

DESE Discretionary Grant Procedures

Note: The DESE Discretionary Grant Procedures contained in this document will replace the **Grant Awards, MOUs & Other Agreements, Sections I-II**, which are included in the **DESE Financial Policy and Procedures Manual** on pages 34-37.

The DESE Discretionary Grant Procedures provide the foundation and framework for the Division of Elementary and Secondary Education (DESE) discretionary grant award process. It is designed to create consistent policies to the extent feasible and basic standards and procedures for DESE's discretionary grant programs to ensure that DESE awards and administers Federal and state grant funds across every program in a fair and equitable manner.

This document establishes the internal policies and procedures that DESE uses to carry out the discretionary grant functions of planning, review, application selection, and award; payment; reporting and closeout. DESE program managers are responsible for the obligation, administration and monitoring of these awards under a variety of legislative authorities, governing regulations, policies and procedures.

The policies and procedures in this Handbook apply to all divisions in DESE that are responsible for the awarding of discretionary grants.

The DESE Finance Grant Program Coordinator (GPC) is responsible for maintaining and updating these procedures. The GPC will review and update this document periodically to incorporate any new discretionary grant regulations and policies and/or changes to current regulations or policies.

The Commissioner or Deputy Commissioner may approve exceptions to these policies if the exceptions conform to DFA requirements and State and Federal laws.

Discretionary Grants

The legislation authorizing a discretionary grant gives some freedom, or discretion, to the agency administering the grant. The legislation may define certain elements of the grant program, such as population to be served or services to be provided, while leaving the administering-agency free to determine other elements, such as eligibility criteria or the amount to be awarded to various grantees. Discretionary grants programs can be funded by federal or state legislation.

DESE may award discretionary grants on a noncompetitive or competitive basis, as determined and approved by the Assistant Commissioner in charge of the grant program.

Noncompetitive/Competitive Grants

Noncompetitive discretionary grants are awarded to eligible applicants without a grant competition for funding. Competitive discretionary grants are awarded to eligible applicants whose applications meet submission requirements and receive the highest scores in the competition review process. The amount of competitive funds awarded to each grantee depends on the number of applicants that are eligible for funding and on the total amount of grant funds available. Competitive grants should be reviewed using selection criteria for the

grant. For competitive federal grants in which selection criteria are required, these criteria must be provided to the applicants in the Request for Proposals document. The selection criteria will be used to evaluate applications submitted for grant award. The selection criteria for the grant award may be based on criteria contained in the program statutory or regulatory provisions to include allowable activities, and application content requirements.

Application Notice

DESE will publish all competitive discretionary grant funding opportunities through an application notice via the ADE Commissioner's Memo system, the DESE website, and/or statewide newspaper advertisement. The application notice is an announcement inviting applications for a grant. The notice provides basic program and fiscal information on each discretionary grant and informs potential applicants of available grant funds. Application notices should contain the following components:

- (a) Funding opportunity description – The funding opportunity description should include grant program purpose, program goals and objectives, and program/statutory authority and applicable regulations.
- (b) Award information – The award information section should include the type of grant (noncompetitive/competitive), total amount of grant funding, and the grant award period of performance.
- (c) Eligibility information – Eligibility information should include the types of eligible applicants (LEAs, ESCs, Institutes of Higher Education (IHEs), Non-profit or for-profit organizations, and any cost sharing or matching requirements.
- (d) Application and submission information – Application and submission information should include the application submission deadline and accepted method of submission (electronic or paper)
- (e) Selection criteria – As applicable for competitive federal grants or state grants
- (f) Agency contact information – The agency contact information should include the name, address, phone number and e-mail address of the primary DESE program manager of the grant.
- (g) Any other disclosures deemed necessary by program staff.

Grant Application Documents

All applicants for funding must submit discretionary grant applications through the online Grants Management System (GMS), effective July 1, 2020. However, MOUs, non-discretionary grant funding and grants which are already funded through a cyclical basis will not be required to be submitted through the system.

Application Review by Program Staff

Applications for funding will only be reviewed for funding if the applicant is eligible, the application is complete, and the application is received by the submission deadline. DESE program staff must perform a programmatic and financial review of completed applications. Noncompetitive and competitive discretionary grants should typically be reviewed and scored by a committee assembled by the DESE program manager responsible for the grant.

Competitive grant applications must be reviewed by a committee of at least three knowledgeable reviewers, as determined by the DESE program manager for the grant. The

DESE program manager should ensure that reviewers receive applications in a timely manner for review. The following guidelines should be followed by reviewers of all competitive grants:

- Reviewers should review and score all applications independently and evaluate each application based solely on the selection criteria and priorities, if any.
- Scores should be documented with explanatory comments that justify or explain the assigned score.
- High scores should be supported by detailed statements about associated strengths in the application, just as low scores should have strong supporting comments about associated weaknesses.
- All reviewers should complete and sign a scoring form for each application reviewed.

The reviewer's scores will be averaged to determine which applicants will be recommended for funding.

The following components must be documented and reviewed by assigned DESE program staff for all eligible applicants regardless of whether the grant is competitive or noncompetitive in nature.

Suspension and Debarment

All applicants must have both a Data Universal Numbering System Number (DUNS) and Taxpayer Identification Number (TIN) registered in the System for Award Management (SAM), the U.S. Federal Government's primary registrant database. Each applicant must maintain an active SAM registration that will be verified by DESE program staff before an application is deemed eligible for funding. DUNS number assignment is free and is required to receive funds from the DESE. DUNS numbers can be obtained at: www.dnb.com.

For grants that are expected to equal or exceed \$25,000 using federal funds, the program manager will verify that the grant recipient is not suspended or debarred or otherwise excluded by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), prior to entering into the agreement. The electronic version of EPLS is located on the www.sam.gov website.

Program Description

All applicants must provide a narrative regarding the description of the program to be funded with the grant. This narrative must include program goals/objectives and the activities of the grant that will be implemented to meet the goals. Applicants should provide a timeline for the completion of the activities listed. Program objectives must be included and should clearly identify what the grant funding will accomplish. Goals/objectives should lend themselves to either quantitative or qualitative measurement. Approved grant applicants will be required to report on these objectives when program performance reporting is completed.

Program Evaluation

All applicants must provide a description of how the program will be evaluated for effectiveness. Generally, one or more program performance measures should be established for each objective that demonstrates whether the recipient is making progress towards meeting each project objective. For each performance measure, a target level of performance must be established to compare to actual performance data to demonstrate the recipient's progress towards meeting or exceeding their target level of performance.

Program Budget and Budget Narrative

All grant applications must include a program budget and budget narrative. The budget narrative should explain in detail what would be purchased with grant funds. The applicant must complete the budget as part of the grant application. Applicant budgets must provide sufficient detail for the DESE program staff to conduct a cost analysis of the applicant's budget. This analysis must be performed to determine that the applicant's proposed budget is related to specific project activities and that those costs are allowable, allocable, and reasonable. When reviewing specific cost items, DESE program staff must determine whether the costs are:

- Necessary for the proper and efficient performance and administration of the grant;
- In accordance with generally accepted accounting principles (GAAP);*
- DESE adequately documented and justified;
- Incurred specifically for the purpose of the grant;
- Treated consistently with costs used for the same purpose in similar circumstances.

* Generally accepted accounting principles (GAAP) are the standard framework of guidelines and financial accounting used in any given jurisdiction.

Line item budget changes that exceed 10% of the total grant award amount will require pre-approval from the DESE program manager. All costs must be budgeted in the grant recipient's approved application to be eligible to be charged to the grant. Only costs included in the approved budget will be reimbursed.

Financial Management System

All applicants must provide a narrative describing the grantee's accounting system and financial management system. Applicants must have a financial management system in place that allows them to properly administer grant funds. Applicants will be reviewed to determine that the grantee's financial management system provides for the following:

- Identification in the grantee's accounting system of the grant award received and expended under which they were received;
- Accurate, current, and complete disclosure of the financial results of each grant award or program;
- Records that identify adequately the source and application of grant funds. These records must contain information regarding the obligation of funds, unobligated balances, assets, expenditures, income and interest and be supported by source documentation;
- Effective control over and accountability for, all funds, property, and other assets;
- Comparison of expenditures with budget amounts for each grant award

The applicant may provide their existing written financial management policies and procedures in order to meet this requirement.

Risk Analysis – Program Staff

A risk analysis of grant applicants must be performed by DESE program staff prior to submission for funding. In evaluating risks posed by an applicant, DESE program staff must consider the following:

- Financial stability of the applicant
- Quality of management
- History of performance in managing grant awards (Including timeliness of compliance with reporting requirements and conforming to the terms and conditions of previous awards)
- Reports and findings from audits
- The applicant’s ability to effectively implement statutory, regulatory, or other grant requirements.

Applicants for funding that have previously received discretionary grants from DESE must have a generally positive record of successful program management to be considered for new or continuing grant awards. A positive record will include being in compliance with all requirements and conditions of previous grants, including financial management requirements, and implementing grant programs according to the timelines and descriptions in the grant applications.

An applicant should be considered “High Risk,” if the applicant:

- Has a history of poor performance in managing grant funds awarded by DESE
- Fails to comply with all terms and conditions of grant funds
- Does not have an adequate financial management system in place
- Has unresolved Federal Single Audit or financial statement audit findings that have not been sufficiently addressed, as determined by the GPC. (A Federal Single Audit is required for non-Federal entities that expend \$750,000 or more during the non-Federal entities fiscal year. Federal audit findings may be obtained and reviewed on the Federal Audit Clearinghouse website <https://harvester.census.gov/facdissem/Main.aspx>)

Based on the evaluation of these risks, DESE program staff must make one of the following recommendations:

- Recommendation for funding
- Recommendation for funding as “High Risk”
- Not recommended for funding

Approval of Funding

All applicants for funding will be required to have the following completed documents before the DESE GPC can approve grant awards.

- **DESE Grant Application**
- **DESE Grant Budget and Budget Narrative**
- **Grant Award Agreement**
- **W-9 Form (For new applicants or changes in existing applicant’s information)**
- **Risk Analysis**
- **Contract/Grant Award Routing Form (For discretionary grants that equal or exceed \$10,000)**

- For grants that exceed \$25,000 (other than with government agencies and educational institutions)
 - **Contract and Grant Disclosure and Certification Form**
 - **Equal Employment Opportunity Statement**
 - **Illegal Immigrant Certification**

The DESE GPC will make determination to approve or disapprove the application and notify the DESE program manager of approved applicants. The approving Assistant Commissioner may appeal the GPC's decision to the Commissioner or Deputy Commissioner.

Official Grant File

DESE program staff must create and maintain an official grant file for each applicant that receives a grant award. The following items should be maintained in all grant files, as applicable:

- All required completed grant application and funding approval documents from all applicants
- The original or scanned original application review forms with reviewer comments and ratings
- Audit reports
- Correspondence with grant recipient
- Any other documentation relevant to the grant throughout its life cycle

Files should be routinely reviewed by program staff to ensure all proper documentation is maintained. All grant files are subject to audit and review by the DESE GPC.

Carryover of Grant Funds

All encumbrances/obligations shall occur on or between the beginning and ending dates of the Grant Award Performance Period specified in the grant award notification.

Grant recipients should receive the benefit and liquidate obligations incurred under the grant award during the Grant Award Period of Performance.

However, carryover of **non-federal** grant funds is permitted, if necessary to complete the purposes of the grant.

Non-federal funds which are carried over must be expended or returned to the DESE no later than 90 calendar days past the revised grant award ending date.

Payment

Initial Grant Payment

After all necessary approvals have been obtained for the grant, funds will be considered obligated to the recipient. Grant recipients must be in compliance with all program, fiscal and reporting guidelines to be eligible to receive payment.

Payments to grant recipients must minimize the time elapsing between the transfer of funds to the grant recipient and the expenditure of these funds by the grantee. Funds will not be paid in a lump sum, but be disbursed over time as costs are incurred or anticipated. DESE will initially advance **no more than 50%** of the grant award to the recipient at the start of the grant award period. This is the **maximum percentage** of funds that may be advanced to the recipient, and should only be provided

to recipients that have an **immediate requirement or use for the funds**. Advance payments to grant recipients must be limited to the **minimum amounts** needed and in accordance with the immediate cash requirements of the grantee in carrying out the purpose of the grant.

Remaining Grant Payments

After the initial grant award funds have been advanced to the recipient at the start of the grant award period, there are two types of disbursement methods for the remaining grant funds.

Reimbursement – GMS Reimbursements or COGNOS Data Warehouse

LEAs/ESCs payments may be processed and approved within the GMS system. Alternately, LEA/ESCs may receive monthly reimbursement payments based on their COGNOS district warehouse reports.

Advance Payments

Advance payments to grant recipients may be necessary. Advance payments must be limited to the **minimum amounts** needed and in accordance with the immediate cash requirements of the grantee in carrying out the purpose of the grant.

All costs must be budgeted in the grant recipients approved application to be eligible to be charged to the grant. Only costs included in the approved budget will be reimbursed. Line item budget changes that exceed 10% of the total grant award amount will require pre-approval from the DESE program manager.

Monitoring

The goal of monitoring is to establish partnerships with grantees that hold grant recipients accountable for the grant award by implementing risk-based monitoring strategies to ensure that they have the financial capacity to appropriately manage the grant. The grant recipient's project must:

- Conform to the grantee's approved application and to the effectiveness and quality of the project
- Meet the established performance measures of the grant
- Adhere to laws, regulations, conditions of the grant, provisions and assurances
- Appropriately manage funds, including the expenditure of funds for authorized purposes

Desk and/or on-site monitoring reviews may be conducted on grant recipients, as deemed necessary. The DESE GPC will use financial and program performance reports as a monitoring tool for all grant recipients.

Reporting

Grant recipients will be required to submit both financial and program reports describing the status of the funds, the status of the project, a comparison of actual accomplishments to the objectives, the reason goals have not been met, and any other pertinent information. Program performance objectives and performance measures must be established for all grant award recipients. DESE program staff may assist grant applicants in the development of program objectives and performance measures. The grant application must include program objective(s) stating the goal for the grant funding. Generally, one or more program performance measures should be established for each objective that demonstrates whether the recipient is making progress towards meeting each project objective. For each performance measure, a target level of performance must be established to compare to actual performance data to demonstrate the recipient's progress towards

meeting or exceeding their target level of performance. All discretionary grant recipients will be required to submit financial and program performance reports, as required below:

- Financial performance reports must be submitted to the DESE program manager on a semi-annual basis. Reports must be received within 30 days after the close of the reporting period.

For grant recipients that are not reported in APSCN, supporting documentation for actual expenditures will be required to be included with the semi-annual financial performance report. Supporting documentation should be in the form of invoices, bills for goods and services, employee payroll and travel reimbursements.

- Program performance reports must be submitted to the DESE program manager on an annual basis. Reports must be received within 30 days of the end of the grant award performance period.

Semi-annual financial reports must be submitted to the DESE GPC within 45 days after the prior 6 month reporting period. Program performance reports must be submitted to the DESE GPC within 45 days after the end of the grant award performance period. All financial and program performance reports must be sent to the DESE GPC by the applicable DESE program manager for the grant.

Financial Performance Reporting Deadlines
(July 1st - June 30th grant performance period)

Financial Reporting Period	Report Due to DESE Program Manager	Report Due from DESE Program Manager to GPC
July 1st – December 31st	January 30th	February 15th
January 1 st – June 30th	July 30th	August 15th

Program Performance Reporting Deadlines
(July 1st - June 30th grant performance period)

Program Reporting Period	Report Due to DESE Program Manager	Report Due from DESE Program Manager to GPC
July 1 st – June 30th	July 30th	August 15th

DESE reserves the right to suspend or revoke grant payments to grant recipients that do not timely submit financial and performance reports in a timely manner.

Extension of Period of Performance

An extension of the grant period of performance may be provided in a subsequent period may be awarded in a subsequent year following the initial grant award period of performance. All grant extensions will be subject to the availability of funds appropriated for the grant.

Final approval for an extension of grant funding will be provided by the Assistant Commissioner of Fiscal and Administrative Services.

Grant Closeout

DESE program staff must ensure the prompt closeout of expired grants. Closeout procedures should begin as soon as the program is completed and all funds have been spent. DESE program staff must determine that all administrative actions and financial obligations have been completed by the grant recipient. A grant must be closed as soon as the following items occur:

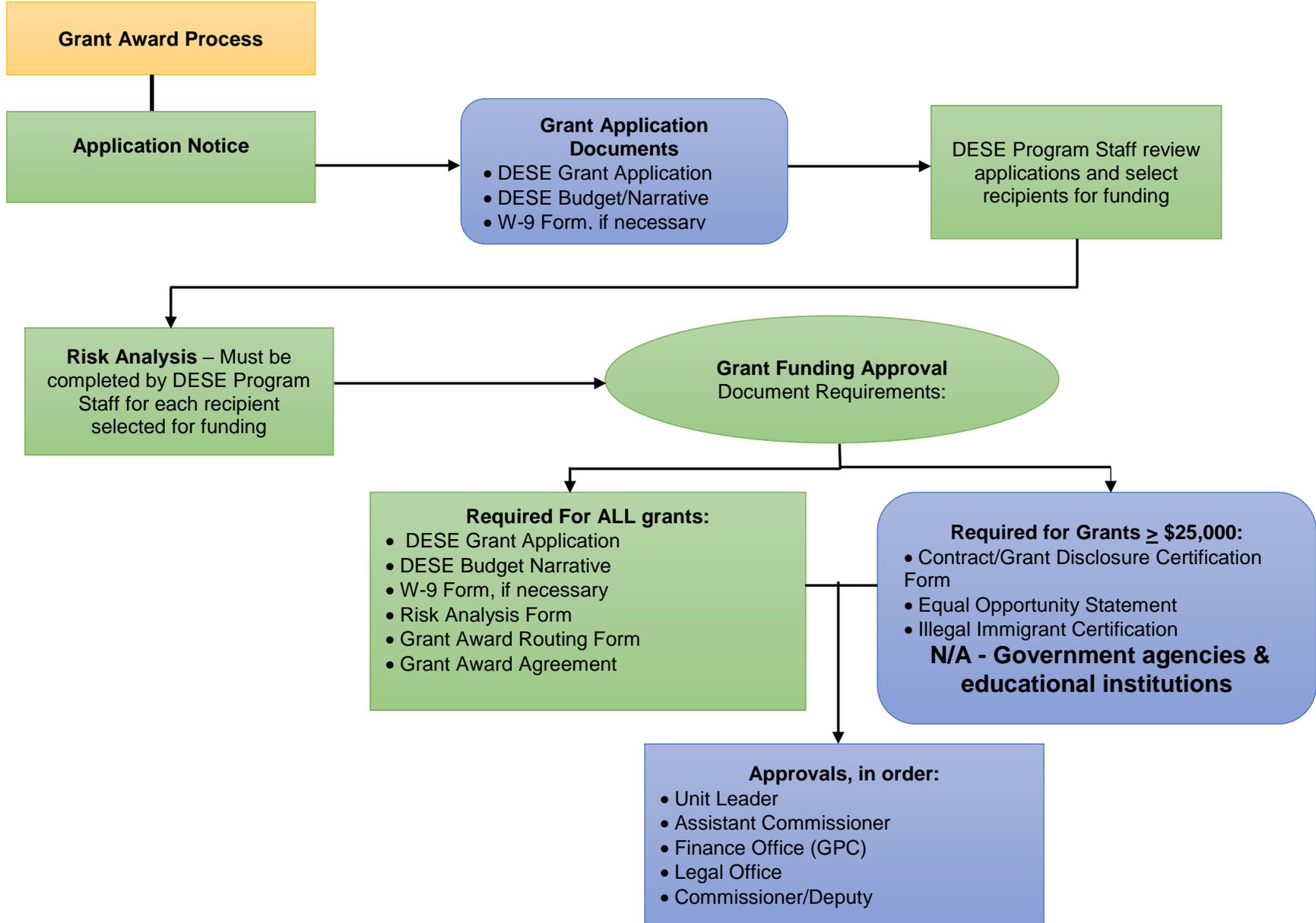
- The grant award performance period has ended;
- All required financial and program reports have been received and approved by DESE;
- All grant funds have been either properly expended by the recipient or returned to DESE by the recipient for unused funds.

Grant recipients must complete the following actions at the close of the grant award as defined below:

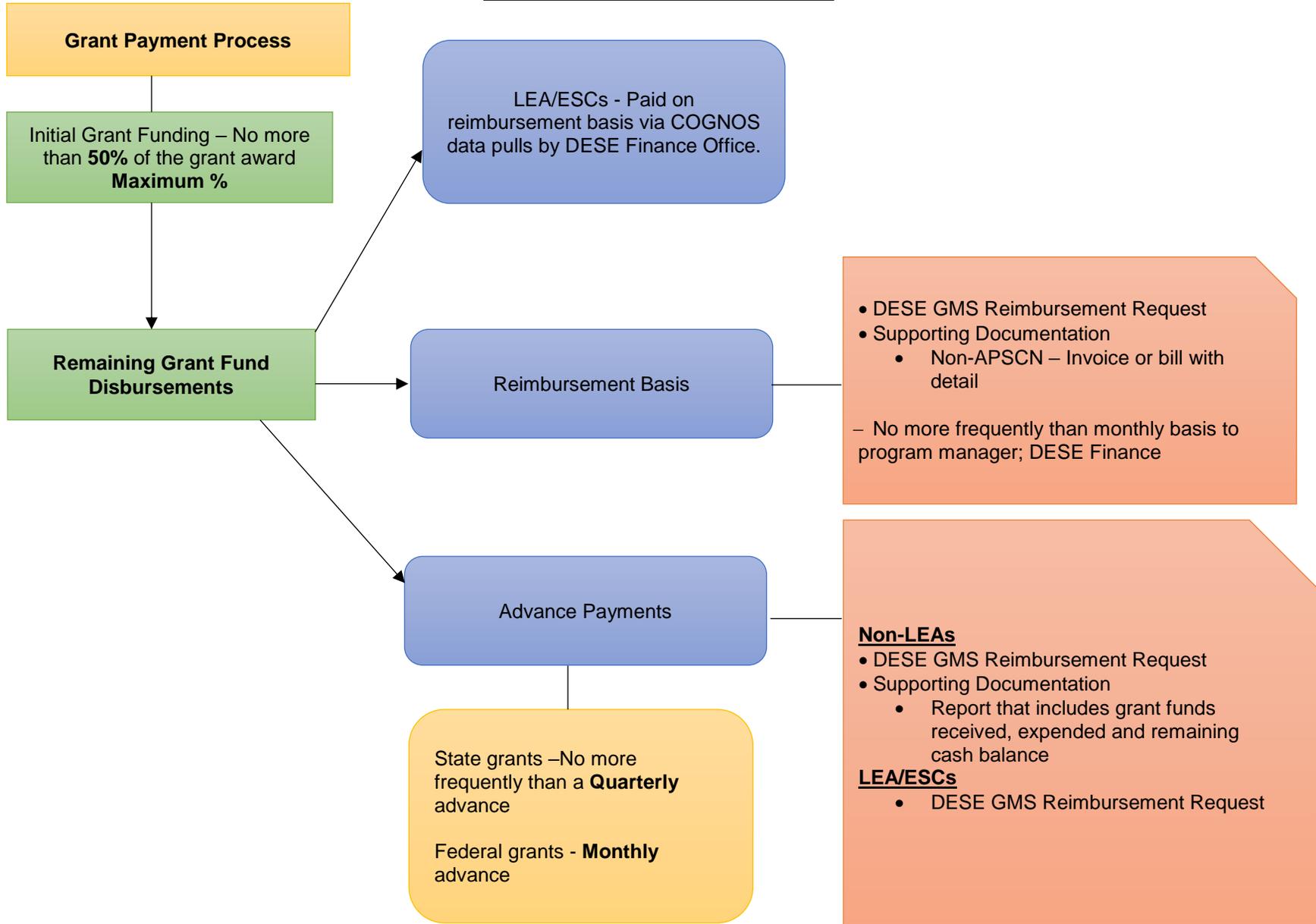
- Grant recipients must present any requests for reimbursement that were incurred prior to the expiration of the grant award to DESE Finance
- Any grant funds not liquidated at the end of the period of performance will lapse and may be required to be returned to DESE. Refunds of grant funds from recipients are due to DESE within 30 days of notification that a refund is due.
- A final financial performance report must be submitted to DESE program staff within 30 days after the grant closure date. Before a grant may be closed out, any remaining balance of grant funds must be promptly returned by the grant recipient to DESE
- A final program performance report must be submitted to DESE program staff within 30 days after the grant closure date. This report must be reviewed to ensure that the grant recipient has achieved or progressed toward the achievement of all program goals and objectives.

The final financial and program performance report must be submitted for review and approval to the DESE GPC within 45 days after the grant closure date.

Grant Application, Approval and Award Process



Grant Payment Process



Grant Reporting and Closeout

