



## Fiscal Guidance Frequently Asked Questions-October 2013 CFDA 84.416

The term consortium is used when referring to this grant. What does that mean?  
The Road Map consortium was created by seven school districts with the goal to accelerate student achievement in the Seattle and South King County region.

**Q1. How much is the grant total?** \$39,964,930

**Q2. What is the start and end date for budget periods?**

Year 1: December 27, 2012 – August 31, 2013  
Year 2: September 1, 2013 – August 31, 2014  
Year 3: September 1, 2014 – August 31, 2015  
Year 4: September 1, 2015 – December 26, 2016.

**Q3. Who are the members of the consortium?**

Puget Sound Educational Service District, Auburn, Federal Way, Highline, Kent, Renton, Seattle & Tukwila School Districts.

**Q4. Why is PSESD the recipient (grantee)?** When we applied for the grant, school districts made the decision that PSESD would be the best entity to be the Fiscal Agent and lead LEA in the consortium. As the grantee, PSESD is legally responsible for (1) the use of all grant funds, (2) ensuring that the project is carried out by the consortium in accordance with Federal requirements, and (3) ensuring that indirect cost funds are determined as required under 34 CFR 75.564(e). In addition, each member of the consortium is legally obligated to carry out the activities it agrees to perform and use any funds it receives in accordance with Federal requirements that apply to the grant.

**Q5. When should we expect funds?** The Department of Education approved our Scope of Work on September 20 of this year and has approved the draw-down of all funds as they are needed, within the amounts budgeted each year. “Draw-downs” are on a reimbursement basis. Once the funds are expended, PSESD can request a draw down; similarly, **once a district expends funds, it may invoice PSESD for reimbursement.**

**Q6. When should school districts invoice PSESD? When will school districts receive payments?** Districts must bill on a monthly basis. Districts can expect payments within 30 days of an approved invoice.

**Q7. If we do not spend our funds within the grant budget year, will we receive a carryover?** As of October 2013, PSESD is still awaiting specific guidance from the Department of Education on carryover rules.



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#### AUDIT REQUIREMENT QUESTIONS

**Q8. Will this grant be audited at the district level?**

Most likely. Since this is a new grant that has never been reviewed, the State Auditor's Office will most likely select this grant to audit depending on the dollars received compared to other federal grants each district has. We also expect the Department of Education will monitor our progress in meeting our goals, timelines, activities, deliverables, budget, and annual targets in fulfilling the objectives of this grant.

#### USE OF FUNDS QUESTIONS

**Q9. What are the allowable uses of Race to the Top-District grant funds and what uses are prohibited?**

In general, Race to the Top – District grant funds must be used to implement the applicant's approved plan, including the applicant's approved budget. The budget must be consistent with ED's administrative regulations as well as OMB's cost principle circular **A-87**. In addition the ARRA places restrictions on the use of Race to the Top – District grant funds.

**Q10. Can we use funds for meals?**

Food is not an allowable expense if it is part of an activity that is considered to be entertainment, (See OMB Cost Circular A-87). However, food may be an allowable cost if it is necessary to accomplish the objectives of the program, and is reasonable in cost. **ED does not consider meal services at a Race to the Top – District related conference or meeting to be necessary to accomplish the objectives of the program, even if the meeting occurs during meal times.**

There may be **rare instances** where food is a necessary and reasonable cost. For example, if a grantee's plan proposes to conduct community outreach in the evening and families would otherwise not be expected to participate in the event, providing food may be reasonable and necessary. In this instance meals must be approved by PSED manager and have proper documentation, including a meeting agenda and sign in sheet. NOTE: Meetings and conferences may not be promoted as a U.S. Department of Education activity, and use of its seal is prohibited without express approval.



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### INDIRECT QUESTIONS

**Q11. What is the indirect rate limit for the consortium as a whole? What is the school district rate?** The overall rate for our consortium is 12.5%. Initial grant planning determined that a maximum indirect rate of 8% for districts would ensure we don't exceed the overall total.

**Q12. Is there a different indirect rate for contracts?**

Consistent with federal regulations, PSESD & Districts may apply their indirect cost rates only against the first \$25,000 of each major contract on an annual basis, not against the full amount of each contract.

**Q13. May Contractors charge indirect costs?**

As a normal cost of doing business, we would expect professional service contractors to include any indirect costs in their hourly rate. For a contractor to charge indirect cost, **it would first need an approved indirect cost rate agreement** from ED. The Department of ED will expect our consortium to regularly monitor indirect costs to ensure that they are reasonable and necessary for performance under the grant.

### PROCUREMENT/CONTRACTING QUESTIONS

**Q14. What rules must our consortium follow regarding procurement or contracting for goods and services?**

Procurement transactions made with Race to the Top – District grant funds must be conducted in a manner providing full and open competition, consistent with the standards in 34 CFR 80.36 and any conditions upon which the grant is made. The regulation requires that grantees use their own procurement procedures (which reflect State and local laws and regulations) to select contractors, provided that those procedures meet certain standards Use federal requirement unless State or District requirements are more strict.

**NOTE:** As there are no Washington statutory requirements for bidding services, the more stringent federal standards for small purchase procedures should be observed. These small purchase procedures require price or rate quotations from an adequate number of qualified sources for securing services, supplies or other property that do not cost more the than the simplified acquisition threshold currently set at 100,000. For services, supplies costing between \$0-100,000 there must be an adequate number of quotes, and we recommend three (3) quotes.



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### PROCUREMENT/CONTRACTING QUESTIONS (Continued)

**Q15. Do school districts need to get PSESD or ED approval to change an approved budget or contract?**

If a line item is added or deleted, if there is a program change, or if the change is over 10% of the total budget, you must get PSESD approval. ED approval may also be necessary. Please discuss with your PSESD Project Manager if you anticipate any changes to ensure proper reimbursement.

**Q16. May consortium members make sub grants?**

No. Grantees under the Race to the Top – District competition may not make sub grants to other entities. However, grantees may award contracts for professional services related to their grant activities.

**Q17. What is the requirement regarding suspension and debarment?**

When purchasing with Federal funds, no sub grant or contract may be awarded “to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal Assistance programs under Executive Order 12549, ‘Debarment and Suspension.’” (EDGAR §80.35). Covered transactions include the purchase of goods or services that are equal to or in excess of \$25,000.

**Q18. How do we verify that the vendor or contractor is not currently suspended or debarred?**

This requirement can be accomplished by:

- a) Search for debarment and suspension records using the System for Award Management (SAM) website at <https://www.sam.gov>; or
- b) Collecting a certification from the entity; or
- c) Adding a clause or condition to the covered transaction.

**Q19. Where can I find resources for further guidance on procuring goods and services with federal education grant funds?**

The following webinar PowerPoint is a great overview and has techniques for best practices.  
[www2.ed.gov/policy/gen/leg/recovery/webinar/slides9-13-10.ppt](http://www2.ed.gov/policy/gen/leg/recovery/webinar/slides9-13-10.ppt)



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#### DOCUMENTATION QUESTIONS

**Q20. Is the consortium responsible for Time and Effort reporting?** Yes. We, as a consortium, are responsible for payments of any type of personnel to be supported by complete and accurate record-keeping of time and effort such as Semi-annual certifications and Personal Activity Reports (PARs).

**Q21. Do districts need to provide PSESD with Time and Effort documentation?** No. Districts do not need to provide PSESD with the documentation; however, the expectation is that all back-up documentation of personnel payments will be retained by districts for audit review. PSESD will track and retain its documentation as well.

**Q22. Do districts need to provide PSESD with other types of documentation to support Invoices?**

No. Other than a transaction recap report, districts do not need to provide further documentation with invoices, such as sign in sheets for professional development (PD), brochures for PD, travel reimbursement forms, evidence of competitive bidding, etc. The expectation is that all back-up documentation to support payments will be retained by districts for audit review. PSESD will retain its documentation as well.

**Q23. Is the consortium responsible for documenting evidence that the list of debarment, suspension and ineligibility when contracting with vendors?** Yes. Verification must be retained to serve as backup documentation for each covered transaction.

**Q24. Are we as a consortium responsible for other types of record keeping?** Yes. ED may review records on site visits, during audits, or during other monitoring activities. Grantees must keep records for 6 years after submission of all required reports (end of grant).



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#### REPORTING QUESTIONS

**Q. 25 what are the reporting requirements for the Race to the Top – District program?**

Each grantee receiving Race to the Top – District funds must submit to ED an annual report that must include a description of its progress to date on its goals, timelines, activities, deliverables, and budgets, and a comparison of actual performance to the annual targets the grantee established in its application for each performance measure. As the lead, the PSED will be responsible for meeting this requirement.

**Q26.What is FFATA reporting? Are districts required to report?** FFATA reporting is the Federal Funding Accountability and Transparency Act which is designed to increase transparency and improve the public’s access to the federal government. Unlike Phase 1 and Phase 2 grantees under the Race to the Top State competition, Race to the Top – District grantees do not need to meet the reporting requirements that apply to ARRA-funded programs, such as quarterly reports under section 1512(c) of the ARRA (ARRA Division A, Section 1512(c)). **Districts are not required to report, but note that PSED** will file reports for direct contracts for \$25,000 or more on the FFATA reporting website ([www.fsrs.gov](http://www.fsrs.gov)) on a monthly basis.

#### PUBLICATIONS QUESTIONS

**Q27.Are we required to add an attribution statement for publications that contain project materials?**

Per EDGAR 75.620, publications require an attribution statement. The grantee shall ensure that any publication that contains project materials also contains the following statements: ***The contents of this (insert type of publication e.g., 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***



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#### RESOURCES QUESTIONS

##### Q28. Are there other resources for fiscal oversight of the Federal Grants?

- The award letter & Attachment T of the Grant Conditions
- The DOE approved application, scope of work, and Budget
- Road Map Race to the Top website <http://roadmapracetothetop.org/doing-business/>
- RTT-D Dept. of Ed website <http://www2.ed.gov/programs/racetothetop-district/index.html>
- Education Department General Administrative Regulations  
<http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>
- Office of Management and Budget Circulars:  
<http://www.whitehouse.gov/omb/circulars/default>
- Grants Management Training and Resources: <http://e-grants.ed.gov/training/index.htm>
- Ed Memos: <http://www2.ed.gov/policy/fund/guid/gposbul/gposbul.html>

#### PSESD RESOURCES QUESTIONS

##### Q29. Who should we contact at PSESD with Fiscal Questions?

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Jessica de Barros, RTT Project Director [jdebarros@psdesd.org](mailto:jdebarros@psdesd.org)

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