as student /instructional staff ratios. The LEA must maintain source documentation to support the calculations and to demonstrate that any necessary adjustments to staff assignments were made. The LEA must use data from the beginning of the school year. The LEA does not need to include unpredictable changes in student enrollment or personnel assignments that occur after the beginning of the school year.

The OPI has developed two spreadsheets for districts to use in determining comparability. However, districts may use one of their own as long as it is equivalent to the OPI formats. Both OPI spreadsheets can be downloaded, expanded if need be, completed, mailed or faxed back, or submitted electronically. Please do not use the old OPI format. If there are questions or assistance is needed, please telephone Clare Bridge, (406) 444-2080, and ask for the Title I specialist assigned to the project.

Instructions

Spreadsheet Directions: Per Pupil Amount

At the top of the spreadsheet, please fill in the proper headings. There are separate spreadsheets to fill out for elementary schools, junior high/middle schools, and high schools. Then perform the following:

Per Pupil Amount: Title I Schools

1. List all of the Title I schools in Column 1 under the appropriate heading.
2. Place the Non-federal salary amounts under Column 2. These dollars should be contributed only from state and local funds.
3. Enter the enrollment count from each school under Column 3.

The spreadsheet will automatically fill in the amounts in Column 4, and under the headings of subtotals and averages.

Per Pupil Amount: Non-Title I Schools

1. List all the non-Title I schools in Column 1 under the appropriate heading.
2. Place the non-federal salary amounts under Column 2. These dollars should be contributed only from state and local funds.
3. Enter the enrollment count from each school under Column 3.

The spreadsheet will automatically fill in the amounts in Column 4, and under the headings of subtotals and averages. It will also calculate the 90 percent and 110 percent range to determine comparability.

Finally, fill in the last column titled Comparable with the terms yes or no. After completing the spreadsheet, sign it electronically and e-mail the form, or print a copy, sign it, and fax it to the OPI. Save a copy for your records.

Spreadsheet Directions: Student/Staff Ratio

At the top of the spreadsheet, fill in the proper headings. There are separate spreadsheets to fill out for elementary schools, junior high/middle schools, and high schools. Then perform the following:

Student/Staff Ratio: Title I Schools

1. List all of the Title I schools in Column 1 under the appropriate heading.
2. Fill in the grade spans served in each school under Column 2. (Users may have to type in the word grades, kindergarten, etc. to hold the numerical values.)
3. In Column 3 enter the enrollment count for each school.
4. In Columns 4, 5 and 6, enter the number of FTEs.

Columns 7 and 8 will automatically calculate your totals along with the subtotals and averages.

Student/Staff Ratio: Non-Title I Schools

1. List all the Title I schools in Column 1 under the appropriate heading.
2. Fill in the grade spans served in each school under Column 2. (Users may have to type in the word grades, kindergarten, etc. to hold the numerical values.)
3. In Column 3 enter the enrollment count for each school.
4. In Columns 4, 5 and 6, enter the number of FTEs.

Columns 7 and 8 will automatically calculate your totals along with the subtotals and averages, and it will calculate the 90 percent and 110 percent range to determine comparability.

Finally, fill in the last column titled Comparable with the terms yes or no. After completing the spreadsheet, sign it electronically and e-mail the form, or print a copy, sign it, and fax it to the OPI. Save a copy for your records.

Note: The district may divide its schools into grade span groupings. Also, if there is a significant difference in the enrollments of schools within a grade span, for example, the largest school in the grade span has an enrollment that is two times the enrollment of the smallest school in the grade span, the LEA may divide grade spans into a large school group and a small school group.

Category 1 districts do not have to calculate comparability.

Category 2 districts will use the school(s) with the lowest percentage or numbers of children from low-income families as the non-project school(s).

Category 3 districts will use the school(s) eligible, but not being served as the non-project school(s).

Category 4 districts will use the school(s) eligible, but not being served plus the non-eligible school(s) as non-project school(s).

Per Pupil Amount spreadsheet link:
http://www.opi.mt.gov/pdf/TitleI/10CompPerPupilAmt.xlsm

Student/Staff Ratio spreadsheet link:
http://www.opi.mt.gov/pdf/TitleI/10CompStdntStaffRatio.xlsm

For further assistance: Contact the OPI Title I Program Office at (406) 444-5660.

APPENDIX G -- SCHOOLWIDE PROGRAMS

OVERVIEW

This section gives very basic information about schoolwide programs. Please consult the Office of Public Instruction (OPI) Title I staff at (406) 444-5660 for more detailed information, or visit the schoolwide programs page on the OPI website at: http://www.opi.mt.gov/Programs/TitlePrgms/TitleIA/TitleIA.html#gpm1_12

The Elementary and Secondary Education Act (ESEA) Title I Part A authorizes school districts to operate "schoolwide" programs in eligible schools. The impact is that districts have more flexibility in using federal "Title" funds and other federal and non-federal funds to address school improvement and academic achievement for all students in eligible schools.

ELIGIBILITY AND PURPOSE

To be eligible to operate a schoolwide program, the school must be served by an ESEA Title I, Part A program. The school must meet a poverty threshold of at least 40%. That is, at least 40% of the students enrolled in the school or residing in the school's attendance area must qualify as being from low income families.

Federal guidance: http://www2.ed.gov/policy/elsec/guid/designingswpguid.doc

COMPREHENSIVE SCHOOLWIDE PLAN

An eligible school must develop a comprehensive Schoolwide Plan in order to participate. The plan must address the reform of the whole instructional program of the school. ESEA specifies the components and details required to be included in the plan.

OPI has a template available for completing a Schoolwide Plan on the OPI website at: http://www.opi.mt.gov/pdf/TitleI/SchoolwideProgramPlanTemplate.pdf

OPI also requires the district's Continuous School Improvement Plan (CSIP) to include Schoolwide Plan sections for each school operating a schoolwide program. *Note: Each school operating a Schoolwide Plan must enter a separate plan in the CSIP.*

TEN COMPONENTS OF A SCHOOLWIDE PLAN

The ESEA requires ten components to be addressed in a Schoolwide Plan. The information below is meant to give an overview. However, the federal regulations are complex, so schools and districts must consult federal guidelines for specific information about each component.

A Schoolwide Plan must include the following components:

1. Comprehensive needs assessment;
2. School reform strategies;
3. Instruction by highly qualified professional staff;
4. High-quality and ongoing professional development;
5. Strategies to attract highly-qualified staff;
6. Strategies to increase parental involvement;
7. Preschool/other transition strategies;
8. Teacher participation in making assessment decisions;
9. Timely and additional assistance to students having difficulty mastering the standards; and
10. Coordination and integration of federal, state, and local programs and resources.

PREPARATION AND APPROVAL OF A SCHOOLWIDE PLAN

Each school in a district that intends to operate as a schoolwide program must first send a letter to the OPI Title I Program Office stating the intent to operate a schoolwide program.

Next the school must complete and submit a written Schoolwide Plan. There must be a separate plan for each school intending to move from a Targeted Assistance to a schoolwide Program. Districts are not allowed to operate as a schoolwide program.

The district must approve each Schoolwide Plan before the plan can be implemented. The district Title I Coordinator, together with the district's Schoolwide Program Support Team, must review the planning document and make recommendations regarding the viability of the Schoolwide Plan under consideration.

OPI SCHOOLWIDE PROGRAM PLAN TEMPLATE

The OPI provides a guide to assist the district Title I Coordinator and Schoolwide Program Support Team in reviewing and refining each Schoolwide Plan to ensure the plan meets the federal requirements. The completed guide must be submitted to the OPI Title I Program Office for review.

The guide is posted at:
http://www.opi.mt.gov/pdf/TitleI/SchoolwideProgramPlanTemplate.pdf

HOW SCHOOLWIDE PROGRAMS AFFECT THE USE OF GRANT FUNDS

Application Process

If a school system has one or more schools with an approved Schoolwide Plan, the school system will indicate their plan for using funds from the various ESEA grant programs for the schoolwide program(s) and for the targeted assistance programs

when submitting the ESEA Consolidated Application on E-Grants. E-Grants is the OPI's electronic grants management system.

The ESEA Consolidated Application on E-Grants contains ESEA Title I, Part A and several other ESEA "Title" programs. Federal schoolwide program regulations allow schoolwide programs to use monies from each of the programs included in the Consolidated Application (and other funds), depending on the approved Schoolwide Plan(s).

The applicant may contact the OPI Title I staff at (406)444-5660 for assistance in completing the ESEA Consolidated Application to cover schoolwide programs.

OPI Project Number

If a subgrantee's application indicates the use of money from one or more ESEA allocations to fund one or more schoolwide programs, the OPI will establish a schoolwide project for the subgrantee with a unique project number.

The subgrantee must submit a separate Cash Request for schoolwide project funds, account for revenues and expenditures of the funds using a separate project reporter code on the accounting records, and submit separate fiscal and program close-out reports for the schoolwide project.

OPI Accounting Codes for Schoolwide Projects

The District Clerk/Business Manager must separately account for a schoolwide project by assigning a unique project reporter code within the district's Miscellaneous Programs Fund (15). The required revenue code for schoolwide projects is 4940. The required expenditure program code is 494.

Flexible Use of Funds for Schoolwide Projects

Federal regulations allow the funds allocated for a schoolwide project, including all federal and non-federal resources the entity has allocated for that school's activities, to be used without restrictions of the program from which funds were allocated. However, the school and the school district are still required to meet the overall requirements of the federal programs. That is, allowable costs are not restricted by specific program regulations as long as the purposes and goals required by the federal programs are achieved.

One major difference this makes to a subgrantee is that the district may pay staff of a school operating under a schoolwide program using a combination of federal and non-federal funding sources without regard to the activities the staff person is performing compared to the federal program used to pay the person. For example, schoolwide funds from Title I, Part A may be used to pay any teacher in a schoolwide program since selection of eligible students is not required. Thus, the subgrantee has more flexibility to use funds across federal and state programs to address the academic achievement needs of all students of a school. In practical terms, this means the staff of a schoolwide program do not have to maintain time and effort records (timesheets,

activity logs, etc.) to document their time charged to multiple programs. However, staff who work for both a schoolwide program and a non-schoolwide program will still have to track time and effort.

APPENDIX H — LIST OF CFDA NUMBERS

CATALOG OF FEDERAL AMD DOMESTIC ASSISTANCE (CFDA) NUMBERS

The following grants are commonly received by local education agencies (LEAs) in Montana. The corresponding revenue and expenditure coding are listed in Section 9-0400 of the School Accounting Manual to record funds for these grants.

DEPARTMENT OF AGRICULTURE

10.550	Food Donation (School Food Commodity Distribution Program)
10.553	School Breakfast Program
10.555	School Lunch Program
10.556	Special Milk Program for Children
10.558	After School Snack Program
10.559 S	Summer Food Service Program
10.574	Team Nutrition Training Grants

DEPARTMENT OF HEALTH AND HUMAN SERVICES

93.118	HIV/AIDS Education
93.558	Temporary Assistance For Needy Families (TANF)
93.593	Job Opportunities for Low-Income Individuals
93.600	Head Start

DEPARTMENT OF THE INTERIOR

15.130	Indian Education—Assistance to Schools (Johnson O'Malley)

DEPARTMENT OF TRANSPORTATION

20.600	State and Community Highway Safety (Driver Safety)

CORPORATION ON NATIONAL AND COMMUNITY SERVICE

94.004	Learn and Serve America (ends 6/30/12)

DEPARTMENT OF EDUCATION

84.004 D	Civil Rights Training and Advisory Services
84.010 A	ESEA Title I, Part A: Improving Basic Programs
84.011 A	ESEA Title I, Part C: Migrant Education
84.013 B	ESEA Title I, Part D: Neglected and Delinquent
84.027 A	IDEA Part B: Handicapped
84.041	ESEA Title VIII, Impact Aid (paid to LEAs directly from U.S. Dept. of Ed.)
84.048 A	Carl D Perkins Basic Grants
84.060	ESEA Title VII, Part A, Subpart 1: Indian Education

84.083	ESEA Title V, Part B: Women's Educational Equity
84.185	Byrd Honors Scholarships
84.186 A	ESEA Title IV, Part A, Subpart I: Safe and Drug Free Schools
84.196 A	ESEA Title X, Part C: Education of Homeless Children and Youth
84.213 C	ESEA Title I, Part B: Even Start Family Literacy
84.215 V	ESEA Title V, Part D, Subpart 3: Partnerships in Character Education
84.243	Vocational Education — Tech Prep
84.287 C	ESEA Title IV, Part B: 21st Century Community Learning Centers
84.298 A	ESEA Title V, Part A: Innovative Programs
84.318	ESEA Title II, Part D: Educational Technology (ends in 2012)
84.323A	IDEA State Program Improvement Grants
84.330 C	ESEA Title I, Part G: Advanced Placement
84.332 A	ESEA Title I, Part F: Comprehensive School Reform
84.334	Gaining Early Awareness & Readiness for Undergraduate Programs (GEAR UP)
84.357	ESEA Title I, Part B, Subpart 1: Reading First
84.358B	ESEA Title VI, Part B, Subpart 2: Rural and Low-Income Schools
84.358	ESEA Title VI, Part B, Subpart 1: Small Rural Schools
84.360	ESEA Title I, Part H: Dropout Prevention Program
84.365 A	ESEA Title III, Part A: English Language Acquisition
84.366	ESEA Title II, Part B: Mathematics and Science Partnerships
84.367 A	ESEA Title II, Part A: Teacher and Principal Training and Recruiting Fund
84.369 A	ESEA Title VI Part A, Subpart 1: State Assessment Program
84.371	ESEA Title I, Part E: Striving Readers
84.388	ESEA Title I, School Improvement Grants (ARRA SIG) (ends 9/30/2013)

APPENDIX I - EXAMPLE OF GRANT AWARD NOTICE (GAN)

The Montana Office of Public Instruction, Denise Juneau, Superintendent
In-State Toll-Free 1-888-231-9393, Local (406) 444-3095

PRIME APPLICANT:

Billings H S
415 North 30th Street
Billings, MT. 59101-

LE#: 0966

OPI PROGRAM CONTACT:

Name: Diana Fiedler
Phone Number: (406) 444-9019
Email address: dfiedler@mt.gov

OPI PAYMENT CONTACT:
Name: Charlotte McMilin
Phone Number: (406) 444-2560
Email address: CMcMilin@mt.gov

PROGRAM TITLE: Vocational Education-Basic Grants to States

CFDA #: 84.048A

GRANT PERIOD: 07/01/2011 - 06/30/2012

FINAL LIQUIDATION DATE: 07/31/2012

FINAL FUND DRAWDOWN DATE: 08/10/2012

STATUTORY AUTHORITY

Carl D. Perkins Vocational and Technical Education Act of 2006, Title I 20 U.S.C. 2301 et seq. P.L. 109-270

AWARDS & APPROVALS:

Original Award		$314,708.00
Approved:	08/18/2011	
Amendment 1		$0.00
Approved:	10/12/2011	
Amendment 2		
Approved:		
Amendment 3		
Approved:		
Amendment 4		
Approved:		
Amendment 5		
Approved:		
Amendment 6		
Approved:		
Cumulative Award		$314,708.00

SCHOOL DISTRICT ACCOUNTING CODES:

Fund: 15 (Miscellaneous Fund)
Revenue Code: 4510
Expenditure Program Code: 451

PROJECT NUMBER:
056 0966 8112

TERMS AND CONDITIONS OF AWARD:

1. This award is subject to the provisions of: a. OPI State and Federal Grants Handbook; b. Office of Management and Budget Circular A-87; c. Office of Management and Budget Circular A-133; d. Department of Education General Administrative Regulations (EDGAR)

2. Final fiscal and program reports are due August 10

APPENDIX J - COMMON ASSURANCES FOR FEDERAL GRANT PROGRAMS

COMMON ASSURANCES

The Common Assurances listed below in items 1-21 apply to all programs administered by the U.S. Department of Education through the Office of Public Instruction, including all programs found in the following Acts:

- Adult Education and Literacy, 20 USCA Section 9201
- Carl D. Perkins Vocational and Technical Education Act, as amended, 20 USCA Section 2301
- ESEA Reauthorized by the No Child Left Behind Act of 2001, as amended, 20 USCA 6301 et seq
- Individuals with Disabilities Education Act (IDEA), Part B, 20 USCA Section 1400
- Unsafe School Choice Option, as amended, 20 USCA 7912
- Workforce Investment Act, as amended, 29 USCA Section 4959

Program-specific assurances, if applicable, are included in the grant applications for each program.

By accepting federal monies awarded by the Office of Public Instruction, the subgrantee agrees to comply with the following requirements:

General

1. That each program will be administered in accordance with all applicable statutes, regulations, program plans, and applications. 20 USCA 7846 (a)(1)
2. That the applicant will adopt and use proper methods of administering each such program, including the enforcement of any obligations imposed by law on agencies, institutions, organizations, and other recipients responsible for carrying out each program; and the correction of deficiencies in program operations that are identified through audits, monitoring, or evaluation. 20 USCA 7846 (a)(3)
3. No policy of the district prevents, or otherwise denies participation in, constitutionally protected prayer in public elementary and secondary schools per guidance of the Secretary of the U.S. Department of Education. 20 USCA 7904
4. No school or district that has a designated open forum or a limited public forum denies equal access or a fair opportunity to meet with, or discriminate against, any group officially affiliated with the Boy Scouts of America, or any other youth group listed in title 36 of the United States Code, that wishes to conduct a meeting within that designated open forum or limited public forum including denying such access or opportunity or discriminating for reasons based on the membership or leadership criteria or oath of allegiance to God and country of the Boy Scouts of America or of the youth group listed in title 36 of the United States Code. 20 USCA 7905
5. None of the funds under ESEA will be used for schools to develop or distribute, or

operate programs or courses of instruction directed at youth that promotes or encourages sexual activity, distribute or aid in the distribution of obscene materials to minors on school grounds, provide sex education or HIV-prevention education unless that instruction is age appropriate and includes the health benefit of abstinence or to operate a program of contraceptive distribution in schools. 20 USCA 7906

6. Notwithstanding section 444(a)(5)(B) of the General Education Provisions Act and except that a student or parent of a student may request that the information not be released without written parental consent, each school receiving assistance under ESEA shall provide, on a request made by military recruiters or an institution of higher education, access to secondary student names, addresses, and telephone listings. Each school shall provide military recruiters the same access to secondary students as is provided generally to postsecondary educational institutions or to prospective employers of those students. Each district shall notify parents of the option to not release student information without prior written parental consent and shall comply with any request to do so. 20 USCA 7908

7. Any student determined to be attending a "persistently dangerous school" as defined by the Office of Public Instruction or who becomes a victim of a violent criminal offense, as determined by state law, while in or on the grounds of a public elementary or secondary school that the student attends, will be allowed to attend a safe public elementary or secondary school within the local school district. 20 USCA 7912

8. That no person shall permit smoking within any indoor facility (or portion of such facility) owned or leased or contracted for, and utilized by such person for the provision of routine or regular kindergarten, elementary or secondary education, library services, routine health care, day care, or early childhood development services. 20 USCA 7183

Funding, Fiscal Controls, Record Keeping, and Reports

9. That the control of funds provided under each such program and title to property acquired with program funds will be in a public agency or in a nonprofit private agency institution, organization, or Indian tribe, if the law authorizing the program provides for assistance to such entities; and the public agency, nonprofit private agency, institution or organization, or Indian tribe will administer such funds and property to the extent required by authorizing statutes. 20 USCA 7846 (a)(2)(A)(B)

10. That the applicant will cooperate in carrying out any evaluation of each such program conducted by or for the state superintendent of public instruction and the secretary or other federal officials. 20 USCA 7846 (a)(4)

a) That expenditures of $500,000 or more in a year in federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of OMB Circular A-133 (OMB Circular A-133).

b) That federal awards are expended only for allowable activities and that the costs of goods and services charged to federal awards are allowable and in accordance with the applicable cost principles (20 USCA 3474; OMB Circular A-102).

c) That the draw down of federal cash is only for immediate needs (20 USCA 3474; OMB Circular A-102).

d) That proper records are maintained for equipment acquired with federal

awards, equipment is adequately safeguarded and maintained, disposition or encumbrance of any equipment or real property is in accordance with federal requirements, and the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use (20 USCA 3474; OMB Circular A-102).

e) That matching, level of effort, or earmarking requirements are met using only allowable funds or costs which are properly calculated and valued (20 USCA 3474; OMB Circular A-102).

f) That federal funds are used only during the authorized period of availability (20 USCA 3474; OMB Circular A-102; 20 USCA 782)

g) That procurement of goods and services are made in compliance with the provisions of the A-102 Common Rule or OMB Circular A-110, as applicable, and that no subaward, contract, or agreements for purchases of goods or services is made with any debarred or suspended party (20 USCA 3474; OMB Circular A-102).

h) That program income is correctly earned, recorded, and used in accordance with the program requirements (20 USCA 3474; OMB Circular A-102).

g) That reports of federal awards submitted to the pass-through entity include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements (20 USCA 3474; OMB Circular A-102).

i) That required audits are obtained and appropriate corrective action is taken on audit findings (20 USCA 3474; OMB Circulars A-102, & A-133).

11. That the applicant will use such fiscal control and fund accounting procedures as will ensure proper disbursement of, and accounting for, federal funds paid to such applicant under each such program 20 USCA 7846(a)(5) in accordance with state school accounting and reporting policies as applicable (School Accounting Manual).

12. That the local education agency will make reports to the state superintendent of public instruction and to the secretary as may reasonably be necessary to enable the state education agency and the secretary to perform their duties and that the local education agency will maintain such records for three years and the current year or as required in school districts in the School District Records Schedule (Schedule No. 7) published by the Montana Department of Administration and provide access to those records, as the superintendent or secretary deem necessary to perform their duties 20 USCA 7846 (a)(6).

13. That in the case of any project involving construction, the project is not inconsistent with overall state plans for the construction of school facilities, and in developing plans for construction due consideration will be given to excellence of architecture and design and to compliance with Appendix A of Part 36 of Title 28, Code of Federal Regulations (Americans With Disabilities Accessibility Guidelines for Buildings and Facilities) or Appendix A of Part 101-19.6 of Title 41, Code of Federal Regulations (Uniform Federal Accessibility Standards).

14. That none of the funds expended under any applicable program will be used to acquire equipment (including computer software) in any instance in which such acquisition results in a direct financial benefit to any organization representing the interests of the purchasing entity or its employees or any affiliate of such organization

[see Title XX of GEPA, 20 USCA Section 2342(c)(12)].

15. Laborers and mechanics employed by contractors or subcontractors to work on construction projects financed using federal assistance must be paid wages not less than those established for the local project area by the Secretary of Labor. [Davis Bacon Act, 40 USCA 3141, et seq.]

Participation

16. That before each application is submitted, the applicant will afford a reasonable opportunity for public comment on the application and has considered such comment 20 USCA 7846 (a)(7).

17. That the applicant is in compliance with the federal regulations 34 CFR 75.650, 20 USCA 7881 (a)(1) governing private school participation which require that public school subgrantees provide students enrolled in private schools with a genuine opportunity for equitable participation should private schools in the subgrantee's district wish to participate in federal programs. That the applicant who is in receipt of ESEA funding is in compliance with nonpublic school requirements including timely and meaningful consultation with appropriate nonpublic school officials (Title IX, Part E, ESEA).

Nondiscrimination

18. That the applicant assures that it will comply with Title VI of the Civil Rights Act of 1964, as amended, 42 USCA Section 2000d et seq., which prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance; and Section 504 of the Rehabilitation Act of 1973, as amended, 29 USCA Section 794, which prohibits discrimination on the basis of handicap in programs receiving federal financial assistance; and Title IX of Education Amendments of 1972, as amended, 20 USCA Section 1681 et seq., which prohibits discrimination on the basis of sex in education programs receiving federal financial assistance; and the Age Discrimination Act of 1975, as amended, 42 USCA Section 6101 et seq., which prohibits discrimination on the basis of age in programs receiving federal financial assistance; and all regulations, guidelines, and standards lawfully adopted under the above statutes by the U.S. Department of Education.

Gun-Free Schools

19. That the applicant is in compliance with the Gun-Free Schools Act requirements of Section 20-5-202, MCA.

Debarment and Suspension

20. That the applicant certifies that it is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation by any federal department or agency, and agrees that it will not knowingly enter into any subcontract or subgrant with a person or agency who is debarred, suspended,

declared ineligible or voluntarily excluded from participation by any federal department or agency. If the applicant is unable to provide this certification, an explanation must be attached (see statutory detail in 34 CFR Section 85.105 and 85.110).

Lobbying and Political Activity

21. That the applicant certifies that federal funds will not be used for partisan political purposes of any kind by any person or organization involved in the administration of federally assisted programs. [Hatch Act (5 USCA 1501- 508) and Intergovernmental Personnel Act of 1970, as amended by Title VI of Civil Services Reform Act (Pub. L. No. 95-454, Section 4728)]:

a) federal funds received for programs covered by this common assurance form will not be used to influence or attempt to influence an officer or employee of any agency, a Member, officer, or employee of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with awarding of any federal contract; making any federal grant or loan; entering into any cooperative agreement; and extending, continuing, renewing, amending, or modifying any federal contract, grant, loan, or cooperative agreement.

b) if funds other than federally appropriated funds have been or will be paid to any person for influencing or attempting to influence any of the parties named above, Standard Form LLL, "Disclosure Form to Report Lobbying" will be completed and submitted in accordance with its instructions and returned to the OPI.

c) the language of this section will be included in any subcontracts entered into for funds received under programs covered by this common assurance form, and ensure that all subcontractors certify and disclose accordingly (see statutory detail 34 CFR Section 82).

APPENDIX K – USEFUL LINKS

Information for Auditors – OPI website

http://www.opi.mt.gov/Finance&Grants/schoolfinance/Index.html#gpm1_4

Education Department General Administrative Regulations (EDGAR)

Part 74 through 86 and 97-99, of Title 34, of the Code of Federal Regulations
http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html

E-Grants

http://opi.mt.gov/Finance&Grants/egrants/

Federal Circulars

OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments (05/10/2004) HTML or PDF (58 pages, 216 KB), Relocated to 2 CFR, Part 225 (18 pages, 362 KB)

OMB Circular A-89, Catalog of Federal Domestic Assistance - CFDA (08/17/1984)

OMB Circular A-102, Grants and Cooperative Agreements With State and Local Governments (10/07/1994) (further amended 08/29/1997) HTML or PDF (10 pages, 43 KB)

OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (11/19/1993) (further amended 09/30/1999, Relocated to 2 CFR, Part 215 (32 pages, 243 KB))

OMB Circular A-122, Cost Principles for Non-Profit Organizations (05/10/2004) HTML or PDF (55 pages, 220 KB), Relocated to 2 CFR, Part 230 (17 pages, 235 KB)

OMB Circular A-123-- Management's Responsibility for Internal Control (Effective beginning with Fiscal Year 2006) (Revised 12/21/2004) HTML or PDF (35 pages, 274 KB)

OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations (includes revisions published in the *Federal Register* 06/27/2003 and 06/26/2007) (34 pages, 173 KB)

March 2011 Compliance Supplement
Appendix A: Data Collection Form (Form SF-SAC)

OMB Circular A-134, Financial Accounting Principles and Standards

Federal Programs (OPI)
http://opi.mt.gov/Programs/federal/index.html

Grants Information Locator - federal grant announcements
http://grants.gov/

Indirect Cost Information – OPI
http://www.opi.mt.gov/Finance&Grants/schoolfinance/Index.html#gpm1_12

OPI Accounting Guidance

Grant Control Notebook (Section 9-0400.34 of the Montana School Accounting Manual, see below.) Recommended procedures for school clerks and others who track and account for federal and state grants.
http://www.opi.mt.gov/pdf/schoolfinance/forms/gcrecord6_02.pdf

Basic Grant Accounting Procedures ("Special Procedures", Section 9-0200 of the Montana School Accounting Manual, see below)
http://www.opi.mt.gov/pub/School%20Finance/SchoolAccountingManual/9-0200%20Special%20Procedures.pdf

Montana School Accounting Manual. Contact: The OPI School Budget and Accounting Division, (406) 444-4401 or (406) 444-1960.

OPI Resources Webpage (numerous links)
http://www.opi.mt.gov/Resources/Index.html

OPI Official E-mail to Schools
http://www.opi.mt.gov/Resources/Official_Email/index.html#p7GPc1_3

Links to: Montana State Government
http://www.opi.mt.gov/Resources/Index.html#p7APMc2_1

Montana Education Associations
http://www.opi.mt.gov/Resources/Index.html#p7APMc2_2

National Organizations and Offices:
http://www.opi.mt.gov/Resources/Index.html#p7APMc2_3

School Finance Division – OPI
http://www.opi.mt.gov/Finance&Grants/schoolfinance/Index.html