

700 SPECIALIZED DUTIES OF RECIPIENTS

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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.

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.