



U.S. Department of Education



Early Reading First

Preschool Centers of Educational Excellence

ADMINISTERING YOUR EARLY READING FIRST GRANT

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Early Reading First

WHAT IS MY BASIC GUIDE?

- My approved application (EDGAR, § 75.700)
- Grant conditions (EDGAR, § 75.236)
- Approved responses to grant conditions
(EDGAR, § 75.700)



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MAY I MAKE CHANGES TO MY APPROVED APPLICATION?

- Programmatic changes (EDGAR, §§ 75.263 and 74.25) E.g.:
 - Scope and objectives (no changes)
 - Key personnel
- Budget changes (EDGAR, §§ 75.263 and 74.25) E.g.:
 - Direct ⇔ indirect costs
 - Transfers of 10% or more among direct cost categories



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MUST I REQUEST PRIOR APPROVAL BEFORE MAKING ANY CHANGES?

- Change in scope and objectives (not allowed)
- Change in key personnel
- Director/PI absence (3+ months) or reduction (25%)
- More Federal funds
- Required by Cost Principles (e.g., equipment)
- Training allowance fund transfers
- Transfer/contracting out work other than supply/material/equipment purchasing, or general support services, unless in application



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WHAT BASIC RULES MUST I KNOW AND FOLLOW?

ERF Program Statute
Other Applicable Statutes



Regulations: EDGAR
Regulations: OMB Cost Circulars



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BASIC RULES: ERF PROGRAM STATUTE

➤ Where do I find it?

➤ Elementary and Secondary Education Act (ESEA), as amended by the No Child Left Behind Act: Title I, Part B, Subpart 2 (<http://www.ed.gov/policy/elsec/leg/esea02>), 20 U.S.C. 1221 - 1226

➤ What's in it?

➤ Purposes; Definitions; Application Requirements; Authorized Activities; Federal Administration; Information Dissemination; Reporting Requirements; National Evaluation



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STATUTORY PURPOSES AND AUTHORIZED ACTIVITIES

(Sections 1221(a) and 1222(d), ESEA)

1. Providing preschool age children with high-quality oral language and literature-rich environments
2. Providing professional development that is based on scientifically based reading research knowledge of early language and reading
3. Identifying and providing activities and instructional materials that are based on scientifically based reading

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STATUTORY PURPOSES AND AUTHORIZED ACTIVITIES

(Sections 1221(a) and 1222(d), ESEA)

(continued from previous slide)

4. Acquiring, providing training for, and implementing screening reading assessments or other appropriate measures that are based on scientifically based reading research
5. Integrating the instructional materials, activities, tools, and measures into the applicant's current programs



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WHAT OTHER STATUTORY PROVISIONS APPLY?

- General ESEA definitions (ESEA, Section 9101) (e.g., "professional development"**)
- Reading First Program statute (Title I, Part B, Subpart 1, ESEA) (e.g., definition of "SBRR"**)
- General Education Provisions Act (GEPA) (e.g. enforcement procedures; Family Educational Rights and Privacy Act (FERPA)**)

**See the Glossary.



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BASIC RULES: REGULATIONS

EDUCATION DEPARTMENT GENERAL ADMINISTRATIVE REGULATIONS (EDGAR)

<http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>



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EDGAR: What Parts apply to my ERF grant?

- **Part 75:** All ERF grantees
- **Part 74:** Institutions of higher education, non-profit organizations, and for-profit organizations
OR
- **Part 80:** State, local, and Indian tribal governments
- **Part 77** (Definitions: e.g., "minor remodeling"):
All ERF grantees
- **Parts 81, 82, 84, 85, 86, 97, 98, 99:**
All ERF grantees



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BASIC RULES: OMB COST CIRCULARS

<http://www.whitehouse.gov/omb/circulars/index.html>

(EDGAR, sections 75.530; 74.27; 80.22)

What is a cost principle?

(See Glossary, OMB Cost Circulars)



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Which OMB Cost Circular do I use?

- State, Local and Indian Tribal Governments:
OMB Circular A-87
- Educational Institutions (i.e., IHEs):
OMB Circular A-21
- Non-Profit Organizations: **OMB Circular A-122**
- Commercial For-Profit Organizations: **48 CFR Chapter 1, Part 31**

http://www.access.gpo.gov/nara/cfr/waisidx_03/48cfr31_03.html



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PUTTING THE RULES TO WORK: SPENDING FUNDS

- When may I obligate my grant funds?
(EDGAR, §§ 75.703 and 75.707)
- When may I draw down my grant funds, and when must I disburse them?
(EDGAR, §§ 74.21(b)(5) and 80.20(b)(7))
- What if I have unspent funds at year-end?



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PUTTING THE RULES TO WORK: SPENDING FUNDS

- How do I contract for services or materials (applicable procurement standards)?
(EDGAR, §§ 74.40 - 74.48; 80.36)
- May I subgrant the grant funds?
(EDGAR, § 75.708)
- What financial management system requirements apply to my grant?
(EDGAR, §§ 74.21; 80.20)



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PUTTING THE RULES TO WORK: ALLOWABLE COSTS

- Where do I look to determine what to spend my grant funds on?
 - Approved application
 - Program statute: required activities
 - OMB cost principles
 - EDGAR (e.g., unallowable cost: acquisition of real property and building construction (EDGAR, § 75.533))



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ALLOWABLE COSTS: BASIC RULE

- What is the "basic cost rule"?
Necessary, reasonable, allocable . . .
- OMB Cost Circular A-21, Attachment, Section C (basic considerations) (IHEs)
- OMB Cost Circular A-87, Attachment A, Section C (basic guidelines) (LEAs, SEAs, Tribal governments)
- OMB Cost Circular A-122, Attachment A, Section A (basic considerations) (Non-profits)



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SPECIFIC COST ITEMS

- What about about specific cost items?
- OMB Cost Circular A-21, Attachment, Section J (General provisions for selected items of cost) (IHEs)
- OMB Cost Circular A-87, Attachment B (Selected items of cost) (LEAs, SEAs, Tribal governments)
- OMB Cost Circular A-122, Attachment B (Selected items of cost) (Non-profits)



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PERSONNEL

- General rule: In all cases, payments of any type to personnel must be supported by complete and accurate record-keeping of time and effort.



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PERSONNEL

- Specifically, how must **my type of entity** support compensation for personnel services?
 - IHEs (Cost Circular A-21): institution's practice, so long as in compliance with Circular.
 - Local/state/tribal governments (Cost Circular A-87): whole and part-time staff - monthly, after-the-fact, personnel activity reports (PARs)
 - Non-profits (Cost Circular A-122): 100% FTE - semi-annual certifications; part-time - monthly, after-the-fact, PARS accounting for total compensated time



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INDIRECT COSTS

- May I charge indirect costs to my grant?
(EDGAR, § 75.560)
- What type of indirect cost rate applies to ERF grants? (Unrestricted.)
- How do I obtain a provisional indirect cost rate if I don't have a negotiated indirect cost rate agreement?



<http://www.ed.gov/about/offices/list/ocfo/fipao/icgin dex.html>

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ACCOUNTABILITY: AUDITS

- When must I provide for an institutional audit?
 - If you spend at least \$500,000 in total Federal funds in a fiscal year (except for private commercial entities).
- What type of audit must I provide?
 - An annual audit by an independent non-Federal auditor, who reviews expenditures of Federal funds across the entire organization.

(EDGAR, §§ 74.26 and 80.26)



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ACCOUNTABILITY: MONITORING

- What are my monitoring responsibilities?
 - Managing day-to-day operations.
 - Monitoring ERF activities for compliance with applicable Federal requirements and performance goals.
 - Reporting to ED any problems, delays, or adverse conditions that may materially impair my ability to meet the objectives of my award. (EDGAR, §§ 74.51 and 80.40)
- Will ED will monitor my ERF grant?



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