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Operations

Handbook for the Discretionary Grant Process

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Questions about this Handbook may be addressed to the OAGRM/GMPD liaisons found at [GMPD Liaisons](#).

Supersedes Handbook OCFO-03 “Handbook for the Discretionary Grant Process” dated 07/23/2020.

This Handbook, including all its appendices, has the same authority as the handbook that it supersedes.

Chapter 1: Introduction

1.1 Overview

This Handbook for the Discretionary Grant Process (Handbook) provides the foundation and framework for the ED discretionary grant process. It provides consistent policies, standards, and procedures for ED's discretionary grant programs to ensure that ED awards and administers Federal funds in a fair and equitable manner across every program.

This Handbook establishes the internal policies and procedures that program offices use to carry out the discretionary grant functions of planning, reviewing, selecting and awarding applications, ensuring grantee accountability, sharing results, and closing out grants. Program offices obligate, administer, and monitor these awards under a variety of legislative authorities, governing regulations, policies, and procedures.

The policies and procedures outlined in this Handbook are intended to ensure consistency across ED program offices, where possible, and compliance with statutory and regulatory requirements that govern how ED administers discretionary grants.

1.2 Format of the Handbook

Throughout this Handbook, information may be identified under the major headings: "Policy," "Procedures," "Guidance," and "Other Pertinent Information."

The "Policy" heading identifies implementation and compliance requirements related to the Planning, Review, Pre-Award, Award, and Post-Award stages of the grant administration process.

The "Procedures" heading identifies required approaches, methodologies, and processes to accomplish required tasks or to comply with policy.

The "Guidance" heading provides information to assist with implementing and complying with related policy. While these sections include best practices or suggested actions or tasks they are not required.

The "Other Pertinent Information" heading provides explanatory or general information on a policy topic or procedure that may not directly fit under the other headings.

While each of these headings will appear within every topic area addressed within this Handbook, not all headings will include information as herein described. The headings without information appearing underneath them are included as

“reserved” headings for future use, so that when information that is applicable arises, it can be placed under the heading.

1.3 Applicability

A. Policy

1. The policies and procedures in this Handbook apply to all organizational units in ED responsible for planning, reviewing, selecting, and awarding applications, ensuring grantee accountability, sharing results, and closing out grants.
2. Nothing in this Handbook is intended to give grant applicants or grantees any rights not already provided by statutes, regulations, or published program priorities.
3. Program offices follow the policies and procedures outlined in this Handbook and monitor compliance with this Handbook as a part of their internal control program. A program office, in limited circumstances, may determine that a modification to, or a deviation from, these policies and procedures is appropriate to achieve a program objective or deal with unusual, unanticipated, or exigent circumstances.¹

B. Procedures

1. When modifications or deviations from a policy or procedure are deemed appropriate, program offices consult with their program attorney to ensure the modification or deviation has no legal implications, and their Grant Management Policy Division (GMPD) liaison in the Office of Acquisition, Grants and Risk Management (OAGRM) of the change to address policy concerns prior to making the modification or deviation. As appropriate, the program attorney and OAGRM consult with the Office of Planning Evaluation and Policy Development, Grants Policy Office, (OPEPD/GPO) as well as other offices prior to approving the modification. Depending on the type of permitted modification or deviation from the Handbook, program offices will then document the decision not to follow the Handbook in the Application Technical Review Plan (ATRP), the Grant Program Competition File, and/or the official grant file, as appropriate. These modifications and deviations are only considered in limited circumstances (e.g., when necessary to achieve a program objective that cannot otherwise be achieved or to deal with unusual,

¹ The Institute of Education Sciences (IES), because of the provisions set out in the Education Sciences Reform Act of 2002, as well as the unique needs of grants administered by IES, has its own “Procedures for the Peer Review of Grant Applications,” which were adopted by the National Board for Education Sciences on January 24, 2006. For grants administered by IES, those procedures, as well as other procedures uniquely applicable to IES, would to the extent there is an inconsistency with the policies, procedures, and guidance set out in this Handbook, take precedence.

unanticipated, or exigent circumstances), and if they do not violate any laws or regulations.

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

1.4 GMPD Responsibilities

A. Policy

1. GMPD ensures that policies and procedures relative to discretionary grant award and administration processes are effectively communicated to Principal Operating Components (POCs) ED-wide and assists POCs in their efforts to adhere to these policies and procedures.
2. GMPD responsibilities include, but are not limited to, the following:
 - a. Establishing clear policies based on statutes, regulations, and other requirements (e.g., Presidential Executive Orders, Office of Management and Budget (OMB) memorandums, etc.) in collaboration with program offices, and other staff offices, as appropriate, to enable consistent policy interpretation and implementation on grant administration issues. Policies are issued in this Handbook or in Grant Bulletins (GBs) until such time as the GBs are fully incorporated into this Handbook. GBs are the mechanisms authorized for use by GMPD to update content in this Handbook in between the times the Handbook is updated and officially cleared by ED.
 - b. Providing training and technical assistance to program offices so that program offices have a working knowledge of grant policy and how it applies to different situations. This knowledge is necessary for effective grant administration.
 - c. Collaborating with program officials, responsible for grant programs, to achieve effective monitoring of grant programs and ensure that monitoring activities and processes are conducted with consistency and are compliant with ED regulations and policies.
 - d. Collaborating with program offices to conduct periodic reviews of the internal policies and procedures described in the Handbook.
 - e. Coordinating ED's participation in interagency initiatives related to improving the grant-making process. This includes, but is not limited to, coordinating ED's comments on work products for interagency grant policy initiatives, coordinating ED's participation in work groups, and coordinating

ED's participation in pilot and implementation efforts associated with these work products or activities.

- f. Licensing program staff, who have demonstrated knowledge about discretionary grant procedures through enough training and experience, to obligate discretionary grant funds.

B. Procedures – Reserved

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

1.5 Maintenance

A. Policy

GMPD maintains and updates this Handbook. This Handbook incorporates policy and guidance issued through GBs and memoranda, and it, in effect, rescinds the following:

1. GB 15-02: Subaward and Executive Compensation Reporting Requirements for U.S. Department of Education (ED) Grantees under the Federal Funding Accountability and Transparency Act (FFATA);
2. GB 16-01: Guidance for Entering Discretionary and Formula Grant Subprogram Titles into the (G5) Grant Planning and Scheduling Module;
3. GB 16-02: Reviewing Grant Applicant and Grantee Information in the Federal Awardee Performance and Integrity Information System (FAPIIS);
4. GB 18-01: U.S. Department of Education Grant Application Form for Project Objectives and Performance Measures Information (OMB Control Number: 1894- 0017);
5. GB-19-01: The Official Grant File for Discretionary Grant Programs;
6. GB-19-02: Developing, Maintaining, and Closing the Grant Program Competition File;
7. GB-19-03: Peer Reviewer Evaluation;
8. Memorandum 19-02: Inactive Unique Entity Identifier (UEI) Registrations; and
9. GB-21-01: Implementation of the 120-Calendar Day Liquidation Period Codified in [2 C.F.R. § 200.344](#) and Effective on November 12, 2020

B. Procedures

1. GMPD reviews and updates this Handbook periodically to incorporate any new ED discretionary grant regulations and policies or any changes to current regulations or policies.

C. Guidance – Reserved**D. Other Pertinent Information – Reserved****1.6 For-Profit Organizations****A. Policy**

1. For-profit organizations (also called “commercial organizations”) are entities that are established with the intention or purpose of making a profit. They are generally subject to the same requirements and processes set out in this Handbook that apply to other entities.
2. For-profit organizations are subject to the requirements in [2 C.F.R. part 200 subpart E](#), “Cost Principles,” and in [EDGAR § 75.560 \(a\)\(3\)](#), “General Indirect Cost Rates; Exceptions.”
3. Some program statutes do not authorize ED to make grants to for-profit organizations, and program offices must comply with these statutory requirements.
4. For-profit recipients are required to submit audited financial statements to ED as a part of the compliance audit. Recipients that have one or more awards are required to have a compliance audit for each of these awards. The compliance audit requirements are effective starting with the fiscal year in which the project period for this grant begins.
5. For for-profit recipients, financial statement and compliance audit submissions are due to ED within nine months of the recipients’ fiscal year-end dates. For recipients, the compliance audits are submitted, along with audited financial statements, to ED’s Audit Resolution Division at: AuditResolutionDivision@ed.gov.

B. Procedures

1. Program offices, after a grant competition and the awards are made, send an email to AuditResolutionDivision@ed.gov providing information on awards to for-profit organizations that require audit submissions.

The email provides:

- a. PR/Award Number;
 - b. Name and address of the organization;
 - c. Unique Entity Identifier (UEI);
 - d. Amount of the Award;
 - e. Period of Performance; and
 - f. Audit Submission Due Date (due within nine months of the grants fiscal year- end date).
2. Program offices follow-up with grantees if required audits are not received by their due dates.
 3. Program offices follow the policy and procedures in Chapter 4, "[Reviewing Audit Data Prior to Making New Awards](#)" and Chapter 6, "[Reviewing Audit Data Prior to Issuing NCC Awards](#)".
 4. For grants made to for-profit organizations, program offices must select in the grants management system the "For-Profit" standard clause, which will cause the three clauses below to print on Grant Award Notifications (GANs):

Cost Principles for For-Profit Organizations GAN Clause

"For-profit organizations are subject to the requirements in [2 C.F.R. part 200 subpart E](#), "Cost Principles. For the purpose of part 200, for-profits are considered grantees.

General Principles for Determining General Indirect Cost Rates for For-Profit Organizations GAN Clause

The principles for determining the general indirect cost rate that are applicable to for-profit organizations are found in [48 C.F.R. part 31 Contract Cost Principles and Procedures \(EDGAR § 75.560 \(a\)\(3\)\)](#).

Annual Audit Requirements for For-Profit Organizations

As a condition of this award, your for-profit organization is required to complete a compliance audit annually for any fiscal year it expends more than \$750,000 in Federal funds, excluding funds received through procurement contracts with the Federal government. Expenditures associated with grant funds expended under contracts with third parties will be examined as part of this compliance audit.

For-profit recipients are required to submit audited financial statements to the Department as a part of the compliance audit. The compliance audit

generally should be coordinated with the recipient's existing financial statement audit. Auditors do not need to conduct the financial statement audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) but should instead conduct the financial statement audit in compliance with either Generally Accepted Auditing Standards ("GAAS") or standards put in place by the Public Company Accounting Oversight Board ("PCAOB"). However, auditors must conduct the compliance audit in accordance with GAAS and GAGAS. If the recipient is a subsidiary for which separate financial statements are not available, the recipient may submit the financial statements of the consolidated group.

Recipients that have one or more awards are required to have a compliance audit for each of these awards. The compliance audits and related reporting will generally follow the requirements for a program specific audit as set forth in Chapter 14 of the AICPA Audit Guide Government Auditing Standards and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Subpart F, Audit Requirements. The compliance requirements subject to testing are expected to be similar to those mandated for nonprofit recipients under the Uniform Guidance, Management Decisions, 200.521, Appendix XI to Part 200 - Compliance Supplement and include the following: activities allowed or un-allowed, allowable costs/cost principles, cash management, Davis Bacon Act, eligibility, equipment and real property management, matching/level of effort/earmarking, period of availability of federal funds, procurement/suspension/debarment, program income, real property acquisition/relocation assistance, reporting, sub-recipient monitoring, and special tests and provisions.

C. Guidance – Reserved

D. Other Pertinent Information

1. The compliance audit referenced in Policy item 4, generally should be coordinated with the recipient's existing financial statement audit. Auditors do not need to conduct the financial statement audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) but should instead conduct the financial statement audit in compliance with either Generally Accepted Auditing Standards ("GAAS") or standards put in place by the Public Company Accounting Oversight Board ("PCAOB"). However, auditors must conduct the compliance audit in accordance with GAAS and GAGAS. If the recipient is a subsidiary for which separate financial statements are not available, the recipient may submit the financial statements of the consolidated group.
2. The compliance audits and related reporting will generally follow the requirements for a program specific audit as set forth in Chapter 14 of the

AICPA Audit Guide Government Auditing Standards and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Subpart F, Audit Requirements. The compliance requirements subject to testing are expected to be similar to those mandated for non-profit recipients under the Uniform Guidance, Management Decisions, 200.521, Appendix XI to Part 200 - Compliance Supplement and include the following: activities allowed or un- allowed, allowable costs/cost principles, cash management, Davis Bacon Act, eligibility, equipment and real property management, matching/level of effort/earmarking, period of availability of federal funds, procurement/suspension/debarment, program income, real property acquisition/relocation assistance, reporting, sub-recipient monitoring, and special tests and provisions.

3. Program offices should review for additional information the Guidance and Decision Tree on Risk Mitigation When Applicants are Missing Single Audits which includes OGC approved actions and specific conditions.

1.7 Recordkeeping Requirements Related to the Grants Process

A. Policy

1. Program offices create, maintain, and dispose of the official grant file and the grant program competition files in compliance with the Departmental Directive ACSD-OCIO-012, "[Records and Information Management Program](#)"; 44 U.S.C. Chapters 21, 29, 31, and 33; and 36 C.F.R. Chapter XII, Subchapter B, and applicable ED Comprehensive Records Retention and Disposition Schedules and National Archives and Records Administrative General Records Schedules (GRS).
 - a. These files are maintained in either ED's grants management system, the Office 365 OneDrive (or any electronic platform succeeding the Office 365 OneDrive that is designated by ED).
2. If a program official determines that a program office cannot use the grants management system to maintain the official grant files, the program office's records liaison officer's (as the position is described in Directive OM 6:103), is obligated to:
 - a. Inform the ED records officer in writing, on an annual basis, of the program official's determination and the exact location of their 's official grant files in the Office 365 OneDrive or in any succeeding electronic platform designated by ED.
 - b. Program offices, for circumstances in which maintaining hard copy documents and files is necessary, submit a request to receive a waiver to

the electronic recordkeeping requirement following the Procedures in the Applicability section.

B. Procedures

1. Program offices, where the Handbook requires a signature to indicate an action was taken (e.g., acceptance, concurrence, approval), either sign a paper document containing the relevant information or “sign” electronically in the grants management system, or in other ED information systems, after the electronic submission of relevant information into these systems has occurred.
2. Program offices scan and upload signed paper documents into the electronic grant files.
3. Program officials, to maintain documents and files in hard copy, make a compelling case in writing for an electronic recordkeeping waiver and include:
 - a. The unique circumstance that justifies the need for maintaining hard copy files and documents.
 - b. The procedures or steps to be taken in order to move towards electronic recordkeeping.
 - c. The date by which these documents and files will be filed electronically, if possible.
4. Program offices, before destroying paper grant files converted to electronic formats, obtain authorization from their program attorney and ED’s Records Officer.
5. Approved waivers and other documents required to be stored in grant or competition files are placed into these files timely (see the sections [Developing, Maintaining, and Closing the Grant Program Competition File](#) and [The Official Grant File](#)).

C. Guidance

1. Program offices should maintain their official grant files in ED’s grants management system. This system is the preferred location because of unlimited document storage and because official grant file related processes are automated therein.
 - a. To foster increased electronic record retention, paper records should be converted contemporaneously with electronic records, and in accordance with applicable law, to electronic formats for the grants management

system or Office 365 OneDrive storage (or any electronic platform succeeding the Office 365 OneDrive that is designated by ED).

- b. Program offices, if transitioning from one file site to another, should minimize the transition time in order to avoid the file being maintained in two locations.
2. Program offices should maintain their electronic grant files in the grants management system using the Post- Award Monitoring (PAM) component, and their grant competition files using the Grant Set-Up module.
3. Program offices, if maintaining files using a combination of paper-based and electronic formats, should have a method established for quickly identifying the location of these files and for quickly retrieving documents.

D. Other Pertinent Information

1. Although grant records across ED are kept on paper, electronically, or by using a combination of the two, this Handbook discusses record retention requirements from the viewpoint of records in electronic format, primarily the ED-wide electronic grants management system.
2. The PAM component houses electronic grant files, and some documents are automatically stored in these files. For example, GANs and grant applications are automatically stored in the PAM grant file for the corresponding grantee.
3. The grants management system is ED's grants system of record. Program offices using and maintaining the PAM grant file as the ED official file allows for PAM to serve as ED's central repository for these files and allows for information sharing between program offices.
4. Information about PAM and its functionality is available in the online training manual.
5. While GMS meets all requirements established by National Archives and Records Administration (NARA), in particular those found in Title 36 of the C.F.R. (especially [36 C.F.R. part 1236](#)), the interpretations of this Handbook's recordkeeping requirements presume that other electronic systems used for creating and maintaining records of the grant process also meet the requirements established by NARA.

Chapter 2: Planning Activities

2.1 Introduction

The discretionary grant planning process includes all activities necessary to set up a discretionary grant program. This chapter addresses planning activities designed to assist ED in meeting its responsibilities to manage its programs with the broadest participation of interested parties in its competitions.

Specifically, this chapter focuses on:

1. Developing a POC spending plan,
2. Establishing schedules for all grant competitions within a POC,
3. Developing regulations and program priorities for grant competitions,
4. Developing performance measures for each program,
5. Evidence Reviews
6. Developing Notices Inviting Applications (NIAs) and application packages for each competition; and
7. Distributing application packages.

2.2 Planning Activities

2.2.1 Principal Office Spending Plan

A. Policy

1. POCs develop spending plans to: 1) ensure that ED is fully implementing its policies and priorities while making wise investments with its limited resources; 2) facilitate the clearance of notices for grant competitions; and
2. POCs submit spending plans for any program funds over which they have discretion. Spending plans do not cover programs or activities, such as formula grants, for which ED has no funding discretion, because Congress specifies how and to which entities funding for these programs and activities will be distributed
3. POCs include scheduling and funding information for new grant competitions, non- competing continuation (NCC) grant amounts, and new and continuing national activities, including those executed through contracts and interagency agreements, in their spending plans.

4. Spending plans total the full amount of discretionary funding available to a program and identify and describe each proposed activity that is to be supported.

B. Procedures

1. On a yearly basis, the director of the Office of Budget Service (Budget Service) issues a memorandum requesting the submission of spending plans.
2. The memorandum includes guidance documents and submission procedures to assist with the development of spending plans, and POCs use this information when developing their spending plans.
3. POCs submit their spending plans, for review by Budget Service, in accordance with the instructions by the due date provided in the spending plan memorandum issued by the director of Budget Service.

C. Guidance

1. POCs, in the development of spending plans, should consider the following questions:
 - a. Funding rationale:
 - b. Why does the program office plan to run a competition this year?
 - c. Is there a program in which funding down a previous slate is an option?
 - d. Is a competition required or are there other options for how to use the funding? Does ED have flexibility in use of funds that can be considered?
 - 1) Program policy elements:
 - e. Is rulemaking needed or will requirements be added through a waiver of rulemaking?
 - f. Are there programs in which the administrative or Secretary's priorities could be leveraged?
 - g. Is it appropriate to include a priority for evidence-based interventions?
 - h. Is there a need to develop notice of proposed priorities (NPP) and/or notice of final priorities (NFP) for any new program?
2. POCs consult with the Office of the Secretary (OS), Budget Service, the Office of Planning, Evaluation and Policy Development, Grants Policy Office (OPEPD/GPO), and the Office of General Counsel (OGC) when developing their spending plans.

D. Other Pertinent Information – Reserved**2.2.2 Grant Schedules****A. Policy**

1. Program offices develop yearly grant schedules that establish milestones for the awarding of new and NCC grants.
2. Individual program grant schedules reflect ED's goal to award new grants and NCC awards in accordance with ED's priorities and the needs of its stakeholders.

B. Procedures

1. Early in every fiscal year, GMPD issues a grant scheduling memorandum to POCs that formally initiates the process for entering the fiscal year's grant schedules for all discretionary grant programs into the grants management system and provides guidance on entering grant schedule milestones. It also includes a list of the data elements that will be tracked by ED to assess efficiency in the grant award process.
2. In accordance with the memorandum:
 - a. Program offices develop a grant schedule for each discretionary grant program that contains estimates of the number of new and NCC grants to be awarded, the dollar amount approved in the spending plan for the grants to be awarded, and the projected completion date for major steps in the award process.
 - b. If applicable, programs with new statutory authority or with new or revised funding priorities include the publication dates of regulations or funding priorities.
 - c. Program offices enter grant schedules for all discretionary grant programs into the grants management system by the due date stated in the grant scheduling memorandum, and update schedules throughout the year as needed.
3. The program official of each POC designates a grant scheduling representative. The grant scheduling representative is responsible for ensuring that grant schedules are entered or deleted from the grants management system, when appropriate, and for routinely updating them, if needed, based on his/her ongoing review of the data elements identified in the scheduling memorandum that are tracked by OPEPD/GPO to assess efficiency in the grant award process.

4. The grant scheduling representative enters individual schedules in the grants management system to award grants for:
 - a. Each program under which new grant or NCC awards are planned in the upcoming fiscal year;
 - b. Applications submitted for funding in the previous fiscal year that are being funded in the current fiscal year (see the sections [Funding Down the Slate](#) and [Mishandled Applications](#)); and
 - c. Congressionally-directed awards, also referred to as earmarks, (see the [Directed Awards](#) section). POCs establish a separate schedule for their directed awards for each Assistance Listing (AL) once they become aware of directed appropriations and that Congressionally- directed awards are to be funded.
5. The grant scheduling representative ensures that subprogram titles are consistently and accurately entered and maintained.
6. When creating a new subprogram title in the subprogram record field, grant scheduling representatives:
 - a. Base subprogram titles on regulatory language or derive them from the program statute.
 - b. Provide the full name of the subprogram title to ensure that the name entered clearly identifies the program, and only abbreviate words in long titles if the abbreviation can be easily understood.
 - c. For subprogram titles that contain acronyms or abbreviations, include the full subprogram title and the acronym or abbreviation after the full title (e.g., Graduate Assistance in Areas of National Need (GAANN)).

C. Guidance

1. In considering milestones for awarding new and NCC grants established in the grant scheduling memorandum, program offices should, if feasible, endeavor to make new awards earlier than the established milestones.
2. POCs should work to ensure that subprogram data in grant schedules are accurately maintained, and that subprogram titles remain consistent from year to year unless a statutory, regulatory, or other necessary change requires a modification to a title. To do so, the designated grant scheduling representative should, when rolling over a prior year subprogram, verify existing subprogram data to ensure correct spelling and accuracy of the entered title, and make any necessary corrections after the subprogram is rolled over.

D. Other Pertinent Information

1. The Secretary uses information from the grant schedules to monitor the status of each POC's efforts to meet major milestones in the awarding of new and NCC grants. ED uses these official data for a variety of internal and external purposes.

2.2.3 Assistance Listing Numbers (ALNs)**A. Policy**

1. Federal programs that are newly authorized by Congress must be announced in the Federal Assistance Listings on SAM.gov.
2. For a new program to be assigned an ALN, the program must have funding. ALNs are assigned to new programs, not to new competitions.
3. After 3 years of no obligations, a program's ALN is archived and becomes inactive. The numbers cannot be recycled or used by another program. However, if the archived program receives funding, the ALN can be unarchived for use.

B. Procedures

1. The grant scheduling representative initiates a request for an ALN for newly established programs by entering program description information into the grants management system. All fields must be completed and should be written in plain English, rather than copied from the statute. This information will ultimately be posted in [SAM.gov](https://sam.gov).
2. When the grant scheduling representative submits the request through the grants management system, the system notifies the Budget Policy and Coordination Division (BPCD) analyst. The BPCD analyst reviews the request.
 - a. If any data are missing or insufficiently documented, the BPCD analyst rejects the request in the grants management system, citing a justification, and returns it to program offices for completion.
 - b. If the data are acceptable, the BPCD analyst enters the information into the OMB Assistance Listing system, [SAM.gov](https://sam.gov).
 - c. It takes an estimated two weeks from the time the data are submitted into SAM.gov for OMB to approve the request and assign a new ALN.
3. After OMB approves and assigns the ALN, the BPCD analyst updates the information in the grants management system template with the new ALN,

officially approving the request; the system automatically notifies the grant scheduling representative of approval.

C. Guidance

1. On a yearly basis, Budget Service reviews all currently active ALNs to verify the accuracy of information published on the [ALNs website](#).

D. Other Pertinent Information

1. The Assistance Listings on [SAM.gov](#) is a Federal assistance database that incorporates all Federal agency programs that provide financial assistance, such as grants, within the United States.

2.2.4 Funding Down the Slate (from previous or same year competition)

A. Policy

1. If program offices receive enough high-quality applications to enable funding down the slate (i.e., funding applications from a previous competition), and it is not otherwise prohibited in statute or regulations, then funding down the slate in a subsequent year is allowable.
2. Program offices notify the public about the possibility of funding down the slate, in the future, in the NIA, using the language specified in [Chapter J of the Regulatory Quality Manual \(RQM\)](#).
3. Program offices fund additional applications from a competition (i.e., when additional funding becomes available later to fund additional applications within the competition).

B. Procedures

1. The POC, after reviewing the applications received under the competition, and in consultation with the program attorney determines that it has the legal authority to fund down the slate and that there are sufficient high-quality applications to fund down the slate. Specifically, the following standards apply when funding down the slate:
 - a. Current fiscal year funds are available for projects that can be funded under the same program statute, regulations, and priorities established for the previous competition.
 - b. The Principal Officer specifically authorizes using the same slate from a previous fiscal year to recommend grant awards for a subsequent fiscal year.

- c. A decision to fund down the slate is not inconsistent with congressional intent as evidenced by appropriations acts or report language, and the applications are of comparable quality to those applications previously funded that the program office would have funded them in the prior year if they had sufficient funding to do so.
 - d. The order in which applicants are recommended for funding in the subsequent year remains the same as was identified in a prior year slate, unless an applicant recommended for funding down the slate in a subsequent year is removed because contact with the applicant (see Procedure item 3) reveals that the applicant is no longer eligible to receive a grant award or no longer has the desire to receive a grant.
2. The grant scheduling representative creates a new discretionary grant schedule in the grants management system using the “Funding Down the Slate” schedule type. The grants management system automatically uses current fiscal year data and reassigns the application’s new or current fiscal year PR/Award numbers.
3. The program office, if it did not do so originally, performs a budget review (see section [Cost Analysis and Budget Review](#)) to determine that cost items in an applicant’s proposed Federal and non-Federal budgets are related to specific project activities and that those costs are allowable, allocable, and reasonable in accordance with the Federal cost principles in [2 C.F.R § 200 subpart E](#). The program office removes from the applicant’s budget any expenses that are determined to be unallowable.
4. When funding further down a slate of recommended applicants from a prior fiscal year, program offices contact applicants to confirm their continued eligibility, their capacity to carry out their proposed project as described in their application, and to verify and update applicant information. During these contacts, programs do not indicate to applicants that they are being considered for funding or that they will be funded, but rather, that ED requires updated information.
 - a. If the funds available are insufficient to make a full award to an applicant, programs may inquire whether the grantee would accept a reduced award.
 - b. If an applicant is willing to accept a decreased award amount, the applicant submits a revised budget and narrative so that their proposed goals and objectives could be accomplished with the reduced award, if necessary.
 - c. Program offices review the revised budget and narrative from the applicant to ensure the project remains within the same scope and objectives of the original application prior to making the award consistent

with the section, [Pre-Award Activities](#). If the submitted revised budget and narrative will not be within the scope and objectives of the original application, program offices do not make an award to that applicant.

5. Program offices document the Principal Officer's decision to fund these applications in the Grant Funding Slate.
 - a. Program offices complete the Grant Funding Slate to recommend funding applications from the prior competition by adhering to the requirements included in the [New Slate Memo Template](#), and include any or all of the applicable tables (which are included as components to the ED Grant Funding Slate Template), ensuring that the tables are completed in accordance with requirements and guidance provided with the table templates (see the section [Grant Funding Slate - New Grants](#)).
 - b. Program offices adhere to established procedures for intradepartmental review and approval of the Grant Funding Slate prior to making the awards.
 - c. Documentation reflecting the decision to fund down the slate is included in the Competition File that was created for the original competition as well as in the Competition File under which applications were funded along with the Grant Funding Slate.

C. Guidance

1. Generally, funding down the slate is appropriate for highly competitive programs, i.e., those with more high-quality applications than can be funded in a given year.
2. Funding down from the same slate in more than one fiscal year is permitted wherever the standards specified in the Procedures section are met and the following conditions apply:
 - a. Funding down the slate is not contrary to stated budget policy of the Administration.
 - b. The cost, time, and resources of running a new competition (e.g., peer review costs) outweighs the benefit of a new competition.
 - c. Funding down the slate would not unduly limit the competitive nature of the program (i.e., there are potential applicants in year two that would be able to submit fundable applications that are not being allowed to do so because of our decision).
 - d. There is no obvious reason to believe that the time lag has created an inability of the applicant to successfully carry out the project initially

proposed (e.g., the institution is still in good standing, it still can recruit participants, the project director has not left the agency, etc.).

3. Program offices consult, as needed, with OS, Budget Service, OPEPD/GPO, and the program attorney when considering the applicability of the standards established in the Procedures section and the conditions listed for consideration in this section.

D. Other Pertinent Information

1. The New Slate Memo Template and its attachments are available at the following link: [Grant Funding Slate Template](#).

2.2.5 Competition Planning and Pre-Clearance Meetings

A. Policy

1. Program offices collaborate with their program attorney, OPEPD/GPO, OS, Budget Service, and other offices as appropriate in planning grant competitions.

B. Procedures

1. Program offices, prior to developing NIAs, work with OPEPD/GPO, and other staff offices, as appropriate for collaborative discussions about the planning and strategic direction of upcoming grant program competitions.
2. Program offices' consideration of the topics and questions under the Guidance section below contributes to competition planning and informative discussions at pre-clearance meetings.
3. A pre-clearance meeting before the NIA goes into intradepartmental clearance may be needed depending on the nature of the program.

C. Guidance

1. Program offices may consider the topics below as early as developing spending plans; however, when planning grant competitions, and prior to developing NIAs, the following topics and questions should be considered:
 - a. Purpose and need
 - b. What are the purpose and goals of the program?
 - c. Has the field identified a need for the competition or provided relevant input to inform its design?

d. Funding rationale

Why does the program office plan to run a competition this year?

Is ED required to run this competition or are there other options for how to use the funding?

Does ED have flexibility in use of funds that can be considered?

e. Program policy elements

1) Requirements:

- a) What, if any, statutory requirements (including requirements from appropriations language) or existing regulatory requirements must be included?
- b) Is the program office proposing to add other requirements by going through rulemaking, or is the program office establishing requirements through a waiver of rulemaking?

2) Priorities:

- a) What priorities, if any, are required by statute or appropriations language?
- b) Which of the Secretary's priorities could be leveraged under this program?
- c) Is it appropriate to include a priority for evidence-based interventions?

3) Selection criteria:

- a) How has past practice informed which selection criteria and factors the program office is proposing to use?
- b) Which selection criteria and factors are most likely to differentiate peer review scores?
- c) What kind of evaluation, if any, is appropriate for the proposed projects under the program, and how can the evaluation selection criteria be crafted to ensure applicants are planning for evaluation? When considering this question, the grant size, the mix of required and allowable activities, and the state of evidence in the field inform whether performance measurement or a rigorous evaluation such as experimental/quasi-experimental design studies is appropriate.

- 4) Performance measures:
 - a) What are the program/project performance measures?
 - b) Are they focused on outcomes or outputs²?
 - c) What is the quality of the data and are there opportunities to improve the measures?
 - d) Are the measures designed in a way to allow the data to inform the broader education community?
- f. Pre-application assistance and outreach
 - 1) How is information shared about the grant opportunity?
 - 2) What steps can ED take to ensure outreach is not limited to those who have applied or received grants in the past?
 - 3) What can ED do to make the grant opportunity more approachable for new applicants (e.g., pre-application webinars, outreach to broader stakeholders in collaboration with OCO, revised application or program requirements)?
 - 4) What is enough time for the application period?
 - a) Program offices when determining how long to keep a competition open should consider the size, scope, and requirements in the NIA.
- g. Clearance
 - 1) How has the program office partnered with any additional offices to design the competition, if applicable?
 - 2) Which offices should review the notice in clearance?

D. Other Pertinent Information - Reserved

2.3 Developing Regulatory Documents

A. Policy

1. Program offices follow the template in the Regulations Quality Manual ([RQM](#)) when developing NIAs or other applicable documents. The RQM was developed by Regulatory Services Division (RSD) and contains a preface titled "[Principles for Regulating](#)" that describes the principles for and process

² Outputs are goods or services produced by the project whereas outcomes are the results of the project.

of regulating, encourages ED to limit the number of times it regulates, and serves as a guide for ED staff involved in drafting or reviewing regulatory documents.

2. ED's policy is to use absolute or competitive preferences priorities for grant competitions only where necessary to achieve a desired policy objective. Program offices announce these priorities in NIAs in the *Federal Register*.

B. Procedures

1. The procedures used to develop a *Federal Register* document, such as an NIA, may vary. In the following table, the first column lists the type of document or documents that may need to be prepared to conduct a grant competition. The second column identifies the chapter of ED's RQM that contains the appropriate ED template for the style and format for that document. The procedures and chapters of the RQM referenced in the table on the following page are available at the following link: [RQM](#).

If you are preparing...	see the following chapter of the RQM...
A Notice of Proposed Rulemaking (NPRM) or final regulations subject to the notice and comment rulemaking requirements of the Administrative Procedure Act	B for NPRMs or D for final regulations
Final regulations that waive rulemaking	E
A Notice Inviting Applications (NIA)	J
A Notice of Proposed Priority or Priorities (NPP) for one program	O
A Notice of Final Priority or Priorities (NFP) for one program	P

2. If the type of document being prepared does not correspond with an entry in the table or there are questions regarding the instructions, contact the Regulations Quality Officer or the Regulations Coordinator in RSD for the specific program or type of document.
3. Program offices consult with the program attorney for guidance when developing *Federal Register* documents.

4. Program offices always consult with the program attorney when establishing funding priorities (i.e., absolute, competitive preference, and invitational priorities) and when determining who should review and score them.

C. Guidance – Reserved

D. Other Pertinent Information

1. The [RQM](#) is a clear, concise guide to use in drafting or reviewing applicable documents. Because this manual is a working document, OGC may revise it in response to new laws, new OMB Federal-wide requirements, and changes to ED's grant award and administration processes.

2.4 Grant Program Performance Measures

A. Policy

1. Program offices ensure the timely collection and analysis of program performance data.
 - a. Program offices collect data on the performance of projects and programs administered by ED to inform regular program improvements and to provide greater transparency to Congress and members of the public about the Department's management and impact.
 - b. Budget Service is responsible for coordinating the development, approval, and reporting of ED's performance measures.

B. Procedures

1. Program offices collaborate with Budget Service, OPEPD/GPO, the program attorney, and OS as needed in developing the performance measures, and Budget Service facilitates OMB approval of the new measures.
2. Program offices report program performance data on all established measures at least annually.

C. Guidance

1. ED collects data on the performance of projects and programs administered by the Agency to inform regular program improvements and to provide greater transparency to Congress and members of the public about ED's management and impact.
2. Budget Service has primary responsibility for coordinating the development, approval, and reporting of performance measures.

3. There are two types of measures that ED may establish for a grant program:
 - a. Performance measures so that ED can provide information to OMB, in accordance with the Government Performance and Results Act of 1993 (GPRA) and the GPRA Modernization Act of 2010 about its programs performance; and
 - b. Performance measurement requirements for a grant competition under [EDGAR § 75.110](#). These may include requirements for performance measures, baseline data, or performance targets, or a requirement that applicants propose in their applications one or more of their own performance measures, baseline data, or performance targets.
4. At pre-application workshops, or other application assistance venues, program offices should:
 - a. Inform participants of the importance of performance when conceptualizing the design, implementation, and evaluation of their proposed projects.

D. Other Pertinent Information

1. OMB measures the effectiveness of an agency in meeting the goals of its programs.
2. The [GPRA](#) and the [GPRA Modernization Act of 2010](#) direct Federal departments and agencies to improve the effectiveness of their programs by engaging in strategic planning, setting outcome-related goals, and measuring results against those goals.

2.5 Application Packages and Notices

2.5.1 Application Packages

A. Policy

1. Program offices receive requests for funding under discretionary grant competitions through the ED generic application package or through ED program- specific application packages.
 - a. Program offices use the generic application package whenever possible.
2. Program-specific application packages are used when it is necessary to collect information or to use forms beyond what the generic application package collects (e.g., collecting application information specific to a program that cannot be captured in the generic application package, including

application package items that are required by a specific program's statute or regulations that are not already included in the generic application package).

B. Procedures

1. Generic Application Package:

- a. When program offices use the generic application package (OMB control number 1894-0006), the package is used in its entirety. Additional program specific forms or other information-gathering requirements beyond what the generic application package contains are not added to the generic application package.
- b. Generic application packages are reviewed by the program attorney before being posted for a competition.
- c. During the time between triennial OMB approvals for the generic application package (see the Other Pertinent Information section below), program offices may ask to have a program added to the package clearance and have its burden included by submitting a one-page 83-C change request form to OMB through the Strategic Collections and Clearing (SCC) office. Program offices also use this form to update information about a program previously included as part of the initial GMPD triennial submission to OMB. Approval from OMB for change requests usually requires approximately ten business days.

2. Program-Specific Application Package:

- a. Program-specific application packages are cleared through the OMB information collection clearance process (1894-0001) before they are made available to potential applicants.
- b. Proposed program-specific application packages are reviewed by the program attorney and Budget Service prior to any internal clearance or clearance with OMB.
- c. Program offices work closely with SCC during the development process, to ensure compliance with information collection requirements, and follow the procedure established by SCC to clear the program-specific application package. The ICR will receive its separate OMB control number upon OMB approval.
- d. Program-specific application packages are consistent with ED policies and applicable statutory or regulatory requirements (e.g., program-specific application packages include the scoring rubrics that will be used to review and score applications, if applicable (see the [Scoring Rubrics](#) section).

3. Generic and program-specific application packages and their associated NIAs refer applicants to ED's Common Instructions for Applicants to Department of Education Discretionary Grant Programs (Common Instructions), available at: [Federal Register Vol. 86 FR 73264](#), to inform applicants of the requirement to have a Unique Entity Identifier (UEI) number and Taxpayer Identification Number (TIN) registered with the System for Award Management (SAM), the U.S. Federal Government's primary registrant database, in order to receive payments and do business with ED.
4. Application packages are posted for access by potential applicants in Grants.gov. Before application packages are posted in Grants.gov, the associated grant competitions are announced in NIAs in the *Federal Register*, as addressed in the section [Notices Inviting Applications \(NIA\)](#).

C. Guidance

1. If an application package is using only standard Department or Federal-wide grant applications forms that have already been approved by OMB, and selection criteria from the following sources (including combinations of the following sources)³, the program office may use the generic application package:
 - a. Selection criteria from [34 C.F.R. 75.210](#).
 - b. Selection criteria based on statutory provisions, as authorized under [34 C.F.R. 75.209](#).
 - 1) Example of a selection criterion based on a statutorily required use of funds (statutory language is underlined (Section 6133(e)(1)(B) of the Elementary and Secondary Education Act of 1965): The Secretary will evaluate the quality of the applicant's plan to provide professional development for teachers and, as appropriate, staff and administrators to strengthen the overall language and academic goals of the school that will be served by the grant program.
 - 2) This is an example of a selection criterion based on a statutory allowable use, but under [34 C.F.R. 75.209](#), a program could create selection criteria from other statutory language including application requirements, program purposes, or other pre-award and post-award conditions.

³ In general, an application package that uses application requirements would or would not be able to use the generic clearance process under the same conditions as set out for application packages using various types of selection criteria. Whether the use of application requirements would implicate the Paperwork Reduction Act (and, therefore, the generic clearance process) needs to be determined on a case-by-case basis that considers if the application requirements introduce any new, substantive elements that have not been previously approved by OMB.

- c. Selection criteria based on regulatory provisions, and there is an ICR accompanying that regulatory provision that has undergone notice and comment, as authorized under [34 C.F.R. 75.209](#).
 - 1) Example of a selection criterion based on a requirement from the C.F.R. (regulatory requirement is underlined (34 C.F.R. 263.11(a)): The Secretary will consider the quality of the applicant's plan to, prior to providing funds or services to a participant, conduct a payback meeting with the participant to explain the costs of training and payback responsibilities following the training.
 - 2) This is an example of a selection criterion based on a regulatory allowable use of funds, but under 34 C.F.R. 75.209, a program could create selection criteria from other regulatory language including application requirements, program purposes, or other pre-award and post-award conditions.
 - 3) NOTE: The generic process is available for application packages using recently established regulatory provisions ⁴ that are the basis of the selection criteria only where there was a separate ICR accompanying the recently established regulations that was submitted to OMB simultaneously with the proposed rule and the ICR has undergone its own notice and comment and OMB has approved the ICR before it is used as a selection criterion.
- d. Selection criteria from regulatory provisions and the accompanying ICR has undergone notice and comment
 - 1) Example: 34 C.F.R. 263.6(a): (a) Need for project. In determining the need for the proposed project, the Secretary considers one or more of the following:
 - a) The extent to which the proposed project will prepare personnel in specific fields in which shortages have been demonstrated through a job market analysis.
 - b) NOTE: most programs do not have regulatory provisions (i.e., provisions in the C.F.R.) containing selection criteria.
 - c) NOTE: The generic process is available for application packages using recently established selection criteria from regulatory provisions only where the separate ICR accompanying the recently established regulations has been submitted to OMB simultaneously with the proposed rule and the ICR has undergone its own notice

⁴ A regulatory provision is "recently established" where it has not been used in a discretionary grant competition previously.

and comment and OMB has approved the ICR before it is used as a selection criterion.

- e. Selection criteria that have been developed through a Notice of Final Priorities (NFP) and the accompanying ICR has undergone notice and comment.
 - 1) Example: Final Priorities, Requirements, Definitions, and Selection Criteria-Expanding Opportunity Through Quality Charter Schools Program; Grants to Charter Management Organizations for the Replication and Expansion of High-Quality Charter Schools
 - 2) NOTE: The generic process is available for application packages using recently established selection criteria⁵ developed through an NFP only where there was a separate ICR accompanying the recently established NFP that was submitted to OMB simultaneously with the NFP and the ICR has undergone its own notice and comment and OMB has approved the ICR before it is used as a selection criterion.
- f. Some programs have program-specific priorities, application requirements, or other types of requirements that are established through the rulemaking process or in the notice inviting applications based on statute or regulations. If these priorities or requirements do not require a program-specific form for applicants to comply, a program office may use the generic application package. This is true regardless of the source of authority for these requirements (e.g., requirements based on statute or regulations).
 - 1) Example: A notice inviting applications using selection criteria from the list above includes a requirement based on statutory language that applicants must assure to meeting certain requirements but does not need a particular form for applicants to meet this requirement (applicants determine how to include this “assurance” in their individual applications).
 - 2. Application package involving selection criteria that have been developed using a waiver of rulemaking (“GEPA waiver”): When the Department runs the first competition under a new or substantially revised program authority, section 437(d)(1) of the General Education Provisions Act (GEPA) allows the Department to waive the notice-and-comment rulemaking requirements that normally apply. Programs that establish program-specific selection criteria through this process may not use the generic application package, and instead must go through the streamlined discretionary grants clearance process. This involves a 60-day clearance process in which OMB will review

⁵ A regulatory provision is “recently established” where it has not been used in a discretionary grant competition previously.

the program-specific form in conjunction with the accompanying notice. Please consult with the Strategic Collections and Clearance (SCC) office for more information about clearance procedures.

- a. If a competition uses the GEPA waiver to establish priorities or requirements that apply to the competition, but not selection criteria (and instead uses only selection criteria from section 1 above), and these program-specific priorities or requirements do not involve program-specific forms, it may use the generic application package.
 - 1) Example: A notice inviting applications uses the GEPA waiver to establish an application requirement, but this requirement does not require the use of a program-specific form. The notice inviting applications uses only selection criteria from 34 C.F.R. 75.210. This program may use the generic application package.
- b. However, if the selection criteria established pursuant to a GEPA waiver do not require the collection of additional information from applicants because the data are collected under a separate approved OMB ICR, the program may use the generic application (unless these criteria require the use of a program-specific form) because these criteria do not introduce any new burden on applicants.
 - 1) Example: A notice inviting applications from institutions of higher education uses the GEPA waiver to establish new selection criteria to evaluate applications based on “Need” where “Need” is assessed based on the percentage of students enrolled at the institutions of higher education who are Pell recipients. If the Department plans to use the data available in the NCES IPEDS data collection to apply these criteria, then the new criteria do not introduce any new burden or require the collection of any new information. Consequently, this program can use the generic application.
3. Since program-specific application packages can potentially require much time and effort to prepare and clear through OMB for information collection, programs should begin working on application packages early in the process of planning for grant competitions.
4. Program offices should make every effort to distribute application packages to as many potential applicants as possible by placing application packages on the ED website and Grants.gov, or any other medium that can make applications widely available. However, regardless of where the package is made available, all applicants will follow the submission instructions noted in the [Common Instructions](#).

5. Program offices using a previously approved program-specific application package in their competition should actively monitor the renewal/expiration dates of their application package to ensure that their approval will not expire prior to the time of the competition.

D. Other Pertinent Information

1. One of the chief advantages the generic application package offers to program offices is that it has already received OMB approval and does not require POCs to obtain approval independently.
 - a. GMPD, once every three years, submits to OMB on behalf of ED, the “umbrella” request for clearance of the package, which includes paperwork burden data for all programs that have asked to be included as of the date of submission.
 - b. Once OMB approves the package for the next three years, covered programs do not need to do anything else, unless information about a program or its burden data substantially changes.
2. The generic application package is also cleared for the purpose of using statutory, regulatory (selection criteria that program offices have created through rulemaking for a specific program), or EDGAR selection criteria, thus, making it of particular benefit to programs that do not have established criteria, and that can achieve their competition objectives by using the general EDGAR selection criteria.
3. The generic application package contains a collection of required forms and documents commonly used by many programs for their discretionary grant competitions. The generic application package and required information that is included in program-specific application packages is available at the following link: [Grant Application Toolkit](#).
4. The SCC staff manages ED’s information collection process. A list of SCC contacts, policy and guidance on the information collection process and the Paperwork Reduction Act (PRA) of 1995, as well as, the “Guide to the Information Clearance Process” are available at the following link: [Information Collection](#).

2.5.2 Changes to an Approved Program-Specific Application Package

A. Policy

1. Program offices consult with their Information Collection Coordinator (ICC) or SCC liaison before making changes to an OMB approved application package.

B. Procedures

1. Program offices seek an Information Collection Clearance from OMB if changes are needed to an approved application package, when the changes are substantive or non-substantive in nature, and there are possible reporting burden adjustments associated with changes to an approved application package.
 - a. A substantive change (or revision) is a change that impacts the application requirements, the number of respondents (applicants) due to adding a new respondent group/entity, or burden hours. These types of changes require the submission of an information collection request to SCC.
 - b. A non-substantive change requires an OMB 83-C form be submitted to SCC with the modified application document and a detailed explanation of the changes. Before making a non-substantive change to an approved application, programs consult with SCC who determines if the change is substantive, such that it impacts the application requirements, the number of respondents (applicants) or burden hours and provides advice on how to proceed.
 - c. Non-substantive changes require OMB approval to keep the official record current, but do not require a full information collection request. Rather, program offices complete an OMB 83-C form and provide the modified document with a detailed explanation of the changes.
 - d. Non-substantive changes include clarifying language that do not impose new data elements or burden, date changes and editing corrections that are fixes and are not considered substantive (no new burden), or minor changes that do not impact applicant burden or application submission requirements. Note that if program offices only change the dates for the subsequent year or fixes minor typos, they will not require an OMB 83-C request.
2. Changes to a grant application package posted to Grants.gov with an error:
 - a. Program offices determine how the PRA process impacts correction of the error, to decide how best to correct the error. Minor errors, such as typos or date changes, do not need to go through the PRA process.

- b. For application packages with non-substantive errors, a correction may be made without SCC involvement, and it should be made in Grants.gov when possible. For example, an incorrect funding dollar amount can be corrected immediately via Grants.gov and without SCC involvement.
3. Changes to an approved grant application package:
 - a. For application packages that require substantive changes, program offices consult with SCC to confirm that OMB Information Clearance Collection is required and follow SCC guidance to complete an information collection request. All substantive changes are resubmitted to SCC for full information collection clearance. An OMB 83-C form cannot be used for substantive changes.
 - b. For application packages that require non-substantive changes, SCC processes and sends an OMB 83-C form from the program office, with an explanation for the detailed changes, and latest draft application package to OMB for approval.
4. Requests with substantive changes to application packages go through a 30-day comment period and another 30 days for OMB's review and approval. If the grant does not fit the generic clearance, OMB requires a 30-day comment period notice for all other discretionary grants under the streamlined clearance process (OMB waived the 60-day comment period notice) but OMB can take a full 60 days to review/approve the request. Generic grants do not require comment period notices once approved under the generic clearance vehicle via an OMB 83-C request; subsequent OMB 83-Cs are not required if they continue to fit under the generic clearance.
5. OMB approves the latest draft application package prior to it being made available to the public, which can take from 10-20 business days once an OMB 83-C is submitted to OMB.
6. Program offices will notify applicants and Grants.gov of the subsequent revision.
7. In cases where there is an inconsistency between the NIA and the application package, the NIA must be followed, as opposed to materials in the application package. If the NIA is incorrect, a correction notice in the *Federal Register* is issued.

C. Guidance – Reserved**D. Other Pertinent Information**

1. The SCC contacts, policy and guidance on the information collection process and the PRA, as well as SCC's "Guide to the Information Clearance Process," are available at the following link: [Information Collection](#)

2.5.3 Notifying Applicants of ED's Indirect Cost Requirements**A. Policy**

1. Program offices inform applicants, in the application package, about the program's policy for reimbursing grantees for indirect costs that they incur as they undertake their projects.
2. Program offices include, in the application package, the appropriate indirect cost guidance for the grant program for applicants to understand the indirect cost reimbursement requirements under the program funding the competition, and to be able to estimate indirect costs more accurately in their application budget.
3. For programs that do not provide indirect cost reimbursement under awards (No Reimbursement), applicants are made aware that unreimbursed indirect costs under grants of the program may not be charged as direct cost items in the same award, used to satisfy cost sharing or matching requirements, or charged to another Federal award.
4. For detailed information about indirect cost reimbursement requirements and other indirect cost related information and requirements, see the following sections: [Indirect Costs - General](#), [Indirect Costs – Temporary Rates Plus Negotiated Agreements](#), [Indirect Costs – Temporary Rates – Retroactive Recovery](#), [Indirect Costs – De Minimis Rate – No Negotiation](#), [Indirect Costs – Training Grants](#), [Indirect Costs – Restricted Rate Programs](#).

B. Procedures

1. Program offices include the insert titled, "Program Application Indirect Cost Instructions" in the grant competition application package.

C. Guidance – Reserved**D. Other Pertinent Information**

1. Program offices access the indirect cost application package guidance insert titled, "Program Application Indirect Cost Instructions" at the following link: [Grant Application Toolkit](#).

2.

2.5.4 Sources of Funding Information

A. Policy

1. Program offices, in accordance with the requirements in [2 C.F.R. § 200.203](#), and to provide public notice of Federal financial assistance programs, publish, in various media, information about the grant programs and competitions under which ED expects to invite applications for new grant or cooperative agreement awards.

B. Procedures

1. Programs offices facilitate the posting of information for the public's benefit about the grant programs and competitions for new grant or cooperative agreement awards on ED.gov, [Grants.gov](#), and on ED's Grants Forecast webpages.

C. Guidance – Reserved

D. Other Pertinent Information

1. Potential applicants can obtain information about grant programs and competitions through:
 - a. The Assistance Listings on [SAM.gov](#) – The Assistance Listings is a Federal assistance database that incorporates all Federal agency programs that provide financial assistance, such as grants, within the United States.
 - b. [ED.gov](#) – Potential applicants can access information on discretionary grant funding by accessing ED's website and selecting the "Grants" link.
 - c. [Grants.gov](#) – The Federal government maintains a portal for electronic grant applications at [Grants.gov](#). ED is committed to using [Grants.gov](#) for all its grant competitions. This portal has a feature called "Search Grants" that prospective applicants can use to locate grant opportunities from all Federal grant making agencies, and which also leads to the NIA published for a competition. ED currently posts notice of all its grant competitions on [Grants.gov](#).
 - d. [ED's Grants Forecast](#) – The forecast is intended to assist potential applicants in planning projects and activities for upcoming ED competitions. The forecast is advisory only, and not an official NIA. It provides actual or estimated deadline dates for the submission of

applications and the names and telephone numbers of persons to contact for information about a specific program.

2.5.5 Evidence Reviews

A. Policy

1. Program offices conduct grant competitions that measure the extent to which applicants address any of the four tiers of evidence established in [EDGAR](#) for grant programs that provide funding based on how well grant applications contain evidence demonstrating the effectiveness of their proposed grant projects.
 - a. The four tiers of evidence (i.e., Evidence that Demonstrate a Rationale, Promising Evidence, Moderate Evidence, and Strong Evidence) range from a Logic Model informed by relevant research or evaluation findings, for those program offices that aim to fund projects in the design and development stage that do not yet have an established evidence base demonstrating effectiveness, to projects that are supported by Moderate Evidence or Strong Evidence.
2. Program office work with the Institute of Education Sciences (IES) as established in the Procedures section below when required by the listed procedure.
3. Program offices specifically work with the [What Works Clearinghouse](#) (WWC), which was established by IES for the purpose of using rigorous and relevant research, evaluation, and statistics to inform efforts to improve the nation's education system.
 - a. The WWC, as it relates to grant competitions, uses its evidence standards to review, rate, and summarize original studies that focus on the effectiveness of education interventions (programs, policies, practices, or products) that are meant to improve education outcomes, including outcomes for students and teachers.
 - b. Under EDGAR, studies must meet WWC evidence standards as well as additional requirements to provide Moderate Evidence or Strong Evidence.

B. Procedures

1. Using evidence as an "Entry Requirement."
 - a. Planning the Competition: During ED's annual spending plan process, program offices work with the OPEPD/GPO, Budget Service and IES to

determine whether it is appropriate to use one (or more than one) of the evidence tiers in their competitions.

- 1) In general, the WWC will only assess citations as providing Moderate Evidence or Strong Evidence, not Promising Evidence or Evidence that Demonstrates a Rationale.
 - 2) Any assessments of lower tiers of evidence may require program offices to form panels of external reviewers familiar with education research and effectiveness studies.
 - 3) IES can provide a list of WWC-certified reviewers who are qualified to assess studies for Promising Evidence, which does not require a full WWC review, and may be able to suggest other reviewers with a research background appropriate for reviewing evidence submitted with applications.
- b. Designing the Review: When including a priority in their competition for Strong Evidence, Moderate Evidence, or Promising Evidence, program offices describe in the ATRP the review process for determining whether an application is supported by the designated tier of evidence. The process discusses how program offices will document that each application was reviewed as well as the assessment and recommendation from each review.
- 1) For priorities for projects supported by Strong Evidence or Moderate Evidence, program offices work with IES/WWC to conduct the review.
 - 2) For priorities for projects supported by Promising Evidence, program offices may use external peer reviewers with appropriate expertise to conduct the review.
 - 3) If the program is using an absolute priority for projects supported by Promising Evidence, ED staff make the final decision on whether each application meets the absolute priority.
- c. Timing the Review: Program offices build an estimate of costs into the amount allowed for peer review as well as estimate the amount of time needed to conduct an evidence-based competition.
- 1) IES asks program offices to encourage applicants, in their pre-application assistance efforts, to use practice guides, intervention reports, or previously reviewed studies in support of their application so that programs do not incur new expenses since each new study that needs to be reviewed currently costs a little more than \$3000.

- 2) Program offices use the table titled, Process for Conducting Reviews of Evidence Submitted as an 'Entry Requirement' as a guide to assist with this process available at Documents and Forms Referenced in the Handbook for the Discretionary Grant Process.
 - 3) Depending on the tier of evidence being used, program offices may be able to incorporate the evidence review into the peer review process. However, if using Moderate Evidence or Strong Evidence, program offices coordinate with IES about plans for those reviews, as described in the Guidance section (1)(b) below. This is a necessary step due to the complexity of the definitions for Moderate Evidence and Strong Evidence.
2. Program offices' grant competitions ask applicants to submit evidence of effectiveness in support of their proposed projects --- Reviewing evidence as an "Entry Requirement":
 - a. Program offices use the Evidence Form in the application package to identify the studies cited by applicants that are to be reviewed. For programs using a priority for projects supported by Strong Evidence or Moderate Evidence they coordinate the review of those citations with IES by providing the citations in a consistent Excel format for use by the WWC.
 - b. Program offices using Moderate Evidence, Strong Evidence or Promising Evidence as an entry requirement include language in the NIA defining the evidence definitions being used and specifying the maximum⁶ number of study citations an applicant may include in its application for the evidence review. IES and OPEPD/GPO can comment, prior to the publication of the NIA, on the evidence-related terms proposed for that document.
 - c. For competitions with a high volume of applicants, programs using Moderate Evidence or Strong Evidence only request WWC evidence reviews for studies cited in highly rated applications after the completion of peer review.
 - d. The results of the WWC review of each cited study are summarized in Word documents known as evidence templates. Program offices should agree with the WWC team on the format of those templates, which should correspond with the evidence definitions in the NIA.
 - 1) As part of the WWC review, IES provides information to the program offices about the intervention, population, and setting for each study citation that was reviewed, and program offices, often taking into

⁶ 3 Program offices may specify a maximum number of study citations allowed since this is a procedural matter which does not require rulemaking under the Administrative Procedures Act (APA).

account the conclusions of panelists reviewing applications, use that information to make a determination about the relevance of the intervention, population, and setting of the study compared to what the applicant is proposing in the application.

- 2) It is important to note that IES only evaluates whether a study citation meets the strength of evidence requirements for Moderate Evidence or Strong Evidence; program offices ultimately assess whether the study citation is relevant to the proposed project. Both the standards for rigor and relevance must be met in order to determine whether an application meets the evidence standard established for the competition.
- e. Promising evidence is reviewed via a peer review process, using reviewers with a research background appropriate for reviewing evidence submitted with applications.
 - 1) Program offices consult with IES and OPEPD/GPO, and other grants' program staff to create an evidence template that meets their program's needs based on the evidence definitions in the NIA.
 - 2) Evidence peer reviewers will review each citation provided on the evidence form in the application to review whether it meets the requirements for promising evidence.
 - 3) If program offices need help retrieving a citation listed by a grant application, then the specific part of IES that would help is the National Library of Education.
 - 4) Evidence peer reviewers can also provide feedback on the relevance of the citation to the proposed project, but program offices are ultimately responsible for assessing whether the citation is relevant to the proposed project.
 - 5) Both the standards for rigor and relevance must be met in order to determine whether an application meets the evidence standard established for the competition.
3. Using evidence as an "Exit Requirement":
 - a. When deciding to use selection factors under [EDGAR § 75.210\(h\)](#) (Quality of the Project Evaluation) to encourage applicants to propose methods of evaluation that would produce evidence about their project's effectiveness, program offices, in the NIA for a grant competition, communicate the program office's expectations that applicants will address how they will make the findings from their project evaluations publicly available. Consultation with IES is desirable to assess the feasibility of expecting

projects to plan evaluations to build Promising Evidence or meet WWC evidence standards. At a minimum, IES should be asked to comment on the evaluation-related language in the NIA prior to it being published.

- b. Program offices coordinate with IES to ensure the reviewers selected to assess a project's evaluation have the appropriate qualifications. Program offices also coordinate in advance with IES if IES is being asked to play a role in providing evaluation technical assistance (TA) to applicants or to grantees, and especially if IES is being requested to assist with a contract to provide TA to project evaluators on the design and implementation of rigorous impact evaluations.

C. Guidance

1. Using Evidence as an "Entry Requirement":

- a. Prior to determining whether to use evidence in a competition, program offices should determine the current state of evidence in the field for the projects that the program intends to fund, and whether existing research meets a particular tier of evidence defined in EDGAR. One method program offices might use to make this determination is a literature review in consultation with IES and OPEPD/GPO, examining evidence that project components that can be supported under the program have positive effects on relevant outcomes. Absent relevant studies already reviewed by the WWC that meet the EDGAR definitions of Moderate Evidence or Strong Evidence, program offices should consider using a lower tier of evidence, such as Evidence that Demonstrates a Rationale (if no studies with relevant statistically significant findings are found) or Promising Evidence.
- b. When using Moderate Evidence or Strong Evidence, program offices should coordinate with the WWC team at IES as early as possible in the planning process about the number of studies for which they are likely to need a WWC review, the availability of program funds for those reviews, and how much time will be required to award the task order to support the reviews and complete those reviews (also, see Procedures item 1.c. above). In general, the specification of the evidence review work with IES, the program office, and Budget Service needs to occur at least six months prior to the time when the results of those reviews are needed. IES should review and contribute materials for any webinars describing the evidence definitions and evidence review process to potential grant applicants. Funding for the evidence reviews needs to be provided at least four months prior to the time when the reviews need to be completed. Study citations should be provided to the WWC team at least two months prior to the time when the evidence reviews need to be completed.

2. Reviewing Evidence as an “Entry Requirement”:

- a. When recommending, in the NIA, the number of study citations an applicant may include in its application for the evidence review (see Procedures item 2.b. above), IES suggests a limit of four study citations for Strong Evidence and two study citations for Moderate Evidence.
- b. Additionally, IES recommends that program offices using Promising Evidence, Strong Evidence and Moderate Evidence ask applicants to specify the findings within the citations that the applicants are requesting be considered as Promising Evidence, Strong Evidence, and Moderate Evidence including page number(s) of specific tables, if applicable. When citing WWC intervention reports, as allowed under [EDGAR](#), applicants should cite findings of the effectiveness of the intervention outcome domains relevant to their project. When citing WWC Practice Guides, as also allowed under [EDGAR](#), applicants should cite specific practice recommendations, since the strength of the evidence base may vary across recommendations in the same guide

3. Building Evidence as an “Exit Requirement”:

- a. Program offices, in consultation with IES and OPEPD/GPO, should consider using selection factors under [EDGAR § 75.210\(h\)](#) (Quality of the Project Evaluation) to encourage applicants to propose methods of evaluation that would produce evidence about the project’s effectiveness that would meet the WWC evidence standards with or without reservations or yield Promising Evidence. By using these factors, program offices can encourage applicants to propose project evaluations that, if well-implemented, could be cited as sources of Promising Evidence, Moderate Evidence, or Strong Evidence in the future.

D. Other Pertinent Information

1. The sections in EDGAR that are specific to evidence of effectiveness include:

- a. [EDGAR § 75.226](#), which authorizes program offices to consider the effectiveness of projects under a priority that could be used as either an absolute or competitive preference priority.
- b. [EDGAR § 75.210©](#) (Quality of the Project Design), which establishes selection criteria that would allow the Secretary to consider the extent to which the proposed project is supported by Promising Evidence or Demonstrates a Rationale.
- c. [EDGAR § 75.210\(h\)](#) (Quality of the Project Evaluation), which includes five factors to assess the extent to which the proposed project evaluation would produce evidence about the project’s effectiveness. Two of these

selection factors would link to the WWC evidence standards and promote the use of the strongest possible study designs for estimating a project's impact. The other three selection factors would allow the Secretary to consider evaluation methods that will produce data on a project's Promising Evidence, performance on relevant outcomes, and fidelity of implementation.

- d. [EDGAR § 77.1](#), in which the definitions for the four tiers of evidence, and other evidence-related definitions, are established to ensure consistent understanding of the terms used in the selection factors and priority.

2.5.6 Notices Inviting Applications (NIAs)

A. Policy

1. Program offices, after approval is granted through the RSD clearance process, publish an NIA in the *Federal Register* to announce and invite grant application submissions for one or more competitions.
2. Program offices' NIAs reference ED's Common Instructions, a centralized and up to date set of instructions for applying to ED's discretionary grant programs, which informs applicants of:
 - a. The requirements to register in SAM and to have an active UEI and TIN, since these are required in order to do business with ED;
 - b. Application submission requirements for [Grants.gov](#), and requirements for requesting an extension when [Grants.gov](#) is not available due to technical issues; and
 - c. Requirements for paper submissions when electronic submissions are not possible because the applicants do not have access to the internet or the necessary technology.
3. Program offices' NIAs also include the following as required by [Chapter J of the RQM](#) and [2 C.F.R. Part 200](#):
 - a. The selection criteria and process to be used to evaluate applications (see [2 C.F.R. § 200.204](#));
 - b. A description of ED's criteria for evaluating applicants' risks (see [2 C.F.R. § 200.206](#));
 - c. The FAPIIS review disclosures to inform applicants that ED reviews and considers information available about the applicants in FAPIIS before making awards that will, over the applicants' performance period, exceed the simplified acquisition threshold addressed in OMB Memorandum M-

18-18, “Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance” available at: [OMB Memoranda](#); and

- d. Other required information per [Chapter J of the RQM](#).
4. After approval is granted through the RSD clearance process, Program offices’ NIAs are approved through the SCC clearance process and are sent to the *Federal Register* for publication by SCC.
 - a. OMB reviews NIAs that are deemed significant via the OGC/RSD process. RSD coordinates this review. Under the Paperwork Reduction Act (PRA) office for information collections review (a separate process), finalized drafts of the NIA are required to be part of the grant application if the POC is seeking approval through the generic or discretionary grant clearances.
5. Executive Order (EO) 12372, as implemented by [EDGAR C.F.R. part 79](#), establishes a system for State and local governmental review of proposed Federal assistance applications. Applicants contact their State single point of contact (SPOC) as early as possible to alert the SPOC to prospective applications and to receive instructions on the State’s process.
 - a. The current SPOC list, [Intergovernmental Review SPOC List](#) is available on the White House website. States that are not listed have chosen not to participate in the intergovernmental review process. If an applicant is located within a State that has chosen not to participate, no further action is required under the EO.
 - b. The applicant sends its application to the State SPOC in a timely manner for the SPOC to have enough time to review and provide any comments to ED’s contact identified in the application package before the end of the application comment period. Under EO 12372, the application comment period is 60 days for new and competitive awards and 30 days for NCC awards, unless the statute requires a longer review. The deadline for intergovernmental review is published in the NIA. Before making a funding decision, ED considers any comments made by the SPOC.
 - c. A waiver of the standard 60-day period for new and competitive awards is possible when the full State application comment period would affect the period of time applicants have to prepare their applications (e.g., if the standard 60- day application preparation comment period plus the full State review period would delay awards past ED’s deadline for making awards). The Office of Communications and Outreach (OCO) may grant a partial or complete waiver of the standard 60-day period when requested by the program. The application comment period should not be less than 30 days.

B. Procedures

1. Program offices, before preparing an NIA, consult with their liaison in SCC to determine what other types of documents might be needed for a particular competition (see the [Developing Regulatory Documents](#) section).
 - a. Before publishing an NIA, program offices may first need to publish in the *Federal Register* another document or documents, such as an NPRM, final regulations, a notice proposing one or more funding priorities, selection criteria or other requirements, or a notice announcing one or more final priorities, selection criteria, or other requirements, if applicable.
2. Program offices, during the drafting process, consult with their program attorney for guidance regarding the NIA's legal content related to the program statute and regulations, and when seeking to issue an NIA using the waiver of rulemaking provided in GEPA for "the first grant competition under a new or substantially revised program authority."⁷
3. When OCO waives the intergovernmental review comment period in response to requests from programs, the justification for the waiver or for shortening the deadline is placed in the grant competition file.

C. Guidance

1. To facilitate the clearance of an NIA through the RSD clearance process, programs are advised to take the following steps:
 - a. Keep schedules current in the grants management system to enable RSD to plan its clearance schedule;
 - b. Consult with RSD in advance on format issues or questions that arise while preparing the notice, especially if there is a need to deviate from the standard format in Chapter J of the RQM;
 - c. Ensure that the notice includes the GPRA program performance measures, any [EDGAR § 75.110](#) performance measures, and instructions to applicants on project evaluation requirements; and
 - d. Include a cover memorandum describing changes from previous notices for the program.
2. Program offices should maximize the number of days applicants have to submit applications (i.e., days between posting the NIA and the application deadline). The recommendations are a minimum of 60 days for new programs and a minimum of 45 days for existing programs. However, under exigent

⁷ 42 U.S.C. §1232(d)(1).

circumstances a period as little as 30 days is permissible. Programs should consider longer periods for more complicated competitions.

D. Other Pertinent Information

1. Once an NIA is cleared and approved, it is published in the *Federal Register* to inform potential applicants of a new grant competition (see [EDGAR § 75.100](#)).
2. NIAs provide basic program and fiscal information on each competition, the type of award (e.g., discretionary or cooperative agreement, etc.), information about when and where potential applicants may obtain applications, the deadlines for when applications must be submitted to ED and identify estimates regarding the number and amount of awards (See EDGAR §§ [75.100](#), [75.101](#) and [75.201](#)).
3. The required FAPIIS review disclosure, referenced in the Policy section above, informs applicants of the following:
 - a. ED will review and consider available information about the applicants in FAPIIS before making awards that will, over the applicants' performance period, exceed the simplified acquisition threshold addressed in OMB Memorandum M-18-18, "Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance" available at [OMB Memoranda](#). This threshold is periodically adjusted for inflation in accordance with [41 U.S.C. § 1908, "Inflation Adjustment of Acquisition-Related Dollar Thresholds."](#)
 - b. If a grant is awarded that may make available more than \$500,000 in Federal funds over the project period of the grant, per Appendix XII, the grantee is informed of the reporting requirements in [2 C.F.R. Part 200](#). Appendix XII applies if the total value of a grantee's currently active grants, cooperative agreements, and procurement contracts from all agencies of the Federal government exceed \$10,000,000. If Appendix XII applies to a grantee, it is required to report certain integrity information about itself to FAPIIS on a semi- annual basis.
 - c. Applicants may review information about themselves in FAPIIS that was entered by a Federal agency and may provide comments on that information. This disclosure also communicates that ED will consider comments by an applicant about its FAPIIS information when making judgments about an applicant's integrity, business ethics, and record of performance under Federal grants (see [Appendix I of 2 C.F.R. Part 200](#)).
4. The FAPIIS disclosures that are included in all NIAs are provided in [Chapter J of the RQM](#).

2.5.7 Communication with the Public about Competitions

A. Policy

1. Program offices protect the integrity of the competitive process by ensuring that all application guidance is disseminated widely and publicly and does not inadvertently provide advantage or opportunity to any one potential applicant or group of applicants (such as those that have previously received awards).
2. Program offices preserve the deliberative process by ensuring that preliminary decisions are not disseminated publicly.
3. Before the deadline date of a competition, program offices' communications are limited to the information in the NIA or publicly released through, for example, program application frequently asked questions (FAQs), program blog, or posting on a program website.
4. All written FAQs, application assistance information, and guidance must be reviewed by the program attorney before being shared publicly.
 - a. Unless specifically marked otherwise, draft versions of FAQs, application assistance information, guidance, and documents for publication in the Federal Register are considered Controlled, Unclassified Information and are not for distribution outside ED. Program offices distribute draft documents outside ED only with explicit authorization.
5. Generally, program offices answer the following:
 - a. logistical questions regarding the application submission process;
 - b. clarification questions pertaining to information in the NIA; or
 - c. questions to correct misconceptions (see Guidance below)
6. Program offices do not communicate with any person, entity, affiliate or third party in order to provide substantive guidance or tips on an individual application before submission.
7. Program offices post information about ED-sponsored meetings, webinars, and calls on ED's website.
8. Program offices, for public inquiries regarding future grant competitions or for competitions currently underway, ensure that their responses are consistent throughout the program and limited to the information ED has released publicly.

9. Program offices track public inquiries to ensure consistency in responses, and inform information needs for future competitions.

B. Procedures – Reserved

C. Guidance

1. Program offices may engage in listening sessions and information gathering sessions with interested parties to share information regarding their goals or visions for grant programs, and future competitions and solicit opinions and feedback.
 - a. Listening sessions should include a broad range of parties and viewpoints.
 - b. The information obtained during these sessions should be considered equally with all available information.
 - c. Program offices should ensure that any information obtained during these listening sessions is done so in compliance with information collection requirements.
 - d. Decisions should be based on a complete representation of all views and opinions.
2. Program offices may conduct pre-application meetings and should include information about the pre-application meeting in the NIA when possible. Pre-application meetings are held after the NIA is published. Information about the pre-application meeting is posted on ED's website, the program's website, and other media sources to reach a wide pool of potential applicants.
 - a. Program offices must share with the program attorney all materials and information developed for the pre-application meeting.
 - b. A pre-application meeting may assist potential applicants with:
 - 1) Eligibility requirements, including a discussion on how an applicant can establish that it is an eligible entity by setting out the relevant provisions of the NIA, applicable regulations, or the statute, but not by advising an applicant on whether it is eligible, or whether its proposal is allowable;
 - 2) Developing application narratives and budgets;
 - 3) Addressing the program's selection criteria and priorities;
 - 4) The standard that the applicant must meet for an absolute or competitive preference priority, if applicable;

- 5) The applicability of the open-licensing requirement;
 - 6) Specific requirements that apply to a competition, such as supplement not supplant, cost sharing or matching;
 - 7) Allowable costs;
 - 8) Reporting requirements;
 - 9) Using [Grants.gov](https://www.grants.gov) for electronic submission of applications and procedures and deadlines for submission of applications;
 - 10) Using other ED electronic business process software; and
 - 11) Administering their grants and mastering the fiscal management requirements in [2 C.F.R. §§ 200.302 - 303](#) and EDGAR.
3. Materials used at the pre-application meeting must be 508 compliant and posted on the applicable program office's website for the benefit of potential applicants who could not attend the meeting.
 4. The following are examples of applicants' logistical and programmatic misconceptions and permissible contact with the applicants by program office:
 - a. An applicant indicated that it would hand deliver its application to ED while visiting Washington, D.C. Program offices would correct the applicant's misconception that paper copies were accepted and provide the logistical information for on-line application submissions or the waiver for paper copy submissions, and then refer the applicant to the [Common Instructions](#) or the program's NIA, if applicable.
 - b. A Vocational Rehabilitation (VR) program provides services to American Indians with disabilities. One of the program's goals is to provide these services in a "culturally appropriate manner." Program staff realizes that an applicant, based on their questions, has a misconception regarding the meaning of the phrase "culturally appropriate manner." Program offices, based on the grant program's regulations and purpose, corrects the misconception of the phrase "culturally appropriate manner" by clarifying that it does not mean to take anything cultural and deliver it as a VR service; rather, it means to deliver the VR service in a manner that is culturally appropriate to the VR consumer.
 - c. Program offices track inquiries resulting from a NIA to help ensure consistency in responses. If tracking indicates a large number or similar misconceptions regarding the information in the NIA, program offices consult with their program attorney for assistance with developing FAQs,

application assistance information, or other guidance needed to post on the program's website to widely share with all potential applicants.

5. Program offices may not follow up with applicants about their application during the peer review process (except in extremely limited technical exceptions, and after discussion with the program attorney).
6. Program offices may use various media and resources for outreach opportunities, other than pre-application meetings, for applicants to obtain information and receive technical assistance (TA). Some ideas for outreach include:
 - a. Program offices may use listservs and email communications to provide information and guidance about the NIA and application process if the listserv and email lists can target all potential applicants.
 - b. Program offices may use web-based technology as another way to reach potential applicants and provide them with TA or logistical assistance.
7. Program offices should invite the program attorney to participate in all pre-application meetings, webinars, and other outreach activities.

D. Other Pertinent Information – Reserved

2.5.8 General Education Provisions Act (GEPA) – Section 427

A. Policy

1. Section 427 of GEPA requires each applicant requesting funds (other than an individual person) to include in its application a description of the steps the applicant proposes to take to ensure equitable access to, and participation in, its Federally-assisted program for students, teachers, and other program beneficiaries with special needs.
2. The applicant, based on local circumstances, determines whether there are barriers that prevent participation in its Federally-assisted program by any person based on gender, race, national origin, color, disability, or age.
3. Program offices do not award a grant to an applicant that has not addressed the requirements of section 427 of GEPA in its application.

B. Procedures

1. Program offices include in all application packages OMB Form 1894-0005 "Notice to All Applicants," which addresses GEPA requirements, so that an applicant is aware that it needs to provide the information required under section 427 of GEPA.

2. The application package informs applicants to identify the information submitted in response to the requirements of section 427 of GEPA. GEPA allows applicants to provide the information in a single narrative, or, if appropriate, it may be discussed in connection with related topics in the application.
3. Program offices screen all highly rated applications being considered for funding to ensure that applicants have addressed the requirements of section 427 of GEPA, but applications are not rejected if the GEPA information is missing. If the information is not included in an application, program offices contact the applicant after selection to obtain the responses to the GEPA 427 requirements.

C. Guidance – Reserved

D. Other Pertinent Information

1. OMB Form 1894-0005 “Notice to All Applicants” explains the requirements of section 427. That statute highlights six bases on which barriers may exist (i.e., denying equitable access or participation based on: gender, race, national origin, color, disability, or age).
2. Section 427 is not intended to duplicate the requirements of civil rights statutes, but rather to ensure that, in designing their projects, applicants for Federal funds address equity concerns that may affect the ability of certain potential beneficiaries to fully participate in the project and to achieve to high standards.
3. OMB Form 1894-0005 “Notice To All Applicants” is found within the Application Toolkit at the following link: [Grant Application Toolkit](#).

2.5.9 [Grants.gov](#)

A. Policy

1. [The Government Paperwork Elimination Act, P.L. 105-277, Title XVII](#) requires that all Federal agencies provide their customers the capability to conduct business electronically.
2. In accordance with the regulations at [2 C.F.R. § 200.204](#), ED requires grant applicants to use [Grants.gov](#) to apply for a discretionary grant, unless a grant program cannot use [Grants.gov](#) (e.g., fellowships).
3. Program offices use the standard form (SF) “Application for Federal Assistance” (SF-424 and Supporting Documents) and the “ED Supplement to the SF-424” form in their application packages in order to have their grant program competitions participate in the [Grants.gov](#) Apply site.

4. To apply through [Grants.gov](https://www.grants.gov) and to do business with ED, applicants must have a UEI Number, have a TIN, and be registered in SAM.
5. An entity wishing to apply to ED for grant funding must establish a UEI number for each of its physical locations. Some grantees that apply for grant funding have established a separate UEI number for their organizational components (e.g., an entity's business or finance office) that will be responsible for drawing down grant funds from ED.

B. Procedures

1. Applications and all attachments transmitted to [Grants.gov](https://www.grants.gov) for ED programs will be posted using Adobe forms and PDF formats. The entire application, including attachments, comply with the requirements concerning the content and format of an application as described in the grant program's application package and NIA.
2. When an applicant has successfully transmitted its application in [Grants.gov](https://www.grants.gov), it receives an automatic acknowledgement from [Grants.gov](https://www.grants.gov) that contains a [Grants.gov](https://www.grants.gov) tracking number. The applicant also receives an automatic email reflecting that the application met all the [Grants.gov](https://www.grants.gov) validation requirements or reflecting that there were errors in the submission. [Grants.gov](https://www.grants.gov) acceptance of an application does not mean the applicant complied with all ED's application requirements (e.g., if the applicant submitted an Excel table instead of a PDF or Word document). Applicants must submit applications in accordance with all the requirements addressed in the NIA and application package.
3. For applications that meet all the [Grants.gov](https://www.grants.gov) validation requirements, the grants management system interfaces with [Grants.gov](https://www.grants.gov) by automatically transmitting the application information from [Grants.gov](https://www.grants.gov) to the grants management system. Program offices are then able to view the application in the grants management system within the applicable functionality.

C. Guidance

1. Program offices should review ED's Common Instructions for information regarding the submission of applications via [Grants.gov](https://www.grants.gov).

D. Other Pertinent Information

1. The UEI number is a unique nine-digit identifier for entities that is used to establish an entity credit file, which is often referenced by the Federal government to help predict the reliability and/or financial stability of the entity in question. Additionally, OMB has adopted the use of the UEI number to identify entities that receive grant awards and to track how grant funding is dispersed.

2. The following are all considered TINs according to the IRS:
 - a. Social Security Number “SSN”
 - b. Employer Identification Number “EIN”
 - c. Individual Taxpayer Identification Number “ITIN”
 - d. Taxpayer Identification Number for Pending U.S. Adoptions “ATIN”
 - e. Preparer Taxpayer Identification Number “PTIN”
3. The [Grants.gov](https://www.grants.gov) Apply site includes instructions (Education Submission Procedures) on how an applicant can complete its application online in Workspace, a collaborative web-based tool, and submit the application to the Federal agency handling the program from which funds are being sought through the Apply site. [Grants.gov](https://www.grants.gov) provides an index for NIAs by ALN for the relevant competition.

2.5.10 Electronic Application Processing for Fellowships or Exceptions

A. Policy

1. ED designates its own grants management system as the alternative application submission system for those grant programs that cannot utilize [Grants.gov](https://www.grants.gov) for application submission.

B. Procedures

1. Program offices, at the beginning of the fiscal year, identify all potential grant competitions that may require application submissions in the grants management system, and respond to the Business Systems Support Division’s (BSSD) annual call for the identification of these programs.
2. Program offices consult with BSSD staff about using the grants management system and not [Grants.gov](https://www.grants.gov).
3. For program offices requiring application submission in the grants management system, program offices announce in their NIA that applications are submitted via the grants management system.
4. Program offices with competitions that require applicants to submit their applications using the grants management system explain in the NIA the waiver procedures for applicants who are unable to submit their applications electronically.

5. Applicants that submit their applications through the grants management system complete the standard form, “Application for Federal Assistance” (SF-424 and Supporting Documents), and the “ED Supplement to the SF-424” form.
6. The UEI and TIN registration requirements set forth for [Grants.gov](https://www.grants.gov) application submission are also applicable when applicants apply using the grants management system.
7. When applications are submitted electronically using the grants management system, the system:
 - a. Assigns the application a PR/Award number (i.e., a unique ED-specified identifying number that is assigned to each ED application);
 - b. Provides the applicant with an immediate confirmation of the receipt of the application;
 - c. Sends out an email confirmation of application receipt to all registered users who worked on the electronic application;
 - d. Stores all data received from the electronic applications in the system database, and uses the data to populate any data fields that are manually entered for paper applications; and
 - e. Makes the applications received available for electronic review through e-Reader software (see the section [e-Reader - Peer Review System](#)).

C. Guidance – Reserved

D. Other Pertinent Information

1. The grants management system provides applicants the capability to complete application forms online, attach narrative documents relating to the applications, and submit the entire document to ED.

2.6 Novice Applicants and New Potential Grantees

2.6.1 Novice and New Potential Grantees Application Procedures

A. Policy

1. Program offices have the option of giving special consideration to novice applicants or applications from new potential grantees to broaden and diversify the pool of applicants that apply for ED discretionary grant awards, and to provide greater opportunities for inexperienced applicants to receive

funding. Given the flexibilities afforded by the new potential grantee priority, programs should use that priority instead of the novice priority.

2. The Administrative Priorities, available at [Federal Register Notice 85 FR 13640](#), include a priority for Applications from New Potential Grantees. The priority includes a number of subparts from which a program office can choose when using this priority in a grant competition. Program offices can choose to use this priority as an absolute, competitive preference, or invitational priority when:
 - a. The applicant has never received a grant, including through membership in a group application submitted in accordance with [EDGAR §§ C.F.R. 75.127-75.129](#), under the program from which it seeks funds.
 - b. The applicant does not, as of the deadline date for submission of applications, have an active grant, including through membership in a group application submitted in accordance with [EDGAR §§ C.F.R. 75.127-75.129](#), under the program from which it seeks funds.
 - c. The applicant has not had an active discretionary grant under the program from which it seeks funds, including through membership in a group application submitted in accordance with [EDGAR §§ C.F.R. 75.127-75.129](#), in one of the following number of years before the deadline date for submission of applications under the program:
 - 1) One year;
 - 2) Two years;
 - 3) Three years;
 - 4) Four years;
 - 5) Five years;
 - 6) Six years; or
 - 7) Seven years.
 - d. The applicant has not had an active discretionary grant from ED, including through membership in a group application submitted in accordance with [EDGAR §§ C.F.R. 75.127-75.129](#), in one of the following number of years before the deadline date for submission of applications under the program:
 - 1) One year;
 - 2) Two years;

- 3) Three years;
 - 4) Four years;
 - 5) Five years;
 - 6) Six years; or
 - 7) Seven years.
- e. The applicant has not had an active contract from ED in one of the following number of years before the deadline date for submission of applications under the program:
- 1) One year;
 - 2) Two years;
 - 3) Three years;
 - 4) Four years;
 - 5) Five years;
 - 6) Six years; or
 - 7) Seven years.
- f. For the purpose of the priority, a grant or contract is active until the end of the grant's or contract's project or funding period, including any extensions of those periods that extend the grantee's or contractor's authority to obligate funds.
3. The definition of "novice applicant" and procedures for prioritizing novice applicants are found in in [EDGAR § 75.225](#). Generally, a novice applicant for a grant is an entity that has:
- a. Never received a grant or subgrant under the program from which it seeks funding;
 - b. Never been a member of a group application, submitted in accordance with EDGAR §§75.127-75.129, that received a grant under the program from which it seeks funding; and
 - c. Not had an active grant from the Federal government in the five years before the deadline date for applications under the grant program from which it seeks funding.

B. Procedures

1. Program offices ensure that the novice applicant or new potential grantees procedures are only used for those programs where they are legally permissible and consistent with the intent and purpose of the program.
2. Program offices provide information about the novice application or new potential grantee procedures used for a competition in the ATRP (see the section [Contents of the ATRP](#)).
3. Program offices using novice application or new potential grantees procedures include instructions in the application package directing applicants to respond to item 2 on the “ED Supplement to the SF-424” form, which asks whether the applicant is a novice applicant as defined in [EDGAR § 75.225](#) or a new potential grantee (as described in the priority included in the NIA). If a program is not using novice application or new potential grantees procedures, applicants are instructed to leave item 2 blank.
4. In accordance with [EDGAR § 75.225](#), when giving special consideration to novice applicants, program offices may either:
 - a. Establish a separate competition for novice applicants; or
 - b. Include novice applicants in the general program competition, but give competitive preference (i.e., additional bonus points) to novice applicants.
5. In accordance with the Administrative Priorities, when giving special consideration to new potential grantees, program offices may:
 - a. Establish a separate absolute priority for new potential grantees; or
 - b. Include new potential grantees in the general program competition, but give competitive preference (i.e., additional bonus points) to new potential grantees.

C. Guidance – Reserved**D. Other Pertinent Information**

1. Novice application or new potential grantees procedures are more appropriate for certain types of programs than others. For example, novice application or new potential grantees procedures might be more appropriate for use in training, service, or demonstration programs, rather than in highly-complex research projects.

2.6.2 Separate Competitions for Novice and New Potential Grantees

A. Policy

1. Program offices, when establishing a separate competition for novice applicants:
 - a. Determine the estimated number of awards and the estimated level of funding that will be made available for the new potential grantees competition, and the general program competition. This information is included in the POC's annual spending plans.
 - b. Publish an NIA in the *Federal Register* for the novice or new potential grantees competition, or one NIA containing absolute priorities for both the general program competition and the novice or new potential grantees competition. When publishing separate NIAs, information about the novice or new potential grantees competition may be included for information purposes in the NIA that is used for the general program competition (see the section [Notice Inviting Application](#)).
 - c. Include in the NIA, or application package, the application limitations for novice or new potential grantees applications in a competition (e.g., deadline submission date), as appropriate.

B. Procedures – Reserved

C. Guidance – Reserved

D. Other Pertinent Information - Reserved

2.6.3 Competitive Preference for Novice and New Potential Grantees

A. Policy

1. ED regulations establish that program offices have the option of including novice applicants or new potential grantees in the general program competition, but also awarding them competitive preference (i.e., additional bonus points) in order to broaden and diversify the pool of applicants that apply for ED discretionary grant awards, and to provide greater opportunities for inexperienced applicants to receive funding.

B. Procedures

1. Program offices must follow the procedures in [EDGAR § 75.105©\(2\)](#) when giving competitive preference (i.e., additional bonus points) to novice applicants and new potential grantees under the general program competition.

2. Program offices specify the number of competitive preference points that will be awarded to novice applicants or new potential grantees in the NIA for the competition. All applicants under the competition that meet the definition of novice applicant in [EDGAR § 75.225 \(a\)](#) or the subparts of the Applications from New Potential Grantees Administrative Priority are awarded the same number of bonus points.
3. The program office's determinations about the number of bonus points awarded to novice applicants or new potential grantees are weighed carefully against quality concerns (see Other Pertinent Information below).
4. If a novice applicant or new potential grantee comes into the funding range solely based on the bonus points it received as a novice applicant or new potential grantee, program offices review the application, similar to an applicant previously awarded funds, to determine if the applicant has the fiscal and programmatic ability and internal controls to implement the award.
5. Generally, weaknesses in applications from novice applicants or new potential grantees can be addressed by including specific conditions on the award (see the section [Special Conditions for Novice Grantees](#)). However, if program offices are concerned that specific conditions would not be sufficient to help the applicant succeed, they note those extensive weaknesses in the Grant Funding Slate (see the [ED Grant Funding Slate Template](#) for requirements and guidance about what to include when recommending that an application be skipped). The Secretary may skip the applicant on the Grant Funding Slate if the analysis of the weaknesses supports that decision.

C. Guidance – Reserved

D. Other Pertinent Information

1. See the section [Peer Review Scoring and Quality Control](#) for information about detecting problems in reviewer scoring practices, which may be helpful when encountering scoring anomalies related to novice applicants or new potential grantees.

2.6.4 Novice and New Potential Grantees Designation and Certification

A. Policy

1. Applicants wishing to be considered as novice applicants or new potential grantees self-identify as such, and program offices verify the accuracy of applicants' novice applicant or new potential grantee status.

B. Procedures

1. For programs giving competitive preference to novice applicants or new potential grantees, applicants are instructed to check either the “Yes” or “No” box included in item 2 of the “ED Supplement to the SF-424” form to indicate whether they qualify as novice applicants or new potential grantees.
2. To separate novice or new potential grantees competitions, applicants are told that only those who can check the “Yes” box on item 2 of the “ED Supplement to the SF-424” form are eligible for those competitions. By checking “Yes,” an applicant certifies that it meets the novice applicant requirements in [EDGAR § 75.225](#) or for Applications from New Potential Grantees in the NIA.
3. When the competition is giving competitive preference to novice applicants, program offices review [USASpending.gov](#) to determine if an applicant is a novice applicant (i.e., the applicant has not received a grant within the past five fiscal years), or if there is evidence suggesting that the applicant may not be a novice applicant (e.g., a major research university is applying as a novice applicant).
4. When a group application is submitted in accordance with [EDGAR §§ 75.127-75.129](#), all members of the group must meet the novice applicant definition (see [EDGAR § 75.225 \(a\) \(1\) and \(a\)\(2\)](#)). By checking the “Yes” box on item 2 of the “ED Supplement to the SF-424” form, the entity that is designated by the group to apply for the grant is certifying that each member of the group meets the novice applicant requirements. Further, in accordance with [EDGAR § 75.128](#), the members of the group must enter into an agreement that, among other requirements, binds each member of the group to every statement and assurance made by the applicant in the application. The applicant must submit this agreement with its application.
5. When the competition is giving competitive preference to new potential grantees, program offices review the award history for that applicant in the grants management system to determine if an applicant is a new potential grantee, as established in the NIA, or if there is evidence suggesting that the applicant may not be a new potential grantee (e.g., the applicant does not comply with the requirements for a new potential grantee as established in the NIA).

C. Guidance – Reserved**D. Other Pertinent Information - Reserved**

2.6.5 Pre-Application Technical Assistance for Novice Applicants and New Potential Grantees

A. Policy - Reserved

B. Procedures – Reserved

C. Guidance

1. For program offices giving special consideration to novice applicants or new potential grantees, program offices may conduct technical assistance workshops to assist applicants in preparing their applications (see the section [Communication with the Public about Competitions](#)). These workshops should provide inexperienced novice applicants or new potential grantees with the information needed to submit high-quality grant applications.

D. Other Pertinent Information - Reserved

2.6.6 Special Conditions for Novice Applicants

A. Policy

1. The regulations in [EDGAR § 75.225 \(d\)](#) provide program offices the authority, independent from [2 C.F.R. § 200.208](#), to impose special conditions, if necessary, before making grants to novice applicants. The Administrative Priorities do not include this same authority.

B. Procedures – Reserved

C. Guidance

1. Before awarding a grant to a novice applicant, program offices may impose special conditions, if necessary, in accordance with [EDGAR § 75.225 \(d\)](#), to ensure that the grant is managed effectively and project goals or objectives are achieved. For example, a novice grantee might be required to submit quarterly performance reports to help facilitate close monitoring of the project, see the section [Grant Performance – Addressing Risk and Other Issues](#). The Administrative Priorities do not include this same authority.

D. Other Pertinent Information – Reserved

2.7 Faith-Based Organizations

A. Policy

1. Program offices comply with the requirements in EDGAR § 75.52, including the ones listed below, when administering grant programs to which faith-based organizations may apply for and receive a grant:
 - a. A faith-based organization is eligible to apply for and receive an ED grant under a program on the same basis as any other private organization, with respect to programs for which such other organizations are eligible. ED shall provide such religious accommodation as is consistent with Federal law, the Attorney General's Memorandum of October 6, 2017 (Federal Law Protections for Religious Liberty), and the Religion Clauses of the First Amendment to the U.S. Constitution.
 - b. In the selection of grantees, ED does not discriminate for or against a private organization based on the organization's religious character, affiliation, or exercise and ensures that all decisions about grant awards are free from political interference, or even the appearance of such interference, and are made based on merit, not based on religion or religious belief, or the lack thereof. Notices or announcements of award opportunities and notices of award or contracts shall include language substantially similar to that in [Appendices A and B to Part 75](#).
 - c. No grant document, agreement, covenant, memorandum of understanding, policy, or regulation that is used by ED shall require faith-based organizations to provide assurances or notices where they are not required of non-faith-based organizations. Any restrictions on the use of grant funds shall apply equally to faith-based and non-faith-based organizations. All organizations that receive grants under an ED program, including organizations with religious character or affiliation, must carry out eligible activities in accordance with all program requirements, subject to any required or appropriate religious accommodation, and other applicable requirements governing the conduct of Department-funded activities, including those prohibiting the use of direct financial assistance to engage in explicitly religious activities.
 - d. No grant document, agreement, covenant, memorandum of understanding, policy, or regulation that is used by ED shall disqualify faith-based organizations from applying for or receiving grants under an ED program because such organizations are motivated or influenced by religious faith to provide social services, or because of their religious character or affiliation, or on grounds that discriminate against organizations on the basis of the organizations' religious exercise.

- e. The provisions of [EDGAR § 75.532](#), “Use of funds for religion prohibited,” apply to any organization, including a faith-based organization, that receives a grant under an ED program.
 - f. A private organization that receives a grant under an ED program and engages in explicitly religious activities, such as worship, religious instruction, or proselytization, must offer those activities separately in time or location from any programs or services supported by a grant from ED, and attendance or participation in any such explicitly religious activities by beneficiaries of the programs and services funded by the grant must be voluntary.
2. If a grantee has the authority under a grant to select a private organization to provide services by subgrant, contract, or other agreement, the grantee must ensure compliance with applicable Federal requirements governing contracts, grants, and other agreements with faith-based organizations, including, as applicable, EDGAR §§ 75.52 and 75.532, Appendices A and B to Part 75, and 2 C.F.R. § 3474.15 (see EDGAR § 75.714).

B. Procedures

1. Program offices include language in their NIAs and grant awards that clarifies the rights and obligations of faith-based organizations that apply for and receive Federal funding (see [Appendices A and B to Part 75](#)).
2. Program offices ensure that a grantee that has the authority under its grant to select a private organization to provide services by a subgrant contract or other agreement is aware of its responsibilities under EDGAR § 75.714.
3. Program offices consult with the program attorney when specific conditions are to be imposed on faith-based organizations in accordance with item 1 under the Guidance section below.

C. Guidance

1. Many faith-based organizations are relatively new to Federal grants management, so program offices may deem it appropriate, as with other novice applicants and new potential grantees, to provide technical assistance and impose specific conditions to help safeguard Federal funds against misuse and ensure successful project outcomes.
2. During the planning phase, program offices may consider the following options for addressing faith-based organizations:
 - a. Incorporating language in NIAs and in grant application packages that specifically identify faith-based organizations as eligible applicants under a program competition.

- b. Providing FAQs that identify allowable and unallowable expenditures and activities pertaining to faith-based organizations.
- c. Conducting pre-application workshops that include guidance addressing the rights and responsibilities of faith-based organizations and their beneficiaries.

D. Other Pertinent Information -

- 1. Appendices A and B to Part 75 clarify the rights and obligations of faith-based organizations that apply for and receive Federal funding. The [Appendices A and B to Part 75](#) are included at [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#)

2.8 Proving Non-profit Status

A. Policy

- 1. Program offices require that non-profit applicants demonstrate their non-profit status in their applications consistent with the requirements in EDGAR.
- 2. This policy is only applicable to programs that include non-profits as eligible applicants.

B. Procedures

- 1. Program offices publish in the NIA that applicants may demonstrate their non-profit status by any of the following means (See [EDGAR § 75.51](#)):
 - a. Proof that the IRS currently recognizes the applicant as an organization to which contributions are tax deductible under section 501©(3) of the Internal Revenue Code;
 - b. A statement from a State taxing body or the State attorney general certifying that:
 - 1) The organization is a non-profit organization operating within the State; and
 - 2) No part of its net earnings may lawfully benefit any private shareholder or individual;
 - c. A certified copy of the applicant's certificate of incorporation or similar document if it clearly establishes the non-profit status of the applicant; or

- d. Any item described in this section when that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local non-profit affiliate.

C. Guidance

1. Program offices may contact the Regulations Quality Officer or the Regulations Coordinator in RSD for guidance about addressing this requirement in the NIA.

D. Other Pertinent Information

1. Program offices may use the IRS Tax Exempt Organization Search lookup function to help confirm whether an applicant holds a non-profit status available at: <https://apps.irs.gov/app/eos/>.

2.9 Funding Definitions and Periods of Funding

This section provides pertinent background information that explains appropriations, frontloading flexibilities, and ED's established system of budget periods and project periods (established in accordance with EDGAR §§ [75.250](#) and [75.251](#)) through which ED divides funding of single and multi-year grants.

2.9.1 Appropriations

A. Policy

1. Appropriated funds are generally identified as one-year, multiple-year, or no-year. This references the "period of availability," or the period during which the Federal government obligates (i.e., award) funds, after which the funds are expired. Subject to the terms and conditions of the GAN, grantees may continue to make drawdowns after Federal availability has expired. Availability to grantees ends upon cancellation, and the unexpended funds revert to the U.S. Department of the Treasury (Treasury) upon cancellation.
2. One-year funds and multiple-year funds are, with rare exception, cancelled 5 years after the Federal period of availability ends; unexpended funds revert to Treasury upon cancellation.
3. No-year funds neither expire nor cancel, making their availability time to both ED and grantees indefinite.
4. There are instances in which program offices can obligate funds for grants in a given FY even if the project period does not start until the subsequent fiscal year. Program offices consult with Budget Service before doing so.

B. Procedures – Reserved**C. Guidance – Reserved****D. Other Pertinent Information**

1. The Constitution vests Congress with the responsibility for authorizing the expenditures of the Federal government. An appropriations act is a law passed by both houses of Congress and signed by the President that provides budget authority for a specific purpose. In appropriations acts, Congress identifies the purposes, periods of time, and amounts for all Federal expenditures. The Executive Branch, which includes the President and Federal agencies, cannot transfer funds from one appropriated category to another without explicit authority or approval from Congress nor can they expend funds that have not been appropriated. The Anti Deficiency Act prohibits obligating or expending funds in advance of or in excess of the appropriation.
2. The Office of Financial Management (OFM) in the Office of Finance and Operations (OFO) provides monthly appropriations monitoring reports (starting the first of November), which identifies funds that will revert to Treasury by October 1st. For copies of these reports, program offices contact OFM.

2.9.2 Frontloading versus Forward Funding**A. Policy**

1. **Frontloading** - is an informal term that commonly describes the use of appropriated funds available for obligation in a particular fiscal year to fund, in whole or in part, future budget periods of the award. As a matter of policy, program offices avoid frontloading whenever possible, as it is ED's goal to maximize the number of new awards to promote innovation in education. When circumstances exist in which frontloading may be appropriate, or even unavoidable, see item 2 in the Guidance section. Program offices, in consultation with Budget Service, identify such circumstances as soon as possible in the grantmaking process and secure approval from OPEPD/GPO and OS prior to implementing a frontloading plan.
2. **Forward Funding** – is not the same as “frontloading.” “Forward funding” applies to the period of availability of funds appropriated for certain Federal programs. Specifically, in certain Federal grant programs (primarily formula grant programs), the period of availability for some or all of a program's funds may be delayed until after the start of the fiscal year, or even until a future fiscal year. In particular, the term “forward funding” applies to funds that

become available beginning late (typically in the last quarter) in the budget year and are carried forward into at least one following fiscal year.

- a. A common example of forward funding is when Congress may appropriate funds in a given fiscal year that become available in July of the following calendar year and remain available for obligation through the end of the subsequent fiscal year (see [20 USC § 1223](#)).

B. Procedures

1. In general, a proposal to frontload grants is:
 - a. Documented in the program office's spending plan and approved by Budget Service in consultation with OPEPD/GPO and OS.
 - b. Agreed upon during a planning or pre-clearance meeting (with representatives from the relevant POC, OPEPD/GPO, OGC and the Budget Service) before NIAs go into clearance; and
 - c. Documented in the program's Grant Funding Slate and approved by OPEPD/GPO.
2. Merely describing a frontloading proposal in a spending plan, pre-clearance meeting, and/or Grant Funding Slate does not guarantee approval of that proposal. Program offices consult with their Budget Service analyst as soon as possible when considering frontloading; the Budget Service analyst helps program offices determine whether the circumstances are appropriate for frontloading and guides program offices through the review of its proposal.
3. Program offices consult with their program attorney to ensure that a frontloading plan meets all applicable legal and administrative requirements.
4. Each frontloading plan submitted to Budget Service includes a description of how frontloaded funds will be distributed among eligible grantees. For example, program offices should consider the following factors:
 - a. Fiscal and performance history;
 - b. Available information about risk;
 - c. Point in the grant cycle (i.e., whether a grantee is entering Year 4 of the grant cycle or Year 2); and
 - d. Size of annual award.
5. Program offices add the following condition in Box 10 of the GAN when frontloading a grant:

“This grant is a frontloaded grant, i.e., funds indicated in Block 7 were requested by the grantee, and approved by the Department, for expenditure in more than one budget period. For the current budget period and any subsequent budget period, the grantee may only draw down funds in accordance with its approved budget and may not draw down funds in excess of that amount without prior approval.”

C. Guidance

1. When fully frontloading a five-year grant, program offices should be aware that funds will cancel and revert to Treasury five years after the period of availability ends. As such, grantees have limited ability to take advantage of the liquidation period or no-cost extension of the project period. Program offices should proactively notify grantees of such limitations and ensure timely drawdown of funds in advance of cancellation.
2. Below are a few illustrative examples of scenarios that might warrant approval of frontloading. Relying on one of the rationales below does not guarantee approval; rather, decisions will be made on a case-by-case basis considering the specific circumstances of each request.
 - a. The program has funding available after preparing funding recommendations, but not enough to fully fund an additional award.
 - b. Using all funds available for new awards could lead to funding shortfalls in out- years.
 - c. A grant slate includes an insufficient number of high-quality, high-scoring applications to use all funds available for new awards.
 - d. The amount of funds available after paying continuation costs for prior-year grantees is insufficient to support a new competition (and funding down a prior year’s slate is not an option).
 - e. There is a policy rationale for maximizing the funds available in a subsequent fiscal year (e.g., to support a more rapid transition to a reauthorized program authority, ensure robust funding for a key policy initiative, or take advantage of rulemaking).

D. Other Pertinent Information – Reserved

2.9.3 Project Periods

A. Policy

1. A project period, also referred to as the period of performance encompasses the entire period during which obligation may be incurred against the award. Under [EDGAR § 75.250](#), ED can fund a project for up to 60 months unless a

program statute or regulation provides for a longer project period. A project period can also be less than 60 months and may even be less than a year.

2. In accordance with [EDGAR § 75.250\(b\)](#), ED approves a data collection period for a grant for a period of up to 72 months after the end of the project period and provides funding for the data collection period for the sole purpose of collecting, analyzing, and reporting performance measurement data regarding the project.

B. Procedures – Reserved

C. Guidance

1. Program offices may inform applicants of the intent to approve data collection periods in the grant competition NIA or may decide to fund data collection periods after grantees have started their project periods.

D. Other Pertinent Information

1. There are times when project periods may be extended at no cost to ED. For information about no cost extensions of a project period, see the section [Extension of the Final Budget Period](#).

2.9.4 Budget Periods

A. Policy

1. When ED funds grants with project periods longer than a year, it generally funds the grants in annual increments called budget periods. A budget period is usually 12 months (see [EDGAR § 75.251](#)), and funding for each budget period generally comes from separate fiscal year appropriations (see the section [on Appropriations](#)).

B. Procedures – Reserved

C. Guidance

1. Program offices may establish shorter or longer budget periods if there is a compelling program reason to do so, such as:
 - a. To arrange more advantageous start and end dates for the grantee;
 - b. To allow for project periods not evenly divisible into 12-month increments;
 - c. To consider an unavoidable extended absence of a grantee's principal investigator; or,

- d. To accommodate a change in the grantee's fiscal year.
- 2. A single budget period covering the entire project period, in which the entire grant award is funded at the same time, will generally be used if:
 - a. The budget period is greater than a year, but less than two years;
 - b. This method of funding is required by authorizing statute, funding appropriation, or to satisfy the intent of Congress;
 - c. The project is exclusively for construction, alteration or renovation, acquisition of property, and is funded from a multi-year or "no-year" appropriation; or
 - d. The project period is two years or longer, and the program attorney concurs with the longer budget period.
- 3. Programs document the reason(s) for establishing shorter or longer budget period(s) in the official grant file.

D. Other Pertinent Information – Reserved

Chapter 3: Review Activities

3.1 Introduction

The discretionary grant technical review process includes the activities necessary to carry out a fair and objective evaluation of applications submitted for funding. This chapter addresses ED's responsibilities to conduct fair and objective technical reviews of applications submitted to a competition for funding, including by using highly qualified application reviewers. Specifically, this chapter focuses on:

1. Developing and approving the ATRP;
2. Developing, maintaining, and closing the Grant Program Competition File;
3. Receiving and screening applications;
4. Peer reviewers;
5. Inherently governmental functions;
6. Conflicts of interest; and
7. Peer review scoring and quality control;

3.2 Developing and Approving the ATRP

3.2.1 Developing the ATRP

A. Policy

1. Program offices develop Application Technical Review Plans (ATRPs) based on legal requirements and policy decisions made through the spending plan process, including any priorities established for competitions.
 - a. Principal Officers, or their delegate(s), approve every ATRP by the application closing date.

B. Procedures

1. Program offices establish one ATRP that covers all discretionary grant programs or multiple ATRPs that, together, cover all discretionary grant competitions.
2. If only one ATRP is developed for a program office, all discretionary grant competitions conducted by that program office use that ATRP and the same

selection procedures for the grant programs they administer, including any additional procedures required by each program's statute and regulations.

- a. If programs wish to use different selection procedures for different discretionary grant competitions, they develop multiple ATRPs.
3. Program offices give their program attorney the opportunity to review their ATRPs for each competition.
4. The approved ATRP is included in the Grant Program Competition File.
5. If a Principal Officer delegated approval authority to another individual, that individual provides a copy of the approved ATRP to the Principal Officer.
6. If there is a need to deviate from or change the ATRP during a competition, and the deviation or change is substantive, the program official proposing the deviation or change submits the revision to their program attorney for review.
 - a. Program officials, after OGC review, submit both the amendment and a written justification for the amendment to the Principal Officer or to the individual who was delegated the authority to approve the ATRP. The revised ATRP is dated and edited so that the modifications are clearly identifiable. The revised ATRP becomes the official ATRP of record. Approved amendments and written justifications are included in the Competition File.
7. If a Principal Officer delegated approval authority to another individual, that individual provides a copy of the approved amended plan and written justification to the Principal Officer.
8. If the Principal Officer determines there is a need to deviate from the rank order in a manner not already specified in the ATRP, program offices do not need to amend the ATRP to reflect these decisions. However, the Grant Funding Slate includes a statement that the funding recommendation deviates from the ATRP, and a justification for the deviation (see the [Grant Funding Slate Template](#) for requirements and guidance about what to include when there is a need to deviate from the ATRP). Additionally, the Grant Program Competition File includes documentation supporting the deviation.

C. Guidance

1. Program offices are encouraged to consult internally and with other POCs, as appropriate, when developing new ATRPs or amending existing ATRPs. For example, it may be appropriate to consult with another POC that already conducts a multi-tier review when considering this type of review for a new program.

2. If the ATRP is the same from one year to the next, with only minor changes (e.g., dates of the review, and the number and size of the panels), program offices may use a copy of the original ATRP and update it as needed.

D. Other Pertinent Information

1. Program offices may use the ATRP Content Checklist as a resource when developing the ATRP, which is available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

3.2.2 Contents of the ATRP

A. Policy

As applicable, the following items are included in the ATRP.

1. Identification of the logistical contractor to be used for support during the ATRP, including defined roles and responsibilities of the contractor, and the expected timelines for deliverables (see the sections [One Percent Set-Aside for Peer Review](#) and [Inherently Governmental Functions and Contractors](#)).
2. Review panel information, including:
 - a. The schedule for review of applications;
 - b. The size of the panels and, if known, the number of panels and reviewers;
 - c. A description of how applications will be assigned to panels; and
 - d. A description of whether peer review panels will be conducted on-site or remotely.
3. A description of the process pertaining to the involvement and treatment of the application reviewers including:
 - a. The standards and evaluation criteria to be used in recruiting and selecting reviewers (Federal, if allowed by the program statute and regulations, and non- Federal);
 - b. The process for identifying reviewers with a conflict of interest (see the section [Conflict of Interest](#));
 - c. A commitment to provide reasonable accommodations for reviewers with disabilities;

- d. A description of the orientation that will be provided to the reviewers, including orientation materials, to the extent they are available (see the section [Packages for Peer Reviewers](#));
 - e. A description of the procedures that will be used to ensure that each reviewer on a panel will independently review the applications assigned to the panel before any group panel discussion occurs;
 - f. A description of the procedures that will be used to replace or remove a reviewer in situations where the reviewer is either unable or unwilling to perform his or her job (see the section [Replacement of Reviewers During the Review](#)); and
 - g. A copy of the Technical Review Forms (TRFs) that reviewers will use to assess the quality of the applications.
4. A description of the process for identifying and resolving conflicts of interest including:
- a. The procedure for reviewers to follow when checking the entire list of applications received under the competition prior to the beginning of the review so that conflicts of interest can be identified;
 - b. A description of how conflicts of interest will be minimized, and when they occur, how they will be resolved;
 - c. If program offices anticipate that a large group exemption for conflicts of interest, described in the [Conflict of Interest Exemption for Large Competitions](#) section, is applicable, the ATRP states this conclusion and documents that each condition required for utilizing the exemption has been met. To the extent possible, the plan also identifies any additional conflict waivers that might be requested in accordance with the [Individual Conflict of Interest Waivers](#) section; and
 - d. The steps to be taken to address factors that might affect objectivity, such as a teaching methodology, pedagogical viewpoint, or philosophical viewpoint, involved in the competition that a peer reviewer may be associated with or connected to (see the Guidance section that follows below, and the section [Process for Addressing Other Factors That Might Affect Objectivity](#)).
5. A description of how program offices will work with the panels, including:
- a. A description of the criteria program offices will use to determine when to meet with a panel to solicit discussion of a particular application or group of applications (see the section [Roles and Responsibilities in the Review Process](#)).

6. A description of the procedures that will be used to ensure a high-quality peer review, including a description of the manner by which program offices will resolve widely-varying scores based on a different understanding among the application reviewers of the application content or selection criteria and/or priorities (see the section [Peer Review Scoring and Quality Control](#)).
7. A description of how applications:
 - a. Will be selected for funding (e.g., rank order listing, published priorities, other information that will be used under [EDGAR § 75.217](#));
 - b. Will be managed if two or more receive the same score; and
 - c. Will be modified, without changing the scope or objectives of the original application, when they are within funding range, but available program funds cannot support the applicants' requested amount.
8. A description of the process for addressing evidence or evaluation requirements pertinent to the competition, including:
 - a. A description of the procedures that will be used to ensure applicants have met the evidence or evaluation requirements, including the role of both Federal and non-Federal reviewers; and
 - b. A description of how these requirements will affect the rank order or selection of applications for funding.
9. A statement of the kind of funding priority (absolute, competitive preference, invitational) that will be given to Novice and New Potential Grantees Applications (see the section [Novice Applicants and Applications From New Potential Grantees](#) and [EDGAR § 75.225](#)).
10. A description of how applications will be selected when a multi-tier review process is used; see the section [Multiple-Tier Application Review](#).
11. A description of the circumstances under which the Principal Officer will use an order of selection different than the rank order of applicants and the documentation requirements for such an order of selection. While, under item g(i) of this section, a description of "how" applications will be selected will be provided, the circumstances describing "why" an alternative selection method is to be used will be described under this item. For example, a program office states it awards grants based on regional distribution under g(i), describes, under this item, that this selection process is required in accordance with the applicable statute or regulation, if in fact the program's statute or regulation requires this selection.

12. The transparency plan that will be implemented for the discretionary grant competition (see the section [Transparency](#)).

B. Procedures

1. When including the steps that will be taken to address factors that might affect objectivity, such as a teaching methodology, research methodology, pedagogical viewpoint, or philosophical viewpoint involved in the competition that a peer reviewer may be associated with or connected to, programs should include, in the ATRP, language similar to the following:

“When reviewers disclose that they have written, published, or otherwise commented on or been connected to any specific teaching methodology, research methodology or significantly identified with any pedagogical or philosophical viewpoints associated with a competition, and further explain that their connection or significant identification may cause someone to question their objectivity, program offices will: 1) review the responses to question 7 in “Questions for Application Reviewers on Conflict of Interest and Other Factors That Might Affect Objectivity”; 2) request and review applicable copies of written and/or published works as deemed appropriate by program office; and 3) make a determination regarding the reviewers’ objectivity. Program offices will consult with the OGC Ethics Division when assistance is needed in determining if a significant connection or significant identification exists. All related documentation, decisions, and final course of action will be filed in the official competition file.”

2. If such factors are not involved in the competition in a way that would cause a reasonable person to question the objectivity of a peer reviewer associated with or connected to one methodology or viewpoint, program offices may state within the ATRP that:

“Specific teaching methodologies, research methodologies, pedagogical viewpoints, and/or philosophical viewpoints are not involved in this competition in a way that would cause a reasonable person to question the objectivity of a peer reviewer associated with or connected to that methodology or viewpoint.”

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

3.3 Developing, Maintaining, and Closing the Grant Program Competition File

A. Policy

1. Program officials designate specific program staff to be responsible for the following required actions in the life cycle of the Grant Program Competition File (Competition File):
 - a. Create and manage the Competition File (note: typically, the program official should designate the competition manager.),
 - b. Close the Competition File once its cohort of awarded grants has been closed, and
 - c. Archive the Competition File in accordance with Departmental Directive ACSD-OCIO-012, Records and Information Management Program; 44 U.S.C. Chapters 21, 29, 31, and 33; and 36 C.F.R. Chapter XII, Subchapter B (note: typically, the program official should designate the program office's records liaison officer.).
2. Program offices create, maintain, and archive their Competition Files in compliance with ACSD-OCIO-012; 44 U.S.C. Chapters 21, 29, 31, and 33; 36 C.F.R. Chapter XII, Subchapter B; and applicable ED Comprehensive Records Retention and Disposition Schedules and National Archives and Records Administration General Records Schedules (GRS).
3. Competition Files are maintained in either the grants management system or the Office 365 OneDrive.⁸
4. Program officials follow the requirements in the "Grant Program Competition File SOP" (Competition File SOP) to ensure completeness and proper management of the Competition File, except where the requirements and needs of a competition dictate otherwise. (The Competition File SOP is available at [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#)).
5. All duties assigned to ED employees to implement this policy are to be consistent with their respective position descriptions.

⁸ If a program official determines that a program office is unable to use the grants management system to maintain the Competition Files as noted in the Guidance section then the program office's records liaison officer, as the position is described in Directive OM 6:103, must, on an annual basis, inform, in writing, ED's records officer of the determination and the exact location of the grant program competition files in Office 365 OneDrive or in any succeeding electronic platform designated by ED.

B. Procedures

1. To ensure the Competition File is properly created, managed, and closed, each grant program follows the Competition File SOP, which identifies the following:
 - a. The types of documents that should be included in the Competition File;
 - b. The staff position responsible for creating and managing the Competition File;
 - c. The staff position that reviews the Competition File (file reviewer⁹) to ensure it is complete; and
 - d. The staff position responsible for archiving the Competition File.
2. The “Grant Program Competition File Review Checklist” (the Checklist) is completed within 45 calendar days of all awards having been made to confirm that the Competition File has been reviewed for completeness, and for the timely and accurate filing of all Competition File documents. (the Checklist is available at [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#)).
3. The file reviewer completes and signs the Checklist and adds it to the Competition File in accordance with step 4 of the Competition File SOP.
4. Any legal documents governing the competition, as well as applicable¹⁰ correspondence, including emails related to the competition, is incorporated into the Competition File as each stage of the process is completed, per the Competition File SOP. The list below includes the standard documents for most Competition Files.
 - a. Relevant sections from the authorizing statute;
 - b. Program regulations, if applicable;
 - c. *Federal Register* Notices (such as Notice of Proposed and/or Final Priorities, Notice Inviting Applications, Common Instructions for Applicants to Department of Education Discretionary Grant Program, notices extending application deadline dates, correction notices);

⁹ A program office’s “file reviewer” must be a program official or executive officer. The “file reviewer” role should not be carried out by a person who was responsible for creating and managing the Competition File as a matter of internal control.

¹⁰Grant programs vary across ED based on statute, regulations, and the programs’ purpose; therefore, required documents for the Competition File will also vary.

- d. Any legal opinions or policy decisions (such as conflict of interest actions, ethics waivers, memoranda concerning the design of the competition) relevant to the competition, if applicable;
- e. Application package;
- f. The Office of Communication and Outreach (OCO) justification for the Intergovernmental Review comment period waiver or for shortening the deadline;
- g. Pre-application technical assistance and outreach, including presentation materials from webinars and FAQ documents, if applicable;
- h. ATRP;
- i. Application log(s) and list of applications screened out as being ineligible along with correspondence to the applicant identifying the reason for the non-eligibility determination;
- j. List of peer reviewers;
- k. Peer reviewer agreements;
- l. Evaluations, by the peer reviewers, of the application review process, if applicable;
- m. Documentation of conflicts of interest, if any peer reviewers have been replaced, or of any difficulties with specific peer reviewers, if applicable;
- n. Records of any discussions between program offices and specific peer reviewers or panels that influenced the outcome of the review (see the section [Peer Review Scoring and Quality Control](#)), if applicable;
- o. Grant Funding Slates (see the [Grant Funding Slate Template](#)) for all pertinent information that is required to be addressed and included;
- p. Documentation of risk assessments and the results of the risk assessments;
- q. Documentation of any rejection of the Grant Funding Slate recommendations and copies of amended Grant Funding Slates, if applicable;
- r. Documentation of any funding decisions unique to applications, if applicable;

- s. Documentation that the committed funding amounts between Oracle Financials (OF) and the grants management system are properly posted in OF for each grantee;
 - t. Any additional competition documents required per statute, program regulations, or program office policy, if applicable; and
 - u. The completed Checklist.
5. The Competition File is securely stored¹¹ until all the grants awarded under the competition have been closed out.
6. The Competition File is closed and archived when all grants made under the same competition are closed and archived.
- a. If the Competition File is maintained in the grants management system, no action is needed for closure.
 - b. If the Competition File is maintained in Office 365 OneDrive, the individual responsible for the file closure runs a closeout report from the grants management system showing all awards from the competition were closed. A screenshot of the report is included in the Competition File which is then closed and archived.

C. Guidance

1. Program offices should maintain their Competition Files, using the Competition File function, available in the grants management system. If a program official determines that the grant program cannot use the grants management system, due to system limitations, then program offices maintain their Competition File in the Office 365 OneDrive (or in any electronic platform succeeding the Office 365 OneDrive that is designated by ED).

D. Other Pertinent Information

1. The Departmental Directive ACSD-OCIO-012, Records and Information Management Program is located at [Numbered List of ACS Directives and Handbooks](#)

3.4 Receiving and Screening Applications

¹¹ If transitioning from one file site to another, including a paper file repository, program offices should ensure the plan for the transition minimizes transition time and is consistent in its process to avoid having more than one location for the Competition File.

3.4.1 Applications Submitted Electronically

A. Policy

1. Program offices allow grant applicants to submit their applications electronically, in accordance with [The Government Paperwork Elimination Act, P.L. 105-277, Title XVII](#). The Act requires that all Federal agencies provide their customers the capability to conduct business electronically.
2. ED participates as a partner in [Grants.gov](#) site and discourages paper applications.
3. Program offices designate [Grants.gov](#) for applicants to use when submitting electronic applications to ED, unless a grant program is unable to use [Grants.gov](#) (e.g., fellowships).
4. Electronic applications are submitted by no later than 11:59:59 p.m., Eastern Time, on the day applications are due for a grant competition, unless the competition does not follow the Common Instructions.

B. Procedures

1. In the NIA for the grant competition, program offices:
 - a. Identify [Grants.gov](#) as the application submission system, unless it is an ED program that cannot use [Grants.gov](#).
 - b. Address how an application package can be obtained by referencing the Common Instructions, which provides instructions for prospective applicants on obtaining application packages, and application submission requirements.
2. Program offices do not accept a faxed, emailed, or mailed application under a grant competition requiring electronic submission, unless doing so is specifically authorized in the *Federal Register* NIA for the grant competition.
3. If electronic submission is not possible (e.g., no access to the Internet), applicants must follow the Submission of Paper Applications instructions in the Common Instructions.

C. Guidance – Reserved

D. Other Pertinent Information

1. In addition to establishing the application submission deadline for the competition and the basis for determining whether an application has been

submitted in a timely manner, ED uses the NIA to establish the type of applications that ED considers for a competition.

3.4.2 Applications Submitted Via [Grants.gov](https://grants.gov)

A. Policy

1. Program offices ensure applicants submit their applications electronically in [Grants.gov](https://grants.gov), unless electronic submission is not possible, following the submission requirements in the Common Instructions.
2. Program offices, if it's reported that a technical issue with [Grants.gov](https://grants.gov) prevented the submission of an application, verifies the issue before settling.

B. Procedures

1. Applications submitted via [Grants.gov](https://grants.gov) are handled as follows:
 - a. Applications must be fully uploaded and be date-and time-stamped by the [Grants.gov](https://grants.gov) system no later than 11:59:59 p.m., Eastern Time, on the application deadline date, unless otherwise specified in the *Federal Register* NIA for the grant competition.
 - 1) [Grants.gov](https://grants.gov) automatically generates an acknowledgement of the receipt of the applicant's application in the form of a screen confirmation on the [Grants.gov](https://grants.gov) website, and via email from [Grants.gov](https://grants.gov) with a [Grants.gov](https://grants.gov) tracking number.
 - 2) The [Grants.gov](https://grants.gov) confirmation does not mean the applicant complied with all ED's application requirements (e.g., if the applicant submitted an Excel table instead of a PDF or Word document).
 - b. ED pulls the application from [Grants.gov](https://grants.gov), and the grants management system verifies whether the submission to [Grants.gov](https://grants.gov) was timely and sends an email to the applicant.
 - 1) The acknowledgement receipt from ED indicates the date and time [Grants.gov](https://grants.gov) received the application, as well as the PR/Award number assigned to the application.
 - c. If the applicant submits their application via [Grants.gov](https://grants.gov) after the submission deadline, [Grants.gov](https://grants.gov) still generates a confirmation that the application was received and provides a [Grants.gov](https://grants.gov) tracking number.
 - 1) The grants management system automatically generates an email notification indicating that the application is rejected because it was submitted late. It also marks the application as late in the database.

- d. If an applicant is prevented from electronically submitting their application by the application deadline due to technical problems with [Grants.gov](https://www.grants.gov), the applicant follows the “Application Deadline Date Extension in Case of Technical Issues with the [Grants.gov](https://www.grants.gov) System” section of the Common Instructions.
- e. After the applicant communicates with the [Grants.gov](https://www.grants.gov) Support Center, the applicant contacts the person listed in the FOR FURTHER INFORMATION CONTACT section of the NIA to report that technical problems were experienced while applying via [Grants.gov](https://www.grants.gov), as described in the Common Instructions. If this occurs, program offices:
 - 1) Collect additional information from the applicant (such as the [Grants.gov](https://www.grants.gov) Support Desk case tracking number, a description of the problem, and a timeline of when the technical problem occurred);
 - 2) Contact the grants management system staff in the Business Systems Support Division (BSSD) with this information to confirm the validity of the technical problem; and
 - 3) If the technical problem is verified by BSSD as having affected the applicant’s ability to submit their application on time via [Grants.gov](https://www.grants.gov), program offices grant an extension until 11:59:59 p.m., Eastern Time, the following business day to enable the applicant to transmit their application electronically (see the “Application Deadline Date Extension in Case of Technical Issues with the [Grants.gov](https://www.grants.gov) System” section of the Common Instructions).
- f. ED discourages paper applications; however, if electronic submission is not possible (e.g., the applicant does not have access to the Internet), the applicant must provide a written statement of its intent to submit a paper application. The Common Instructions require that:
 - 1) The applicant sends its written statement no later than two weeks before the application deadline date (14 calendar days, or, if the 14th calendar day before the application deadline date falls on a Federal holiday, then the next business day following the Federal holiday).
 - 2) If the applicant mails its written statement to the ED it must be postmarked no later than two weeks before the application deadline date.
 - 3) The applicant’s written statement is sent to the person listed in the FOR FURTHER INFORMATION CONTACT section of the competition NIA.

C. Guidance – Reserved**D. Other Pertinent Information – Reserved****3.4.3 Extending Application Deadline Dates for Exceptional Circumstances****A. Policy**

1. Program offices consult with their program attorney about the feasibility of extending deadline dates in instances of exceptional circumstances discussed under the Guidance section.

B. Procedures – Reserved**C. Guidance**

1. Program offices may extend the deadline date for applications, when the following exceptional circumstances occur:
 - a. The President has issued a natural disaster declaration and the Secretary determines that the disaster interfered with applicants' ability to submit applications by the deadline, (such natural disaster declarations can be verified at the following Federal Emergency Management Agency website: [Disasters - FEMA.gov](https://www.fema.gov/disasters));
 - b. The Governor of a State has issued a declaration that a natural disaster occurred in their State.
 - c. Other circumstances that are beyond the applicants' control occur that prevent the timely submission of applications (e.g., the original *Federal Register* NIAs, or other published documents, such as amendments to NIAs, ED.gov, gave incorrect or misleading information that had a significant effect on the application process).
2. Generally, a natural disaster is considered an exceptional circumstance when it is the subject of a natural disaster declaration by the President and when the Secretary determines that the disaster interfered with a grant applicant's ability to submit required applications or grant-related materials by established due dates.
3. A Governor's declaration of a natural disaster may also be considered an exceptional circumstance, and program offices may verify a declared disaster through the applicable State government websites.

D. Other Pertinent Information

1. The team in BSSD modifies the synopsis in [Grants.gov](#) to reflect the application deadline extension.

3.4.4 Standards for Reviewing Applications**A. Policy**

1. Program offices conduct initial eligibility reviews on all applications in accordance with EDGAR § 75.216. However, comprehensive reviews for eligibility are conducted on the highest scoring applications.
2. An application determined to be ineligible prior to the start of the competition review is not required to be accepted for review and scoring;
 - a. Program officials have the authority to override this decision and have the application reviewed and scored by the application reviewers, if an application is determined to be ineligible prior to the start of the competition peer review by program staff.
3. Program offices screen-out duplicate applications after consulting with the program attorney. In most cases, program offices accept and review the last timely submission of an application.

B. Procedures

1. Program offices, in accordance with [EDGAR § 75.216](#), ensure applications are only reviewed for funding if:
 - a. The applicant is eligible;
 - b. The applicant follows all the procedural rules that govern submitting the application;
 - c. The application contains the information required under the program; and
 - d. The proposed project can be funded under the authorizing statute and implementing regulations, if any, of the program.
2. If an application is determined to be ineligible according to above Procedures item 1, program offices provide a notification specifying the reason(s) why the application is ineligible as soon as possible after the determination is made (see [EDGAR § 75.218](#)).
 - a. Program offices keep a copy of the ineligible application and associated documents for 3 years after rejection.

3. If program offices determine an application to be ineligible, they choose one of the five ineligibility options listed in the grants management system to indicate a status of “ineligible.” The five content ineligibility options in are:
 - a. Not Applicable (NA) (e.g., an application was erroneously submitted under one program but should have been submitted under another program);
 - b. The applicant is not eligible (e.g., the applicant is not an eligible entity under the eligibility requirements of the program);
 - c. The applicant did not comply with all the procedural rules that govern the submission of the application (except as otherwise noted in the Common Instructions the application did not comply with the submission deadline requirements);
 - d. The application does not contain the information required under the program; or
 - e. The proposed project cannot be funded under the authorizing statute or implementing regulations for the program.
4. If the NIA establishes a maximum award amount, ED may still review applications that request awards in excess of that amount, but it may not make an award in excess of the established maximum. An applicant that proposes a budget that exceeds the maximum award amount, but scores in the funding range, may receive a grant only if it can reduce its budget to the maximum award amount without changing the scope and objectives of its proposed project.
5. If program offices cannot determine, after the initial screening, whether an applicant or its proposed application meets the eligibility requirements for the competition, they immediately consult with the program attorney to determine eligibility.
 - a. Program offices accept the application for review and scoring by the competition peer reviewers while a definitive eligibility determination is made in consultation with the program attorney.
 - b. If, after consultation with the program attorney, and prior to the start of the peer review, a program deems the application ineligible, then the application does not have to be reviewed.
6. If program offices discovers that an application should not have been reviewed under [EDGAR § 75.216](#), during or after the application review process has been completed, the application is still rejected.

7. If an application is rejected, the competition manager notifies the applicant as soon as possible after the decision to reject is made and before grants are awarded under the competition.

C. Guidance

1. Consultation with the program attorney is done immediately to ensure enough time should OGC determine that the application should be peer reviewed when program offices are unable to determine eligibility after initially screening (see Procedures item 5).
2. Program offices should not determine that an application is ineligible when unsure about making this determination since it could result in an eligible application not being reviewed during the review process. A problem of this type, (i.e., not reading and scoring an eligible application during the peer review process) is more difficult to correct than having an ineligible application reviewed. In the former case, special arrangement needs to be made to have the application reviewed, and in the latter case, the application is simply removed from consideration for funding after it is found to be ineligible.

D. Other Pertinent Information

1. The grants management system automatically lists all received applications for new grants as “eligible.” For this reason, it is necessary for programs to conduct initial eligibility screens of all new applications.

3.5 Peer Reviewers

3.5.1 One Percent Set-Aside for the Peer Review

A. Policy

1. The Department of Education Organization Act (DEOA) provides that the Department may not use more than one percent of the funds appropriated for any ED discretionary grant program to pay the expenses and fees of non-Federal experts (peer reviewers) necessary to review applications and proposals for such funds (20 U.S.C. § 3462(b)).¹²

¹² 20 U.S.C. § 3462(b)(2) reads, in full, “notwithstanding any other provision of law, the Secretary may use not more than 1 percent of the funds appropriated for any education program that awards such funds on a competitive basis to pay the expenses and fees of non-Federal experts necessary to review applications and proposals for such funds.” The term used repeatedly by Congress in the legislative history of this provision is “field readers,” indicating the set-aside was to pay for experts in the field to review and score applications. Please see <https://www.congress.gov/bill/103rd-congress/house-bill/1804> for more information.

2. Not all ED discretionary grant programs utilize the one percent set-aside reservation in the DEOA; this section only applies to those programs utilizing it.¹³

B. Procedures

1. Program offices utilizing the one percent set-aside reservation ensure that their logistical contracts for running competitions do not propose to fund items that are not reasonably tied to the expenses and fees of non-Federal experts (i.e., peer reviewers) necessary to review applications and proposals for such funds.
2. Program offices develop draft contractual statements of work (SOW) and other contracting materials that propose tasks to be completed by the contractor and funded using the one percent set-aside reservation.
3. Program offices work with their assigned contracting officer to ensure that SOW is correct and consult with the program attorney when they are unsure whether a task or activity can be appropriately funded by the one percent set-aside reservation.
4. Program offices choose alternative sources of funding when it is determined that the specific task or activity cannot be funded using the one percent set-aside reservation.

C. Guidance

1. In general, tasks or activities that are connected to the Peer Review process are allowable, whereas other activities, which may be connected to the operation of the grant competition, but are not connected to the Peer Review process, are unallowable.
2. The following examples are intended to illustrate some possible tasks and activities that can and cannot be funded using the statutory authority of the one percent set-aside:
 - a. Examples of Allowable Activities (can be funded out of the one percent set- aside):
 - 1) Paying and arranging for peer reviewer honoraria or compensation;

¹³ The one percent set-aside reservation is not available to programs that have a separate authorization to pay the fees and expenses of non-Federal experts (see 20 U.S.C. § 3462(b)(2)). Programs with their own authorizations to support the costs of conducting competitive grant competitions would follow their own program-specific statutory authority. Tasks and activities that cannot be funded under the one percent set-aside may be allowable under other funding sources, such as S&E. funds. However, a task or activity that is inherently governmental, cannot, under any circumstances, be performed by a contractor.

- 2) Peer reviewer lodging, travel, and per diem costs associated with on-site peer review, such as reserving a meeting or hotel space for peer reviewers to screen and discuss applications;
 - 3) Paying and arranging for costs associated with virtual peer review, such as mailing applications and establishing and scheduling video or phone communications;
 - 4) Collecting and processing peer reviewer information, including disclosure forms, conflict of interest forms, and payment forms;
 - 5) Providing logistical support for peer reviewer training webinars;
 - 6) Distribution and assignment of applications to peer reviewers, such as by creating an internal website for the distribution of applications for use by the peer reviewers;
 - 7) Collection and initial review of peer reviewer TRFs; and
 - 8) Responding to questions from peer reviewers on matters such as basic logistical questions and referring all questions of judgment or of a substantive nature to the program office.
- b. Examples of Unallowable Activities (cannot be funded out of the one percent set-aside):
- 1) Pre-screening applications for technical elements and making preliminary recommendations as to eligibility;
 - 2) Preparing or transmitting applicant eligibility notifications;
 - 3) Organizing information to be used in preparing the slate memo or drafting the slate memo;
 - 4) Providing logistical support for pre-application technical assistance webinars for prospective applicants;
 - 5) Responding to questions from prospective applicants on matters such as application deadlines; and
 - 6) Updating or maintaining the grant competition's public-facing website (including posting competition notices, technical assistance webinars, application FAQs and successful applications).

D. Other Pertinent Information

1. The issues concerning the one percent set-aside are related to, but separate from, the requirement that contractors not perform any inherently governmental functions. For that reason, program officers should also read below "[Inherently Governmental Functions and Contractors](#)" and be familiar with the restrictions regarding contractors performing inherently governmental functions.

3.5.2 Inherently Governmental Functions and Contractors

A. Policy

1. Program offices are diligent in that contractors must not perform inherently governmental functions (see Other Pertinent Information for the definition of "Inherently Governmental Functions").
2. *Applicability.* This section applies ED employees overseeing contractors that carry out tasks related to the administration of a discretionary grant. All ED employees are authorized to carry out inherently governmental functions as appropriate and within the scope of their positions.

B. Procedures

1. For situations where it is possible that a contracted function could lead to a contractor exercising an inherently governmental function, program offices, in consultation with CAM and the program attorney, create a protocol that establishes the following:
 - a. A description of the role of the contracted function detailing routine, ministerial, and internal roles for the contracted function.
 - b. A description of how a contractor should avoid exercising an inherently governmental function (e.g. who to defer to/contact when an issue arises, what functions are considered inherently governmental and therefore prohibited, specified range of acceptable decisions or conduct by the contractor, etc.).
 - c. A description of how the contractor will receive notification regarding their role and responsibilities.
 - d. A description of how program offices will provide meaningful oversight to ensure the contractor's activities do not expand to include inherently governmental functions and are not performed in ways not contemplated by the contract to become inherently governmental.

2. This protocol may appropriately be included in a contractual Statement of Work (SOW) or in the Application Technical Review Plan (ATRP).
3. When questions arise, program offices consult with CAM and the program attorney prior to deciding whether a task or activity is inherently governmental.

C. Guidance

1. *Examples.* The following table are some examples of typical discretionary grant functions that may or may not be inherently governmental and that program offices should consider in preparing logistical or technical assistance contracts:

Contracted Function	Not inherently governmental (may be carried out by contractors)	Inherently governmental function (may not be carried out by contractors)
Peer review panel monitors¹⁴	Convening and monitoring discussions among peer reviewers; coordinating the assembly of the panel; organizing documents; reviewing Technical Review Forms (TRFs) to ensure peer reviewer feedback is grammatically correct or scores are correctly totaled; preliminary review of TRFs to ensure peer reviewer scores are adequately justified	Leading or moderating discussions among peer reviewers; interpreting program requirements to peer reviewers; final review and approval of TRFs to ensure peer reviewer scores are adequately justified; resolving any substantive or judgment issues
Application screening	Screening for technical elements such as existence of required attachments; preliminary recommendations with explanations as to eligibility	Final decisions as to whether the applicant meets an absolute priority or is an eligible entity
Slate development	Assembling information; collating scores; preparing materials for public web posting or 508 compliance; making sure budget calculations are correct; drafting project abstracts on basis of material included in applications	Preparing the grant slate; recommending applicants for funding; budget review of allowable costs
Logistical support	Organizing and providing logistical support to the pre-application technical assistance webinar; creating a draft technical assistance webinar for ED review; directing applicants to existing program application guidance	Leading a pre-application technical assistance webinar; conducting a pre-application technical assistance webinar; answering applicants' questions
Grantee monitoring	Assembling information for monitoring reports to be reviewed and followed-up by ED; collecting and aggregating APR, IPR, or other grant performance information	Finalizing monitoring reports and program findings without explicit ED review and approval. Retaining records of monitoring, including the grantees' responses.
Technical assistance (TA) to grantees	Providing TA on best practices and implementation of grants consistent with established ED practices; presenting possible options for grantees to use based on ED-issued interpretations of existing law, regulations, and guidance	Interpreting law or regulations; directing grantees to implement a corrective action based on a contractor's own interpretations of existing law, regulations, or guidance

¹⁴ Importantly, the differences between a panel monitor "convening and monitoring discussions" and "leading or moderating discussions" among peer reviewers is the exercise of the panel monitor's discretion during the panel. Program offices contracting out panel monitors develop appropriate protocols and training to ensure contracted panel monitors will only perform routine and ministerial functions and not exercise their discretion in leading or moderating panel discussions.

D. Other Pertinent Information

1. *Definition.* An inherently governmental function is a function that “is so intimately related to the public interest as to require performance by Federal Government employees.” (Section 5(2) of the Federal Activities Inventory Reform Act of 1998 (FAIR Act)). A function that is determined to be inherently governmental may not be contracted and must be performed by employees of the Federal Government.
2. *General.* In general, an inherently governmental function is one that requires the agency to exercise discretion in decision-making; a function that is not inherently governmental is one that is routine and ministerial (i.e. an act or a function that conforms to an instruction or a prescribed procedure)
3. The issues concerning inherently governmental functions are related to, but separate from, the use of funds under the one percent set-aside reservation used by most, but not all, discretionary grant programs to fund competition logistical contracts. For that reason program officers should also read [One Percent Set-Aside for Peer Review](#) and become familiar with the restrictions on the use of funds from the one-percent set aside.

3.5.3 Factors to Consider in Recruiting and Selecting Peer Reviewers

A. Policy

1. Program offices use experts to evaluate the applications submitted for funding under a grant competition (see EDGAR 75.217a).
2. Program offices solicit experts to serve as reviewers for a grant competition without regard to race, color, national origin, gender, age, or disability.
3. Program offices use outside reviewers (not employees of the Federal government) to provide independent perspectives and practical expertise to the extent that doing so enhances a fair and competitive review process (see EDGAR 75.217(2)).
 - a. Program offices provide reasonable accommodations, if needed, to all individuals selected to serve as peer reviewers.

B. Procedures

1. Program offices, in soliciting experts to serve as reviewers for a grant competition, provide a notice that includes a statement that ED solicits reviewers without regard to race, color, national origin, gender, age, or disability. The notice also indicates that ED will provide reasonable accommodations for an individual with a disability, so that the individual is able to participate in the review process.

2. The use of outside reviewers is preferred; however, there are times when legitimate program management considerations may necessitate a departure from the practice of using outside reviewers. For those competitions where reviewers internal to the POC (but not to the specific program) are used, program offices include a justification in the ATRP.
3. When program staff reviews applications, they do not review applications submitted under the grant programs they administer, unless allowed by statute or Congress mandates funding a specific applicant or a group of applicants (see the section [Directed Awards \(Earmarks\)](#)).
4. If applications are reviewed by a panel of reviewers and more than one panel is convened, the number of reviewers on each panel is fixed and, unless exceptional circumstances occur, cannot vary between panels.
5. Each reviewer reviews all applications assigned to the panel unless circumstances lead to removal or replacement of a reviewer. When a reviewer is replaced, program offices follow the policies and procedures in the section Replacement of Reviewers During the Review before proceeding.
6. Program offices, when providing peer reviewer compensation, pay travel and per diem expenses in accordance with the Federal Travel Regulations.

C. Guidance

1. The panel of experts used to evaluate grant applications typically consists of three or more experts, but may include other members in accordance with applicable laws or regulations, or as justified in the ATRP (see the section [“Developing and Approving the Application Technical Review Plan”](#)).
2. When considering competition peer reviewer compensation, reviewers who are not Federal employees generally receive reasonable compensation for their services. Reviewers may also volunteer their service without compensation.

D. Other Pertinent Information

1. [EDGAR § 75.217](#) affords ED the flexibility to use peer reviewers who are not employees of the Federal government.
2. Federal Travel Regulations are found at: [Federal Travel Regulations - GSA](#).
- 2.

3.5.4 Recruiting Peer Reviewers for the Reviewer Database

A. Policy

1. Program offices recruit peer reviewers with extensive background and expertise in the subject area of the competition, to the maximum extent possible.

B. Procedures – Reserved

C. Guidance

1. Program offices should consider using the information in the common, ED-wide the grants management system database¹⁵ of peer reviewers to identify potential reviewers and to get an assessment of peer reviewers' previous performance.
2. When considering peer reviewers for participation in their panels, competition managers should consider consulting with other ED staff (or employees in other agencies) who have previously worked with peer reviewers, to assess reviewers' skills and competence in scoring applications reliably.
3. When program offices receive inquiries from other ED staff regarding peer reviewers, they should respond as if the request is urgent so that reviews or other performance matters are addressed timely and appropriately.
4. The suggested process for recruiting reviewers for the reviewer database is as follows:
 - a. Program offices should recruit persons from as many sources as possible and who are highly-qualified in areas pertinent to the competition.
 - b. Program offices may use a prospective reviewer's resume, curriculum vitae, or a standard form to determine the reviewer's qualifications.
 - c. The methods for recruiting individuals for the reviewer database include:
 - 1) Advertisements in appropriate publications, including but not limited to the Federal Register, journals, newspapers, and the program's website. For these recruitment efforts, program offices should include information on how to register in the GMS peer reviewer database found in the course, Using GMS and Completing Technical Review

¹⁵ The information in the reviewer database is protected under the Privacy Act of 1974, as amended in 5 U.S.C. § 552a, and ED employees do not disclose sensitive information from the database. When unsure of what information may or may not be released, staff should contact their program attorney for guidance.

Forms, located in the Introduction to Being an Effective Peer Reviewer computer-based training course.

- 2) Letters of request to key individuals (such as college or university deans, heads or prominent members of educational research institutions and professional associations, or private and public-school officials);
 - 3) Contacts with members of the educational community, professional associations, and current or former reviewers; and
 - 4) Requests to employees of ED or other Federal agencies (see the “Reviewers Who Are Federal Employees Rules” section).
- d. Program offices establish and maintain a peer reviewer database that identifies peer reviewers who are willing and available to review applications.

D. Other Pertinent Information – Reserved

3.5.5 Selecting Reviewers for a Reviewer Roster

A. Policy

1. Program offices ensure that potential reviewers do not have conflicts of interest with the applications to be reviewed.
2. Program offices ensure that potential reviewers have not been debarred or suspended under the Federal rules for debarments and suspensions for contracting and non-contracting situations.
3. The decision to not select a potential reviewer based on an actual or possible conflict of interest is an inherently governmental function and therefore made only by program offices.
4. After reviewers are selected, program offices submit the reviewer roster for each competition to the program official for review and approval. The program official approves the reviewer roster, to maintain a fair and competitive review process, and includes it as part of the grant program competition file prior to beginning the review.

B. Procedures

1. Program offices that choose to use the Grants Management System (GMS) database of peer reviewers select reviewers to form the reviewer roster for a grant competition.

2. Program offices compare the entire list of applications for the grant competition to the list of potential reviewers to identify potential conflicts of interest before making final reviewer selections and before the start of the panel review process.
3. All peer reviewers are screened in SAM.gov in order to ensure none have been excluded, debarred, or suspended. No individuals who have been excluded, debarred, or suspended may serve as a peer reviewer.
4. Application review logistical contractors may initially screen the names of reviewers to be chosen; however, only program offices make the decision to not include a potential reviewer.
5. Program offices determine whether a reviewer has a potential conflict of interest and makes the decision to not include this reviewer.
6. Program offices, after reviewers are selected, submits the reviewer roster for each competition to the program official (not the Principal Officer) for review and approval.
7. Program offices, after the program official approves the reviewer roster, includes it in the grant program competition file based on deadlines established in the section, [Developing, Maintaining, and Closing the Grant Program Competition File](#).
8. Program offices ensure that all selected peer reviewers, even those reviewers that will not receive compensation, have obtained a Unique Entity Identifier (UEI) number and registered in SAM.gov.

C. Guidance

1. To assist in identifying reviewers who may have a conflict of interest, program offices should consider using the “Questions for Application Reviewers on [Conflict of Interest](#) and Other Factors That Might Affect Objectivity” guide available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

D. Other Pertinent Information – Reserved

3.5.6 Using Reviewers in Consecutive Application Review Cycles

A. Policy

1. Program offices limit the regular use of the same reviewer for a program by not using the same reviewer for more than three consecutive application cycles. Regular use of the same reviewer may result in that reviewer

becoming too familiar with both the program and its applicants, thereby losing his or her ability to provide an objective assessment.

B. Procedures

1. Program offices analyze their pool of peer reviewers to determine the level of recurrence of each reviewer.
2. If program offices are unable to recruit enough highly qualified reviewers to comply with the goal of limiting application reviewer familiarity, they obtain a waiver from the Program Official to use an application reviewer for more than three consecutive application cycles.
 - a. Program offices limit peer reviewer familiarity by:
 - 1) Not using a peer reviewer in the same program, (i.e., a Federal assistance program with an assigned unique ALN) for more than three consecutive application cycles; or
 - 2) During each application cycle, substituting at least 1/3 of the reviewers used in the previous year with new reviewers.
 - 3) Exercising one of the options listed above does not apply to those grant programs that use standing panels (i.e., review panels to which reviewers have been permanently appointed, or appointed on a rotating basis, to a one-year or for multi-year terms) when the tenure of the members of those standing panels is longer than three years.
 - 4) Approved waivers to use reviewers for more than three consecutive application cycles are included in the grant competition file.

C. Guidance – Reserved**D. Other Pertinent Information – Reserved****3.5.7 Packages for Peer Reviewers****A. Policy**

1. Program offices provide peer reviewers with application reviewer packages.

B. Procedures

1. Program offices prepare and provide to each reviewer an application reviewer package prior to the application review process.

2. Peer reviewer packages are only sent to reviewers who: are approved in accordance with the procedures in the section, [Selecting Reviewers for a Reviewer Roster](#).
3. The peer reviewer package contains the following; however, program offices should tailor the package to the specific needs of the review process for their program:
 - a. Peer reviewer letter (describes the logistics of the review process);
 - b. Grant program application package(s), including the NIA;
 - c. List of applications to be reviewed in the competition;
 - d. Technical Review Forms (TRFs);
 - e. Either a “Department of Education Agreement for Grant Application Reviewers Who Serve without Compensation” or a “Department of Education Agreement for Grant Application Reviewers Who Receive Compensation”, whichever is applicable. The agreements are available at: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#);
 - f. Certifications regarding lobbying; and
 - g. Evaluation form to be completed by each non-Federal reviewer, at the conclusion of the review, regarding the quality of the review process.

C. Guidance

1. To the extent possible, program offices should prepare and furnish to each peer reviewer a reviewer package at least one week in advance of the application review process to provide reviewers enough time to review the application reviewer package in advance of the review process.

D. Other Pertinent Information – Reserved

3.5.8 Qualifications and Training for Managing a Grant Competition

A. Policy

1. The Competition Manager is the ED staff person responsible for overseeing the entire discretionary grant competition and provides the direction and guidance for all review panels and staff working with the panels conducted under the competition.

2. Program Officials include the name of the Competition Manager in the ATRP, if possible.
3. The Competition Manager possesses the following qualifications and skills:
 - a. Knowledge of EDGAR, the Handbook, and other documents that describe the proper procedures to follow managing a discretionary grant competition;
 - b. An understanding of the program to be competed, including:
 - 1) The program statute and any program-specific regulations;
 - 2) The NIA, especially the priorities, requirements, and selection criteria;
 - 3) The application package and any application FAQs; and
 - 4) The expertise peer reviewers need to have to perform their function effectively;
 - c. The appropriate access and ability to use GMS, including e-Reader;
 - d. Ability to apply the program regulations and requirements, as identified in the NIA, to the peer review process;
 - e. An understanding of the ATRP and ED's peer review process, including:
 - 1) How the ATRP is used during the peer review process (e.g., following how the ATRP conveys that conflicts of interest will be addressed, how scoring ties will be addressed, etc.);
 - 2) Roles and responsibilities for ED staff, peer review logistical contractors, and peer reviewers (see the sections [Roles and Responsibilities in the Review Process](#) and [Inherently Governmental Functions and Contractors](#));
 - 3) The importance of peer reviewer scores and evaluative comments supporting the scores;
 - a) Strong organization, communication, dispute resolution, personnel management skills, and project management skills; and
 - b) Ability to clearly communicate peer review requirements and procedures to individuals assigned positions (e.g., panel monitors, peer reviewers, and contractors) in the peer review process.

B. Procedures

1. Program officials require Competition Managers to take the Grant Competition Manager course which includes detailed information of the duties, skills, and necessary qualifications.
 - a. Program officials require a Competition Manager to work with a mentor, who is an experienced Competition Manager, when he/she is not able to complete the required class prior to the start of the competition to be managed.
2. Competition Managers identify and discuss any potential conflicts of interest among the competition's peer reviewers with their program official and the OGC ethics attorney, if applicable.
3. The duties of a Competition Manager, include, but are not limited to, the following:
 - a. Ensuring fair treatment of all applications in the competition;
 - b. Ensuring the competition follows the requirements and procedures identified in the ATRP, including:
 - 1) Establishing the peer review schedule;
 - 2) Reviewing and approving all materials used to train peer reviewers;
 - 3) Coordinating and leading the internal eligibility review of all applications;
 - 4) Overseeing the distribution of applications to peer reviewers;
 - 5) Training the peer reviewers, including panel chairs, and panel monitors and outlining the purpose of the review, how to score and comment, and how to use the grants management system (if applicable);
 - 6) Monitoring the review process, application review logistical contractors (if applicable), and providing guidance to other ED staff, peer reviewers, and the application review logistical contractors (if applicable, see Inherently Governmental Functions section) involved in the process by overseeing the peer review panels and logistics of the competition;
 - a) If the Competition Manager is not the COR or program manager for the contract, discussions with the application review logistical contractor occur in consultation with the COR or program manager.

- 6) Resolving any conflicts of interest and reviewer replacement issues that arise during peer review;
 - 7) Overseeing the process to ensure reviewers' comments are clear, objective, appropriate to the application, and correctly correspond to all selection criteria and competitive preference priorities, if applicable; and
 - 8) Ensuring that reviewer comments support and align with the reviewers' scores and are correctly entered into the grants management system (if applicable);
4. Program officials document the qualifications possessed by the Competition Manager and any actions taken to fully qualify a Competition Manager, if applicable. Documentation (e.g., a memorandum from the program official that confirms that the Competition Manager is qualified and addresses any deficiencies through online training and/or working with a mentor) is included in the grant program competition file.

C. Guidance

1. The Competition Manager duties in the Procedures section are usually established in consultation with the program official.
2. Program officials may require the Competition Manager to ensure the completion of additional activities as assigned by the program official, such as:
 - a. Ensuring competition schedule dates are updated in the grants management system, as needed;
 - b. Drafting the NIA and preparing the application package;
 - c. Leading public outreach and application technical assistance efforts;
 - d. Drafting the ATRP;
 - e. Coordinating and leading the internal budget review of all potential awardees;
 - f. Drafting the Grant Funding Slate for submission to the Principal Officer; and
 - g. Creating and maintaining the Grant Program Competition File.

3. Program officials should consider having a pool of trained and experienced Competition Managers who would serve as mentors to new Competition Managers.
4. Competition Managers further their own professional development by identifying and participating in trainings and educational offerings to:
 - a. Gain knowledge and skills appropriate to lead the peer review process and responsibilities outlined by the program official;
 - b. Ensure that the principal office is conducting the peer review process in compliance with all applicable laws, regulations, and policies; and
 - c. Gain and improve an understanding of all aspects of their responsibilities.
5. Training topics available to Competition Managers to further their own professional development, as offered by GMPD, OGC, or other offices, may include:
 - a. Budget Review Process
 - b. Conducting a Risk Evaluation
 - c. Risk Mitigation
 - d. Slate Development.
6. Competition Managers also participate in GMPD's quarterly policy forums for ED staff. The policy forum provides a venue for informing ED staff about important grants-related information and for POCs to exchange information.

D. Other Pertinent Information – Reserved

3.5.9 Roles and Responsibilities in the Review Process

A. Policy

1. The following roles and responsibilities are required for the peer review process, and they are applicable to all ED peer reviews, regardless of whether the review is held on-site at a central location, conducted electronically, conducted by mail, conducted by teleconference, or by using a combination of these methods.
 - a. Competition Manager – See the section [Qualifications and Training Needed to Run a Discretionary Grant Competition](#).

- b. Panel Monitor – The individual who moderates or monitors discussions among peer reviewers. The duties of a panel monitor depend on whether the individual is an ED employee or a contractor; therefore, program offices refer to the section [Inherently Governmental Functions and Contractors](#), when establishing responsibilities for this role. Some of the duties of an ED Panel Monitor can include:
 - 1) Moderating discussions among peer reviewers.
 - 2) Interpreting program requirements.
 - 3) Preliminary or final review and approval of Technical Review Forms (TRFs) to ensure peer reviewer scores are adequately justified.
 - 4) Answering procedural and administrative questions.
 - 5) Ensuring that reviewers, within their assigned panels, adhere to the standards and expectations described in the “Application Reviewer Standards or Expectations” section.
 - 6) Assigning reviewers and scheduling panels.
- c. Some of the duties of a Panel Monitor who is a contractor can include:
 - 1) Monitoring discussions among peer reviewers.
 - 2) Convening panels and monitoring progress of assigned panel(s).
 - 3) Preliminary review of TRFs to ensure scores are totaled correctly.
 - 4) Answering procedural questions.
- 2. Panel Monitors must not require reviewers on their panels to reach consensus regarding comments and scores. Instead, they ensure that all panel members have the opportunity to discuss the extent to which applications responded to the competition’s selection criteria and that discrepancies in comments or scores among reviewers are not the result of a factual misunderstanding (e.g., one reviewer stated that an application did not include a key element but another reviewer found that element and cited a specific page). A natural evolution to consensus resulting from this panel practice is acceptable.

B. Procedures – Reserved**C. Guidance**

1. Program offices may also establish a Panel Chair in the review process. A Panel Chair is typically a reviewer who has previous experience with ED's application review process, has a general knowledge of the program, and is considered an expert on the panel to lead the discussions among peer reviewers. Program offices may also rotate the Panel Chair position among peer reviewers when lead reviewers are assigned to specific applications for the purpose of leading the panel's discussions about their assigned applications.

D. Other Pertinent Information – Reserved**3.5.10 Orientation of Peer Reviewers****A. Policy**

1. The Competition Manager ensures that the review process adheres to the approved ATRP and all other governing procedures (i.e., in this Handbook, program office's SOPs for conducting peer reviews) by convening orientations for peer reviewers prior to beginning the review process.

B. Procedures

1. Program offices peer reviewer orientation includes information about:
 - a. Their responsibilities as peer reviewers;
 - b. The purpose of the program;
 - c. The purpose of the review; and
 - d. The roles and responsibilities of those involved in the review.
2. Before individuals begin to review applications, the Competition Manager, during the reviewer orientation:
 - a. Instructs reviewers on confidentiality (see the section [Confidentiality of the Review Process](#));
 - b. Instructs reviewers that they independently review and score all applications assigned to them and evaluate each application based solely on the selection criteria and priorities, if any, published in the *Federal Register*;

- c. Provides each reviewer with a list of all applications to be reviewed, if they have not already done so, to identify potential conflicts of interest before the application reviewer packages are given out;
- d. Instructs reviewers that they immediately notify the appropriate program office if they identify a possible conflict of interest at any time in the review process;
- e. Provides each reviewer an application reviewer package, if they have not already done so (see the section [Packages for Peer Reviewers](#));
- f. Ensures that each reviewer understands the conflict of interest policy and signs the appropriate conflict of interest form;
- g. Confirms that each reviewer who is receiving compensation under a purchase order does not appear in the Excluded Parties List System (EPLS) database available at [SAM.gov](#). ED staff makes final determinations regarding the reviewer roster, including confirming that no selected reviewers appear on the EPLS database, even if a contractor is primarily responsible for checking reviewer names against the EPLS database;
- h. Informs reviewers that they must complete a scoring form for each application reviewed;
- i. Explains to reviewers that scores must be based on published criteria and that scores can be changed after panel discussions, if necessary, but that changes are not required;
- j. Instruct reviewers to document scores with comments that justify the assigned scores, and provide constructive comments that provide meaningful information to the applicant, including suggestions for improvement where it would be helpful;
- k. Explains the approach used in the competition to evaluate applications (see the section [Scoring Rubrics](#));
- l. Explains whether reviewers are authorized to evaluate the extent to which an application addresses a competitive preference priority.
 - 1) Peer reviewers review competitive preference points when assigning points is dependent upon subjective judgment (i.e., interpretation based on expertise) on the part of a content expert peer reviewer.
 - 2) However, when assigning points is dependent upon objective judgment (i.e., lacking subjectivity and instead based on fact), it is carried-out by the program office.

- 3) The decision regarding who reviews and scores a competitive preference priority was already made in consultation with the program attorney before the review process, and most likely occurred in planning the competition.
- m. Informs reviewers that, for questions or issues that must be elevated for resolution beyond the panel monitor, it is the program official who has final authority to address any questions or resolve any issues that might arise concerning ED rules and practices;
- n. Instructs reviewers to complete an evaluation of the process at its conclusion;
- o. Instructs reviewers to provide required information necessary for reimbursement for their services, if applicable; and
- p. Instructs reviewers that they complete all reviews by the end of the review process to receive payment or reimbursement.

C. Guidance

1. For time-saving purposes, a best practice is to have more reviewers than needed participate in the reviewer orientation. In the event a reviewer needs to be replaced, then an alternate reviewer is already prepared.

D. Other Pertinent Information

1. Program staff may use the computer-based training course, [Introduction to Being an Effective Peer Reviewer](#) for training new and experienced reviewers about the peer reviews process.

3.5.11 Confidentiality of the Review Process

A. Policy

1. The Competition Manager ensures the confidentiality and integrity of the review process.

B. Procedures

1. Before the review of any applications, the Competition Manager instructs the reviewers and provides in writing that:
 - a. They must not discuss or share the contents of an application with anyone outside of their panel during the review process or after the review process has been completed;

- b. They must ensure no other person has access to the grant applications;
- c. For reviews conducted using e-Reader, they must not allow others to access e-Reader or their password or identification number, study their computer screen while entering scores and comments, or allow others to enter their comments or scores unless the reviewer is an individual with a disability who may need the assistive services of other persons during the peer review process;
- d. At the end of the review process, they must destroy any notes that were taken during the review of any/all applications they were assigned;
- e. At the end of the review process, they must destroy any copied documents from the application;
- f. At the end of the review process, they must delete all electronic files that were created in conjunction with the review process; and
- g. At the end of the review process, they must destroy mailed applications or return them to ED (per the Competition Manager's instructions) immediately after completing the review.

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

3.5.12 Replacement of Reviewers During the Review

A. Policy

- 1. If panels of reviewers are used to review the applications, each panel consists of the same number of people.
- 2. The reviewers assigned to a panel participate in that panel throughout the review process unless the Competition Manager finds it necessary to replace a reviewer after the start of the review process.
- 3. The Competition Manager only replaces reviewers for justifiable reasons such as:
 - a. Conflict of interest issues;
 - b. The reviewer is not performing to agreed expectations; or
 - c. The reviewer has an emergency that prohibits him/her from completing the review process.

4. The Competition Manager will not replace a reviewer because the program office disagrees with the reviewer's documented scores or comments or because there is a disparity in the scores of this reviewer and those of other reviewers unless the disparate scores are not well supported.
5. The Competition Manager ensures that the replacement reviewer meets the same standard for approval as the original reviewer and is provided orientation, training, and consultation comparable to that provided to other reviewers.

B. Procedures

1. If it becomes necessary to replace a reviewer after the competition has begun, for any of the reasons addressed in the policy section, the program official develops the following documentation and will place it in the competition file:
 - a. An explanation of the reason(s) for the replacement;
 - b. The process used to assign applications to the replacement reviewer;
 - c. A description of the efforts taken to resolve any problems prior to the replacement, if applicable;
 - d. The number of applications assigned to the panel;
 - e. The number of applications read by the original reviewer with the PR/Award number of each;
 - f. An explanation of the steps taken to ensure that both the original and replacement reviewers have reviewed sufficient applications within the panel to ensure fair and equitable treatment of applications, considering that determining a fair and equitable treatment of applications, if an alternate reviewer is used during the competition, will be on a case-by-case basis because the reason for removing the original reviewer should be considered;
 - g. The number of applications to be reviewed by the replacement reviewer; and
 - h. The original reviewer's completed application review forms, if any.

C. Guidance

1. Every attempt is made to maintain the diversity of the reviewer panels, considering the qualifications, background, and experience of the reviewer(s) being replaced.

D. Other Pertinent Information – Reserved**3.6. Conflict of Interest****3.6.1 Reviewing Reviewer Information for Conflicts of Interest****A. Policy**

1. Program offices make reasonable efforts to recruit reviewers who have expertise in areas pertinent to each of their discretionary grant programs.
2. Individuals interested in becoming a reviewer complete an application or submit a resume, or curriculum vitae, or other comparable information to the program that administers the competition.
3. For reviews that are conducted in e-Reader, reviewers first register and complete a reviewer profile in the grants management system in order to review applications in e-Reader.
4. Program offices ensure that reviewers have the necessary qualifications to review applications that will be submitted in upcoming competitions.
5. Program offices ensure that reviewers do not have any actual or apparent conflicts of interest in the outcome of upcoming competitions, or that there are no other reasons for which the public would question their objectivity to serve as a reviewer.
6. To ensure a fair and competitive application review process, program offices identify potential peer reviewer conflicts of interest, or other factors that might affect objectivity, to the extent possible, before approving a final peer reviewer roster (i.e., a roster of reviewers that actually conduct the review after all the conflicts have been checked and addressed, if necessary) and prior to the start of a competition's application review process.
 - a. Peer reviewers, who are employees of a Federal government agency other than ED, are not considered ED employees.
7. Program offices work closely with OGC's Ethics Division in determining whether there are possible financial interests or other reasons for which the public would question the objectivity of a potential reviewer in a competition.

B. Procedures

1. Program offices determine whether potential reviewers have the necessary qualifications to review applications for upcoming competitions by reviewing resumes, curriculum vitae, or other pertinent and comparable information.

2. Program offices review resumes, curriculum vitae, or other pertinent and comparable information to determine if potential peer reviewers have any conflicts of interest (direct or indirect) in the outcome of upcoming competitions, or if there are other reasons for which the public would question their objectivity to serve as a reviewer.
3. To the extent possible, before selecting reviewers for a competition, program offices compare the list of all applicants in the competition to the list of potential reviewers, and their employers, to determine if the employer of any potential reviewer has submitted an application in that competition.
4. To the extent possible, after selecting reviewers, but before the start of the review, the program office provides each reviewer with a list of the competition applications assigned to that reviewer for review so that the reviewer may identify any conflicts of interest, or any other circumstances that would impair his or her ability to impartially review any application in the competition.

C. Guidance

1. In addition to reviewing resumes and/or curricula vitae, program offices may conduct Internet or other searches, and may use specific questionnaires, surveys, or interviews of potential reviewers to gather more information relevant to the review. In conducting this review, program offices may wish to use functionalities of the grants management system that can search reviewer profiles for key terms. For example, program offices may search a reviewer's profile for resume or curriculum vitae information related to "significant connections to teaching methodologies," "significant identification with pedagogical viewpoints," "significant connections to related matters," or "philosophical viewpoints that may be involved in the competition" (see the section [Process for Addressing Other Factors That Might Affect Objectivity](#)). Assuming reviewers have entered related information in their profiles, program offices would be able to pinpoint applicable references through queries in the "Inquire on Reviewers" screens of the "Maintain Pool of Reviewers" module using the Smart Search function in e-Reader.
2. Program offices should ask a series of questions concerning possible conflicts of interest, and other factors that might affect objectivity, when an individual is contacted about serving as a reviewer. A list of sample questions that may be used for this purpose is available in the document titled, Questions for Application Reviewers on Conflict of Interest and Other Factors That Might Affect Objectivity, which is available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

3. It may also be appropriate to ask questions other than those provided in the Questions for Application Reviewers on Conflict of Interest and Other Factors That Might Affect Objectivity document. Program offices should work closely with OGC's Ethics Division to develop their own questions to address possible conflicts of interest, or other factors that might affect objectivity, related to a specific competition. Additionally, the Ethics Division is available to work with program offices to develop effective strategies for identifying possible disqualifying conflicts of interest prior to the start of a competition cycle.

D. Other Pertinent Information

1. For information regarding registering and completing a reviewer profile in the grants management system, individuals can access the online training topic for Reviewers (Field Readers)" from the homepage, and/or contact the external Hotline number at 1-888-336-8930 or at obssed@servicenowservices.com.
2. Program offices, regarding queries in the "Inquire on Reviewers" screens of the "Maintain Pool of Reviewers" using the Smart Search function in e-Reader, may contact the internal Hotline at (202) 401-6238 or at obssed@servicenowservices.com
3. Information about OGC's Ethics Division, including contact information, can be found at: [Ethics Division](#).

3.6.2 Reviewers with Conflicts of Interest

A. Policy

1. A reviewer who is not a Federal employee will be considered to have a conflict of interest when the reviewer, or certain individuals and entities with which the reviewer has a relationship, has a financial interest in the outcome of the competition for which he or she is serving as a reviewer.
2. A reviewer has a direct conflict of interest and will be dismissed from serving as a reviewer for the competition if:
 - a. The reviewer has agreed to serve as an employee, advisor, contractor or consultant on a project for which funding is being sought in an application under review, or has been offered the opportunity to do so and has not yet accepted or declined the offer, based on whether a grant is awarded;
 - b. The reviewer's personal financial interests will be affected by the outcome of the competition; or

- c. The reviewer helped prepare an application in the competition, even if the reviewer has no financial interest in the outcome of that application;
- 3. A reviewer has an indirect conflict of interest if the reviewer has a relationship with an entity or individual that has a financial interest in the outcome of the competition. An indirect conflict of interest is assessed on a case-by-case basis. Under these circumstances, a reviewer may or may not be allowed to continue to serve as a reviewer for the competition.

Examples of such a relationship, include, but are not limited to, the following:

- a. The reviewer's spouse, his or her child, a member of his or her household, or any relative with whom he or she has a close relationship;
 - b. Any employer the reviewer has served within the last 12 months, a business partner, an organization for which the reviewer has served as an officer, director, employee, consultant, advisor, contractor, or trustee within the last 12 months, or an organization for which the reviewer serves as an active volunteer or participant;
 - c. Any person or organization with whom the reviewer is seeking, or has an arrangement concerning, future employment;
 - d. Any professional associate – including, but not limited to, any colleague, scientific mentor, or student – with whom the reviewer is currently conducting research or other professional activities or with whom he or she has conducted such activities within the last 12 months; or
 - e. Any individual with whom the reviewer has, or has had, a personal relationship where the nature, duration, or recentness of that relationship would impair his or her ability to impartially review any application in the competition.
- 4. Notwithstanding the scenarios described above for identifying either a direct or an indirect conflict of interest, before and during the review process, the program official and reviewers also identify any other circumstances that might cause a reasonable person to question a reviewer's impartiality in serving as a reviewer on a particular competition, see the section [Reviewing Reviewer Information for Conflicts of Interests](#).

B. Procedures

- 1. All reviewers complete the appropriate Agreement for Grant Application Reviewers forms Department of Education Agreement for Grant Application Reviewers Who Receive Compensation, or Department of Education Agreement for Grant Application Reviewers Who Serve Without

Compensation, which are available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

2. If a reviewer has a conflict of interest with any application, that reviewer shall not participate as a reviewer in the competition unless the exemption described for large competitions in the “[Conflict of Interest Exemption for Large Competitions](#)” section applies or, if appropriate, the reviewer has been granted a waiver pursuant to the “[Individual Conflict of Interest Waivers](#)” section.

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

3.6.3 Conflicts Related to Applications from a Consortium of Entities

A. Policy

1. A reviewer is considered to have a conflict of interest with applications submitted by consortiums when the reviewer has a relationship with a member of a consortium, or with a partner in an application, that has a financial interest in the outcome of the competition for which the reviewer is serving as a reviewer.

B. Procedures

1. Program offices develop and implement strategies for identifying and avoiding conflicts of interest that arise when a reviewer has a relationship with a member of a consortium, or with a partner in an application, that may not be immediately apparent from reviewing an application’s title page.

C. Guidance

1. Some discretionary grant programs require applicants to include several different types of entities in their proposals. When an application is received from a consortium, or other cooperative arrangement of several entities, it is not always easy to tell from simply looking at the list of applicants what potential conflicts of interest exist. Program offices should consult with OGC’s [Ethics Division](#), to develop effective strategies for identifying disqualifying conflicts of interest in applications received from a consortium of entities.

D. Other Pertinent Information – Reserved

3.6.4 Conflicts Related to State University Systems and Multiple Campuses

A. Policy

1. An application submitted by a campus that is a member of a multi-campus system is generally NOT considered an application from the entire system of institutions. Therefore, reviewers from most multi-campus institutions may serve as reviewers in a competition in which another campus of the system has applied. Examples of multi-campus systems that consider campuses in their system as individual entities are listed in the Multi-Campus Higher Education Systems document available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

B. Procedures – Reserved

C. Guidance

1. For institutions not included in the Multi-Campus Higher Education Systems document, program offices should consult with OGC's Ethics Division on a case- by-case basis to determine whether a specific campus of a multi-campus system is independent. Factors that can be considered when making this determination include whether the campus has a different geographical location, an independent governing body, or a separate funding source.

D. Other Pertinent Information - Reserved

3.6.5 Conflict of Interest Exemption for Large Competitions

A. Policy

1. With respect to grant competitions with a large number of applications, ED has determined that some individuals may participate as reviewers, notwithstanding certain conflicts of interest. An individual for whom a conflict of interest has been identified may serve as a reviewer when the following conditions are met:
 - a. The individual does not have a personal financial interest in any proposed project (See Section 3.6.2 [Reviewers with Conflicts of Interest](#));
 - b. The individual did not prepare or help prepare an application under review in the competition, even if he or she has no financial interest in the funding of that application;
 - c. The individual will not serve as an employee, advisor, contractor, or consultant, or otherwise provide services, on any proposed project even if his or her compensation is not contingent on a grant award;

- d. The competition has received and will review at least 80 applications; and
 - e. The review will be comprised of at least eight panels of three or more reviewers.
2. It is not necessary for ED to issue a written waiver or exemption for large competitions when all these conditions have been met.

B. Procedures

1. If an individual with a conflict of interest is permitted to serve as a reviewer because the conditions listed above are met, program officials apply the following restrictions. The reviewer will not:
- a. Be assigned to review any application submitted by his or her employer, nor anyone for whom he or she serves as a consultant, advisor, or contractor;
 - b. Serve on the panel assigned to review the application giving rise to the conflict of interest;
 - c. Attend any panel meetings during which the conflicting application is discussed; or
 - d. Serve as a Panel Chairperson.
2. Prior to reviewing any applications, reviewers will examine the assigned applications. If a reviewer identifies any of the applications as having been submitted by his or her employer, or by any organization for which he or she serves as a consultant, advisor, or contractor, the program official will assign the application to another panel. If a reviewer identifies any other real or apparent conflict of interest—for instance, that the reviewer's sibling is named as the project director for implementation of the proposed program in another state—the reviewer notifies the program official immediately.

C. Guidance – Reserved**D. Other Pertinent Information – Reserved****3.6.6 Individual Conflict of Interest Waivers****A. Policy**

1. When needed and appropriate, a Principal Officer must request an individual waiver for a peer reviewer when the exemption for large competitions does not apply.

2. An individual waiver is issued only when a determination that no other individual with comparable expertise who is not subject to a conflict-of-interest disqualification is available to serve as peer reviewer, and the need for the individual's services outweighs the potential for a conflict of interest raised by the identified conflicting interest.
3. The Principal Officer and the ED contracting officer will issue individual waivers, with concurrence of the OGC Ethics Division.
4. A waiver will almost never be approved when the conflict of interest arises from the personal financial interest of the reviewer. A personal financial interest includes, but is not limited to, situations in which: 1) a reviewer or reviewer's spouse would receive or lose compensation depending on whether an application in the competition is funded; or 2) the reviewer or reviewer's spouse has agreed to serve as a paid consultant, advisor, or contractor to an applicant if its application is funded.
5. Waivers are approved on a case-by-case basis and are not granted automatically.

B. Procedures

1. To request and obtain a waiver, Principal Officers provide a memorandum to the ED contracting officer and OGC's Ethics Division using the template Request for Approval of a Conflict of Interest Waivers, which is available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
2. Documentation concerning a reviewer's conflict of interest and a copy of any waiver is included in the grant program competition file see the Department of Education Certification for a Grant Application Reviewer with a Conflict of Interest form available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

C. Guidance

1. To the extent possible, individual waivers should be requested and issued prior to the start of a review. However, individual waivers will be considered after the start of the review when conflicts of interest are identified through the review process. Nevertheless, a reviewer will not be permitted to begin the review until the individual waiver has been issued.

D. Other Pertinent Information – Reserved

3.6.7 Waiver Restrictions

A. Policy

1. A reviewer who has been granted a waiver, or who is reviewing applications under the exemptions for large competitions, does not review the application with which the reviewer has a conflict of interest.
 - a. For instance, if a reviewer employed by the University of Arkansas is granted a waiver to review applications in a competition in which the University of Arkansas is an applicant, that reviewer does not review the University of Arkansas's application.
2. A reviewer who has a conflict of interest with an application does not attend any panel meetings in which the application is discussed or have access to the application or any information concerning its review.
3. Reviewers who have a conflict of interest with an application being reviewed by the panel are required to serve on a different review panel, unless the competition manager moves the application in question to a different panel.

B. Procedures – Reserved

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

3.6.8 Reviewers Who Are Federal Employees

A. Policy

1. Rules governing conflicts of interest for Federal employees are found in [18 U.S.C. § 208](#) – a Federal criminal statute – and Subpart E of the Standards of Ethical Conduct for Employees of the Executive Branch at 5 C.F.R. § 2635.

B. Procedures

1. Federal employees from other agencies serving as peer reviewers consult with their agency's ethics office to discuss any potential conflict of interest associated with participation and then to obtain approval to participate as peer reviewers for the competition.
2. At ED, employees contact OGC's Ethics Division to determine if there is the possibility of, or if there exists, a conflict of interest before agreeing to serve as reviewers, whether the competition is internal to ED or the competition is hosted by another Federal agency.

C. Guidance – Reserved**D. Other Pertinent Information**

1. Governing conflicts of interest rules for Federal employees are found in [18 U.S.C. § 208](#) – a Federal criminal statute – and subpart E of the Standards of Ethical Conduct for Federal Employees at 5 C.F.R. § 2635).

3.6.9 Process for Addressing Other Factors That Might Affect Objectivity**A. Policy**

1. Programs ensure that other reasons for which the public would question the objectivity of a potential reviewer in the competition do not exist.
2. Factors that are to be considered in determining whether there are other reasons for which the public would question the reviewer's objectivity to serve as a reviewer in the competition include whether the reviewer has "significant connections to teaching methodologies" that may be involved in the competition, "significant identification with pedagogical viewpoints", "significant connections to related matters," or "philosophical viewpoints that may be involved in the competition."
3. In assessing other factors that might affect objectivity, programs consider whether the particular competition itself presents issues or connections to any specific teaching methodology, or significant identification with pedagogical or philosophical viewpoints that may be involved in the competition such that a peer reviewer may have views that would create a reason to question the objectivity of the individual to serve as a reviewer.
4. Programs include a process for addressing other factors that might affect objectivity in the ATRP.
5. The large group exemption set out in the [Conflict of Interest Exemption for Large Competitions](#) section and the individual waiver process set out in the [Individual Conflict of Interest Waivers](#) section are not subject to the policy, guidance, and procedures addressed in this section.

B. Procedures

1. Question 7 of the questionnaire titled, Questions for Application Reviewers on Conflict of Interest and Other Factors That Might Affect Objectivity may be asked of potential reviewers to determine if they have significant connections to teaching methodologies or significant identification with pedagogical viewpoints that are pertinent to the grant competition to be peer reviewed or significant connections to related matters or philosophical viewpoints. In

addition, language concerning other factors that might affect objectivity is included in the conflict of interest certifications in the agreements for peer reviewers that serve with and without compensation.

2. If other factors, such as a teaching methodology, pedagogical viewpoint, or philosophical viewpoint, are not involved in the competition in a way that would cause a reasonable person to question the objectivity of a peer reviewer associated with or connected to one particular methodology or viewpoint, programs are to state this fact within the ATRP. However, if any of these factors are involved in the competition, programs are to describe, in the ATRP for each competition they run, the steps they will take to address the factors that might affect objectivity. These steps could include:
 - a. Describing a process for recruiting peer reviewers that seeks a broad range of experiences and perspectives;
 - b. Describing a process for reviewing the answer to question 7 of the questionnaire titled Questions for Application Reviewers on Conflict of Interest and Other Factors That Might Affect Objectivity and, as determined appropriate by the Competition Manager—on the basis of such factors as the particular circumstances of the competition (e.g., whether it is focused on subjects that are highly controversial or involves competing schools of thoughts) or the nature of the answers provided by potential peer reviewers—reviewing any writings or publications provided in response to this question;
 - c. Incorporating the language on other factors that might affect objectivity in the conflict of interest certification that is part of the agreements for peer reviewers that serve with and without compensation;
 - d. Describing a process to balance the types of experience and perspectives that are present on each peer review panel in a competition;
 - e. Describing a process that ensures panel discussion in cases where there are significant discrepancies in scores between peer reviewers to ensure, among other things, that applications are being rated on the basis of the selection criteria rather than on some other factor, such as a peer reviewer's connection with a particular philosophy or school of thought; and,
 - f. Describing a process for monitoring peer reviewer comments on technical review forms to ascertain whether the scores given are justified on the basis of the content of the application and the selection criteria.
3. In instances in which there is substantial reason to believe that there exists other factors that may question the objectivity of an individual to serve as a reviewer in a competition, and programs wish to not use the individual as a

reviewer, programs consult with the program attorney and with OGC's Ethics Division about not using the individual as a reviewer in the competition.

4. When program offices deem that it is appropriate to use individuals having the types of conflict factors described in this section as reviewers, they seek exceptions from their program attorney and OGC's Ethics Division that will allow them to mitigate the issue and modify the role of the individual, or that will allow them to limit the applications reviewed by the individual.
5. For assistance in assessing whether other factors that might affect objectivity exist, programs work closely with the program attorney and Ethics Division to determine if there are other reasons for which the public would question the objectivity of a potential reviewer in the competition.

C. Guidance

1. In considering "significant connections to teaching methodologies," programs should examine whether there are specific teaching methods associated with the subject of the competition (e.g., how a subject area is taught or whether there are particular subject matters, techniques, or methods related to the teaching of the subject to the students) that if a reviewer were significantly connected to one or more of these methodologies, the public would have a substantial reason to question his/her objectivity to serve as a reviewer in the competitions.
2. In considering "significant identification with pedagogical viewpoints," programs should examine whether there are specific theories or philosophies associated with the subject of the competition that if a reviewer were significantly connected to one or more of these theories or philosophies, the public would have a substantial reason to question his/her objectivity to serve as a reviewer in the competitions.
3. In determining when there are "significant connections" or "significant identification with philosophical viewpoints" that may be involved in the competition, ED considers such factors as the nature, duration, extent, and the recentness of the connection or identification.
4. When including a process for addressing other factors that might affect objectivity in the ATRP, the following statement may be included when a teaching methodology, pedagogical viewpoint, or philosophical viewpoint is not involved in the competition in a way that would cause a reasonable person to question the objectivity of a peer reviewer associated with or connected to one particular methodology or viewpoint:

"Specific teaching methodologies, pedagogical viewpoints, and/or philosophical viewpoints are not involved in this competition in a way that

would cause a reasonable person to question the objectivity of a peer reviewer associated with or connected to that methodology or viewpoint.”

5. When including a process for addressing other factors that might affect objectivity in the ATRP, the following statement may be included to describe how responses to question 7 of the questionnaires titled, “Questions for Application Reviewers on Conflict of Interest and Other Factors That Might Affect Objectivity,” and any writings or publications provided in response to this question, will be reviewed:
 - a. When reviewers disclose that they have written, published, or otherwise commented on or been connected to any specific teaching methodology, or significantly identified with any pedagogical or philosophical viewpoints associated with a competition, and further explain that their connection or significant identification may cause someone to question their objectivity, program offices will: 1) review the responses to question 7 of the questionnaire titled, Questions for Application Reviewers on Conflict of Interest and Other Factors That Might Affect Objectivity; 2) request and review applicable copies of written and/or published works as deemed appropriate by program office; and 3) make a determination regarding the reviewers’ objectivity.
 - b. Program offices will consult with OGC’s Ethics Division when assistance is needed in determining if a significant connection or significant identification exists. All related documentation, decisions, and final course of action will be filed in the official competition file.

D. Other Pertinent Information

1. Program offices may access the questionnaires, Questions for Application Reviewers on Conflict of Interest and Other Factors That Might Affect Objectivity and the peer reviewer agreements at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

3.7 Peer Review Scoring and Quality Control

3.7.1 Limiting the Standardization of Peer Reviewers’ Scores

A. Policy

1. Program offices select high-quality grant applications for funding in a fair and transparent manner based on peer review scoring that is representative of detailed assessments that measure the extent to which selection criteria are comprehensively addressed by applicants.

B. Procedures

1. To select high-quality projects in a fair and transparent manner, program offices conduct an application peer review process where reviewers use their professional judgment to consistently review applications against selection criteria and consistently award point values to applications across programs.
2. Peer review scores are only standardized in exceptional circumstances, and only after consultation with the program attorney. If, after this process, program offices decide to standardize¹⁶ peer review scores after the panel review has concluded, they document this determination in the competition file, including a rationale for the standardization, the process for doing so, and the effect, if any, the standardization had on the rank order of applications.

C. Guidance

1. Program offices should hold a discussion with their program attorney in the competitions planning stage to inquire about using standardization if, based on the programs historical data it's been determined when to use raw scores versus adjusted scores, and the method of standardization is a useful and beneficial tool for the program. Program offices should also know that there are valid circumstances in which standardization should not be used.
2. Program offices should regularly consider ways to improve the consistency and quality of peer reviewer scoring.

D. Other Pertinent Information – Reserved**3.7.2 Ensuring the Consistency and Quality of Peer Reviewer Scoring****A. Policy**

1. Program offices ensure the consistency and quality of peer reviewer scoring by focusing on recruiting reviewers who have background and expertise in the subject area of the competition, and by thoroughly and uniformly orientating or training them on expectations about scoring methods and practices (see the sections [Recruiting Reviewers for the Reviewer Database](#), [Selecting Reviewers for a Reviewer Roster](#), and the [Orientation of Peer Reviewers](#)).

B. Procedures

1. To ensure the consistency and quality of peer reviewer scoring, program offices develop thorough and uniform peer reviewer orientations or trainings

¹⁶ *Standardization* is a statistical procedure, valid if certain assumptions are met, to correct the effect of any possible “bias” introduced by differing reviewer approaches to assigning raw scores. Raw score is the average of all reviewer scores.

that cover the substantive programmatic elements of a particular competition, such as the authorized activities, funding priorities, and selection criteria as well as ED guidelines and expectations about scoring methods and practices.

2. Program offices provide this training to ED staff or contractors who have been recruited to serve as Panel Monitors.

C. Guidance

1. Program offices should use available peer reviewer information in the grants management system e-Reader to identify potential reviewers and to get an objective assessment of peer reviewers' previous performance, especially as it relates to their scoring competence and reliability. Completed evaluations of peer reviewer and review panel performances are available in e-Reader, when Panel Monitors have entered those evaluations in the e-Reader system.
2. When considering peer reviewers for participation in their panels, Competition Managers might also benefit from consulting with employees in ED or other agencies, who have previously worked with particular peer reviewers, to assess the individuals' skills and competence in scoring applications reliably.
3. Elements that program offices should consider, including in their peer reviewer orientations and trainings, that will improve the reliability and quality of scores are provided below:
 - a. Common point of departure in scoring applications -
 - 1) One of the key elements of consistency in scoring involves establishing a common point of departure for peer reviewers' reviews, in order to ensure that all applications start on an equal footing. Program offices have discretion about the starting point for assigning the number of points to the review criteria for the applications.
 - 2) Program offices, for example, might choose to conduct a scoring process where the application is presumed to begin with zero points. In this method, peer reviewers would be trained to proceed by adding points for the applicant's response to each criterion, to the extent that the quality of information provided in the application continues to justify points.
 - b) The burden of proof would rest with the applicant to demonstrate that it has provided clear evidence that it has effectively addressed the selection criterion to justify the points that the peer reviewer assigns.
 - 3) Program offices might use a different starting point for scoring. For example, another approach could be to presume that all applications

start out with a perfect score, and readers are asked to deduct points for deficiencies they see in the applications.

- 4) Program offices might take any of several different approaches. Whatever the method used for a competition, program offices should make sure that reviewers receive training on the scoring approach they all must use to evaluate applications and that they present comments that support the number of points they assign for a criterion or priority.

b. Peer reviewer comments and points -

- 1) The peer reviewer training and orientation should also emphasize the importance of peer reviewer comments supporting the points a peer reviewer gives an application under each selection criterion.
- 2) Requiring peer reviewers to justify their point allocations with explanatory comments helps Panel Monitors (and the applicant and public) gain insight into and confidence in the points awarded by the peer reviewers.
- 3) 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.
- 4) Training should alert peer reviewers to look for comprehensive responses by an applicant to a program's selection criteria and priorities, and to consider salient and responsive information throughout the entire application. Important details that are overlooked or insignificant items that are given too much weight by a single peer reviewer could lead to discrepancies that might skew scores and undermine the quality ranking of applications.
- 5) Training and orientation of peer reviewers should convey to them the importance of their efforts to make their scores and comments work together to present the clearest possible picture of a peer reviewer's assessment of an application and the extent to which the application has addressed program selection criteria and priorities.

c. Peer reviewer calibration -

- 1) Peer reviewer calibration is a procedure for training peer reviewers that can improve inter-reviewer reliability. The training can involve having peer reviewers read and score model or representative applications, from previously completed competitions, of quality levels already known to the Competition Manager.

This activity will allow peer reviewers to get a sense of the probable range of quality among the types of applications that they will be reviewing and help them score applications effectively, to reflect those relative levels of quality.

These models might be actual applications from the program's previous competitions (with personally identifiable information or other proprietary data removed), or they could be sample applications created by the program for this type of exercise. In either case, their quality levels or previous scoring would not be disclosed to the peer reviewers before the exercise.

The model applications should be enough (e.g., a suggested minimum of three) to represent a variety from very low to very high quality, so that peer reviewers can understand where, along the range of possible point values, applications of different levels in the competition would fall.

In such an exercise, the peer reviewers would rate the model applications, after which the competition manager would discuss with the peer reviewers how their scores compared with the applications' actual historical scores. This can help peer reviewers learn how to score applications better and help Competition Managers to assess peer reviewers' understanding of the relationship between the selection criteria and the numerical points that would normally be assigned to specific levels of quality, often described with such terms as "fair," "good," "very good," "excellent," etc.

- 2) Competition Managers could introduce additional training for any specific peer reviewer(s) who appear to rate the model applications consistently higher or lower than the norm, in order to reinforce the ED's process for obtaining accurate scores, with a view to improving the scores' subsequent reliability.

In addition to working with any individual reviewer, Competition Managers might find it useful to facilitate a discussion with all the reviewers to foster a better group understanding of assigning points for the various review criteria.

This method of orientation and calibration requires time and effort. Its effectiveness as a calibration tool increases as the number of applications and peer reviewers increase. Therefore, programs can consider the feasibility or advisability for competitions with small numbers of applications and peer reviewers.

- 3) It is also recommended that programs retain these “test” or “pilot” scores from the calibration exercises, since they might be useful for post- competition comparison, especially in assessing any remaining peer reviewer scoring bias that might still be evident.

D. Other Pertinent Information – Reserved

3.7.3 Scoring Rubrics

A. Policy

1. There are two types of scoring rubrics: non-advisory (binding) and advisory (non- binding).
2. When program offices develop non-advisory scoring rubrics (i.e., descriptions for how to assign point values based on quality of the application) that must be used by the peer reviewers to score applications, they establish the rubrics through notice-and-comment rulemaking and publish them in the *Federal Register*, unless an exception applies.¹⁷
3. Rubrics that are merely advisory (i.e., non-binding) are not required to go through the rulemaking process. However, some rubrics, even though advisory, may be specific enough that they must go through the rulemaking process and be published in the *Federal Register*, unless an exception applies.
4. The distinction between the two types of scoring rubrics is whether the rubrics create specific cutoffs and criteria or whether they are advisory guides for consistent evaluation of applications. A non-advisory rubric would be a “rule” and require rulemaking unless an exception applies. Advisory rubrics may not require rulemaking, but that would be determined on a case-by-case analysis.

B. Procedures

1. Program offices ensure that all scoring rubrics, whether advisory or non-advisory, are reviewed by the program attorney before they are placed in application packages to ensure that rulemaking is not necessary.
2. Program offices include scoring rubrics (advisory and non-advisory) in their application packages.

¹⁷ One exception to the notice-and-comment rulemaking requirement might involve a program that is authorized by new or substantially revised legislative language. Under this circumstance, there would be an exception to the notice-and-comment process because this would be the first competition under such a program. See 20 U.S.C. §1232(d)(1).

C. Guidance

1. To promote peer reviewer scoring consistency and reliability, and to minimize the subjectivity of scoring judgments made during application reviews, program offices may develop standard, detailed scoring rubrics for grant competition selection criteria.
2. Program offices that plan to use non-advisory scoring rubrics for their application reviews consult with their program attorney during the planning process for the competition to help ensure the appropriateness of the proposed scoring rubrics to the grant competitions and to ensure that all rulemaking requirements are met.
3. Advisory scoring rubrics that do not require notice-and-comment rulemaking and publication in the *Federal Register* are included in the application package for a competition. This is because the rubric information could be beneficial to potential applicants or the general public in understanding more fully how applications will be evaluated.
4. Program offices should develop scoring rubrics that provide peer reviewers with specific scoring guidance that helps define the relationship between a score and the quality of an application with respect to each selection criterion.
5. There are three general approaches to evaluating applications:
 - a. Assume all applications begin with the highest possible number of points, i.e., 100 points, and points are subtracted for related weaknesses in their response to the criterion and sub-criterion;
 - b. Assume all applications begin with the lowest possible number of points, i.e., zero points, and add points based on the quality of the response provided for each criterion and sub-criterion; or
 - c. Assign points based on a rubric that describes the range of points that may be awarded in correlation to the quality of a response provided under a criterion or sub-criterion.
 - 1) For example, program offices could establish a scale for a range of points for each quality level (e.g., “high,” “medium,” “low”) or description (“excellent,” “good,” “fair,” “poor,” etc.) for each selection criterion. Instructions and guidance for using these types of rubrics should be developed to enable peer reviewers to associate similar levels of quality with similar scores, thus promoting inter-rater reliability and consistency.
 - 2) Program offices could use the following sample scoring range to improve inter-rater reliability. For a criterion with a maximum score of

20 points, peer reviewers might be guided to score a low-quality response from 1 to 7, a medium-quality response from 8 to 14, and high-quality response from 15 to 20. These ranges act as anchors for peer reviewers to keep the scoring consistent across peer reviewers, even in instances where there is natural variability in scoring among different peer reviewers and across panels.

6. Program offices may develop detailed scoring rubrics for selection criteria that require factual answers to questions in order to ensure that all peer reviewers allocate points consistently when scoring the criteria. For these more detailed scoring rubrics (e.g., “to earn high points, an applicant must include [required information] in its response”), program offices establish the rubric through notice- and-comment rulemaking and publish the rubric in the *Federal Register*, unless an exception applies.
7. Program offices should also provide more specific guidance during the orientation and/or the panel review process but should ensure that the rubrics and instructions are not too complex or difficult to use, given the number of applications that peer reviewers are assigned and the time limits they have to complete their review.

D. Other Pertinent Information – Reserved

3.7.4 Peer Reviewer Oversight

A. Policy – Reserved

B. Procedures – Reserved

C. Guidance

1. The Competition Manager may engage in the types of oversight activities recommended to assist Panel Monitors as they perform the required review and assessment of the quality of peer reviewers’ scores.
2. The oversight activities below also help determine whether a contractor led panel requires the Competition Manager to participate on the panel to further explain or clarify program requirements, interpret the selection criteria or funding priorities, or provide additional instruction on other areas of review requiring discretion.
 - a. Evaluating scores and comments informally before and during the review process:
 - 1) Panel monitors should review early drafts of peer reviewer comments to determine whether scores seem aligned with scoring guidance and instructions and comments are sufficiently detailed to justify scoring

decisions. Panel monitors can also use this early review as an opportunity to clarify any misunderstandings about the program's selection criteria and priorities.

- b. Ensuring the alignment of a peer reviewer's comments with the assigned scores:
 - 1) Ensuring that peer reviewers provide clear, concise, and constructive comments that reflect the scores assigned is critical to helping program offices determine which applicants have addressed the selection criteria best and, therefore, merit being included in the Grant Funding Slate.
 - 2) This correlation of scores and comments by the peer reviewers also helps to demonstrate that the peer reviewers have carried out their duties as desired and have read the applications assigned to them thoughtfully and carefully.
 - 3) The goal of this correlation of peer reviewer comments and points awarded for a selection criterion is to avoid the reality, or even the appearance of, peer reviewers' arbitrary assignment of scores to applications.
 - a) For example, where a peer reviewer awards only a few points for a selection criterion, Panel Monitors would expect to see comments that discuss a greater number of weaknesses or flaws than any strengths they found. Conversely, peer reviewers who award the full number of points would be expected to have written comments that identify many strengths found in the section of the application and no weaknesses.
 - 4) Similarly, Panel Monitors should evaluate reviewers' comments to determine that they have not made outright errors in their reviews, such as asserting, that an application is missing required information (e.g., in response to a selection criterion) when, in fact, it is present.
- c. Fostering informed panel discussions -
 - 1) By having panel members discuss, as a group, each application and by paying close attention to the quality of those discussions, Panel Monitors should be able to better assess the level of each peer reviewer's understanding of the review process and the selection criteria.
 - 2) The panel discussion also allows each peer reviewer to consider the perspective of other peer reviewers in reaching their individual conclusions and provides the peer reviewers a common, general

understanding (as opposed to agreement by consensus) of the spectrum of quality of applications reviewed by the panel.

- 3) There will be instances where very qualified peer reviewers will honestly and objectively come to different conclusions about the quality of a given application. In these cases, it is possible that there will be noticeable variations in scoring among the peer reviewers.
 - 4) Panel Monitors should encourage peer reviewers to explain their positions. After each peer reviewer has shared his/her perspective on the application's merits, peer reviewers can then determine, independently and on their own, if any adjustments to their scores are warranted. One or more reviewers might decide to change their scores, having the potential result of bringing the scores of those peer reviewers into closer alignment with the scores of other reviewers on the panel.
- d. Panel Monitors ensure that peer reviewers are not coerced into changing their scores. Should a problem arise, the Competition Manager should be consulted and could even be brought into the discussion. Having alternate peer reviewers available for circumstances that require them is a best practice and is highly recommended.
- 1) Panel Monitors, in rare instances, might find that a specific peer reviewer is unable to score applications according to the requirements and selection criteria applicable to a competition, despite repeated interventions by the Panel Monitor and/or Competition Manager.
 - a) In such an event, obtaining high-quality scores for the applications on a timely basis may be best achieved by removing the peer reviewer from the process and re-assigning the complete sub-group of that peer reviewer's assigned applications (both scored and not scored) to a replacement peer reviewer.¹⁸
3. When Competition Managers create a peer reviewer roster for a competition, recruiting alternate peer reviewers facilitates a smooth transfer of such a sub-group of applications, so that the program can receive a timely review of them with the desired level of quality, in accordance with the requirements of the competition.
- a. For such occasions, Competition Managers might want to focus particularly on recruiting those peer reviewers already experienced in working with ED programs. Whatever the alternate peer reviewers' backgrounds, the needs of the competition will probably best be served by

¹⁸ Peer reviewers can be removed for other reasons beyond the scope of this section. See the "Application Reviewer Standards or Expectations" section for additional discussion of this topic.

recruiting those who agree to take part in initial peer reviewer orientation, whether the need for their services might arise.

D. Other Pertinent Information – Reserved

3.7. Peer Reviewer Evaluation

A. Policy

1. Program offices evaluate the performance of each peer reviewer after the application review process and use those evaluations to continually update the peer reviewer database.
2. Program offices use the sample template, Application Reviewer Evaluation, or other evaluation instrument as deemed appropriate by the program office, to ensure ED maintains a pool of reviewers that are professional, experts in various fields, and have demonstrated the capacity to engage in and understand all peer reviewer requirements and responsibilities.
 - a. Examples of these professional qualifications include the ability and expertise to fairly analyze and evaluate applications against the applicable selection criteria, write clearly and concisely, exercise effective time management, and strong interpersonal skills working cooperatively with others to ensure applications are reviewed in accordance with ED's expectations.
 - b. The sample template, Application Reviewer Evaluation, is the same rating instrument as the Performance Assessment Form in e-Reader.
3. Program offices use peer reviewer evaluation results to maintain and recall for ED future reviews, peer reviewers that rate satisfactory or higher, or so other program offices do not recall peer reviewers who are deemed unsatisfactory.

B. Procedures

1. Program offices that use the grants management system for selecting peer reviewers use the Performance Assessment Form (Assessment Form) in the system to evaluate peer reviewers.
 - a. Program offices select the Assessment Form before setting up their panels, because the Assessment Form option will no longer be available after a panel has been formed.
 - b. Program offices that use their own proprietary system or a contractor for populating and maintaining peer reviewer databases implement protocols

to include peer reviewer evaluations and updates to peer reviewer databases.

2. Program offices, when selecting peer reviewers, comply with the section, [Using Reviewers in Consecutive Application Review Cycles](#), to limit familiarity and ensure peer reviewers remain objective.
3. When selecting previous peer reviewers, program offices only select reviewers who, in accordance with their evaluations, previously performed satisfactorily or higher.
4. Competition Managers consult with Panel Monitors that are contractors to obtain information regarding the performance of peer reviewers and panel. Peer reviewer evaluations are completed only by ED staff.
5. Peer reviewer evaluations remain with the reviewer in the database, and available for others to review prior to selection of a reviewer.

C. Guidance

1. Program offices are encouraged to contact other program offices within ED that maintain their own reviewer pools outside of ED-wide grants management system in order to obtain available reviewers when peer reviewers in the system or in their own databases are exhausted. Similarly, program offices that maintain their own peer reviewer database or use a contractor are encouraged to reach out and/or share peer reviewers with other program offices.
2. Program office ratings that objectively assess the quality of the peer reviewers' performance allow ED to maintain a peer reviewer database that consistently includes individuals who have demonstrated the capacity to engage in and understand all aspects of the peer review process.

D. Other Pertinent Information

1. Program offices can obtain a copy of the sample template, Application Reviewer Evaluation, by accessing the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

3.8 Multiple-Tier Application Reviews

A. Policy

1. Program offices, under the regulations in EDGAR § 75.224, have the option of using a multiple-tier review process to evaluate applications. In addition, certain programs have program regulations that specify the procedures for conducting a multiple-tier review.

B. Procedures

1. Program offices, under [EDGAR § 75.224](#), may refuse to review applications, in any tier, that do not meet a minimum cut-off score established for the prior tier.
 - a. The minimum cut-off score must be established either: 1) in the application notice published in the *Federal Register*; 2) after conducting a first-tier review and realizing the scoring range of applications; or 3) after reviewing the applications to determine the overall range in quality of the applications received.
2. Program offices, in any tier of the review, may use more than one group of experts to gain different perspectives on an application.
 - a. For example, program offices may choose to conduct a review of the proposed project design and management plan for each application first, and then move only the highest rated applications from that tier forward for a review of the evaluation plan (which would be conducted by a different set of peer reviewers).
 - b. Further, in any tier, program offices may refuse to consider an application if any of the groups in the prior tier scored it below the established minimum cut-off score.
 - c. When a multiple-tier review process is used as a means for narrowing the pool of applications that will be considered for funding, it would not be unusual for an application to receive a considerably different rating in the subsequent tiers (such as second or third tiers) than it did under the previous tier's review, even from the same reviewers.
 - d. Although the reviewers in the subsequent tiers are still reviewing the applications under the same selection criteria, the applications are now being reviewed within the context of a higher quality pool of applications, still based on their own merit. For this reason, these differences in ratings do not indicate errors in judgment at the prior tier.
3. For some program offices, the last tier review may be conducted either by a discussion between the panel and each applicant, or by a second review of the application by the panel without the applicant's involvement. When program offices intend to conduct a discussion with the applicants in the last tier, the ATRP must describe how the discussion will be conducted (i.e., describing whether the discussion will take place in-person, by teleconference, or using other technology). If the discussion will be held in-person, the ATRP must describe the travel arrangements that will be made for applicants to appear in person. Program offices publish information about

these interviews in the *Federal Register*. Program offices that wish to use this process consult with their program attorney.

4. Program offices include, in the ATRP, a description of the multiple-tier review procedures that will be used for the competition, including how or whether minimum cut-off score(s) will be established (see the section [Contents of the ATRP](#)).

C. Guidance

1. A multiple-tier review process involves the use of more than one review of an application or separate reviews for a pre-application and a full application in the same competition.
2. A multiple-tier review process is most used to narrow the pool of qualified applicants that will be considered for funding. For example, after the first level of review, only some of the applications are forwarded to the next tier for further consideration.
3. A multiple-tier review process might also be used to gain different perspectives on an application (e.g., within different tiers, a group of researchers and a group of practitioners might review an application relying on perspectives applicable to their respective professions).

D. Other Pertinent Information

1. The grants management system can support up to three tiers of review.

3.9 e-Reader – Peer Review System

A. Policy - Reserved

B. Procedures – Reserved

C. Guidance

1. Program offices before using e-Reader to conduct electronic peer reviews should take the related training to possess the necessary knowledge to use e-Reader.
2. Program offices are strongly encouraged to conduct the application review process electronically by utilizing e-Reader.
3. When using e-Reader, program offices should maximize its utility by using all its available features, which will allow for managing all aspects of the electronic application review process within one central location.

4. Using e-Reader, and all its features, for electronic application review processes is beneficial because it allows for all information, entered or created, to be centrally stored and managed throughout all aspects of the electronic review by offering the following functionalities:
 - a. Allowing program offices to screen applications and to designate them as eligible, ineligible, or pending (i.e., pending for those that are neither eligible nor ineligible at the time of screening).
 - b. Allowing program offices to manage their pool of reviewers, including adding and deleting reviewers from the pool of reviewers.
 - c. Allowing program offices to develop and manage TRFs, including publishing the TRFs for selected reviewers to complete online.
 - d. Allowing program offices to develop and manage other review related forms, including the Reviewer Evaluation (completed by the panel monitor), Exit Assessment (completed by reviewers), Panel Assessment (completed by the panel monitor), Record of Discussion (completed by the panel monitor) and other applicable forms established for the grant competition to be reviewed.
 - e. Allowing program offices to establish and manage reviewer panels and their structures.
 - f. Allowing program offices to assign reviewers and applications to panels.
 - g. Allowing peer reviewers, panel monitors, and competition managers to participate in the application review and scoring process online.
 - h. Allowing program offices to select or remove reviewers from a grant competition review.
 - i. Allowing program offices to calculate rankings, using the raw scoring method or standardization scoring method, for a grant competition. Raw scoring uses average scores, and standardized scoring uses weighted scores.
 - j. Allowing reviewers to complete exit assessments.
 - k. Allowing Panel Monitors to evaluate reviewers and panels and allowing queries of these evaluations.

D. Other Pertinent Information

1. The grants management system Helpdesk is available as a resource to program offices and reviewers who may have questions about e-Reader. In

addition, there is an online demonstration in that provides detailed and useful information about e-Reader, using the system, and seeking technical assistance.

Chapter 4: Pre-Award Activities

4.1 Pre-Award Activities Applicable to All Programs - Introduction

The policy, procedures and guidance addressed in of this chapter are applicable to pre- award activities that are relevant to applications that fall within funding range. These activities are applicable to all ED discretionary grant programs. For activities that are applicable to only some of ED's programs, see the [Pre-Award Activities Implemented When Applicable](#) section that follows in this chapter.

The pre-award phases of the discretionary grant process include all activities after the peer review process necessary for selecting applications. The information presented in this chapter helps to ensure that ED awards its grants fairly and consistently across principal offices. Specifically, this chapter focuses on:

1. Rank Order: Preparing a Preliminary Rank Order Based on Peer Review Scores;
2. Application Reviews;
3. UEI Registrations Reviews - General;
4. Clarification Contacts;
5. Assessing Grant Application Risk Prior to Making New Grant Awards;
6. Reviewing Available Audit Data Prior to Making New Awards;
7. Key Personnel – Excluded Parties and Qualifications Review;
8. FAPIIS Information Review Requirements; and
9. Cost Analysis and Budget Review

4.2 Rank Order: Preparing a Preliminary Rank Order Based on Peer Review Scores

A. Policy

1. Program offices generate a rank order list of applications for funding following the review and score methods established in the ATRP. A rank order list of applications is based solely on the reviewers' evaluation of the quality of the applications according to program-specific selection criteria or criteria identified in [EDGAR § 75.210](#) (see [EDGAR § 75.217 ©\(i\)](#)), unless competitive preference points are assigned by peer reviewers and they factor into the

rank ordering. For related policy regarding who assigns competitive preference points see the section [Orientation of Peer Reviewers](#).

B. Procedures

1. Rank order lists are generated in e-Reader for competition reviews that occur in e-Reader; alternatively, scores are pulled into an Excel where formulas are run to generate the rank order list.
2. When competitions do not use the grants management system for their competition reviews, program offices enter the individual reviewers' raw scores (after the reviewers complete their work) into the system following the review and score methods established in the ATRP in order to create a rank order list.
3. In limited circumstances the grants management system is not used to generate a rank order list. Instead, Program offices use Excel formulas to generate the rank order list.
 - a. When program offices use Excel formulas to generate the rank order list, they conduct a quality control review to ensure that scores are accurately entered into the grants management system.

C. Guidance

1. Notwithstanding unique circumstances (e.g., when a review panel includes some reviewers who only score certain criteria, or when a multiple tier review consisting of more than 3 review levels is used, etc.), program offices, to reduce the chances for human error, should use e-Reader to generate rank order lists.

D. Other Pertinent Information

1. The system Helpdesk is available as a resource to program offices that may have questions about e-Reader.

4.3 Program Office Review of Applications

A. Policy

1. Program offices conduct a thorough review of each proposed applicant's project activities and budgets before making funding recommendations to the Secretary to ensure that grantees receive funding that is both fair and adequate to the needs of their projects and that costs are allowable, allocable, and reasonable.

2. Program offices review the budgets of applicants proposed to be funded before developing a Grant Funding Slate. Cost items, both Federal and non-Federal (i.e., cost sharing or matching funds) in an applicant's proposed budget, must be related to specific project activities and must be allowable ([2 C.F.R. § 200.403](#)), allocable ([2 C.F.R. § 200.405](#)), and reasonable ([2 C.F.R. § 200.404](#)) in accordance with the cost principles in [2 C.F.R. 200 Subpart E](#) and must conform to limitations under relevant Federal statutes and regulations.
3. ED may fund up to 100 percent of the allowable cost in an applicant's budget (see [EDGAR § 75.233](#)). Program offices follow the process established for funding in the ATRP. ED may fund projects for less than their requested amounts as long as the lesser amount does not result in a change to the scope or objectives of the funded application (see the section [Prohibiting Changes to the Project Scope or Objectives of a Grant](#)).

B. Procedures

When reviewing applications, program offices:

1. Review and analyze both the proposed project activities and budgets for all years of the proposed project to determine whether the activities and budgets are allowable, allocable, and reasonable (see [EDGAR § 75.232](#)), and are submitted in accordance with the cost principles referenced in the section [Budget Analysis and the Grants Management System– General](#). This also includes any non-Federal portion of the budget (see the section [Grantee Cost Sharing or Matching \(Non-Federal Share\)](#)).
2. Consider any concerns identified by reviewers on the TRF regarding proposed project activities or budget issues.
3. Eliminate items that are not allowable from an applicant's proposed project or requested funding level.
4. Ensure that any recommended changes to the proposed project activities or requested amounts do not change the project's scope and objectives or impede the applicant's ability to achieve the project's intended goals or result in changes to the proposed project's scope or objectives.
5. Consider comments received from State single points-of-contact (SPOC) under [Executive Order 12372](#), Intergovernmental Review of Federal Programs, if applicable.
6. Ensure that the applicant has responded to the requirements under section 427 of the General Education Provisions Act (see the section [General Education Provisions Act \(GEPA\) – Section 427](#)).

7. Ensure that if an applicant indicated on the Application for Federal Assistance (SF424), Box 20, it was delinquent on a Federal debt and/or has a Federal judgment against it, program offices do not make an award until the applicant either pays the debt or enters into an agreement to pay the debt with the creditor agency.
8. Review for the required certifications and disclosures in accordance with the sections Certification of Eligibility for Federal Assistance in Certain Programs and Review of Lobbying Certification and Disclosure Form.
9. Conduct risk assessments for applicants recommended for funding and identify any risk mitigation strategies that will be implemented above and beyond those that are part of the program office's routine monitoring and oversight procedures (see the section [Evaluating Grant Applicant Risk Prior to Making New Grant Awards](#)).
10. Review for compliance with [2 C.F.R. part 200 Subpart F](#), "Audit Requirements;" and review available audit information in accordance with the section [Reviewing Audit Data Prior to Making New Awards](#).
11. Review and consider information in FAPIIS before making awards that will, over the applicants' performance period, exceed the simplified acquisition threshold addressed in OMB Memorandum M-18-18, "Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance" available at: [OMB Memoranda](#) (see the section [FAPIIS Information Review Requirements](#)).
12. For projects that involve research, review whether or not the project's research activities are exempt from the protections of human subjects' requirements in accordance with the section [Protection of Human Subjects Requirements](#).
13. Review key personnel and related information, including reviewing for exclusions in SAM, in accordance with the section [Key Personnel Qualifications Review & Excluded Parties List](#).
14. Use the Funding Recommendation Checklist, available at the link below, that will help ensure that all pertinent information has been considered and reviewed.

C. Guidance

1. Program offices may use the Funding Recommendation Checklist available at [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#) to ensure all items listed in Procedures have been reviewed and considered.

D. Other Pertinent Information – Reserved**4.4 Unique Entity Identifier (UEI) reviews in SAM - General****A. Policy**

1. Generally, applicants are required to submit their applications via Grants.gov, which requires an UEI active registration in SAM. Unless an applicant makes a timely request under the Common Instructions to file a paper application, or other unusual circumstances exist, an application that is not submitted via [Grants.gov](#) will not be considered for funding (see the [Common Instructions](#)).

B. Procedures

1. Throughout regular intervals in the grants management system, as program offices process grants and prior to obligation, program offices will be prompted to review SAM to ensure that an applicant's UEI registration is active. Program offices should conduct these SAM reviews when prompted.
 - a. The grants management system “refreshes” the registration status data from SAM daily.
 - b. An entity's registration in SAM is either “Active” or “Inactive,” and the grants management system alerts program offices when a SAM registration is “Inactive” at the time the UEI is being verified.
2. When an applicant, that has an inactive SAM registration, has been recommended and approved for funding, program offices contact the applicant in accordance with the section [Clarification Contacts](#) for resolution and wait until the SAM registration status appears as active before obligating the grant, unless doing so would result in funds lapsing. (See the section [UEI Registration Reviews in SAM – Pre-Obligation](#)).

C. Guidance – Reserved**D. Other Pertinent Information**

1. For requirements in regulations addressing SAM registrations, see [2 C.F.R. Part 25](#).

4.5 Clarification Contacts**A. Policy**

1. Program offices contact applicants about technical issues—such as obtaining missing certifications, correcting errors in the budget calculations, or clarifying improperly labeled budget items—prior to awarding a grant. Such

clarifications occur as soon as program offices identify that a clarification is necessary. Initiating clarification contacts at this time will allow program offices to resolve issues prior to the development of Grant Funding Slates, thereby, eliminating the need to identify within the Grant Funding Slate any applications requiring clarification contacts and funding contingencies related to those applications

2. Clarification contacts focus only on seeking clarification, and may not result in the following:
 - a. The request for and submission of missing information that results in the application circumventing, or appearing to circumvent, the application deadline established for the competition in the NIA;
 - b. The submission of omitted information that was required to be submitted in the application to address the program's selection criteria;
 - c. The submission of information that revises project activities that change the scope of work or objectives of the submitted application;
 - d. The submission of information that revises project activities and scope of work that are not authorized by the program's statute, regulation, or priorities; or
 - e. The revisions of excessive (unreasonable) costs submitted in the application that, if reduced, would result in a change to the scope or objectives identified in the original application submission.

B. Procedures

1. As a general matter, clarification contacts are initiated before the funding Slate Memo has been submitted for review. When contacting an applicant for clarification, program offices must communicate through a disclaimer that the application is under review, and that the clarification contact is not an offer of funding. Program offices develop their own disclaimers or use the following disclaimer to explain that the clarification contact should not be misconstrued as an offer of funding.
2. We are completing routine preliminary reviews of grant applications that were submitted under the XXXX Program and have questions (listed below) about the information contained in your application (insert PR/Award number). Please understand that this is not an indication that you are receiving an award, but merely that we need clarification regarding your application.
3. Program offices that choose to initiate clarification contacts after the Grant Funding Slate has been submitted, address the following in the Funding Slate:

- a. Mark the applications in need of a clarification contact with an asterisk to reflect that funds will not be committed until the outstanding technical issues are resolved.
 - b. Information on the technical issues that require clarifications, the acceptable resolutions, and identify the next applicant, in rank order, to fund in the event the technical issue cannot be resolved.
 - c. If program offices receive satisfactory technical information from the applicant, they inform the individual responsible for committing funds to proceed with commitment.
4. If the information submitted by the applicant is unsatisfactory, program offices inform the individual responsible for committing funds to withdraw the recommendation to fund the application, stating the reasons why it will not be funded and proceed to the application previously identified on the rank order list that may be selected with the funds made available (see the [Grant Funding Slate Template](#) for requirements and guidance about what to include when withdrawing the recommendation to fund an application).
5. If more serious issues such as applicant eligibility surfaces at this stage, program offices consult with their program attorney and address issues of eligibility prior to the development and approval of the Grant Funding Slate (see the section [Receiving and Screening Applications](#)).

C. Guidance

1. Program offices may have more serious questions regarding a recommended applicant's budget or activities that must be resolved prior to awarding the grant. Contact with the applicant to clarify these issues and questions may occur prior to the development of the Grant Funding Slate and before the applications are selected for funding.
2. If program offices prefer for clarification contacts to occur after approval of the Grant Funding Slate, rather than before the Grant Funding Slate has been developed and approved, program offices may initiate the clarification contact after the Grant Funding Slate has been approved and the application has been selected for funding (see [EDGAR § 75.231](#)).
3. Examples of the types of issues that may require clarification contacts are presented below. This list represents some types of issues program offices may need to address with applicants during clarification contacts; thus, it is not meant to be interpreted as an exhaustive list.
 - a. An applicant has identified travel costs for three conferences. The justification for two provides sufficient detail to be deemed permissible in accordance with the program's statute, regulations, or absolute priority.

The third conference, representing a significant amount of the application's travel budget, appears to be allowable, but lacks the same level of detail as provided for the other two conferences making it difficult for program offices to definitively determine the appropriateness of including the cost of the conference in the application budget. Program offices may contact the applicant for clarification about the purpose for attending the conference and the costs associated with the conference.

- b. An applicant is required by statute to recruit participants into training programs funded by the grant, and the applicant has identified how it will recruit participants from regions required to be targeted by the program's statute, regulations, or absolute priority. The applicant has provided a detailed plan addressing recruiting effort for all required regions resulting in high program competition reviewer scores and a high rank ordering, but one region's plan has been identified by the competition reviewers as less detailed than the others. Program offices may contact the applicant for clarification regarding the efforts to recruit participants from the region with the less detailed plan in order to determine if a specific award condition, or post award action, such as increased monitoring or TA, will be necessary.
 - c. An applicant has within its application proposal identified a project director by name and has included his/her vitae (or resume) in the application, but within the application budget narrative, an individual other than the individual identified in the application proposal is identified. Program offices may contact the applicant for clarification about this discrepancy.
 - d. A program office is funding down the previous year's approved slate. Program offices contact the applicants identified in the approved slate to determine if the applicant still has the capacity to carry out the scope of work and implement the grant project identified in the submitted application.
4. Program offices should document any funding clarification contact that has taken place with an applicant and include a written summary of the discussion in the official grant file (see the section [The Official Grant File](#)).

D. Other Pertinent Information – Reserved

4.6 Evaluating Grant Applicant Risk Prior to Making New Grant Awards

A. Policy

1. Program offices, before making new grant awards, conduct risk assessments (including, but not limited to, risk assessments related to available audit information, key personnel, applicants' competencies, and FAPIIS

information) for applicants recommended for funding prior to submitting the Grant Funding Slate for review and approval.

2. In accordance with [2 C.F.R. § 200.206](#), when conducting a risk evaluation; program offices consider:
 - a. The information available through any OMB-designated repositories of: 1) government wide eligibility; 2) qualification; or 3) financial integrity information;
 - b. The criteria described in the application notice that is to be used to evaluate an applicant's risk;
 - c. Prior and/or current financial information (e.g., bankruptcy, default rates, draw down activity, lack of internal controls, improper payments, lack of procurement standards, previously closed out in noncompliance etc.) and performance information, including information in the grants management system;
 - 1) Compliance with Federal audit requirements, audit findings, progress in achieving corrective actions set in place to resolve audit findings, compliance findings; and
 - 2) Other administrative issues to determine if any risk mitigation strategies above and beyond those that are part of the program office's routine monitoring and oversight procedures are necessary to mitigate any risks that have been identified.
3. If a risk is identified and it has been determined appropriate to impose specific award conditions to address the identified risks (see the Procedure, Guidance, and Other Pertinent Information sections that follow below), the GAN includes notification, in accordance with [2 C.F.R. § 200.208 ©](#), of the following:
 - a. The nature of the additional requirements;
 - b. The reason why the additional requirements are being imposed;
 - c. The nature of the action needed to remove the additional requirements, if applicable;
 - d. The time allowed for completing the actions, if applicable, and
 - e. The method for requesting reconsideration of the additional requirements imposed.

B. Procedures

1. Program offices contact an applicant for clarification if further information is needed to assess a risk issue. During this clarification contact, program offices indicate that the application is being reviewed, but do not indicate that it will be funded. Language to be used by program that explicitly communicates this is found in the section [Clarification Contacts](#).
2. When program offices decide to impose specific award conditions to address identified risks, the specific condition must be reviewed and cleared by their program attorney.
3. Specific conditions are included on the GAN, including adding this standard language allowing for a reconsideration of the specific conditions imposed:
4. If you wish to request reconsideration of these specific conditions, please send written notification describing why such conditions should not be imposed on this grant to the ED Program Contact in Block 3.
5. If program offices learn, by accessing the Federal Audit Clearinghouse (FAC), the Entity Risk Review (ERR), or other resource, that an applicant seeking a new award failed to file an audit with the FAC in any prior year as required by [2 C.F.R. § 200.501](#), or they cannot confirm that an applicant has complied with its obligation to file the required audit, program offices place a risk-related condition on the GAN requiring the submission of the missing audit. Refer to the document [Guidance and Decision Tree on Risk Mitigation When Applicants are Missing Single Audits](#), which includes OGC approved actions and specific conditions.
6. A copy of the GAN containing risk-related specific conditions and any associated cover letter is included in the official grant file. This occurs automatically in the grants management system when GANs are issued electronically.
7. Once the program staff and program official have determined that the specific conditions have been satisfied, or the problems or risks that led to the specific conditions on the GAN have been resolved, program staff:
 - a. Issue a new GAN without the specific conditions;
 - b. Issue a GAN cover letter to the grantee explaining that the specific conditions have been removed from the award; and
 - c. Include a copy of the amended GAN and cover letter in the official grant file. This occurs automatically in the grants management system when GANs are issued electronically.

8. In accordance with [2 C.F.R. §§ 3474.10](#), if the specific conditions under [2 C.F.R. § 200.208](#) are designated as “high-risk” conditions and a high-risk designation is imposed, program offices refer to the section [Grant Performance – Addressing Risk and Other Issues](#) to review how to impose and remove a high-risk designation.

C. Guidance

1. The following list identifies several issues that program staff may consider as they conduct risk evaluations for applicants. The list is not all-inclusive, and program offices may identify additional items for consideration as they conduct risk assessments:
 - a. Is the applicant a novice applicant?
 - b. Is the applicant associated with a high-risk entity?
 - c. Did the applicant have a previous award with ED? If so, was the previous award closed in noncompliance?
 - d. Are there budget item concerns (unallowable and/or unreasonable costs) identified in the application project budget?
 - e. Do the data provided in the Entity Risk Review (ERR) reveal risks or a potential for risks?
2. In addition to considering information and results from the application review process, program offices may consider data provided in the ERR when assessing risk. Program offices may consider data provided in the ERR during monitoring. The ERR contains data from original sources such as SAM, the grants management system, the Federal Audit Clearinghouse, and the Adverse Accreditation Actions list distributed by the Office of Postsecondary Education (OPE).
3. The ERR is meant to:
 - a. Inform ED’s grant administration, oversight, and monitoring using a standardized set of risk indicators.
 - b. Facilitate program offices’ efforts to analyze grantee risk prior to making awards and during the life of a grant project.
 - c. Make single audit findings and other information about organizations’ fiscal health available and accessible to program offices.
 - d. Facilitate data sharing across grant programs and among ED offices.

4. Program offices should generate ERR reports prior to, and as close as possible, to submitting the funding slate for review.
5. If a risk is identified, and it has been determined that the potential grantee might experience performance and/or financial management problems, it may be deemed appropriate to impose specific award conditions to address the identified risks, as established in the section [Enforcement](#).
6. Prior to imposing specific award conditions, program staff should discuss an appropriate risk mitigation strategy with their program official, and their program attorney, and subsequently implement the strategy deemed appropriate to mitigate the identified risk.
7. In accordance with [2 C.F.R. § 200.208](#), a program official may impose specific award conditions to address the identified risks, as is established in the section [Enforcement](#).
8. In addition to including a specific condition on the GAN as addressed in Procedure item 4, program offices may address the missing audit during the post-award performance conference, which should be held within 30 days after issuing the GAN.
9. In addition to including specific conditions on the GAN to address high-risk issues as is required in the Procedures section, program officials may include a GAN cover letter, which may be drafted in the grants management system, to the grantee that explains the conditions or actions required under the grant award.
10. Program offices should consider conducting risk assessments for applicants recommended for funding as close as possible to submitting the Grant Funding Slate for review and approval.

D. Other Pertinent Information

1. The standard risk conditions available for GANs when an applicant seeking a new award failed to file an audit with the Federal Audit Clearinghouse in a prior year as required in [2 C.F.R. § 200.501](#), or when it cannot be confirmed that an applicant has complied with its obligation to file the required audit, are found in the [Guidance and Decision Tree on Risk Mitigation When Applicants are Missing Single Audits](#) document.
2. High-risk information is recorded in the grants management system's Risk Module, so that information is easily shared across ED principal offices.
3. The ERR is available on the Self-Service ERR site in EDISON, which provides self-service, online, interactive, and real-time access to ERR data.

For access to the Self-Service ERR site, program offices can request an account using the following link: [EDISON](#).

4. Program staff can ask an ERR question via EDISON@ed.gov, or the [ERR contact list](#).

4.6.1 Reviewing Audit Data Prior to Making New Awards

A. Policy

1. Program offices review available audit information before making new awards.
2. Single or program specific audits are required for entities expending Federal assistance equal to or in excess of \$750,000 during the entities' fiscal years (see [2 C.F.R. § 200 Subpart F](#)).

B. Procedures

1. If program offices' review of audit data, from the ERR, Federal Audit Clearinghouse (FAC) or other resource, reveals that an applicant has failed to comply with the filing requirement or they cannot confirm that an applicant has complied with its obligation to file the required audit, program offices place a specific condition on the GAN requiring the submission of the missing audit. Program offices use the document [Guidance and Decision Tree on Risk Mitigation When Applicants are Missing Single Audits](#) which includes OGC approved actions and specific conditions.
2. Program offices follow up with the applicant if the applicant has filed an audit report that reveals findings to assess if the findings have been resolved. Program offices initiate follow-up in accordance with the section [Clarification Contacts](#). Program offices consult with their POC's audit liaison and the appropriate audit resolution staff member in the Audit Resolution Division (ARD) to verify information received from the applicant and obtain additional information regarding the status of the findings.
3. Program offices, in the event findings are unresolved, follow policy in the [Handbook for External Post Audit Process](#) and follow applicable procedures.
4. Program offices contact an audit resolution staff member in ARD to discuss the status of findings, access/obtain Program Determination Letters (PDLs), if applicable, and discuss appropriate resolutions with ARD for issuance of PDLs and follow other applicable procedures. In some cases, program offices may need to recommend that the program official impose specific conditions on the grant and may recommend a heightened level of monitoring and technical assistance.

5. Program offices document in the official grant file all actions taken to bring the grantee into compliance with the requirements of [2 C.F.R. § 200 Subpart F](#).

C. Guidance

1. To review audit data, program offices may use any of the following databases or tools:
 - a. the [Federal Audit Clearinghouse \(FAC\)](#) database;
 - b. the ERR; or
 - c. other means established as beneficial by program offices for reviewing audit information.
2. The ARD maintains updated lists of grantees with missing audits. The list and link to ARD's SharePoint site where the lists are posted are sent to Executive Officers and Audit Liaison Officials in program offices at least twice a year.

D. Other Pertinent Information

1. Audit policy can be found in the [Handbook for External Post Audit Process](#)
2. The Risk Management Resources site contains the [ARD contact list](#)

4.6.2 Key Personnel Qualifications Review & Excluded Parties List

A. Policy

1. Program offices ensure that applicants designate, at a minimum, the project director and/or principal investigator as key personnel.
2. Program offices, in accordance with [2 C.F.R. § 3485](#), must conduct a review of the SAM Exclusions list for designated key personnel, the authorized official, as well as the applicant.
3. Applicants are responsible for defining and identifying all other key personnel positions in their applications.

B. Procedures

1. Program offices review resumes of all key personnel, as well as qualifications identified in project descriptions of key personnel to be hired, to ensure the applicant has the expertise and experience to successfully achieve the project goals and objectives.
2. Program offices access the SAM Exclusions list, which contains the names and other information about persons who are debarred or suspended from

participation in Federal programs and are ineligible to do business with the Federal government, to verify that the applicant, the authorized official, or identified key personnel are not on the list (see [2 C.F.R. § 180](#)).

3. If applicants or any key personnel appears on the SAM Exclusions list, program offices must contact their GMPD liaison with the name and any related information before proceeding. The GMPD liaison validates the identity and advises the program staff of any issues and on how to proceed.
4. Program offices review the SAM Exclusions List for key personnel hired after the award is made or whenever changes are made to key personnel (see the section [Changes to Key Personnel](#)).

C. Guidance

1. Program offices do not select key personnel from among competing individuals on behalf of grantees, and their review of a grantee's key personnel focuses only on ensuring that the key personnel the grantee hires possess the experience, qualifications, and skills necessary to ensure that the grantee achieves the scope or objectives of the project and its outcomes.
2. Although concerns about key personnel expertise and experience should not prevent a project from being funded, these concerns can be addressed with the applicant/grantee and may inform monitoring of projects.
3. Factors program offices may use in determining whether those hired for a grant project would be covered by the concept of key personnel include:
 - a. Whether the person's participation has direct bearing on the outcome of the project;
 - b. Whether the person bears substantive responsibility for developing or achieving the scope or objectives of the project;
 - c. Whether the person possesses the experience, knowledge, or skills that the project requires; and
 - d. Whether the individual is identified in the application and that person's qualifications are relevant to a criterion for selecting the grantee.
4. In most cases, the designation of key personnel would apply only to a small number of positions in a grant project. Principles to consider are as follows:
 - a. In many cases, key personnel on a project are permanent staff members of the institution, organization, or educational agency that receives funding. However, ED policy does not exclude consultants or temporary

staff members with essential expertise or skills when they are specifically identified in the application as working on or advising the project.

- b. Generally, the term “key personnel” would exclude supporting staff, such as administrative or special assistants, and rarely, if ever, include clerical personnel.
 - c. When applying requirements of ED policy and/or regulations for key personnel to individuals of a grantee’s staff, program offices should first look at the persons and/or positions named by an applicant in response to a selection criterion for key personnel. This criterion can be found in [EDGAR § 75.210 \(e\)](#) or in program regulations that govern selection of grantees for a particular discretionary grant competition.
 - d. Subordinate personnel may occasionally fall within the scope of key personnel when they have responsibility for a major component of a project (such as activity directors, team coordinators, co-investigators or co-directors of project components at consorting institutions or organizations).
5. Program offices, in all communications regarding key personnel staff, ensure that grantees understand that they, not ED, select key personnel to hire from among competing individuals.

D. Other Pertinent Information

1. Grantees perform the SAM Excluded Parties List review for their contractors, consultants, and subgrantees, not ED staff.

4.6.3 Determining Applicant Competence and Responsibility

A. Policy

1. ED policy requires grant recipients to be competent, responsible, and committed to achieving the objectives of the awards they receive.
2. Program offices do not make an award to an applicant that is debarred or suspended unless it has received an exception under [2 C.F.R. § 3485.137](#).

B. Procedures

1. Program offices, when reviewing applications being recommended for funding, must consider the following factors in determining an applicant’s ability to carry out the proposed project activities responsibly:
 - a. The financial stability of the applicant;

- b. The applicant's previous experience, if any, in administering Federal grants;
 - c. Whether the applicant has adequate internal, fiscal and administrative controls (see 2 C.F.R. §§ 200.302; 200.303; and [200.305](#));
 - d. Whether the applicant is suspended or debarred;
 - e. The applicant's performance under other ED awards (see EDGAR § 75.217(d)(3)(ii)); and
 - f. Any adverse information regarding the applicant's officials or key employees that calls into question their ability to perform satisfactorily.
2. If program offices find evidence of problems related to the factors identified under the item 1 above, or there appear to be issues with the applicant's competence and commitment to achieving the objectives of the awards, they must recommend that the program official take one of the following actions:
 - a. Delay the award until the conditions are corrected;
 - b. Deny the award;
 - c. Make the award with specific award conditions (see the section [Enforcement](#)); or
 - d. Designate the applicant as "high risk" (see the section [Grant Performance – Addressing Risk and Other Issues](#)) and make the award with specific award conditions.
3. Program offices contact their GMPD liaison to share their concerns when the applicant's ability to perform is questionable, or if the applicant's conduct otherwise appears to meet the standards for debarment and suspension (see [2 C.F.R. § 180](#) and [2 C.F.R. § 3485](#)). Once all relevant information has been gathered, GMPD will work with OGC and program offices for resolution.
4. If program offices identified concerns with any factors identified in item 1 above and that applicant is subsequently recommended for funding, the Grant Funding Slate contains an analysis of those concerns and a justification for the funding recommendation.

C. Guidance – Reserved

D. Other Pertinent Information

1. The GMPD Grant Policy Liaisons list is at [GMPD Liaisons](#)

4.6.4 FAPIIS Information Review Requirements

A. Policy

1. Program offices review and consider information about applicants in FAPIIS if the grants exceed or will exceed, over the course of the discretionary grant project periods, the simplified acquisition threshold. This review is conducted before making new awards that exceed the simplified acquisition threshold. Currently, this threshold is \$250,000.
2. Before awarding a grant, program offices, at a minimum, determine that the FAPIIS information: 1) demonstrates a satisfactory record of executing programs or activities under Federal grants, cooperative agreements, and procurement awards; and 2) demonstrates integrity and good business ethics (see [2 C.F.R. § 200.206](#)).
3. Program offices record the FAPIIS review in the official grant file for those applicants awarded a grant.
4. When not making an award because of information in FAPIIS, program offices notify applicants that the award will not be made based on: 1) an unsatisfactory record of executing programs or activities under Federal grants, cooperative agreements, and procurement awards; or 2) unsatisfactory information related to the applicant's integrity and its business ethics (see [2 C.F.R. § 200.206](#)).
5. Program office notifications to applicants explain that the determination to not make the award has been entered into FAPIIS, and that the information will remain in FAPIIS for five years from the date of the determination (see [2 C.F.R. § 200.213](#)).

B. Procedures

1. The ED grants management system prompts program offices to review FAPIIS information prior to making an award at the UEI verification screen. Reviews are conducted in FAPIIS by entering the applicant's name or UEI number in the appropriate search fields.
2. If program offices find unsatisfactory information in FAPIIS about the applicant, the program may, after consultation with their program attorney, decide to make an award if, the information is determined to not be relevant to the Federal award under consideration, or if there are specific conditions that can be applied to the award that will appropriately mitigate the effects of the risk presented by the applicant.
3. Whenever specific conditions are applied to an award made to an applicant that would otherwise be deemed unqualified, ED is not required to report the

determination that the applicant is not qualified to receive an award in FAPIIS, since the inclusion of the specific condition is intended to mitigate the risk presented by the entity.

4. Program offices record in the official grant file or the competition file that FAPIIS reviews were conducted according to the following:
 - a. If an applicant is awarded a grant, program offices record in the official grant file that the FAPIIS review was conducted.
 - b. If an award is made after it was determined that specific conditions would mitigate the effects of risks associated with information available in FAPIIS, program offices file the decision to award the grant and the GAN reflecting the applicable specific conditions in the official grant file. When an award is made to an entity that would otherwise be deemed unqualified, specific conditions are applied in accordance with [2 C.F.R. § 200.208](#) and [2 C.F.R. § 200.213](#).
 - c. If an applicant is not awarded a grant based on a FAPIIS review and consultation with their program attorney, program offices record in the competition file the date of the FAPIIS review and the results of the review and notify the GMPD FAPIIS Reporting Point of Contact who will report the decision to FAPIIS.
 - 1) Within 48 hours after the notification has been issued, program offices forward to the GMPD FAPIIS Reporting Point of Contact a copy of the notification sent to the applicant, and any available supporting documentation.
 - 2) The GMPD FAPIIS Reporting Point of Contact reports to FAPIIS the program office's determination to not fund a grant.

C. Guidance

1. FAPIIS reviews are likely to yield the best results when searches are conducted by entering the applicant's or grantee's UEI number in the appropriate search field, or by conducting a UEI number search and a name search.
2. In cases where program offices determine the risk is sufficiently high to deny funding, program offices may use the notification titled FAPIIS Notification 1 (or a derivative of FAPIIS Notification 1 that best meets the needs of the grant program as agreed to by program staff and the program attorney) when communicating to an applicant that it will not be awarded a new grant based on FAPIIS information.

D. Other Pertinent Information

1. The simplified acquisition threshold is addressed in OMB Memorandum M-18-18, “Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance” available at [OMB Memoranda](#). The simple acquisition threshold is periodically adjusted for inflation in accordance with [41 U.S.C. § 1908, “Inflation Adjustment of Acquisition-Related Dollar Thresholds.”](#)
2. FAPIIS reviews may not yield any information, and this serves as affirmation that the grantees’ FAPIIS records are clear of adverse reporting.
3. The GMPD FAPIIS Reporting Point of Contact can be found at the following link: [GMPD FAPIIS Reporting Point of Contact](#).
4. The FAPIIS Notification 1 is available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

4.7 Certification of Eligibility for Federal Assistance in Certain Programs

A. Policy

1. Individuals who are recipients of Federal grant funds, either directly from ED or indirectly through another entity (e.g., an ED grantee), must certify, in accordance with [EDGAR § 75.60](#) – § [75.62](#), that: 1) they are not in default on Federal debts, or that they have made satisfactory arrangements to repay defaulted debts; and 2) they are not ineligible to receive Federal funds during the period of the anticipated funding as a result of conditions of sentencing imposed by a judge under Title 21 U.S.C. Controlled Substances Act, Part D Section 862.
2. Program offices inform applicants when they apply for assistance as individuals, either directly to ED or indirectly through another entity, of the obligation to address the required certifications in their grant applications by completing the form Certification of Eligibility for Federal Assistance in Certain Programs, ED 80- 0016.

B. Procedures

1. Program offices include the ED 80-0016 form in their application packages for grant programs that provide funding to individuals, either directly or indirectly through another entity;
2. Ensure, prior to award, that all grant applications contain a completed ED 80-0016 when the recommended applicant is an individual applying directly to ED for assistance;

3. Ensure, prior to award, that any entity recommended for funding has on file certifications from any individuals to whom grant funding from ED will be re-distributed as indirect assistance (e.g., scholarships, fellowships, stipends, tuition); and
4. Include, in a grantee's file, documentation that program offices have: 1) requested the certification from individuals who did not send it with the application; 2) discussed the certification requirement with entities that will redistribute grant funds as assistance to individuals; and 3) verified that entities have obtained certifications from individuals.

C. Guidance – Reserved

D. Other Pertinent Information

1. The ED 80-0016 is available at: [Application Package Toolkit - Documents, Instructions, & Other Information](#).

4.8 Review of Lobbying Certification and Disclosure Forms

A. Policy

Restrictions on the lobbying activities of applicants and recipients of grants and cooperative agreements are addressed in [EDGAR Part 82](#), which:

1. Prohibits applicants and recipients of Federal grants and cooperative agreements from using Federal funds to lobby for any Federal grant or cooperative agreement.
2. Requires applicants for Federal grants or cooperative agreements exceeding \$100,000 to file a certification form (Certifications Regarding Lobbying Form) at the time the application is submitted. By completing this form, applicants declare that they have not, nor will they, use Federal funds to lobby for any Federal grant or cooperative agreement.
3. Requires applicants for Federal grants or cooperative agreements exceeding \$100,000 to submit the Standard Form (SF) LLL (Disclosure of Lobbying Activities), with their applications. This form is to be completed if the applicant has used non-federal funds to lobby for any Federal grant or cooperative agreement.
4. Requires recipients of subawards (i.e., subgrants or contracts) that are issued under Federal grants or cooperative agreements to comply with the same lobbying restrictions and certification and disclosure requirements as Federal grant applicants and recipients.

5. Provides certain exceptions for Indian tribes and tribal organizations, professional and technical services, and agency and general liaison activities.
6. Allows for the imposition of civil penalties on applicants and grantees that do not comply with the requirements of the law.

B. Procedures

1. Program offices include in all discretionary grant application packages the “Certification Regarding Lobbying,” and the “SF-LLL, Disclosure of Lobbying Activities” forms.

C. Guidance – Reserved

D. Other Pertinent Information

1. The Certification Regarding Lobbying, and the SF-LLL, Disclosure of Lobbying Activities forms are available at: [Application Package Toolkit - Documents, Instructions, & Other Information](#).

4.9 Cost Analysis and Budget Review

4.9.1 Budget Analysis and the Grants Management System– General

A. Policy

1. Program offices ensure that cost items in an applicant’s proposed Federal and non-Federal budgets are related to specific project activities and that those costs are allowable, allocable, and reasonable in accordance with the Federal cost principles in [2 C.F.R. § 200 Subpart E](#).
2. Prior to making funding recommendations for the approval of a slate, program offices conduct a cost analysis of the applicant’s budget to determine the amount of a new grant. If the application is for a multi-year award, a cost analysis is conducted for each year (see [EDGAR § 75.232](#)).
 - a. Program offices may consider requesting a waiver (see Procedures in the Applicability section) to review out-year budgets prior to issuing NCC awards, rather than before awarding funds for the first year of the grant, when a large volume of potential awards is likely to impede the timely processing of those awards. While under this scenario, a waiver could be requested for the approval to review out-year budgets prior to issuing NCC awards, program offices conduct a cost analysis and budget review for the year one awards prior to making those awards. For applications with initial budgets submitted with errors, unallowable costs or other items of concern, waivers will not be approved.

3. Program offices, when reviewing specific cost items, determine whether the costs:
 - a. Are necessary for the proper and efficient performance and administration of the grant project;
 - b. Conform to any limitation or exclusions set forth in any governing principles or regulations that apply to the types or amounts of cost items associated with the funded project;
 - c. Reflect generally accepted accounting principles;
 - d. Include indirect cost reimbursement in accordance with indirect cost policy (see the section [Indirect Costs – General and other related indirect cost sections](#));
 - e. Are adequately documented and justified;
 - f. If charged as direct costs, are incurred specifically for the project; and
 - g. Are treated consistently with costs used for the same purpose in similar circumstances.
4. Program offices do not allow a grantee to charge the grant a fee representing profit, even when the recipient is a commercial for-profit entity. This restriction does not apply to contracts awarded by a grantee.
5. In accordance with [EDGAR § 75.233](#), an applicant's budget must not be funded above the requested amount. To make an increase after an initial award has been made, program offices refer to the section [Supplemental Awards](#).

B. Procedures

1. Program offices enter budget data for all requested/recommended budget line items (i.e., specific line-item amounts for Personnel, Supplies, Other, etc.) in the grants management system for each budget year within the project period.
2. Program offices check that the budget data identifies key personnel costs, the percentage of time key personnel will work on the project, and enter key personnel data (see the section [Key Personnel Data and Level of Effort in the Grants Management System](#)).
3. Program offices obtain and enter the grantee's UEI number into the grants management system to process a new award. If the UEI number is missing from the application, program offices contact the applicant to obtain it.

Program offices, when attempting to save the applicant's budget on the discretionary budget tab page, will be notified via a message if the applicant's UEI number is associated with a high-risk grant or grantee. If the UEI number is associated with a high-risk grantee, program offices follow the policy and guidance in the section [Grant Performance – Addressing Risk and Other Issues](#).

C. Guidance

1. Program offices may have identified a budget item cost that is “unclear” (i.e. there is a lack of clarity in the budget and budget narrative). If time permits, program offices may contact the applicant in accordance with the [Clarification Contacts](#) section or address the issue during the post-award conference, and require the grantee to submit a revised budget, if necessary.

D. Other Pertinent Information – Reserved

4.9.2.Key Personnel and Level of Effort in the Grants Management System

A. Policy

1. Program offices enter in the grants management system the names, titles, and the percentage of time for the project director, principal investigator, or other designated key personnel.

B. Procedures

1. If a selected applicant has not submitted names, resumes, or qualifications for key personnel or included position descriptions for key personnel in the application, program offices address the matter with the applicant, and request the information as part of any revised materials that will be submitted. This information is obtained during the clarification contact (see the section [Clarification Contacts](#)). During this contact, program offices do not disclose that the application is being funded, but rather, that it is being considered for funding.
2. Program offices, when making a new award, enter the names, titles, and percentage of time devoted to the project, into “key personnel” of the discretionary budget.
3. If key personnel have not been identified or hired under the grant at the time of application, program staff describe the position to be filled in the “Title” field and enters the term “Vacant” in the “Last Name” field.
4. Program offices verify the percentage of time (level of effort) that each person occupying a key position will work on the project.

- a. The grants management system will search key personnel across all ED grants to ensure that a key person's level of effort does not exceed 100 percent. The system will issue an alert message if a key person's level of effort exceeds 100 percent. If an alert occurs, program offices use the "inquire key personnel" option. This option provides information on other grant(s) that the key person is associated with, and his/her allocated percentage of time to each of those grants. ED contact information for all other grants the individual is associated with is also available within this option.
- b. Program offices resolve the key person's percentage of time (level of effort) issue accordingly:
 - 1) If the key person works on grants under a full-time academic year appointment at an institution of higher education (IHE) (e.g., 9 months), and also works on grants during the remaining 3 months of the calendar year (for a total of 12 months), and the policy of that institution authorizes that such an employee's level of effort across all grant projects may exceed 100 percent (i.e., the individual's full-time academic year appointment plus the percentage of time for work under a grant exceeding the full-time academic year appointment), program offices move forward with processing the grant under this scenario as long as the level of effort across all grants that the key staff person is assigned to does not exceed the level of effort authorized in the institution's policy.
 - 2) If the key person works at an IHE that does not have a policy in place regarding staff allocations and levels of effort that may be devoted to grant projects, or the key person does not work at an IHE, program offices may determine, in consultation with other ED staff who are responsible for other grants on which the person is identified as key personnel, that a level of effort exceeding 100 percent is reasonable based on responsibilities under each grant, which is consistent with [2 C.F.R. § 200.430](#). If program offices are having difficulty in reaching a resolution, they consult with their program official for assistance and next steps.
 - 3) If, in consultation with ED staff responsible for the key person's other ED grants, it is decided that the percentage of time the individual will devote to the grant in question or to other grants should be reduced, program offices ensure through clarification contacts, (see the [Clarification Contacts](#)) that the organization or institution employing the key person will make arrangements satisfactory to ED to reduce the individual's percentage of time, and provide support and assistance to the key person in their duties, such that ED can be confident that the

work on all affected grants will be completed successfully, and in accordance with each grant's scope of work.

- 4) If, in consultation with ED staff responsible for the key person's other ED grants, it is decided that the organization or institution employing the key person will remove the person as key personnel from the grant in question or from one of their other assigned grants, program offices ensure that the organization or institution hires a qualified replacement, and that the replacement has agreed to conduct the grant as described in the approved application, and will provide the level of effort required to successfully complete the project.
 - 5) In reaching a resolution of the level of effort issue, program offices responsible for grants on which the person was identified as key personnel consults with their Program Official, to obtain final approval of the resolution.
5. Program offices ensure that appropriate documentation reflecting the final approval of all changes to key personnel are maintained for each grant affected by the changes. The documentation is maintained in each official grant file, and includes the following: 1) an explanation of any changes to the key staff person's budgeted levels of effort, if any, for each grant; 2) any changes to the budgeted levels of effort of other grant staff that are necessary to ensure support for the successful completion of the projects; and 3) any addition of new grant staff, and their budgeted level of effort, needed to ensure support for the successful completion of the project.

C. Guidance – Reserved

1. Program offices should review level of efforts that exceed 100% for key personnel, and approve these requests only in limited circumstances, particularly if the entity is not an IHE nor supported by institutional policy.

D. Other Pertinent Information – Reserved

4.9.3 Direct Costs

A. Policy

1. All direct costs chargeable to a grant must be allowable, reasonable, and specifically allocable to the grant activities and not otherwise recoverable as a reimbursement through the negotiated indirect cost rate.
2. Applicants charge all allowable costs directly to the grant if they:
 - a. Have only one Federal grant from one Federal agency;

- b. Have no other sources of revenue (such as State, local or private grants); and
 - c. Engage in no other activities (such as fundraising activities or other business development activities).
- 3. Applicants with multiple Federal grants and no other revenue sources must allocate all allowable costs that directly benefit the grants directly and proportionally to each grant.

B. Procedures

- 1. Program offices scrutinize the ED 524 Budget Information Form and budget narrative in a grant application by carefully reviewing all direct costs to ensure that they are allowable, allocable and reasonable.

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

4.10 Pre-Award Activities Implemented When Applicable - Introduction

Unlike the preceding section, Pre-Award Activities Applicable to All Programs, the activities listed in this section may be applicable to only some of ED's discretionary grant programs. When the sections that follow are applicable, program offices conduct budget analysis in accordance with the policy, procedures, and guidance addressed in the preceding section Budget Analysis and the Grants Management system- General.

4.10.1 Grantee Cost Sharing or Matching (Non-Federal Share)

A. Policy

- 1. The policies governing grantee cost sharing or matching are below. Cost sharing or matching is the portion of project/program costs not borne by the Federal government. The terms are used interchangeably and refer to either:
 - a. A statutorily specified percentage of project/program costs that must be contributed by a grant applicant in order to be eligible for funding; or
 - b. Situations where the applicant voluntarily shares in the costs of a project consistent with the definition of voluntary committed cost sharing or matching in [2 C.F.R. § 200.1](#). This includes cost sharing or matching proposed under a competitive preference priority.

2. There may be some costs from non-Federal sources that are not statutorily required and do not meet the definition of voluntary committed cost sharing or matching in [2 C.F.R. § 200.1](#). These costs should not be treated as cost sharing or matching.
3. In accordance with [2 C.F.R. § 200.306](#), voluntary committed cost sharing or matching under research applications or proposals is not expected and cannot be used as a factor during the merit review unless the selection criteria for considering voluntary committed cost sharing or matching is explicitly described in the application notice.
4. Any cost sharing or matching proposed by an applicant must be fully documented and accounted for within the application budget documents. Applications submitted for funding that have either required or voluntary committed cost sharing or matching must include:
 - a. The specific costs or contributions proposed to meet the cost sharing or matching requirement;
 - b. The source of the cost sharing or matching; and
 - c. In the case of in-kind contributions, a description of how the value was determined for the donated or contributed services or goods.
5. Program offices ensure that costs included in an applicant's cost-sharing or matching budget meet the same standards as the Federal share (see [2 C.F.R. § 200.306](#)).

B. Procedures

1. When program offices require or encourage cost sharing or matching by establishing absolute or competitive preference priorities, this must be specified in the NIA. The NIA must indicate whether:
 - a. The cost sharing or matching is a fixed percentage or a minimum percentage;
 - b. The cost sharing or matching applies to each budget period or to the project period if deemed appropriate by the program official; and
 - c. There are any restrictions on meeting the cost sharing or matching through in-kind contributions.
2. Cost sharing or matching (non-voluntary or voluntary committed) must be submitted as the non-Federal share of the applicant's budget, and program offices ensure that the cost sharing or matching amount is reflected on the GAN and any required terms and conditions are also included.

- a. For non-voluntary cost sharing or matching, a standard GAN term/condition will automatically appear on the GAN stating that the grantee must contribute the non-voluntary cost sharing or matching when program enters the non-Federal share in the grants management system.
- b. For voluntary committed cost sharing or matching consistent with [2 C.F.R. § 200.99](#), program offices must select and include on the GAN the following clause that informs applicants selected for grants who volunteer cost sharing or matching where there is no requirement for it or who volunteer additional cost sharing or matching above that required by statute or regulation, that they must provide that level of volunteered cost sharing or matching as a condition of the award.

“The cost sharing or matching, as proposed by the grant recipient, has been accepted by the Department. The grant recipient is required to meet this cost sharing or matching contribution unless the grantee receives permission from the Department to reduce that contribution.”

C. Guidance

1. For grant programs that do not have a statutorily specified cost sharing or matching requirement, a program official may require or encourage cost sharing or matching by establishing absolute or competitive preference priorities.
2. If cost sharing or matching is not required and a grantee fails to meet its commitments in its application, the failure to meet the commitment will likely be analyzed in terms of whether the applicant is failing to meet the scope and objectives of its grant. Program offices should consider these situations on a case-by-case basis and should consult with their program attorney.

D. Other Pertinent Information

1. Guidance regarding the valuation of a grantee’s cost sharing or matching contribution is addressed in the document titled, “Valuation and Documentation of Grantee Cost Sharing and Matching Contributions,” which is available at: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
2. Grantees are required to report their cost sharing and matching expenditures in their annual Grant Performance Report (ED 524B), if applicable, and in their final performance report at the end of the award. The ED 524B is available at: [Grant Application and Other Forms](#)
3. Grant programs that do not use the ED 524B have grantees report their cost sharing or matching expenditure information on the Federal Financial Report ([FFR](#)) form.

4.10.2 Waiving Required Cost Sharing or Matching

A. Policy

1. With the Secretary's approval, program offices may waive an applicant's cost sharing or matching required in a program's statute or regulations when the statute or regulations provide such authority.
2. Applicants may request a waiver to for some or all required cost sharing or matching when the program's statute or regulations provide such authority, and applicants can justify their request to the satisfaction of the ED for a waiver.
3. Unless well-justified by the applicant, the Secretary does not, as a general matter, waive cost sharing or matching due to the importance of required cost sharing or matching to the long-term success of a grant project.

B. Procedures

1. Program offices announce in their NIAs requirements for waiver requests when the applicable program's statute or regulations state the authority to waive program requirements.
2. Applicants submit requests for waivers of required cost sharing or matching in their applications that explicitly justify the need for a waiver and limit their requests to any waiver requirements set out in the program's statute or regulations, whenever any such requirements exist (e.g., if the waiver authority allows for some but not all of the required cost sharing or matching to be waived, the waiver request must be submitted accordingly).
3. The recommendation to waive an applicant's required cost sharing or matching is determined by program offices and recorded in the program's Grant Funding Slate (see the section [Grant Funding Slate - New Grants](#)), then examined by the slate memorandum reviewing offices during clearance, and is ultimately approved or disapproved by the Secretary as a component of the program's Grant Funding Slate.
 - a. When a waiver occurs soon after the first-year award, and it will not be addressed in the program's NCC Grant Funding Slate, program offices will submit an "Amendment" to the original Grant Funding Slate addressing the waiver and will include the original slate (via an attachment) for the competition for full context.
 - b. If a POC has a large program that has numerous applicants requesting different waivers for different economic needs or circumstances, programs use a roll-up sentence in the Grant Funding Slate (e.g., "30 applicants are

requesting waivers...”), provide the reasons the waivers are being requested, and provide a justification for granting the waivers.

4. Waivers can be granted outside of a Grant Funding Slate, but the Grant Funding Slate must indicate whether waivers are granted before or after an award is made. See the [Cost Sharing and Matching Contributions](#) section in chapter 6 when waivers are granted after award.
5. Waiver approvals or disapprovals related to cost sharing or matching are recorded in box 10 of the GAN as a grant term and condition.
6. When an approved waiver results in a reduction to the required cost sharing or matching, the amount required of the grantee is reflected in box 10 of the GAN.
7. When a waiver is disapproved, the required cost sharing or matching is recorded in box 10 of the GAN.

C. Guidance

1. In addition to including a GAN term and condition reflecting waiver approval and disapprovals, program offices may also issue letters of approval or disapprovals with the GAN.
2. Program offices may consult with their program attorney and OPEPD/GPO when considering approval or disapproval of waivers.

D. Other Pertinent Information – Reserved

4.10.3 Calculating Cost Sharing or Matching Amounts

A. Policy

1. Program offices calculate cost sharing or matching amounts as required by a program’s statute or regulation.

B. Procedures

1. Program offices in their review and calculation of cost sharing or matching amounts consider that:
 - a. For multi-year projects, cost sharing or matching amounts are calculated for each year of the project separately, entered in the grants management system, and included as part of the terms and conditions of the grant award. However, in the case of a grant program where matching is calculated for the entire project period, rather than for each year of the project, a grantee would not be out of compliance with its matching

obligation, even if it failed to meet the target for a particular year of the project if it met the matching requirement over the entire project period.

- b. The estimated Federal funding amount can be used to calculate the matching amounts for the out-years of the project.
 - c. The application of cost sharing or matching to a Federal grant must be consistent with the applicant's treatment of those costs to Federal and non-Federal projects alike. For example, if the applicant's organization normally treats a cost for an activity as an indirect cost, that same cost must not be treated as a direct cost for cost sharing or matching purposes. To determine if the cost sharing or matching proposed by the applicant is allowable, program offices apply the criteria and exceptions listed in [2 C.F.R. § 200.306](#).
2. Program offices specify on the GAN, for any grant award that includes cost sharing or matching, the level or percentage of matching funds the applicant is required to contribute to the grant.

C. Guidance

1. The applicant cost sharing or matching amounts required by a program's statute or regulation are generally calculated in one of two ways. The applicant is either required to share a percentage of the total cost of the program or is required to match a percentage of the amount of the Federal share. Depending on the program's requirements, the following formulas may be used to calculate the applicant's share:

- a. Percentage of the total costs of the project:

Federal recommended amount x Applicant's share (%) of the total cost of the project / Federal share (%) of the total cost of the project = Applicant matching amount

Example: The applicant's cost sharing or matching requirement is 25 percent of the total cost of the project. The Federal share is 75 percent. The Federal recommended amount is \$90,000.

$$(\$90,000 \times 0.25) / 0.75 = \$30,000$$

Adding the two amounts together (the \$30,000 in the calculation and the \$90,000 Federal recommended amount), the total cost of the project is \$120,000, of which the applicant must pay \$30,000.

- b. Percentage of the Federal amount:

Federal recommended amount x Applicant's share (%) of Federal recommended amount = Applicant's matching amount

Example:

$$\$90,000 \times 0.25 = \$22,500$$

Adding the two amounts together, the total cost of this project is \$112,500, of which the applicant must pay \$22,500.

D. Other Pertinent Information – Reserved

4.10.4 Pre-award Costs

A. Policy

1. Pre-award costs are expenses incurred for allowable purchases and activities before the funding period begins or in anticipation of an award, and where such costs are necessary for efficient and timely performance of the scope of work. Pre-award costs are authorized by [EDGAR § 75.707\(h\)](#), [2 C.F.R. § 200.458](#), and by [48 C.F.R.](#) for for-profit organizations.
2. Applicants and grantees may incur pre-award costs 90 calendar days before a new grant or NCC award without prior approval from ED in accordance with [EDGAR § 75.263](#) and [2 C.F.R. § 200.308](#), unless prohibited by statute or regulation.
3. If an applicant or grantee wants to incur pre-award costs for allowable expenses more than 90 days before the beginning of a new project or budget period, [2 C.F.R. § 200.308\(d\)\(1\)](#) requires the applicant or grantee to first obtain prior approval from ED before incurring the cost.
4. All costs incurred before ED makes the award are at the applicant's or grantee's risk. ED is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs (see also [2 C.F.R. § 200.458](#), "Pre-award costs").
5. Program offices have the authority to disallow pre-award costs for justifiable reasons, even if the applicant or grantee wishes to incur them within 90 days before the beginning of the budget period (see the Procedures section that follows below).

B. Procedures

1. If an applicant or grantee informs program offices that they plan to incur pre-award costs within the 90-day period, program offices inform the applicant or

grantee that they incur these costs at their own risk, and, if for some reason the applicant or grantee does not receive a grant or NCC award, ED will not reimburse the applicant or grantee for the costs.

2. When an applicant or grantee wants to incur pre-award costs more than 90 days before the beginning of a new project or budget period, it submits a written request to ED that describes the reason for incurring the pre-award costs and the period during which the funds will be used. Program offices review the request and either deny or approve the request. If approved, program offices inform the applicant or grantee that the approval does not require ED to pay those costs if the applicant does not receive a grant under the competition or if the grantee did not receive an NCC award.
3. If, before the GAN is issued, program offices decide to approve the grantee's request to incur pre-award costs more than 90 days before the start of the grant, program offices append Attachment 5 "Pre-Award Costs," to the GAN at the time the GAN is issued. This attachment authorizes the grantee to spend grant funds in some or all budget cost categories, depending upon how the attachment has been completed by the program office.
4. If prior approval is granted after the initial GAN is issued, program offices generate a modified GAN, append Grant Attachment 5 to it, and issue it to the grantee.
5. If an applicant or grantee requests prior approval to incur pre-award costs before a GAN is planned to be issued, the program official, after reviewing the request, may approve the request in writing. In this case, Grant Attachment 5 would not be used. The approval letter:
 - a. Informs the prospective grantee that it incurs pre-award costs at its own risk, and that the grant is not legally binding on ED until grant funds have been obligated and a GAN issued with the appropriate attachment;
 - b. States that ED is not obligated to pay for pre-award costs in the event the applicant or grantee does not receive a new or NCC award;
 - c. States that the grantee may not use pre-award cost authority to reimburse itself retroactively for cost overruns that a project incurred in a prior budget period of a multi-year award or in any other federally funded project; and
 - d. States that the applicant or grantee must use the pre-award cost authority in a manner consistent with the approved scope and objectives of the funded project.
6. When program offices disallow pre-award costs, even if an applicant or grantee wishes to incur them within 90 days before the beginning of the budget period (e.g., pre-award costs are not allowable, allocable, or

reasonable under the grant program or grant project), program offices prohibit the grantee from exercising its authority to incur pre-award costs by appending Grant Attachment 15, "Prior Approval Requirements," and checking the appropriate box to deny pre-award costs. Additionally, program offices may disallow pre-award costs in writing.

C. Guidance

1. Examples of legitimate pre-award costs in a grant project may include:
 - a. Engaging a consultant, consistent with Federal and organizational conflict of interest and consulting/contracting rules, to do work directly related to the project's success, which must be carried out before its start;
 - b. Buying equipment before the grant start date to receive a concessionary price from a vendor; and
 - c. Traveling for ED-sponsored conferences that occur before the start of the project period (e.g., Pre-application workshops).

D. Other Pertinent Information

1. For informational purposes only all GAN attachments can be found at [GAN Attachments for Discretionary Grants](#)

4.10.5 Program Income

A. Policy

1. Program income is defined as funds that grantees generate directly from a project activity or earn because of having been awarded a grant. Generating program income under a grant to defray program costs, where appropriate, is authorized by [2 C.F.R. § 200.307](#).
2. ED policy allows grantees to exercise any combination of the options specified in [2 C.F.R. § 200.307](#) accordingly:
 - a. Deducting from total allowable costs and third-party in-kind contributions the amount of program income generated in order to determine the level of Federal support allowed (this requires the grantee to remit program income back to ED);
 - b. Adding to funds committed to the project by the Secretary and recipient and used to further eligible project or program objectives; and
 - c. Using funds for cost sharing or matching purposes to finance the non-Federal share of the project or program.

3. Grantees are not accountable to ED for program income earned after the end of a project period, unless the GAN includes a condition requiring accountability after Federal funding ends.

B. Procedures

1. Program offices include Attachment 6, “Request for Approval of Program Income,” as a standard attachment on all new and NCC award GANs, which permits grantees to exercise any of the options outlined in 2 C.F.R. § 200.307.
2. If program offices decide not to permit a grantee to exercise any one or all of the options outlined in 2 C.F.R. § 200.307, it must mark the option(s) as “Not Allowed” on Attachment 6 and include it with the hard-copy GAN. See the section [Issuing Hard Copy GANs for New Awards](#).
3. When program offices decide not to permit any one or all the options outlined in 2 C.F.R. § 200.307 for all grantees under an AL, they fill in the necessary information and include a statement that this Attachment 6 supersedes the standard Attachment 6, which is blank. Program offices then up-load this attachment into the grants management system. All grantees under the AL will receive both the blank attachment and the completed attachment on the GAN package.

C. Guidance – Reserved

D. Other Pertinent Information

1. Although the following is not an exhaustive list, they are examples of circumstances for which program offices may decide to not permit a grantee to exercise any one or all of the options outlined in [2 C.F.R. § 200.307](#):
 - a. When the grantee is a high-risk grantee.
 - b. When program offices determine, based on a justifiable reason (e.g., the nature of the grant program best supports the option of using program income to further the grant project’s goals and objectives), that it is appropriate to limit the options available to a grantee.
 - c. When the grantee is a for-profit grantee and program offices determine either that the use of program income would not be appropriate, or that the for-profit grantee should use a particular method due to its for-profit status.

4.10.6 Indirect Costs – General

A. Policy

1. Indirect costs are incurred by a grantee for common objectives that cannot be readily and specifically identified with a particular grant project or other institutional activity without effort disproportionate to the results achieved. Examples include:
 - a. The costs of operating and maintaining facilities, equipment, and grounds (part of “facilities costs”);
 - b. Depreciation allowances (part of “facilities costs”); and
 - c. Salaries of administrators and services, such as payroll and personnel that benefit Federal programs (part of “administrative costs”).
2. Indirect costs are usually charged to the grant as a percentage of the allocation base, which can either be salaries and wages (e.g., when applying the ED Temporary Rate - see the [Indirect Costs - Temporary Rates Plus Negotiated Agreements](#) section), salaries and wages plus fringe benefits, or modified total direct costs (MTDC). This percentage is called the indirect cost rate and is obtained by dividing indirect costs by the allocation base of a grantee. The MTDC cost base is defined in [2 C.F.R. § 200.1](#). The MTDC base is adjusted for costs that do not require administrative effort or would distort the indirect cost rate.
3. In accordance with 2 C.F.R. § 200.1, MTDC consist of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and contracts up to the first \$25,000 of each subaward (i.e., subgrant or contract that meets the criteria for an assistance relationship under [2 C.F.R. § 200.331](#) even though the grantee designates it as a contract).
4. The Federal government’s policy on reimbursement of indirect costs is that Federal agencies pay their portion of allowable indirect costs that are allocable to their programs, as described in [2 C.F.R. § 200.414](#) and appendices [III](#), [IV](#), [V](#), [VI](#), and [VII](#) to 2 C.F.R. 200.
5. Indirect costs are not reimbursed on construction grants, grants to individuals, or grants to organizations located outside the territorial limits of the United States, or for grants that exclusively support conferences.
6. Indirect costs are not reimbursed for fellowships and similar awards if the Federal assistance is exclusively in the form of fixed amounts, such as scholarships, stipend allowances, or the tuitions and fees of an institution.

7. Indirect costs must not be charged to grants funded under programs with statutes or regulations that prohibit indirect costs.
8. Generally, to charge indirect cost to a grant, a grantee must have a current indirect cost rate agreement that is negotiated with and approved by the grantee's cognizant agency, (i.e., the Federal department or agency providing the grantee with the most direct Federal funding subject to indirect cost support, or an agency that is otherwise designated by OMB).
 - a. If an applicant receives most of its Federal funding indirectly as a sub-recipient via another entity (for example, an SEA), the conduit organization that provides the most pass-through Federal funding is responsible for establishing an indirect cost rate for the subrecipient.
 - b. If an organization receives a combination of direct Federal funding and pass-through funding as a subrecipient, and the entity does not have a rate established by some other cognizant agency, the Federal agency providing the most direct funding (or an agency otherwise designated by OMB) is the cognizant agency for cost negotiation.
9. Grantees with approved indirect cost rate agreements are permitted to charge indirect costs in accordance with their agreements, except under a grant subject to a restricted rate (e.g., supplement-not-supplant programs), a training rate program, or other programs where indirect costs are restricted or capped in statute or regulations, such as a cap on administrative costs (see the [Administrative Cost Cap](#) section).
10. Grantees with approved indirect cost rate agreements that are charging indirect costs to their grants based on the approved rate must not charge a cost to its grant as a direct cost if that cost is identified as an indirect cost in the grantee's indirect cost rate agreement.
11. Direct cost allocation and indirect cost allocation are consistently treated across all Federal grants unless a provision of statute or regulation requires a different outcome.
12. When grantees do not have a federally recognized indirect cost rate agreement on the date ED awards its grant, and the grant programs are not subject to supplement-not-supplant requirements or training grant requirements, the grantees have the option of using either: 1) the temporary rate of 10 percent of budgeted direct salaries and wages (see the section [Indirect Costs - Temporary Rates Plus Negotiated Agreements](#)); or 2) the de minimis rate of 10 percent of MTDC, if the grantee is not a State, local government, or Indian Tribe that has received more than \$35 million in direct Federal funding, (see the section [Indirect Costs - De Minimis Rate - No Negotiation](#)).

13. Unless statutory or regulatory restrictions apply to indirect cost reimbursements, program offices cannot require grantees to accept an indirect cost rate that is lower than the federally negotiated indirect cost rate shown on their indirect cost rate agreement.

B. Procedures

1. Prior to award, during cost analysis, program offices review indirect cost information submitted by applicants in accordance with the section [Reviewing Indirect Cost Information During Cost Analysis](#).

C. Guidance – Reserved

D. Other Pertinent Information

1. The cognizant agencies for indirect costs for Institutions of Higher Education (IHEs) are the Department of Health and Human Services (HHS) or Department of Defense's Office of Naval Research (DOD). See [2 C.F.R. part 200, Appendix III, paragraph C.11.a.\(1\)](#).
2. Administrative costs, both direct and indirect, are addressed in the section [Administrative Cost Cap](#).
3. The Indirect Cost Rate Decision Tree and Chart available at the link, [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#), defines the types of indirect cost information that may be included in applications and is a resource that program offices may use to assess the appropriateness of the indirect cost information submitted by applicants.
3. The [Indirect Cost Division](#) SharePoint site includes information about indirect costs including an Indirect Cost FAQ Guide, indirect cost trainings, and grantees Cost Rate Agreements.

4.10.7 Indirect Costs – When They Apply

A. Policy

1. Program officials permit grantees to apply the applicable indirect cost rates (e.g. restricted indirect cost rate or unrestricted indirect cost rates) that they are permitted to charge to their grants under the program for the period the rate is applicable to a Federal award.
2. In accordance with [2 C.F.R. § 200.414\(g\)](#), a grantee can request up to a four-year extension of its negotiated indirect cost rate if it submits an extension request to its cognizant agency 60 days before the date the grantee would have to submit its rate proposal.

3. Indirect costs are only recovered on the date a grantee submits an indirect cost proposal to its cognizant agency for approval, or on the start of the project period, whichever is later. Program officials do not increase the amount of a grant to cover increased indirect costs that were negotiated after the start of the budget period. However, with prior approval from program officials, grantees may increase indirect costs by shifting direct costs to indirect costs (see [EDGAR § 75.560\(d\)\(ii\)\(iii\)](#)).

B. Procedures

1. Program offices, in accordance with [2 C.F.R. § 200.211\(a\)\(15\)](#), include on the GAN the indirect cost rate that the grantee can charge to its grant, and the rate is applicable to the project period or budget period reflected on the GAN.
2. If a grantee that is not an IHE has a federally recognized indirect cost rate, and it re-negotiates a new rate with its cognizant agency before the end of its current budget period, ED will generally allow the grantee to apply the new rate to its grant. This new indirect cost rate should be applied according to the period specified in the indirect cost rate agreement, unless expressly limited under EDGAR or program regulations. Any grantee with an approved budget may amend the budget to account for a change in the indirect cost rate. However, any material changes to the budget which may impact the scope or objectives of the grant is discussed with the grant's ED program contact (see [EDGAR § 75.560 \(d\)\(3\)\(ii\)](#)). ED automatically communicates this information to all grantees as a standard grant clause that appears on discretionary GANs.
3. If a grantee, that is not an IHE, seeks an increase in funding due to a newly negotiated rate increase, and the program deems it appropriate to increase funding because program funds are available to cover the increased grant amount resulting from the indirect cost rate change, program issues a supplement GAN reflecting an increase in funding.
4. Regarding IHEs, under [2 C.F.R. part 200, Appendix III](#), Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), ED must apply the negotiated indirect cost rate in effect on the date of the initial grant award to every budget period of the project, including all NCC grants awarded to the project. (See [2 C.F.R. part 200, Appendix III, paragraph C.7.](#)) Therefore, the GAN for each NCC grant will show the original indirect cost rate and it applies to the entire period of performance of the project. If the indirect cost rate agreement that is applicable to this grant does not extend to the end of the grant's project period, the indirect cost rate set at the start of the project period must still be applied to the end of project period regardless of the fact that the rate has otherwise expired. ED automatically communicates this information to all grantees as a standard grant clause that appears on discretionary GANs.

C. Guidance

1. Indirect cost rate agreements are usually established for periods coinciding with a grantee's accounting (fiscal) year, not its grant award budget period or performance period. Consequently, a grantee might have to calculate the amount of indirect cost reimbursement to which it is entitled during a budget period by using two indirect cost rates.

D. Other Pertinent Information – Reserved**4.10.8 Reviewing Indirect Cost Information During Cost Analysis****A. Policy**

1. Program offices review indirect cost information submitted by applicants when conducting cost analysis of the applicants' Federal and non-Federal budgets.

B. Procedures

1. Program offices complete indirect cost information in the grant subprogram record to ensure that the correct indirect cost type is reflected in GAN block 10.
2. When conducting costs analysis of an applicant's indirect cost information, program offices review an applicant's responses to the indirect cost questions on the U.S. Department of Education Budget Information Non-Construction Programs Form 524 Sections A, B and C (524 Budget Information Form) if the applicant is requesting indirect cost reimbursement on line item 10 of the form.
3. The grants management system will retrieve that indirect cost rate from the 524 Budget Information Form completed by the applicant in Grants.gov and will populate the indirect cost rate into the Project Indirect Cost Rate data field on the Budget Category Details page. Program offices are responsible for entering applicant budget data into the Budget Category Details page and review, for accuracy, the indirect cost rate data submitted by the applicant on the ED 524 Budget Information Form, and the indirect cost rate populated into the Project Indirect Cost Rate data field.
4. The Project Indirect Cost Rate data field is modified by program offices when program offices deem it necessary to change the indirect cost rate based on its analysis of the indirect cost rate information submitted by the applicant (i.e., when supporting indirect cost rate information submitted by the applicant reflects that it has entered the wrong rate in Grants.gov, or when a rate has expired).

5. The Project Indirect Cost Rate data field is filled in by program offices when the indirect cost rate is inadvertently missing on the ED 524 Budget Information Form submitted into Grants.gov, and program offices have determined that the applicant may charge indirect cost, or when an application and corresponding budget information (including indirect cost rate information) are not submitted through Grants.gov.
6. When indirect cost rate information is missing from the ED 524 Budget Information Form, or other OMB approved program specific budget form, and program offices deem it appropriate to initiate a clarification contact with the applicant to determine if an indirect cost rate should be entered, program offices initiate the clarification contact in accordance with the section Clarification Contacts.
7. When an indirect cost rate value is entered into the Project Indirect Cost Rate data field, program offices verify the rate in the grants management system, and it will automatically populate the indirect cost rate from the Project Indirect Cost Rate data field into Block 10 of the GAN.
8. Program offices responsible for entering and updating grant subprogram data must select “Yes” or “No” to indicate whether indirect cost is allowed under the grant program. If “Yes” is selected, program offices then select the Program Indirect Cost Type from one of the following choices: Restricted, Unrestricted, or Training. When one of these choices is selected, it will automatically populate in GAN block 10 from the grant subprogram record. If “No” is selected to reflect that indirect cost is not allowed, the Program Indirect Cost Type choices will be grayed out.
9. The program offices include the grant terms and conditions specified in GAN Attachment 4, “Limitations on Indirect Cost Recovery” if:
 - a. An applicant indicates on the budget form that it does not have a federally negotiated indirect cost rate agreement; or
 - b. The period covered for the rate in the rate agreement has expired or the applicant did not include a rate agreement in its application; or
 - c. The applicant has included indirect costs charged at its regular (unrestricted) rate, but the program requires a restricted rate.
10. If program offices are unsure about the reasonableness of the applicant’s requested indirect cost rate, or they have other questions about the applicant’s stated indirect cost rate or the base to which it is being applied, they are authorized to contact the applicant prior to award following the policy and guidance in the section [Clarification Contacts](#).

C. Guidance – Reserved**D. Other Pertinent Information**

1. Federal agencies will only engage in negotiations for an indirect cost rate agreement after a grant is awarded.
2. To aid program offices in assessing the appropriateness of the indirect cost information submitted by applicants, program offices may refer to the Indirect Cost Rate Decision Tree document available at: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#). The Types of Indirect Cost Rate table, also available at this link, is a resource that defines the types of indirect cost rates that applicants may include in their applications.

4.10.9 Indirect Costs – Temporary Rates Plus Negotiated Agreements**A. Policy**

1. If a grantee opts to use the temporary indirect cost rate of 10 percent of budgeted salaries and wages, it submits an indirect cost rate proposal to its cognizant agency for indirect costs within 90 days after ED issues the GAN.
2. The grantee may continue to use the temporary rate after the 90-day period when its indirect cost rate proposal has been submitted to its cognizant agency within 90 days after ED issues the GAN.
3. The grantee must not charge its grant for indirect costs, if after the 90-day period, the grantee has not submitted an indirect cost proposal to its cognizant agency.
4. Under exceptional circumstances (e.g., natural disasters) per [EDGAR § 75.560\(d\)\(2\)](#), program offices may allow a grantee to continue using the temporary indirect cost rate after the end of the 90-day period if the following conditions are met:
 - a. The grantee submits documentation explaining that exceptional circumstances inhibited submission of the proposal; and
 - b. The license holder determines that the submitted documentation demonstrates that exceptional circumstances exist.

B. Procedures

1. In most cases, ED will be the cognizant agency, and the ED Indirect Cost Group (ICG) will negotiate the rate for a grantee that does not have a currently approved indirect cost rate.
2. The Uniform Guidance, [2 C.F.R. part 200, Appendix VII.D.1.c](#), establishes the Department of the Interior (DOI) as the cognizant agency for all Federally-recognized Indian tribal governments; thus, a tribal government that does not have an approved indirect cost rate will negotiate its indirect cost rate with DOI, even though the tribal government may only use the 10 percent temporary rate for its ED grant until it receives its negotiated rate from the cognizant agency.
3. Although unlikely, if an IHE applies for a grant and does not have an indirect cost rate, the IHE will negotiate its indirect cost rate with Department of Health and Human Services, which is the cognizant agency for virtually all IHEs that receive grants from ED, regardless of which Federal agency provides the IHE the most funding. (See [2 C.F.R. 200, Appendix III](#))

C. Guidance

1. Exceptional circumstances may include natural disasters that interfere with a grant applicant or grantee's ability to submit the required indirect cost rate proposal within the 90-day period. For information about verifying natural disasters, see the Guidance section in [Extending Application Deadline Dates for Exceptional Circumstances](#).

D. Other Pertinent Information

1. The 10 percent temporary rate calculated on budgeted salaries and wages is an ED established rate for use as an indirect cost rate on ED grants; thus, not all Federal agencies allow grantees the use of this rate.

4.10.10 Indirect Costs – Temporary Rates – Retroactive Recovery**A. Policy**

1. A grantee that opts to use the temporary rate, and that obtains a federally recognized indirect cost rate, may then use the federally recognized rate to retroactively claim indirect costs reimbursement. The recovery is subject to the following limitations:
 - a. The grantee may only recover indirect costs incurred on or after the date it submitted its indirect cost rate proposal to its cognizant agency, or at the start of the project period, whichever of the two occurs later.

- b. The total amount of funds recovered by the grantee under the federally recognized indirect cost rate is reduced by the amount of indirect costs previously recovered under the temporary indirect cost rate.
- c. The grantee obtains prior approval from the Secretary to shift direct costs to indirect costs in order to recover indirect costs at a higher negotiated indirect cost rate.
- d. The grantee may not request additional funds to recover indirect costs that it cannot recover by shifting direct costs to indirect costs.

B. Procedures – Reserved

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

4.10.11 Indirect Costs – De Minimis Rate – No Negotiation

A. Policy

- 1. Institutions of Higher Education (IHEs), federally-recognized Indian Tribes, State and Local Governments receiving less than \$35 million in direct federal funding, and nonprofit organizations that do not have a current negotiated (including provisional) rate, and are not subject to the Department's training rate or restricted rate (supplement-not-supplant provisions) may elect to charge a de minimis indirect cost rate of 10 percent of modified total direct costs (MTDC). This rate may be used indefinitely. See [2 C.F.R. § 200.414\(f\)](#).
- 2. State and local governments (including SEAs and LEAs), and Indian Tribes, must not use the 10 percent de minimis rate if receiving more than \$35 million in direct funding, in accordance with [2 C.F.R. § 200.414\(f\)](#); therefore, the ED ICD must be contacted for guidance if a State, local government, or Indian Tribe proposes to use the de minimis rate.
- 3. If an LEA that applies for a discretionary grant does not have an approved indirect cost rate and has not received a federally-funded grant before (e.g., a charter school LEA), the LEA, under ED's procedures in [EDGAR § 76.561\(b\)](#), obtains a negotiated indirect cost rate from the SEA, its State.
- 4. A grantee that opts to use the de minimis rate must limit indirect cost reimbursement to 10 percent of Modified Total Direct Cost (MTDC). MTDC (see [2 C.F.R. § 200.1](#)) consists of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward (i.e., a subgrant or contract that meets the criteria for an assistance relationship under [2 C.F.R. § 200.331](#) even though the grantee designates it as a contract).

5. Grantees are not required to submit documentation, for ED review, justifying their use of the de minimis rate in accordance with [2 C.F.R. § 200.414\(f\)](#).
6. Grantees using the 10 percent de minimis rate must apply the rate to all of their Federal awards and may continue to use the rate indefinitely (until they decide to negotiate an agreement with their cognizant agency, which grantees may apply to do at any time).
7. As described in [§200.403\(d\)](#), costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both.
8. Once a grantee obtains a federally recognized indirect cost rate that is applicable to its grant, the grantee may use that indirect cost rate to claim indirect cost reimbursement; however, the reimbursement is subject to the following limitations:
 - a. The grantee may only recover indirect costs incurred on or after the date it submitted its indirect cost rate proposal to its cognizant agency, or at the start of the project period, whichever of the two occurs later.
 - b. The total amount of funds recovered by the grantee under the federally recognized indirect cost rate is reduced by the amount of indirect costs previously recovered under the temporary indirect cost rate, i.e., the de minimis rate. See ([EDGAR 75.560\(d\)\(3\)\(i\)](#)).
 - c. The grantee obtains prior approval from the Secretary to shift direct costs to indirect costs to recover indirect costs at a higher negotiated indirect cost rate.
 - d. The grantee may not request additional funds to recover indirect costs that it cannot recover by shifting direct costs to indirect costs.

B. Procedures – Reserved

C. Guidance—Reserved

D. Other Pertinent Information – Reserved

4.10.12 Indirect Costs – Training Grants

A. Policy

1. The policies for reimbursing indirect costs under training grants are as follows:

- a. If a government entity that receives a grant under a training grant program does not have an approved indirect cost rate and wants to recover indirect costs, it uses a temporary rate of 10 percent of budgeted direct salaries and wages (see the section [Indirect Costs - Temporary Rates Plus Negotiated Agreements](#)).
- b. If a non-governmental entity receives a training grant, ED regulations limit recovery of costs on training grants to the grantee's actual indirect costs, as determined by its negotiated rate agreement, or 8 percent of a MTDC, whichever is lower (see [EDGAR § 75.562\(c\)\(1\)](#)). The 8 percent limit also applies to subawards under grants (see [EDGAR § 75.562\(c\)\(3\)](#)) if these subawards are for training as defined in [EDGAR § 75.562\(a\)](#).
- c. For purposes of calculating indirect costs for training grants, [EDGAR § 75.562\(c\)\(2\)](#) defines a modified total direct cost base¹⁹ as total direct costs minus:
 - 1) The amount of each subaward, including both subgrants and contracts that meets the criteria for an assistance relationship under [2 C.F.R. § 200.330](#) even though the grantee designates it as a contract, which exceed \$25,000;
 - 2) Stipends, tuition, and related fees; and
 - 3) Equipment, as defined in [2 C.F.R. § 200.33](#) as applicable. Indirect costs in excess of the training grant limit may not be charged directly, used to satisfy cost sharing or matching requirements, or be charged to another Federal award (see [EDGAR § 75.562\(c\)\(5\)](#)).

B. Procedures – Reserved**C. Guidance – Reserved****D. Other Pertinent Information – Reserved****4.10.13 Indirect Costs – Restricted Rate Programs****A. Policy**

1. The policies for reimbursing indirect costs under restricted rate grants are as follows:
 - a. Under ED discretionary grant program statutes that contain supplement-not-supplant provisions (restricted rate programs), grantees use a

¹⁹ As stated in item c of this section, [EDGAR § 75.562\(c\)\(2\)](#) addresses exclusions specific to training awards. Other awards may have different exclusions, see [2 C.F.R. § 200.68](#).

restricted indirect cost rate when claiming indirect cost reimbursement ([EDGAR § 75.563](#)).

- b. All grantees under supplement-not-supplant programs may only recover indirect costs at the restricted rate included on their negotiated indirect cost rate agreement.
- c. Restricted rates for SEAs are included on the SEA's negotiated indirect cost rate agreement. Restricted rates for LEAs are negotiated with the SEA, using a methodology described in the State's indirect cost plan submitted under [EDGAR § 75.561\(b\)](#) and approved by the ED ICD.
- d. Applicants for discretionary grants that are not a State or a local government and that do not have a negotiated restricted rate may use a temporary rate of 10 percent of budgeted direct salaries and wages until they negotiate a restricted rate.
- e. Use of the temporary rate is subject to the provisions under the sections [Indirect Costs – Temporary Rates Plus Negotiated Agreements](#) and [Indirect Costs – Temporary Rates – Retroactive Recovery of Indirect Costs](#).
- f. An applicant that is not a State or local government, and that already has a regular indirect cost rate, provides a copy of its rate agreement to ICD as the starting point for negotiating a restricted rate with the ICD.
- g. If an applicant, other than a State or local government, does not want to negotiate a restricted rate agreement, the applicant has the option of charging indirect costs at 8 percent of the MTDC of its grant for the life of the grant in accordance with [EDGAR § 76.564\(c\)\(2\)](#),²⁰ unless the ICD determines that the actual restricted indirect cost rate is lower than 8 percent of MTDC. If the ICD determines that the actual restricted indirect cost rate is lower, the ICD requires that the lower rate be used in the applicant's budget.
- h. For grants under restricted rate programs, [EDGAR § 76.569](#) requires that grantees multiply their restricted indirect cost rate by the "total direct costs of the grant minus capital outlays, subgrants, and other distorting or unallowable items as specified in the grantee's indirect cost rate agreement." This calculation is known as multiplying by a modified total direct cost base.

²⁰ The 8 percent training grant rate under EDGAR § 75.562 should not be confused with the 8 percent rate under EDGAR § 75.564(d), which incorporates EDGAR § 76.564(c). The training rate must be used for all training grants made to non-governmental organizations. The 8 percent optional rate under EDGAR § 76.564(c) can be used to avoid the expense to non-governmental grantees of calculating indirect costs.

B. Procedures – Reserved**C. Guidance – Reserved****D. Other Pertinent Information**

1. Restricted indirect cost rates are lower than the regular (or unrestricted) indirect cost rates because the restricted rate excludes certain general management and fixed costs that would otherwise be included in the standard indirect cost rate calculation.
2. Program offices should refer grantees to EDGAR §§ [76.563](#) and [76.564–76.569](#), and to the ICD's cost allocation guide, for requirements and guidance in calculating restricted indirect cost rates.
3. The ICD's Cost Allocation Guide for State and Local Governments is available at the Indirect Cost Division's ED.gov webpage: [So You Want to Know About Indirect Costs](#).

4.10.14 Administrative Cost Cap**A. Policy**

1. Administrative costs are grant expenses associated with the costs of administering the grant.
2. Some programs have statutory or regulatory caps on the amount of administrative expenses for the grant.
3. Programs that have an administrative cost cap include both direct and indirect administrative costs in the calculation of the cap.
4. For indirect costs—
 - a. Applicants and grantees that have an indirect cost rate agreement that breaks out indirect facilities costs and indirect administrative costs separately only include indirect administrative costs towards the cap.
 - b. Applicants and grantees that have an indirect cost rate agreement that does not have a breakout of indirect facilities costs and indirect administrative costs include all indirect costs towards the cap.
5. Generally, an administrative cost cap also applies to any required program matching or cost sharing or matching funds (i.e., grantees cannot match to get around the cost cap).

6. Programs that have an administrative cost cap explain to applicants and grantees how to appropriately budget using the cap.

B. Procedures – Reserved

C. Guidance

1. Generally, indirect administrative costs differ from direct administrative costs in that they are considered organization-wide costs and are therefore included in the negotiated indirect cost rate agreement.
2. Generally, indirect costs are not considered administrative if they are considered facility costs under an approved indirect cost rate agreement.
3. Direct administrative costs may include:
 - a. Overall program management, program coordination, and office management functions including the salaries and related costs;
 - b. Preparing program plans, budgets schedules, and related amendments;
 - c. Developing systems and procedures, including management information systems, for assuring compliance with program requirements;
 - d. Preparing reports and other documents related to the program requirements; and
 - e. Divisional level administrative services such as program specific accounting, auditing, or legal activities.
4. Certain direct costs—such as travel, the project director salary, and evaluation— may not necessarily all be administrative but may be direct program costs or may be partly direct program costs and partly direct administrative costs.
5. Program offices should consult with their program attorney with questions about administrative cost caps for their program.

D. Other Pertinent Information

1. Program offices may refer to two diagrams for additional information: 1) the first diagram details the different categories of administrative costs; and 2) the second diagram details the interaction between administrative cost caps, training rates, and the entities indirect cost rate agreement type. These diagrams are available at: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

2. Program offices can access the links below for related resources:
 - a. ED's Cost Allocation Guide for State and Local Governments located at the Indirect Cost Division's ED.gov webpage [So You Want to Know About Indirect Costs](#).
 - b. [2 C.F.R. § 200.414](#) (describing facilities and administrative indirect costs).
 - c. [OMB Uniform Guidance \(2 C.F.R. Part 200\) July 2017 FAQs](#).

4.11 Protection of Human Subjects

A. Policy

1. If an applicant is planning research involving human subjects at any time during the project period, program offices review related information in the application to determine whether the research is exempt or not exempt from the protection of human subjects requirements in [EDGAR Part 97](#). If program offices are unsure, the application is provided to the ED protection of human subjects coordinator to make the determination.
2. Nonexempt research cannot be conducted under a grant prior to the ED protection of human subjects coordinator's human subjects research clearance. This usually includes a requirement that the grantee and any other entity "engaged" in the covered research have a Federal Wide Assurance (FWA) and Institutional Review Board (IRB) approval for the research.

B. Procedures

1. Program offices follow the guidance regarding exemptions addressed in Departmental Directive [ACSD-OFO-035, "Protection of Human Subjects in Research: Extramural Research"](#), and in [EDGAR § 97.104](#).
2. Program offices review the applicant's response to ED's Supplemental Information Form to the SF-424 (including item 3) against the application itself to assess the accuracy of the response and to determine whether proposed activities include covered research. This review occurs when grant applications are included in a funding slate. The ED protection of human subjects coordinator assists in this process, as needed.
3. Program offices, under no circumstance, accepts a change from "Yes" to "No" or from "not exempt" to "exempt" on the Supplemental Information Form to the SF- 424 from the grant's project director. Only the authorized representative, or other appropriate institutional official of the applicant, can make a change of this nature.

4. Program offices include the appropriate protection of human subjects grant award attachment with the GAN when a grant includes nonexempt research activities.
5. When in doubt as to whether an activity includes nonexempt research, program offices obtain a determination from the ED protection of human subjects coordinator regarding whether or not the study includes covered research.
6. Program offices should not delay the slate development and submission for approval process if the proposed research is not ready for IRB review. Under these circumstances, program offices consult with the ED protection of human subjects coordinator to determine if program offices should seek approval of the funding slate.
7. If it is decided that the funding slate should be submitted for approval, and approval is granted before the research is submitted for IRB review, program offices may obligate the grant awards; however, the appropriate HS grant award attachment must be included with the GANs. Since some grants include more than one research project, one or more of the following three HS grant award attachments may be included with the GAN:
 - a. HS 3 – is applicable to grants awarded before the grantee has complied with the pre-award requirements for assurances and/or IRB certifications. (If offices are unclear whether the project includes covered research, attachment HS3 must be included with the GAN.)
 - b. HS 2 – is applicable to grants with pending IRB reviews or indefinite activities.
 - c. HS 1 – is applicable to grants requiring continuing IRB review of covered studies.
8. For grants involving human subjects research that have not been cleared within 24 hours after obligation, program offices forward the application to the ED Protection of Human Subjects Coordinator (HS Coordinator) for review and human subjects clearance. The HS Coordinator reviews the application, obtains all the necessary assurances and/or certifications of IRB approval, and clears the project for human subjects research activities.
 - a. The IRB clearance process generally takes a minimum of 35 calendar days and varies depending on the grantee's familiarity with IRB review, IRB review schedules, and the complexity of the research.
 - b. When the applicant has met all the necessary human subjects clearance requirements for award, the HS Coordinator will notify program offices in

writing and a copy of this human subjects clearance notice is kept in the official grant file.

9. Program offices follow-up regarding the human subject issue during the post-award conference. No covered research (which includes some evaluation research) can be conducted until the study has been granted clearance by the HS Coordinator, which involves obtaining assurances and IRB approval for the grantee and any other entity engaged in the research.
 - a. Close collaboration of program offices and the HS Coordinator is helpful in ensuring that the grantee provide all materials needed to complete ED protection of human subjects clearance in a timely manner.
10. An IRB can approve a nonexempt study that is not eligible for expedited IRB review for up to one year. If the research continues beyond the term of the initial IRB approval, program offices should ensure that the grantee obtains continuation IRB approval in a timely manner and provides that approval to the program office. Program offices include a copy of the IRB approval certification in the official grant file. After initial IRB approval that uses “expedited” review, no IRB continuation reviews are required, unless ED or the IRB determines otherwise.
11. If a study is a “clinical trial” as defined by the regulation, then the informed consent form(s) used for the study must be posted in a timely manner on a Federal website. “Clinical trial” means a research study in which one or more human subjects are prospectively assigned to one or more interventions (which may include placebo or other control) to evaluate the effects of the interventions on biomedical or behavioral health-related outcomes. For each “clinical trial” as defined by the [EDGAR Part 97](#) regulation, an IRB-approved informed consent form used to recruit study subjects must be posted on an ED-identified publicly available website when the study is closed to recruitment no later than 60 days after the last study participation by any subject as required by the study protocol.” Program offices contact the HS Coordinator for assistance with this procedure.
12. If program offices learn of serious or continuing noncompliance with the Common Rule ([EDGAR Part 97](#)) or of unanticipated risks in a study, that information is provided to the HS Coordinator in a timely manner to clarify the issue(s), and to identify corrective actions if applicable. This may include the HS Coordinator’s consultation with the study’s IRB. Under the regulation the IRB can require corrective actions. IRB- required corrective actions for serious noncompliance or unanticipated risks often include suspending or terminating the study or requiring that data collected while out of compliance can be used.

C. Guidance

1. Most ED studies do not constitute “human subjects research” or fall under one or more of the Common Rule for the Protection of Human Subjects (EDGAR Part 97) exemptions. Some research activities are nonexempt.
2. If it is anticipated that a grant competition is likely to fund nonexempt human subjects research, program officials are urged to note this in the NIA so that the applicants’ proposed grant projects will address the human subjects requirements.
3. If an applicant is planning research involving human subjects at any time during the project period, the applicant checks “Yes” in item 3 of ED’s Supplemental Information Form to the SF-424. If the applicant checked “Yes,” the applicant needs to indicate in item 3 whether the research is exempt or not exempt from the protection of human subjects requirements in EDGAR Part 97. Where necessary, the program offices may contact the applicant for additional information or clarification after the Principal Officer (or his/her designee) has approved the funding slate.
4. Program offices do not need to forward an application to the HS Coordinator if the applicant checked “No” (i.e., there are not any research activities involving human subjects) for item 3 of ED’s Supplemental Information Form to the SF-424, and the program offices agree with the applicant’s response. If program offices believe the applicant erred in checking “No,” or if it is unclear whether that is the case, program offices forward the application to the HS Coordinator for clearance.
5. Program offices are strongly encouraged to have all of the applicability of human subjects requirements addressed before obligating and awarding grants. Some applicants will have FWAs and IRB approval in place when applying; others will not be ready for IRB review (and ED human subjects clearance) for some time as they finalize study design.

D. Other Pertinent Information

1. The HS grant award attachments are available in the grants management system for use with GANs, and are also available for informational purposes at: Grant Attachments and Enclosures.
2. ACSD-OFO-035, “Protection of Human Subjects in Research: Extramural Research,” is available at the following link: Administrative Communication System (ACS) Directives.
3. Many research studies involve “cooperative research” with multiple entities that will be “engaged” in conducting the research. The regulation now requires that there be a single “IRB of record” for most covered studies.

Grantees are able to propose which IRB the research will be reviewed by, subject to ED approval. The compliance date for § 46.114(b) (cooperative research) of the 2018 Requirements is January 20, 2020.

Chapter 5: Award Activities

5.1 Introduction

The award phase of the discretionary grant process includes all activities for selecting and awarding new grants. The information presented in this chapter helps to ensure that ED awards its grants fairly and consistently across principal offices. Specifically, this chapter focuses on:

1. Funding recommendations;
2. Unique Entity Identification (UEI) registrations in SAM;
3. Qualifications needed to commit, obligate, and award grants;
4. Commitment, obligation and award functions;
5. Notifying unsuccessful and successful applicants;
6. The official grant file;
7. Transparency; and
8. Other awards.

5.2 Funding Recommendations

5.2.1 Developing Funding Recommendations

A. Policy

1. Program offices develop specific funding recommendations for those applications that fall within funding range (i.e., those applications which could be awarded a grant, given the amount of the program appropriation available once the applications are ranked from highest scored to lowest scored in accordance with competition review results).
2. [EDGAR § 75.217\(d\)](#) requires that the following be considered when developing specific funding recommendations for those applications that fall within the rank order list's funding range:
 - a. The information in each application.
 - b. The rank ordering of the applications.
 - c. Any other information:

- 1) Relevant to a criterion, priority, or other requirement that applies to the selection of applications for new grants;
- 2) Concerning the applicant's performance and use of funds under a previous award under any ED program; and
- 3) Concerning the applicant's failure under any ED program to submit a performance report, or its submission of a performance report of unacceptable quality.

B. Procedures – Reserved

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

5.2.2 Selecting Applications for Funding

A. Policy

1. The Principal Officer, in accordance with requirements in EDGAR, such as [EDGAR § 75.217\(d\)](#), is granted the authority to consider the information below in selecting applications for funding, including:
 - a. Selection criteria and any other requirements specified in the application notice, such as geographical distribution of awards;
 - b. An applicant's use of funds and documented performance under a previous award under any ED program (see [EDGAR § 75.217\(d\)\(3\)\(ii\)](#));
 - c. Failure of the applicant under any ED program to submit performance reports or its submission of a performance report of unacceptable quality (see [EDGAR § 75.217\(d\)\(3\)\(iii\)](#));
 - d. An applicant's receipt of funding from another organization within ED or another Federal agency to support identical or very similar project activities;
 - e. An applicant's selection of key personnel whose total time committed to the project exceeds the amount of time that can be reasonably devoted to other obligations and still meet the commitments of the grant²¹;

²¹If the applicant is an IHE, ED staff must accept the institution's written policy on full-time faculty time limits, if one exists. Otherwise, the program official should determine reasonable time limits and explain them in the official file. See [2 C.F.R. § 200.430](#).

- f. The reviewers' failure to consider information in the application related to the selection criteria (this is to be documented and justified with rationale provided for determining that the reviewers missed the information);
- g. An applicant's inclusion of unallowable project activities or costs that lead to a determination not to fund an application; and
- h. An applicant's inclusion of activities not authorized by statute, regulation, or absolute priorities.

B. Procedures

- 1. If the Principal Officer concludes, after consultation with the program attorney, if needed, that the reviewers erred in scoring on a particular criterion, the Principal Officer documents: 1) the basis for determining that the reviewers erred in scoring before approving the final slate; and 2) why the discrepancy was not resolved during peer review.
 - a. The determination is filed in the competition file along with the approved slate.

C. Guidance – Reserved**D. Other Pertinent Information – Reserved****5.2.3 Grant Funding Slate - New Grants****A. Policy**

- 1. Program offices submit the New Slate Memo Template recommending funding for new grants to the Grants Policy Office (GPO) in the Office of Planning, Evaluation and Policy Development (OPEPD/GPO).
- 2. OPEPD/GPO manages the clearance process for slates routing the cleared version of the slate through the Executive Secretariat to the Secretary for approval.
- 3. Program offices commit and record obligations for awarding new grants in accordance with their Funding Slates only after the Secretary has approved the Funding Slates.

B. Procedures

- 1. Program offices utilize the New Slate Memo Template and attachments, which provides specific guidance on how to complete a slate including pertinent grant award and funding information, and a recommendation for the Secretary's approval.

2. In the New Slate Memo Template, program offices include the information required for the approval of funding in accordance with the guidance and instructions provided in the New Slate Memo Template.

C. Guidance – Reserved

D. Other Pertinent Information

1. The New Slate Memo Template is available at the following links: [New Slate Memo Template](#).
2. The NCC Slate Memo Template is also used to recommend funding for non-competing continuations, supplements, and when funding down a previous slate. The sections of the Handbook that address non-competing continuations, supplements, and funding down the slate address the [NCC Slate Memo Template](#), as applicable.

5.3 UEI Registration Reviews in SAM – Pre-Obligation

A. Policy

1. Program offices verify an applicant's Unique Entity Identifier (UEI) in SAM to ensure its registration is active before recording an obligation and issuing an award.
 - a. If an applicant's UEI verification in SAM determines an inactive registration, and there is not sufficient time for the applicant to complete registration before the Federal period of availability on the funds expires (typically 11:59:59 p.m. September 30), program offices use the SAM exempt functionality which allows a grant award to be made under extenuating circumstances, such as the need to make an award promptly to avoid funds lapsing.

B. Procedures

1. Program offices, when preparing an award, access SAM to ensure that an applicant's UEI registration is active.
2. Program offices, if an applicant's registration is inactive in SAM, immediately contact the applicant for resolution.
 - a. Program offices conduct this contact in accordance with the section [Clarification Contacts](#), and their ATRP.
 - b. Program offices try to resolve registration issues with their applicants before the funding slate is approved, if not, program offices ensure the

UEI is active before making the award unless there is the need to make the award promptly to avoid funds lapsing.

3. If an applicant has been recommended and approved for funding, and it has an inactive SAM registration, and there is not enough time for the applicant to complete registration before the Federal period of availability on the funds expires (typically 11:59:59 p.m. September 30), program offices proceed with obligating the grant by selecting the SAM “Exempt” status and adding the following condition to the GAN:

“This grant is awarded under a Route Payment Flag because the grantee has not, as provided for in [2 C.F.R. Part 25](#), maintained an active registration in SAM, including an active Unique Entity Identifier (UEI). The Route Payment Flag may be removed once an “Active” UEI status is obtained in the SAM. If this concern is not addressed within thirty days, the Department may take additional action.”

4. The grants management system automatically places a grantee on Route Payment when the SAM “Exempt” status is selected. This action routes a drawdown request to program offices for inquiry of the grantee’s status in SAM. Program offices approve a drawdown request once they are satisfied that the grantee has already acted or provided a timeframe to update their registration status in SAM.
5. Program offices proactively follow-up with grantees after award to ensure that their inactive registrations are expeditiously addressed. Inactive registrations are addressed within 30 days after award, but program offices seek to have this issue resolved by their grantees as soon as possible. Program offices consult with their program attorneys if it appears that a grantee may not resolve its inactive registration issue within 30 days for guidance about how best to proceed.
6. When a grantee’s registration status becomes active, the grants management system automatically removes the SAM Exempt Status, and program offices remove the Route Payment flag from the grant and issue an updated GAN without the “Inactive” SAM registration specific condition.

C. Guidance

1. Program officials, in extenuating circumstance (i.e., large numbers of awards to process during a short period of time) may seek a waiver from the Office of Business Support Systems (OBSS) Deputy Assistant Secretary to bypass the UEI verification process.
 - a. If the waiver is granted, the program official receives a memorandum from OBSS that lists all the UEIs with active and inactive registrations in SAM that will be bypassed under the waiver.

- b. The program official will verify that the content of the memorandum is accurate by signing the memorandum and returning it to OBSS.
- c. The returned memorandum signed by the program official authorizes OBSS to allow the grants management system bypass of the UEI verification process for the UEIs identified in the memorandum. Once the bypass has been established, OBSS will contact the program official to inform that the system bypass has been processed.
- d. The approval of a bypass waiver does not absolve program offices from the responsibility of verifying in SAM active UEI registrations. Instead, it allows for this verification to occur without the grants management system involvement. Program offices are responsible for:
 - 1) Verifying UEI registrations in SAM to ensure they are active and document the verification in the official grant file.
 - 2) Granting a waiver does not transfer the responsibility to verify UEI registrations in SAM from the program offices to OBSS.

D. Other Pertinent Information

- 1. For requirements in regulations addressing SAM registrations, see [2 C.F.R. Part 25](#).

5.4 Qualifications Needed to Commit, Obligate and Award Grants

5.4.1 General

A. Policy

- 1. The Principal Officer or his/her designee identifies different principal office staff to record commitments than the staff identified to record obligations and issue grants for a grant program.
- 2. The staff person designated to perform the commitment function must meet the minimum skill sets identified in the section [Qualifications of Individuals Who Commit Funds](#).
- 3. The staff person selected to perform the obligation and award functions must have a License to Obligate (license) from the director of GMPD and meet the skill sets in the section [Qualifications of Individuals Who Record Obligations and Award Grants](#).

B. Procedures – Reserved**C. Guidance**

1. The Principal Officer, or Executive Office staff, usually commit funds. However, the Principal Officer may choose to assign the commitment or obligation functions to qualified staff working directly with the grant programs, meaning supervisors, program officials, team leaders or program staff.

D. Other Pertinent Information – Reserved**5.4.2 Qualifications of Individuals Who Commit Funds****A. Policy**

1. The staff selected to commit funds possess the following qualifications and skills:
 - a. Knowledge of ED's budgeting process, including:
 - 1) An understanding of appropriations law and the appropriation process;
 - 2) An understanding of the theory and processing of funds allotments for each authorized program; and
 - 3) An understanding of the process for transferring program funds from one principal office to another.
 - b. The ability to create and maintain records for each program and project code and present reports that:
 - 1) Track fund commitments;
 - 2) Track uncommitted balances; and
 - 3) List funds to be allotted (indicating when they will be allotted).
 - c. Knowledge of ED's grant award process, including:
 - 1) The ability to identify where in the process funds are committed; and
 - 2) An understanding of the roles and responsibilities of the ED personnel positions involved in making grant awards.
 - d. Knowledge of and the ability to use the grants management system including:
 - 1) The ability to use the financial management system;

- 2) Familiarity with the various reports and report formats in the grants management system and the finance system; and
- 3) An understanding of computer access and other security issues.

B. Procedures – Reserved

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

5.4.3 Qualifications of Individuals Who Record Obligations and Award Grants

A. Policy

1. Individuals who record obligations and award grants have the appropriate security clearance and appropriate access to the grants management system.
2. The staff selected to perform the responsibilities of a license holder are at the GS- 12 or higher grade, and possess the following qualifications and skills:
 - a. Knowledge of and the ability to apply the program statute, regulations, and requirements to grants they are authorized to award;
 - b. Knowledge of and the ability to apply the requirements of 2 C.F.R. Part 200, EDGAR, Grants Policy Bulletins that have not yet been incorporated into this Handbook, and ACS Directives applicable to grants;
 - c. Knowledge of ED's grant award process;
 - d. The ability to conduct a grant budget cost analysis;
 - e. The ability to communicate grant management and program policies and procedures to both internal and external customers;
 - f. The ability to explain any funding or administrative decision related to the grants they are authorized to award;
 - g. The ability to use ED's grants management system; and
 - h. At least one year of experience with the program(s) under which they will record obligations and sign and award grants.
 - 1) If the individual does not have the required one-year experience with the program, a waiver of this requirement, including a justification for the issuance of a license, is requested of GMPD. (Waivers with

justifications are sent to GMPD when new grant programs are established within the POC.)

3. License holders also meet the following training requirements:
 - a. Current license holders further their own professional development by identifying and participating in trainings and educational offerings to gain additional grant administration knowledge.
 - b. New license holders attend a GMPD orientation briefing, which includes a discussion of the license holders' qualifications, responsibilities and essential roles related to the discretionary grants process.
 - c. All license holders attend an annual meeting sponsored by GMPD to maintain their obligation authority. The purpose of this annual meeting is to:
 - 1) Update the license holders on current grant-related information;
 - 2) Review license holder requirements, as needed, to ensure consistency and integrity in the process;
 - 3) Share best practices; and
 - 4) Discuss any issues related to their responsibilities.
 - d. All license holders attend grants management system training that includes, but is not limited to, courses related to the discretionary award, post-award, and award closeout processes.
 - e. All license holders also successfully complete other required trainings, as they become available, to ensure that:
 - 1) The POC is awarding grants in compliance with all applicable laws, regulations, and policies;
 - 2) License holders are aware of POC best practices related to grants management, when sharing best practices is applicable, or the purpose of the training;
 - 3) License holders gain an in-depth understanding of grants management;
 - 4) License holders compile and maintain course materials and other resources on grants management; and

- 5) ED receives information and feedback on its discretionary award process for continuous evaluation and improvement.
4. License holders have the authority, up to a specified dollar amount, to record obligations in the grants management system, and sign and issue new and continuation awards (GANs) for discretionary grants and cooperative agreements for specific AL programs.
5. License holders perform ED's final review to ensure that the integrity of the discretionary grant process has not been compromised. The license holder's signature on a GAN certifies that the grant award is made in accordance with all applicable rules, regulations, and ED policies. Accordingly, license holders are ED's primary contact for addressing any legal requirements imposed on a grant, whether by statute, regulation or in terms and conditions of the award; however, inquiries from the media are referred to the OCO, and responses are handled in accordance with instructions from OCO.

B. Procedures

1. The director of GMPD issues a license to an individual (License Holder) selected by the POC to record obligations and issue awards (see the section [Requesting a License to Obligate Funds](#)).

C. Guidance

1. Program offices are encouraged to participate in GMPD policy forums for information about updates or changes to 2 C.F.R. Part 200, and EDGAR, as well as other pertinent information related to grant award and administration topics.

D. Other Pertinent Information – Reserved

5.4.4 Requesting a License to Obligate Funds

A. Policy

1. Requests for a License to Obligate Funds (license) are submitted for review and approval to GMPD in a timely manner, so that program grant funds may be obligated without unnecessary delays.
2. Once a license is issued, it remains in place unless it is revoked, cancelled or updated in accordance with the policies and procedures addressed in the section [Maintaining and Updating a License](#).

B. Procedures

1. The Principal Officer or his/her designee (such as executive office staff) provides the Discretionary Grants License Holders Request Form and a memorandum to the director of GMPD to request a license. The memorandum:
 - a. Lists the nominees;
 - b. Confirms that the Education Central Automated Processing Systems (EDCAPS) Production System – User Access Request Form has been completed and submitted for everyone; and
 - c. Lists any nominees for which a waiver is sought of the requirement that nominees have at least one year of experience working with a program, and for which the Discretionary Grants License Holders Request Forms are included with the waiver section completed.
2. GMPD issues a license based on the information provided by the Principal Officer. The license identifies the AL program numbers and the monetary amount of the individual's obligation authority.
3. GMPD forwards the license to the Principal Officer or his/her designee who forwards the license to the selected staff.
4. The license holder retains, and makes available upon request, the approved license.

C. Guidance

1. The Principal Officer should identify at least one person in their principal office to have a license with obligation authority to cover the maximum obligation amount for any grant issued by the principal office.

D. Other Pertinent Information

1. The Discretionary Grants License Holders Request Form can be found at the following ConnectED link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

5.4.5 Maintaining and Updating the License**A. Policy**

1. Program offices, at least annually, review licenses and notify GMPD of any changes needed due to administrative changes such as name changes,

adding or deleting ALs, changes in obligation amounts, and corrections to ALs that may have been inadvertently left off the original license.

2. License holders, to maintain their obligation authority, complete and submit a financial disclosure form on an annual basis.

B. Procedures

1. Program offices timely submit requests to update licenses to GMPD to ensure that grants are obligated without unnecessary delays.
2. After the end of the fiscal year (September 30), GMPD provides each Principal Officer a list of current license holders. The list contains the name(s), ALs, and authorized obligation amounts.
3. Principal Officers, using the list of current license holders provided annually by GMPD, review the list to determine if the information is still accurate, whether changes to individual licenses are needed, or if licenses should be revoked or cancelled (see the section [Revoking or Cancelling a License to Obligate Funds](#)).
4. The Principal Officer or his/her designee certifies to GMPD that the license holders who remain on the list have met all applicable training requirements established by GMPD, including attending the annual briefing for license holders.
5. To update a license, the Principal Officer or his/her designee (such as the Executive Office staff) submit the Discretionary Grant License Holder Request Form stating:
 - a. The name of the individual, and the changes needed to update the license.
 - b. GMPD, after review and approval, will issue the updated license, and forward it to the Principal Officer or his/her designee to distribute the updated license to the license holder.

C. Guidance – Reserved

D. Other Pertinent Information

1. The Discretionary Grants License Holders Request Form can be found at the following ConnectED link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#)

5.4.6 Revoking or Canceling a License to Obligate Funds

A. Policy

1. ED commits the license holder to a high personal level of responsibility and accountability for Federal funds. The license holder's authority to obligate ED funds and to make certain administrative changes to approved projects on behalf of ED is not absolute and may be revoked or canceled upon written request by a Principal Officer to GMPD, or by GMPD.
2. GMPD revokes the authority to obligate if the license holder conducts any of the following activities (Note: The list below is not all-inclusive. Any use of the license that indicates a lack of proper stewardship and or professionalism on the part of the licensee is grounds for revoking a license):
 - a. Misuses the authority to obligate funds and award grants by:
 - 1) Making awards that exceed the authorized obligation amount of the license or making awards not covered by the license; or
 - 2) Making cumulative awards that exceed the limits of a program appropriation or fund allotment;
 - b. Violates ED's computer security requirements by sharing a user ID or allowing an unauthorized user access to secured screens;
 - c. Misrepresents ED deliberately on matters of grants regulations or policy;
 - d. Otherwise demonstrates inability or unwillingness to comply with grant management requirements, including program statutes, GEPA/DEOA, 2 C.F.R. Part 200, EDGAR, this Handbook, and all other directives related to ED's grant making functions; and/or
 - e. Does not meet the training requirements to maintain his/her license.
3. GMPD cancels a license for non-punitive reasons such as:
 - a. A license holder ends his/her employment at ED;
 - b. The individual is no longer with the principal office that requested the issuance of the license;
 - c. The individual's authorized obligation amounts and programs have changed (in these instances a new license may be issued);
 - d. The individual is no longer performing the duties of a license holder; and/or

- e. The principal office requests the cancellation for other non-punitive reasons.

B. Procedures

1. When a Principal Officer wishes to revoke or cancel a license for due cause (see the Policy section above), the Principal Officer submits a written request to GMPD identifying the license holder, the license holder's obligation amount, and the ALs that the license holder is authorized to obligate.
2. Upon receipt and review of a Principal Officer's request to revoke or cancel a license, GMPD will revoke or cancel the license. Once revoked or cancelled, the former license holder will no longer have obligation authority in the grants management system.

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

5.5 Commitment, Obligation and Award Functions

5.5.1 General

A. Policy

1. The following three key steps must be completed to award discretionary grants:
 - a. Recording the commitments for selected applications in the grants management system;
 - b. Recording obligation of funds for selected applications in the grants management system; and
 - c. Signing and issuing an official GAN.
2. Program staff selected to record commitments of funds for a discretionary grant program are prohibited from recording obligations of funds, and do not sign and issue grant awards for the same discretionary grant program.
 - a. Likewise, program staffs selected to record obligations of funds and sign and issue grant awards for a discretionary grant program must not record commitments of funds for the same discretionary grant program.
3. As a general matter, ED, to meet appropriation law requirements, communicates the awarding of a grant through a GAN.

B. Procedures – Reserved**C. Guidance**

1. Principal Officers, when selecting program staff to record commitments and obligations, should consider that the separation of the duties of recording commitments and obligations for the same grant program guards against any potential misuse of funds and reduces the possibility of errors in awarding grants.

D. Other Pertinent Information

1. A commitment is an administrative “reserve” placed on funds to ensure their availability to make an award at the time an obligation is recorded.
2. An obligation of funds is made when a license holder signs and issues the GAN to an applicant notifying them of the specific award of funds under a grant competition. The recording of an obligation in the grants management system is required for the ED finance system to make payments of Federal funds to a grant recipient.
3. The GAN represents an obligation by ED, and reflects the project period, the current budget period, and the applicable grant terms and conditions.

5.5.2 Recording Commitments**A. Policy**

1. Program staff selected to record commitments does so only after receiving the approved Funding Slate.
2. Funds are not committed for any application needing a clarification contact. These should be marked with an asterisk on the Funding Slate. Commitments for these applications are recorded only after the outstanding issues are resolved.

B. Procedures

1. Program staff that commit funds for a program verifies that the committed funding amounts between Oracle Financials (OF) and the grants management system, using the Financial Management Support System (FMSS) Log for Transactions, are properly posted in OF for each grantee. Program staff also confirms that all funds for a given competition have been committed.
2. After reviewing the FMSS Log for Transactions and verifying that there are no issues with the information, the individual who committed the funds writes the

word “RECONCILED” on the report and signs and dates the report. The signed and dated report is then incorporated into the Grant Program Competition File as an official record of the completed task. In this way, program staff that commit funds confirm that all funds for a given competition have been committed.

3. Program staff records commitments in the grants management system by either individual PR/Award number or by a group of PR/Award numbers within an AL subprogram and schedule.

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

5.5.3 Congressional Notification

A. Policy

1. Congressional notification, during which members of Congress are informed by the Office of Legislation and Congressional Affairs (OLCA) of any new grant awards made to the member’s constituents, takes place before the recipients of grant awards are officially notified and before ED notifies unsuccessful applicants.
2. Program offices wait two business days (starting on the next business day after the commitment date) before communicating funding decisions to applicants (either by issuing GANs or making direct contact with them) to allow time for congressional notification to occur.
3. Program offices cannot start the two-business-day waiting period, if the abstracts, slate, and other documents required for congressional notification are not available in the grants management system. The waiting period begins when OLCA has received all the required documents.
4. OLCA proceeds with congressional notification once it has either:
 - a. A customized abstract for each project application being funded; or
 - b. A copy of the generic abstract for all grants under a program.
 - c. Abstracts must be submitted in accordance with the abstract requirements set forth in the ED Abstract Form instructions available at, [Grant Application and Other Forms](#) and program offices may request the submission of revised abstracts to address inconsistencies as appropriate. See section [Post-Award Conference](#).

B. Procedures

1. OLCA, to ensure the timely completion of the congressional notification process, accesses the grants management system daily and searches, using date ranges, for committed slates. OLCA then assembles congressional notification packages that contain the purpose of the program, abstracts (generic or individual), and other documents, as applicable.
2. OLCA will not conduct notification for projects for which program offices have not made commitments in the grants management system.
3. When paper applications are submitted, program offices forward a copy of the slate along with copies of all project abstracts to OLCA. Program offices provide the abstracts to OLCA for all applications selected for funding under the program, including those for which funds have not been committed due to clarification contacts.
4. OLCA will notify program offices of any problems with the timely completion of the congressional notification process. In such cases, program offices confirm with OLCA that the congressional notification process has been completed before notifying applicants of their funding status.

C. Guidance

1. Program offices are strongly urged to make timely awards, and as early as possible allowing time for congressional notification to occur. If exigent circumstances cause delays in recording commitments and obligations for issuing awards, and the delays could result in funds lapsing, OLCA may determine to waive or shorten the two business days for congressional notification.

D. Other Pertinent Information – Reserved**5.5.4 License Holder Review Prior to Obligations and Issuing New Awards****A. Policy**

1. License holders ensure that all related and pertinent information is accurate and complete before recording obligations and issuing GANs for new awards.
 - a. The licensed individual that records the obligation of funds for an award is also the same person that signs and issues the GAN.

B. Procedures

1. The license holder reviews the following materials and the award information on the GAN for accuracy and completion before recording an obligation and issuing a grant award:
 - a. Documentation that a cost analysis of the applicant's budget was done to ensure that all budget items are allowable (for all years of a multi-year project);
 - b. Documentation that unallowed activities, if any, were identified and removed from the project and budget;
 - c. Documentation of any requested clarification calls; and
 - d. The GAN with required attachments and enclosures (both standard or program specific) available in the grants management system.
 - 1) Grant Attachments and Enclosures that appear with the blue asterisk (*) on ConnectED print with every GAN issued by ED, since these grant attachments and enclosures are standard for all ED grants. The grants management system is programmed for these grant attachments and enclosures to print automatically with GANs.
 - 2) Grant attachments and enclosures without the blue asterisk are not standard to all ED grants and will not automatically print when GANs are printed. However, these attachments are available in the grants management system for selection by program staff when programs deem that they are applicable to a grant.
 - 3) Program offices, in consultation with their program attorney, develop program-specific grant attachments for all awards under a grant program, if necessary. Program offices upload the program-specific attachment in the grants management system.
 - b) Program-specific attachments are developed and uploaded in the grants management system to print on all GANs under an AL and not for an individual grant award.
2. Program offices add a specific clause or term and condition in the grants management system to appear in box 10 of a single GAN. In this instance, a term or condition is added to address a grant's specific requirement, mitigate a risk, or address an issue concerning a high-risk grant.
 - a. Program offices consult with their program attorney regarding the content of any specific clause or specific term and condition before issuing it with a GAN. See the section [Enforcement](#).

- b. Program office include information regarding terms and conditions in the approved Grant Funding Slate.
3. License holders, in addition to reviewing GANs to ensure that all applicable GAN attachments are included and that any specific conditions imposed on the grantee, including those associated with high-risk designations, are also included, they also review to ensure that the following, if applicable, are included prior to officially notifying a successful applicant of its grant:
 - a. Any cost sharing or matching requirements, whether mandatory or voluntarily committed.
 - b. The program indirect cost rate type and the project indirect cost rate along with the standard indirect cost condition.
 - c. Other pertinent information including the correct recipient's name, award amount and contact information.
 - d. If applicable, Grant Attachment 7, "[Budget and Project Activity Recommendations/Changes](#)," which officially informs grantee and incorporates into the grant any budgetary changes and/or specific cost items that have been reduced or deleted from the budget as a result of the budget cost analysis.

C. Guidance

1. Program offices are encouraged to use and sign the Funding Recommendation Checklist or other similar checklist available to program offices, to demonstrate that a cost analysis was performed, and that all the requirements listed under the Procedures section were addressed.

D. Other Pertinent Information

1. The Funding Recommendation Checklist is available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
2. The grants management system is the official repository for GAN attachments and enclosures. For information purposes only, the grant attachments and enclosures are also available on ConnectED at the following link: [Grant Attachments and Enclosures](#).

5.5.5 Grant Award Terms and Conditions Related to FAPIIS

A. Policy

1. If, over the period of performance of a grant, the Federal share of an award will exceed \$500,000, programs are required to inform grant recipients of the following requirements to report on matters related to their integrity and performance accordingly:
 - a. If the total value of a grantee's active grants, cooperative agreements, and procurement contracts from all Federal sources exceeds \$10,000,000 for any period of time during the period of performance of the ED grant, then the grantee must ensure information is reported to SAM (which is made available in FAPIIS) about civil, criminal, or administrative proceedings, and that the information remains current and up-to-date as described on the GAN Attachment 16, "Reporting of Matters Related to Recipient Integrity and Performance." Specifically, the grantee reports information to FAPIIS semiannually about certain civil, criminal, and administrative proceedings that reached final disposition within the most recent five-year period and that related to the award or performance of a Federal award.
 - b. Grantees disclose, in writing to their ED program contacts, all violations of Federal criminal law involving fraud, bribery, and gratuity violations that could potentially affect an award from ED (see [2 C.F.R. § 200.113](#)).
2. Programs offices are required to inform grant recipients that all information posted in FAPIIS on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

B. Procedures

1. The information listed under the Policy section that programs disclose to grant recipients is addressed in GAN Attachment 16. Program offices include this attachment with GANs, if, over a grant's performance period, the Federal share of an award will exceed \$500,000.

C. Guidance – Reserved

D. Other Pertinent Information

1. The official version of GAN Attachment 16 is available in the grants management system. GAN Attachment 16 is also available for informational purposes only on ConnectED at the following link: [Grant Attachments and Enclosures](#).

5.5.6 Electronic Signature for Grant Awards

A. Policy

1. License holders' issue GANs using the electronic signature (e-signature) function.

B. Procedures

1. License holders ensure that congressional notification has occurred before using e-signature to record obligations and notify grantees.
2. License holders issue e-GANs unless an associated attachment or enclosure cannot be issued electronically, or there are justifiable reasons for not being able to use the e-signature function to issue GANs under a program (see the section [Issuing Hard Copy GANs for New Awards](#)).
 - a. To issue e-GANs, all associated specific terms and conditions and grant award attachments, including program-specific attachments, must be available in the grants management system.
3. License holders review to ensure that all related and pertinent information is accurate and complete before using the e-signature functionality to record obligations and before issuing GANs for new awards by adhering to the Procedures in the section [License Holder Review Requirements Prior to Recording Obligations and Issuing GANs for New Awards](#).
4. License holders record obligations using the e-signature functionality, which automatically generates an email containing a link to the grants management system where the grant project directors and authorizing representatives view and print their GANs (electronically signed by the license holder) and their associated attachments.
5. Project directors and certifying representatives are registered in the grants management system to access the Adobe Acrobat version of the GANs, which includes all applicable grant attachments, enclosures, and specific terms and conditions.
 - a. Program offices refer project directors and certifying representatives that need assistance with registering in ED's grants management system to the system Hotline.

C. Guidance – Reserved**D. Other Pertinent Information**

1. An e-GAN cannot be issued if any of the following attachments are required unless the content of these GAN attachments is included within box 10 of the GANs on a case-by-case basis as a specific condition. If not addressed on case-by-case basis as a specific condition in box 10 of the GAN, the data fields contained within these attachments must be completed by hand and the attachments along with the associated GAN must be issued in hard copy. See the section: [Issuing Hard Copy GANs for New Awards](#).
 - a. Grant Attachments 5 “Pre-Award Costs”.
 - b. Grant Attachment 7 “Budget and Project Activity Recommendations/Changes”.
 - c. Grant Attachment 15 “Prior Approval Requirements”.
 - d. Copies of these Grant Attachments are available for information purposes at the following ConnectED link: [Grant Attachments and Enclosures](#).

5.5.7 Requirements for Awarding a Grant**A. Policy**

1. Generally, to comply with appropriations law, ED:
 - a. Records the obligations, and
 - b. Issues the GAN by 11:59:59 PM EST to make the award on September 30 or the last date on which funds are available for obligation.
2. Electronic GANs issued using e-signature that are not delivered electronically on or before September 30 are presumptively not valid. The affected grant funds may lapse and would be returned to the U.S. Department of Treasury.
3. Hard-copy GANs that are not delivered to the U.S. Postal Service or other commercial carrier by midnight September 30 are presumptively not valid.
4. Simply recording an obligation of funds in the grants management system for a grant does not meet the legal requirements for awarding a grant. Legal requirements for awarding a grant are as follows:
 - a. There is documented action to establish a firm commitment on the part of ED;

- b. The commitment to award a grant is unconditional²² on the part of ED;
- c. There is documented evidence of the commitment to award the grant; and
- d. The commitment is made during the period the funds are available for obligation by ED.

B. Procedures – Reserved

C. Guidance – Reserved

D. Other Pertinent Information

1. Additional information about appropriations is available at the following link: [Principles of Federal Appropriation Law, Vol II at 7-32-3\(1991\)](#).

5.6 Notifying Applicants

5.6.1 Notifying Successful Applicants

A. Policy

1. The GAN generally serves as ED's official notification to grant applicants informing them that their applications have been selected for funding. It is ED's official record of award, and it provides specific details about the grant, including the amount of the award, specific terms and conditions, and pertinent contact information.
2. The GAN includes standard attachments addressing payment procedures; performance and financial reporting requirements; audit requirements; program income; and any other required information that the grantee needs to know. It also includes any applicable program specific attachments.
3. The GAN informs grantees when their projects are being funded at a level less than the applicant's requested amount.

B. Procedures

1. Program offices prepare GANs with the required information, and appropriate standard clauses and attachments, and the license holder signs and issues the GAN (see [2 C.F.R § 200.211](#) and the section, Recording Obligations and Issuing GANs for New Awards).

²² As used in appropriations, "unconditional" relates to any acts the applicants must complete before funding is secured; it does not limit ED's ability to attach conditions to an award that must be followed during the grant.

C. Guidance – Reserved**D. Other Pertinent Information – Reserved****5.6.2 Notifying Unsuccessful Applicants****A. Policy**

1. Program offices formally notify unsuccessful applicants that their applications were not selected for funding.

B. Procedures

1. Program offices notify unsuccessful applicants in writing and specify why the application was not selected for funding. The notifications also include the applicant's rank order and reviewer comments with the reviewers' names deleted.
2. Program offices do not provide unsuccessful applicants with additional substantive feedback concerning a competition, unless the applicant requests an explanation under [EDGAR § 75.218 \(b\)](#).
3. Unless statutes or program regulations provide otherwise, program offices notify unsuccessful applicants at the same time successful applicants are notified, after the two-business-day Congressional notification period. Unsuccessful applicants are not notified earlier without approval of OLCA.
4. Program offices that intend to notify unsuccessful applicants before successful applicants have been notified submit a written waiver request to OLCA stating their rationale for early notification.

C. Guidance

1. Notifications from program officials to unsuccessful applicants may be form letters issued to all applicants under the program, or they may be customized letters issued to each applicant. These letters may be generated in the grants management system.

D. Other Pertinent Information

1. The records of unsuccessful applicants are temporary and are maintained in accordance with ED's record schedule for "Grant Administration and Management Files" (ED Schedule No. 254). This record schedule indicates that unsuccessful applications are destroyed/deleted 3 years after rejection or withdrawal. The ConnectED site, Information Management contains a link to the General Records Schedule available at: [General Records Schedules](#).

2. The Records and Management Division establishes ED's record schedules with the approval of The National Archives and Records Administration (NARA).
3. A record schedule is the document that provides legal authority for the final disposition, including destruction, of the records in an office, component, or agency.

5.6.3 Appeals by Unsuccessful Applicants

A. Policy

1. Unless an administrative appeals process is provided in a program statute²³, ED does not provide a right of administrative review for applicants who have unsuccessfully competed for discretionary grants. Therefore, generally grant applicants cannot administratively appeal ED's decision not to select their application for funding.
2. ED may reconsider an unsuccessful application if the applicant notifies ED of substantive problems related to the review of its application or provides proof that its application was mishandled.
 - a. A substantive problem related to the actual review may exist, for example, when a reviewer entered scores for the wrong applicant on the form, resulting in an incorrect overall score. However, an applicant disagreeing with a reviewer's scores or comments, absence evidence of actual reviewer bias, does not meet the standard of what constitutes a substantive problem.

B. Procedures

1. To reconsider an unsuccessful application in accordance with Policy item 2, the program offices review the situation and consult with the program attorney to determine if corrective action is needed. If the program office agrees that there are substantive problems related to the review of the application, and those problems resulted in the application not being funded, the program office, after consultation with the program attorney, may take the appropriate steps under the section [Mishandled Applications](#) for resolution.

²³ As of the date of this Handbook, the only discretionary grant program managed by ED that, by statute, gives unsuccessful applicants a right of appeal is the Native American Career and Technical Education program authorized by Section 116 of the Carl D. Perkins Career and Technical Education Act of 2006, as amended by the Strengthening Career and Technical Education for the 21st Century Act. This right is granted under Section 116(b)(2) through a cross-reference to section 102 of the Indian Self-Determination Act.

C. Guidance – Reserved**D. Other Pertinent Information – Reserved****5.7 The Official Grant File****A. Policy**

1. Program offices create, maintain, and dispose of an official grant file for each application awarded a grant, in compliance with Departmental Directive ACSD-OCIO-012, “Records and Information Management Program”; 44 U.S.C. Chapters 21, 29, 31, and 33; and 36 C.F.R. Chapter XII, Subchapter B, and applicable ED Comprehensive Records Retention and Disposition Schedules and National Archives and Records Administration (NARA) General Records Schedules (GRS).
2. Official grant files are maintained in either the grants management system or the Office 365 OneDrive.²⁴ For official grant files maintained in the Office 365 OneDrive, all documents generated by the grants management system are copied and uploaded to the Office 365 OneDrive file. Non-record Materials²⁵ may be maintained in other locations.
3. Official grant files contain any of the following documents that are applicable to the grant program and the grant award for which the file is created²⁶:
 - a. Application and related documentation from pre-award and award, including:
 - 1) Original approved application, plus any approved revisions (e.g., budget or approved application amendments);
 - 2) The completed forms submitted by the applicant that are required by the competition application package;
 - 3) Technical Review Forms with comments and scores;
 - 4) Program-specific required documents; and

²⁴ If a program official determines that a program office cannot use the grants management system to maintain the official grant files due to the reasons set forth, the program office’s records liaison officer, as the position is described in Directive OM 6:103, must, on an annual basis, inform, in writing, ED’s records officer of the determination and the exact location of their program office’s official grant files in the Office 365 OneDrive.

²⁵ U.S. Government-owned informational materials excluded from the legal definition of records.

²⁶ Recorded information made or received by ED employees that is not required to be included in the official grant file, such as correspondence and certain documents, may still constitute a Federal “record,” as defined under 44 U.S.C. § 3301. This recorded information may require appropriate retention, as set forth in Directive OM: 06-103 and applicable law.

- 5) Any risk information or other special circumstances of the grantee that were identified during pre-award review and that will be important for monitoring during project implementation;
- b. Grant Awards, including:
 - 1) Cooperative agreement, correspondence generated while drafting the agreement (see Guidance item 3), and any amendments to the original agreement;
 - 2) Grant Award Notification(s) and any associated correspondence, such as that required for specific conditions and a high-risk designation;
 - c. Performance, financial management, and monitoring documentation during post award, including:
 - 1) Any program-specific or award-specific documentation (e.g., project plans, evaluation reports, contracts, and agreements, if separate from the application and performance reports);
 - 2) Annual, interim, and final performance reports, which include data for performance measures, and any internal assessment tools or notes of discussions of the reports;
 - 3) Monitoring documentation, including reports (e.g., onsite monitoring reports), checklists, correspondence, including for specific conditions, and any other documents, such as relevant audits, required for thorough monitoring;
 - 4) Technical assistance plans, corrective action plans, and enforcement actions;
 - 5) Financial documentation (e.g., both original and revised budgets, any required grantee financial reports, and other financial documentation, as applicable);
 - 6) Financial monitoring information such as large available balances, excessive drawdowns, and payment flags and resolution documentation, if applicable.
 - d. Administrative actions (including approved application amendments, supplemental awards, grant transfers, extensions of the final budget period);
 - e. Correspondence concerning the grant, either with the grantee or outside parties concerning the grant (see the Guidance section below for suggested criteria on what to include in the file);

- f. Any checklists used by staff (e.g., Funding Recommendation Checklist or Closeout Checklist);
 - g. Closeout documentation (e.g., correspondence, final performance and financial reports, and checklists); and
 - h. Any other documentation relevant to the grant throughout the life cycle (e.g., program-specific information).
- 4. Program officials ensure, through annual supervisory review (see the Procedures section below), that official grant files contain all required information and are maintained in either the grants management system or the Office 365 OneDrive.
- 5. All duties assigned to ED employees to implement the creation, maintenance, and disposal of an official grant file for each application awarded a grant are consistent with their respective position descriptions.

B. Procedures

- 1. Program offices manage grant files in accordance with the standard operating procedures in the Official Grant File Standard Operating Procedure (SOP) document available at [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#). The document identifies the responsibilities and deadlines for the official grant file, and it aligns with the official grant file policy. Maintenance of the official grant file is the responsibility of the assigned program staff as is addressed in this SOP.
- 2. Program offices, to ensure that official grant files are appropriately maintained, programs implement the responsibilities and deadlines for the following activities:
 - a. Creating the file;
 - b. Adding documents to the file;
 - c. Closing the file; and
 - d. Archiving the file.
- 3. For the annual supervisory review, to ensure that official grant files contain all required information and are appropriately stored, the program official, or his/her designee, review a randomly selected sample of official grant files in accordance with the following:
 - a. Conduct supervisory review using the Discretionary Grant Review Tool Template.

- b. The Discretionary Grant Review Tool Template should be revised, at the direction of the program official, based on the program-specific list of documents.
 - c. For an Assistance Listing (AL) number, 10 percent of active grants, not to exceed 100 grants, are randomly selected for supervisory review.
 - d. The randomly selected sample of files includes files assigned to all program staff working under an AL.
4. Program officials, for any official grant file identified as out of compliance with the requirements addressed in the Policy section, provides the assigned program staff a reasonable amount of time to bring the file into compliance. Considerations to determine a reasonable time include the amount of work needed to bring the file into compliance and the individual's current workload.
5. Program offices, prior to destroying paper grant files converted to electronic formats, obtain authorization from ED's Records Officer and their program attorney.
6. Program offices organize their official grant files in accordance with the document, "Organization of the Official Grant File document."

C. Guidance

1. Program staff should maintain their official grant files in the grants management system. ED's grants management system is the preferred location because of limited document storage and because official grant file related processes are automated therein. If a program official determines that a program office cannot use the grants management system, due to system limitations, statutory data collection, reporting requirements, or other specific programmatic factors, then the program office's programs maintain their official grant files in the Office 365 OneDrive.
2. To foster increased electronic record retention, paper grant files should be converted contemporaneously with electronic files, and in accordance with applicable law, to electronic formats for the grants management system and Office 365 OneDrive storage.²⁷
3. For correspondence and other documentation, program offices may consider the following when deciding what to file in the official grant file:

²⁷If transitioning from one file site to another, program offices should minimize the transition time in order to avoid the file being maintained in two locations

- a. Will the item help program staff to recall previous conversations or clarify issues, decisions, and monitoring activities of the grant?
 - b. Will the item be important in ensuring that new program staff assigned to the grant understands the background of the grant, current status of the grant, and any outstanding issues that should be addressed?
 - c. Will the item serve as supporting documentation for providing technical assistance, requiring a corrective action plan, applying specific conditions or a high-risk designation, determining approval or denial of an administrative action, suspending or terminating a grant, or submitting a grant for suspension and debarment considerations?
 - d. Will the item need to be available upon request under the Freedom of Information Act (see the section [Freedom of Information Act \(FOIA\) Request](#))?
4. Based on the results of the required annual supervisory reviews, as addressed in the Procedures section, the program official should consider whether compliance training on file maintenance is warranted for one or more program staff.

D. Other Pertinent Information

1. The grant file SOP, Discretionary Grant Review Tool Template, and the Organization of the Official Grant File document are available at: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
2. Departmental Directive ACSD-OCIO-012, "[Records and Information Management Program](#)"

5.8 Transparency

5.8.1 Increasing Transparency of the Competitive Award Process

A. Policy

1. Program officials implement ED's transparency standards to increase the transparency of discretionary grant application and award processes in accordance with goals found in ED's Open Government Plan.
2. Program Officials, to increase transparency beyond publishing NPPs, NFPs, and NIAs in the *Federal Register*, publish the following standard competitive award process materials, to the greatest extent practicable, on ED's website:
 - a. Application package;

- b. Technical review forms from funded applications complete with score (names of reviewers should be redacted);
- c. Application abstracts from funded applications (abstracts must be submitted in accordance with abstract requirements set forth in the ED Abstract Form instructions available at [Grant Application and Other Forms](#), and program offices may request the submission of revised abstracts to address inconsistencies as appropriate (see section [Post-Award Conference](#)) ;
- d. Narratives from funded applications; and
- e. List of funded applications (including first year awards during current fiscal year, when applicable).

B. Procedures

1. Program offices, in determining whether to disclose and publish competitive award process information for all or a sample of applications from a discretionary grant competition, take into account a number of considerations, including: 1) the total number of funded applications; 2) the size of application packages; and 3) the associated workload for each discretionary grant program competition.
 - a. If a sample of applications is disclosed, the ED website specifies that the applications represent only a sample along with the criteria that was used for selecting the sample.
2. To ensure that the disclosure and publication of competitive award process information meets the requirements of ED's transparency goals, program offices:
 - a. Work closely with both its program attorney and FOIA attorney in implementing ED's transparency policy. Also, program offices consult Strategic Collections and Clearance (SCC), as needed, for specific guidance related to their responsibilities under the Privacy Act of 1974, as amended (5 U.S.C. § 552a) (Privacy Act), which may be accessed at the following link: [Privacy Act of 1974](#).
 - b. Include a transparency plan in the ATRP for each grant program competition that:
 - 1) Describes a grant program's efforts to increase transparency by listing materials the program office intends to make available to the public;
 - 2) Describes how applicants and peer reviewers will be informed of their participation in the transparency efforts; and

- 3) Describes the process to ensure that applicant and application reviewer proprietary and personally identifiable information will not be disclosed.
 - c. Inform potential applicants and peer reviewers about their participation in the ED transparency policy and do so by including their transparency plan in NIAs, application packages, and in peer reviewer training and materials.
3. Program offices, when disclosing and publishing a list of funded applications, organize the list by state, and include for each funded application:
 - a. The total award dollar amount for the initial year; and
 - b. The approximated amount for each subsequent year.
 - c. When disclosing or publishing this list the following standard disclaimer is included.
 - d. “Award amounts reflected in the application for subsequent years will be determined at the time continuation awards are made based on a number of factors and funding availability.”
4. Program offices, when disclosing and publishing application narratives, consider whether such disclosures will negatively impact the integrity of future competitions due to plagiarism.
5. Program offices, within 90 days after grants are awarded, consider posting for public disclosure competitive award materials from a sample or all their funded applications on the ED website.
6. Program offices, to ensure materials are posted on the same Web pages for each grant program, post materials related to the grant application process (e.g., NIAs) on the “Applicant Info” Web page and those related to the award process (e.g., list of funded applicants) on the “Awards” Web page.
7. Program offices, before disclosed to the public, screen information as described in the “Redacting Personally Identifiable and Proprietary Information” section to ensure that proprietary and personally identifiable information is not disclosed.
 - a. The information is also to be electronically accessible to individuals with a range of disabilities, in accordance with established ED-wide policy located at the ED.gov site [Accessibility Requirements for Electronic Documents](#).

C. Guidance

1. Program offices have the flexibility to provide a greater degree of transparency for grant program competitions by disclosing and publishing some or all the materials listed below:
 - a. Applicants' intent to apply;
 - b. Applicants' completed application package materials (including proposed budget, appendices) with information redacted to ensure that proprietary and personally identifiable information is not disclosed;
 - c. Peer reviewers' completed technical review forms from unfunded applications (with reviewer names redacted);
 - d. Peer reviewers' information (names, biographies, professional affiliations), without linking a specific reviewer to a specific application that was reviewed, since linking a specific reviewer with a specific application reviewed is unallowable;
 - e. Applications' scores and rank order; and
 - f. Grant Award Notifications.
2. Program offices have discretion in determining which applications from any grant program competition should be disclosed to increase transparency. The disclosure of a few examples of funded application narratives or abstracts from funded applications is one way to increase transparency.
3. When developing a transparency plan for each grant competition (see item 2b in the Procedures section), program offices may use as a resource the "Transparency Plan Format" document available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
4. Program offices are encouraged to collaborate with other program offices in their own POC and across ED to develop shared models and standards for increasing transparency of the grant application and award process, consistent with this Handbook.

D. Other Pertinent Information

1. In response to OMB's Open Government Directive (OMB M-10-06), ED issued its Open Government Plan which established strategies for achieving the three principles that are the cornerstones of open government: transparency, participation, and collaboration. The plan is located at the ED website page [Open Government Initiative at ED](#)

5.8.2 Redacting Personally Identifiable and Proprietary Information

A. Policy

1. Program offices are prohibited from disclosing personally identifiable or proprietary information contained in application narratives and technical review forms, and this information is redacted prior to disclosing and publishing application narratives and technical review forms.

B. Procedures

1. Program offices inform potential applicants of ED's transparency policy, and of their option to redact confidential personal and business information by including in the NIA related required language from [Chapter J of the Regulatory Quality Manual](#).
2. In general, program offices redact all information identified by an applicant in its application narrative as proprietary. However, program offices work with applicants to ensure their good faith identification of proprietary information (see [34 C.F.R. § 5.11](#)), and also work closely with their program attorney and the OGC FOIA attorney should they have specific questions regarding an applicant's identification of information as proprietary.
3. Program offices, after announcing funding decisions and before posting application narratives, email grantees whose narratives are going to be posted on ED's website and give them a final opportunity to identify any proprietary information in their proposals. Any information identified by grantees in response to this email is redacted from their application narrative before it is posted.
 - a. Program offices use the document, "Draft E-Mail Requesting Grantees to Identify Proprietary Information in Applications ED Intends to Make Public" to prepare the email. The document is available at: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
4. Program offices review the application narrative and technical review forms to ensure that all personally identifiable information is identified and redacted.

C. Guidance – Reserved

D. Other Pertinent Information - Reserved

5.9 Issuing Hard Copy GANs for New Awards

A. Policy

1. License holders' issue hard copy GANs when:
 - a. Program-specific attachments and enclosures are not available in the grants management system and cannot be uploaded into the system by the program office.
 - 1) Program-specific grant attachments and enclosures may not be uploaded in the grants management system to print for an individual grant award and may only be uploaded in the system to print for all grant awards under a specific grant program.
 - b. GANs require attachments with data fields that are completed by hand outside of the grants management system (e.g., GAN Attachments: 5 "Pre-Award Costs," 6 "Request for Approval of Program Income", 7 "Budget and Project Activity Recommendations/Changes," and 15 "Prior Approval Requirements"), unless the content of these GAN attachments are included within box 10 of the GANs on a case-by-case basis as a specific condition. If not addressed on a case-by-case basis as a specific condition in box 10 of the GAN, the data fields contained within these attachments must be completed by hand and the attachments along with the associated GAN must be issued in hard copy.; or
 - c. There are other justifiable reasons for not being able to issue e-GANs under a program (e.g., the grantee does not have internet service, or a program- specific attachment does not apply to all GANs under an AL, or there are system issues with the e-signature functionality).
2. License holders ensure that all related and pertinent information is accurate and complete before recording obligations and issuing hard copy GANs for new awards by adhering to the Procedures in the section [License Holder Review Prior to Obligations and Issuing New Awards](#).

B. Procedures

1. To issue a hard copy GAN, program offices override the set "Electronic Signature" default in the grants management system by choosing the "Hard Copy Signature" option. Selecting this option requires program offices to enter in the Comments box their reason/justification to issue hard copy GANs. A minimum of 20 characters is required to be entered in the Comments box.
2. When issuing hard copy GANs the license holder signs and dates three copies of the GAN immediately after recording the obligation. One copy of the original signed and dated GAN is given to the staff to be filed in the official

grant file; the second and third copies are mailed to the grantee's authorized representative and project director.

3. For hard-copy GANs, the license holder, after the commitments are recorded, records the obligation of funds, signs, dates, and sends the GANs.
4. Obligations are recorded, the GAN is signed, and packages are prepared for mailing during the two-business day waiting period for Congressional notification. However, as indicated in the [Congressional Notification](#) section, the Congressional notification process is completed (including the two business day waiting period) before successful applicants are contacted and the grant packages mailed, unless OLCA approves an early contact.

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

5.10 Cooperative Agreements – General

A. Policy

1. In accordance with the [Federal Grant and Cooperative Agreement Act of 1977 \(31 U.S.C. chapter 63\)](#), Congress permits Federal agencies to choose the appropriate instrument to use in making awards. Program offices determine whether to use a cooperative agreement as the award instrument based on the nature of the relationship and the activities to be performed by the grantee.
2. Program offices use a cooperative agreement only when ED anticipates having substantial involvement with the grantee during the performance of the funded project (see the section [Determining Substantial Involvement](#)).
3. Program offices do not use cooperative agreements for the following purposes:
 - a. To increase ED's involvement in projects beyond those authorized by statute;
 - b. To take away managerial control of a project from the recipient or to obtain stricter control over the administrative operations of its organization;
 - c. As a substitute for a procurement or contracting instrument to purchase goods or services for the benefit of the Federal government; or
 - d. For projects in which program offices will not have substantial involvement with the grantee during the period of the award.

4. If a cooperative agreement is to be used, the agreement explicitly states the character and extent of the anticipated programmatic involvement of the program offices in the project and clearly defines the responsibilities of both parties in the agreement.
5. The agreement clearly conveys the programmatic benefits that the recipient would not otherwise have available to it in carrying out the project. Also, it must be developed carefully with the program attorney to avoid excessive ED involvement under the agreement.
6. Cooperative agreements are subject to the basic procedures and requirements established in EDGAR for application notice, application processing, technical review, program recommendation, award, and record retention established for grants.

B. Procedures

1. Program offices include on the GAN for cooperative agreements using one of the optional clauses in the grants management system designated for cooperative agreements.
2. Before obligating and issuing a cooperative agreement GAN, license holders ensure that the GAN contains the appropriate specific provisions and attachments, including a copy of the actual agreement.
3. If program offices do not have enough time to negotiate the terms of a cooperative agreement in time to make a timely award, program offices select the cooperative agreement GAN clause for inclusion on the GAN, which states that:

“The grantee will administer its grant under the terms of a cooperative agreement with ED, which is to be finalized by ED and the grantee. Once finalized, ED will attach the cooperative agreement to the GAN, and the cooperative agreement will apply retroactively to the grant start date and will remain in effect for the duration of the grant project. The terms of the cooperative agreement will reflect program requirements contained in the program’s statute and regulations. The grantee will carry out the project in accordance with all requirements as established in the cooperative agreement, and in accordance with its approved application.”

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

5.10.1 Determining Substantial Involvement

A. Policy

1. Program offices, prior to issuing a cooperative agreement, determine that the nature of the relationship between the grantee and ED, and the activities to be completed under the grant require substantial involvement on ED's part.
 - a. Program offices consult with their program attorney when making this determination.

B. Procedures

1. When program offices determine, after advice and counsel from their program attorney, that a cooperative agreement is to be used, they ensure that:
 - a. The cooperative agreement clearly defines the responsibilities of ED and the grantee;
 - b. It includes the required items and information addressed previously under the General subsection; and
 - c. Each cooperative agreement is reviewed by the program attorney prior to signature.

C. Guidance

1. Federal statutes related to cooperative agreements neither define the phrase "substantial involvement" nor provide exact criteria for determining its presence in a project.

D. Other Pertinent Information – Reserved

5.10.2 Alternating Award Instruments

A. Policy

1. When program officials decide, after consulting with their program attorney, during the performance of a multi-year award, to convert a particular award from a grant to a cooperative agreement, or vice versa, the change can only occur at the time a continuation award is made, unless the grantee voluntarily consents to such a change at another time ([EDGAR § 75.262](#)).

B. Procedures

1. When the award instrument type is changed to a cooperative agreement, or from a cooperative agreement to a grant, the license holder ensures that the

applicable GANs and cooperative agreements include all required information as addressed in the section [License Holder Review Prior to Obligations and Issuing New Awards](#).

C. Guidance

1. Program offices assess the nature of the program, the individual project, and/or the ability of grant recipients to carry out their grant work.
 - a. Program offices may, during their assessments, consider the following examples prior to converting the award instrument type:
 - 1) Some projects may start out as cooperative agreements in the first year and may be converted to grants after determining that the grantee's ability to perform is better suited to an award instrument type; or
 - 2) Other projects, initially funded as grants, may have to be continued for subsequent budget periods as cooperative agreements, if there is a need to revise the project or protect the Federal interest (such as when monitoring or reports indicate that substantially increasing ED's programmatic involvement would benefit the work of the project).
2. ED programs that award Federal assistance as grants may decide to use cooperative agreements as the award instrument in future competitions, or vice versa, and may use the OMB Guidance on Determining Substantial Involvement at [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

D. Other Pertinent Information – Reserved

5.11 Other Awards

5.11.1 Directed Awards (Earmarks)

A. Policy

1. If Congress mandates a directed/earmark award in a statute or appropriation law, the mandate identifies the specific recipient(s), the funding level of the award, and possibly the project activities the recipient is to conduct.
2. Despite the award being mandated by Congress, the recipient is required to submit an application (see [EDGAR § 75.104\(a\)](#)). However, since the award is mandated, the application from the recipient is not required to be reviewed in the same manner as that used for competitive applications.

3. The requirements in 2 C.F.R. Part 200, EDGAR (that are applicable to discretionary grants other than those requiring grant competitions), and in the ED policies and practices that relate to those EDGAR requirements all apply to directed/earmark awards.
4. In cases where there is statutory authority for a directed/earmark award, but where there is no appropriation, ED is not required to fund the activity. Similarly, ED is not required to fund an entity in cases where there is no statutory authority, but Congress states its interest, in legislative history, that a particular entity should receive an award under a particular program. In these cases, programs offices consult with their Principal Officers, OLCA, OGC, Budget, and OPEPD/GPO.

B. Procedures

1. Program offices, before making a directed/earmark award, asks the recipient to submit an application that addresses the purpose for which the award is to be made. The application includes, at a minimum, a detailed description of the activities to be carried out and a detailed budget.²⁸ The application also includes the required assurances and certification forms and any other required documentation before a grant award is made.
2. A directed/earmark grant application is not required to be peer reviewed; however, the program official, in all cases, will conduct a review of the application to:
 - a. Ensure that the award recipient describes the intended use of the funds with sufficient specificity to make certain that funds will in fact be used for the intended purposes;
 - b. Ensure that the budget costs are allowable;
 - c. Ensure that the applicant has the fiscal and administrative ability to implement the award and account for the funds; and

²⁸ There must be statutory authority for the activity that the recipient proposes. For example: Congress specifically appropriates \$1,000,000 for X program that ED awards to State University for rehabilitation assistance. State University proposes to build a swimming pool with the funds to help rehabilitate individuals. If the authorizing statute for X program does not authorize construction, ED could not make an award to build the swimming pool. State University would have to submit a different application to use the funds for some other non-construction project, or the funds would go to the Treasury. If Congress had been more specific in the appropriation and appropriated \$1,000,000 for State University to build a swimming pool to be used for rehabilitation, the appropriation would have provided sufficient statutory authority to build a swimming pool.

- d. Determine the appropriate conditions to be included with the GAN, including conditions to assure proper administration of the grant and accounting for the funds.
3. Program offices include the standard attachments on GANs issued for all earmarked grants.
4. Program offices monitor and administer the award closely to ensure that the recipient completes the approved project activities described in the application.

C. Guidance

1. Program offices, at a minimum, review grant applications for directed/earmarks as addressed in item 2 of the Procedures section.
 - a. Program officials, if deemed appropriate, may decide to have the application reviewed by one or more ED staff that possesses, to the extent feasible, the expertise in the area(s) addressed in the application, or by external peer reviewers.
2. Unless otherwise dictated by statute or regulation, or by the scope of the project and its level of funding, directed awards usually have a one-year budget and performance period.
3. In cases where there is statutory authority for a directed or earmarked award, but where there is no appropriation, program officials may, if deemed appropriate, consider the application under a competition if the entity meets all the substantive and procedural requirements to have their application participate in a competition.

D. Other Pertinent Information – Reserved

5.11.2 Unsolicited Applications

A. Policy

1. ED policy strongly discourages the submission of unsolicited applications. The majority of ED's discretionary grant funds are awarded through the competitive process. However, ED does have authority under [EDGAR § 75.222](#) to accept unsolicited applications if the applications meet certain standards.
2. Principal Officers and their staff are aware of the need to avoid circumstances where unsolicited applications—either in fact or appearance—are not solicited or pre-selected.

3. Principal Officers consult with senior agency leadership and program attorney prior to initiating review of the unsolicited application.

B. Procedures

1. Principal Officers should take the following steps regarding unsolicited applications:
 - a. Establish a central receiving point in each POC for all unsolicited applications. Upon receipt of the unsolicited application, notify the applicant that the application has been received and describe the next steps appropriate for that application.
 - b. Consult with the program attorney to determine whether an unsolicited application should be considered for funding and if so, under which program it should be funded using the detailed procedures contained in [EDGAR § 75.222](#).
 - c. Review the unsolicited application by either of the following:
 - 1) If the application could be funded under a current competition for which the deadline for submission of applications has not passed, the Principal Officer refers the application to the appropriate competition for consideration under the procedures found in [EDGAR § 75.217](#).
 - 2) If the application could have been funded under a current fiscal year competition but the deadline has passed, the Principal Officer may consider funding the application only under exceptional circumstances. Exceptional circumstances are determined on a case-by-case basis. In most cases, the Principal Officer will not find exceptional circumstances and contacts their program attorney before making an “exceptional circumstances” decision.
 - 3) If no competition has been planned or conducted under which the application could be funded, the application may be considered. If this is the case, the Principal Officer consults with the program attorney when determining if:
 - a) There is a substantial likelihood that the application is of exceptional quality and its project outcomes have national significance for a program administered by [EDGAR § 75.222](#);
 - b) The application meets the requirements of all applicable statutes and regulations that apply to the program; and
 - c) Selection of the project will not have an adverse impact on the funds available for other planned awards.

- d) A Principal Officer includes all documentation of pre-award contacts with the unsolicited applicant in the grant file.
- e) Program offices enters the application's information into the grants management system.

C. Guidance

1. A Principal Officer, because unsolicited applications are not encouraged, may decide not to accept unsolicited applications under a grant program by publishing a notice in the *Federal Register* that it will not accept unsolicited applications under that program.
2. If the Principal Officer determines that the three factors in item 1© under the Procedures section appear to be satisfied, then the Principal Officer may use the template, "Documentation/Rationale for Unsolicited Application" that documents this determination and develops a memorandum for approval.

D. Other Pertinent Information

1. The template titled "Documentation/Rationale for Unsolicited Application" is available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

5.11.3 Mishandled Applications

A. Policy

1. Program offices, under EDGAR §§ [75.219](#) and [75.221](#), may consider an application as mishandled due to administrative error if the application is:
 - a. Incorrectly assigned to the wrong grant program or priority within a grant program;
 - b. Addressed properly by the applicant but sent to the wrong address in ED;
 - c. Incorrectly determined to have been received late; or
 - d. Lost where the applicant can show proof the application was completed and submitted on time, and either:
 - 1) The application was evaluated under the preceding competition of the program and the application rated high enough to deserve selection; or
 - 2) The application was not evaluated under the preceding competition but would have rated high enough in the competition to deserve selection.

B. Procedures

1. When a program official determines that an application was mishandled, the program official provides a written justification to the Principal Officer who may then approve funding of the mishandled application. If the mishandled application is discovered in time, it can be included in the appropriate competition.
2. If, however, the application is discovered too late to participate in the appropriate competition and there are no funds available in the current fiscal year appropriation, the application may be funded off the top of the next year's appropriation if:
 - a. Program offices evaluate the application under the criteria for the competition; and
 - b. The application ranks high enough to be in the funding range for the competition.
3. If the application was not evaluated under the competition to which it was submitted, program offices assemble a panel to review the application to determine if it is in the funding range.

C. Guidance – Reserved**D. Other Pertinent Information – Reserved**

Chapter 6: Post-Award Activities

6.1 Introduction

The post-award process includes the activities necessary for POC staff to administer, monitor, make non-competing continuation awards, and close out awards made under ED grant programs. This chapter addresses a program office's responsibilities to develop productive relationships with grantees, monitor its grantees for both performance and compliance, and provide TA to help grantees achieve project outcomes. Specifically, this chapter focuses on:

1. Post-award conference;
2. Monitoring;
3. Financial monitoring;
4. Risk reviews before NCCs;
5. NCC awards
6. Grant administration;
7. Data Collection extensions periods;
8. Time extensions; and
9. Grant closeout.

6.2 Post-Award Conference

A. Policy

1. Program offices conduct a post-award conference within 30 days of making the award and document it in the official grant file.
2. Program offices do not permit grantees to make changes to project scope or objectives during the conference or at any other time during the project period (see the section [Prohibiting Changes to the Project Scope or Objectives of a Grant](#)).

B. Procedures

1. Program offices conduct a post-award conference in person (e.g., during workshops, project director meetings, or other meetings), by telephone, or through web-based activities (e.g., videoconferencing or Skype) to confirm

and clarify the terms of the grant. The conference generally accomplishes the following, as applicable:

- a. Establishes a mutual understanding of the expected performance outcomes, timelines, and milestones that were in the approved project application;
- b. Establishes a mutual understanding of the measures for assessing the project's progress and results that were in the approved project application;
- c. Clarifies the frequency and method for monitoring and ongoing communication between ED and the grantee;
- d. Addresses other TA (see the section Program Technical Assistance Plans) that ED will provide;
- e. Reviews and clarifies specific regulatory, statutory, and financial management requirements affecting the grantee's performance, as well as, financial administration and terms and conditions of the grant;
- f. Reviews and clarifies any project activity or budget issues or concerns (e.g., issues or concerns related to key personnel, indirect cost, cost sharing or matching, changes in project activities due to changes in requested amounts, and policies regarding carryover and no-cost extensions);
- g. Reviews any deficiencies in the application identified during the peer review or pre-award process;
- h. Reviews and clarifies required reports to be submitted (e.g. Annual Performance Reports, Federal Financial Reports, etc.), reporting due dates, and method of submission. Additionally, discusses specific websites (e.g., USASpending.gov, FSRS if applicable, SAM, etc.) that require grantees to establish a username and password for use during their period of performance;
- i. Obtains additional grantee contacts who will assist in the administration of the grant, such as the person responsible for the drawdown of funds or other business contacts, because these contacts will be useful for addressing fiscal or other administrative issues. Program offices may enter these additional contacts into the grants management system since it can accept additional contact information even though the additional contacts will not print on the GAN;
- j. Informs the grantee of the requirement in [EDGAR § 75.620](#), which addresses the inclusion of a required disclaimer in any materials (e.g.,

articles and editorials) that a grantee is going to produce with its grant (see the section [Publications](#));

- k. Reviews the Stevens Amendment statutory requirements addressed in GAN attachment 11, Specific Conditions for Disclosing Federal Funding in Public Announcements, with the grantee reiterating that they are required to disclose for their grant project the percent of the costs financed with Federal funds, the Federal dollar amount, and the percentage and dollar amount financed by nongovernmental funds when issuing statements, press releases, bid solicitations, and other documents describing their grant project. Also, remind grantee that they must document the equation used to determine the Federal and nongovernmental dollar amounts and percentages, and maintain this documentation with their grant file in the event ED requests to review their documentation.
- l. Review all other GAN attachments and enclosures and convey that grantees must comply with the requirements established within each attachment and enclosure.
- m. Informs the grantee of ED's Open Licensing requirements, as it relates to item k, and to other grantee materials (see the section [Open Licensing Requirements](#));
- n. Addresses the importance of timely and thorough communication for any issues that arise during the project period, including but not limited to changes in key personnel, concerns with any component of the implementation of the grant such as beneficiaries served, and restrictions on changes to scope and objectives of the project;
- o. Addresses the importance of regular drawdowns to meet immediate cash needs and that support the project's activities;
- p. Addresses the requirement to maintain active UELs and SAM registrations for the grant's entire performance period;
- q. Addresses inconsistencies between the submitted project abstract and the abstract requirements set forth in the ED Abstract Form instructions available at [Grant Application and Other Forms](#). Program offices may request the submission of revised abstracts to address inconsistencies as appropriate. Program offices submit abstracts to OLCA for Congressional notification in accordance with section Congressional Notification, and they post funded application abstracts on ED.gov to foster increased transparency in accordance with section [Increasing Transparency of the Competitive Award Process](#); and
- r. Addresses other issues or concerns relevant to a project not covered by items listed above.

2. While grantees may not make changes to project scope or objectives during the post-award conference discussion, program offices request revised budgets that reflect any reductions or other changes that program offices made to the budget before the grant award was issued, and these revised budgets are filed in the official grant file.
3. Program offices document the conference discussion, and any notes of actions taken or follow up needed in the official grant file in accordance with the Guidance recommended in the section [The Official Grant File](#), and within the timeframe identified in that section.
4. A copy of the documented discussion addressed in item 3 is sent to the grantee for its file and future reference.

C. Guidance

1. The post-award conference generally is the first official contact between program offices and grantee personnel after receipt of the GAN. The conference begins program office's productive relationship with the grantee and the monitoring process. This relationship is characterized by ongoing communication between the grantee and program offices throughout the life of the project.
2. The post-award conference should take place between program offices monitoring the grant and the grantee's project director, financial or business office contact, or another authorized representative. Additional ED staff, and other grant staff, as deemed appropriate by the grantee, may be included as well.
3. When necessary, program offices will be able to obtain documentation and information from appropriate persons at the grantee organization regarding the grantee's financial and records management systems, internal control processes, personnel policies that pertain to level of effort, travel, etc., or other appropriate documentation if the additional contact information is maintained as addressed above in Procedures item1(j).

D. Other Pertinent Information – Reserved

6.3 Monitoring

6.3.1 Monitoring Introduction

1. Monitoring involves ED's responsibility to assess grantees' performance outcomes and ED's fiduciary responsibility to hold grantees accountable for Federal funds through risk-based monitoring strategies that ensure that grantees have the capacity to manage grant funds consistent with Federal requirements. The goal of effective monitoring is to build evidence about effective approaches where possible, establish productive relationships with grantees that support results- oriented approaches to program management that when possible, demonstrate excellence, accountability, and successful performance outcomes. Effective monitoring also identifies potential or actual weaknesses and helps to find constructive ways to address those weaknesses.
2. Monitoring may be conducted informally and continuously as a preventative measure meant to minimize performance and financial management risks, or it may be more formal and intensive focused by carrying out related activities and interactions in accordance with established program monitoring plans (see the section [Program Monitoring Plans](#)).
3. Monitoring may be exclusively virtual, without any on-site visits from program staff. Staff may conduct virtual visits and are responsible for documenting virtual monitoring efforts and data collected.

6.3.2 General Requirements, Guidance, and Other Pertinent Information

A. Policy

1. Program offices monitor active discretionary grants with a focus on technical assistance (TA), continuous improvement, and attaining promised results and reliable performance and financial data.
2. Monitoring grantees continues until the grant is closed.
3. Program offices monitor grantees, to the extent appropriate, to ensure that grantees achieve expected results that are demonstrated by providing reliable data on their progress towards meeting project and performance measures, while also assuring compliance with grant requirements. Existing requirements in 2 C.F.R. Part 200, EDGAR, and in applicable program statutes and regulations extend equally to all grantees and their partners.

Specifically, program offices monitor to ensure that a grantee:

- a. Adheres to all applicable laws, regulations, conditions of the grant, certifications, and assurances (Compliance);
- b. Manages Federal funds according to Federal cash management requirements, including expenditure of funds for authorized purposes (Fiscal Accountability);
- c. Follows its approved application and any approved revisions (Program Management); and
- d. Makes progress against established performance measures and project measures and provides reliable data that demonstrate the effectiveness and quality of the project (Performance).

B. Procedures – Reserved

C. Guidance

1. Program offices, in their monitoring efforts, use available data that are pertinent to the grants that will be monitored and synthesize those data to supplement what program offices may already know about their grantees, so that program offices may better understand their grantees' level of compliance and performance. Data sources that may provide relevant data include performance and financial reports (e.g., the ED 524 Annual Performance Report, OMB cleared program specific performance and financial reports, the Federal Financial Report SF 425), data available in the grants management system (e.g., large available balances, drawdown activities, payment flags), and program offices interactions with their grantees (e.g., in-person meetings, written and telephonic communications).
2. Program offices use the Post Award Monitoring (PAM) module as the primary monitoring tool. The module assists program offices with tracking monitoring activities.
3. Within the PAM module are tools for documenting and tracking monitoring activities. All the information in the grants management system can be accessed through the PAM module. PAM allows program offices to track and share grants with issues (e.g., any evidence of risk important enough to highlight or address in a specific condition or by other appropriate action), audit findings, corrective actions, missing documents, etc.
4. The PAM module includes a dropdown list of the most common grant issues that may occur on a grant. Program offices select a grant issue from the dropdown list, which is categorized as follows:

- a. **Pre-award** – Within this category, issues relating to grant applications, the awarding of new grants, and the awarding of NCC awards for existing ED grants may be selected.
 - b. **Administrative** – Within this category, issues relating to general grants management that are common to the administration of all grants may be selected.
 - c. **Programmatic** – Within this category, issues relating to programmatic progress and requirements may be selected.
 - d. **Compliance** – Within this category, issues related to compliance with statutes, regulations, policies, and grant terms and conditions may be selected.
 - e. **Financial** – Within this category, issues related to grant funds, the management and accounting of grant funds, grant transactions, and other fiscal matters applicable to the grantee may be selected.
 - f. **Entity Status** – Within this category, issues that fall within the overall status of an entity and its ability to receive and manage Federal funds may be selected.
 - g. **Audit** – Within this category, issues that are audit related may be selected.
 - h. **Other** – Within this category, issues that do not fall within the other seven categories are added. The category captures uncommon issues that will have to be described in a text box. Program offices document and record a grantee's issue in PAM, and the information is available for other program offices across ED to review.
- 5. If other ED grants are associated with a UEI in PAM identified as having an issue, program offices responsible for those other grants may view the information available in PAM to determine if their grant has the same or a similar issue or the potential for that issue to occur. This determination may require program offices to conduct further inquiry, but these proactive efforts provide additional information to consider next steps, as appropriate.
 - 6. When program offices use PAM grant issues functionality the grants management system homepage provides information related to the priority and severity of the issue. Program offices should have a program or POC-wide plan for the best use of the grant issues functionality.
 - 7. The PAM module also includes functionality that allows for the entering of project objectives and notable results. Generally, program offices determine, based on grantees performance goals and measures, what is extraordinary

and should be added to notable results and shared among the program's team members or with other stakeholders. Similar to the grant issues functionality, program offices define and determine the best usage of the objectives and notable results functionality of PAM.

8. When program offices receive inquiries from other ED offices related to a grantee's performance or compliance, the inquiries should be considered urgent and a timely response should be provided, so that awards, administrative actions or other performance and compliance matters are addressed quickly and appropriately.

D. Other Pertinent Information

1. Program offices may find the documents, "Categorization of PAM Issues," which lists all common issue within a specific category, and "Post Award Monitoring (PAM) FAQs" which contains questions and answers vetted by the Functional Team in BSSD available at [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
2. Training on the use of PAM is available, and training schedules can be accessed at EDCAPS Information.

6.3.3 Program Monitoring Plans

A. Policy

1. Principal Officers ensure that program monitoring plans are developed, maintained, and periodically evaluated to assess effectiveness and make improvements, as appropriate.
2. Program offices, in accordance with their program monitoring plans, identify grantees to be formally monitored (see section B below for details, and Policy item 2 of the section [Monitoring Introduction](#)), and share the list of grantees with the Principal Officer for review, approval, and tracking.
3. Program officials:
 - a. Ensure that monitoring data and results (available in Annual Performance Reports (APR) and other data sources) are used to improve grantee performance, financial management, enhance program requirements and purpose, and improve POC monitoring processes.
 - b. Share with program staff, OPEPD/GPO, and other ED staff offices grant program results and information gathered through monitoring about significant achievements including the best available research and practices that could serve as models for other projects, the Federal government, and the public.

- c. Report possible violations of Federal law or regulations to the cognizant officials, such as the Inspector General for financial misconduct or to the Assistant Secretary for Civil Rights for civil rights violations.
- 4. Program offices:
 - a. In accordance with the Program Monitoring Plan, develop the most appropriate form of monitoring for each grant, which may consist of site visits, desk and telephone reviews, reports, milestone evaluations, written communication, or other electronic methods including virtual monitoring.
 - b. Provide TA to grantees to improve performance.
 - c. Create detailed records of all monitoring activities (see the section [The Official Grant File](#)).
 - d. Provide grantees timely reports of monitoring activities that include:
 - 1) Any findings and recommendations for changes and improvements to projects, as appropriate;
 - 2) Corrective actions needed in instances of noncompliance; and
 - 3) Identification of specific elements of exemplary performance, or best practices, in projects.
 - e. Report project-specific findings to other offices within ED, as appropriate.
 - f. Ensure that the appropriate disclaimer is included in project materials, as required by [EDGAR § 75.620](#), if grant activities result in publications such as those described in the section Publications.
 - g. Use the grants management system to monitor drawdown activity of each grantee.

B. Procedures

1. Program offices identify their grant programs to be monitored in the upcoming year, establish a schedule for monitoring, and identify needed resources for the Principal Officer's review and approval.
2. Program offices prepare a Program Monitoring Plan in accordance with the following standards:
 - a. **Standard 1:** Program Monitoring Plans identify processes for ensuring that grantees are successfully achieving the goals and objectives of the

funded application and complying with financial and other statutory and regulatory requirements.

b. Program Monitoring Plans:

- 1) Provide for sufficient and regular program performance and compliance monitoring of ED grantees to ensure compliance with grant requirements and to ensure that substantial progress is being made.
- 2) Serve as a guide for monitoring grants in each ED grant program office.

c. Program Monitoring Plans include:

- 1) Risk-based procedures to target grantees with evidence of risk and high- risk grantees for monitoring and TA.

d. Risk-based procedures:

- 1) Identify specific indicators that measure the level of risk (i.e., does the indicator reveal evidence of risk or high risk?); and
- 2) Identify the level of risk, activities, and issues that would immediately flag a grantee for enhanced monitoring.

e. Description of the programmatic and financial management monitoring activities to be undertaken and the key actions to address poor performing grantees, including opportunities for TA.

f. Description of the monitoring activities to be undertaken to review contract and procurement administration for compliance with either a State or State agency's (including an SEA) policies and procedures for procuring goods and services under a Federal grant, or for all other grantees, compliance with their own procurement procedures that comply with applicable State and local laws and regulations, and the Federal standards set forth in [2 C.F.R. §§ 200.317](#) through [200.326](#).

3. **Standard 2:** Program monitoring plans target monitoring efforts on those grantees identified as having evidence of poor programmatic and/or financial performance and compliance.

4. **Standard 3:** Program monitoring plans include programmatic and financial management monitoring protocols that facilitate transparency and information sharing with grantees.

a. Program monitoring protocols (i.e., any program monitoring instruments developed for assessing grantee information) that program offices use to

monitor their grantees are made available to grantees, so they know about the monitoring process, and criteria used to assess grantee performance and compliance.

5. The monitoring protocols developed in accordance with standard 3(a) are designed to:
 - a. Gather information that addresses the purposes of monitoring outlined in the section [Monitoring – Introduction](#);
 - b. Describe performance and assess the extent to which projects are meeting established program goals, objectives, and performance measures; and
 - c. Describe the scope, frequency, and methods of monitoring for each type of monitoring activity.
6. Program offices use the data collected, analyzed, and reported to:
 - a. Improve the principal office program monitoring and procedures;
 - b. Provide TA to grantees to improve performance;
 - c. Recommend revisions to ED leadership on program laws and regulations, as well as guidance and policy to enhance program effectiveness;
 - d. Document best practices; and
 - e. Adjust program funding priorities.
7. Program offices report project-specific findings to other offices within ED, as appropriate.
8. Program offices provide TA to grantees to improve performance (see the section [Program Technical Assistance Plans](#)).
9. Program offices ensure that the appropriate disclaimer is included in project materials, as required by [EDGAR § 75.620](#), if grant activities result in publications such as those described in the Publications section.
10. Program offices review their program monitoring plans annually and update them as appropriate.
11. Program offices create and store in the official grant file detailed records of all monitoring activities, contact with grantees (including email and telephone), and any information gathered (see the section [The Official Grant File](#) for the types of documents to be filed).

C. Guidance

1. Program offices should consider the most appropriate form of monitoring for each individual grant, which may consist of site visits, desk and telephone reviews, reports, milestone evaluations, written communication, or electronic methods including virtual monitoring. Below are some factors for determining the appropriate form of monitoring:
 - a. Program-specific legal requirements for on-site monitoring;
 - b. Funding levels;
 - c. Risk factors on the part of a grantee (including designation as a high-risk grantee);
 - d. Reported problems and grantee requests for assistance;
 - e. Availability of program office travel funds and ED program staff for on-site monitoring;
 - f. The need to review a grantee's records or exchange documents;
 - g. The grant project's level of significance, or importance, to the Federal government, ED, or to the field;
 - h. Geographic proximity of two or more grantees; and
 - i. Opportunity for monitoring multiple awards at the same grantee location, especially when on-site joint monitoring with other ED program staff is possible.
2. Monitoring tools that are developed to assist program offices with their review of the data reported by grantees in their APRs are not required to be shared with grantees, since the APRs are OMB cleared data collections, and grantees are aware that program offices review these reports as a routine course of business during monitoring and to determine substantial progress prior to awarding NCC funding.
3. If monitoring tools require responses from ten or more entities, they generally require paperwork clearance according to the procedures established by OMB under [5 C.F.R. part 1320](#). Program offices consult with SCC for information about paperwork requirements. Even if ED has an approved information collection request requiring grantees to maintain certain information, if that information collection request does not provide for reporting to ED by a certain number of grantees every year, scripts used to monitor grantees or documents requesting information about performance must be approved unless they are directed to fewer than 10 grantees per

year. Program offices that use scripts as part of their monitoring process should work with SCC and their program attorney to ensure that information collection request requirements are met.

D. Other Pertinent Information

1. The document Program Monitoring Plans provides FAQs that program offices may consider as they develop their program monitoring plans. The document is available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
2. SCC liaisons are available to help program offices determine if a monitoring protocol requires OMB approval.
3. Program offices may use the [Risk Rubric Guide](#) when monitoring. The Guide provides a framework that allows for flexibility across program offices to address specific issues, whether they be common risk concerns or statutory requirements, while also providing a consistent, methodical approach to evaluating risk levels within a given program. The Risk Rubric Guide is available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

6.3.4 Program Technical Assistance Plans

A. Policy

1. Program offices provide Technical Assistance (TA) as needed, or in response to monitoring that is formally conducted in accordance with program monitoring plans (see the section [Monitoring Introduction](#)).

B. Procedures

1. Program offices provide TA to help a grantee understand, implement, evaluate, and improve their grant project, or develop an internal TA Plan (in response to monitoring that occurs in accordance with the Program Monitoring Plan) that is used as the basis for providing TA to the grantee.
2. TA, as addressed in Program offices TA Plans, is provided to a grantee or group of grantees to address an issue, or set of issues that have been identified through monitoring.
3. TA is provided for program-specific risks applicable to all grantees under the program and for program-specific risks applicable to a grantee accordingly:
 - a. TA is provided in a targeted manner to help a grantee understand and address one or more specific issues identified during monitoring; or

- b. TA is provided in an intensive manner to help a grantee address major, systemic issues identified during monitoring.
4. Program office TA Plans are submitted to the Principal Officers for review and approval.

C. Guidance

1. Program offices TA Plans may include the dissemination of useful programmatic and grants management information (i.e., information that is not necessarily risk or findings related) to a grantee or group of grantees.
2. Program offices have the discretion to issue TA Plans to grantees after monitoring is conducted informally and continuously by following the Policy and Procedures in this section, or may for this type of monitoring, choose to inform their grantees of TA and provide that TA through alternative means deemed appropriate by the program offices.

D. Other Pertinent Information

1. The document titled, Program Technical Assistance Plans, provides FAQs that program offices may consider as they develop their Program TA Plans. The document is available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

6.3.5 Evaluating Risk during Monitoring

A. Policy

1. Program offices evaluate grantee risks during monitoring. Program offices determine if financial, programmatic, and administrative related risks exist, and decide if intervention (e.g., increased monitoring, requiring additional reporting, imposing specific conditions) is required.

B. Procedures

1. Program offices inform the program official if an identified risk is deemed to be serious or if a grantee is unresponsive to an intervention already imposed, or if the program official, in consultation with the program staff, will need to impose additional measures to bring the grantee into compliance, including, for example, imposing specific conditions to address the risk or designating the grant or grantee as high risk.
 - a. Programs offices consult with their program attorney before adding a specific condition, designating a grant or grantee as high risk, or taking any other enforcement action.

2. Program offices document their risk evaluations in the official grant file.

C. Guidance

1. In addition to considering information and results from programmatic, performance, and fiscal data available in the grants management system and from other sources including reports required to be submitted by grantees (e.g., the ED 524B Annual Performance Report, the Federal Financial Report SF 425, OMB cleared program specific reports), program offices should consider data provided in the ERR when evaluating risk (see the section [Evaluating Grant Applicant Risk Prior to Making New Grant Awards](#)).
2. “Examples of Risks Identified during Monitoring and ED Actions to Address These Risks.” This chart identifies some of the most common examples of grantee risks that require program offices intervention. The chart also identifies actions that program offices take, at a minimum, to address these common risks. The chart is not inclusive of all potential risks, and program offices may identify risks not captured in the chart that also may require intervention.

At Risk	ED Actions
<p>Grantee had start-up difficulties, such as the delayed hiring of the project director or other key personnel.</p>	<p>Provide necessary TA on topics such as delays in activities, timeline adjustments, and budget adjustments, if any.</p> <p>Establish a timeline for more frequent and ongoing contact with grantee to monitor progress.</p> <p>At the appropriate time, plan and assist grantee for potential large carryover balance and/or possible no-cost extension at the end of the grant or consider reduction to NCC award.</p> <p>Consider whether specific conditions or other actions may be appropriate.</p>
<p>An audit report is late, or grantee has failed to submit previous reports.</p>	<p>Inquire about the late or missing audit report and ask them to provide a copy of the report or an explanation. Establish a date for the grantee to submit the missing audit report and advise grantee that failure to submit the report may result in specific conditions or other actions (see the section Reviewing Audit Information During Monitoring).</p> <p>Refer to the document Guidance and Decision Tree on Risk Mitigation When Applicants are Missing Single Audits, to determine whether a specific condition or other action may be appropriate.</p> <p>Inform the grantee that failure to submit reports is considered in NCC and new award decisions.</p>
<p>A report is late, or grantee has failed to submit previous reports.</p>	<p>Establish a date for the grantee to submit the missing report, and in the case of failure to submit the report, consider whether specific conditions or other actions may be appropriate.</p> <p>Inform the grantee that failure to submit a report is considered in NCC and new award decisions.</p>
<p>The original budget contained many or large unallowable costs.</p>	<p>During the post-award conference, if not addressed prior to award, advise and provide grantee access with 2 C.F.R. 200, "Uniform, Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" and other guidance.</p> <p>Request an updated budget for the entire project period minus the unallowable costs.</p>
<p>Grantee has drawn down few or no funds.</p>	<p>Contact the grantee to confirm work is taking place under the grant and discuss ED's policy on drawdowns.</p> <p>Inquire about grantee's payment pattern - Do they use their own funds and reimburse themselves, do they plan to drawdown funds quarterly, or do they have another rationale for the infrequent drawdowns?</p> <p>Provide TA and remind the grantee of ED's drawdown policy. Monitor performance progress toward achieving grant goals.</p> <p>Consider whether specific conditions or other actions may be appropriate.</p>

Grant has excessive drawdowns	<p>Contact the grantee to explain ED's policy on drawdowns and make sure the excessive drawdown gets resolved (see the section Excessive Drawdown).</p> <p>Monitor grantee's financial data in the grants management system often enough to review drawdown patterns and history.</p> <p>Consider whether specific conditions or other actions may be appropriate.</p>
Frequent turnover in grant key personnel	<p>Ensure key personnel replacements are qualified.</p> <p>Contact the grantee to discuss why turnover is taking place including management concerns related to personnel.</p> <p>Ensure new personnel are familiar with ED regulations and other governing regulations.</p>

D. Other Pertinent Information

1. For information about imposing specific conditions, and the requirements for notifying a grantee, see the section [Grant Performance – Addressing Risk and Other Issues](#).
2. For information about designating a grantee high risk and the requirements for notifying a grantee of a high-risk designation see the section [Grant Performance – Addressing Risk and Other Issues](#).

6.3.6 Reviewing Audit Information during Monitoring

A. Policy

1. Program offices review available audit information during monitoring to ensure that required audits have been conducted and submitted, and any finding and recommendations have been resolved or appropriately addressed by the grantee.
2. Single or program-specific audits are required for entities expending Federal assistance equal to or in excess of \$750,000 during the entity's fiscal year (see [2 C.F.R. § 200.501](#)).

B. Procedures

1. Program offices review available audit information during monitoring by accessing audits at the [Federal Audit Clearinghouse \(FAC\)](#) database, through ED's Audit Accountability and Results Tracking System (AARTS), reviewing audit information contained in ERRs, or accessing audit information using the Consolidated Substantial Progress Feed.
2. Program offices contact grantees with missing required audits to inquire about the submission status of the missing audit report when the review of the audit data reveals that a grantee that is subject to the audit filing requirements of [2](#)

[C.F.R. 200 Subpart F](#), “Audit Requirements,” has failed to comply with the filing requirement. As necessary, program offices establish a deadline for the grantee to submit the report to the FAC.

- a. Program offices review the decision tree and guidance document [Guidance and Decision Tree on Risk Mitigation When Applicants are Missing Single Audits](#) to assist with missing audits and next steps.
3. Program offices, after consultation with their program attorney, take action pursuant to any of the following as deemed appropriate [2 C.F.R. §§ 200.208](#), [200.339](#), [200.340](#), and [200.341](#), when the grantee fails to submit the missing report by the established deadline, and all efforts to have the grantee submit the report have failed.
4. If the grantee has filed an audit report, and the audit report reveals findings, program offices follow up with the grantee to assess if the findings have been resolved and should follow policy in the [Handbook for External Post Audit Process](#) related to accessing Program Determination Letters (PDLs), addressing findings with grantees, issuing PDLs, and carrying out any other required process or activity related to audits. In some cases, the program offices recommend that the program official impose specific conditions on the grant and recommend additional monitoring and TA.
5. Program offices document the review of audit information, and all actions taken to bring the grantee into compliance with the audit requirements in the official grant file.

C. Guidance – Reserve

D. Other Pertinent Information

1. The Consolidated Substantial Progress Feed assists program offices with administering and managing ED grants by allowing them to view the “Audit Findings” page, which displays audit results and indicators from the FAC.
2. Twice per fiscal year, the Audit Resolution Division (ARD) within the OFO identifies grantees that have not submitted their audit to the FAC. ARD notifies program offices of the missing audits so program offices can follow-up with their grantees. Questions regarding missing audits can be directed to ARD at AuditResolutionDivision@ed.gov.
3. The requirements addressed under Policy item 2 do not apply to For-Profit entities. Program offices may require a For-Profit entity to conduct an audit by imposing a specific condition. See the [For-Profit Organizations](#) section.

6.3.7 Adverse Findings Requiring Consultation with Other Offices

A. Policy

1. Program offices, when monitoring reveals noncompliance with laws, regulations, or grant terms and conditions, work to bring the grantee into compliance by:
 - a. Providing TA;
 - b. Directing the grantee to make needed changes to the project; and
 - c. Recommending the program official take enforcement actions such as imposing specific conditions, route payment, high-risk status; withholding payment; or suspension, termination, recovery, or reimbursement of funds (see the section [Enforcement](#)).

B. Procedures

1. If issues are identified that seem systemic or cross-cutting that may affect the grantee's administration of other associated ED grants in the areas of financial management, cash management, procurement, documentation of expenditures, subrecipient monitoring, or other issues, program offices consult with their RMSD State Liaison for coordination with other programs that may be affected.
2. If monitoring reveals an unallowable obligation under the grant, failure to account for funds properly, or the need for the recovery of funds, the program official works with other appropriate ED offices including ARD, OGC, and Budget Service to recover funds.
3. If findings require a follow-up audit, program offices refer such requests to the OIG.
4. Principal Officers report findings involving possible violation of Federal law or regulation not within their authority to resolve to OIG and other cognizant officials, such as the Assistant Secretary for Civil Rights for apparent violations of civil rights assurances, or to other Federal agencies.

C. Guidance – Reserved

D. Other Pertinent Information

1. The RMSD Lead List of Contacts by State can be found at [RMSD State Leads](#).

6.3.8 Debarment and Suspension during Monitoring

A. Policy

1. Debarment and Suspension by ED is government-wide (see [2 C.F.R. part 180](#) and [2 C.F.R. part 3485](#)):
 - a. Suspension (usually less than 1 year) temporarily prevents a party from participating in most government-funded procurement and non-procurement transactions pending completion of an investigation or legal proceeding.
 - b. Debarment is a final determination that a party is not presently responsible and thus ineligible (usually not to exceed 3 years) to participate in federally funded contracts or grants.

B. Procedures

1. Program offices monitor their assigned grant projects and identify, in consultation with their program attorney, apparent causes for suspension or debarment.
2. Once a program office, in consultation with their program attorney, identifies an apparent existence for suspension and debarment, it refers the apparent existence of a cause for debarment and suspension to GMPD for processing in accordance with the directive for debarment and suspension.
3. Inquiries from program offices concerning persons debarred, suspended, voluntarily excluded, or determined to be ineligible by ED or another Federal agency are directed through the cognizant Principal Officer's designee to GMPD.

C. Guidance

1. When program offices, in consultation with their program attorneys, identify apparent causes for actions to be taken by ED that are more stringent than applying specific terms and conditions, increasing monitoring, or providing TA, they may consider that suspension and debarment are available administrative measures that may be taken to protect the public interest and safeguard the integrity of Federal programs by ensuring that the Federal government only conducts business with responsible entities and individuals. These measures protect taxpayers from fraud, waste, and abuse by allowing agencies to exclude entities and individuals that have shown to be unworthy of the public trust from receiving awards, contracts, grants and other sources of funding.

D. Other Pertinent Information

1. GMPD is responsible for processing all non-procurement suspensions and debarments that do not relate to Federal Student Aid programs or that involve Certified Public Accountants (CPAs), CPA professional corporations, or CPA firms or partnerships (see ACSD-OFO-027, [Nonprocurement Suspension and Debarment](#)).

6.3.9 Monitoring Reports**A. Policy**

1. Program offices issue monitoring reports to grantees at the conclusion of formal monitoring in accordance with Program Monitoring Plans.

B. Procedures

1. Program offices, after conducting formal monitoring, prepare a monitoring report based on the requirements of the program offices' monitoring plans that accurately describes what was learned during the monitoring review as well as through desk monitoring.
2. Program offices store monitoring reports issued to grantees at the conclusion of a monitoring review, and all other pertinent monitoring activity documentation, in the official grant file.

C. Guidance

1. The monitoring report is objective, focused on improving the productive relationship between ED and the grantee, and designed to help the grantee improve the management and implementation of its project. The monitoring report usually provides:
 - a. The purpose of the monitoring activity;
 - b. The methods and instruments used during monitoring;
 - c. Documentation of all monitoring contacts;
 - d. An assessment of the activities that have been completed and the extent to which a grantee's project scope and objectives have been met;
 - e. Specific elements of exemplary performance or best practices, if available; and
 - f. Information related to areas of noncompliance identified during the review, required corrective actions, recommendations for improvements, concerns

identified regarding the allowability of costs charged to grants, including concerns with documentation, and any TA to be provided in response to the monitoring review.

2. Program offices should consider drafting a transmittal letter to accompany the monitoring report that is to be issued at the conclusion of the formal monitoring activity, if the report does not otherwise capture information that could be conveyed in a transmittal letter.
3. Program offices have the discretion to issue monitoring reports to grantees when monitoring is conducted informally and continuously (see item 2 of the [Monitoring Introduction](#) section) by following the Policy and Procedures in this section, or may for this type of monitoring, choose to inform their grantees of monitoring results using alternative reporting methods deemed appropriate by the program offices.

D. Other Pertinent Information

6.4 Monitoring – Financial

A. Policy

1. Program offices monitor the financial activities of their grantees to ensure compliance with financial requirements.
2. The standards for financial management systems that grantees are required to follow are established in [2 C.F.R. § 200.302](#). The standards require grantees to maintain:
 - a. The identification, in their accounts, of all Federal awards received and expended, and the Federal programs under which the awards were received. Federal program and Federal award identification must include, as applicable, the AL title and number, Federal Agency Identification Number (FAIN) and year, name of the Federal agency, and name of the pass-through entity, if a pass-through entity exists;
 - b. Accurate, current, and complete disclosure of the financial results of each Federal award, or program, in accordance with established reporting requirements;
 - c. Records that identify the source and application of funds for federally funded activities. These records contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest earned.

- d. Source documentation (orders, receipts, rebates, etc.) for all financial transactions related to direct costs of the grant charged to Federal or matching funds;
- e. Effective control and accountability over all funds, property, and other assets, to safeguard assets and ensure that they are only used for authorized grant purposes;
- f. Records that show a comparison of expenditures with budgeted amounts for each award;
- g. Written procedures for determining the allowability of costs in accordance with 2 C.F.R. part 200 subpart E, "Cost Principles" and the grant terms; and
- h. Written procedures for minimizing the time between draws and disbursements in accordance with [2 C.F.R. § 200.305](#), "Payments."

B. Procedures

1. Program offices establish financial management monitoring protocols for the grants they administer. At a minimum, these protocols should address the following:
 - a. Frequency of the monitoring;
 - b. Specific items to be reviewed; and
 - c. Risk mitigation strategies if issues are identified.
2. Program offices use the grants management system as the primary tool for fiscal oversight and may use information obtained from the ERR to assist in assessing financial monitoring needs. Program offices use the system to review expenditure information, such as payment histories and spending patterns, by PR/Award number or UEI.
3. Program offices review a grantee's expenditure information no less than quarterly, and more frequently when the grantee is experiencing performance problems or when financial management issues are identified. Reviewing this information in the grants management system is the primary method of determining if the rate of cash draws is consistent with the expected expenditure pattern for a project's approved scope of work and project milestones.

C. Guidance

1. By detecting problems early in a budget or project period, program offices can work with grantees to resolve any issues involving cash drawdowns. Some questions the program offices should consider when conducting fiscal monitoring are:
 - a. Is the work being performed?
 - b. Are performance targets being met?
 - c. Is there a financial management problem?
 - d. Is the grantee making substantial progress?
 - e. Was the project start delayed?
 - f. Did the grantee have a difficult time hiring or replacing key personnel, including the project director?
 - g. Did key personnel leave the project?
 - h. Does the grantee understand Federal cash management policy, and ED's procedures for drawing funds?
 - i. Is the rate of the grantee's cash draws justified considering the nature of the project?
 - j. Has the grantee drawn few or no funds?
 - k. Is the grantee not drawing funds on a consistent basis?
 - l. Does the grantee have a large fund balance near the end of each quarter of a budget period?

D. Other Pertinent Information

1. Among the financial information in the grants management system that will assist program offices with fiscal monitoring is information about:
 - a. Excessive drawdown activity (see [Excessive Drawdowns](#) section);
 - b. Large available balances (see [Large Available Balance](#) section); and
 - c. Payment flags (see [Payment Flags](#) section).

6.4.1 Excessive Drawdown

A. Policy

1. Drawdowns are excessive if they exceed the amount of funds necessary for the grantee to meet its immediate cash needs for the grant. Program offices monitor drawdown activity to ensure that funds are drawn only to meet a grantee's immediate cash needs for each individual grant.
2. Grantees minimize the amount of time between the drawdown and the use of funds from their bank accounts (see [2 C.F.R. § 200.305](#)).
3. Grantee drawdown activity is flagged as potentially excessive if it meets the following thresholds established in the grants management system for each grant quarter:
 - a. First quarter: more than 50 percent of the funds for that budget period have been drawn by the end of the first quarter;
 - b. Second quarter: more than 80 percent of the funds for that budget period have been drawn by the end of the second quarter; and
 - c. Third quarter: 100 percent of the funds for that budget period have been drawn by the end of the third quarter.

B. Procedures

1. Every evening the grants management system compares drawdown activity against preset drawdown thresholds established and identifies grants that appear to have atypical drawdown patterns (i.e., excessive, or insufficient drawdowns).
 - a. Program officials have the flexibility to modify the percentage thresholds established in the grants management system that are used to measure drawdown activity when deemed appropriate and in consultation with the GMPD liaison.
 - b. Program officials, in consultation with GMPD, justify the need for the change by explaining how the threshold change is supported by the grant program's statute or regulations (i.e., a grant program's statute or regulations require expenditure patterns that conflict with the preset thresholds).
2. Program offices log into the grants management system to "My Quick View, My Program Office Awards" or run the excessive drawdown report to monitor drawdown activity and to review for any grants identified as meeting the established thresholds for excessive drawdowns.

3. When potentially excessive drawdowns have occurred, program offices review the drawdown data against the grantee's approved budget and grant application to determine if an acceptable correlation exists between the large drawdown, the period it has occurred, and the budget period's scheduled activities. If this review was insufficient to determine whether the drawdowns were excessive, program offices contact the grantee for additional information to support the drawdown.
4. After review, if program offices determine that the drawdown was not excessive, program offices summarize the review in the grants management system and in the official grant file, explaining how the drawdown is consistent with approved project activities and the approved budget.
5. However, if program offices determine that the drawdown is excessive, program offices contact the grantee immediately after the determination and inform the grantee that it must resolve the excess cash balance in their bank accounts resulting from the excessive drawdown within 14 calendar days.
6. Program offices instruct grantees to return excess cash balances to ED using the Create Refund functionality in the Payments Module or by making online adjustments which are the simplest and quickest methods for returning funds.
 - a. When using the Create Refund functionality to return excess cash balances, the grantee will select the following reason for the refund from a dropdown menu: "Returning funds associated with an Excessive Drawdowns determination."
 - b. When funds are to be returned by check, program offices instruct grantees to include the PR/Award number, grantee UEI number, and the name and telephone number of the person authorized to resolve the excess balance issue on behalf of the grantee. The check is mailed to:

U.S. Department of Education
P.O. Box 979053
St. Louis, MO 63197-9000.
7. Once the excessive drawdown is resolved, program offices record the resolution in the comment field in the grants management system and check the resolved box. Program offices also document the resolution in the official grant file accordingly:
 - a. Indicate the date the grantee was contacted and notified of the excessive drawdown.
 - b. Indicate the date the grantee resolved the excess cash balance.

- c. Indicate if funds were: 1) returned to ED; or 2) the grantee made an online adjustment.
 - d. Indicate the specific condition or any other action taken as a result of the excessive drawdown, if any.
8. Program offices, during their contact with the grantee, inform the grantee of the correct cash management policies and regulations regarding drawdown and disbursement of funds (see [2 C.F.R. § 200.302](#) and [2 C.F.R. § 200.305](#)).
9. On the 30th day of each month, GMPD generates the “Unresolved Excessive Drawdown Report” and sends it to program officials, or their designees. The report serves as ED’s official notification to program offices that their grantees continue to have an unresolved excessive cash balance beyond the 14-calendar day timeframe.
- a. Program officials, or their designees, distribute the “Unresolved Excessive Drawdown Report” to the appropriate program staff for research and immediate resolution.
 - b. The program official ensures that problems with excess cash balances are resolved, and that proper documentation regarding the status of each grant listed on the report is maintained in the grants management system and in the official grant file.
10. Program staff inform their program official, if grantees on the Unresolved Excessive Drawdown Report still do not resolve excess cash after being contacted. The program official, after consultation with their program attorney, either imposes item a or item b below. Generally, item b is imposed if a grantee repeatedly draws down funds in excess of its immediate cash needs for the grant.
- a. Activate the Route Payment Flag - Notify the grantee that all future payment requests will be routed to program offices for approval. Program offices approve drawdown requests only after the grantee has substantiated expenditures greater than the amount of the excess balances or has returned the excess cash balance from previous drawdowns.
 - b. Activate the Reimbursement Flag - Transferring the grant from the advance payment method to the reimbursement payment method which requires that the grantee be reimbursed for expenses incurred.
 - 1) Program offices approve drawdowns only after the grantee has substantiated expenditures greater than the amount of the excess balances. If a new drawdown is appropriate, program offices bring

supporting documentation to the license holder, who can then authorize payment.

- 2) A grantee assigned to reimbursement submits vouchers as proof of expenditures and explains why these expenditures are allowable.
11. The program official engages in additional consultation with their program attorney when the excess cash balances remain unresolved after taking one of the actions described above in item 10 of this section to determine whether to impose other specific conditions on the grant or grantee or designate the grantee as high-risk.
12. When the grantee is designated high-risk, the program official notifies the grantee and activates the stop payment flag. Activating the stop payment flag will prevent the grantee from drawing down funds on an individual award, or if necessary, on any award made to the entity until the excess cash issue has been resolved.

C. Guidance

1. Program officials, or their designees, have the flexibility to modify the percentage thresholds that are used to measure drawdown activity when deemed appropriate and in consultation with the [GMPD liaison](#).
2. Program officials may use the “Excessive Drawdown Report” available in the grants management system as a tool to assist with their ongoing monitoring of a grantee or grant program. The report contains a listing of the grants that continue to have unresolved excessive drawdowns for a period of 15 calendar days or more. The system also provides an “Award History Report” that may be used to supplement the review of the “Excessive Drawdown Report.”
3. Even if grants are not identified in the Excessive Drawdown Report, grantees may still be making excessive drawdowns if the drawdowns exceed their immediate needs.

D. Other Pertinent Information

1. If interest has been earned as a result of the excessive drawdown in excess of \$500 per year on Federal cash balances, it must be returned accordingly:
 - a. The preferred method to return interest is through Automated Clearing House (ACH) Direct Deposit or Fedwire.
 - 1) When returning interest through ACH Direct Deposit or Fedwire, grantees must include the following in their return transaction:

- a) PMS Account Number (PAN). NOTE: The PAN is the same series of alpha-numeric characters used for payment request purposes (e.g.: C1234G1).
 - b) PMS document number.
 - c) The reason for the return (e.g. interest, part interest part other, etc.).
 - d) An explanation stating that the refund is for interest payable to the Department of Health and Human Services, and the grant number(s) for which the interest was earned.
2. U.S. Department of Education grantees are generally located and operate domestically and return interest domestically. Below is PSC ACH account information for interest returned domestically. For international ACH interest returned, account information is available at: [Returning Funds/Interest](#).
 - a. PSC ACH Routing Number is: 051036706
PSC DFI Accounting Number: 303000
Bank Name: Credit Gateway - ACH Receiver
Location: St. Paul, MN
3. Service charges may be incurred from a grantee's financial institution when a Fedwire to return interest is initiated. For FedWire returns, Fedwire account information is as follows:
 - a. Fedwire Routing Number: 021030004
Agency Location Code (ALC): 75010501
Bank Name: Federal Reserve Bank
Treas NYC/Funds Transfer Division
Location: New York, NY
 - b. Interest may be returned by check using only the U.S. Postal Service; however, returning interest via check may take 4-6 weeks for processing before a check payment may be applied to the appropriate PMS account. A brief statement explaining the nature of the return must be included.
 - c. Interests returned by check are to be mailed to:

HHS Program Support Center
PO Box 979132
St. Louis, MO 63197
4. To return interest on a grant not paid through the PMS, make the check payable to the Department of Health and Human Services, and include the following with the check:

- a. An explanation stating that the refund is for interest
 - b. The name of the awarding agency
 - c. The grant number(s) for which the interest was earned
 - d. The return should be made payable to: Department of Health and Human Services.
 - e. For detailed information about how to return interest, visit the PSC Retuning Funds/Interest page at: [Returning Funds/Interest](#)
5. GMPD is responsible for providing department-wide oversight to ensure that program offices are monitoring for excessive drawdowns.

6.4.2 Payment Flags

A. Policy

1. ED policy allows program offices to apply any of the following three payment flags to grants to prevent inappropriate drawdowns or when information about a grant reveals fiscal (e.g., improper payments to the grantee) or other problems associated with the grant:
 - a. Route Payment - requires that program offices review and approve a grantee's drawdown request before funds are released;
 - b. Reimbursement - requires that a grantee use its own funds and provide receipts or other documentation of allowable expenditures to program offices before funds are released by a reimbursement analyst (license holder with this role) to the grantee; and
 - c. Stop Payment - prevents a grantee from drawing any funds on the grant and should generally be used only as a short-term measure.
2. Program offices' monitoring and risk reviews include examining payment flag information to determine if a grant's UEI is associated with a grant that has been assigned a payment flag, and to consider if the same conditions that resulted in the payment flag on the associated grant also apply to the grant being monitored or reviewed for risk.

B. Procedures

1. When a grant is associated with another grant having a payment flag, program offices contact the program staff managing the other grant for a status update about the corrective action(s) taken to address the issue(s) that

- resulted in the payment flag to determine whether the same conditions apply to both grants.
2. When program offices determine that conditions warrant assigning a payment flag, they consult with both the program official and program attorney for concurrence.
 3. If, after consultation with the program official and the program attorney, it is deemed appropriated to activate a payment flag, program offices immediately thereafter notify the grantee in writing of:
 - a. The type of payment flag activated;
 - b. The reason(s) the payment flag has been activated; and
 - c. The requirements that must be met in order to remove the payment flag.
 4. If program offices decide, after consultation with their program attorney, that a specific condition be issued in relation to the payment flag, program offices record the specific condition and issue a GAN reflecting the specific condition.
 5. When program offices activate payment flags, they select the reason for activating the payment flag from a dropdown list and provide further explanation for the flag in the associated comment field.
 6. Program offices document all applicable discussions and decisions in the grant file.

C. Guidance

1. Program offices may use the ERR, the Inquire Award Payment flags functionality, or the “My Quick View, My Program Office Awards” page in the grants management system to review awards with payment flags.
2. When program offices receive inquiries from other ED offices related to a grantee’s payment flags, the inquiries should be considered urgent and a timely response should be provided, so that awards, administrative actions or other performance and compliance matters are addressed quickly and appropriately.

D. Other Pertinent Information

1. Entering an explanation in the associated comment field related to the payment flag activated will assist other program offices address similar issues pertinent to grants falling under their auspices, because they will be able to access the payment flag and related explanation.

6.4.3 Large Available Balance

A. Policy

1. Program offices review the “Large Available Balance Report” prior to issuing NCC awards, but no more than 90 days before the end of the budget period. The “Large Available Balance Report” flags grants where 70 percent of the project budget is available 90 days or less before the budget period ends.
2. The “Large Available Balance Report” has a default setting of 70 percent. Program offices, by modifying the Subprogram record, set a lower threshold to identify large available balances, but in no instance increase the threshold to exceed 70 percent.
3. Program offices do not accept a grantee’s notification of a time extension without reviewing the “Large Available Balance Report” and resolving any identified issues.

B. Procedure

1. Not more than 90 days before the end of the budget period, program offices generate the “Large Available Balance Report”.
2. Not more than 90 days before the end of the budget period, and prior to rolling over the award, program offices contact the grantees for resolution, if large available balances exist.
3. Program offices contact grantees with large available balances to ascertain the reasons for the balances. At a minimum, program offices request information for:
 - a. The total amount of the available balance that is already obligated (including documentation from the grantee);
 - b. Any activities that were originally planned for the current budget period but were not conducted;
 - c. The grantee’s anticipated drawdowns during the remainder of the current budget period; and
 - d. The grantee’s planned use of the funds during the subsequent budget period.
4. Program offices require grantees with large available balances to submit the information outlined above, and any other relevant information, in writing.

5. Program offices, based on the information provided, determine an appropriate resolution, if necessary, before issuing an NCC. Potential options for resolution include:
 - a. Increased monitoring, including requiring the grantee to submit performance and expenditure reports more frequently;
 - b. TA to the grantee to address any issues contributing to the large available balance;
 - c. Specific conditions on the grant award to address any serious performance, management, or financial issues contributing to the large available balance;
 - d. A reduction in the amount of the NCC award; and
 - e. Not making an NCC award.
6. When determining an appropriate resolution, program offices consider whether the grantee can simultaneously perform grant activities it did not complete in the prior budget period while also pursuing activities planned for the new budget period, or whether recommending a reduction of the NCC award is a more appropriate action.
7. If program offices determine that it is appropriate to allow the grantee to use the large available balance, they must reach an agreement with the grantee for a revised budget plan prior to making a recommendation to the program official.
8. Program offices include any documentation addressing the large available balance and resolution (including the information described in item 1 above) in the official grant file.
9. Program offices provide large available balance and resolution documentation required in the NCC Funding Slate Memo Template for NCC funding approval.

C. Guidance

1. Large balances remaining in grant accounts at the end of a budget period may indicate non-performance or financial mismanagement. However, having a large available balance does not always mean there is a problem, or a failure on the part of the grantee. Some grantees use their own funds and reimburse themselves with funds from their ED account. Other grantees draw funds from the accounts on set schedules, such as monthly or quarterly according to the accounting and cash management procedures of the organization.

2. The program official may designate an individual to generate the “Large Available Balance Report” for an entire program office and assign the program staff responsible to research each grant on the report, and work with the grantee for resolution.
3. The “Large Available Balance Report” may be generated 90 days before the end of the budget period. If there are varying budget period end dates on grants within the same program office, the report may be run on a recurring basis to ensure that all the grants can be evaluated based on the “Large Available Balance Report” criteria.
4. Program offices may run the “Large Available Balance Report” at any time for monitoring purposes.
5. Program offices may also use the optional Consolidated Substantial Progress Feed functionality in the grants management system, which is an administrative tool that will automatically notify grantees via email of a remaining balance if more than 70% (the default percentage) of the budget remains on the last day of the 3rd quarter of the award budget period.
 - a. The email to grantees requires them to provide:
 - 1) The amount unliquidated;
 - 2) Grant funds expected to be obligated for the remainder of the current budget period; and
 - 3) A projection of the Federal share of grant funds that will not be obligated before the end of the current budget period.
 - b. When using the Consolidation Substantial Progress Feed functionality, program offices can control whether emails are to be sent to their grantees and may set a threshold different than the 70% default by modifying the Subprogram record.

D. Other Pertinent Information

1. Program offices should refer to the section [Carryover](#) for additional information about addressing available balances prior to awarding NCCs.
2. Program offices follow the procedures in the section [Extensions of the Final Budget Period](#) when grantees are in the final budget period of their grants and extensions are being considered to expend available balances.

6.4.4 Cost Sharing and Matching Contributions

A. Policy

1. Program offices monitor whether grantees are meeting their cost sharing and matching commitments.
2. Program offices ensure that costs contributed by a grantee to a project as a cost sharing or matching item meet the same standards for reasonable, allocable, and allowable as those items supported by Federal dollars.
3. Program offices ensure grantees' cost sharing and matching comply with the grant program's statutes and regulations.
4. With the Secretary's approval, program offices may waive a grantee's cost sharing or matching required in a program's statute or regulations when the statute or regulations state the authority to waive program requirements. However, unless well-justified by the grantee, the Secretary does not, as a general matter, waive cost sharing or matching due to the importance of required cost sharing or matching to the long-term success of a grant project.
5. In accordance with [2 C.F.R. § 200.1](#), cost sharing or matching are treated alike at ED.

B. Procedure

1. When conducting post-award monitoring of matching commitments, whether those commitments are statutorily required or voluntary committed (see section [Grantee Cost Sharing or Matching \(Non-Federal Share\)](#), program offices review audits performed and applicable Program Determination Letters (PDL) for match related findings requiring resolution.
 - a. For matching that is neither statutorily required or voluntary committed, the match is not considered cost sharing or matching. Therefore, modifications to these matching amounts can be made if the goals and objectives of the project are not changed.
2. Program offices ensure that grantees are able to justify that the costs used to meet cost sharing and matching requirements are allowable under the cost principles in [2 C.F.R. part 200 subpart E](#), including the requirement that the costs must serve an objective of the grant.
3. Program offices ensure that grantees' matching contributions (both cash and third party in-kind) meet the following criteria:
 - a. Verifiable from the recipient's records.

- b. Not included as a contribution for any other Federally assisted project or program (i.e., a matching contribution applied to one grant cannot be applied to another).
- c. Necessary and reasonable for the proper and efficient accomplishment of project or program objectives.
- d. If a cost would be allowable in the Federal budget, it would be allowable in the non-Federal budget as a matching contribution. Likewise, if a cost would not be allowable in the Federal budget, it would not be allowable in the non-Federal budget as a matching contribution.
- e. Not paid by the Federal Government under another award (except where authorized by statute for both the grant program receiving the matching funds and the other Federal program providing the match).
- f. The application of matching to a Federal grant must be consistent with the grantee's application of those costs to Federal and non-Federal projects alike. If the grantee's organization normally treats a cost for an activity as an indirect cost, the same cost is treated as an indirect cost for matching purposes.
- g. Grantees must be careful not to contribute indirect cost categories items as a cost sharing or matching that are already included and covered in the indirect cost pool that was used as the basis for calculating the grantee's federally approved indirect cost rate.
- h. The budget for the items that the grantee contributes as a cost sharing or matching should be developed and shown separately from the federally funded portion of the budget, in accordance with the instructions for the ED 524 A & B forms (Budget Summary). These forms are included in grant application packages and completed and submitted with grant applications.
- i. Indirect costs of institutions of higher education and non-profit organizations that are not recovered on training grants because those costs are limited to a maximum indirect cost rate of 8% of modified total direct costs may not be included as part of matching (see [EDGAR § 75.5629\(c\)\(3\)](#)).
- j. If a grantee decides to not charge the Federal award for the full indirect costs to which it is entitled and there are no requirements that limit the amount of indirect costs the grantee can recover, it may apply the unrecovered indirect costs to its matching budget, but only with prior approval (see [2 C.F.R. § 200.306\(c\)](#)).

- k. Program income is used to finance the non-Federal share of the project, if authorized in the terms and conditions of the award. Grant Award Attachment 6, Request for Approval of Program Income, a standard attachment used on all new and NCC award GANs, provides grantees three options for handling program income, one of which permits using program income for cost sharing and matching purposes to finance the non-Federal share of the project or program (see [Grant Award Attachment 6](#) and [2 C.F.R. § 200.307](#)).
- 4. The decision to waive a grantee's required cost sharing or matching is determined by the program official, after consultation with their program attorney, and recorded in the program office's NCC Grant Funding Slate.
 - a. If a POC has a large program that has numerous grantees requesting different waivers for different economic needs or circumstances, program offices use a roll-up sentence in the Grant Funding Slate (e.g., "30 grantees are requesting waivers..."), provides the reasons the waivers are being requested, and provides a justification for granting the waivers.
 - b. When a waiver occurs early in the budget period, and thus, it will not be addressed in the program office's NCC Grant Funding Slate, program offices will submit an "Amendment" to the original Grant Funding Slate addressing the waiver and will include the original slate (via an attachment) for the competition for full context.

C. Guidance – Reserved

D. Other Pertinent Information

- 1. Refer to the [Waiving Required Cost Sharing and Matching](#) section for information regarding waiver request and approval.
- 2. For guidance regarding the valuation of a grantee's cost sharing and matching contribution see the document titled, "Valuation and Documentation of Grantee Cost-share and Matching Contributions" at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).

6.5 Monitoring - Subaward and Executive Compensation Reporting Required by FFATA

A. Policy

1. Program offices monitor grantees to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, and if appropriate, take the necessary steps to ensure compliance, such as imposing specific terms and conditions, when grantees are negligent in their reporting.
2. FFATA requires, notwithstanding certain exclusions, that subaward and executive compensation data be reported for all new grants funded at \$30,000 or more. For detailed reporting requirements see the “Subaward and Executive Compensation Reporting Required by FFATA Fact Sheet” (FFATA Fact Sheet) available at [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
3. FFATA requires that grantees report subaward and executive compensation data in the Federal Subaward Reporting System (FSRS).

B. Procedures

1. Program offices generally will not have access to grantee annual gross revenues, or income sources and levels, thus making it difficult to determine if executive compensation data must be reported by the grantee for itself or its subrecipients. Nevertheless, program offices remind their grantees of their obligation to report executive compensation when the requirements for reporting as addressed in FFATA are applicable to the grantees (see the [FFATA Fact Sheet](#)).
2. Subaward data reported in FSRS by grantees will post in USASpending.gov, which program staff routinely access during monitoring to ensure that timely reporting is occurring. Since program offices possess knowledge regarding grant obligation dates and amounts and should also know which grantees are sub-awarding based on information provided in their grant proposals and grant budgets, program offices will be able to verify the reporting of subawards in accordance with FFATA in USASpending.gov.
3. If program offices deem it appropriate to impose a specific term or condition upon a grantee that has been negligent in its reporting, they consult with the program attorney about the need for the specific condition.

C. Guidance – Reserved**D. Other Pertinent Information**

1. Grantees are notified of their requirement to comply with FFATA through the applicable GAN attachment included with new GANs. Grant Attachment 9, Federal Funding Accountability Transparency Act Reporting Subawards and Executive Compensation, incorporates grant terms and conditions, as established by OMB, that address subaward and executive compensation reporting requirements. The attachment is available for inclusions with GANs and is also available for information purposes at the following link: [Grant Attachments and Enclosures](#).

6.6 Monitoring – Contracts and Procurements**A. Policy**

1. All recipients of Federal funds must maintain policies and procedures for procuring goods and services, and ensuring contractor conformance with the terms, conditions, and specifications of contracts. A State or State agency (including a SEA) uses its own policies and procedures for procuring goods and services under a Federal grant. All other grantees and subrecipients may use their own procurement procedures, so long as they comply with applicable State and local laws and regulations, and the Federal standards set forth in [2 C.F.R. §§ 200.317](#) through [200.327](#).

B. Procedures

1. As program offices monitor contract administration for compliance, they consider, as established by [2 C.F.R. part 200 Subpart F](#), “Audit Requirements,” that procurement is a compliance area tested as part of a grantee’s single or program- specific audit, and if findings were noted, they regularly request status updates from the POC’s Audit Liaison Officer or the Audit Resolution Division (ARD) for progress on applicable outstanding corrective actions to verify that progress benchmarks and timelines are being met.
 - a. Program offices follow the processes in the [Handbook for External Post Audit Process](#) for a specific audit or for an audit that covers multiple programs. The most common types of findings related to procurement include insufficient policies and procedures, incomplete transaction files and documentation, and failures to check contractors against the Federal debarment and suspension list.
2. Other monitoring activities related to contract administration and procurement could include: 1) discussing procurement as a part of routine monitoring calls

and visits; 2) performing a desk review of the grantee's procurement policies and procedures; 3) testing a sample of contract files against the organization's procurement policies and Federal requirements; 4) increasing the frequency and scope of monitoring efforts; or 4) scheduling an onsite visit to verify compliance.

C. Guidance – Reserved

D. Other Pertinent Information

1. Program offices should be aware that a grantee's failure to adequately document procurement transactions and monitor contractors has serious repercussions, because it can lead to poor program performance, or to the fraud, waste, or abuse of grant program funds.

6.7 Non-Competing Continuation (NCC) Awards

6.7.1 Evaluating Risk Prior to Making NCC Awards

A. Policy

1. Program offices conduct risk evaluations for grantees before obligating their NCC awards.

B. Procedures

1. Program offices use the factors below when determining how detailed a risk evaluation to conduct and have discretion in how much additional analysis and follow-up is necessary based on the grantee's unique circumstances and history. Program offices consider:
 - a. The amount of time that has passed since the last risk evaluation;
 - b. Whether risk issues were previously identified, and risk mitigation strategies implemented;
 - c. The grantee's progress in addressing the risk issues identified; and
 - d. Any applicable information garnered from the relationship established between the grantee and program staff.
2. If programs offices monitoring efforts reveal risks have not changed since the prior risk evaluation, the grantee's progression towards addressing risks is on target, and no new risks are identified, program offices summarize these facts in their NCC Grant Funding Slate.

3. Program offices conduct a more detailed assessment when new risks are identified, or the grantee is failing to mitigate risks in accordance with applicable specific risk-related conditions and/or risk mitigation strategies that were implemented during the previous risk evaluation.
4. In addition to identifying new risks, program offices consider if any specific risk-related condition or other risk mitigation action is to be continued, amended, removed, or supplemented by another specific risk-related condition or risk mitigation action, in consultation with their program attorney.
5. Program offices consider, when conducting a risk evaluation, prior and current financial and performance information, and compliance with Federal audit requirements, audit findings, progress in achieving corrective actions set in place to resolve audit findings, compliance findings, and other administrative issues.
6. Program offices consider any issues or concerns identified through day-to-day oversight, routine monitoring, and TA efforts that might adversely affect a grantee's performance under an NCC award.
 - a. If risks are identified that require specific award conditions, a program official, after consultation with the program attorney, imposes specific award conditions on an NCC award in accordance with [2 C.F.R. § 200.208](#), or designates the specific award conditions as "high-risk" conditions, and designates the grant or grantee high risk in accordance with [2 C.F.R. § 200.208](#) and [2 C.F.R. § 3474.10](#).

C. Guidance

1. The following is a list of factors that may be considered when evaluating grantee risks before obligating NCC awards. This is not an all-inclusive list, and program offices may identify additional items for consideration as they conduct risk evaluations:
 - a. Has the grant or entity been designated high-risk?
 - b. Is the grantee implementing its project in accordance with any specific risk-related conditions or risk mitigation strategies previously imposed upon the grant award?
 - c. Were there any excessive drawdowns or unallowable costs during the previous budget period?
 - d. Is there a large available balance which will result in a carryover amount?
 - e. Has there been turnover of key personnel?

- f. Has substantial progress been made, if not why?
 - g. Have all required reports been submitted?
 - h. Has progress been made on corrective actions, if applicable?
 - i. Are there any [2 C.F.R. part 200](#), subpart F Audit Findings, and is the grantee making progress in resolving those findings?
 - j. Is the grant on schedule to achieve its objectives?
 - k. Will a no-cost extension be needed?
2. Program staff can consider ERR data when evaluating risk prior to awarding NCCs (see the section [Evaluating Grant Applicant Risk Prior to Making a New Award](#)).

D. Other Pertinent Information

- 1. For information about imposing specific conditions, and the requirements for notifying a grantee (see the section [Grant Performance – Addressing Risk and Other Issues](#)).
- 2. The requirements for designating a grantee high risk and the requirements for notifying a grantee of a high-risk designation are addressed in the section [Grant Performance – Addressing Risk and Other Issues](#).
- 3. Program offices may use the [Risk Rubric Guide](#) when evaluating risk for NCC awards. The Risk Rubric Guide provides a framework that allows flexibility to address specific issues, or risks while also providing a consistent, methodical approach to evaluating risk levels for a single grant or within a grant program.

6.7.2 Reviewing Audit Data Prior to NCC Awards

A. Policy

- 1. Program offices review available audit information prior to issuing NCC awards to ensure that required audits were submitted, and any findings and recommendations are resolved or being appropriately addressed by the grantee.
- 2. Single or program-specific audits are required for entities expending Federal assistance equal to or in excess of \$750,000 during the entity's fiscal year (see [2 C.F.R. § 200.501](#)).

B. Procedures

1. Program offices review available audit information during monitoring by accessing audit information using one or more of the following resources: 1) the Federal Audit Clearinghouse (FAC) database; 2) consulting with an audit specialist in the Audit Resolution Division (ARD) or the POCs audit liaison regarding information within ED's Audit Accountability and Results Tracking System (AARTS); 3) by reviewing audit information contained in ERRs; or 4) by accessing audit information using the Consolidated Substantial Progress Feed.
2. Program offices contact the grantee to inquire about the status of the missing audit report if the review of the audit data reveals that a grantee that is subject to the audit filing requirements of [2 C.F.R. part 200 Subpart F](#), "Audit Requirements" has failed to comply with the filing requirement, and if necessary, establish a deadline for the grantee to submit the report to the FAC.
3. Program offices consult with the program attorney regarding any actions or sanctions to address missing reports and noncompliance before taking any final actions, and documents in the official grant file all actions taken to bring the grantee into compliance.
4. Program offices, in consultation with the program attorney, decide whether to issue an NCC award, or take other enforcement actions, pursuant to [2 C.F.R. §§ 200.208](#), [200.338](#), and [200.340](#), when the grantee has failed to submit the report by the established deadline, and all efforts to have the grantee submit the report have failed.
5. If the grantee has filed an audit report, and the audit report reveals findings, program offices contact the grantee to determine if the findings were resolved, and in the event, findings are unresolved, program offices follow policy in the [Handbook for the External Post Audit Process](#).
 - a. Program offices consult with their POC audit liaison for information in AARTS and/or contact an audit resolution specialist in ARD to discuss findings, Program Determination Letters (PDLs), and other appropriate resolutions, and follow all other applicable procedures in the [Handbook for the External Post Audit Process](#).
6. Program staff, after discussions with ARD and after consulting with their program attorney, may need to recommend that the program official impose specific conditions on the grant or that additional monitoring and TA is needed.

C. Guidance – Reserved**D. Other Pertinent Information**

1. The Consolidated Substantial Progress Feed assists program offices with administering and managing ED grants by allowing them to view the “Audit Findings” page, which displays audit results and indicators from the FAC.
2. Twice per fiscal year, the Audit Resolution Division (ARD) within the OFO identifies grantees that have not submitted their audit to the FAC. ARD notifies program offices of the missing audits so program offices can follow-up with their grantees. Questions regarding missing audits can be directed to ARD at AuditResolutionDivision@ed.gov.
3. The requirements addressed under Policy item 2 do not apply to For-Profit entities. Program offices may require a For-Profit entity to conduct an audit by imposing a specific condition. See the [For-Profit Organizations](#) section.

6.7.3 Reviewing Information in FAPIIS Prior to Making NCC Awards**A. Policy**

1. Program offices review and consider information about grantees in FAPIIS if the grants exceed or will exceed, over the course of the grant project periods, the simplified acquisition threshold. This review is conducted before making NCC awards that exceed the simplified acquisition threshold. Currently, this threshold is \$250,000.
2. Before awarding an NCC grant, program offices, at a minimum, determine that the FAPIIS information: 1) demonstrates a satisfactory record of executing programs or activities under Federal grants, cooperative agreements, and procurement awards; and 2) demonstrates integrity and good business ethics (see [2 C.F.R. § 200.205](#)).

B. Procedures

1. For required procedures related to FAPIIS reviews see the section [FAPIIS Information Review Requirements](#).

C. Guidance

1. For applicable guidance related to FAPIIS reviews see the section [FAPIIS Information Review Requirements](#).

D. Other Pertinent Information

1. For other pertinent information related to FAPIIS reviews see the section [FAPIIS Information Review Requirements](#).

6.7.4 Making Non-Competing Continuation (NCC) Awards

A. Policy

1. Program offices ensure that grantees of multi-year discretionary awards submit an annual grant performance report that provides the most current performance and financial expenditure information (including cost sharing or matching data, if applicable) in accordance with EDGAR § 75.118.
2. Program offices ensure that data submitted in the annual grant performance report specifically address whether the status of the funded project is aligned with the scope and objectives established in the approved application and any approved amendments.
3. Unless additional requirements are imposed by the program statute or regulations, under [EDGAR § 75.253](#), NCC funding is contingent upon the following requirements:
 - a. Congress has appropriated sufficient funds under the program (see [EDGAR § 75.253\(a\)\(1\)](#));
 - b. The grantee has made substantial progress towards achieving the goals and objectives of the project, and the grant's performance targets (see the section [Substantial Progress](#) and [EDGAR § 75.253\(a\)\(2\)](#));
 - c. The grantee submitted all required reports (including the required annual grant performance report) (see the section [Grant Performance Reports and Due Dates](#) and [EDGAR § 75.253 \(a\)\(3\)](#));
 - d. Program offices have determined that continuing funding is in the best interest of the Federal government (e.g., the program staff believes the project continues to serve the priorities of the program) (see [EDGAR § 75.253 \(a\)\(4\)](#)); and
 - e. Program offices have determined that the grantee has maintained financial and administrative management systems that meet requirements in [2 C.F.R. § 200.302, Financial management](#), and in [2 C.F.R. § 200.303, Internal controls](#).
4. Program offices do not obligate funds for an NCC award when a grantee's UEI registration in SAM is inactive. Program offices will receive an error message in the grants management system at the time of obligation, and

immediately contact the grantee for resolution. Program offices only use the pre-award exempt functionality for situations where a genuine exigency, such as the potential that funds will lapse if funds are not awarded immediately, is present when awarding NCCs (see the section [UEI Registration Review in SAM – General](#))

5. For NCC awards that are to be frontloaded, the proposal to frontload these grants is documented in the program office's spending plan and approved by the Budget Service (with the concurrence of OPEPD/GPO and OS). (See the [Frontloading versus Forward Funding](#) section).

B. Procedures

1. Program offices document the process for determining suitability and size of the NCC awards. The process should include standards that are appropriate for the uniqueness of the program, and which reflect the policies and procedures in the [Substantial Progress](#) and [Setting the NCC Award Amount](#) sections.
 - a. OPEPD/GPO will engage with program offices regarding their processes for determining the suitability and size of NCC awards to support consistency across ED.
2. The Secretary does not have to approve NCC awards when program offices can demonstrate that they have:
 - a. Conducted thorough reviews of each grantee's APR, budget, and any other information pertinent to the grantee's likelihood of achieving its goals and objectives, and performance targets of the grant.
 - b. Documented the NCC review in the program's Grant Funding Slate memorandum (see the [Developing Funding Recommendations](#) section).
 - c. Consulted with OPEPD/GPO before submitting the Grant Funding Slate memorandum for approval to the program's Assistant Secretary (or equivalent).
3. If program offices determine that an NCC should not be awarded or the requested amount of the NCC award should be reduced (see the section [Setting the NCC Award Amount](#)), then program offices consult with their program attorney and OPEPD/GPO.
4. Program offices make determinations for NCC awards no earlier than 90 days before the end of a grantees budget period.

C. Guidance

1. Program offices, when determining NCC awards, should consider the following factors:
 - a. Fiscal history and performance history (see sections [Annual Performance Reports and Due Dates](#), [Research Performance Progress Report](#), [Federal Financial Report SF 425 \(FFR\)](#), and [Substantial Progress](#), as applicable).
 - b. Available information about risk (see the section [Evaluating Risk Prior to Making NCC Awards](#)).
 - c. Available funds and planned use for any carry over balance (see the sections [Setting the NCC Award Amount](#) and [Carryover](#)).

D. Other Pertinent Information

1. For the regulations that address requirements for SAM registration see [2 C.F.R. Part 25](#).

6.7.5 Annual Performance Reports and Due Dates

A. Policy

1. Program offices require the submission of an Annual Performance Report (APR) and direct grantees to use the Grant Performance Report form (ED 524B²⁹), to submit their grant performance and financial data to ED, unless additional information is needed beyond that requested on the report form, or program statute or regulations require the submission of another reporting form.

B. Procedures

1. When program officials decide that additional reporting information is necessary beyond that requested in the ED 524B, or when program statutes or regulations require the submission of a different reporting form, program-specific performance report forms are developed, and they must also request the budget and indirect cost information that is requested on the ED 524B.

²⁹ The ED 524B, which is used to report performance prior to continuation funding as is reflected in this section, is not to be confused with the U.S. Department of Education Budget Information Non-Constructions Program Form 524 Sections A, B, C, and D. The U.S. Department of Education Budget Information Non-Constructions Program Form 524 Sections A, B, C, and D captures budget and indirect cost information; however, this form is submitted by grant applicants when they submit grant applications for funding.

2. When program offices develop program-specific performance report forms, they obtain approval from SCC and OMB in accordance with the Paperwork Reduction Act.
3. The minimum time to get a form (or any other request to collect information) approved by OMB is 120 days after SCC publishes the first of two required FR notices requesting comments on the proposed collection (see ICCS [Guide to the Information Clearance Process](#)).
4. Programs officials:
 - a. Establish the due date for grantees to submit their annual and/or interim ED 524B or program-specific performance reports for each program they administer.
 - 1) The established submission date for the annual report must be as late in the budget period as reasonably possible.
 - 2) Established submission dates should be designed to ensure grantees have adequate time to conduct enough project activities prior to submission of the report to allow program offices to make a reasonable assessment of the grantees' progress. Generally, program offices require grantees to submit their annual reports seven to ten months after the start of the budget period; however, report due dates may vary based on program requirements, special circumstances, and whether reports are submitted electronically.
 - 3) Program offices may vary due dates for performance reports based on project start dates, and not solely to align reporting dates across programs.
 - b. Establish a process for receiving and uploading into the grants management system annual and/or interim ED 524B reports when the reports are not submitted electronically by the grantee.
5. Program offices inform grantees of the date when their annual and/or interim ED 524B or program-specific performance reports are due. Notification is provided within the first GAN issued to the grantee for the grant project, or under a separate notification as deemed appropriate by the program official within 30 calendar days after start of the project period, or during the post-award conference, and within subsequent NCC GANs.
 - a. The instructions for submitting the reports must clearly state where the reports are to be submitted. If the reports are not to be submitted through the grants management system then the reports are either sent directly to the program staff member assigned to the grant, or to a central location designated by the program office.

- b. When changes to report due dates are necessary, program offices notify grantees of any changes to due dates as soon as possible.

C. Guidance

1. The ED 524B may be submitted in either hard copy or electronically; however, electronic submission is encouraged. Program offices can create the ED 524B for their grant programs in the grants management system, and when grantees submit their report, the system generates a notice to the grantee confirming the receipt of their report followed by an email confirmation message. Other benefits to the submission of the ED 524B in the grants management system include:
 - a. For those programs that include the U.S. Department of Education Grant Application Form for Project Objectives and Performance Measures Information (OMB Form 1894-0017) in their application packages, and that also require the submission of the ED 524B in the grants management system, the system will retrieve project objectives, measures, and targets entered into this form by applicants and populate this information into the corresponding ED 524B. The OMB Form 1894-0017 eliminates the need for grantees to reenter their objectives, measures, and targets when they complete and submit their ED 524B annual or final performance reports.
 - b. The electronic form provides program staff the ability to generate the following reports that allow data extraction capabilities for monitoring and analysis purposes.
 - 1) **Project Objectives Extract:** The grants management system will provide a raw data extract of all project objectives and performance measure information filtered by *PR/Award No*, *AL/Subprogram*, *Program Office* and/or *Keyword*. The keyword search applies to only the project objectives content. This extract is designed to be used for data analysis conducted outside of the grants management system application.
 - 2) **Project Objectives Activity Report:** The grants management system will provide a project objectives modification activity report filtered by *AL/Subprogram*, *Program Office*, *Keyword* and *Date Range*. The keyword search applies to only the project objectives content. This report will display *PR/Award No*, *Grantee Name*, *Last Modified date* and *Last Modified by* data. This report is designed to be used by program staff to identify changes to project objectives.
 - 3) **Project Objectives Detail Activity Report:** The grants management system can provide a detailed audit of activities of project objectives report filtered by *PR/Award No*. This report displays all project

objectives and performances measure information with modification details such as *Modification Type*, *Modified By* and *Modified Date*. This report is designed to be used by program staff to monitor changes to a specific grant's project objectives.

- c. The electronic APR form is automatically placed in the official grant file.

D. Other Pertinent Information

1. The ED 524B is available at the [Grant Application and Other Forms](#) table, and may be used for both the annual interim and final performance reports.
2. The OMB Form 1894-0017 is available at the [Grant Application and Other Forms](#) table.
3. Program offices can access the “help” module in the grants management system for information and instructions about creating the ED 524B. Additionally, program offices can learn about using the template letters that may be used to remind grantees of due dates and submission instructions for annual and/or interim ED 524B and program-specific performance reports.
4. For detailed information about OMB Form 1894-0017, see the U.S. Department of Education Grant Application Form for Project Objectives and Performance Measures Information (OMB Form 1894-0017) – Fact Sheet available at: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
5. Grantee annual reporting requirements are found at: [2 C.F.R. §§ 200.328](#) and 200.329 and [EDGAR §§ 75.590](#) and [75.720](#).

6.7.6 Research Performance Progress Report

A. Policy

1. The Research Performance Progress Report (RPPR) is used by grantees that support research and research-related activities to report research progress on an interim and annual basis at the frequency required or designated by the program office.
2. Program offices are not required to implement use of the RPPR if research or research-related activities are reported by grantees on a pre-existing OMB cleared reporting form.

B. Procedures

1. When requiring the submission of the RPPR, program offices direct recipients to complete only those questions, within a component of the RPPR that are

relevant to the award or to ED. If a recipient has nothing significant to report during the reporting period on a question or item, the instructions state that they should note that fact by stating “Nothing to Report” under that question or item.

2. Program offices utilize the standard instructions that have been developed for each category of the RPPR but may provide additional program-specific instructions necessary to clarify a requirement for a particular program.

C. Guidance

1. When program offices deem that the information reported on preexisting OMB cleared forms is less detailed and less informative than the information that would be submitted on the RPPR, program offices have the flexibility to implement the use of the RPPR in lieu of any preexisting OMB cleared reporting form.
 - a. Program offices should consult with the program official regarding the decision to require the submission of the [RPPR](#) instead of the submission of a preexisting OMB cleared form.

D. Other Pertinent Information – Reserved

6.7.7 Federal Financial Report SF 425 (FFR)

A. Policy

1. Program offices require grantees to submit a Federal Financial Report SF 425 (FFR) if:
 - a. Their grants or cooperative agreements involve cost sharing or matching and the grantees do not submit the ED 524B, which collects cost sharing or matching information (e.g., when program offices require the submission of a program-specific performance report approved by OMB that does not collect cost sharing or matching information).
 - b. Program income was earned.
 - c. The grantee had indirect cost information to report that was not captured on the ED 524B, or the ED 524B was not required to be submitted. Similarly, if a program office uses a program-specific performance report approved by OMB that does not collect indirect cost information, grantees using that reporting document must report indirect cost information on the FFR.
 - d. Program regulations or a specific term or condition require the submission of the FFR;

- e. The grantee submitted a request for a grant reinstatement (see the section [Processing a Reinstatement](#)).
 - f. The grantee requests to draw down any of the remaining funds when closing out the grant (see the section [Grant Closeout - General](#)).
2. Program offices consider the information reported on the FFR to help inform decisions about awarding NCC grants.

B. Procedures

1. When the FFR is required, program offices inform grantees of the date when the report is due within the first Grant Award Notification (GAN) issued to the grantee for the grant project, or under a separate notification as deemed appropriate by the program official, or during the post-award performance conference, and within subsequent NCC GANs (see GAN Attachment 2, [Specific Grant Terms and Conditions for Financial and Performance Reports](#), which automatically generates with all new GANs).
2. ED has identified several exceptions related to the reporting of financial data on the FFR and related to some of the form's instructions. Program offices take note of these exceptions and communicate them to their grantees when requiring the submission of the FFR. See the "Federal Financial Report SF 425 (FFR) Guidance" document available at [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
3. Program offices address concerns over data reported in the FFR with grantees prior to awarding NCC grants. Concerns about awarding NCC grants based on the information reported are addressed with program officials and in situations when a specific condition is to be included with the NCC grant, program offices consult with the program attorney prior to imposing the specific condition.

C. Guidance – Reserved**D. Other Pertinent Information**

1. OMB approved the FFR for the purpose of establishing a standard format through which recipients of grants and cooperative agreements may report the financial status of their grants and cooperative agreements. Through the implementation of the FFR, recipient financial reporting is streamlined across Federal government agencies by consolidating, on a single form, financial information that recipients of grants and cooperative agreements are required to report.

2. Program offices require the submission of the FFR if a grantee wants to draw down funds after the grant project period is over (see the section [Grant Closeout - General](#)) and for reinstatements.

6.7.8 Substantial Progress

A. Policy

1. Program offices make determinations regarding substantial progress not more than 90 days before the end of a grantee's budget period.
2. Before program offices make an NCC award, the grantee demonstrates that it has made substantial progress in achieving the goals and objectives of its grant and in meeting its performance measures and targets within the scope of its approved grant application (see [EDGAR § 75.253\(a\)\(i\)](#)).

B. Procedures

1. Prior to making NCC awards, program offices assess the extent to which grantees have made substantial progress in achieving the objectives of their grant, and in meeting their grants' performance measures and targets within the scope of their approved grant applications, by reviewing and analyzing all required performance reports submitted by their grantees (i.e., the ED 524B or program specific OMB cleared performance reports, and other required reports such as the FFR).
2. Program offices use their documented process for determining the suitability and size of the NCC awards and consider the project year. Typically, expectations for substantial progress in meeting project objectives should be higher toward the end of the approved project period. See the section [Making Non-Competing Continuation \(NCC\) Awards](#).
3. Program offices ensure that the project data included in the grantees' annual performance and financial reports correspond to the scope and objectives that were established in the approved project applications or any approved amendments, and that they demonstrate substantial progress.
4. Program offices review the grantees' responses to the indirect cost questions on the ED 524B, and if the indirect cost rate is expired or other concerns arise regarding the responses provided, program offices review and follow the procedures to address concerns that are found in the Indirect Cost items of the section [Cost Analysis and Budget Review](#).
 - a. When a reporting form other than the ED 524B is used, program offices still verify that the reported indirect cost rate and related information is correct and must address any concerns with the grantees arising from the review.

5. Program offices review their grantees' financial data in the grants management system including reviewing fund balance data and the Large Available Balance Report (see the section [Large Available Balance](#)).
6. If a grant that is currently being reviewed for substantial progress is listed on the Large Available Balance Report, or a review of the grantee's financial data indicates a large balance (but below the threshold for the Large Available Balance Report), program offices:
 - a. Recommend to the program official to either approve the grantee's plans for expenditure of the funds, or recommend a reduction in the amount of the new funds to be awarded for the following budget period (see the section [Carryover](#) and [EDGAR § 75.253\(c\)\(1-3\)](#)); and
 - b. Record all discussions, any resolution, and the basis for the resolution in the official grant file prior to issuing the NCC award.
7. Program offices, after reviewing both financial and performance data, record in the grants management system that the required performance report was received, and if it has been determined that substantial progress has been made, select substantial progress. These system actions certify that the performance report was read, that all financial and performance issues, if any, were addressed, and that funds can be obligated for an NCC award.
8. When a grantee is not able to demonstrate that it is making substantial progress toward meeting its grant project goals, program offices inform the program official and recommend discontinuing funding unless the program official approves changes to the project that will enable the grantee to make substantial progress in succeeding budget periods (see [EDGAR § 75.253\(a\)\(2\)](#)). In such cases, the grantee submits a plan for approval describing how substantial progress will be made in the future to justify continued funding prior to the award being made.
9. Approved changes to allow a grantee to achieve the goals and objectives of the project and meet the performance targets of the project may not result in changes to the scope or objectives of the project. Program offices consult with their program attorney when unsure if these approved changes will result in changes to scope or objectives.
10. Program offices consult with their program attorney and OPEPD/GPO if a decision is made to discontinue funding.
 - a. A grantee that is denied an NCC is notified in writing, and that notification sets out ED's basis for denying the NCC award.

- b. A grantee that is denied an NCC award under [EDGAR § 75.253](#) may object under [2 C.F.R. § 200.341](#) in the form of a request for reconsideration of the decision. The request must:
 - 1) Be submitted in writing to the ED official identified in the notice denying the NCC award by a date specified in that notice.
 - 2) Set forth the grantee's basis for objecting to the decision not to make an NCC award and include any relevant supporting documentation.
 - c. The designated ED official identified in the notice denying the NCC award will consider the request for reconsideration and will provide the grantee with a written response to that request. That response will be the ED's final decision on the matter.
11. Program offices inform their Budget Service analyst of the decision to discontinue funding so that changes to the spending plan, if needed, are completed in a timely manner.

C. Guidance

1. In addition to the submission of required reports, and demonstration of substantial progress, [EDGAR § 75.253](#) describes what else may be considered for a grantee to receive an NCC award. The list below contains other components that program offices may consider in an NCC review:
 - a. Performance – Review APR or other required reports and determine that the grantee has made substantial progress in achieving its performance targets, goals, and objectives of the approved application.
 - b. Commitment of Implementation – Program offices monitor the grant against the approved application. This is particularly critical in instances when the competition included a priority or requirement for projects that are supported by evidence of effectiveness. In programs where grantees are expected to serve a minimum number of participants, program offices ensure grantees have met those requirements.
 - c. Evaluation – Are grant funds being used to conduct a project evaluation? Program offices monitor the progress of that evaluation, including the degree to which the grantee is collecting data for that evaluation.
 - d. Matching – If the grantee is required to contribute matching funds program offices monitor the grantee's progress in securing those funds and allocating them to project activities appropriately.
 - e. Key personnel – If key personnel changes occurred, is the project's scope still implemented as described in the approved application?

- f. Funds – Are funds being carried over from the prior budget period? The amount to award the NCC considering the use of funds to date and the planned use of the carry over funds.

D. Other Pertinent Information – Reserved

6.7.9 Setting the NCC Award Amount

A. Policy

1. Program offices establish the budget levels for each budget period of a multi-year award when the original award is made. If a cost analysis was not initially conducted for the out years of a multi-year award due to an approved waiver (see the [Applicability section](#)), program offices conduct a cost analysis for each of the out years before making an NCC award for each out year. Changes in NCC funding levels must not result in a change to the project scope or objectives (see the section [Prohibiting Changes to the Project Scope or Objectives of a Grant](#)).
2. NCC grants are not subject to Congressional notification; thus, program offices do not have to adhere to the Congressional notification rules referenced in the section [Congressional Notification](#) when awarding NCC grants.

B. Procedures

1. When NCC amounts established at the time of the original grant awards change (e.g., excessive carryover, unallowable costs, etc.), program offices review, prior to issuing an NCC award:
 - a. A grantee's description of the manner in which the work in the upcoming budget period is to be performed and a revised budget and budget narrative to reflect the changed NCC amounts, unless the change is to reduce funding that was not needed in the previous budget period.
2. If program offices received a waiver to review grantees' out-year budgets at the time of the NCC award, program offices review the upcoming out-year budget to ensure cost items are allowable, allocable, and reasonable and remove those cost items that do not comply.
3. Program staff review the large available balance report and address any potential carry-over in compliance with the [Large Available Balance](#) section.
4. Program staff, after review of grantees financial information, determine final NCC award amounts.

5. Program staff establish NCC award amounts 90 days or less before the budget period ends.

C. Guidance

1. The grants management system will not automatically issue the standard grant award attachments with NCC GANs unless program staff chooses to include the grant award attachments. Instead, the NCC GAN references the grant award attachments and terms and conditions that were included with the initial GAN as being applicable to the NCC award.

D. Other Pertinent Information – Reserved

6.7.10 Carryover

A. Policy

1. Unexpended funds at the end of one budget period can be used in the next budget period without any action by ED or the grantee, unless such use of unexpended funds is restricted as a condition of the award (see [2 C.F.R. § 200.308\(d\)](#) and [EDGAR § 75.253\(c\)\(1\)](#)).
2. Program offices, when determining the amount of NCC awards, take into consideration the amount of unexpended funds, and the reasons the funds remain unspent.

B. Procedures

1. Program staff provide good faith efforts (e.g., through TA) early in a budget period to assist grantees in resolving excessive balances in order to minimize carryover amounts.
2. When program staff discover that an available balance deemed significant by the program staff (based on program staff's understanding of the grantee's performance history) is available for carryover at the time NCC awards are to be processed, program staff require a written explanation from the grantee that includes the following (see [EDGAR § 75.253 \(d\)\(2\)](#)):
 - a. The total amount of the available balance that is already obligated (including documentation from the grantee);
 - b. Any activities that were originally planned for the current budget period but were not conducted;
 - c. The grantee's anticipated drawdowns during the remainder of the current budget period; and

- d. The grantee's planned use of the funds during the subsequent budget period.
3. Program staff consider the grantee's explanation in deciding how much funding to provide for the next budget period.
4. In cases where program staff do not concur with the grantee's explanation for planned expenditures, program staff recommend that the program official reduce the NCC amount to be awarded for the following budget period. Before making this recommendation, program staff make sure that the grantee will have enough funds available to complete the next budget period and any activities not completed from the prior budget period.
5. Program staff consult with the program attorney in cases of substantial reductions in a grant award but may engage in this consultation regarding any reductions.

C. Guidance

1. Program offices should work proactively with grantees to resolve excessive funds balance issues as early in the grant year as possible and before NCC award decisions are made.
2. To assist with resolving large available balance issues prior to awarding NCC grants, program officials may use the optional Consolidated Substantial Progress Feed functionality in the grants management system, which is an administrative tool that will automatically notify grantees via email of a remaining balance if more than 70 percent (default percentage) of the budget remains on the last day of the 3rd quarter of the award budget period. If using the Consolidated Substantial Progress Feed functionality, program offices may change the default percentage by modifying the subprogram record.
3. The email requires the grantee to provide the following to the program office:
 - a. The total amount of the available balance that is already obligated (including documentation from the grantee);
 - b. Any activities that were originally planned for the current budget period but were not conducted;
 - c. The grantee's anticipated drawdowns during the remainder of the current budget period; and
 - d. The grantee's planned use of the funds during the subsequent budget period.

D. Other Pertinent Information - Reserved**6.8 Grant Administration****6.8.1 Grantee Flexibility with Administrative Actions****A. Policy**

1. In accordance with [EDGAR § 75.264](#) and [2 C.F.R. § 200.308](#), grantees are not required to seek prior approval for the following categories of administrative actions unless restricted by the terms and conditions of the award:
 - a. Budget transfers, unless the transfer requires specific prior approval in accordance with [2 C.F.R. § 200.308](#).
 - b. Use of carryover funds for allowable activities or costs that fall within the scope and objectives of the project (see the [Carryover](#) section for additional information related to reviewing carryover amounts).
 - c. Pre-award costs or expenditures for allowable items and activities of a project for a period up to 90 days before the beginning of the new award (see [EDGAR § 75.263](#), [2 C.F.R. § 200.308](#), and the [Pre-Award Costs](#) section for guidance on pre-award cost proposed for periods greater than 90 days before the beginning of a project period).
 - d. A one-time no-cost time extension of the final budget period of an award for a period of up to 12 months, as authorized in EDGAR § 75.261, unless law, regulations, or the grant terms and conditions specify otherwise.
 - 1) [2 C.F.R. § 200.308\(d\)](#) requires the grantee to notify ED of the intended extension at least ten days before the end of the budget period and give supporting reasons for the extension.
 - 2) Program offices deny a no-cost extension under [2 C.F.R. § 200.308\(d\)](#) if a grantee wants the extension simply to obligate unused funds after the objectives of the project have been met.
 - 3) Program offices cannot obligate additional funds to the grant for the extension or permit the grantee to conduct activities outside the scope and objectives of the approved project.
 - 4) Grantees can continue to obligate funds during the no-cost extension.

B. Procedures

1. Grantees are permitted to exercise flexibilities to make post-award changes and budget revisions; however, post-award changes must be consistent with the project activities and budgets in the approved application and must not change the scope or objectives of a competitive grant. If program staff has concerns that grant funds are not being obligated and expended properly because of any administrative action undertaken by a grantee, the program staff asks the grantee to provide additional information about the ways in which the grant funds are being used.
2. When program staff decides to restrict the flexibility based on review of the submitted information, the program staff notifies the grantee of this determination, documents the official file and, where appropriate, updates the grants management system, and issues a revised GAN.
3. Program offices follow the [Restricting Grantee Flexibilities](#) section when restricting these flexibilities.

C. Guidance – Reserved**D. Other Pertinent Information- Reserved****6.8.2 Administrative Actions Requiring Prior Approval from ED****A. Policy**

1. Program offices, in accordance with [EDGAR](#) and [2 C.F.R. § 200.308](#), review certain types of administrative actions for approval or disapproval before they can be implemented by grantees.
2. Administrative actions may be monetary or non-monetary in nature and may or may not require prior approval from ED.
3. A Principal Officer, program official or program staff must not authorize any administrative actions that conflict with any applicable Federal statute, program statute or regulation, [EDGAR](#), [2 C.F.R. Part 200](#), or specific condition. Additionally, changes to a grant are not permitted that alter the scope or objectives of a competitive discretionary grant.
4. Some administrative actions require that program staff consult with the program official before approving or disapproving a request, and in some cases, the program official's approval or disapproval is required. Refer to the table that follows.

5. Grantees are notified of approvals or disapprovals within 30 calendar days of having received requests for administrative actions requiring approval. However, if granting approval or disapproving the request is not possible within 30 days, then program offices alert the grantee within the 30 calendar days that the request is under review and that additional time is needed by ED. Program offices also communicate a date by which a decision will be made.

B. Procedures

1. Grantees submit a written request to program offices when prior approval for administrative actions is required. After receiving a written request for an administrative action, program offices may contact grantees directly for clarification or for additional information as needed.
2. The decision to approve or disapprove a request for an administrative action is based on requirements imposed by applicable Federal statutes, including GEPA, program statute and regulations, EDGAR, and [2 C.F.R. Part 200](#). All resulting costs and activities related to approved changes must be allowable in accordance with these requirements.
3. If the grantee has been designated as high risk, program staff consult with the program official before approving or disapproving a grantee's request.
4. Program offices are aware that some actions, such as grant transfers, require consultation with their program attorney, or other ED staff, before making a final decision to approve or disapprove the action.
5. Program offices, in all cases where prior approval is required, keep a copy of the grantee's original request in the official grant file, along with any additional information received from the grantee, documentation of discussions with the program official, program attorney or other ED staff, ED's written decision (including ED's reason for the action taken), and any amended GAN.

Administrative Action	Responsible ED Staff	Handbook Reference
Restricting grantee flexibility to take administrative action without prior approval (Impose Grant Attachment 15).	Program Official	Restricting Grantee Flexibility under Expanded Authorities
Any prior approval requirement established by the terms and conditions of the grant (see 2 C.F.R. § 200.308)	Program Staff	Evaluating Grant Applicant Risk Prior to Making New Grant Awards Evaluating Risks Prior to Making NCC Awards N/A
Pre-award costs incurred more than 90 days prior to the budget period.	Program Official	Pre-Award Costs

Administrative Action	Responsible ED Staff	Handbook Reference
Changes in key personnel.	Program Staff	Changes to Key Personnel
The absence of the project director or principal investigator for more than three months (see 2 C.F.R. § 200.308).	Program Staff	Changes to Key Personnel
A 25 percent reduction in the project director or principal investigator's time (see 2 C.F.R. § 200.308).	Program Staff	Changes to Key Personnel
The transfer of substantive work to a third party (see 2 C.F.R. § 200.308 and EDGAR § 75.701).	Program Official	N/A
Any other costs that require approval in accordance with the 2 C.F.R. part 200 subpart E , "Cost Principles."	Program Staff	N/A
Revising grantee cost sharing or matching.	Program Official License Holder After consulting with program attorney	Revising Grantee Cost Sharing
The need for additional funds (supplemental grant awards).	Program Official License Holder	Supplemental Awards
Transfer of funds into Indirect Costs (see EDGAR § 75.560(d))	Program Official	Indirect Costs
The transfer of a grant from one entity to another or a change in legal status.	License Holder	Grant Transfers
Second grant extension requests EDGAR § 75.261 ©	Program Staff	Extension of the Final Budget Period
All other grant extension requests after the second request, including those submitted after the project end date and those requesting an extension beyond 12 months.	Program Official	Extension of the Final Budget Period
UEI number changes, other than grant transfers, and technical changes	Program Staff	

C. Guidance

1. When considering requests for administrative actions, program offices can review the table above for guidance. The sections referenced under the column titled "Handbook References" identifies sections in the Handbook that provide detailed information about the administrative actions listed in the chart, and these sections should be reviewed by programs when considering requests. The column titled "Responsible ED Staff" identifies the position that

is required to respond to the administrative request with an approval or disapproval.

2. Program staff should encourage their grantees to submit administrative requests to modify their active grants through the grants management system. The following are advantages for doing so:
 - a. Upon receipt of these requests, they are automatically saved in the database and are immediately available to ED staff for approval or disapproval.
 - b. The grants management system sends emails to the grantees confirming receipt of the requests. The system also sends an email to the appropriate ED program staff notifying them that an administrative request has been received.
 - c. The administrative approval and GAN, if applicable, is automatically filed in the grantees electronic grant file.
3. When program offices receive inquiries from other ED offices related to a grantee's administrative actions, the inquiries should be considered urgent and a timely response should be provided, so that awards, administrative actions or other performance and compliance matters are addressed quickly and appropriately.

D. Other Pertinent Information – Reserved

6.8.3 Grantees' Technical Changes that Do Not Require Prior Approval

A. Policy

1. Many changes are made to a grant that do not require ED's prior approval. Nevertheless, grantees document all changes in their files, and inform their ED program contacts of the changes, as some of these changes require action by ED to be effective.
2. Technical changes that do not require prior approval include business address changes, telephone number changes, new email addresses, and UEI changes when they involve correcting a UEI resulting from a data entry error.
3. Program staff do not make UEI changes when the grantee's UEI registration in SAM is inactive. Programs will receive an error message in the grants management system at the time of the change and immediately contact the grantee for resolution.

B. Procedures

1. Program offices receive requests for technical changes through the grants management system or in writing from the grantee's project director or other authorized official.
2. Program offices enter a grantee's technical change in the grants management system (e.g., when the change involves business address changes, telephone number changes, new email addresses, and UEI changes that correct a UEI that resulted from a data entry error), sign and issue an updated GAN and include an updated GAN in the official grant file without further approval.

C. Guidance – Reserved**D. Other Pertinent Information - Reserved****6.8.4 Restricting Grantee Flexibilities under 2 C.F.R. § 200.308****A. Policy**

1. To restrict one or all the flexibilities authorized under [2 C.F.R. § 200.308](#), program offices complete and include with the GAN, Grant Attachment 15, "Prior Approval Requirements."

B. Procedures

1. When program officials deem it appropriate to restrict or rescind the flexibilities for a grant or group of grants after new or NCC awards have been issued, they do so only after consultation with their program attorney.
 - a. Removing the grantee's authority to exercise flexibilities may be implemented as a specific award condition with or without designating the grantee high risk.

C. Guidance

1. Program offices should establish a procedure for determining when the use of Grant Attachment 15 is appropriate for a grant program. A common reason for disallowing flexibilities involves making the terms of one or more grant awards conform to statutory or regulatory requirements, that conflict with the expanded authorities, for a grant program or a category of grantee. Additionally, circumstances (e.g., poor fiscal management) may arise for which a grantee should not be allowed to exercise the flexibilities to make changes and budget revisions as permitted under [2 C.F.R. § 200.308\(d\)](#).

D. Other Pertinent Information

1. The grants management system is the official repository for GAN attachments and enclosures. For information purposes only, the grant attachments and enclosures are also available on ConnectED at the following link: [Grant Award Notification \(GAN\) Attachments for Discretionary Grants](#).

6.8.5 Changes to Key Personnel**A. Policy**

1. Program offices, after an award is issued, approve, or disapprove requests for changes to key personnel and sign and issue a revised GAN.

B. Procedures

1. Program offices, before approving changes to key personnel, consider the requirements in [2 C.F.R. § 200.308\(c\)](#) regarding changes in key personnel.
2. Program offices approve or disapprove grantees' requests for:
 - a. The initial hiring of a person to fill a position described in an application when no one was named, or no resume was provided;
 - b. Changing persons who occupy key positions that were identified in the application; or
 - c. Substantively redefining a key position and its duties.
3. Program offices, to maintain current and accurate information on key personnel, enter the names, titles, percentage of time, and other required information into the key personnel tab of the discretionary budget sub-function in the grants management system whenever key personnel changes occur during the life of a project.
4. Program offices verify in SAM that the key persons identified are not included in the SAM Exclusions list.
5. Program offices contact their [GMPD liaison](#) if the key person is included in the SAM Exclusions list before proceeding with the request for the personnel change.
 - a. The GMPD liaison verifies whether the key person identified is the same person appearing in the SAM Exclusions list. To conduct this verification, program offices provide the individual's resume, last 4 digits of the social security number, current and last known address, and current and last known employment.

- b. GMPD investigates the reasons why the person is included in the SAM Exclusions list and advises the program staff of any issues that would prevent the person from participating on the grant.
 - c. Program offices, based upon the information provided and the advice of GMPD, consults with their program official, and their program attorney, if necessary, to establish next steps.
6. Program offices document all discussions, ED's written decision (including ED's reason for the action), and the amended GAN in the official grant file.

C. Guidance

1. Guidance regarding who may be defined as key personnel is provided in the section [Key Personnel – Qualifications Review & Excluded Parties List](#).

D. Other Pertinent Information – Reserved

6.8.6 Revising Grantee Cost Sharing or Matching

A. Policy

1. Program offices specify on the GAN the total cost sharing or matching, including the required or voluntarily committed amounts or percentages, if the grantee:
 - a. Is required by statute or regulation to provide an amount or percentage of cost sharing or matching;
 - b. Voluntarily commits to provide additional cost sharing or matching above what is required; or
 - c. Voluntarily commits to cost sharing or matching where none is required.
2. The combination of Federal funds and the value of the grantee's cost sharing or matching contribution equal the total cost of the grant (see [2 C.F.R. § 200.306](#) and the section [Calculating Cost Sharing or Matching Amounts](#)).
3. Notwithstanding exceptions in Procedures item 2, grantees are required to fulfill their cost sharing or matching commitment, both required and volunteered, since they are a condition of the award.
 - a. A grantee may request to reduce voluntary cost sharing or matching; however, program offices do not approve requested reductions when the reductions impact the scope and objectives of the grant. Program offices consult with their program attorneys when assistance in making these determinations is needed.

4. The minimum dollar amount or percentage of cost sharing or matching the grantee is required to pay is specified in the relevant statute or program regulation.

B. Procedures

1. Program offices make every effort to work with the grantee to help the grantee find ways to meet the cost sharing or matching requirements in the event a grantee raises concerns about its ability to contribute the required or voluntarily committed dollar amount specified on the GAN, especially since the amount of cost sharing or matching proposed in the grantee's application could have been a significant or decisive factor for reviewers who recommend funding the project.
2. If the grantee is unable to provide a cost sharing or matching dollar amount, even after program office intervention, the program official may permit reductions to the amount of the Federal award after consultation with the program attorney, Budget Service, OPEPD/GPO, and with approval from OS.
3. The reduction by the program official cannot change the scope or objectives of the original application or reduce the amount of cost sharing or matching below a statutory or regulatory minimum. In the case where the reduction in cost sharing or matching alters the scope and objectives of the project, that reduction would indicate an impact on the competitiveness of the application and would not be permissible for that reason. If a reduction can be made without violating these restrictions, the program official may take one or more of the following actions:
 - a. If the statute, regulation, or application notice establishes a maximum percentage for the Federal share of project costs, the program official may reduce the amount of Federal funds awarded so that the maximum Federal percentage share of total costs is not exceeded; or
 - b. The program official may waive all or part of the established level of cost sharing or matching if: a) the program statute or regulations permit changes to cost sharing or matching percentages or amounts, and the program official has consulted with their program attorney; or b) the cost sharing or matching was volunteered by the grantee; or
 - c. If the grantee had voluntarily committed cost sharing or matching at a level exceeding that required by statute or regulation and ED made the voluntary contribution a condition of the grant award, the program official may reduce the Federal grant in proportion to the amount of reduction made to the grantee's share of the costs down to its legally required minimum.

- d. Review section [Waiving Required Cost Sharing or Matching](#) for additional policy and guidance on this topic.
 - 1) The license holder issues a revised GAN updating the terms and conditions of the award, if the program official takes one of the actions described in item 2.
 - 2) The program official consults with their program attorney to decide on appropriate courses of action when a change in the scope of the project is likely to occur because of the reductions to cost sharing or matching.
 - 3) All actions taken by the program official are documented in the official grant file.

C. Guidance – Reserved

D. Other Pertinent Information – Reserved

6.8.7 Prohibiting Changes to the Project Scope or Objectives of a Grant

A. Policy

1. ED program officials have the authority in accordance with [2 C.F.R. § 200.308](#) to review and approve requests from grantees to change the scope or objectives of their discretionary grants; however, to ensure the integrity of ED's competitive review process, ED does not permit changes to the scope or objectives of a grant except in rare cases where the grant was awarded without competition or other highly unusual circumstances.

B. Procedures

1. If a grantee requests a change to its grant and the change might involve a change in the scope or objectives of the grant, before approving or disapproving the request, program offices consult with their program attorney to get assistance in determining whether the change will constitute a change in the scope or objectives of the grant and, if so, whether the change would deny basic fairness to other applicants that participated in the original grant competition.
2. The program official notifies the grantee in writing of the status of its request, whether it is approved, approved in part, or not approved within 30 days of receipt. If approved in part, a final determination is made within 90 days of receipt. A copy of the written approval or disapproval of the request is placed in the grantee's official grant file.

C. Guidance

1. ED defines scope as the nature and extent of the work performed under a grant. Depending upon the objectives of the grant project, scope may include the number, nature and timing of the activities, and participants or subjects of the grant. Objectives are defined as the goals and strategic purpose of the grant or cooperative agreement, as described in the grant application.

D. Other Pertinent Information – Reserved**6.8.8 Data Collection Period – EDGAR § 75.250(b)****A. Policy**

1. Program officials have the authority to approve a data collection period for a grant for the sole purpose of collecting, analyzing, and reporting performance measurement data regarding the project.
2. In accordance with [EDGAR § 75.250\(b\)](#), program officials inform applicants of their intent to approve data collection periods in the NIA published for a competition or may decide to fund data collection periods after grantees have started their project periods.
3. Program officials ensure that funds are not obligated for data collection activities that will extend more than five years beyond the Federal period of availability (e.g., funds obligated in September 2019 for a data collection period that extends from October 1, 2019 through September 30, 2025). In such instances, funds revert to Treasury before the end of the data collection period. Program offices address the issue in the example by obligating funds from multiple years to support the full data collection period.
4. Program officials include, as part of a grant program's spending plan, the scheduling and funding information for data collection awards.

B. Procedures

1. Program offices consult with their program attorney, after the determination to make data collection period grants, regarding the review and award selection processes since these will differ from a regular grant competition.
2. Program offices document the review and award processes and include the required information in the [New Slate Memo Template](#).

C. Guidance

1. Program officials should determine which grant programs would benefit from extension periods for data collection purposes. Program officials should

consider how an extension period for data collection, analysis, and reporting would improve knowledge about the program and specific projects funded by the program.

- a. For example, if the data needed to determine a project's effectiveness will not be available by the end of the grantee's performance period, the program official may determine that awarding an extension to that grantee is the best option to ensure that ED and the field can learn from the project.
2. The data collection extension period award process should be as informal as possible while still maintaining basic fairness. The process may differ if the NIA informed applicants of the possibility of a data collection extension period versus when program officials decide to offer data collection periods after grantees have already been collecting data.
3. If grant program funds are made available for data collection purposes, programs should carry out a fair and transparent process to award the funds. The phases presented in the Funding for Data Collection Purposes (available at [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#)) document, loosely aligned to the grant award phases, provides general activities as well as some common questions that may be considered to assist with carrying out a fair and transparent funding process.
4. Program officials should ensure that funds made available for data collection periods do not exceed the minimum amount necessary to accomplish the purposes of the extension. If such data collection periods are funded incrementally, programs take all necessary steps to reduce carryover balances, including the reduction of NCC awards as necessary.

D. Other Pertinent Information

1. Program offices include the information required for this funding option in the Grant Funding Slate in accordance with the Grant Funding Slate instructions.

6.9 Publications

A. Policy

1. Grantees, in carrying out their grants, may plan to publish a variety of materials. If the program has reason to believe that a grantee is going to produce these kinds of materials as part of the grant activities, program offices notify the grantee of the requirement to include in any such materials the disclaimer in [EDGAR § 75.620](#) that states:

The contents of this (insert type of publication; such as book, report, film) were developed under a grant from the Department of Education. However, those contents do not necessarily represent the policy of the Department of Education, and you should not assume endorsement by the Federal government.

2. When grantees wish to use ED's official seal on materials they produce, approval is provided by OCO. For approval to access and use the seal, program offices or their grantees contact the OCO.

B. Procedures – Reserved

C. Guidance - Reserved

D. Other Pertinent Information

1. Contact information regarding approval to use ED's seal is available at: [ED's Official Seal](#).

6.10 Open Licensing Requirements

A. Policy

1. For competitive grants awarded in competitions announced after February 21, 2017, ED requires, with certain exceptions, that entities receiving ED competitive grant funding open license all grant deliverables created wholly or in part with those funds and that constitute a new copyrightable work. For purposes of the open licensing requirement, grant deliverables are considered the final version of a work, including any program support materials that are necessary to appropriately use the deliverables (see [2 C.F.R. § 3474.20](#)).
2. When grant deliverables consist of modifications to pre-existing works, the open license extends only to those modifications that can be separately identified and only to the extent that the open license is permissible under the terms of any licenses or other legal restrictions on the use of pre-existing works.

3. Exceptions to the open licensing requirement include the following:
 - a. Grant programs that provide funding for general operating expenses;
 - b. Grant programs that provide support to individuals (e.g., scholarships, fellowships);
 - c. Grant deliverables that are jointly funded by ED and another Federal agency if the other Federal agency does not require open licensing of its grant deliverables for the relevant grant program;
 - d. Copyrightable works created by the grantee or subgrantee not using ED grant funds;
 - e. Peer-reviewed scholarly publications that arise from any scientific research funded, either fully or partially, from grants awarded by ED (for example, publications subject to IES' public access plan);
 - f. Grantees or subgrantees under the Ready to Learn Television Program;
 - g. A grantee or subgrantee that has received an exception from the Secretary under [2 C.F.R. § 3474.5](#) and [2 C.F.R. § 200.102](#); and
 - h. Grantees or subgrantees for which compliance with the open licensing requirement would conflict with, or materially undermine the ability to protect or enforce, other intellectual property rights or obligations of the grantee or subgrantee.
4. The regulation at [2 C.F.R. § 3474.20](#) requires that ED grantees or subgrantees that are subject to the open licensing requirement grant to the public a worldwide, non-exclusive, royalty-free, perpetual, and irrevocable license to access, reproduce, publicly perform, publicly display, and distribute the deliverable; prepare derivative works³⁰ and reproduce, publicly perform, publicly display and distribute those derivative works; and otherwise use the deliverable, provided that proper attribution is given.
5. Grantees and subgrantees have the flexibility to select open licenses appropriate to their grant deliverables that comply with the requirements of [2 C.F.R. § 3474.20](#). The open licenses must also contain a visible symbol communicating the permissions granted concerning the use of the grant deliverable, machine- readable code for digital resources, readily accessed

³⁰ For the purposes of the open licensing regulations, "derivative work" is defined in the Copyright Act (17 U.S.C. § 101) as "a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work."

legal terms, and the statement of attribution and disclaimer specified in [EDGAR § 75.620 \(b\)](#).

6. The regulation at [2 C.F.R. § 3474.20](#) also requires that ED grantees and subgrantees have a plan to disseminate the openly licensed grant deliverables.

B. Procedures

1. Program offices inform applicants of the open licensing requirements in the grant competition's NIA in accordance with Chapter J of the RQM and ED's Common Instructions and remind their grantees of the open licensing requirements throughout the grantees' grant performance periods.

C. Guidance

1. In the past, grantees have open licensed grant deliverables using the General Public License (GPL) for computer code and Creative Commons licenses for educational resources.

D. Other Pertinent Information – Reserved

6.11 Supplemental Awards

A. Policy

1. As a matter of policy, supplemental awards should be avoided whenever possible, as it is ED's goal to maximize the number of new awards to promote innovation in education consistent with the priorities of the Secretary and the Administration.
2. Program officials do not award supplemental funds to a grantee unless they have determined it would be impractical to award such funds on a competitive basis to accomplish the same purposes.
3. The New Funding Slate Memo Template is required to recommend funding for supplements, and it is routed from the originating office's Principal Officer through the Executive Secretariat to the Office of the Secretary (OS) for approval.
4. Program offices award supplements only after the Secretary has approved the Funding Slates.
5. Program officials will consult with their program attorney and submit a strong justification and plan as part of their New Funding Slate Memo Template that demonstrates the need to supplement a grant or grants.

6. Program offices do not obligate funds for a supplemental award when a grantee's UEI registration in SAM is inactive. Programs will receive an error message in the grants management system at the time of obligation and immediately contact the grantee for resolution. Program staff only use the pre-award exempt functionality (see the section [UEI Registrations Reviews in SAM – Pre-Obligation](#)) for those situations where a genuine exigency, such as the clear potential that funds will lapse if funds are not awarded immediately, is present when awarding NCCs.

B. Procedures

1. Program officials document a plan to make supplement awards:
 - a. In the program's spending plan approved by the Budget Service (with the concurrence of their program attorney, OPEPD/GPO, and OS); and
 - b. In the program's [New Slate Memo Template](#) approved by OS.
2. The documented plan to supplement awards includes a description of:
 - a. The purpose of the proposed supplements;
 - b. The grantees that will be considered for the supplemental award, the rationale for determining which grantees will be considered; or
 - c. How the opportunity for the supplemental awards will be communicated to the grantee(s);
 - d. How required information from grantees will be collected (e.g., revised budgets, how the funds will be used, and a description of the activities being supplemented);
 - e. How award determinations will be made (e.g., the criteria and process for the determinations); and
 - f. An assurance that the proposed supplemental awards will not change the scope or objectives of the existing grants.
3. If the supplement is awarded at the request of the grantee, the program requires the grantee to provide a written justification demonstrating why the supplement is necessary. If the supplement is based on the program needs of ED, the program provides a written justification demonstrating why the supplement(s) is (are) necessary. In either case, the justification is included in the official file for the affected grant, or in the original competition file if a group of grants is affected.

4. If the plan for supplemental awards is approved, program offices obtain from each grantee a revised budget indicating how the funds will be used and a description of the activities being supplemented.
5. Program offices conduct risk evaluations for supplements and consider:
 - a. The amount of time that has passed since the last risk evaluation;
 - b. Whether risk issues were previously identified, and risk mitigation strategies implemented;
 - c. The grantee's progress in addressing the risk issues identified; and
 - d. Any applicable information garnered from the relationship established between the grantee and program.
6. Program offices, when conducting a risk evaluation, consider prior and/or current financial and performance information, compliance with Federal audit requirements, audit findings, progress in achieving corrective actions set in place to resolve audit findings, compliance findings, and other administrative issues. Additionally, programs consider any issues or concerns, identified through day-to-day oversight, routine monitoring, and TA efforts, that might adversely affect a grantee's performance.
7. If risks are identified that require specific award conditions, a program, after consultation with the program attorney, may impose a specific award condition in accordance with [2 C.F.R. § 200.208](#), or designate the specific conditions as "high-risk" conditions, and designate the grantee or grant high risk in accordance with [2 C.F.R. § 3474.10](#).
8. Program offices review and consider information about grantees in FAPIIS if the grants exceed or will exceed, over the course of the discretionary grant project periods, the simplified acquisition threshold. This review is conducted before making supplement awards that exceed the simplified acquisition threshold. Currently, this threshold is \$250,000.
9. Before awarding a supplement, program offices, at a minimum, determine that the information in FAPIIS: 1) demonstrates a satisfactory record of executing programs or activities under Federal grants, cooperative agreements, and procurement awards; and 2) demonstrates integrity and good business ethics (see [2 C.F.R. § 200.206](#)).

C. Guidance

1. Program offices should identify situations where they may need to recommend making supplemental awards as soon as possible in the grant-

making process, and they should alert Budget Service and their program attorney to the circumstances as soon as possible.

2. Decisions to make supplemental awards are subject to policy considerations, so program offices should start by getting approval for making supplemental awards from their Assistant Secretary. Then, program offices, in consultation with Budget Service, should secure approval from OPEPD/GPO and OS prior to making supplemental awards. A proposal to make a supplemental award should be documented in the program's spending plan.
3. Program officials should note that merely describing a supplemental award plan within a spending plan, and/or New Funding Slate Memo does not guarantee approval of that proposal. Program offices should consult with their Budget Service analyst and their program attorney as soon as possible when considering supplemental awards; Budget Service and the program attorney will help program offices determine whether the circumstances are appropriate for making supplemental awards and guide the program offices through the review of their plan by OPEPD/GPO and OS.
4. The following scenarios are examples of situations in which supplemental awards may be appropriate:
 - a. One or more grants in a program was not fully funded in a prior year due to insufficient funds available at the time of award. In this case, the program official submits a justification for approval to supplement the grant or grants to provide up to 100 percent funding of allowable costs.
 - b. Program offices may wish to use funds from one program to supplement one or more grants made under another program as an efficient strategy for supporting a policy goal (e.g., adding funds to an existing technical assistance center to serve grantees rather than funding an entirely new center).
 - c. A program official sees an opportunity under an ED program to supplement grants to carry out activities consistent with the Secretary's Supplemental Priorities, so long as the supplemented grants still have the same scope or objectives.
 - d. A grantee runs into unexpected costs in performing the grant and requests an increase in support. Generally, the program official may supplement the grant if funds are available, and the funds are used for activities within the scope and objectives of the initial award. Shortfalls arising from mismanagement or inefficient use of funds do not create adequate justification for supplements.
 - e. A grantee develops a new line of research growing out of the original research or develops a new method for conducting its research.

Generally, the program official would not be able to supplement the award, because the grantee won the competition based on the method proposed in the application and for the objectives of the original line of research. However, in some cases where the additional research is very small in comparison to the overall scope of the grant, a supplement might be acceptable.

- f. An ED program learns about a grant funded by another program of ED, or funded by another Federal agency, and wants to give the grantee funds to pursue an interest relevant to the ED non-funding office. These types of supplements may, or may not, be appropriate depending upon whether the supplement would have the effect of changing the scope or objectives of an ED grant.
 - g. Another agency meets an ED grantee and sees an opportunity to fund more work by the grantee in the same or similar areas to the work already being conducted by the grantee, and the other agency desires to transfer funds to ED so that ED may award these funds as a supplement to the grantee. Generally, these situations are resolved based on the law applicable to the other agency's funds.
 - h. A program official sees an opportunity under an ED program to supplement grants to carry out activities that support and enhance general program activities as provided in the program statute or regulations. This type of supplement is not allowable in instances where there is a single grantee under a program. This general supplement to all the grants under a program may be acceptable if the supplemented grants still have the same scope or objectives.
5. If ED has entered into a joint funding agreement with another Federal agency under GEPA section 430, or another joint funding authority, and one of the agencies wants to supplement a joint-funded project, the determination to supplement will depend upon the nature of the joint funding agreement between the agencies and the identity of the agency managing the grant.
6. While EDGAR states that ED only funds up to 100 percent of the allowable costs of a grant when an award is made ([EDGAR § 75.233](#) (a)), a supplement that raises the funding level above the 100 percent cap may be deemed appropriate by the program official in consultation with their program attorney and Budget Service; however, the supplement must not change the scope or objectives of the grant.
7. A program official that wishes to use unobligated funds to supplement grants from a current appropriation at the end of the fiscal year, does not automatically assume that grants may be supplemented with those funds simply because they remain unspent at the end of the fiscal year. Rather,

grants may be supplemented at that time if the supplements meet the requirements of this Policy section.

D. Other Pertinent Information

1. Program offices use the New Funding Slate Template for supplemental awards. The template provides prescriptive guidance pertinent to supplement funding, and it goes through Executive Secretariat clearance before approval by the Secretary. The template memo for the Grant Funding Slate is available at the following link: [New Funding Slate Memo Template](#).
2. For requirements in regulations addressing SAM registrations, see [2 C.F.R. Part 25](#).

6.12 Grant Transfers

A. Policy

1. When circumstances arise that do not permit a grantee to carry on the work for which their grant was awarded, program offices determine whether it is appropriate to terminate the grant or transfer the remaining work and grant funds to another eligible organization.
2. When the preferred course of action is to transfer a grant, both the current and future grantee must agree to the transfer.
3. A grant transfer is executed when the transfer involves a change in the legal recipient and all other aspects of the grant are not changed.
4. A grant transfer cannot take place when it involves an award to an individual. Additionally, a grant cannot be transferred to or between foreign institutions or international organizations.
5. Although the circumstances that make a grant transfer necessary can vary widely, a grant transfer is executed for the following reasons:
 - a. **Change in eligibility, identity, or legal status.** Some changes in grantee status (such as the loss of eligibility to participate in ED programs) eliminate a grantee's legal authority to carry out one or more objectives of the project. Other changes in grantee status are of a legal or formal nature and do not materially affect a grantee's performance of the project (such as the merger of two institutions, or an institutional name change resulting in a new UEI Number).
 - 1) A grant transfer is not required for an organization that only changes its name. In these cases, the name change should be recorded in the grants management system. Before making a UEI number change,

however, program offices take extra care to verify with the grantee that a name change does not reflect an actual change in the legal identity or status of the grantee entity.

- 2) The following, although not all inclusive, are examples of when a UEI number change requires a grant transfer:
 - a) A university is requesting to change the grant UEI number from the university's UEI number to that of a non-profit housed at the university, and the grant will be implemented and administered by the non-profit.
 - b) An organization in one State is requesting a UEI number change to that of a newly established office for the same organization in another State, and the grant will be implemented and administered in the new office.
 - b. **Movement of key personnel.** Some grants are awarded to eligible entities that function only as "nominal" or "accommodation" grantees. Although they are the grantees of record, their sole function is to sponsor the participation of certain key individuals whose work is the sum and substance of the project. If such a key person moves to another eligible entity, a grant transfer may be made if all the other conditions for a transfer are met.
 - c. **Other circumstances that render the grantee unable to carry out the project.** For a variety of reasons (such as major restructuring, loss of resources, impending bankruptcy), a grantee may lose their ability to honor their commitment to finish the work of a project. Under these circumstances, there may be conditions that warrant transfer of the grant to another eligible entity to: 1) complete the project; and 2) ensure that the grant's intended beneficiaries are served.
6. A transfer agreement is completed by all parties involved in the transfer (i.e., the transferor [ED's original grantee] and the transferee [the replacement grantee]). A template of the transfer agreement titled "Grant Transfer Agreement" is available at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
 7. Program staff do not obligate funds for a Transferee when the Transferee's UEI registration in SAM is inactive. Programs will receive an error message in the grants management system at the time of obligation and immediately contact the Transferee for resolution. Program staff only use the pre-award exempt functionality (see the section [UEI Registrations Reviews in SAM – Pre-Obligation](#)) for those situations where a genuine exigency, such as the

clear potential that funds will lapse if funds are not awarded immediately, is present when transferring a grant.

B. Procedures

1. Program offices follow the procedures in the document titled “Grant Transfer Procedures” when transferring a grant, which is available on ConnectED at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
2. Before approving a grant transfer, the license holder consults with the program attorney to address any legal concerns to ensure that:
 - a. The transfer does not circumvent or appear to circumvent the ED competitive grant process;
 - b. The need for the project or activity that existed at the time of original award still exists;
 - c. The terms and conditions of the transfer are acceptable to both the original grantee and the new organization;
 - d. The new organization meets all standards of eligibility for the grant program;
 - e. The new organization agrees to carry out future activities as specified in the original application and, if possible, keep the same key personnel to manage the grant as were identified in the original grant;
 - f. The new organization will continue to serve the same population with the same level of service as the original grantee;
 - g. The change is made in a timely manner; and
 - h. No increase in funding over the original amount of the award is required.
3. Prior to finalizing a grant transfer, program offices review and consider information about the transferee in FAPIIS if the grant exceeds or will exceed, over the course of the discretionary grant project period, the simplified acquisition threshold set by the Federal Acquisition Regulations (FAR) at 48 C.F.R. Subpart 2.1. Currently, this threshold is \$250,000.
2. FAPIIS reviews for grant transferees are conducted in accordance with the policy in section [FAPIIS Information Review Requirements](#).

C. Guidance

1. Generally, a grant transfer is a voluntary action initiated by the grantee due to a circumstance which impacts its ability to continue and complete the work for which the funds were awarded.

D. Other Pertinent Information

1. For requirements in regulations addressing SAM registrations, see [2 C.F.R. Part 25](#).

6.13 Extensions of the Final Budget Period**6.13.1 One-Time Extensions Authorized in EDGAR § 75.261(a)****A. Policy**

1. Grantees may initiate a one-time no-cost extension, without prior approval, as authorized in [EDGAR 75.261\(a\)](#) in accordance with the following:
 - a. Grantees may request to initiate a one-time extension of the final budget period without the obligation of additional funds by the Federal government (i.e., a no- cost extension), unless explicitly prohibited by the program statues and/or regulations or a condition of the award; and
 - b. Grantees notify ED in writing with the supporting reasons for the one-time no- cost extension, and the revised expiration date at least ten days before the project period end date; however, ED may waive the ten day notification requirement on a case-by-case basis in accordance with EDGAR § 75.261 (a) if the extension is otherwise appropriate.
 - c. In identifying a revised expiration date, the grantee must identify the actual time (months) needed to complete the work.
2. While the grantee may initiate the notification for an extension without prior approval, the no cost extension is not automatic and is reviewed in accordance with this section.
3. Program staff review their grantees' notifications to extend the final budget period of a grant in accordance with the procedures in this section to determine if the notifications justify the need for the extension.
4. The one-time no-cost extension is only permitted for a period of up to 12 months, but the 12 months is not automatic, and the actual extension period proposed should match the actual work to be completed and the amount of funds remaining unspent under the grant.

5. One-time no-cost extensions merely for the purpose of using unobligated balances, when all grant project activities have been completed, are prohibited in accordance with [2 C.F.R. § 200.308\(d\)\(2\)](#).
6. For grants that receive funding for an entire 60-month grant period in their initial grant award (i.e., frontloaded grants), extensions may not be feasible because this unspent funding will revert to the United States Treasury five years after the end of the fiscal year in which the funds were obligated.³¹ However, if any such grant is awarded supplement funding after the first year, an extension that meets the requirements under [EDGAR § 75.261](#) may be initiated for amounts awarded under the supplement to accomplish activities authorized by the supplement. Activities supported under the initial grant award may not be continued during the no-cost extension.
7. Grantees may not submit notifications for one-time no-cost extensions when prohibited from doing so in the applicable grant program's statute or regulations. Additionally, grantees may not submit notifications for one-time no-cost time extensions when program offices have explicitly prohibited one-time no-cost time extensions by restricting the administrative flexibility (see the section [Restricting Grantee Flexibilities](#)), or through a specific condition or high-risk designation due to performance and/or financial management issues.
8. Grantees may incur new obligations during a no-cost extension of the project period.

B. Procedures

1. When a grantee submits a notification of a one-time no-cost extension, program offices review the grantee's plan for using the remaining funds to determine:
 - a. If the proposed use of the funds is within the scope and objectives of the grant;
 - b. That the grantee's plan does not suggest management problems with the project or the grantee entity;
 - c. That the additional time period proposed in the notification is proportionate to the amount of funds remaining and the activities to be undertaken (e.g., a grant having a few thousand dollars remaining unspent at the end of the

³¹ For example, if a grantee receives a fully frontloaded 60-month award on September 30, 2018, the funds revert to treasury at the same time the project ends. However, if a grantee receives a fully frontloaded 60 month award at any other time during the fiscal year, the grantee could receive a one-time no-cost extension through the end of the fifth fiscal year of the grant (e.g., if the grantee received its frontloaded award on June 1, 2018, it would complete its project on May 31, 2023, and would have several months before the end of the fiscal year in which the funds revert to Treasury).

project period would probably not justify an entire 12-month extension period); and

- d. That the grantee is not exercising the one-time no-cost extension merely for the purpose of using unobligated balances when all grant project activities have been completed.
2. Program offices, in reviewing the grantee's reasons for a one-time no-cost extension, also review the grantee's financial data to:
 - a. Ensure that the remaining funds are enough for the activities that the grantee proposes to complete;
 - b. Determine whether the grantee has appeared on the Large Available Balance report (see the section Large Available Balance). Program offices review documentation of the large available balances included in the official grant file.
 - c. Determine if the funds that will be used during the extension period are still within the 5-year timeframe of expiration. Program staff deny extension requests that would extend beyond the 5-year period of availability of funds.
 3. When program offices have concerns regarding the notification received for a one-time no-cost extension, they contact the grantee to address the concerns and resolve any issues before extending the grant.
 4. Program offices, if accepting the grantee's reasons in its notification for a one-time no-cost extension:
 - a. Amend the data field in the grants management system to show the new project period end date;
 - b. Issue a copy of an amended GAN to the grantee; and
 - c. Include a copy of the amended GAN in the official grant file along with the grantee's notification and supporting reasons for the extension.
 5. When program offices have justifiable reasons for not accepting the grantee's explanation about why funds remain unspent, or their intended use of those funds during the proposed extension period, or they cannot resolve questions arising about the remaining fund balances for the grant, program offices may deny the one-time no-cost extension. Program offices immediately notify the grantee in writing with reasons for the denial and places a copy of this response in the official grant file.

- a. If the liquidation period has not expired for the grant and the one-time no-cost extension is denied, program offices place the grantee on cost reimbursement to ensure that any funds drawn down during the liquidation period are used solely for the purpose of closing out the grant.
6. If a grantee sends a one-time no-cost extension notification to program staff after the project period end date, the program staff forwards the request to the appropriate program official along with a recommendation for either accepting or rejecting the extension. After the program official issues a decision, the program staff places a record of the decision and any supporting documentation in the official grant file.

C. Guidance

1. Program offices should expect that grantees will complete all grant activities during the one-time no-cost extension and should convey this expectation to their grantees so that incomplete work under their grants may be diligently completed and to minimize the need for additional time beyond the one-time no-cost extension.
2. Program offices should, in their monitoring efforts throughout their grantees' performance periods, familiarize themselves with any late start-ups, personnel changes, delays in achieving objects, targets and measures, and large available balances, so that they may proactively work with grantees (e.g., through appropriate TA) to aid them in successfully completing their grant projects within their established project periods. This knowledge will also enable program offices to address legitimate needs for one-time no-cost extensions by providing guidance to grantees during the final budget period (i.e., usually during the last quarter of the final budget period) about what should be addressed in their notifications.

D. Other Pertinent Information – Reserved

6.13.2 One-Time No-Cost Extensions Exceeding 12 Months

A. Policy

1. One-time no-cost extensions exceeding 12 months do not fall within the scope of [2 C.F.R. § 200.308\(d\)\(2\)](#); thus, they must be considered under [EDGAR § 75.261 © and \(d\)](#). In these cases, the grantee submits a request for prior approval at least 45 calendar days before the end of the project period in accordance with [EDGAR § 75.261 ©\(4\)\(b\)](#), unless a waiver of the 45 calendar day requirement has been issued under EDGAR § 75.261 (d) that justifies the need for the additional time, provides updated timelines with completion dates, lists remaining activities to be completed, and identifies unobligated funds.

2. One-time no-cost extensions merely for the purpose of using unobligated balances, when all grant project activities have been completed, are prohibited in accordance with [2 C.F.R. § 200.308\(d\)\(2\)](#).
3. For grants that receive funding for an entire 60-month project period in their initial grant award (i.e., front loaded grants), extensions may not be feasible, since this unspent funding will revert to the United States Treasury five years after the end of the fiscal year in which the funds were obligated. However, if any such grant is awarded supplemental funding after the first year, an extension that meets the requirements under [EDGAR § 75.261](#) may be initiated for amounts awarded under the supplement solely for the purpose of completing activities authorized under the supplement.
4. Program officials may not approve one-time no-cost extensions that exceed 12 months when prohibited from doing so in the applicable grant program's statute or regulations. Additionally, program officials may not approve one-time no-cost extensions when program staff have explicitly prohibited one-time no-cost extensions by restricting flexibilities (see the section [Restricting Grantee Flexibilities](#)), or through a specific condition or high-risk designation due to performance and/or financial management issues.

B. Procedures

1. Program offices review the requests for approval to determine:
 - a. If the proposed use of the funds is within the scope and objectives of the grant;
 - b. That the extension does not suggest management problems with the project or the grantee entity;
 - c. That the additional time period proposed in the notification is proportionate to the amount of funds remaining and the activities to be undertaken (e.g., program staff may determine that there are not enough funds to cover the entire extension period requested, and may decide that a lesser period of time better correlates to the actual work to be completed and the amount of funds remaining unspent);
 - d. That the grantee will not be exercising the one-time no-cost extension merely for the purpose of using unobligated balances, when all grant project activities have been completed; and
 - e. Determine if the funds that will be used during the extension period are still within the 5-year timeframe of expiration. Program staff deny extension requests that would extend beyond the 5-year period of availability of funds.

2. Program offices also review the grantee's financial data in the grants management system to:
 - a. Ensure that the remaining funds are enough for the activities that the grantee proposes to complete; and
 - b. Determine whether the grantee has appeared on the Large Available Balance report. Program offices review documentation of the large available balances included in the official grant file.
3. Program offices, after the review is complete, forward the request for extension to the appropriate program official along with a recommendation to approve or disapprove the extension.
4. When program offices have justifiable reasons for not accepting the grantee's explanation about why funds remain unspent, or their intended use of those funds during the proposed extension period, or they cannot resolve questions arising about the remaining fund balances for the grant, program offices may recommend that the program official disapprove the one-time no-cost extension. Program offices immediately notifies the grantee in writing of the disapproval and place a copy in the official grant file.
 - a. If the liquidation period has not expired for the grant and the one-time no-cost extension request is disapproved, program offices may place the grantee on cost reimbursement to ensure that any funds drawn down during the liquidation period are used solely for the purpose of closing out the grant.
5. If the program official approves the request for a no-cost extension exceeding 12 months, program offices:
 - a. Amend the data field in the grants management system to show the new project period end date;
 - b. Issue the grantee a copy of an amended GAN showing the new end date along with the program official's approval; and
 - c. Include a copy of the amended GAN in the official grant file along with the grantee's no-cost extension request, program official's approval, and any other supporting documentation.
6. If a grantee sends a one-time no-cost extension notification to program staff after the project period end date, the program staff forwards the request to the appropriate program official along with a recommendation for either accepting or rejecting the extension. After the program official issues a decision, the program places a record of the decision and any supporting documentation in the official grant file.

C. Guidance

1. For applicable guidance, see the section [One-Time Extensions Authorized in EDGAR § 75.261 \(a\)](#).

D. Other Pertinent Information – Reserved**6.13.3 Subsequent No-Cost Extensions****A. Policy**

1. After grantees have initiated a one-time no-cost extension, and they find they need additional time beyond the original extension period, they submit a request for prior approval.
2. No-cost extensions beyond the one-time no-cost extensions authorized under [EDGAR § 75.261 \(a\)](#) do not fall within the scope of [2 C.F.R. § 200.308\(d\)\(2\)](#); thus, they are considered under [EDGAR § 75.261 \(c\) & \(d\)](#). For these no-cost extensions, the grantee submits a request for prior approval at least 45 calendar days before the end of the project period in accordance with [EDGAR § 75.261 \(c\)\(4\)\(b\)](#), unless a waiver of the 45 calendar day requirement has been issued under [EDGAR § 75.261 \(d\)](#), that justifies the need for the additional time, provides updated timelines with completion dates, lists remaining activities to be completed and identifies unobligated funds.
3. No-cost extensions falling under this section that are needed merely for the purpose of using unobligated balances, when all grant project activities have been completed, are prohibited in accordance with [2 C.F.R. § 200.308\(d\)\(2\)](#).
4. Program officials may not approve no-cost extensions that fall under this section when no-cost extensions are prohibited in the applicable grant program's statute or regulations. Additionally, program officials may not approve no-cost extensions that fall under this section when program staff have explicitly prohibited one-time no-cost extensions by restricting this flexibility, or through a specific condition or high-risk designation due to performance and/or financial management issues.

B. Procedures

1. Program offices follow the procedures under the section [One-Time No-Cost Extensions Exceeding 12 Months](#) because these procedures are also applicable to the no-cost extensions that fall under this section.

C. Guidance - Reserved**D. Other Pertinent Information – Reserved****6.14 Grant Performance – Addressing Risk and Other Issues****6.14.1 Enforcement****A. Policy**

1. Program offices minimize grantee performance, management, or financial management issues or risks by engaging grantees on a regular basis through formal and continuous monitoring or TA efforts.
2. Program offices resolve grantee performance, management, or financial management issues or risks when monitoring or TA efforts prove insufficient by:
 - a. Imposing specific award conditions;
 - b. Designating a grant high risk when previously imposed specific award conditions do not result in resolution;
 - c. Designating a grantee high risk when previously imposed specific award conditions do not result in resolution and the risk factors are systemic or they adversely impact internal controls, and the risk factors adversely impact all grants ED awarded/will award to the grantee;
 - d. Voluntary Termination of a project by the grantee;
 - e. Denying a grantee an NCC award (see the section Making NCC Awards);
 - f. Withholding, for GEPA programs, or Suspension and Termination for non-GEPA programs.
 - 1) For GEPA programs, generally all programs not authorized by the HEA, withholding funds under the procedures set out in Part D of GEPA when all previous efforts to have grantees resolve issues and risks fail; and, the possibility of denying an NCC award is not available.
 - 2) For non-GEPA programs, generally those authorized by the HEA, suspension and termination of a grant under [2 C.F.R. §§ 200.339](#) through [200.341](#) when all previous efforts to have grantees resolve issues and risk fail.
 - g. Other legally appropriate remedies.

3. As a general matter, program offices follow policy items 1 and 2 as a progression towards more elevated enforcement efforts when monitoring and TA are deemed insufficient. However, program offices may impose specific award conditions, designate a grant or grantee high risk, or initiate withholding of funds at any point after following appropriate procedures. This can be done even if less elevated approaches have not been used if the performance, management, financial management issues, or risks are severe enough to justify immediately taking any of these actions.
4. Program staff align monitoring and TA efforts to track: 1) a grant or grantee's resolution of identified issues and risks; 2) the effectiveness of specific conditions; or 3) the effectiveness of a high-risk designation.

B. Procedures

1. Post Award Conference, Continuous Monitoring and TA
 - a. Program staff address performance, management, or financial issues or risks identified during the grant application review, budget cost analysis, or by peer reviewers during the post award performance conference (see the section [Post Award Conference](#)). If the issues or risks identified require assistance beyond that provided during the post award conference, program staff establish a schedule to provide continuous monitoring and TA to mitigate the issues and risks.
 - b. Program staff regularly evaluate their monitoring and TA efforts to assess if they are resulting in improvements, no changes, or if the issues and risks are escalating despite the program office's monitoring and TA efforts. This evaluation may lead to changes in monitoring and TA efforts, or if deemed appropriate, efforts to mitigate issues and risks may be escalated by imposing specific conditions and/or high-risk designations in accordance with Policy item 2.
 - c. TA provided during post award conferences, schedules for providing ongoing monitoring and TA, evaluation of the program office's monitoring and TA efforts in response to identified issues and risks, and the results of the continuous monitoring and TA efforts are documented in the official grant file (see the section [The Official Grant File](#)).
2. Specific Award Conditions
 - a. Program staff immediately alert the program official when routine monitoring or TA efforts are unsuccessful in mitigating risk to determine, in consultation with their program attorney, whether specific award conditions should be imposed on the grant or grantee.

- b. Program staff, after consultation with their program attorney, impose specific conditions that address risk factors and may include the following when a grant or grantee: 1) has a history of noncompliance; 2) fails to meet its expected performance goals and objectives; or 3) is not otherwise responsible (see [2 C.F.R. § 200.208](#)).
 - 1) Requiring payments as reimbursements rather than advance payments;
 - 2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
 - 3) Requiring additional, more detailed financial reports;
 - 4) Requiring additional project monitoring;
 - 5) Requiring the non-Federal entity to obtain technical or management assistance;
 - 6) Establishing additional prior approvals; or
 - 7) Requiring an action by the grantee that targets the nature and severity of the risk factor.

3. High Risk

- a. Program staff immediately alert the program official when routine monitoring, TA efforts, or specific conditions are unsuccessful in mitigating risk to determine, in consultation with their program attorney, whether a grant or grantee should be designated high-risk.
- b. Program officials designate a grant or request that RMSD designate a grantee as high risk in accordance with [2 C.F.R. § 200.208](#) and [3474.10](#) accordingly:
 - 1) Prior to making the decision to designate a grant (i.e., a grant project) as high risk (item b addresses designating a grantee entity high risk), program officials collaborate with program staff and the program attorney to determine that the high-risk designation is the appropriate course of action to be taken.
 - 2) In addition to designating a grant high risk, program officials may request that the OAGRM Deputy Assistant Secretary designate a grantee entity (i.e., the grant and all ED grant projects associated with the entity under the entity's UEI) high risk in accordance with [2 C.F.R. §§ 200.208](#) and [3474.10](#), but consult with their program attorney and

their RMSD State lead prior to the OAGRM Deputy Assistant Secretary's designation. RMSD is responsible for managing grantee level high-risk designations, facilitating consultation with all program offices that award grants to the grantee entity and their program attorneys, and ensuring implementation of the high-risk designation of an entity across ED. The facilitated consultation with all program offices that award grants to the grantee, and their program attorneys, provides all principal offices that have made grants to the entity the opportunity to weigh in on the proposed high-risk decision.

- 3) Once a determination has been made to designate a grant or grantee high risk, the associated specific condition is automatically considered high risk.

4. Voluntary Termination

- a. A grantee may also request to voluntarily terminate its grant in whole or in part (see [2 C.F.R. § 200.339\(a\)\(4\)](#)) when it decides that it cannot implement the grant as required under the program statute, regulations of ED, and the conditions in the grant award, including any specific conditions.

5. GEPA Withholding (programs covered by GEPA)

- a. ED may, under Part D of GEPA, initiate proceedings to withhold grant funds from a grantee if it concludes that the grantee has substantially failed to comply with an applicable legal requirement.

6. Suspension and Termination (programs not covered by GEPA)

- a. Program staff immediately alert the program official to determine, in consultation with their program attorney, whether a grant or grantee should be suspended or terminated.
- b. Program officials suspend or terminate a grant in accordance with [2 C.F.R. § 200.339](#) accordingly:
 - 1) Program officials act to suspend or terminate a grant only under egregious circumstances (e.g., previous action taken by ED has not resulted in resolution of a problem or risk; a grant, grantee, or an employee of the grant has been debarred or suspended; or there is evidence of illegal conduct), and consult with their program attorney to determine if suspension or termination actions are appropriate.
 - 2) Program officials, after consultation with their program attorney, suspend or terminate a grant awarded under the HEA by using

procedures specified under the section Required Notification to Grantees that follows.

C. Guidance

1. Program staff may document and track grant issues, audit findings, corrective actions, missing documents, etc., in PAM, and this information is available for access in PAM by other program staff across ED. When a grant has an issue and that grant's UEI is associated with other grants, program staff responsible for those other grants may view the information available in PAM to determine if their grant has the same issue, or a similar issue, or has the potential for that same or similar issue to occur.
2. While not required to contact RMSD when designating a grant (i.e., a grant project) high risk, program officials may consult with RMSD to discuss specific conditions and to determine if designating the grant high risk is appropriate.
3. Risk mitigation decisions should be made in conjunction with considerations of the severity of the risk, any repetition of the risk, the relevance of the risk to a specific program, any prior enforcement or assistance efforts and success of those efforts, and any prior sanctions imposed.
4. Selection of the appropriate specific condition(s) is based on the particulars of the risk factor and how it affects both the grant and/or grantee, and the resources of the program staff to monitor the conditions.
5. Prior to imposing specific conditions, program staff should contact the ARD to determine the status of any outstanding findings or program determination letters (PDLs) issued by ED offices, including the status of any corrective actions.

D. Other Pertinent Information

1. RMSD issues high-risk specific conditions to grantees that are applicable to all grants made to the grantees and provides these high-risk specific conditions with applicable instructions to program offices. For information about these grantees and the applicable high-risk specific conditions, program staff may contact their RMSD State Leads available at the following link: [RMSD State Leads](#).
2. ED's Risk Mitigation Guide provides mitigation strategies for different areas of grant and grantee risks, and it is available as resource to program offices at: [ED Risk Mitigation Guide](#).
3. ED's Risk Rubric Guide is available to assist program offices in developing a tool to evaluate grantee risk, and to inform decision making about NCC

awards and monitoring activities. The Risk Rubric Guide is available at: [Risk Rubric Guide](#).

6.14.2 Required Notification to Grantees

A. Policy

1. Program offices notify grantees when imposing specific conditions and when designating a grant or grantee high risk. (see [2 C.F.R. § 200.208](#) and [EDGAR § 75.235](#)).

B. Procedures

1. Specific Conditions
 - a. If the decision was made, after consulting with the program attorney, to impose on an award specific condition(s) that address additional requirement(s) or action(s) by a grantee, program offices notify the grantee of:
 - 1) The nature of the additional requirements;
 - 2) The reason why the additional requirements are being imposed;
 - 3) The nature of the action needed to remove the additional requirements, if applicable;
 - 4) The time allowed for completing the actions, if applicable, and
 - 5) The method for requesting reconsideration of the additional requirements imposed.
 - b. The specific conditions imposed are included in the award by amending the GAN to include the specific conditions, and the GAN is issued to the grantee.
 - c. If the specific condition added to the amended GAN does not include the items listed in number 1 above, the program includes a cover letter with the GAN to the grantee that addresses these items and issues that new GAN and cover letter to the grantee. A copy of the amended GAN and the cover letter is included in the official grant file.
 - d. Once program offices have determined that a specific condition has been satisfied, or the issues or risks that led to the specific condition have been resolved, program offices remove the specific condition, generates a new GAN without the specific condition, includes a GAN cover letter explaining that the specific condition has been removed from the award, and issues

that new GAN and cover letter to the grantee. A copy of the amended GAN and cover letter is included in the official grant file.

- e. If program offices have determined that a specific condition has lessened, but not resolved the risk, program offices may decide to revise the specific condition to be less burdensome for the grant and/or grantee, by revising the GAN to reflect a new or amended specific condition, and issues that new GAN to the grantee. A copy of the amended GAN is included in the official grant file.

2. High Risk

- a. High-risk designation and related high-risk specific conditions are included on the GAN, or addressed in a separate cover letter that is cross-referenced on the GAN (see [2 C.F.R. §§ 200.208](#) and [3474.10](#)).
- b. The GAN and/or cover letter address the following:
 - 1) The nature of the additional requirements;
 - 2) The reason why the additional requirements are being imposed;
 - 3) The nature of the action needed to remove the additional requirements, if applicable;
 - 4) The time allowed for completing the actions, if applicable, and
 - 5) The method for requesting reconsideration of the additional requirements imposed.
- c. Once a grant or a grantee entity is designated high risk, the program official or his/her designee forwards a copy of all the correspondence related to the program official's decision to RMSD for input into the Risk Module in the grants management system.
 - 1) The information in the Risk Module is then available to all ED principal offices for their consideration when monitoring their grants and when making new or NCC awards to a grantee or applicant that has been designated high risk or has a current grant award that has been designated high risk. See the section [Risk Module](#).

3. Voluntary Suspension or Termination

- a. Program staff inform a grantee to send a letter to the program official addressing the following when a grantee decides to voluntarily terminate its grant, because it is unable to perform the work of the grant:

- 1) The reasons for the termination;
 - 2) The effective date of the termination; and
 - 3) In the case of a partial termination, the portion of the grant to be terminated.
- b. In the case of partial terminations:
- 1) If the grantee requests a partial termination, the program official determines whether funding the remaining portion of the grant will change the scope or objectives of the grant.
 - 2) If the partial termination does not change the scope and objectives of the grant, the program official amends the GAN to reflect the partial termination.
 - 3) If partial termination would result in a change to the scope or objectives of the grant, the program official obtains consent from the grantee for other changes that do not affect the scope or objectives of the grant and amends the GAN to reflect any agreed upon changes.
 - 4) If the program official cannot get a grantee to consent to appropriate changes that do not change the scope or objectives of the grant, the program official informs the grantee in writing that they must either:
 - a) Agree to terminate the entire grant; or
 - b) Continue performance of the grant as specified under the statute, regulations and conditions of the GAN or as proposed by the program official.
- c. All pertinent documentation related to voluntary suspensions and terminations are filed in the official grant file (i.e., the letter that explains the reason for the termination, and communications that discussed the termination or partial termination).
- d. Both ED and the grantee remain responsible for grant closeout in compliance with the requirements in [2 C.F.R. § 200.344](#).
4. Withholding under GEPA Programs
- a. Program officials notify a grantee before withholding funds. The notice shall state: 1) the intent to withhold funds; 2) the factual and legal basis for ED's conclusion that the grantee has failed to comply substantially with a requirement of law; and 3) the opportunity for a hearing at least 30 days after the notification has been sent to the grantee before the OALJ.

- b. Pending the outcome of the withholding hearing before the OALJ, ED may suspend payments to a grantee, suspend the authority of the grantee to obligate funds, or both, after the grantee has been given reasonable notice and an opportunity to show cause why future payments or authority to obligate grant funds should not be suspended.
 - c. Program officials, before initiating proceedings to withhold funds, consult with their program attorney.
5. Suspension and Termination for Cause for non-GEPA Programs
- a. Program officials notify a grantee that they are terminating its grant in accordance with [2 C.F.R. § 200.339](#). Additionally, program offices inform the grantees that: 1) ED will report the termination in FAPIIS, and this information will remain available in FAPIIS for five years from the date of the termination notification (see [2 C.F.R. § 200.213](#)) ; 2) the grantee has the right to review the information in FAPIIS and provide comments in FAPIIS on any information that FAPIIS contains about the grantee; and 3) ED will consider the grantee's comments when determining if the grantee is qualified for future grant funding. See [2 C.F.R. § 200.340](#) and the section [FAPIIS Information Review Requirements](#).
 - b. If program offices terminate a grant based on the grantee's material failure to comply with the requirements of the grant, programs notify the GMPD FAPIIS Reporting Point of Contact, and the contact will provide information to FAPIIS about the termination. Program offices forward to the GMPD FAPIIS Reporting Point of Contact a copy of the notification sent to the grantee and any available supporting documentation. The notification and any supporting documentation are forwarded to the GMPD FAPIIS Reporting Point of Contact within 48 hours after the notification has been issued.
 - c. The program official follows the procedures below to suspend or terminate a grant for cause:
 - d. The program official sends the grantee a notice including:
 - 1) The reasons for the suspension or termination;
 - 2) The effective date of the suspension or termination;
 - 3) A note indicating the grantee's right to appeal the suspension or termination to the Principal Officer;
 - 4) The address where the appeal must be sent;
 - 5) The date by which the grantee must submit their appeal;

- 6) That the Principal Officer reaches a decision on the appeal and notifies the grantee of the decision within a reasonable period, as specified in the notice; and
 - 7) Other information required under [2 C.F.R. § 200.340](#), including that the determination to terminate a grant has been entered into FAPIIS, that the information will remain in FAPIIS for five years from the date of the determination (see [2 C.F.R. § 200.213](#)), that the grantee has the right to review the information in FAPIIS and provide comments in FAPIIS on any information that FAPIIS contains about the grantee, and that ED will consider the grantee's comments when determining if the grantee is qualified for future grant funding.
- e. Program offices forward to the GMPD FAPIIS Reporting Point of Contact a copy of the termination notification sent to the grantee and any available supporting documentation, and the contact will provide information to FAPIIS about the termination. The notification and any supporting documentation are forwarded to the GMPD FAPIIS Reporting Point of Contact within 48 hours after the notification has been issued.
 - f. All pertinent documentation related to suspensions and terminations is filed in the official grant file.
 - g. Program offices consult with their program attorney before initiating a suspension and termination of a grant.

C. Guidance – Reserved

D. Other Pertinent Information

1. The GMPD FAPIIS Reporting Point of Contact can be found at the following link: [GMPD FAPIIS Reporting Point of Contact](#).

6.15 Risk Module

A. Policy

1. The Risk Module in the grants management system is the official central repository for all information related to grants or grantees designated high risk, and all high-risk designations are maintained in this module.

B. Procedures

1. Programs access the risk module when:

- a. An email alert message is sent to the program contact from the RMSD that indicates a grant or grantee has been designated high risk and the information is contained in the risk module;
 - b. Making a new or NCC award and an alert is displayed on the budget tab page; and
 - c. A problem arises with a grant during a budget period.
2. If programs receive a high-risk alert message, they access the risk module and assess the information. In this assessment, program staff:
 - a. Review the information in the module;
 - b. Ask the principal office that assigned the high-risk status for updates, if any;
 - c. Inform their program official and program attorney of the high-risk status and provide them with the documentation from the module; and
 - d. If only a grant was designated high risk, determine whether a grant they administer also should be monitored and/or designated high-risk, or any other actions that should be taken with regard to a new grant or NCC award being considered for funding.
 - e. If a grantee was designated high risk the program official requires the license holder to issue a revised GAN establishing the same terms and conditions that ED is applying to all of the entity's grants.
 - f. Certify in the Risk Module that the assessment is completed.
3. New or NCC Award: If program officials are considering a new award for funding, and the risk module indicates that a UEI has been associated with a grantee whose entire organization has been designated high risk, the program officials should impose the same specific conditions or actions as those identified in the risk module on the new award being considered for funding. The program official may also consider additional specific conditions or actions from the list in the section [Grant Performance – Addressing Risk and Other Issues](#), as necessary, to address specific high-risk concerns not covered with a grant in the risk module.

The program official is not required to use the same specific conditions or actions if the entire grantee organization is not high risk and, in consultation with their program attorney, may choose any item from the list in the section [Grant Performance – Addressing Risk and Other Issues](#) as appropriate to that particular grant.

C. Guidance

1. The data in the risk module is available to all POCs and allows them to be consistent in their treatment of grants awarded to organizations that have been designated high risk, and that receive multiple grant awards from ED. The risk module contains:
 - a. Identifying information about the high-risk grant or grantee along with the name of an ED contact involved in the high-risk designation;
 - b. The high-risk designation letter and all other correspondence from or to the grantee about the high-risk designation and related high-risk specific conditions; and
 - c. The high-risk specific conditions or actions imposed as part of the designation and identified on the GAN.
2. The grants management system uses the UEI to search for matches in the high-risk database. If a UEI number is associated with a grant or grantee that has been designated high risk, at the time of entering or reviewing budget data for a new or NCC award, the system generates an alert for all grant applications and grants with the same UEI number. The system also alerts programs when processing a UEI number change or a grant transfer.

D. Other Pertinent Information – Reserved

6.16 Grant Closeout – General

A. Policy

1. Grantees must submit, no later than 120 calendar days after the end date of their period of performance, all financial, performance, and other reports as required by the terms and conditions of the grant.
2. Program offices may approve extensions when requested and justified.
3. Unless Program offices authorize an extension (see section B.6.a. in [Grant Closeout Processes](#)), grantees must liquidate all financial obligations incurred under the grant no later than 120 calendar days after the end date of the period of performance as specified in the terms and conditions of the grant.
4. Grantees must promptly refund any balances of unobligated cash that ED paid in advance or paid and that are not authorized to be retained by the grantees for use in other projects. See [2 C.F.R. § 200.346](#), [Part D of the General Education Provisions Act](#), and [EDGAR part 81](#) for requirements regarding unreturned amounts that become delinquent debts.

5. Program offices will complete closeout actions no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes or regulations.
6. If grantees do not submit all reports in accordance with the terms and conditions of the grant, program offices will proceed to close out the grant with the information available within one year of the period of performance end date.
7. If grantees do not submit all reports within one year of the period of performance end date, in accordance with [2 C.F.R. § 200.344](#), ED will report the grantee's material failure to comply with the terms and conditions of the award to FAPIIS, and may pursue other enforcement actions in accordance with [2 C.F.R. § 200.339](#).
8. Program offices retain and dispose of all grant files in accordance with ACSD-OCIO-013, Records Retention and Disposition Schedules on the ConnectED Information Management website at: [General Records Schedules](#).

B. Procedures

1. Program offices complete the following necessary steps to close out a grant:
 - a. Review the final performance report and determine whether the grantee achieved the scope and objectives of the grant; and
 - b. Determine if all applicable administrative actions and financial obligations have been completed by the grantee and that the grant is ready for closeout.
2. Program offices complete the "Closeout Checklist for Discretionary Grants" available on ConnectED at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#). The checklist requires the signature of the program staff person who closed the grant and the signature of the license holder if funds were de-obligated.
3. Program offices receive a monthly closeout report, with more frequent reports sent near the end of the fiscal year, which identifies grants in manual closeout status due to missing reports or remaining funds. Program offices obtain the missing reports and/or verify the remaining funds following the procedures in the section [Grant Closeout Processes](#).

C. Guidance

1. The grants management system will automatically close out a grant when:
 - a. The project period has ended;

- b. All the required reports have been received and found to be satisfactory; and
- c. There are zero funds available in the grant account.

D. Other Pertinent Information

1. Subrecipients must submit to the grantee, no later than 90 calendar days (or an earlier date as agreed upon by the grantee and its subrecipients) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award and subaward.
 - a. Grantees with respect to their subrecipients, may approve extensions when requested and justified.
 - b. Subrecipients must liquidate all financial obligations incurred under the subaward no later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the subaward.
 - c. Subrecipients must promptly refund any balances of unobligated cash that the grantees, with respect to subrecipients, paid in advance or paid and that are not authorized to be retained by the subrecipient for use in other projects. See [2 C.F.R. § 200.346](#), [Part D of the General Education Provisions Act](#), and [EDGAR part 81](#) for requirements regarding unreturned amounts that become delinquent debts.
2. For expired grant files maintained in hard copy, program offices only transfer these files to the Federal Records Center (FRC) when on-site storage is not available.

6.16.1 Grant Closeout Processes

A. Policy

1. Program offices monitor their grants through the grants management system closeout statuses, and close out grants expeditiously following the procedures listed in the section.
2. **Closeout statuses in the grants management system.** At the end of a grant's project period, the grant moves to one of four closeout statuses. The four statuses and their associated activities that programs monitor are listed below. The system automatically assigns the "Closed" status to grants where all the reports have been received and logged, the remaining balance is zero and the grant has been in suspension for more than 30 days.

- a. **Liquidation.** The liquidation status is the first closeout phase in the grants management system and occurs immediately after the grant's performance period has ended. In the liquidation status, a grantee is given 120 calendar days from the end of the grant's performance period to submit final performance and financial reports and draw down funds for obligations incurred prior to their grant's performance period end date. No action is required by programs. The 120 calendar-day mark is ED's standard.
 - b. **Suspension.** The suspension status is the second closeout phase in the system provides an additional 5-month period following the liquidation period to complete grant closeout activities. A grant in the suspension status has either unexpended funds remaining, or a required report was not received and recorded in the system or both. While in this status, a grantee may make online adjustments to their grant's financial data. However, the grantee may not draw down any funds remaining in the grant account without the program office's approval and intervention. The 5-month period is ED's standard.
 - c. **Manual closeout.** At the end of the 5-month suspension status period, if a grant still has either unexpended funds or a required report was not received and recorded by program staff, the grants management system automatically moves the grant to a manual closeout status. While in the manual closeout status, program offices contact the grantee regarding the unexpended funds or missing report(s) and resolves any issues preventing the grant from being closed.
 - d. **Closed.** A grant in the closed status indicates that the grant's project period has ended, all required reports have been submitted, and the remaining balance is zero (for information about closing a grant with funds remaining unspent, see item #4 in the Procedures section, Closing a grant with fund balances below).
3. Program officials monitor the close out process within their program areas to ensure that all grants eligible for closeout are being closed without unnecessary delays.
 4. Program officials will complete closeout actions no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes or regulations.

B. Procedures

1. Program offices, to close out the grant, initiate and perform the following actions:

- a. Pre-expiration letter. Issue a Pre-Expiration Reminder Letter to grantees at least 60 calendar days prior to their performance period end date. This letter reminds grantees of their reporting responsibilities once the grant ends. The letter details the grantee's financial obligation to draw down funds for outstanding obligations during the liquidation period. It also reminds grantees that if they fail to comply with the terms and conditions of the award, both performance and financial, the grant may be closed in noncompliance.
 - b. Required reports. Request and review the final performance report and Federal Financial Report (FFR), if an FFR is required, to determine if the grant is ready to be closed or needs to remain open for further post-award action. Record the receipt of the final performance report(s) in the grants management system. In accordance with [EDGAR § 75.590](#), all recipients are required to submit a final performance report.
 - 1) **Final Performance Report:** Program offices review the final performance report to ensure that the grantee has achieved the grant's objectives and makes a note in the official grant file that the report was read and acceptable as submitted. If any information in it is unclear, program offices contact the grantee for clarification. Program offices contact the grantee if the report has not been received or if the final performance report failed to communicate or substantiate that the goals of the grant were achieved, program offices follow-up with the grantee to determine whether an oversight occurred, or if the recipient truly failed to meet the grant's objectives.
 - a) If efforts to resolve these issues are unsuccessful, program offices close the grant in noncompliance (see item #5 below, Closing a grant in noncompliance).
2. **Federal Financial Report (FFR):** Some recipients are required to submit an FFR. A final FFR is required if the grant involved cost sharing or matching and the ED 524B was not used, program income was earned under the grant, or program regulations or a specific condition require it.
 - a. An FFR is also required if a grantee wants to draw down funds after the grant period is over (see item #4 below, Closing a grant with fund balances) or for a closed grant that needs to be reinstated.
 - 1) If the FFR is required, program offices use the following steps to determine total expenditures, cost sharing or matching requirements, and indirect costs, if applicable. When following these steps, if there are differences between what the grantee reports on the FFR and the data in the grants management system, program office contact the grantee to determine the cause of the difference.

- 2) Compare the total Federal share reported on the FFR to the performance period total in block 6 of the GAN and the balance in the grants management system. Review the payee information screen. The award status should indicate that the award is in one of the four closeout statuses defined in the Policy section. The amounts in the completed payments field should equal the Federal share reported by the recipient on the FFR and the amount indicated on the GAN under block 7, performance period. If any of the amounts under completed payments or Federal share reported are less than what is reported on the GAN under block 7, performance period, then program offices follow up to determine the basis for the discrepancy. Additional follow-up, if necessary, may include a review of the grantee's payment history in the grants management system.
 - 3) Compare the total amount of the recipient share required, as reported on the FFR, to the cost sharing or matching amount shown in the approved budget. Block 7 of the GAN indicates the required cost sharing or matching stated as a percentage or an amount of funds identified by the grantee in their application under the heading non-Federal funds.
 - 4) Compare the indirect cost rate shown in block 11b and 11d of the FFR to the approved rate.
 - 5) Inform the grantee that acceptance of final reports does not constitute approval of all activities under the grant and that the grant is subject to further review and audit. This information is communicated in the "Notification of Closeout Letter."
3. **Closing a grant with zero balance of funds remaining.** Complete the grant closeout checklist and notify the grantee via the "Notification of Closeout Letter" after the following criteria have been met:
- a. The final performance report has been received, reviewed, and accepted;
 - b. All other terms of the grant were met; and
 - c. A review of the financial status in the grants management system indicates that no funds remain in the grant account.
- 1) The "Notification of Closeout Letter" informs the grantee of the status of their award and reminds them of the record retention requirements in [2 C.F.R. §§ 200.334 - 200.338](#)
4. **Closing a grant with fund balances.** If the final performance report was received, reviewed, and accepted, and all other terms of the grant were met, but the grants management system indicates that funds remain on the grant,

program offices respond in either of the following ways before closing the grant:

- a. If 10 percent or more of the Federal funds made available to the grantee in the final budget period (or the project period, for grants with only one budget period) remain in the grant account, program offices contact the grantee before de-obligating the funds and ask for a letter or email verifying that the funds are not needed, and that all of the financial obligations of the grant were met. The grantee's certifying official should send the email or sign the letter. Upon receiving this information, the program offices close out the grant. If the grantee previously submitted a final FFR report, if applicable, or final performance report that has an explanation of the balance of funds, program offices may determine that it is not necessary to contact the grantee. An authorized license holder then de-obligates the funds and approves the closeout.
 - b. If the grantee wants to draw down any of the remaining funds, program offices require the grantee to provide a written request and justification for using the funds, and an FFR. The request and the FFR are signed by the certifying official, or the individual authorized to record and report the grant's finances (expenditures and obligations), or the individual delegated the authority to respond on behalf of the certifying official. If program offices approve the request, a license holder modifies the liquidation dates in the grants management system to allow the grantee to draw down the agreed amount of funds. The drawdown period should not exceed 30 calendar days. If the request is not approved, program offices ask an authorized license holder to de-obligate the remaining funds and approve the closeout. The program official signs and sends to the grantee a letter informing the grantee of the disapproval.
 - c. When the funds remaining on the grant represent less than 10 percent of the funds available in the final budget period (or the project period, for grants with only one budget period), the program staff determines, based on their knowledge of the project, if any follow-up with the grantee is necessary.
 - d. If program staff determines that follow-up with the grantee is unnecessary, program staff asks an authorized license holder to de-obligate the remaining funds and approve the closeout.
5. **Closing a grant in noncompliance.** A grant closed out in noncompliance may seriously affect a grantee's ability to receive awards under future grant competitions with ED (see [EDGAR § 75.217](#)). Therefore, it is critical that program offices ensure that this happens rarely and only in appropriate circumstances. If the grantee has failed to comply with a material requirement under the grant, program offices close the grant in noncompliance.

- a. However, if a missing final performance report is the reason for noncompliance, program offices contact grantees to obtain the report. Program offices make documented good faith efforts by contacting the grantee in writing to request submission of the final report. Program offices apply the following steps when contacting a grantee for a missing final performance report:
 - b. Provide official notification to the grantee either by letter, or email, with a reasonable deadline to submit the missing final performance report.
 - c. If the grantee fails to meet the deadline identified in the first notification, provide a follow-up notification (e.g., an email with return receipt or certified letter with return receipt) with reference to the initial notification. The follow-up notification should provide an additional five business day deadline and include language indicating that failure on the grantee's part to respond with the missing final performance report will result in the grant being closed in noncompliance.
 - d. If the program office's efforts to get the missing report are unsuccessful or the grantee has failed to comply with a material requirement of the grant, program offices close the grant in noncompliance using the following steps:
 - 1) Issue a Noncompliance Letter signed by the program official explaining the basis for the noncompliance and whether the grantee materially failed to meet the requirements of the grant;
 - 2) Place a copy of the letter in the official grant file along with the documentation of the program's efforts to resolve any noncompliance issues, and the documentation of the consultation between the program and the program official concerning the close out of the grant in noncompliance; and
 - 3) In the grants management system, the noncompliance indicator in the award history screen is checked and the reason that the grant was closed out in noncompliance is recorded.
 - 4) Report the grantee's material failure to comply with the terms and conditions of the award to FAPIIS, and may pursue other enforcement actions in accordance with 2 C.F.R. § 200.339
6. **Changing the closeout status of an award in the grants management system.** A grantee may need to contact the program office to adjust their grant's financial data and request authorization to draw down funds for obligations incurred during the performance period. This usually occurs after the grant's liquidation period has ended and the grant is in the suspension or manual closeout status in the system. Program offices review the request and

contacts the grantee, if necessary, to confirm the need and amount of the draw down and the time needed to complete the transaction.

7. After careful review of the request, the program may authorize the draw down:
 - a. If the grant is in the suspension status, by changing the grants closeout status in the grants management system from suspension back to liquidation and extending the liquidation period for a period not to exceed 30 calendar days on any single request and 60 calendar days cumulatively for all requests; or
 - b. If the grant is in the manual closeout status, by requesting a license holder to review and approve the request, and move the grant from manual closeout status back to the liquidation status; or
 - c. If the grant is in the closed status, by requesting a program official to reinstate the grant following the procedures described in the section [Processing a Reinstatement](#).
8. A system edit and corresponding flag prevents program staff from processing in the grants management system any single extension of the liquidation period that exceeds a 30 calendar-day time period. Further, a flag alerts the program that the grantee has already received cumulative extensions of 60 calendar days or more and that only the license holder can approve and process any further extension of the liquidation period in the system. The license holder documents the official grant file stating the reasons for approving an extension of the liquidation period beyond a 60 calendar- day period.

C. Guidance – Reserved

D. Other Pertinent Information

1. Templates for each of the letters referenced in this section are in the grants management system award closeout module. They are also provided for reference purposes at the following link: [Documents and Forms Referenced in the Handbook for the Discretionary Grant Process](#).
2. Electronic files stored in the grants management system or other ED approved recordkeeping systems (NARA compliant) do not need to be sent to the FRC.
3. Grant Award Notification attachment 2 (Specific Grant Terms and Conditions for Financial and Performance Reports) addresses financial and performance reporting requirements. The official version of this attachment is stored in the grants management system.

6.17 Processing a Reinstatement

A. Policy

1. A grant reinstatement reopens and restores Federal funds to a grant for which unused fund balances were de-obligated as part of the closeout process.
2. Reinstatements are only initiated in rare circumstances such as a grant prematurely closed, and funds de-obligated.
3. Program staff monitor grant activities and review grantee expenditure histories in the grants management system and provide TA to grantees throughout the project period to avoid reinstatements.

B. Procedures

1. Program staff coordinate the reinstatement with the program official and receives an approval from the program official to submit the necessary paperwork to the Executive Office before the program staff may reinstate a grant.
2. Program staff implement the reinstatement process as follows:
 - a. Program offices first obtain from the grantee a written request to reinstate the grant, which include:
 - 1) The PR/Award and UEI number and an FFR;
 - 2) The total actual dollar amount of expenditures for which reinstatement is needed, not to exceed the grant award authorization for the project period; and
 - 3) A written statement describing the allowable costs for which the funds will be used, why this use of funds should be allowed, and why the funds were not drawn during the performance or liquidation periods of the grant closeout process.
 - b. Upon receipt of the grantee's written request, program offices conduct a review to:
 - 1) Verify the grantee's name, address, and UEI number in the grants management system;
 - 2) Verify the information provided on the FFR against the award history information in the system;

- 3) Determine whether the costs were authorized under the grant, if an adjustment is needed, and whether the obligations underlying the expenditures occurred prior to the grant's project period end date; and
 - 4) Ensure that the reinstatement amount does not exceed the amount authorized for the project period and that the appropriation is available for adjustments ([31 U.S.C. § 1553](#)).
- c. The program official submits a "Use of Prior Year Funds Request" to the Executive Officer for review and verification. The Executive Officer, after review, submits the form to the Budget Execution and Administrative Analysis Division (BEAAD) for approval. BEAAD is required to review and approve the use of prior-year funds. BEAAD approval is needed to determine if enough funds exist in the program appropriation account to allow the grantee to make the needed adjustments. The Executive Officer provides the following information to BEAAD:
 - 1) The grantee's written request for reinstatement of funds;
 - 2) A copy of the original GAN and any amendments reflecting the grantee's total award amount;
 - 3) Documentation validating the prior year obligation, and the FFR showing an available unobligated balance; and
 - 4) A copy of any requests for written advice from the program attorney, if the obligation adjustment involves legal issues (such as written advice pertaining to the validity of the grantee's request).
3. BEAAD reviews the request for the use of prior-year funds and other documents to either:
 - a. Approve the request, issue any allotment changes needed, and return the package to the Executive Office; or
 - b. Disapprove the request, return the package to the program official via the Executive Office, and suggest alternative methods of funding the reinstatement (such as use of current year funds).
4. If BEAAD approves the request to use prior-year funds, the license holder reinstates the grant in the grants management system for a period not to exceed 30 days. The closeout function/reinstatement sub-function is used to reopen a closed discretionary award and reinstate funds to a grant.
5. If BEAAD determines that the appropriation is cancelled, or that prior year funds are not available for the reinstatement, the program official (with the approval of the Principal Officer) may use grant funds available for the

purposes of the program and from a current-year program appropriation to allow the grantee to make the needed adjustments. In accordance with [31 U.S.C. § 1553](#), a principal office may only use up to one percent of a current appropriation for the program for reinstatements.

6. Program offices ensure that a copy of the grantee's request, other supporting materials, and the signed Use of Prior Year Funds Request Form, from BEAAD, are placed in the grantee's official file.

C. Guidance

1. The funds needed for a grant reinstatement are usually available from the appropriation account under which the original award was made.
2. Program office's appropriation accounts are canceled five fiscal years after the last date that ED could obligate the funds; therefore, in some cases, it may be necessary to request funds from a current year appropriation account to restore funds to the grant. As a general matter, however, ED has no legal obligation to use current-year funds to help a grantee liquidate an old obligation.

D. Other Pertinent Information

1. Information about the "Use of Prior Year Funds Request" form can be found in [ACSD-OFO-052, Upward Adjustments to Obligations in Expired Expenditure/Appropriation Accounts](#).

6.18 Sharing Results

A. Policy

1. Program offices review products before they are disseminated to ensure the information ED shares is useful, accurate, reliable, unbiased, and secure, and consistent with the guidelines found in the: [Information Quality Guidelines](#).

B. Procedures

1. If a grantee produces materials that meets the standards below, program offices review the material to ensure that it meets the standards of the Guidelines.
2. Under the Guidelines, publications, audiovisual products, and websites produced by grantees and recipients of cooperative agreements are subject to the guidelines if ED:
 - a. Represents or uses the information as the official position of ED, or in support of the official position of ED;

- b. Has authority to review and approve the information before release; or
- c. Directs that the information be disseminated.

C. Guidance

1. Program offices should identify successful projects within their grant programs that contributed significantly to the goals of the program's mission and have national significance and share this information with other grantees, potential grantees, and the public. Program offices may disseminate information:
 - a. Using the Education Resource Information Center (ERIC) clearinghouse and national centers.
 - b. With the educational community through its website, training, TA, and conferences.
2. Some of the material developed by grantees and recipients of cooperative agreements might be subject to ED's Information Quality (IQ) Guidelines.

D. Other Pertinent Information

1. Questions about sharing information and materials on the web, or about ED's Guidelines, should be referred to the Information Assurances staff in OCIO.
2. The Information Quality Guidelines are available at: [Information Quality Guidelines](#).

6.19 Freedom of Information Act (FOIA) Request

A. Policy

1. Program offices comply with the Freedom of Information Act (FOIA)(5 U.S.C. § 552). In general, all agency records are made available to the public except for those portions of records that fall under one of nine FOIA exemptions:
 - a. Exemption One, Information properly classified to prevent harm to national security;
 - b. Exemption Two, Information related to internal personnel rules and practices;
 - c. Exemption Three, Information specifically exempted from disclosure by another Federal statute;

- d. Exemption Four, Commercial information that is privileged or confidential;
- e. Exemption Five, Interagency or intra-agency communications that would be unavailable to a party in litigation with the agency;
- f. Exemption Six, Information that would, if released, constitute a clearly unwarranted invasion of personal privacy;
- g. Exemption Seven, Information compiled for law enforcement purposes;
- h. Exemption Eight, Information contained in records concerning financial institutions; and
- i. Exemption Nine, Geological or geophysical-related documents.

B. Procedures

1. Program offices follow requirements in ACSD-OS-002 “Freedom of Information Act and Privacy Act Requests”, in response to all FOIA requests.

C. Guidance

1. The Freedom of Information Act (FOIA)([5 U.S.C. § 552](#)) provides that any person or organization (excluding Federal agencies) has the right to request access to Federal agency records or information.
2. Program offices are advised to contact ED’s FOIA office for assistance when handling complex information requests, requests requiring greater sensitivity, privacy issues, or other matters pertaining to FOIA.
3. The following list identifies some of the most requested discretionary grant items requested from ED under FOIA:
 - a. Funded or unfunded grant applications
 - b. Grant application reviewer information (comments, evaluations, reviewer lists)
 - c. Funding slates and rank order lists
 - d. Procedures for the Review of Applications (Application Technical Review Plan)
 - e. Project materials
 - f. Data in the grants management system
 - g. Program–specific reports

- h. Information regarding discretionary grants that have been closed out and sent to the Federal Records Center

D. Other Pertinent Information

1. For detailed information about what information may be released in response to a FOIA request for any of the above listed items, programs are directed to ACSD-OS-002 "[Freedom of Information Act and Privacy Act Requests](#)". This FOIA directive provides in-depth discussion of the Act and ED procedures and guidelines for processing and responding to FOIA requests.

6.20 Internal Review of ED's Discretionary Grant Processes

A. Policy

1. To ensure fairness, objectivity, and consistency across all of ED's programs and to promote continuous improvement, GMPD works in partnership with each POC to identify strengths and weaknesses in ED's discretionary grant processes.

B. Procedures – Reserved

C. Guidance

1. In carrying out this responsibility GMPD may review:
 - a. Principal office discretionary grant award competition files;
 - b. Funded discretionary grant award files;
 - c. Application review procedures and processes;
 - d. Application technical reviewer comments and evaluations of the review process;
 - e. Novice applicant and New Potential Grantees procedures;
 - f. Monitoring activities under selected programs;
 - g. Grant administration activities under selected programs;
 - h. Grant closeout processes under selected programs; and
 - i. Grants or grantees designated high risk.
2. After each review, GMPD will communicate with POCs to discuss the information learned, and the next steps, if any. The discussion will cover the strengths and weaknesses of the implementation of grants administration

policy administered by the various POCs and make recommendations for improvements, as needed. GMPD in collaboration with POCs, and other staff offices as necessary, establish a plan that consists of measurable steps to improve the process, including any necessary training. Additionally, GMPD may issue final reports regarding ED's discretionary grant processes for specific programs, offices or for ED.

D. Other Pertinent Information - Reserved

GLOSSARY

Absolute Priorities. See Funding Priorities.

Agreement for Grant Application Reviewers Who Receive Compensation. A document signed by each reviewer receiving compensation. The document includes a conflict of interest certification and other statements about the duties and responsibilities of a reviewer.

Agreement for Grant Application Reviewers Who Serve Without Compensation. A document signed by each non-paid reviewer that waives any right to payment or compensation for services rendered. The document includes a conflict of interest certification and other statements about the duties and responsibilities of a reviewer. Travel or per diem costs provided by ED under the Federal Travel Regulations are not considered compensation for the purposes of this agreement.

Allocable Cost. Cost that can be traced to specific activities of a grant project.

Allowable Cost. A cost incurred by a grantee that is:

1. Necessary and reasonable for the performance of the award;
2. In conformance with any limitations or exclusions set forth in the Federal cost principles applicable to the organization incurring the cost or in the Grant Award Notice as to types or amount of cost items;
3. Consistent with the grantee's policies and procedures that apply uniformly to both Federally financed and other activities of the grantee;
4. Determined in accordance with generally-accepted accounting principles; and
5. Not included as a cost in any other Federally financed grant (unless specifically authorized by statute).

Annual Performance Report. A report a grantee must submit to receive continued funding under a multi-year award. The report provides the most current performance and financial information about a discretionary grant or cooperative agreement (see [EDGAR § 75.118](#)). POCs are strongly encouraged to use the Grant Performance Report form (ED 524B) for their grantees to submit their grant performance and financial data to ED.

Application Notice. See Notice Inviting Applications.

Application package. A package that contains the application notice for one or more programs and all the information and forms needed to apply for a discretionary grant (see [EDGAR § 75.125](#)) under one of those programs.

Application reviewer. See Peer Reviewer.

Application Technical Review Plan (ATRP). A plan that describes the competitive procedures used by a POC to conduct a new grant competition; this is an internal document.

Appropriations Statute. A statute passed by Congress to make funds available for the purposes specified in the statute (such as grant programs).

Approval (or Authorization). The documentation showing ED's express written consent for a grantee to incur a specific cost or take an action if the cost or action requires prior approval.

Approved Budget. The budget submitted by the grantee and any revisions for which approval is necessary by the POC and which have been approved. The approved budget includes cost items for Federal funds and may include cost items for non-Federal funds, if cost sharing or matching is required or volunteered (see [EDGAR § 75.232](#)).

Assistance Listings (AL). Refers to the publicly available listing of Federal assistance programs managed and administered by the General Services Administration, formerly known as the Catalog of Federal Domestic Assistance (CFDA).

Assistance Listing Number (ALN). Refers to a unique number assigned to identify a Federal Assistance Listing. It is composed of a unique two-digit prefix to identify the Federal agency that makes the funds available (ED's prefix is 84). A period and a unique three-digit code for each authorized program follow the prefix. It is formerly known as the CFDA Number.

Assistance Listing Program Title. Refers to the title that corresponds to the Federal Assistance Listings Number, formerly known as the CFDA program title.

Assurances. A listing of requirements found in different Federal laws, regulations, and executive orders that apply to grants, and to which applicants must agree in writing to observe as a condition of receiving Federal assistance (see [2 C.F.R. § 200.209](#)).

Audit Finding. A conclusion about a monetary or non-monetary matter related to an auditor's examination of an organization, program, activity, or function, which frequently identifies problems and provides recommendations for corrective action to prevent their future recurrence.

Audit Resolution. The process used to resolve audit findings and recommendations, including management and systems deficiencies and monetary findings (e.g., questioned costs ([2 C.F.R. part 200 Subpart F](#))).

Authorizing Statute. A statute passed by Congress that establishes or continues a grant program either indefinitely or for a specified period. An authorizing statute is generally a prerequisite for appropriations.

Authorized Representative. The individual entrusted by the applicant/grantee organization to sign the application and the applicable assurances and certifications on

behalf of the organization. The governing body's authorization for this entrusted individual to sign an application as official representative must be on file in the applicant's office.

Award. See Grant.

Budget Period. An interval of time into which a project period is divided for budgetary purposes, usually twelve months (see [EDGAR § 77.1](#)).

Carryover Balance. Unexpended funds of the grantee from a previous budget period under a grant that are authorized for use to cover allowable costs in a current budget period (see [EDGAR § 75.253](#)).

Catalog of Federal Domestic Assistance (CFDA). See *Assistance Listings*

CFDA Number. See *Assistance Listing Number*

Code of Federal Regulations (C.F.R.). Compilation of all final regulations issued by Federal agencies and published annually by the National Archives and Records Administration (NARA), divided into numbered "titles." Title 2 contains the Uniform Administrative Requirements, Cost Principles, and Audit Requirements and Title 34 contains the applicable regulations of ED.

Cognizant Agency for Indirect Costs. The Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed on behalf of all Federal agencies.

Common Instructions. A set of centralized instructions for applicants applying to ED's discretionary grant programs. All program NIAs reference this document in lieu of providing this series of instructions within each NIA.

Competition File. See Grant Program Competition File.

Competition Manager. The program official or ED staff person given the overall responsibility to ensure the fair treatment of all applications in a competition. This individual oversees the entire competition and provides the direction and guidance for all the panels conducted under the competition.

Competitive Preference Priorities. See Funding Priorities.

Competitive Review Process. The process used by ED to select discretionary grant applications for funding, in which applications are scored by Peer Reviewers and ED funds the highest qualified applications (see [EDGAR § 75.217](#)).

Cooperative Agreement. A type of Federal assistance; essentially, a variation of a grant (see Grant), awarded by ED if it anticipates having substantial involvement with the grantee during the performance of a funded project, and which includes conditions regarding the character and extent of the collaboration (see [Federal Grant and Cooperative Agreement Act of 1977](#); see also [34 C.F.R. § 75.234\(b\)](#)).

Cost Analysis. An examination and verification of cost data in the detailed budget submitted by applicants to determine if they are necessary, reasonable, and allowable under applicable statutes, regulations, and Federal cost principles to determine the amount of the grant to the applicant (see [EDGAR § 75.232](#)).

Cost Principles (Federal Cost Principles). The principles as set out by the Office of Management and Budget (OMB) for generally accepted accounting rules used to determine whether costs applicable to grants, contracts and other agreements are allowable, reasonable, and allocable. The Federal cost principles are found in [2 C.F.R. part 200 subpart E](#).

Cost Sharing or Matching. The value of allowable third-party in-kind contributions and the allowable costs of a Federally assisted project or program not borne by the Federal government (see [2 C.F.R. § 200.306](#)).

Deadline Date. The date and time by which an applicant must submit an application to ED for a grant or cooperative agreement (see [EDGAR § 75.102](#)).

Directed Grant (also known as an Earmark). A grant that ED is directed by Congress through statute to award to a specific entity. These grants are subject to all the rules in 2 C.F.R. parts 200, 3474, 3485, and EDGAR except those regarding competition and to the respective requirements in this Handbook.

e-Administration. ED's electronic system that makes it possible for grantees to submit requests for administrative changes to their active grants directly to program staff via the Internet.

Earmark. See Directed Grant.

EDGAR (Education Department General Administrative Regulations).

Administrative regulations governing ED's grant programs found in parts 75, 76, 77, 79, 81, 82, 84, 86, 97, 98 and 99 of Title 34 of the Code of Federal Regulations (C.F.R.) (defined above); a document issued by ED that contains a reprint of these regulations.

ED PUBS. The main distributor of hard-copy grant applications and other ED literature.

ED Staff Offices. Principal Offices of ED other than program offices that are involved in the planning, review, and award of discretionary grants. This includes the Office of Finance and Operations; the Office of Planning, Evaluation, and Policy Development; the Office of the General Counsel; the Office of the Chief Information Officer; and the Office of Legislation and Congressional Affairs.

Eligibility. Eligibility to apply for a grant under a program of ED is governed by the authorizing statute and implementing regulations for that program (see [EDGAR § 75.50](#)).

Entity Risk Review (ERR). The ERR assists program offices in identifying and mitigating potential risks by reviewing grantee attributes drawn from the grants management system, Federal Audit Clearinghouse (FAC) and Dunn and Bradstreet data sources. Forty-one specific attributes are grouped into Administrative, Financial, and Internal Controls risk categories.

e-Reader. ED's electronic review system that supports the program office's peer review process.

e-Reports. ED's electronic reporting system which makes it possible for grantees to submit their annual grant performance reports (ED 524B) to ED via the Internet.

Federal Award Identifier Number (FAIN). This is the award number, or other identifying number, assigned by the Federal awarding agency. The FAIN is a Federal-wide term that is synonymous with ED's PR/Award Number, and is a term used in FFATA reporting in the FFATA Subaward Reporting System (FSRS) and other reporting data systems.

Federal Financial Report (FFR). A standard form used to obtain financial information from grantees. ED grantees are required to submit this form if reporting program income, cost sharing or matching, or when required by program statute or regulation or a specific condition of their grant.

Federal Funding Accountability and Transparency Act (FFATA). This statute and its subsequent 2008 amendments seek to increase transparency and improve access to Federal Government information by:

1. Requiring information disclosure of entities receiving Federal funding through Federal awards such as Federal contracts and their sub-contracts, and Federal grants and their subawards; and
2. Requiring disclosure of executive compensation for certain entities.

Federal Grant and Cooperative Agreement Act. The Act which establishes standards Federal agencies must apply to determine whether a particular activity or agreement should be funded as a grant, cooperative agreement, or contract. Under the Act, an agency must use the correct instrument to fund a particular agreement even if Congress specified a different instrument in the authorizing statute (see [Federal Grant and Cooperative Agreement](#)).

Federal Program (Grant Program). Consists of Federal awards which are assigned a single number in the AL, or when no ALN is assigned, all Federal awards to non-Federal entities from the same agency made for the same purpose are combined and considered one program (see [2 C.F.R. § 200.1](#)). Federal programs are authorized under statute or regulations to provide assistance on a particular matter of congressional concern.

Federal Register. A daily compilation of proposed and final Federal regulations, legal notices, presidential proclamations and executive orders, Federal agency documents having general applicability and legal effect, documents required to be published by act of Congress, and other Federal agency documents of public interest. The *Federal Register* is prepared by the National Archives and Records Administration (NARA) for public distribution by the Government Printing Office (GPO); it is the publication of record for the Federal government.

Federal Service Desk (FSD; www.FSD.gov). Assists visitors with obtaining the information and assistance they need for the systems (i.e., Web sites) that the FSD supports, including SAM and Federal Subaward Reporting System (FSRS) among others.

Federal Share. Means the portion of the total project costs that are paid by Federal funds (see [2 C.F.R. § 200.1](#)).

Federal Subaward Reporting System (FSRS; www.FSRS.gov). The Web site prime awardees (i.e., ED's grantees) use to capture and report subaward and executive compensation data for their first-tier subawards in accordance with FFATA reporting requirements.

Financial Reporting. Interim and final financial data provided by grantees as they make payment requests through ED's grants management system. Grantees also provide financial data with their submissions of annual and final performance reports.

First-tier Subaward. For the purposes of FFATA reporting requirements, this is the subgrant made by the ED grantee to its subrecipient, and generally does not include any type of subgrants awarded by the subrecipient to any other entity.

For-profit. A for-profit organization (also called "commercial organization") is an entity which is established with the intention or purpose of making a profit.

Frontloaded Grant. An informal term that commonly describes the use of appropriated funds available for obligation in a particular fiscal year to "pre-pay" grant costs in future years.

Funding Priorities. A means of focusing a competition on the areas in which the Secretary is particularly interested in receiving applications. Generally, priorities take the form of specific kinds of activities that applicants are asked to include in an application. There are absolute priorities, which the applicant must address in order to be considered for funding; competitive preference priorities, which the applicant has the option of choosing whether or not to address and for which they may receive additional points; and, invitational priorities, which the applicant is encouraged but not required to address. Applications addressing invitational priorities receive no preference over applications that do not meet the priority (see [EDGAR § 75.105](#)).

Grant. EDGAR § 77.1(b) states (The terms "award," "grant," and "subgrant", as defined in paragraph (c) of this section, have the same meaning, depending on the context, as "Federal award" in 2 C.F.R. 200.1). It means financial assistance, including cooperative agreements, that provides support or stimulation to accomplish a public purpose. 2 C.F.R. Part 200, as adopted in 2 C.F.R. part 3474, uses the broader, undefined term "Award" to cover grants, subgrants, and other agreements in the form of money or property, in lieu of money, by the Federal Government to an eligible recipient. The term does not include: technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies or insurance; direct payments of any kind to individuals; and contracts which are required to be entered into and administered under procurement laws and regulations (see [2 C.F.R. part 3474](#) and [2 C.F.R. § 200.1](#)).

Grant Award Notification (GAN). The official document signed by a license holder stating the amount and conditions of an award for a discretionary grant or cooperative agreement (see [EDGAR § 75.235](#)).

Grant Bulletins. GBs are the mechanism authorized for use by GMPD to update content in this Handbook in between the times the Handbook is updated and officially cleared by ED.

Grant Closeout. The process by which ED determines that all applicable administrative actions and all required work of a grant have been completed. ED also reconciles and/or makes any final fiscal adjustments to a grantee's account in the grants management system. (see [2 C.F.R. § 200.344](#)).

Grant Conditions. Requirements imposed by statute, regulation, absolute priority, or in the grant award document itself. The terms of a GAN may include both standard and specific conditions that are considered necessary to attain the objectives of the grant, facilitate post- award administration of the grant, conserve grant funds, or otherwise protect the Federal government's interests.

Grantee. The legal entity to which a grant is awarded and that is accountable to the Federal government for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the Grant Award Notification (GAN). See [EDGAR § 77.1©](#).

Grant File. The official grant file contains documents and correspondence applicable to the grant award for which the file is created.

Grant Funding Slate. An internal document required of POCs by ED to recommend funding for new grants, as well as other funding options. The Grant Funding Slate provides specific guidance regarding the information necessary for each funding option. The slate, which identifies the grant applications that are approved for funding, as well as the order in which they will be funded, is prepared by the program official and approved by the Principal Officer then submitted to the Office of Planning, Evaluation and Policy Development, Grants Policy Office (OPEPD/GPO) for internal clearance before routed through the Executive Secretariat to the Secretary for approval.

Grants Management System. A financial subsystem that is part of the Education Department Central Automated Processing System (EDCAPS). ED's grants management system provides online capabilities for grantees to request payments, obtain their most current payment information, access their GAN documents, request administrative changes to their grants, and file electronic reports. It is also the system through which ED staff manage aspects of the pre-award, award, post-award, closeout, and payments stages of the grants process.

Grant Performance Report. See Annual Performance Report.

Grant Period. See Project Period. Grant Program. See Federal Program.

Grant Program Competition File. A file that contains a collection of information, decisions or documentation related to a specific grant program competition or a group of related competitions.

Grant Scheduling Representative. The person designated in each program office who is responsible for entering yearly milestones that establish grant schedules for new and continuation awards, and ensure schedules are kept current in the grants management system.

Grant Transfer. A process whereby the legal and administrative responsibility for a grant- supported project or activity is transferred from one legal entity to another if certain limited conditions are met.

Guidance. Information that provides some general direction usually in the form of guides, templates, instructions, best practices, and applicable examples for consideration to assist POCs' compliance with Federal statutes and regulations, executive orders, OMB circulars, and internal ED policies.

High Risk. A term used to describe the act of imposing specific high-risk conditions on a grant or grantee whose risk of failure is determined to be high, based on a history of poor performance or poor business practices, financial instability, or lack of a management system meeting the required financial management standards (for specific conditions see [2 C.F.R. § 200.208](#); for ED's authority to designate a grantee as high risk, see [2 C.F.R. § 3474.10](#)).

Human Subjects. Under Federal regulations, human subjects are defined as living individuals about whom an investigator conducting research obtains data through intervention or interaction with the individuals, or by collecting identifiable private information about the individuals (see [EDGAR Part 97](#)).

Improper Payment. A payment by a grantee that should not have been made. (see [2 C.F.R. § 200.53](#)).

Indirect Costs. Costs an organization incurs for common or joint objectives, which cannot be readily and specifically identified with a particular grant project or other institutional activity without effort in excess of the results achieved.

Indirect Cost Agreement. Is a document that formalizes the indirect cost rate negotiation process between a grantee and the Federal Government. This document typically contains:

1. The type of rate(s) negotiated;
2. The effective period(s) of the rate(s);
3. The indirect cost rate(s);
4. The distribution base;
5. The location(s) to which the rate(s) is/are applicable;
6. The program(s) to which the rate(s) is/are applicable;
7. It also provides information on the base(s) used to distribute indirect costs, and the treatment of fringe benefits and paid absences; and

8. Particulars indirect cost rate limitations, accounting changes, provisional/final/predetermines, fixed rate, notification to other Federal agencies, Audit, reimbursement ceilings/limits on rates, alternative reimbursement methods, and submission of proposals.
9. The indirect cost negotiation agreement must be signed by both the grantee's authorized representative and the grantee's cognizant agency's indirect cost coordinator or authorized representative.

Indirect Cost Rate Proposal. The documentation prepared by a non-Federal entity to substantiate its request for the establishment of an indirect cost rate (see [2 C.F.R. § 200.57](#)).

Indirect Cost Rate. A percentage established by a Federal department or agency for a grantee organization or sub-organization, which the grantee uses in computing the dollar amounts it charges to the grant to reimburse itself for indirect costs incurred during the grant project (see [EDGAR §§ 75.560](#) and [76.560](#)).

In-Kind Contribution. A contribution directly benefiting a grant-supported project that is provided by or to the grantee by non-Federal third parties. In-kind contributions may be in the form of real property, equipment, supplies and other expendable property, and goods and services directly benefiting and specifically identifiable to the project or program (see [2 C.F.R. § 200.96](#)). In-kind contributions are generally used by grantees to meet cost sharing or matching requirements.

Institutional Review Board (IRB). An administrative body established by a recipient to protect the rights and welfare of human research subjects recruited to participate in research activities conducted under the auspices of the institution with which it is affiliated. The IRB has the authority to approve, require modifications in, or disapprove research activities that fall within its jurisdiction. See [EDGAR Part 97](#).

Internal Controls. A process, implemented by a grantee, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

1. Effectiveness and efficiency of operations;
2. Reliability of reporting for internal and external use; and
3. Compliance with applicable laws and regulations.

See [2 C.F.R. § 200.612](#).

Invitational Priorities. See Funding Priorities.

License. An authorization provided by GMPD to an individual ED employee that allows that person to record obligations and sign and issue new, NCC or revised grant awards for specific AL, and make obligations up to certain amounts for discretionary grants and cooperative agreements.

License Holder. An individual who has met the qualifications to receive and has received a license in order to record and make obligations.

No-Cost Extension. An extension of time to the last or only budget period of a project to complete the work of the grant during that period, without the obligation of additional funds by the Federal government (see [2 C.F.R. § 200.308](#) and [EDGAR § 75.261](#)).

Non-competing Continuation (NCC). A grant for a budget period subsequent to the first budget period. A grantee does not have to compete with other applicants to receive this award (see [EDGAR § 75.251](#)).

Non-Federal Share. The portion of allowable project costs not borne by the Federal government (see [2 C.F.R. § 200.306](#)).

Non-profit. Non-profit as applied to an agency, organization, or institution, means that it is owned and operated by one or more corporations or associations whose net earnings do not benefit, and cannot lawfully benefit, any private shareholder or entity (see [EDGAR Part 77](#)).

Notable Results. An outcome or accomplishment that is worthy of attention, notice, or replication.

Notice Inviting Applications (NIA or Notice). A notice published in the *Federal Register* (see *Federal Register*) that invites applications for one or more discretionary grant or cooperative agreement competitions. The notice gives basic program and fiscal information on each competition, informs potential applicants when and where they can obtain applications, and cites the deadline date (see Deadline Date), for a competition (see [EDGAR § 75.100](#)).

Notice of Funding Opportunity (NOFO). See Notice Inviting Applications.

Notice of Proposed Rulemaking (NPRM). An announcement published in the *Federal Register* of proposed new regulations or modifications to existing regulations; the first formal stage in the process of creating or modifying regulations for most programs.

Novice Applicant. Any applicant for a discretionary grant from ED that meets the standards in [EDGAR § 75.225](#). Generally, a novice applicant for a grant is an entity that:

1. Never received a grant before from the program to which they are applying;
2. Never been a member of a group application that received a grant from the program to which they are applying; and
3. Not had an active grant from the Federal Government in the five years before the deadline date for applications under the ED discretionary grant programs to which they are applying.

Objective. The goals and strategic purpose of a grant as described in the application and determined in the context of the grant program funding the award.

Obligation. At the Federal level, the legal act of signing the GAN and sending it to the grantee. The obligation date may be referred to as the Federal award date (see [2 C.F.R. § 200.39](#)). At the grant level, one of the legal acts specified in [EDGAR § 75.707](#).

Office of Management and Budget (OMB). An agency within the Executive Office of the President that helps the President formulate spending plans; prepare the budget for submittal to Congress; evaluate the effectiveness of agency programs, policies, and procedures; assess competing funding demands among agencies; set government-wide funding priorities; manage Federal information collection; and manage the Federal government's regulatory procedures.

Oracle Financial. The system software ED uses to support its financial management and business processes.

Pass-through Entity/Grantee. A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program (see [2 C.F.R. § 200.74](#)).

Peer Reviewer – (Application Reviewer or Reviewer). An individual who serves ED by reviewing new discretionary grant and cooperative agreement applications.

Performance Measure. Any quantitative indicator, statistic, or metric used to gauge program or project performance (see [EDGAR § 77.1©](#)).

Performance Period. See Project Period.

Post-Award Performance Conference. A conference between ED and grantees after a new award has been made; may be telephonic, in-person, or otherwise.

PR/Award Number. The identifying number for an application and discretionary grant or cooperative agreement, composed of seven parts

Example – H029A951234-95C –

1. POC designator (H)
2. AL numeric suffix of the program (029)
3. Alphabetic sub-program identifier (A)
4. Last two digits of the fiscal year of the competition (95)
5. Unique application identifier (1234)
6. Last two digits of the fiscal year of the funding (95)
7. Sequential order of the most recent funding action in a fiscal year, expressed alphabetically ©

The first five parts remain the same throughout the life of the project period while the last two parts change by budget period.

Pre-Application. A summary statement a POC requests or requires from potential applicants to determine: 1) the applicant's intent to request Federal funds under a

program; 2) the applicant's eligibility; 3) the quality of the proposed project compared to similar applications; and 4) which applications have little or no chance for Federal funding so ED can inform the applicant before it incurs significant expenditures to prepare an application. The pre-application process is in addition to the application process.

Pre-Award Cost. The cost incurred prior to the effective date of the award and in anticipation of the award (see [2 C.F.R. § 200.308](#) and [EDGAR § 75.263](#)).

Prime Awardee. Is a Federal agency's direct grant recipient.

Principle Office Component (POC). One of six principal offices of ED responsible for administering programs that award discretionary grants and cooperative agreements: Institute of Education Sciences (IES); Office of English Language Acquisition (OELA); Office of Elementary and Secondary Education (OESE); Office of Postsecondary Education (OPE); Office of Special Education and Rehabilitative Services (OSERS); and Office of Career Technical and Adult Education (OCTAE).

Principal Officer. The ED official who is head of one of the six POCs (listed above) and who holds the rank of Assistant Secretary or its equivalent.

Prior Approval. The written permission provided by the authorized program staff member from the ED awarding office before the grantee may undertake certain activities (such as performance or modification of an activity), expend funds or exceed a certain dollar level.

Program Income. The gross income received by the grantee or cooperative agreement recipient that is directly generated by the supported activity or earned as a result of the award (see [2 C.F.R. §200.80](#)).

Program Office. A sub-unit of a POC that conducts the daily work of administering ED discretionary grant or cooperative agreement programs, including the responsibility for the review and ranking of applications.

Program Office Scheduling Representative (PO Scheduler). Program office staff with access to planning and scheduling activities of the grant setup functionality in the grants management system.

Program Official. A program manager having various oversight responsibility for the planning, review, pre-award/award, and post-award activities in the discretionary process. This person frequently acts as a level of review and approval for various procedures described throughout the Handbook.

Program Regulations. Regulations that implement statutes passed by Congress to authorize a specific grant program; they may include applicant and participant eligibility criteria, nature of activities funded, allowability of certain costs, selection criteria under which applications will be selected for funding, and other information relevant to the program.

Program Staff. Individuals who handle the day-to-day program office responsibilities as assigned by the program official.

Project Cost. The total allowable costs incurred under a Federal award and all required cost sharing or matching and voluntary committed cost sharing or matching, including third-party contributions (see [2 C.F.R. § 200.83](#)).

Project Director. An individual designated by the grantee to direct the project or program being supported by a grant. The project director is responsible and accountable to officials of the grantee organization for the successful outcome of the project, program or activity.

Project Period (Performance Period). The period established in the award document during which Federal sponsorship begins and ends (see [EDGAR § 77.1©](#) and “Period of Performance” [2 C.F.R. § 200.77](#)).

Project Scope. The nature and extent of the work to be performed under a grant as described in the application.

Reasonable Cost. A cost is reasonable if, in its nature or amount, it 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.

Recipient. See Grantee.

Record of Obligation. An entry made by a license holder in ED’s automated accounting system that authorizes the payment of Federal grant funds to a grantee. A record of obligation does not obligate funds to a grantee. See Obligation, which defines the legal act of signing and sending a GAN.

Reviewer Database. A list of qualified Federal and non-Federal individuals from which ED selects reviewers of applications for new grants. Each POC may maintain its own register, but they are encouraged to use the grants management system’s centralized database.

Reviewer Roster. A list of individuals approved by the Principal Officer to review applications for new grants in a specific competition or competition cycle.

Risk. A measure of the potential inability to achieve overall program objectives within defined requirements related to cost, schedule, legislative authority, and grant management practice.

Risk Evaluation. An analysis and summary of risks associated with a potential grant award. The purpose of the risk evaluation is to analyze the possible effect of risks on grant implementation, the significance of that effect, the likelihood that it will occur or recur, estimate its likely occurrence or recurrence, and serves as the basis for determining how the risks should be managed.

Risk Identification. The identification of external risk factors, such as those that arise from interactions between an applicant or a grantee and other entities, and internal risk factors including those that are entity-wide and those that are grant project specific. Risk identification may occur during day-to-day oversight, official grant monitoring, or while conducting risk evaluations before obligating new, continuation, and supplement awards.

Risk Information Sharing. Sharing, within program offices and across all ED offices, risk-related data, mitigation actions and strategies, and grants administration improvements.

Risk Mitigation. Identifying and implementing activities and/or strategies to mitigate or manage risks associated with an applicant or grantee.

Statute. As it relates to discretionary and formula grants, a statute is a law passed by Congress that establishes and authorizes a discretionary or formula grant program.

Stewardship. The management of assistance programs exercised by Federal officials. Program staff oversee the process of reviewing and awarding grants and participate in the oversight of awarded grants to ensure that funding is properly used, that all applicable laws and regulations are followed, and that the objectives of the authorizing statute are furthered.

Subaward. An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form or legal agreement, including an agreement that the pass-through entity considers a contract.

Subgrant. An award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subgrantee. The term includes financial assistance when provided by contractual or any other form of legal agreement, but does not include procurement purchases, nor does it include any form of assistance that is excluded from the definition of “grant or award” (see [EDGAR § 77.1©](#)). Also, the term “subgrant” has the same meaning as “subaward” in [2 C.F.R. § 200.1](#).

Subgrantee. The government or other legal entity to which a subgrant is awarded and that is accountable to the grantee for the use of the funds provided (see [EDGAR § 77.1©](#)).

Subprogram. A unique component of a program awarded under the umbrella of an existing AL program. (For example, the GEAR UP program, AL No. 84.334, has two subprograms: 84.334A – GEAR UP Partnership and 84.334S – GEAR UP State Programs.)

Subprogram Titles. The program name that identifies the subprogram.

Substantial Progress. A level of achievement that a grantee must make towards meeting its project goals, objectives and performance measures, if applicable in its project during a budget period, so the grantee can receive a continuation award (see [EDGAR § 75.253](#)).

Subrecipient. An entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Supplemental Award. Additional Federal funds obligated to an existing grant.

Supplies. All tangible personal property other than defined as Equipment.

Suspension Status. One of the phases in the close-out process.

System for Award Management (SAM). A system that combines a number of Federal systems, including the Central Contractor Registry (CCR) and EPLS, into one system for the purpose of streamlining and integrating processes, and eliminating data redundancies.

Termination. The permanent cancellation of a grantee's authority to obligate all or part of the funds that have been awarded to it. It also means the grantee's voluntary relinquishment of that authority. Termination is distinct from ED's refusal to provide additional funds through a continuation award (denial of refunding/withholding of support). See Remedies for Noncompliance beginning at [2 C.F.R § 200.339](#).

Tax Identification Number (TIN). The Federal Tax Identification Number is the unique nine- digit number used by the Internal Revenue Service (IRS) in the administration of tax laws. It is issued either by the Social Security Administration (SSA) or by the IRS. A Social Security number (SSN) is issued by the SSA whereas all other TINs are issued by the IRS.

The following are all considered TINs according to the IRS (see [Tax Payer Identification Numbers](#)).

1. Social Security Number "SSN"
2. Employer Identification Number "EIN"
3. Individual Taxpayer Identification Number "ITIN"
4. Taxpayer Identification Number for Pending U.S. Adoptions "ATIN"
5. Preparer Taxpayer Identification Number "PTIN"

Unique Entity Identifier (UEI). A number used to identify a specific commercial, nonprofit, or Government entity. The Unique Entity Identifier (UEI) is used within SAM.gov as a primary key to uniquely identify an entity or part of an entity.

1. Unique Entity - An entity or part of an entity whose identifying information does not match that of any other entity doing business with the Federal government.
2. Entity - Organizations or individuals applying for financial assistance, contract awards, loans, grants or who need to register to do business with the Federal government, including but not limited to sole proprietors, corporations, partnerships, governments agencies, non-profits, etc.

Unsolicited Application. An application submitted to ED in writing and solely on the applicant's own initiative, without prior formal or informal solicitation by any Federal

government official. The application's content may or may not fall within the scope of activities that can be supported under a grant program funded by ED and must be analyzed under [EDGAR § 75.222](#) to determine whether it may be funded.

USASpending.gov. The searchable Web site ([USASpending.gov](https://www.usaspending.gov)), accessible to the public at no cost, which includes for each Federal award: 1) the name of the entity receiving the award; 2) the amount of the award and executive compensation data; 3) information on the award including transaction type, funding agency, etc.; 4) the location of the entity receiving the award; 5) the unique FAIN of the entity receiving the award; and 6) first-tier subaward data (including subaward amounts and executive compensation data), which is provided by FSRS.

ACRONYMS and ABBREVIATIONS APPEARING in this HANDBOOK

A

AARTS	Audit Accountability and Results Tracking System
ACC	Application Control Center
ACS	Administrative Communication System
APR	Annual Performance Report
ARD	Audit Resolution Division
ATIN	Taxpayer Identification Number for Pending U.S. Adoptions
ATRP	Application Technical Review Plan

B

BEAAD	Budget Execution and Administrative Analysis Division
Budget Service	Office of Budget Service
BPCD	Budget Policy and Coordination Division
BSSD	Business Systems Support Division

C

CAM	Contracts and Acquisitions Management
CCR	Central Contractor Registration
C.F.R.	Code of Federal Regulations
Common Instructions	Common Instructions for Applicants to Department of Education Instructions Discretionary Grant Programs (<i>Federal Register</i> Vol. 86 FR 3768).
COR	Contracting Officer Representative
CPA	Certified Public Accountant

D

D&B	Dun & Bradstreet
DEOA	Department of Education Organization Act

E

ED	U.S. Department of Education
EDCAPS	Education Central Automated Processing Systems
EDGAR	Education Department General Administrative Regulations
EIN	Employer Identification Number
EO	Executive Order
EPLS	Excluded Parties List System
E-Reader	Electronic Peer Review System
ERIC	Education Resource Information Center

ERR Entity Risk Review

F

FAC Federal Audit Clearinghouse
 FAIN Federal Agency Identification Number
 FAPIIS Federal Awardee Performance and Integrity Information System
 FAR Federal Acquisition Regulations
 FAQ Frequently Asked Question
 FFATA Federal Funding Accountability and Transparency Act
 FFR Federal Financial Report – Standard Form 425
 FMSS Financial Management Support System
 FOIA Freedom of Information Act
 FR Federal Register
 FRC Federal Records Center
 FSRS Federal Subaward Reporting System
 FWA Federal Wide Assurance

G

GAANN Graduate Assistance in Areas of National Need
 GAN Grant Award Notification
 GB Grant Bulletin
 GEPA General Education Provisions Act
 GPL General Public License
 GMPD Grants Management Policy Division
 GPRA Government Performance and Results Act
 GRS General Records Schedule

H

HEA Higher Education Act

I

ICD Indirect Cost Division
 ICR Information Collection Request
 ID Identification
 IES Institute of Education Sciences
 IHE Institution of Higher Education
 IPR Interim Performance Report
 IQ Information Quality
 IRB Institutional Review Board
 IRS Internal Revenue Service
 ITIN Individual Taxpayer Identification Number

L

LEA Local Educational Agency

M

MTDC Modified Total Direct Cost

N

NARA National Archives and Records Administration

NFP Notice of Final Priorities

NIA Notice Inviting Applications

NPP Notice of Proposed Priorities

NPRM Notice of Proposed Rule Making

O

OAGRM Office of Acquisition, Grants, and Risk Management

OALJ Office of Administrative Law Judges

OBSS Office of Budget Support Services

OCIO Office of the Chief Information Officer

OCO Office of Communications and Outreach

OCTAE Office of Career Technical and Adult Education

OELA Office of English Language Acquisition

OESE Office of Elementary and Secondary Education

OF Oracle Financials

OFO Office of Finance and Operations

OGC Office of the General Counsel

OIG Office of Inspector General

OLCA Office of Legislation and Congressional Affairs

OMB Office of Management and Budget

OPE Office of Postsecondary Education

OPEPD/GPO Office of Planning, Evaluation and Policy Development,
Grants Policy Office

OS Office of the Secretary

OSERS Office of Special Education and Rehabilitative Services

P

PAM Post Award Monitoring

PCAOB Public Company Accounting Oversight Board

PDL Program Determination Letter

POC Principal Operating Component

PRA Paperwork Reduction Act

PTIN Preparer Taxpayer Identification Number

R

RMSD Risk Management Services Division
RSD Regulatory Services Division
RPPR Research Performance Progress Report
RQM Regulatory Quality Manual

S

SAM System for Award Management
SCC Strategic Collections and Clearance
SEA State Educational Agency
SF Standard Form
SOP Standard Operating Procedures
SOW Statement of Work
SPOC State Single Point of Contact
SSN Social Security Number

T

TA Technical Assistance
TIN Taxpayer Identification Number
TRF Technical Review Form

U

USC United States Code (U.S.C.)
UEI Universal Entity Identifier

V

VR Vocational Rehabilitation

W

WWC What Works Clearinghouse