Five-Step roadmap in developing your Perkins Budget

1) Is the item **allowable** under
   a) Perkins
   b) State Plan
   c) State / Local Policies
   d) Omni Circular
2) Is the item necessary?

3) Is the cost reasonable?

4) Is the cost allocable to Perkins?

5) Is the cost adequately documented?
OMB Revised Administrative, Cost, and Audit Rules Governing All Federal Grants

The Super Circular – “Omni Circular”

The One-Stop Shop for Federal Assistance
What is covered?

- A-102 – Administrative Rules State / Local – Part 80 – EDGAR
- A-110 – Administrative Rules Postsecondary – Part 74 – EDGAR
- A-87 – Cost Rules – State / Local
- A-122 – Cost Rules – Nonprofit
- A-133 – Audit Rules (>750,000)
Reasons for the Change?

1. Simplicity
2. Consistency
3. Obama Administration Executive Order on Regulatory Review
   - Increase Efficiency
   - Strengthen Oversight
Most Significant Change

• Shift from focus on *Compliance* to focus on **PERFORMANCE**!!!

Flexibility

• The “Omni Circular” adds significant flexibility to way grantee / subgrantee can adopt their own processes
New OMNI: (200.430)

• Charges to federal awards must be based on “records”
  1. Supported by a system of internal controls
  2. Incorporated into official records of grantee
  3. “Reasonably” reflect total activity for which employee is compensated
New requirements are less prescriptive

Grantees encouraged to adopt “substitute systems”
• Acceptable now to allocate sampled employee’s supervisors, clerical and support staffs, based on results of sampled employees
Employees assigned to “administrative” functions

- Salaries of administrative and clerical staff should be treated as “indirect” unless all of the following are met:
  1. Such services are integral to the activity
  2. Individuals can be specifically identified with the activity
  3. Such costs are explicitly included in the budget
  4. Costs not also recovered as indirect
New Emphasis on Risk
200.205

• ODE must have in place a framework for evaluating risks before applicant receives funding
Risk Factors:

1. Financial Stability
2. Quality of Management System
3. History of Performance
4. Audit Reports
5. Applicant’s Ability to Effectively Implement Program
Fiscal Accountability
200.415

• Major emphasis on “strengthening accountability” by improving policies that protect against waste, fraud and abuse (200.415)
Conflict of Interest 200.112

• All non federal entities must establish conflict of interest policies, and disclose in writing any potential conflict to federal awarding agency
Mandatory Disclosures
200.113

• Non federal entity must disclose in writing in timely manner to federal agency or pass-through all violations of federal criminal law involving fraud, bribery or gratuity violations potentially affecting federal award
Significant Changes to Core Financial Management Standards 200.302

- **Written Procedures on**
  - Cash Management
  - Allowability of Costs
Cash Management

• Subgrantee must be able to account for the receipt, obligation and expenditure

• Interest amounts up to $500 may be retained for administrative expense
Meals / Conferences / Travel
200.432

• Allowable conference costs include rental of facilities, costs of meals and refreshments, transportation, unless restricted by the federal award”

• Conference hosts must exercise discretion in ensuring costs are appropriate, necessary and managed in manner than minimizes costs to federal award
200.474 - Travel

• Travel costs may be charged on actual, per diem, or mileage basis

• Travel charges must be consistent with entity’s written travel reimbursement policies
200.474 - Travel

• Grantee must retain documentation that participation of individual in conference is necessary for the project
200.474 - Travel

• Travel costs must be reasonable and consistent with written travel policy /or follow General Services Administration 48, Code of Federal Regulations 31.205-46(a)
Computing Devices
200.20

Definition:

• Machines used to acquire, store, analyze, process, and publish data electronically
Changes to Equipment Rules 200.313

• Subgrantee cannot “encumber” the property without approval of pass-through
• Can shared use, if such use will not “interfere”
  – 1st preference – projects supported by federal awarding agency
  – 2nd preference – project funded by other federal agencies
  – 3rd preference – use for non federally funded programs
User Fees

• “User fees” on equipment “should be considered if appropriate”

• But “user fees” should not be less than private companies charge for equivalent services
Trade-In on Equipment Allowed

• When grantee acquiring replacement equipment, the equipment to be replaced may be used as a “trade-in” without recourse to federal agency
Disposition of Equipment

• Upon disposition federal agency may permit grantee to retain $500 or 10% of proceeds, whichever is less, for handling expenses
• Regardless of cost, grantees must maintain effective control and “safeguard all assets and assure that they are used solely for authorized purposes.”
Micro-Purchases
200.320

• Acquisitions of supplies or services which do **not exceed $3,000** may be solicited without competitive quotations if the non federal entity considers the price to be reasonable
Insurance Coverage
200.310

• At a minimum, grantee must provide equivalent insurance coverage on equipment purchased with federal funds as provided to equipment purchased with nonfederal funds
Audit Resolution 200.501

• Federal Compliance requirements do not pass through to contractors

• **Auditee is responsible** for ensuring compliance for procurement transactions
Supplanting

• Perkins funds must supplement, not supplant, state and local funds for CTE
Career-Technical Education
Administrative Field Services
614-446-4835

Thank you!