

Managing and Implementing Your Budget

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The mission of the Office of Migrant Education is to provide excellent leadership, technical assistance, and financial support to improve the educational opportunities and academic success of migratory children, youth, agricultural workers, fishers, and their families.

2024 OFFICE OF MIGRANT EDUCATION
HEP and CAMP
Annual Directors' Meeting



Managing Your Budget



Resources for Managing Your Budget

- The [Education Department General Administrative Regulations in 34 CFR \(EDGAR\) 75, 76, 77, 79, 81, 82, 84, 86, 97, 98, and 99.](#)
- Title [2 of the Code of Federal Regulations Part 200](#), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- Grant Award Notification (GAN).
- [Non-Regulatory Guidance on Allowable Services to HEP and CAMP Students.](#)
- ED 524 Form: <https://www2.ed.gov/fund/grant/apply/appforms/appforms.html>

Note: Updates to the Uniform Guidance are expected in October 2024. OME will be sharing additional information on the HEPCAMP listserv.

Basis of Your Budget

- Your approved Application Project Narrative.
- Your approved Application ED 524 (Sections A, B & C).
 - **Section A:** Categorical description of the use of Federal funds.
 - **Section B:** Categorical description of the use of Non-Federal funds.
 - **Section C:** Narrative of the use of Federal AND Non-Federal funds.
- Subsequent Changes and Revised Budgets.

ED 524 Form

U.S. DEPARTMENT OF EDUCATION BUDGET INFORMATION NON-CONSTRUCTION PROGRAMS		OMB Control Number: 1894-0008 Expiration Date: 08/31/2020				
Name of Institution/Organization		Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.				
SECTION A - BUDGET SUMMARY U.S. DEPARTMENT OF EDUCATION FUNDS						
Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel						
2. Fringe Benefits						
3. Travel						
4. Equipment						
5. Supplies						
6. Contractual						
7. Construction						
8. Other						
9. Total Direct Costs (lines 1-8)						
10. Indirect Costs *Enter Rate Applied _____						
11. Training Stipends						
12. Total Costs (lines 9-11)						

***Indirect Cost Information (To Be Completed by Your Business Office):**

If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:

- Do you have an Indirect Cost Rate Agreement approved by the Federal government? Yes No.
- If yes, please provide the following information:
 Period Covered by the Indirect Cost Rate Agreement: From: ___/___/___ To: ___/___/___ (mm/dd/yyyy)
 Approving Federal agency: ___ED ___Other (please specify): _____ The Indirect Cost Rate is _____%
- If this is your first Federal grant, and you do not have an approved indirect cost rate agreement, are not a State, Local government or Indian Tribe, and are not funded under a training rate program or a restricted rate program, do you want to use the de minimis rate of 10% of MTDC? Yes No. If yes, you must comply with the requirements of 2 CFR § 200.414(f).
- If you do not have an approved indirect cost rate agreement, do you want to use the temporary rate of 10% of budgeted salaries and wages? Yes No. If yes, you must submit a proposed indirect cost rate agreement within 90 days after the date your grant is awarded, as required by 34 CFR § 75.560.
- For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that: Is included in your approved Indirect Cost Rate Agreement? Or Complies with 34 CFR 76.564(c)(2)? The Restricted Indirect Cost Rate is _____%
- For Training Rate Programs (check one) -- Are you using a rate that: Is based on the training rate of 8 percent of MTDC (See EDGAR § 75.562(c)(4))? Or Is included in your approved Indirect Cost Rate Agreement, because it is lower than the training rate of 8 percent of MTDC (See EDGAR § 75.562(c)(4))?

Defining Reasonable, Allocable, and Allowable

1

Reasonable – 2 CFR 200.404

...when the cost does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost

2

Allocable – 2 CFR 200.405

... when the goods/services involved are chargeable/assignable to a cost objective in accordance with relative benefits received and traceable to specific grant activities

3

Allowable – 2 CFR 200.403

... when costs are necessary and reasonable for the grant performance, consistent with the entity's uniform procedures, in accordance with GAAP, not included in other federally-financed grants (unless authorized)

Managing Your Budget

- The Department expects grantees to administer Department grants in accordance with generally accepted business practices, exercising prudent judgment so as to maintain proper stewardship of taxpayer dollars.
- Grantees are expected to use proper internal and fiscal controls and fund accounting procedures that insure proper disbursement of and accounting for Federal funds.
- Grantees may use grant funds only for obligations incurred during the funding period.

Grant Drawdowns

Grantees Must:

- Draw down only as much cash as is necessary to meet the immediate needs of the grant project.
- Keep to the minimum the time between drawing down the funds and paying them out for grant activities.

Grantees Are Encouraged To:

- Monitor fiscal activity (drawdowns and payments) on a continuous basis.
- Plan carefully for cash flow during the budget period and review project cash requirements before each drawdown.
- Confirm that funds are being drawn down in G5/G6 and check the G5/G6 balance for accuracy.

Pair and Share

- How do you coordinate with your project's business office on drawdowns?
- What type of strategies do you employ to monitor your budget and drawdowns?
- How often does your organization draw down funds in G5/G6? Who draws down funds?





Implementing Your Budget

Equipment

- Has an acquisition cost of \$5,000 or more per unit (will change in the updates to the Uniform Guidance).
- Generally, not a part of HEP/CAMP programs.
- Requires prior approval and is subject to disposition requirements.
- Guidance on equipment is located in § 200.313 and § 200.439 of the Uniform Guidance.

Supplies

- Tangible, expendable property that is less than \$5,000 per unit.
- Examples: paper, pens, chairs, desks, printers, etc.
- Includes laptops (Less than \$5,000) purchased with HEP/CAMP funds that are provided to students for temporary use, such as through a lending library.
- Guidance on supplies is located in § 200.94 and § 200.20 of the Uniform Guidance.



Stipends

- Project funds provided directly to participating students, *or on their behalf*, to offset living or educational expenses that are not included in other financial support.
- Only allowable to the extent that they are *necessary to ensure a student's participation in the project*.
- Only current students are eligible to receive stipends.
- For CAMP, stipends are not allowable as part of follow-up services.
- Not included in the indirect cost calculation.

Stipend Examples (Not an exhaustive list)

- Individual student transportation;
- Childcare;
- Books and supplies, including laptops, if the student is keeping the items;
- Testing and exam fees;
- Dental and vision assistance;
- Room/board and housing assistance for CAMP students; and
- Housing assistance for HEP students.

Note: HEP Housing assistance is not permitted for students attending exclusively commuter HEP projects.

Student incentives are not an allowable use of stipends.

Stipend Prior Approval and Indirect Cost



Funds can be moved into or within the stipend line without prior approval.



To move funds out of stipends, projects must request prior approval from OME.



A shift in funds into or out of the stipend line may affect the project's indirect cost amount and rate.



The indirect cost rate for HEP and CAMP cannot exceed 8%.

Laptops and Chromebooks for Students - Activity

Scenario	Likely allowable or unallowable
Laptops or Chromebooks purchased with current grant funds temporarily lent to current HEP/CAMP students.	
Laptops or Chromebooks purchased with funds from a previous HEP/CAMP grant temporarily lent to current AND former HEP/CAMP students.	
Laptops or Chromebooks purchased with current grant funds to current HEP/CAMP students to keep.	
Laptops or Chromebooks purchased with current grant funds given to students after they complete the HEP/CAMP program.	

Laptops and Chromebooks (Cont.)

Scenario	Likely Allowable or Unallowable	Context
Laptops or Chromebooks purchased with current grant funds temporarily lent to current HEP/CAMP students.	Likely allowable.	Current grant funds for current students. Expense would be considered Supplies (assuming item is less than \$5,000).
Laptops or Chromebooks purchased with funds from a previous HEP/CAMP grant temporarily lent to current AND former HEP/CAMP students.	Likely allowable.	Likely allowable since the purchase was used with funds from a previous HEP/CAMP grant.
Laptops or Chromebooks purchased with current grant funds to current HEP/CAMP students to keep.	Likely allowable.	Would come from the Stipend line. Must be necessary to ensure a student's participation in the project.
Laptops or Chromebooks purchased with current grant funds given to students after they complete the HEP/CAMP program.	Likely unallowable.	Would come from the Stipend line. Projects may only provide stipends to students during their participation in the program – not allowable follow up service. Therefore, a grantee may not hold a stipend and give it to a student only after successful completion of the program.

CAMP Student Conference Attendance and Related Activities

- Expenses for *current* CAMP students to attend a conference are allowable if:
 - ✓ Aligned with the approved application;
 - ✓ Reasonable according to Cost Principles in the Uniform Guidance; and
 - ✓ Primarily cultural, academic, or designed to expose students to activities not usually available to migrant youth.
- Included in the 'Other' line item; Not considered Stipends.
- CAMP funds for purchasing loaner luggage for conferences would be an allowable expense – the luggage would be under the supplies line.

Pair and Share - 2

- May projects use HEP/CAMP funds to host HEP/CAMP staff retreats?
If so, may project funds be used to purchase food for project staff during the staff retreat?

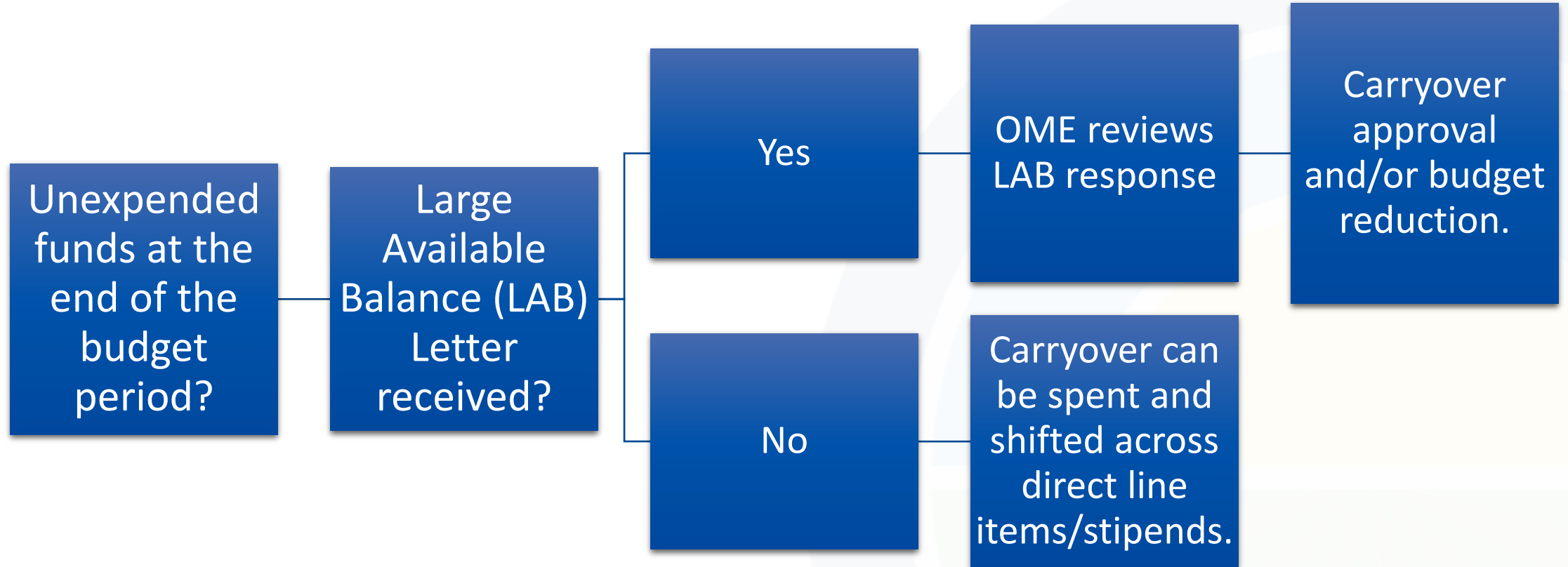
HEP and CAMP Staff Professional Learning Retreats and Meetings

- Depending on the specific context, may be an allowable expense.
- Very high burden of proof to show that paying for food and beverages with Federal funds is necessary.
- When hosting a retreat or meeting, projects are encouraged to structure the agenda for the meeting so that there is time for participants to purchase their own food, beverages, and snacks.
- If not included in the approved grant application, OME *strongly* encourages projects to contact their Program Officer to discuss allowability.

Carryover and Large Available Balance

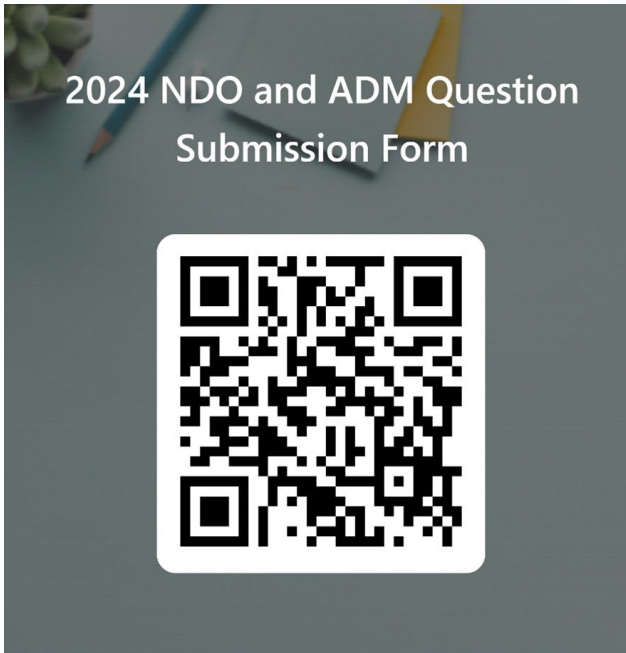
- Carryover is unexpended funds from a previous budget period that are authorized for allowable costs in the next budget period.
- Can be used in the next budget period for allowable activities without any action from OME or the grantee unless restricted by OME as an award condition OR the grantee has a large available balance.
- Approved carryover can be used across any direct line item or stipend line in the next budget period.
- OME sends out 'large available balance letters' in spring of each year to projects with a *total* available balance at 70% or more of the *current* award;
- Large available balance letters require a response from the project.

Carryover Funds and Large Available Balances



Questions

- Please feel free to raise your hand in person or virtually.
- You may also enter your question(s) into this form. Office of Migrant Education staff will review and respond throughout the NDO and ADM.
 - **Link:** <https://forms.office.com/g/4TT7Rd6idM>
 - **QR Code:**



Thank You!!

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