



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

BUREAU OF
JUL 09 2018
SPECIAL EDUCATION

Honorable Pedro Rivera
Secretary of Education
Pennsylvania Department of Education
333 Market Street, 10th Floor
Harrisburg, Pennsylvania 17126

JUL - 1 2018

Dear Secretary Rivera:

We have approved Pennsylvania's application for Federal Fiscal Year (FFY) 2018 funds under Part B of the Individuals with Disabilities Education Act (IDEA Part B). Our approval is based on our review of the IDEA Part B application submitted by the Pennsylvania Department of Education to the U.S. Department of Education (Department), Office of Special Education Programs (OSEP), on May 16, 2018, including the assurances provided in Section II and incorporated by reference to this letter as noted in Enclosure A.

Please note that as part of your application for FFY 2018, your State has provided a certification, pursuant to 34 CFR §76.104, that its application meets the requirements of IDEA Part B and that the State will operate its Part B program in accordance with all of the required assurances and certifications. Any changes made by the State, after OSEP approval, to information that is a part of a State's application, must meet the public participation requirements in 34 CFR §300.165.

Enclosed are the State's FFY 2018 grant awards for funds currently available under the Department of Education Appropriations Act, 2018, Title III of Division H, P.L. 115-141, for the IDEA Part B Section 611 (Grants to States) and Section 619 (Preschool Grants) programs. These funds are available for obligation by States from July 1, 2018, through September 30, 2020, in accordance with 34 CFR §76.709.

The amount in your award for Section 619 represents the full amount of funds to which you are entitled. However, the amount shown in your award for the Section 611 program is only part of the total funds that will be awarded to you for FFY 2018. Of the \$12,277,848,000 appropriated for Section 611 in FFY 2018, \$2,994,465,000 is available for awards on July 1, 2018, and \$9,283,383,000 will be available for awards on October 1, 2018. Under the Section 611 formula, in a year in which the amount available for allocations to States increases from the prior year, subject to certain maximum and minimum funding requirements, State allocations are based on the amount that each State received under Section 611 for FFY 1999, the relative population of children in the age range for which each State ensures the availability of a free appropriate public education (FAPE) to children with disabilities, and the relative population of children living in poverty in the age range for which each State ensures the availability of FAPE to children with disabilities.¹

¹ The amount that a State's allocation may increase from one year to the next is capped at the amount the State received in the prior year multiplied by the sum of 1.5 percent and the percentage increase in the total amount appropriated for Part B of IDEA from the prior year. Additionally, the maximum amount that a State may receive in any fiscal year is calculated by multiplying the number of children with disabilities ages 3 through 21 served during the 2004-2005 academic year in that State by 40 percent of the annual per pupil expenditure (APPE), adjusted by the

For FFY 2018, the appropriation for the Preschool Grants program is \$381,120,000. Under the Section 619 formula in a year in which the amount available for allocations to States remains the same or increases from the prior year, State allocations, subject to certain maximum and minimum funding requirements, are based on the amount that each State received under Section 619 for FFY 1997, the relative population of children aged three through five, and the relative population of all children aged three through five living in poverty.

Enclosure B provides a short description of how Section 611 funds were allocated and how those funds can be used. In addition, Table I in Enclosure B shows funding levels for distribution of Section 611 funds and the parameters for within-State allocations.

Enclosure C provides a short description of how Section 619 funds were allocated and how those funds can be used. In addition, Table II in Enclosure C shows State-by-State funding levels for distribution of Section 619 funds.

Section 611(e)(1)(C) of the IDEA provides that “[p]rior to expenditure of funds under this paragraph [Section 611(e)(1) concerning funds for State administration], the State shall certify to the Secretary that the arrangements to establish responsibility for services pursuant to Section 612(a)(12)(A) are current.” We read this provision to mean that if a State does not have interagency agreements or other arrangements in place to establish responsibility for the provision of services, the State may not expend funds available to the State under Section 611(e)(1) [State administration funds] until the State has these agreements or arrangements in place.

Under Section 608(a)(2) of the IDEA, each State that receives funds under IDEA Part B is required to inform in writing local educational agencies located in the State of any State-imposed rule, regulation, or policy that is not required by IDEA or Federal regulations. A State may use the same list of State-imposed rules, regulations, and policies that it was required to submit to the Department in Section IV of its IDEA Part B application for this purpose.

In Section V of its IDEA Part B application, pursuant to the authority in IDEA Section 618(a)(3), the State was required to submit data on the total amount of State financial support made available for special education and related services for children with disabilities in State fiscal year (SFY) 2016 and SFY 2017. If OSEP receives information through audits, fiscal monitoring or other means that raises questions about the data your State has provided in Section V, OSEP will follow-up with your State.

Section 604 of the IDEA provides that “[a] State shall not be immune under the 11th amendment to the Constitution of the United States from suit in Federal court for a violation of this [Act].” Section 606 provides that each recipient of assistance under the IDEA make positive efforts to employ and advance in employment qualified individuals with disabilities in programs assisted under the IDEA. Therefore, by accepting this grant, your State is expressly agreeing as a condition of IDEA funding to a waiver of Eleventh Amendment immunity and to ensuring that

rate of annual change in the sum of 85 percent of the children aged 3 through 21 for whom that State ensures the availability of FAPE and 15 percent of the children living in poverty. Because there are multiple caps, in any year the “effective cap” on a State’s allocation is the lowest cap for that State.

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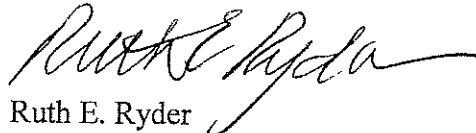
positive efforts are made to employ and advance employment of qualified individuals with disabilities in programs assisted under the IDEA.

The enclosed grant awards of FFY 2018 funds are made with the continued understanding that this Office may, from time to time, require clarification of information within your application, if necessary. These inquiries may be necessary to allow us to appropriately carry out our administrative responsibilities related to IDEA Part B.

As a reminder, all prime recipients of IDEA Part B funds must report subaward information as required by the Federal Funding Accountability and Transparency Act of 2006 (FFATA), as amended in 2008. First-tier subaward information must be reported by the end of the following month from when the award was made or obligated. FFATA guidance is found at <http://www2.ed.gov/policy/gen/leg/recovery/rms-web-conferences.html>. Please contact your State's Fiscal Accountability Facilitator if you have further questions.

We appreciate your ongoing commitment to the provision of quality educational services to children with disabilities.

Sincerely,



Ruth E. Ryder
Acting Director
Office of Special Education Programs

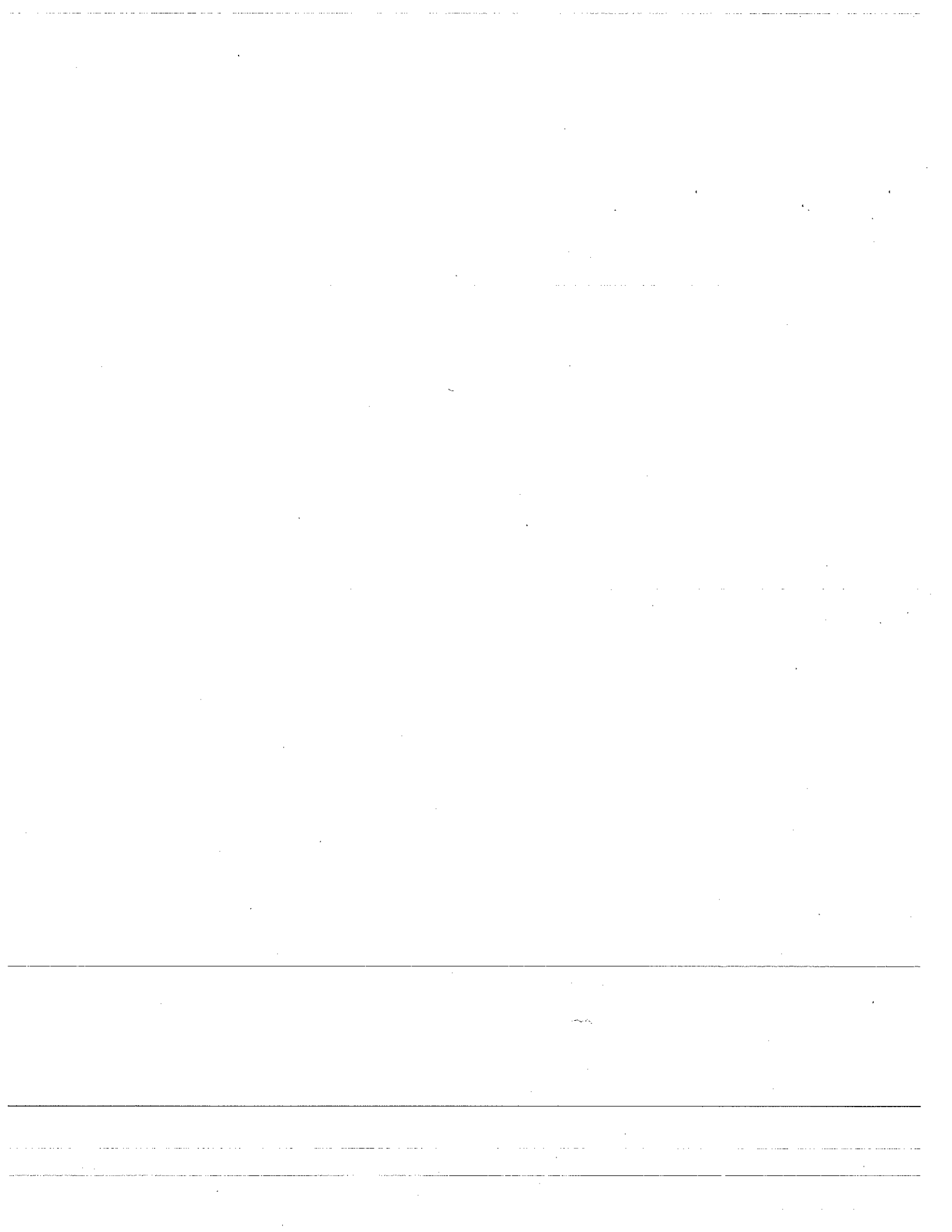
Enclosures

Enclosure A

Enclosure B

Enclosure C

cc: State Director of Special Education



State Name: Pennsylvania

Enclosure A

Section II

A. Assurances Related to Policies and Procedures

The State makes the following assurances that it has policies and procedures in place as required by Part B of the Individuals with Disabilities Education Act. (20 U.S.C. 1411-1419; 34 CFR §§300.100-300.174)

Yes (Assurance is given.)	No (Assurance cannot be given. Provide date on which State will complete changes in order to provide assurance.) Check and enter date(s) as applicable	Assurances Related to Policies and Procedures
X		1. A free appropriate public education is available to all children with disabilities residing in the State between the ages of 3 and 21, inclusive, including children with disabilities who have been suspended or expelled, in accordance with 20 U.S.C. 1412(a)(1); 34 CFR §§300.101-300.108.
X		2. The State has established a goal of providing a full educational opportunity to all children with disabilities and a detailed timetable for accomplishing that goal. (20 U.S.C. 1412(a)(2); 34 CFR §§300.109-300.110)
X		3. All children with disabilities residing in the State, including children with disabilities who are homeless or are wards of the State and children with disabilities attending private schools, regardless of the severity of their disabilities, and who are in need of special education and related services, are identified, located, and evaluated and a practical method is developed and implemented to determine which children with disabilities are currently receiving needed special education and related services in accordance with 20 U.S.C. 1412(a)(3); 34 CFR §300.111.
X		4. An individualized education program, or an individualized family service plan that meets the requirements of section 636(d), is developed, reviewed, and revised for each child with a disability in accordance with 34 CFR §§300.320 through 300.324, except as provided in §§300.300(b)(3) and 300.300(b)(4). (20 U.S.C. 1412(a)(4); 34 CFR §300.112)
X		5. To the maximum extent appropriate, children with disabilities, including children in public or private institutions or other care facilities, are educated with children who are not disabled, and special classes,

Yes (Assurance is given.)	No (Assurance cannot be given. Provide date on which State will complete changes in order to provide assurance.) Check and enter date(s) as applicable	Assurances Related to Policies and Procedures
		separate schooling, or other removal of children with disabilities from the regular educational environment occurs only when the nature or severity of the disability of a child is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily in accordance with 20 U.S.C. 1412(a)(5)(A)-(B); 34 CFR §§300.114-300.120.
X		6. Children with disabilities and their parents are afforded the procedural safeguards required by 34 CFR §§300.500 through 300.536 and in accordance with 20 U.S.C. 1412(a)(6); 34 CFR §300.121.
X		7. Children with disabilities are evaluated in accordance with 34 CFR §§300.300 through 300.311. (20 U.S.C. 1412(a)(7); 34 CFR §300.122)
X		8. Agencies in the State comply with 34 CFR §§300.610 through 300.626 (relating to the confidentiality of records and information). (20 U.S.C. 1412(a)(8); 34 CFR §300.123)
X		9. Children participating in early intervention programs assisted under Part C, and who will participate in preschool programs assisted under this part, experience a smooth and effective transition to those preschool programs in a manner consistent with section 637(a)(9). By the third birthday of such a child, an individualized education program or, if consistent with 34 CFR §300.323(b) and section 636(d), an individualized family service plan, has been developed and is being implemented for the child. The local educational agency will participate in transition planning conferences arranged by the designated lead agency under section 635(a)(10). (20 U.S.C. 1412(a)(9); 34 CFR §300.124)
X		10. Agencies in the State, and the SEA if applicable, comply with the requirements of 34 CFR §§300.130 through 300.148 (relating to responsibilities for children in private schools), including that to the extent consistent with the number and location of children with disabilities in the State who are enrolled by their parents in private elementary schools and secondary schools in the school district served by a local educational agency, provision is made for the participation of those children in the program assisted or carried out under this part by providing for such children special education and related services in accordance with the requirements found in 34 CFR §§300.130 through 300.148 unless the Secretary has arranged for services to those

Yes (Assurance is given.)	No (Assurance cannot be given. Provide date on which State will complete changes in order to provide assurance.) Check and enter date(s) as applicable	Assurances Related to Policies and Procedures
		children under subsection (f) [By pass]. (20 U.S.C. 1412(a)(10); 34 CFR §§300.129-300.148)
X		11. The State educational agency is responsible for ensuring that the requirements of Part B are met including the requirements of 34 CFR §§300.113, 300.149, 300.150 through 300.153, and 300.175 and 300.176 and that the State monitors and enforces the requirements of Part B in accordance with 34 CFR §§300.600-300.602 and 300.606-300.608. (20 U.S.C. 1412(a)(11); 34 CFR §300.149)
X		12. The Chief Executive Officer of a State or designee of the officer shall ensure that an interagency agreement or other mechanism for interagency coordination is in effect between each public agency described in subparagraph (b) of 34 CFR §300.154 and the State educational agency, in order to ensure that all services described in paragraph (b)(1)(i) that are needed to ensure a free appropriate public education are provided, including the provision of such services during the pendency of any dispute under §300.154(a)(3). Such agreement or mechanism shall meet the requirements found in 20 U.S.C. 1412(a)(12)(A)-(C); 34 CFR §300.154.
X		13. The State educational agency will not make a final determination that a local educational agency is not eligible for assistance under this part without first affording that agency reasonable notice and an opportunity for a hearing. (20 U.S.C. 1412(a)(13); 34 CFR §300.155)
X		14. The State educational agency has established and maintains qualifications to ensure that personnel necessary to carry out this part are appropriately and adequately prepared and trained, including that those personnel have the content knowledge and skills to serve children with disabilities as noted in 20 U.S.C. 1412(a)(14)(A)-(E); 34 CFR §300.156.
X		15. The State has established goals for the performance of children with disabilities in the State that meet the requirements found in 20 U.S.C. 1412(a)(15)(A)-(C); 34 CFR §300.157.
X		16. All children with disabilities are included in all general State and districtwide assessment programs, including assessments described under section 1111 of the Elementary and Secondary Education Act of 1965, with appropriate accommodations and alternate assessments where necessary and as indicated in their respective individualized

<p>Yes (Assurance is given.)</p>	<p>No (Assurance cannot be given. Provide date on which State will complete changes in order to provide assurance.) Check and enter date(s) as applicable</p>	<p>Assurances Related to Policies and Procedures</p>
		<p>education programs as noted in 20 U.S.C. 1412(a)(16)(A)-(E); 34 CFR §300.160.</p>
<p>X</p>		<p>17. Funds paid to a State under this part will be expended in accordance with all the provisions of Part B including 20 U.S.C. 1412(a)(17)(A)-(C); 34 CFR §300.162.</p>
<p>X</p>		<p>18. The State will not reduce the amount of State financial support for special education and related services for children with disabilities, or otherwise made available because of the excess costs of educating those children, below the amount of that support for the preceding fiscal year, unless a waiver is granted, in accordance with 20 U.S.C. 1412(a)(18)(A)-(D); 34 CFR §§300.163 through 300.164.</p>
<p>X</p>		<p>19. Prior to the adoption of any policies and procedures needed to comply with this section (including any amendments to such policies and procedures), the State ensures that there are public hearings, adequate notice of the hearings, and an opportunity for comment available to the general public, including individuals with disabilities and parents of children with disabilities. (20 U.S.C. 1412(a)(19); 34 CFR §300.165)</p>
<p>X</p>		<p>20. In complying with 34 CFR §§300.162 and 300.163, a State may not use funds paid to it under this part to satisfy State-law mandated funding obligations to local educational agencies, including funding based on student attendance or enrollment, or inflation. (20 U.S.C. 1412(a)(20); 34 CFR §300.166)</p>
<p>X</p>		<p>21. The State has established and maintains an advisory panel for the purpose of providing policy guidance with respect to special education and related services for children with disabilities in the State as found in 20 U.S.C. 1412(a)(21)(A)-(D); 34 CFR §§300.167-300.169.</p>
<p>X</p>		<p>22. The State educational agency examines data, including data disaggregated by race and ethnicity, to determine if significant discrepancies are occurring in the rate of long-term suspensions and expulsions of children with disabilities in accordance with 20 U.S.C. 1412(a)(22)(A)-(B); 34 CFR §300.170.</p>
<p>X</p>		<p>23a. The State adopts the National Instructional Materials Accessibility Standard for the purposes of providing instructional materials to blind persons or other persons with print disabilities, in a timely manner after the publication of the National Instructional Materials Accessibility</p>

Yes <i>(Assurance is given.)</i>	No <i>(Assurance cannot be given. Provide date on which State will complete changes in order to provide assurance.)</i> <i>Check and enter date(s) as applicable</i>	Assurances Related to Policies and Procedures
		Standard in the Federal Register in accordance with 20 U.S.C. 1412(a)(23)(A) and (D); 34 CFR §300.172.
		23b. <i>(Note: Check either "23b.1" or "23b.2" whichever applies.</i>
X		23b.1 The State educational agency coordinates with the National Instructional Materials Access Center and not later than 12/03/06 the SEA as part of any print instructional materials adoption process, procurement contract, or other practice or instrument used for purchase of print instructional materials enters into a written contract with the publisher of the print instructional materials to: <ul style="list-style-type: none"> • require the publisher to prepare and, on or before delivery of the print instructional materials, provide to the National Instructional Materials Access Center, electronic files containing the contents of the print instructional materials using the National Instructional Materials Accessibility Standard; or • purchase instructional materials from the publisher that are produced in, or may be rendered in, specialized formats. (20 U.S.C. 1412(a)(23)(C); 34 CFR §300.172)
N/A		23b.2 The State educational agency has chosen not to coordinate with the National Instructional Materials Access Center but assures that it will provide instructional materials to blind persons or other persons with print disabilities in a timely manner. (20 U.S.C. 1412(a)(23)(B); 34 CFR §300.172)
X		24. The State has in effect, consistent with the purposes of the IDEA and with section 618(d) of the Act, policies and procedures designed to prevent the inappropriate overidentification or disproportionate representation by race and ethnicity of children as children with disabilities, including children with disabilities with a particular impairment described in 34 CFR §300.8. (20 U.S.C 1412(a)(24); 34 CFR §300.173)
X		25. The State educational agency shall prohibit State and local educational agency personnel from requiring a child to obtain a prescription for a substance covered by the Controlled Substances Act (21 U.S.C. 812(c)) as a condition of attending school, receiving an evaluation under 34 CFR §§300.300 through 300.311, or receiving services under the IDEA as described in 20 U.S.C. 1412(a)(25)(A)-(B); 34 CFR §300.174.

B. Other Assurances

The State also makes the following assurances:

Yes	Other Assurances
X	1. The State shall distribute any funds the State does not reserve under 20 U.S.C. 1411(e) to local educational agencies (including public charter schools that operate as local educational agencies) in the State that have established their eligibility under section 613 for use in accordance with this part as provided for in 20 U.S.C. 1411(f)(1)-(3); 34 CFR §300.705.
X	2. The State shall provide data to the Secretary on any information that may be required by the Secretary. (20 U.S.C. 1418(a)(3); 34 CFR §§300.640-300.645.)
X	3. The State, local educational agencies, and educational service agencies shall use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds. (34 CFR §76.702)
X	4. As applicable, the assurance in OMB Standard Form 424B (Assurances for Non-Construction Programs), relating to legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood insurance; environmental standards; wild and scenic river systems; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and general agreement to comply with all Federal laws, executive orders and regulations.

C. Certifications

The State is providing the following certifications:

Yes	
X	<p>1. The State certifies that ED Form 80-0013, <i>Certification Regarding Lobbying</i>, is on file with the Secretary of Education.</p> <p>With respect to the <i>Certification Regarding Lobbying</i>, the State recertifies that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; that the State shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 CFR Part 82, Appendix B); and that the State Agency shall require the full certification, as set forth in 34 CFR Part 82, Appendix A, in the award documents for all sub awards at all tiers.</p>
X	2. The State certifies that certification in the Education Department General Administrative Regulations (EDGAR) at 34 CFR §76.104 relating to State eligibility, authority and approval to submit and carry out the provisions of its State application, and consistency of that application with State law are in place within the State.
X	3. The State certifies that the arrangements to establish responsibility for services pursuant to 20 U.S.C. 1412(a)(12)(A)-(C); 34 CFR §300.154 (or 20 U.S.C. 1412(a)(12)(A); 34 CFR §300.154(a) are current. This certification must be received prior to the expenditure of any funds reserved by the State under 20 U.S.C. 1411(e)(1); 34 CFR §300.171.

Enclosure B
IDEA Grants to States Program
(Part B, Section 611)

Explanation of the Federal Fiscal Year (FFY) 2018 Allocation Table

Total Grant Award (Column B)

Column B shows your total grant award for the Grants to States program for FFY 2018 under the Department of Education Appropriations Act, 2018, Title III of Division H, P.L. 115-141.

State total grants are calculated in accordance with several factors. First, each State is allocated an amount equal to the amount that it received for fiscal year 1999. If the total program appropriation increases over the prior year, 85 percent of the remaining funds are allocated based on the relative population of children aged 3 through 21 who are in the age range for which the State ensures the availability of a free appropriate public education (FAPE) to children with disabilities. Fifteen percent of the remaining funds are allocated based on the relative population of children aged 3 through 21 living in poverty who are in the age range for which the State ensures the availability of FAPE to children with disabilities. The statute also includes several maximum and minimum allocation requirements when the amount available for distribution to States increases.

If the amount available for allocation to States remains the same from one year to the next, States receive the same level of funding as in the prior year. If the amount available for allocation to States decreases from the prior year, any amount available for allocation to States above the fiscal year 1999 level is allocated based on the relative increases in funding that the States received between fiscal year 1999 and the prior year. If there is a decrease below the amount allocated for 1999, each State's allocation is ratably reduced from the fiscal year 1999 level.

Section 611 Base Allocation to LEAs (Column C)

Column C is the portion of the local educational agency (LEA) flow-through amount that must be distributed to LEAs based on the amounts that the LEAs would have received from FFY 1999 funds had the State educational agency (SEA) flowed through 75 percent of the State award to LEAs. Note that this amount is less than the minimum amount that States were required to provide to LEAs from FFY 1999 funds. The Part B regulations at 34 CFR §300.705(b)(2) clarify how adjustments to the base payment amounts for LEAs are made.

Maximum Set-Aside for Administration (Column D)

Column D includes the maximum State set-aside amount for administration. A State may reserve for State administration up to the greater of the maximum amount the State could reserve for State administration from fiscal year 2004 funds, or \$800,000, increased by inflation as reflected by the Consumer Price Index for All Urban Consumers (CPIU). The maximum State set-aside amount available for administration for FFY 2018 is a 2.0 percent increase over the maximum amount that was available for FFY 2017. Each outlying area may reserve for each fiscal year not more than 5 percent of the amount the outlying area receives under this program or \$35,000, whichever is greater.

Maximum Set-Aside Available for Other State-Level Activities (Columns E - H)

The maximum level of funding that may be set aside from a State's total allocation for State-level activities, other than administration, is contingent upon the amount that the State actually sets aside for administration and whether the State opts to establish a LEA high-risk pool under IDEA, section 611(e)(3). For FFY 2018:

- (1) If the actual amount a State will set aside for State administration is over \$850,000 and the State will use funds from its award to support a high-risk pool, the maximum amount the State may set aside of its total award for State-level activities (other than administration) is 10.0 percent of its FFY 2006 award as adjusted for inflation based on the CPIU.
- (2) If the actual amount a State will set aside for State administration is over \$850,000 and the State will not use funds from its award to support a high-risk pool, the maximum amount the State may set aside of its total award for State-level activities (other than administration) is 9.0 percent of its FFY 2006 award as adjusted for inflation based on the CPIU.
- (3) If the actual amount a State will set aside for State administration is \$850,000 or less and the State will use funds from its award to support a high-risk pool, the maximum amount the State may set aside of its total award for State-level activities (other than administration) is 10.5 percent of its FFY 2006 award as adjusted for inflation based on the CPIU.
- (4) If the actual amount a State will set aside for State administration is \$850,000 or less and the State will not use funds from its award to support a high-risk pool, the maximum amount the State may set aside of its total award for State-level activities (other than administration) is 9.5 percent of its FFY 2006 award as adjusted for inflation based on the CPIU.

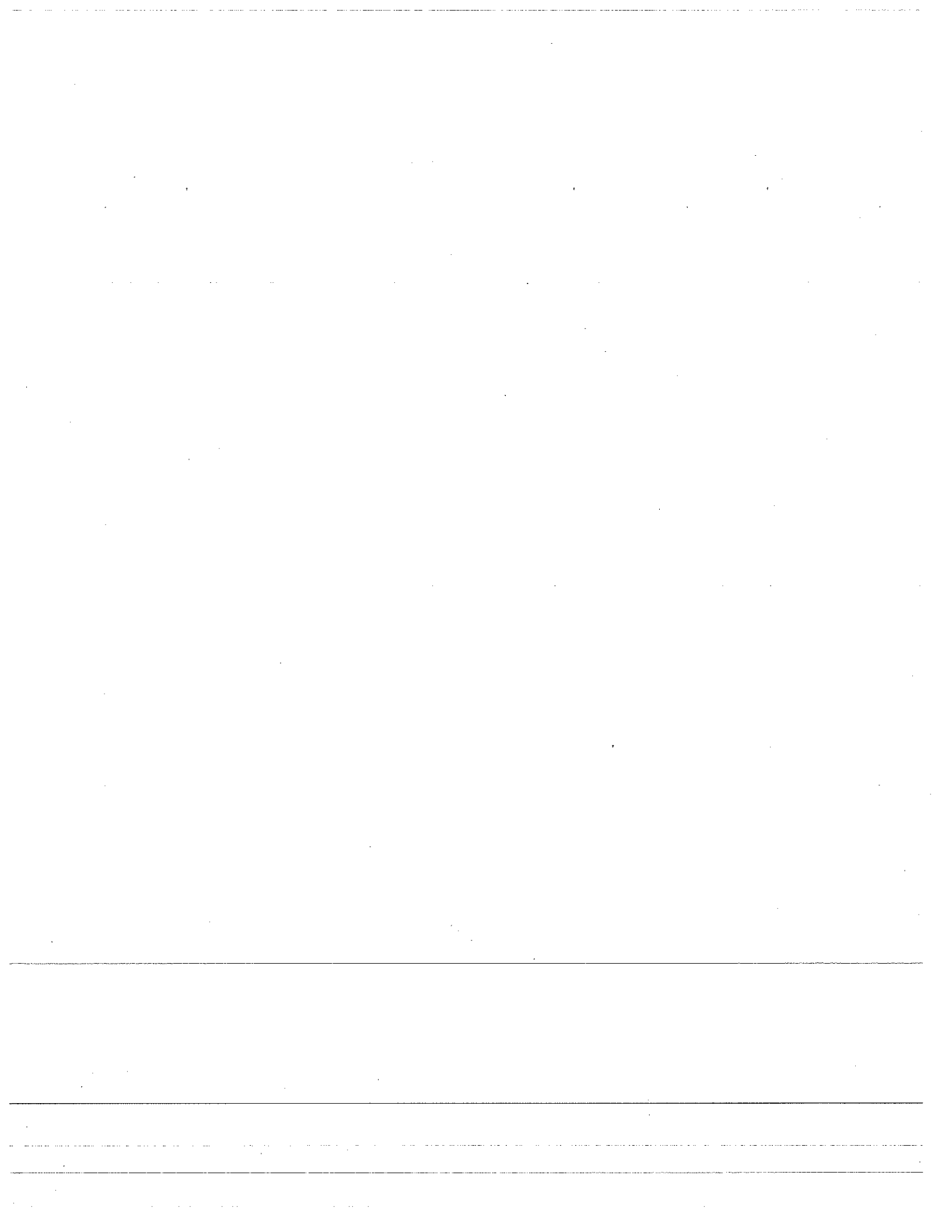
SEAs are required to use some portion of these State set-aside funds on monitoring, enforcement, and complaint investigation and to establish and implement the mediation process required by section 615(e), including providing for the costs of mediators and support personnel. In addition, States setting aside funds for a high-risk pool, as provided for under section 611(e)(3), must reserve at least 10 percent of the amount the State reserved for State-level activities for the high-risk pool.

SEAs also may use State set-aside funds: (1) for support and direct services, including technical assistance, personnel preparation, and professional development and training; (2) to support paperwork reduction activities, including expanding the use of technology in the individualized education program process; (3) to assist LEAs in providing positive behavioral interventions and supports and mental health services to children with disabilities; (4) to improve the use of technology in the classroom by children with disabilities to enhance learning; (5) to support the use of technology, including technology with universal design principles and assistive technology devices, to maximize accessibility to the general education curriculum for children with disabilities; (6) for development and implementation of transition programs, including coordination of services with agencies involved in supporting the transition of students with disabilities to postsecondary activities; (7) to assist LEAs in meeting personnel shortages; (8) to support capacity building activities and improve the delivery of services by LEAs to improve results for children with disabilities; (9) for alternative programming for children with disabilities who have been expelled from school, and services for children with disabilities in correctional facilities, children enrolled in State-operated or State-supported schools, and children with

disabilities in charter schools; (10) to support the development and provision of appropriate accommodations for children with disabilities, or the development and provision of alternate assessments that are valid and reliable for assessing the performance of children with disabilities, in accordance with sections 1111(b) and 1201 of the Elementary and Secondary Education Act of 1965 (ESEA); and (11) to provide technical assistance to schools and LEAs, and direct services, including direct student services described in section 1003A(c)(3) of the ESEA to children with disabilities, in schools or LEAs implementing comprehensive support and improvement activities or targeted support and improvement activities under section 1111(d) of the ESEA on the basis of consistent underperformance of the disaggregated subgroup of children with disabilities, including providing professional development to special and regular education teachers, who teach children with disabilities, based on scientifically based research to improve educational instruction, in order to improve academic achievement based on the challenging academic standards described in section 1111(b)(1) of the ESEA.

Section 611 Population/Poverty

The minimum amount that a State must flow through to LEAs based on population/poverty equals the total award (Column B) minus the LEA base allocation (Column C), the maximum amount available for administration (Column D), and the maximum amount available for other State-level activities (Column E, F, G, or H). Of this amount, 85 percent must be distributed on a pro-rata basis to LEAs according to public and private elementary and secondary school enrollment, and 15 percent on a pro-rata basis to LEAs according to the number of children in LEAs living in poverty, as determined by the State.



Enclosure C
IDEA Preschool Grants Program
(Part B, Section 619)

Explanation of the Federal Fiscal Year (FFY) 2018 Allocation Table

Total Grant Award (Column B)

Column B shows your total grant award for the Preschool Grants program for FFY 2018 under the Department of Education Appropriations Act, 2018, Title III of Division H, P.L. 115-141.

State total grants are calculated in accordance with several factors. First, each State is allocated an amount equal to its fiscal year 1997 allocation. For any year in which the appropriation is greater than the prior year level, 85 percent of the funds above the fiscal year 1997 level are distributed based on each State's relative population of children aged 3 through 5. The other 15 percent is distributed based on each State's relative population of children aged 3 through 5 who are living in poverty. The formula provides several minimums and maximums regarding the amount a State can receive in any year.

If the amount available for allocation to States remains the same from one year to the next, States receive the same level of funding as in the prior year. If the amount available for allocation to States decreases from the prior year, any amount available for allocation to States above the fiscal year 1997 level is allocated based on the relative increases in funding that the States received between fiscal year 1997 and the prior year. If there is a decrease below the amount allocated for fiscal year 1997, each State's allocation is ratably reduced from the fiscal year 1997 level.

Maximum State Set-Aside (Column C)

States may reserve funds for State-level activities up to an amount equal to 25 percent of the amount they received for fiscal year 1997 under the Preschool Grants program, adjusted upward each year by the lesser of either the rate of increase in the State's allocation or the rate of inflation as reflected by the Consumer Price Index for All Urban Consumers (CPIU). If a State chooses to set-aside the maximum amount of FFY 2018 section 619 funds for State-level activities, the amount available for making local educational agency (LEA) base payments in Column E may be below 75 percent of the State's FFY 1997 section 619 grant.

State educational agencies (SEAs) may use State set-aside funds: (1) for administration (limited to no more than 20 percent of the maximum State set-aside – Column C); (2) for support services (including establishing and implementing the mediation process required under section 615(e) of the IDEA and 34 CFR §300.506), which may benefit children with disabilities younger than 3 or older than 5, as long as those services also benefit children with disabilities aged 3 through 5; (3) for direct services for children with disabilities who are eligible for services under section 619; (4) for activities at the State and local levels to meet the performance goals established by the State under section 612(a)(15) of the IDEA; (5) to supplement other funds used to develop and implement a statewide coordinated services system designed to improve results for children and families, including children with disabilities and their families (but not more than up to 1 percent of the amount received under this program); (6) to provide early intervention services (which shall include an educational component that promotes school readiness and incorporates preliteracy, language, and numeracy skills) in accordance with Part C to children with disabilities

who are eligible for services under section 619 and who previously received services under Part C until such children enter, or are eligible under State law to enter, kindergarten; or (7) at the State's discretion, to continue service coordination or case management for families who receive services under Part C, consistent with number 6.

Maximum Set-Aside Available for Administration (Column D)

Column D indicates the maximum portion of the total State set-aside amount (Column C) that may be used to administer this program. The amount that may be used for administration is limited to 20 percent of the maximum amount available to a State for State-level activities. These funds may also be used, at the State's discretion, for the administration of the Grants for Infants and Families program (Part C).

Section 619 Base Payment for LEAs (Column E)

Column E is the portion of the LEA flow-through amount that must be distributed to LEAs based on the amounts that the LEAs would have received from the FFY 1997 funds had the SEA flowed through 75 percent of the State award to LEAs. Note that this amount is less than the minimum amount that States were required to provide LEAs from the FFY 1997 funds. The Part B regulations at 34 CFR §300.816(b) clarify how adjustments to the base payment amounts for LEAs are made. If after the State set-aside is subtracted from the total award, the State determines that the amount available for base payments is less than 75 percent of the State's FFY 1997 section 619 grant, the State must ratably reduce each LEA's base payment by the percentage of the reduction in the total amount actually available for making base payments in FFY 2017. For example, if the total amount in the "Base Payment for LEAs" column is \$100 and the total amount available for making base payments in FFY 2018 is \$90, the reduction in the total base payment amount is 10 percent, and each LEA's base payment for FFY 2018 must be reduced by 10 percent. The State, if necessary, must make base payment adjustments in accordance with 34 CFR §300.816(b) based on the ratably reduced base payments.

Section 619 Population/Poverty Factors (Column F)

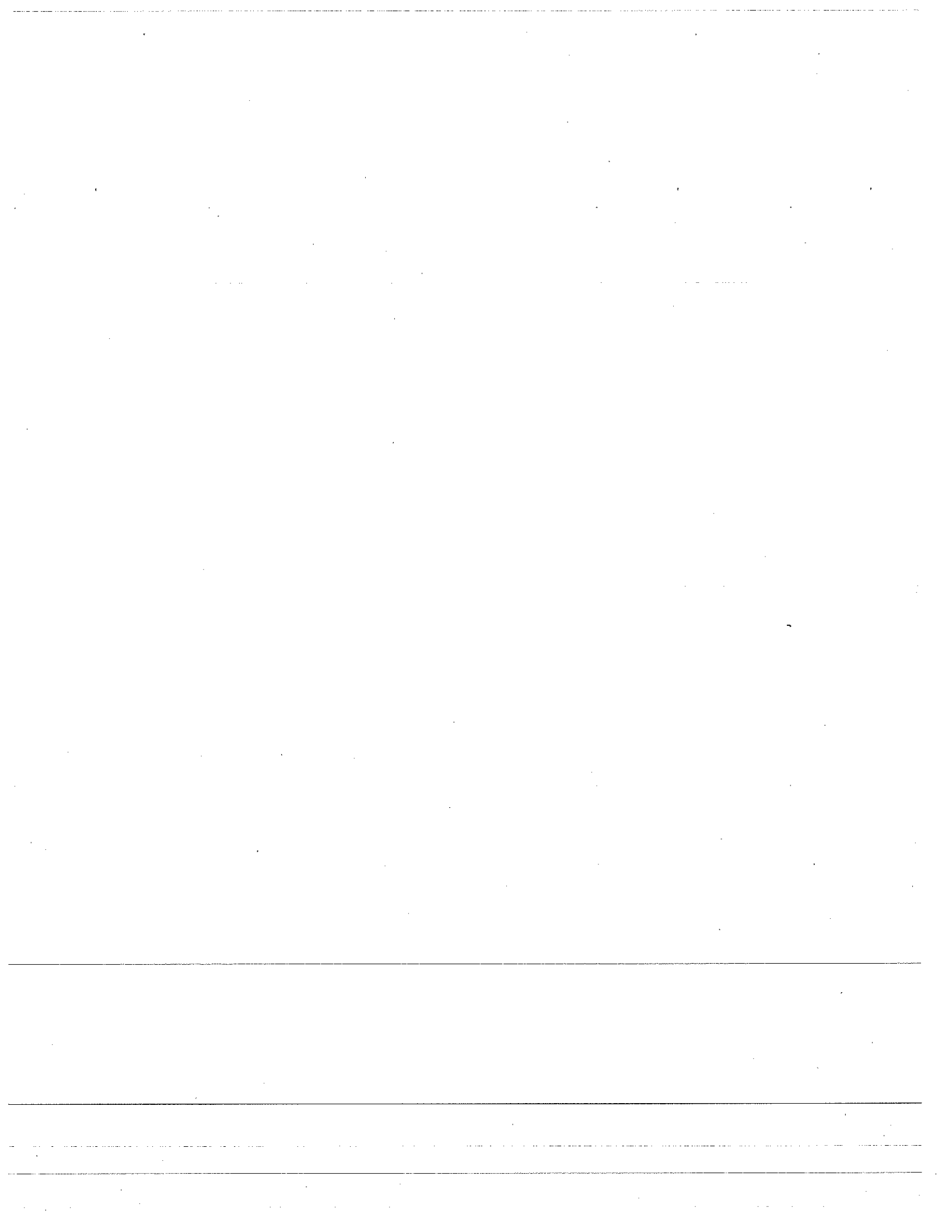
Column F shows the minimum amount a State must allocate to LEAs based on population and poverty factors if a State chooses to set aside the maximum amount of FFY 2018 section 619 funds for State-level activities. As noted above, if a State chooses to set aside the maximum amount of FFY 2018 section 619 funds for State-level activities, the amount available for LEA subgrants could be below the base payment amount in Column E, and the State will not have any remaining section 619 funds available after making base payments. Therefore, the State would be unable to make a population or poverty payment. If States with no funds in Column F reserve the maximum amount of FFY 2018 section 619 funds for State-level activities, they would be unable to make a population or poverty payment.

However, if a State does not set aside the maximum amount for State-level activities and additional funds are available after making base payments, 85 percent of the remaining amount must be distributed on a pro-rata basis to LEAs according to public and private elementary and secondary school enrollment, and 15 percent on a pro-rata basis to LEAs according to the number of children in LEAs living in poverty, as determined by the State.

Total State Minimum Flow-Through to LEAs (Column G)

The minimum flow-through to LEAs (Column G) is the difference between the Total Grant Award (Column B) and the Maximum State Set-Aside (Column C). If States do not choose to

retain the maximum amount available under the State set-aside (Column C), the remaining funds flow through to LEAs in addition to the funds in Column G.





**US Department of Education
Washington, D.C. 20202**

H027A180093

GRANT AWARD NOTIFICATION

<p>1 RECIPIENT NAME</p> <p>PA DEPARTMENT OF EDUCATION 333 MARKET STREET 10TH FLOOR HARRISBURG, PA 17126</p>	<p>2 AWARD INFORMATION</p> <p>PR/AWARD NUMBER H027A180093 ACTION NUMBER 1 ACTION TYPE New AWARD TYPE Formula</p>																				
<p>3 PROJECT STAFF</p> <p>RECIPIENT STATE DIRECTOR Ann Hinkson-Herrmann (717) 783-6134 ahinksonhe@pa.gov EDUCATION PROGRAM CONTACT Gregory Corr (202) 245-7309 gregg.corr@ed.gov EDUCATION PAYMENT HOTLINE G5 PAYEE HELPDESK 888-336-8930 edcaps.user@ed.gov</p>	<p>4 PROJECT DESCRIPTION</p> <p>84.027A STATE GRANT - B</p>																				
<p>5 KEY PERSONNEL</p> <p>N/A</p>																					
<p>6 AWARD PERIODS</p> <p>BUDGET PERIOD 07/01/2018 - 09/30/2019 FEDERAL FUNDING PERIOD 07/01/2018 - 09/30/2019</p> <p>FUTURE BUDGET PERIODS</p> <p>N/A</p>																					
<p>7 AUTHORIZED FUNDING</p> <p>CURRENT AWARD AMOUNT \$106,106,131.00 PREVIOUS CUMULATIVE AMOUNT \$0.00 CUMULATIVE AMOUNT \$106,106,131.00</p>																					
<p>8 ADMINISTRATIVE INFORMATION</p> <p>DUNS/SSN 007782381 REGULATIONS CFR PART 300 EDGAR AS APPLICABLE 2 CFR AS APPLICABLE ATTACHMENTS 1, 3, 8, 9, 10, 11, 12, 13, 14, E-3, E4, E5</p>																					
<p>9 LEGISLATIVE AND FISCAL DATA</p> <p>AUTHORITY: PL 108-446 PART - B INDIVIDUAL WITH DISABILITIES EDUCATION ACT PROGRAM TITLE: SPECIAL EDUCATION - GRANTS TO STATES CFDA/SUBPROGRAM NO: 84.027A</p> <table border="1"> <thead> <tr> <th>FUND CODE</th> <th>FUNDING YEAR</th> <th>AWARD YEAR</th> <th>ORG. CODE</th> <th>CATEGORY</th> <th>LIMITATION</th> <th>ACTIVITY</th> <th>CFDA</th> <th>OBJECT CLASS</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>0300M</td> <td>2018</td> <td>2018</td> <td>EH000000</td> <td>B</td> <td>K90</td> <td>000</td> <td>027</td> <td>4101A</td> <td>\$106,106,131.00</td> </tr> </tbody> </table>		FUND CODE	FUNDING YEAR	AWARD YEAR	ORG. CODE	CATEGORY	LIMITATION	ACTIVITY	CFDA	OBJECT CLASS	AMOUNT	0300M	2018	2018	EH000000	B	K90	000	027	4101A	\$106,106,131.00
FUND CODE	FUNDING YEAR	AWARD YEAR	ORG. CODE	CATEGORY	LIMITATION	ACTIVITY	CFDA	OBJECT CLASS	AMOUNT												
0300M	2018	2018	EH000000	B	K90	000	027	4101A	\$106,106,131.00												



US Department of Education
Washington, D.C. 20202

H027A180093

GRANT AWARD NOTIFICATION

10

PR/AWARD NUMBER: H027A180093
RECIPIENT NAME: PA DEPARTMENT OF EDUCATION

TERMS AND CONDITIONS

- (1) The Office of Management and Budget requires all Federal agencies to assign a Federal Award Identifying Number (FAIN) to each of their financial assistance awards. The PR/AWARD NUMBER identified in Block 2 is your FAIN.

If subawards are permitted under this grant, and you choose to make subawards, you must document the assigned PR/AWARD NUMBER (FAIN) identified in Block 2 of this Grant Award Notification on each subaward made under this grant. The term subaward means:

- 1. A legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
- 2. The term does not include your procurement of property and services needed to carry out the project or program (The payments received for goods or services provided as a contractor are not Federal awards, see 2 CFR 200.501(f) of the OMB Uniform Guidance: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards").
- 3. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
- (2) The negotiated indirect cost rate or the indirect cost allocation plan approved for the entity identified in Block 1 of this GAN applies to this grant award.
- (3) WHEN ISSUING STATEMENTS, PRESS RELEASES, REQUESTS FOR PROPOSALS, BID SOLICITATIONS, AND OTHER DOCUMENTS DESCRIBING THIS PROJECT OR PROGRAMS FUNDED IN WHOLE OR IN PART WITH FEDERAL MONEY, ALL GRANTEES RECEIVING FEDERAL FUNDS, INCLUDING BUT NOT LIMITED TO STATE AND LOCAL GOVERNMENTS, SHALL STATE CLEARLY:
 - 1) THE DOLLAR AMOUNT OF FEDERAL FUNDS FOR THE PROJECT,
 - 2) THE PERCENTAGE OF THE TOTAL COST OF THE PROJECT THAT WILL BE FINANCED WITH FEDERAL FUNDS, AND
 - 3) THE PERCENTAGE AND DOLLAR AMOUNT OF THE TOTAL COST OF THE PROJECT THAT WILL BE FINANCED BY NON-GOVERNMENTAL SOURCES.

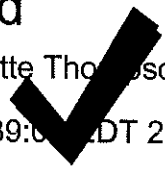
AS OF 07/01/97, FEDERAL FISCAL YEAR (FFY) WILL REFER TO THE YEAR THE FUNDS WERE APPROPRIATED.

- (4) UNDER THE "TYDINGS AMENDMENT," SECTION 421(b) OF THE GENERAL EDUCATION PROVISIONS ACT, 20 U.S.C. 1225(b), ANY FUNDS THAT ARE NOT OBLIGATED AT THE END OF THE FEDERAL FUNDING PERIOD SPECIFIED IN BLOCK 6 SHALL REMAIN AVAILABLE FOR OBLIGATION FOR AN ADDITIONAL PERIOD OF 12 MONTHS.

Signature valid

Digitally signed by Yvette Thompson

Date: Wed Jun 27 13:39:00 EDT 2018



AUTHORIZING OFFICIAL

DATE

EXPLANATION OF BLOCKS ON THE GRANT AWARD NOTIFICATION

For Discretionary, Formula and Block Grants (See Block 2 of the Notification)

- 1. RECIPIENT NAME** - The legal name of the recipient or name of the primary organizational unit that was identified in the application, state plan or other documents required to be submitted for funding by the grant program.
- 2. AWARD INFORMATION** - Unique items of information that identify this notification.
 - PR/AWARD NUMBER** - A unique, identifying number assigned by the Department to each application. On funded applications, this is commonly known as the "grant number" or "document number." The PR/Award Number is also known as the Federal Award Identifying Number, or FAIN.
 - ACTION NUMBER** - A numeral that represents the cumulative number of steps taken by the Department to date to establish or modify the award through fiscal or administrative means. Action number "01" will always be "NEW AWARD"
 - ACTION TYPE** - The nature of this notification (e.g., NEW AWARD, CONTINUATION, REVISION, ADMINISTRATIVE)
 - AWARD TYPE** - The particular assistance category in which funding for this award is provided, i.e., DISCRETIONARY, FORMULA, or BLOCK. If this award was made under a Research and Development grant program, the terms RESEARCH AND DEVELOPMENT will appear under DISCRETIONARY, FORMULA OR BLOCK.
- 3. PROJECT STAFF** - This block contains the names and telephone numbers of the U.S. Department of Education and recipient staff who are responsible for project direction and oversight.
 - *RECIPIENT PROJECT DIRECTOR** - The recipient staff person responsible for administering the project. This person represents the recipient to the U.S. Department of Education.
 - EDUCATION PROGRAM CONTACT** - The U.S. Department of Education staff person responsible for the programmatic, administrative and businessmanagement concerns of the Department.
 - EDUCATION PAYMENT CONTACT** - The U.S. Department of Education staff person responsible for payments or questions concerning electronic drawdown and financial expenditure reporting.
- 4. PROJECT TITLE AND CFDA NUMBER** - Identifies the Catalog of Federal Domestic Assistance (CFDA) subprogram title and the associated subprogram number.
- 5.* KEY PERSONNEL** - Name, title and percentage (%) of effort the key personnel identified devotes to the project.
- 6. AWARD PERIODS** - Project activities and funding are approved with respect to three different time periods, described below:
 - BUDGET PERIOD** - A specific interval of time for which Federal funds are being provided from a particular fiscal year to fund a recipient's approved activities and budget. The start and end dates of the budget period are shown.
 - PERFORMANCE PERIOD** - The complete length of time the recipient is proposed to be funded to complete approved activities. A performance period may contain one or more budget periods.
 - *FUTURE BUDGET PERIODS** - The estimated remaining budget periods for multi-year projects and estimated funds the Department proposes it will award the recipient provided substantial progress is made by the recipient in completing approved activities, the Department determines that continuing the project would be in the best interest of the Government, Congress appropriates sufficient funds under the program, and the recipient has submitted a performance report that provides the most current performance information and the status of budget expenditures.
- 7. AUTHORIZED FUNDING** - The dollar figures in this block refer to the Federal funds provided to a recipient during the award periods.
 - *THIS ACTION** - The amount of funds obligated (added) or de-obligated (subtracted) by this notification.
 - *BUDGET PERIOD** - The total amount of funds available for use by the grantee during the stated budget period to this date.
 - *PERFORMANCE PERIOD** - The amount of funds obligated from the start date of the first budget period to this date.
 - RECIPIENT COST SHARE** - The funds, expressed as a percentage, that the recipient is required to contribute to the project, as defined by the program legislation or regulations and/or terms and conditions of the award.
 - RECIPIENT NON-FEDERAL AMOUNT** - The amount of non-federal funds the recipient must contribute to the project as identified in the recipient's application. When non-federal funds are identified by the recipient where a cost share is not a legislation requirement, the recipient will be required to provide the non-federal funds.
- 8. ADMINISTRATIVE INFORMATION** - This information is provided to assist the recipient in completing the approved activities and managing the project in accordance with U.S. Department of Education procedures and regulations.

DUNS/SSN - A unique, identifying number assigned to each recipient for payment purposes. The number is based on either the recipient's assigned number from Dun and Bradstreet or the individual's social security number.

***REGULATIONS** - Title 2 of the Code of Federal Regulations(CFR), Part 200 as adopted at 2 CFR 3474; the applicable parts of the Education Department General Administrative Regulations (EDGAR), specific program regulations (if any), and other titles of the CFR that govern the award and administration of this grant.

***ATTACHMENTS** - Additional sections of the Grant Award Notification that discuss payment and reporting requirements, explain Department procedures, and add special terms and conditions in addition to those established, and shown as clauses, in Block 10 of the award. Any attachments provided with a notification continue in effect through the project period until modified or rescinded by the Authorizing Official.

9. LEGISLATIVE AND FISCAL DATA - The name of the authorizing legislation for this grant, the CFDA title of the program through which funding is provided, and U.S. Department of Education fiscal information.

FUND CODE, FUNDING YEAR, AWARD YEAR, ORG.CODE, PROJECT CODE, OBJECT CLASS -

The fiscal information recorded by the U.S. Department of Education's Grants Management System (G5) to track obligations by award.

AMOUNT - The amount of funds provided from a particular appropriation and project code. Some notifications authorize more than one amount from separate appropriations and/or project codes. The total of all amounts in this block equals the amount shown on the line, "THIS ACTION" (See "AUTHORIZED FUNDING" above (Block 7)).

10. TERMS AND CONDITIONS - Requirements of the award that are binding on the recipient.

***PARTICIPANT NUMBER** - The number of eligible participants the grantee is required to serve during the budget year.

***GRANTEE NAME** - The entity name and address registered in the System for Award Management (SAM). This name and address is tied to the DUNS number registered in SAM under the name and address appearing in this field. This name, address and the associated DUNS is what is displayed in the SAM Public Search.

***PROGRAM INDIRECT COST TYPE** - The type of indirect cost permitted under the program (i.e. Restricted, Unrestricted, or Training).

***PROJECT INDIRECT COST RATE** - The indirect cost rate applicable to this grant.

***AUTHORIZING OFFICIAL** - The U.S. Department of Education official authorized to award Federal funds to the recipient, establish or change the terms and conditions of the award, and authorize modifications to the award

FOR FORMULA AND BLOCK GRANTS ONLY:

(See also Blocks 1, 2, 4, 6, 8, 9 and 10 above)

3. PROJECT STAFF - The U.S. Department of Education staff persons to be contacted for programmatic and payment questions.

7. AUTHORIZED FUNDING

CURRENT AWARD AMOUNT - The amount of funds that are obligated (added) or de-obligated (subtracted) by this action.

PREVIOUS CUMULATIVE AMOUNT - The total amount of funds awarded under the grant before this action.

CUMULATIVE AMOUNT - The total amount of funds awarded under the grant, this action included.

* This item differs or does not appear on formula and block grants.

FISCAL YEAR 2018 ALLOCATIONS FOR GRANTS TO STATES
INDIVIDUALS WITH DISABILITIES EDUCATION ACT - PART B, SECTION 611 - TABLE I

	Total Award	LEA Base Allocation	Maximum Available for Administration	Maximum Other Set-Aside If ACTUAL Administration is Greater than \$850,000 With Risk Pool	Maximum Other Set-Aside If ACTUAL Administration is Greater than \$850,000 Without Risk Pool	Maximum Other Set-Aside If ACTUAL Administration is Less than or Equal to \$850,000 Without Risk Pool	Maximum Other Set-Aside If ACTUAL Administration is Less than \$850,000 Without Risk Pool	July 1 to September 30 Regular Awards	Regular Awards After October 1
Alabama	190,068,767	51,763,442	4,019,040	20,785,674	18,716,107	21,935,458	10,755,891	45,220,162	145,266,605
Alaska	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Arizona	21,325,986	45,947,285	3,283,676	20,137,320	18,123,589	21,144,186	19,130,454	50,174,826	161,151,040
Arkansas	1,281,755,429	323,428,031	24,022,785	140,297,250	126,267,525	147,912,112	133,922,387	27,935,917	1,649,678,868
California	139,540,151	39,795,084	3,145,284	15,004,875	13,694,388	15,665,050	16,225,277	107,293,902	1,277,934,456
Colorado	674,522,024	176,007,131	13,278,872	72,007,776	64,869,096	75,038,185	68,407,387	351,30,937	1,066,006,314
Connecticut	41,721,163	10,617,384	1,068,696	4,801,117	4,106,798	4,793,597	4,337,084	60,150,889	28,813,348
Delaware	530,733,898	145,788,830	19,380,565	97,914,390	52,122,951	60,810,110	55,018,671	126,011,458	404,722,434
Florida	28,160,655	57,780,177	2,798,258	19,861,200	12,855,080	14,659,200	13,263,140	30,420,060	87,731,790
Georgia	169,722,139	49,923,198	3,499,052	18,030,464	16,245,418	18,952,888	17,417,941	39,349,567	126,389,572
Hawaii	57,442,624	16,493,698	1,339,446	6,571,533	5,631,780	6,570,409	5,944,656	13,558,575	43,894,148
Idaho	297,998,648	86,565,027	6,541,453	32,452,477	28,216,229	34,085,801	30,839,353	70,755,432	227,245,216
Illinois	1,089,984,229	255,057,087	4,163,876	21,707,527	19,538,775	22,782,904	20,822,222	11,827,175	1,068,157,054
Indiana	236,420,634	68,230,162	5,168,070	25,976,788	23,379,110	27,275,828	24,677,948	56,610,038	181,819,696
Iowa	78,398,851	22,507,423	1,640,493	7,605,173	6,965,035	8,112,127	8,112,127	18,511,312	58,775,639
Kansas	49,813,656	14,202,653	1,095,734	5,427,040	4,894,344	5,698,401	5,155,096	11,927,175	37,888,410
Kentucky	28,910,693	27,026,021	2,020,729	10,422,433	9,380,190	10,943,556	9,601,312	22,702,147	72,844,516
Louisiana	353,310,188	85,734,091	6,319,816	35,760,021	32,202,820	37,569,067	33,981,875	83,885,881	250,528,307
Maine	457,817,093	118,359,351	9,294,000	50,053,761	45,046,385	52,558,440	47,563,073	105,639,815	344,116,168
Maryland	135,098,537	36,242,655	2,622,208	14,748,399	13,273,559	15,485,819	14,010,970	69,628,623	129,796,313
Massachusetts	45,806,638	13,181,383	1,068,605	5,000,071	4,500,784	5,250,015	4,726,728	10,880,625	35,007,913
Michigan	1,088,318,575	252,432,864	1,068,005	3,588,868	3,211,988	3,717,331	3,390,442	9,883,314	28,531,344
Minnesota	30,629,646	6,590,941	1,068,605	2,988,612	2,699,723	3,100,042	2,744,161	253,649,402	814,669,083
Mississippi	231,413,434	59,186,558	4,002,172	25,311,540	22,780,930	25,777,117	24,045,863	54,944,181	176,469,243
Missouri	218,219,487	60,384,853	4,541,332	23,807,037	21,699,698	25,199,533	23,258,633	16,929,072	191,289,415
Montana	19,867,308	4,232,848	1,068,605	1,698,617	1,497,966	1,947,966	1,762,373	4,669,584	14,997,725
Nebraska	86,817,814	21,100,000	1,068,605	8,189,351	7,120,949	8,189,351	7,120,949	86,817,814	86,817,814
Nevada	14,130,851	732,247	732,247	732,247	732,247	732,247	732,247	3,552,729	10,765,262
New Hampshire	8,976,061	639,005	485,404	1,070,381	900,330	1,233,680	1,018,846	2,130,937	6,844,124
New Jersey	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
New Mexico	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
New York	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
North Carolina	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
North Dakota	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Ohio	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Oklahoma	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Oregon	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Rhode Island	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
South Carolina	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
South Dakota	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Tennessee	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Texas	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Utah	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Vermont	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Virginia	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Washington	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
West Virginia	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Wisconsin	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Wyoming	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
District of Columbia	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Puerto Rico	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Dept. of the Interior	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
American Samoa	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Guam	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Virgin Islands	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
French Polynesia	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Other	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167
Unallocated	1,000,000,000	0	0	0	0	0	0	21,000,000	5,019,167

NOTE: The minimum total amount that a State must pass on to LEAs (excluding funds in a risk pool) is the Total Award (in Column B) less the amount in available to the State for Admin (Column D), less the amount set-aside for other activities (in either Column E, F, G, or H). If a State establishes a risk pool, at least 10 Percent of the amount ACTUALLY set aside (under Column E or G) must be used for the risk pool.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE CHIEF FINANCIAL OFFICER
& CHIEF INFORMATION OFFICER

Ann Hinkson-Herrmann
PA DEPARTMENT OF EDUCATION
333 MARKET STREET
10TH FLOOR

HARRISBURG, PA 17126

SUBJECT: Payee Identification for Grant Award H027A180093

This is to inform you that the United States Department of Education does not have a payee and bank account of record designated for the above listed grant award. You will not be able to request funds for this grant award until a payee and bank account of record are established.

- 1) All SF-1199A, Direct Deposit and Fedwire Sign-Up forms must be mailed to the Department of Education. The SF-1199A must contain original signatures for both the recipient and bank officials.
- 2) First time recipients establishing a bank account for a new award must include a copy of the grant award document with the cover letter and SF-1199A, Direct Deposit or Fedwire Sign-Up forms.
- 3) The Grant Administration and Payment System (GAPS) has been enhanced to produce an automated notification when bank account data has been changed or deleted. This automated notification is transmitted via e-mail to Payees having e-mail capacity or mailed to recipients without an e-mail address.
- 4) All banking information requests, including establishing a new bank account, modifying an existing bank account or deleting a bank account must be accompanied with a cover letter requesting the specific action. The cover letter must be on the letterhead of the requesting payee. The cover letter must contain the following information:
 - DUNS Number
 - e-mail address (if available) for the person to receive automated notification
 - signature and phone number of the person requesting the bank information change

Mail Cover Letters and accompanying forms to:

U.S. Department of Education
400 Maryland Ave, SW, Rm. 4C146
Washington, DC 20202-4110

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE CHIEF FINANCIAL OFFICER
& CHIEF INFORMATION OFFICER

Attn: Financial Management Operations

If you have any questions or require assistance concerning establishing a payee record for a bank account please contact the G5 Hotline at 1-888-336-8930.

Dear G5 Payee:

To obtain your G5 Login ID, you will need to complete the G5 External User Access Request Form and return it notarized to the U.S. Department of Education. Attached are the instructions for accessing and completing the form. Upon receiving the notarized form, the Department will send you an email with your new G5 Login ID.

Please mail the form to:

U.S. Department of Education
Office of the Chief Information Officer
Mail Stop - 4110
400 Maryland Avenue S.W.
Washington, DC 20202
Attn: Functional Applications Team

Thank you for your continued support of the U.S. Department of Education's G5 Grant Management System. Please contact the G5 Hotline (888-336-8930) if you have any

Sincerely,

G5 Administration

Instructions for Completing the G5 External User Access Request Form

To establish direct access to your U.S. Department of Education G5 Grant Management System account, please complete the G5 External User Access Request Form attached, have it notarized, and mail the completed form to the address below.

Steps for Completing the G5 External User Access Request Form -

1. Go to <http://www.g5.gov> and click on the link, "Not Registered? Sign up".
2. Complete each data element of the form including the following elements:
 - a. User Type (Select Payee unless you are specifically a Servicer)
 - b. Dun and Bradstreet Number (DUNS)
 - b. Desired Role (Select Full Access to enable you to continue to draw funds, or View Only if you will only need to review account activity).
3. Print the form and then Submit your online registration.
4. You will immediately receive an email asking you to activate your account.
5. Click on the link in the email and select your password and Secret Question and Answer.
6. Congratulations! You now have an active account. Only one more step!!
7. Sign the printed (from step 3) G5 External User Access Request Form as the Authorized Payee in the presence of a Notary Public.
8. Assure the G5 External User Access Request Form is notarized with appropriate seal and signature and expiration date.
9. Mail the completed, notarized G5 External User Access Request Form to the following address:

U.S. Department of Education
Office of the Chief Information Officer
Mail Stop - 4110
400 Maryland Avenue S.W.
Washington DC 20202
Attn: Functional Applications Team
10. Allow two weeks for delivery and account updates.
11. You will receive Email notification that your G5 External User Access Request Form has been processed and your roles have been assigned.
12. Congratulations, You're now able to access G5 directly.

As always, please contact the G5 Hotline (888-336-8930) with any questions.

INSTRUCTIONS
ACH DIRECT DEPOSIT SIGN-UP FORM
SF-1199A

Recipients can obtain an SF-1199A (Figure D-1) from their financial institution. The preprinted instructions on the reverse side of the SF-1199A should be disregarded and the following instructions should be followed in completing the SF-1199A.

The recipient is to complete Sections 1 and 2 of the SF-1199A. The recipient's financial institution is to complete Section 3 and mail the completed form to the Department of Education. The financial institution will mail a copy of the completed SF-1199A to the recipient.

INSTRUCTIONS - SECTION 1

- | | | |
|---------------------------|--|--|
| ITEM A | Name of Payee
Address
Telephone Number | Enter the name and address of payee's organization.
Enter telephone number of person authorized to certify the payment request. |
| ITEM B | Name of Person(s) Entitled to Payment | Leave Blank. |
| ITEM C | Claim or Payroll ID Number | Enter the following information
Prefix: 9 digit D-U-N-S Number,
Suffix: 11 character Grant Award nUmber. |
| ITEM D | Type of Depositor | Place an "X" in the Appropriate Box. |
| ITEM E | Depositor Account | Enter the payee's account number at the financial institution in which funds are to be deposited. Include blanks or dashes when entering the account number. |
| ITEM F | Type of Payment | Enter "X" in the "Other" box. |
| ITEM G | Box for Allotment of Payment Only | Leave Blank. |
| Payee/Joint Certification | | Authorized Certifying Official for the payee is to sign the form. |

INSTRUCTIONS - SECTION 2

Government Agency Name	Enter:	U.S. Department of Education
Government Agency Address	Enter:	400 Maryland Avenue, SW Room 4C138 Washington, DC 20202

INSTRUCTIONS - SECTION 3

To be completed by financial institution.

Director, Financial Payment Group
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202 - 4331

Ref: PR/Award No. H027A180093

Dear Sir:

Please transfer FEDWIRE payments for PA DEPARTMENT OF EDUCATION to the following financial institution and depositor account beginning on this date: Month____, Day____, Year____.

Information regarding the financial institution to which payments for D-U-N-S_____ are to be transferred is provided below.

Financial Institution

Corresponding Bank (if applicable):

Name: _____
Street: _____
City: _____
State: _____
Zip: _____

Name: _____
Street: _____
City: _____
State: _____
Zip: _____

ABA Number: _____
Account Number: _____
Contact Name: _____
Telephone No: _____

ABA Number: _____
Telegraphic Abbrev.: _____

Please update my account with the information as indicated above. If you have any questions, I may be reached at (____)
_____.

Sincerely,

Chief Financial Officer



**US Department of Education
Washington, D.C. 20202**

H173A180090

GRANT AWARD NOTIFICATION

1 RECIPIENT NAME PENNSYLVANIA DEPT. OF EDUCATION 333 MARKET STREET 10TH FLOOR HARRISBURG, PA 17126	2 AWARD INFORMATION PR/AWARD NUMBER H173A180090 ACTION NUMBER I ACTION TYPE New AWARD TYPE Formula																				
3 PROJECT STAFF RECIPIENT STATE DIRECTOR Ann Hinkson-Herrmann (717) 783-6134 ahinksonhe@pa.gov EDUCATION PROGRAM CONTACT Gregory Corr (202) 245-7309 gregg.corr@ed.gov EDUCATION PAYMENT HOTLINE G5 PAYEE HELPDISK 888-336-8930 edcaps.user@ed.gov	4 PROJECT DESCRIPTION 84.173A STATE GRANT - B (619)																				
5 KEY PERSONNEL N/A																					
6 AWARD PERIODS BUDGET PERIOD 07/01/2018 - 09/30/2019 FEDERAL FUNDING PERIOD 07/01/2018 - 09/30/2019 FUTURE BUDGET PERIODS N/A																					
7 AUTHORIZED FUNDING CURRENT AWARD AMOUNT \$13,959,456.00 PREVIOUS CUMULATIVE AMOUNT \$0.00 CUMULATIVE AMOUNT \$13,959,456.00																					
8 ADMINISTRATIVE INFORMATION DUNS/SSN 007782381 REGULATIONS CFR PART 300 EDGAR AS APPLICABLE 2 CFR AS APPLICABLE ATTACHMENTS 1, 3, 8, 9, 10, 11, 12, 13, 14, E-3, E4, E5																					
9 LEGISLATIVE AND FISCAL DATA AUTHORITY: PL 108-446 PART - B INDIVIDUAL WITH DISABILITIES EDUCATION ACT PROGRAM TITLE: SPECIAL EDUCATION - PRESCHOOL GRANTS CFDA/SUBPROGRAM NO: 84.173A <table border="1"> <thead> <tr> <th>FUND CODE</th> <th>FUNDING YEAR</th> <th>AWARD YEAR</th> <th>ORG. CODE</th> <th>CATEGORY</th> <th>LIMITATION</th> <th>ACTIVITY</th> <th>CFDA</th> <th>OBJECT CLASS</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>0300M</td> <td>2018</td> <td>2018</td> <td>EH000000</td> <td>B</td> <td>K92</td> <td>000</td> <td>173</td> <td>4101A</td> <td>\$13,959,456.00</td> </tr> </tbody> </table>		FUND CODE	FUNDING YEAR	AWARD YEAR	ORG. CODE	CATEGORY	LIMITATION	ACTIVITY	CFDA	OBJECT CLASS	AMOUNT	0300M	2018	2018	EH000000	B	K92	000	173	4101A	\$13,959,456.00
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US Department of Education
Washington, D.C. 20202

H173A180090

GRANT AWARD NOTIFICATION

10

PR/AWARD NUMBER: H173A180090
RECIPIENT NAME: PENNSYLVANIA DEPT. OF EDUCATION

TERMS AND CONDITIONS

- (1) The Office of Management and Budget requires all Federal agencies to assign a Federal Award Identifying Number (FAIN) to each of their financial assistance awards. The PR/AWARD NUMBER identified in Block 2 is your FAIN.

If subawards are permitted under this grant, and you choose to make subawards, you must document the assigned PR/AWARD NUMBER (FAIN) identified in Block 2 of this Grant Award Notification on each subaward made under this grant. The term subaward means:

- 1. A legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - 2. The term does not include your procurement of property and services needed to carry out the project or program (The payments received for goods or services provided as a contractor are not Federal awards, see 2 CFR 200.501(f) of the OMB Uniform Guidance: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards").
 - 3. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
- (2) The negotiated indirect cost rate or the indirect cost allocation plan approved for the entity identified in Block 1 of this GAN applies to this grant award.
 - (3) WHEN ISSUING STATEMENTS, PRESS RELEASES, REQUESTS FOR PROPOSALS, BID SOLICITATIONS, AND OTHER DOCUMENTS DESCRIBING THIS PROJECT OR PROGRAMS FUNDED IN WHOLE OR IN PART WITH FEDERAL MONEY, ALL GRANTEEES RECEIVING FEDERAL FUNDS, INCLUDING BUT NOT LIMITED TO STATE AND LOCAL GOVERNMENTS, SHALL STATE CLEARLY:

- 1) THE DOLLAR AMOUNT OF FEDERAL FUNDS FOR THE PROJECT,
- 2) THE PERCENTAGE OF THE TOTAL COST OF THE PROJECT THAT WILL BE FINANCED WITH FEDERAL FUNDS, AND
- 3) THE PERCENTAGE AND DOLLAR AMOUNT OF THE TOTAL COST OF THE PROJECT THAT WILL BE FINANCED BY NON-GOVERNMENTAL SOURCES.

AS OF 07/01/97, FEDERAL FISCAL YEAR (FFY) WILL REFER TO THE YEAR THE FUNDS WERE APPROPRIATED.

- (4) UNDER THE "TYDINGS AMENDMENT," SECTION 421(b) OF THE GENERAL EDUCATION PROVISIONS ACT, 20 U.S.C. 1225(b), ANY FUNDS THAT ARE NOT OBLIGATED AT THE END OF THE FEDERAL FUNDING PERIOD SPECIFIED IN BLOCK 6 SHALL REMAIN AVAILABLE FOR OBLIGATION FOR AN ADDITIONAL PERIOD OF 12 MONTHS.

Signature valid

Digitally signed by Yvette Thompson

Date: Thu Jun 28 14:21:51 EDT 2018

AUTHORIZING OFFICIAL

DATE

EXPLANATION OF BLOCKS ON THE GRANT AWARD NOTIFICATION

For Discretionary, Formula and Block Grants (See Block 2 of the Notification)

- 1. RECIPIENT NAME** - The legal name of the recipient or name of the primary organizational unit that was identified in the application, state plan or other documents required to be submitted for funding by the grant program.
- 2. AWARD INFORMATION** - Unique items of information that identify this notification.
 - PR/AWARD NUMBER** - A unique, identifying number assigned by the Department to each application. On funded applications, this is commonly known as the "grant number" or "document number." The PR/Award Number is also known as the Federal Award Identifying Number, or FAIN.
 - ACTION NUMBER** - A numeral that represents the cumulative number of steps taken by the Department to date to establish or modify the award through fiscal or administrative means. Action number "01" will always be "NEW AWARD"
 - ACTION TYPE** - The nature of this notification (e.g., NEW AWARD, CONTINUATION, REVISION, ADMINISTRATIVE)
 - AWARD TYPE** - The particular assistance category in which funding for this award is provided, i.e., DISCRETIONARY, FORMULA, or BLOCK. If this award was made under a Research and Development grant program, the terms RESEARCH AND DEVELOPMENT will appear under DISCRETIONARY, FORMULA OR BLOCK.
- 3. PROJECT STAFF** - This block contains the names and telephone numbers of the U.S. Department of Education and recipient staff who are responsible for project direction and oversight.
 - *RECIPIENT PROJECT DIRECTOR** - The recipient staff person responsible for administering the project. This person represents the recipient to the U.S. Department of Education.
 - EDUCATION PROGRAM CONTACT** - The U.S. Department of Education staff person responsible for the programmatic, administrative and businessmanagement concerns of the Department.
 - EDUCATION PAYMENT CONTACT** - The U.S. Department of Education staff person responsible for payments or questions concerning electronic drawdown and financial expenditure reporting.
- 4. PROJECT TITLE AND CFDA NUMBER** - Identifies the Catalog of Federal Domestic Assistance (CFDA) subprogram title and the associated subprogram number.
- 5.* KEY PERSONNEL** - Name, title and percentage (%) of effort the key personnel identified devotes to the project.
- 6. AWARD PERIODS** - Project activities and funding are approved with respect to three different time periods, described below:
 - BUDGET PERIOD** - A specific interval of time for which Federal funds are being provided from a particular fiscal year to fund a recipient's approved activities and budget. The start and end dates of the budget period are shown.
 - PERFORMANCE PERIOD** - The complete length of time the recipient is proposed to be funded to complete approved activities. A performance period may contain one or more budget periods.
 - *FUTURE BUDGET PERIODS** - The estimated remaining budget periods for multi-year projects and estimated funds the Department proposes it will award the recipient provided substantial progress is made by the recipient in completing approved activities, the Department determines that continuing the project would be in the best interest of the Government, Congress appropriates sufficient funds under the program, and the recipient has submitted a performance report that provides the most current performance information and the status of budget expenditures.
- 7. AUTHORIZED FUNDING** - The dollar figures in this block refer to the Federal funds provided to a recipient during the award periods.
 - *THIS ACTION** - The amount of funds obligated (added) or de-obligated (subtracted) by this notification.
 - *BUDGET PERIOD** - The total amount of funds available for use by the grantee during the stated budget period to this date.
 - *PERFORMANCE PERIOD** - The amount of funds obligated from the start date of the first budget period to this date.
 - RECIPIENT COST SHARE** - The funds, expressed as a percentage, that the recipient is required to contribute to the project, as defined by the program legislation or regulations and/or terms and conditions of the award.
 - RECIPIENT NON-FEDERAL AMOUNT** - The amount of non-federal funds the recipient must contribute to the project as identified in the recipient's application. When non-federal funds are identified by the recipient where a cost share is not a legislation requirement, the recipient will be required to provide the non-federal funds.
- 8. ADMINISTRATIVE INFORMATION** - This information is provided to assist the recipient in completing the approved activities and managing the project in accordance with U.S. Department of Education procedures and regulations.

DUNS/SSN - A unique, identifying number assigned to each recipient for payment purposes. The number is based on either the recipient's assigned number from Dun and Bradstreet or the individual's social security number.

***REGULATIONS** - Title 2 of the Code of Federal Regulations(CFR), Part 200 as adopted at 2 CFR 3474; the applicable parts of the Education Department General Administrative Regulations (EDGAR), specific program regulations (if any), and other titles of the CFR that govern the award and administration of this grant.

***ATTACHMENTS** - Additional sections of the Grant Award Notification that discuss payment and reporting requirements, explain Department procedures, and add special terms and conditions in addition to those established, and shown as clauses, in Block 10 of the award. Any attachments provided with a notification continue in effect through the project period until modified or rescinded by the Authorizing Official.

9. LEGISLATIVE AND FISCAL DATA - The name of the authorizing legislation for this grant, the CFDA title of the program through which funding is provided, and U.S. Department of Education fiscal information.

FUND CODE, FUNDING YEAR, AWARD YEAR, ORG.CODE, PROJECT CODE, OBJECT CLASS -

The fiscal information recorded by the U.S. Department of Education's Grants Management System (G5) to track obligations by award.

AMOUNT - The amount of funds provided from a particular appropriation and project code. Some notifications authorize more than one amount from separate appropriations and/or project codes. The total of all amounts in this block equals the amount shown on the line, "THIS ACTION" (See "AUTHORIZED FUNDING" above (Block 7)).

10. TERMS AND CONDITIONS - Requirements of the award that are binding on the recipient.

***PARTICIPANT NUMBER** - The number of eligible participants the grantee is required to serve during the budget year.

***GRANTEE NAME** - The entity name and address registered in the System for Award Management (SAM). This name and address is tied to the DUNS number registered in SAM under the name and address appearing in this field. This name, address and the associated DUNS is what is displayed in the SAM Public Search.

***PROGRAM INDIRECT COST TYPE** - The type of indirect cost permitted under the program (i.e. Restricted, Unrestricted, or Training).

***PROJECT INDIRECT COST RATE** - The indirect cost rate applicable to this grant.

***AUTHORIZING OFFICIAL** - The U.S. Department of Education official authorized to award Federal funds to the recipient, establish or change the terms and conditions of the award, and authorize modifications to the award

FOR FORMULA AND BLOCK GRANTS ONLY:

(See also Blocks 1, 2, 4, 6, 8, 9 and 10 above)

3. PROJECT STAFF - The U.S. Department of Education staff persons to be contacted for programmatic and payment questions.

7. AUTHORIZED FUNDING

CURRENT AWARD AMOUNT - The amount of funds that are obligated (added) or de-obligated (subtracted) by this action.

PREVIOUS CUMULATIVE AMOUNT - The total amount of funds awarded under the grant before this action.

CUMULATIVE AMOUNT - The total amount of funds awarded under the grant, this action included.

* This item differs or does not appear on formula and block grants.

FISCAL YEAR 2018 ALLOCATIONS FOR PRESCHOOL GRANTS
INDIVIDUALS WITH DISABILITIES EDUCATION ACT - PART B, SECTION 619 - TABLE II

	Total Award	Maximum State Set-Aside	Maximum Available for Administration	Base Payment for LEAs (1997 Flow-Through)	Allocation to LEAs Based on Population/Poverty Factors	Minimum Flow-Through to LEAs
Alabama	\$6,627,709	\$1,472,946	\$284,669	\$3,981,010	\$173,853	\$4,154,863
Alaska	\$1,264,760	\$337,790	\$66,689	\$660,690	\$90,689	\$802,999
Arizona	\$5,426,405	\$1,991,746	\$278,349	\$3,756,656	\$277,973	\$4,034,629
Arkansas	\$5,372,622	\$1,563,693	\$285,190	\$3,521,742	\$395,702	\$3,917,044
California	\$38,332,978	\$10,009,757	\$2,001,951	\$27,055,716	\$1,267,105	\$28,322,821
Colorado	\$1,936,787	\$500,261	\$260,402	\$1,175,924	\$115,726	\$1,291,650
Connecticut	\$4,912,785	\$1,294,646	\$258,929	\$3,459,210	\$118,803	\$3,578,013
Delaware	\$2,563,008	\$426,983	\$88,985	\$1,647,030	\$366,361	\$1,913,391
Florida	\$18,594,536	\$4,683,831	\$971,766	\$13,133,108	\$592,957	\$13,726,065
Georgia	\$3,637,637	\$3,686,688	\$579,637	\$4,637,653	\$463,753	\$5,101,406
Hawaii	\$96,759	\$259,299	\$51,659	\$685,791	\$42,668	\$728,459
Idaho	\$1,767,174	\$717,174	\$137,134	\$1,600,668	\$168,000	\$1,768,668
Illinois	\$17,657,327	\$4,684,942	\$930,988	\$12,592,011	\$420,374	\$13,012,385
Indiana	\$3,248,756	\$2,248,756	\$488,756	\$3,040,000	\$215,656	\$3,255,656
Iowa	\$3,987,995	\$1,053,572	\$210,714	\$2,847,740	\$98,683	\$2,946,423
Kansas	\$2,439,817	\$2,439,817	\$338,163	\$3,091,977	\$247,384	\$3,339,361
Kentucky	\$10,229,023	\$2,035,817	\$341,151	\$1,102,000	\$183,815	\$1,285,815
Louisiana	\$3,906,668	\$1,708,656	\$341,151	\$1,793,129	\$60,878	\$1,854,007
Maine	\$2,517,407	\$663,400	\$132,680	\$2,055,327	\$155,659	\$2,210,986
Maryland	\$6,669,019	\$1,666,649	\$322,205	\$4,680,165	\$239,803	\$4,920,068
Massachusetts	\$2,811,028	\$2,811,028	\$622,205	\$2,188,823	\$179,928	\$2,368,751
Michigan	\$12,532,584	\$3,056,405	\$652,288	\$9,223,891	\$5,479,887	\$14,703,778
Minnesota	\$7,440,428	\$1,980,741	\$392,148	\$5,269,759	\$179,928	\$5,449,687
Mississippi	\$2,979,978	\$1,415,909	\$223,001	\$1,500,000	\$190,000	\$1,690,000
Missouri	\$6,000,197	\$1,570,749	\$314,149	\$4,245,633	\$183,815	\$4,429,448
Montana	\$1,188,769	\$306,890	\$61,976	\$887,571	\$33,857	\$921,428
Nebraska	\$2,255,731	\$694,779	\$116,955	\$1,607,550	\$53,302	\$1,660,852
Nevada	\$2,261,181	\$587,071	\$85,511	\$1,674,170	\$37,734	\$1,711,904
New Hampshire	\$1,560,343	\$411,165	\$82,237	\$1,111,420	\$37,734	\$1,149,154
New Jersey	\$3,039,777	\$3,039,777	\$600,635	\$2,439,142	\$85,762	\$2,524,904
New Mexico	\$3,201,491	\$841,421	\$168,284	\$2,274,308	\$85,762	\$2,360,070
North Carolina	\$11,365,869	\$2,995,932	\$597,186	\$8,070,782	\$309,155	\$8,380,037
North Dakota	\$1,668,067	\$210,900	\$42,196	\$1,415,871	\$53,793	\$1,469,664
Ohio	\$12,472,255	\$3,293,591	\$656,718	\$8,875,335	\$313,329	\$9,188,664
Oklahoma	\$1,689,177	\$308,563	\$189,812	\$1,466,355	\$95,044	\$1,561,399
Oregon	\$3,842,172	\$1,012,149	\$202,429	\$2,735,578	\$95,044	\$2,830,622
Rhode Island	\$1,674,181	\$441,169	\$88,237	\$1,182,942	\$40,486	\$1,223,428
South Carolina	\$1,467,638	\$366,769	\$71,351	\$1,045,366	\$35,402	\$1,080,768
South Dakota	\$782,081	\$182,900	\$32,690	\$599,391	\$23,905	\$623,296
Tennessee	\$6,651,957	\$1,832,900	\$362,690	\$4,818,257	\$116,269	\$4,934,526
Texas	\$23,119,102	\$5,324,064	\$937,857	\$16,012,409	\$80,847	\$17,193,016
Utah	\$3,561,119	\$927,819	\$187,433	\$2,633,185	\$39,356	\$2,672,541
Vermont	\$62,135	\$223,612	\$44,722	\$599,167	\$39,356	\$638,523
Virginia	\$9,142,658	\$2,409,285	\$481,868	\$6,512,422	\$221,081	\$6,733,503
Washington	\$8,182,084	\$2,156,187	\$431,237	\$5,825,035	\$197,862	\$6,022,897
West Virginia	\$3,489,469	\$616,563	\$103,912	\$2,465,521	\$84,946	\$2,550,467
Wisconsin	\$9,487,464	\$2,500,192	\$500,088	\$6,745,860	\$228,432	\$6,974,292
Wyoming	\$1,080,960	\$275,227	\$55,046	\$745,860	\$114,733	\$860,593
District of Columbia	\$241,030	\$64,212	\$12,842	\$168,465	\$6,333	\$174,808
Puerto Rico	\$118,669	\$817,653	\$163,530	\$2,172,343	\$126,869	\$2,299,212
Dept of the Interior	\$0	\$0	\$0	\$0	\$0	\$0
American Samoa	\$0	\$0	\$0	\$0	\$0	\$0
Guam	\$0	\$0	\$0	\$0	\$0	\$0
Northern Mariana	\$0	\$0	\$0	\$0	\$0	\$0
Virgin Islands	\$0	\$0	\$0	\$0	\$0	\$0
Freely Associated	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE CHIEF FINANCIAL OFFICER
& CHIEF INFORMATION OFFICER

Ann Hinkson-Herrmann
PENNSYLVANIA DEPT. OF EDUCATION
333 MARKET STREET
10TH FLOOR

HARRISBURG, PA 17126

SUBJECT: Payee Identification for Grant Award H173A180090

This is to inform you that the United States Department of Education does not have a payee and bank account of record designated for the above listed grant award. You will not be able to request funds for this grant award until a payee and bank account of record are established.

- 1) All SF-1199A, Direct Deposit and Fedwire Sign-Up forms must be mailed to the Department of Education. The SF-1199A must contain original signatures for both the recipient and bank officials.
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 - DUNS Number
 - e-mail address (if available) for the person to receive automated notification
 - signature and phone number of the person requesting the bank information change

Mail Cover Letters and accompanying forms to:

U.S. Department of Education
400 Maryland Ave, SW, Rm. 4C146
Washington, DC 20202-4110

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE CHIEF FINANCIAL OFFICER
& CHIEF INFORMATION OFFICER

Attn: Financial Management Operations

If you have any questions or require assistance concerning establishing a payee record for a bank account please contact the G5 Hotline at 1-888-336-8930.

Dear G5 Payee:

To obtain your G5 Login ID, you will need to complete the G5 External User Access Request Form and return it notarized to the U.S. Department of Education. Attached are the instructions for accessing and completing the form. Upon receiving the notarized form, the Department will send you an email with your new G5 Login ID.

Please mail the form to:

U.S. Department of Education
Office of the Chief Information Officer
Mail Stop - 4110
400 Maryland Avenue S.W.
Washington, DC 20202
Attn: Functional Applications Team

Thank you for your continued support of the U.S. Department of Education's G5 Grant Management System. Please contact the G5 Hotline (888-336-8930) if you have any

Sincerely,
G5 Administration

Instructions for Completing the G5 External User Access Request Form

To establish direct access to your U.S. Department of Education G5 Grant Management System account, please complete the G5 External User Access Request Form attached, have it notarized, and mail the completed form to the address below.

Steps for Completing the G5 External User Access Request Form -

1. Go to <http://www.g5.gov> and click on the link, "Not Registered? Sign up".
2. Complete each data element of the form including the following elements:
 - a. User Type (Select Payee unless you are specifically a Servicer)
 - b. Dun and Bradstreet Number (DUNS)
 - b. Desired Role (Select Full Access to enable you to continue to draw funds, or View Only if you will only need to review account activity).
3. Print the form and then Submit your online registration.
4. You will immediately receive an email asking you to activate your account.
5. Click on the link in the email and select your password and Secret Question and Answer.
6. Congratulations! You now have an active account. Only one more step!!
7. Sign the printed (from step 3) G5 External User Access Request Form as the Authorized Payee in the presence of a Notary Public.
8. Assure the G5 External User Access Request Form is notarized with appropriate seal and signature and expiration date.
9. Mail the completed, notarized G5 External User Access Request Form to the following address:

U.S. Department of Education
Office of the Chief Information Officer
Mail Stop - 4110
400 Maryland Avenue S.W.
Washington DC 20202
Attn: Functional Applications Team
10. Allow two weeks for delivery and account updates.
11. You will receive Email notification that your G5 External User Access Request Form has been processed and your roles have been assigned.
12. Congratulations, You're now able to access G5 directly.

As always, please contact the G5 Hotline (888-336-8930) with any questions.

INSTRUCTIONS
ACH DIRECT DEPOSIT SIGN-UP FORM
SF-1199A

Recipients can obtain an SF-1199A (Figure D-1) from their financial institution. The preprinted instructions on the reverse side of the SF-1199A should be disregarded and the following instructions should be followed in completing the SF-1199A.

The recipient is to complete Sections 1 and 2 of the SF-1199A. The recipient's financial institution is to complete Section 3 and mail the completed form to the Department of Education. The financial institution will mail a copy of the completed SF-1199A to the recipient.

INSTRUCTIONS - SECTION 1

ITEM A	Name of Payee Address Telephone Number	Enter the name and address of payee's organization. Enter telephone number of person authorized to certify the payment request.
ITEM B	Name of Person(s) Entitled to Payment	Leave Blank.
ITEM C	Claim or Payroll ID Number	Enter the following information Prefix: 9 digit D-U-N-S Number, Suffix: 11 character Grant Award nUmber.
ITEM D	Type of Depositor	Place an "X" in the Appropriate Box.
ITEM E	Depositor Account	Enter the payee's account number at the financial institution in which funds are to be deposited. Include blanks or dashes when entering the account number.
ITEM F	Type of Payment	Enter "X" in the "Other" box.
ITEM G	Box for Allotment of Payment Only	Leave Blank.
Payee/Joint Certification		Authorized Certifying Official for the payee is to sign the form.

INSTRUCTIONS - SECTION 2

Government Agency Name	Enter:	U.S. Department of Education
Government Agency Address	Enter:	400 Maryland Avenue, SW Room 4C138 Washington, DC 20202

INSTRUCTIONS - SECTION 3

To be completed by financial institution.

Director, Financial Payment Group
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202 - 4331

Ref: PR/Award No. H173A180090

Dear Sir:

Please transfer FEDWIRE payments for PENNSYLVANIA DEPT. OF EDUCATION to the following financial institution and depositor account beginning on this date: Month____, Day____, Year____.

Information regarding the financial institution to which payments for D-U-N-S_____ are to be transferred is provided below.

Financial Institution

Name:_____
Street:_____
City:_____
State:_____
Zip:_____

ABA Number:_____
Account Number:_____
Contact Name:_____
Telephone No:_____

Corresponding Bank (if applicable):

Name:_____
Street:_____
City:_____
State:_____
Zip:_____

ABA Number:_____
Telegraphic Abbrev.:_____

Please update my account with the information as indicated above. If you have any questions, I may be reached at (____)
_____.

Sincerely,

Chief Financial Officer

SPECIFIC GRANT CONDITIONS FOR PAYMENTS

THE G5 PAYMENTS MODULE

Payments under this award will be made through the G5-Payments module of the U.S. Department of Education's (Department) electronic payments system. The G5 Payments module within the Education Central Automated Processing Systems (EDCAPS) is administered by the Office of the Chief Information Officer, Financial Systems Services.

The internet address for G5 is <https://www.g5.gov>. To access the G5 Payments module, you must first have a G5 User Id and Password. You will need to request a G5 User Id and Password from the Department of Education by submitting an **External Access Security Form**. This form is electronically available during online registration under "*Not Registered? Sign Up*", when you access the website. The Department will issue G5 User IDs and Passwords to those individuals authorized by the payee to access G5 to request funds and report expenditures. User IDs and Passwords cannot be faxed or given over the phone, and may not be shared by multiple users. The External User Access Request Form must be completed and mailed to the following address:

U.S. Department of Education
Office of the Chief Information Officer
Mail Stop – 4138
Attn: G5 Functional Application Team
400 Maryland Avenue, SW
Washington, DC 20202

New grantees will be requested to provide pertinent information before they may begin requesting funds. Information to be provided includes:

- Designation of payee;
- Payee contacts and mailing addresses;
- Depositor account information; and
- Individuals authorized by the payee to access G5 to request funds - these individuals will be provided User IDs and passwords to access G5.

The payee is the entity identified by the grantee to handle the financial aspects of the grant (e.g., request payments, report expenditures, etc.). While a grantee may designate an entity to be its payee, alternatively, a grantee and payee may be the same entity.

Payees may begin requesting funds for the grantee once their award authorization is entered into G5 and the award start date is reached.

A copy of the Department of Education G5 Training Guide (*Guide*) is available on the G5 website at the "Help" link. The guide provides detailed instructions on all electronic payment processes. If you are not Internet capable, please contact the G5 Hotline at toll free 1 (888) 336-8930 to request a hard copy of the Guide.

REQUESTING FUNDS USING THE G5 MODULE

Payees can access the G5-Payments Module on-line to request funds. To access the G5 Payments Module, payees need a Web browser (such as Microsoft Internet Explorer) and Internet connectivity. Payees will request funds by award using **the PR/Award Number** found in **Block 5** of the **Grant Award Notification**. Instructions for navigating through the G5-Payments screens to make a payment request are given in the G5 Training Guide and in the G5 On Demand training located under the "Help" link. Instructions for modifying payment requests, adjusting drawdown amounts, and viewing award and authorization histories are also included in the Guide.

Those payees who do not have the technology to access G5-Payments on-line may request funds by calling ED's G5 Hotline by at 1-888-336-8930.

AWARD INFORMATION

Payees can get information on this award on-line, or by calling ED's G5 Hotline Staff at 1-888-336-8930.

➤ On-Line:

Payees may access G5 via the Internet at <https://www.G5.gov> to retrieve and view information on their awards, such as:

- Net authorization and authorization history;
- Net draws;
- Available balance;
- History of pending and completed payments;
- Award status; and
- Award history - including detailed transactions on drawdowns, returns, refunds, and adjustments.

➤ ED's G5 Hotline Staff:

Payees can contact a G5 Hotline Staff for information on any award. Because award information is organized in G5 by a unique identifier - the Dun & Bradstreet Number (DUNS Number) - payees should have their DUNS number, identified in **Block 8** of the **Grant Award Notification**, available when contacting a G5 Hotline Staff Representative.

FINANCIAL REPORTS:

When a Payee requests a drawdown of funds by grant award, the Department records this drawdown as an expenditure against the specified grant award. This method of identifying expenditures, at the time of drawdown, and the capability to make adjustments on-line, eliminates the need for the submission of the Federal Cash Transactions Report Form 272. Thus, additional financial reporting generally will not be required, unless otherwise specified by ED.

**An Overview of Single Audit Requirements of States,
Local Governments, and Non-Profit Organizations**

To meet audit requirements of U.S. Office of Management and Budget (OMB) Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards (Uniform Guidance), grantees must submit all documents required by Uniform Guidance 2 CFR 200.512, including Form SF-SAC: Data Collection Form, to:

Federal Audit Clearinghouse
1201 East 10th Street
Jeffersonville, Indiana 47132
(301) 763-1551 (voice)
(800) 253-0696 (toll free)
(301) 457-1540 (fax)

Below is a summary of the single audit requirements:

- (1) Single Audit. A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with 2 CFR 200.514, "Scope of Audit," except when it elects to have a program specific audit conducted.
- (2) Program-specific audit election. When an auditee expends Federal awards under only one Federal program (excluding R&D), and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.
- (3) Exemption when Federal awards expended are less than \$750,000. A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in 2 CFR 200.503, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

- (4) Federally Funded Research and Development Centers (FFRDC). Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity.
- (5) Report Submission. The audit must be completed, and the data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day. Unless restricted by Federal statutes or regulations, the auditee must make copies available for public inspection. Auditees and auditors must ensure that their respective parts of the reporting package do not include protected personally identifiable information. (2 CFR 200.512)

Grantees are strongly urged to obtain the "OMB Compliance Supplement" and to contact their cognizant agency for single audit technical assistance.

The designated cognizant agency for single audit purposes is "the Federal awarding agency that provides the predominant amount of direct funding to the recipient." Grantees should obtain a copy of the OMB Compliance supplement. This supplement will be instructive to both grantees and their auditors. Appendix III of the supplement provides a list of Federal Agency Contacts for Single Audits, including addresses, phone numbers, fax numbers, and e-mail addresses for technical assistance.

If the U.S. Department of Education is the cognizant agency, grantees should contact the Non-Federal Audit Team in the Department's Office of Inspector General, at the address, phone, or fax number provided on page 3 of this attachment.

Grantees can obtain information on single audits from:

The OMB Publications Service, (202) 395-7332. (To obtain OMB Compliance Supplement, and Form SF-SAC: Data Collection Form)

The OMB web site. The Internet address is www.omb.gov. Look under OMB "Information for Agencies", then in OMB Circulars. (To obtain OMB Compliance Supplement, and Form SF-SAC: Data Collection Form)

The Federal Audit Clearinghouse, 1-888-222-9907. (to obtain Form SF-SAC: Data Collection Form), or

The American Institute of Certified Public Accountants (AICPA). AICPA has illustrative OMB Single Audit report examples that might be of interest to accountants, auditors, or financial staff. The examples can be obtained by their fax hotline: (202) 938-3797, request document number 311; or from their Internet page. The Internet address is www.aicpa.org.

If the U.S. Department of Education is the cognizant agency for the grantee organization, the following shows, according to the location of the grantee entity, which location of the Office of Inspector General to contact for single audit-related questions. For programmatic questions, grantees should contact the Education Program Contact shown on the Department's Grant Award Notification.

U.S. Department of Education Non-Federal Audit Teams

Director, Non-Federal Audits
Office of Inspector General
U.S. Department of Education
Wanamaker Building
100 Penn Square East, Suite 502
Philadelphia, PA 19107
Phone: Voice (215) 656-6900
FAX (215) 656-6397

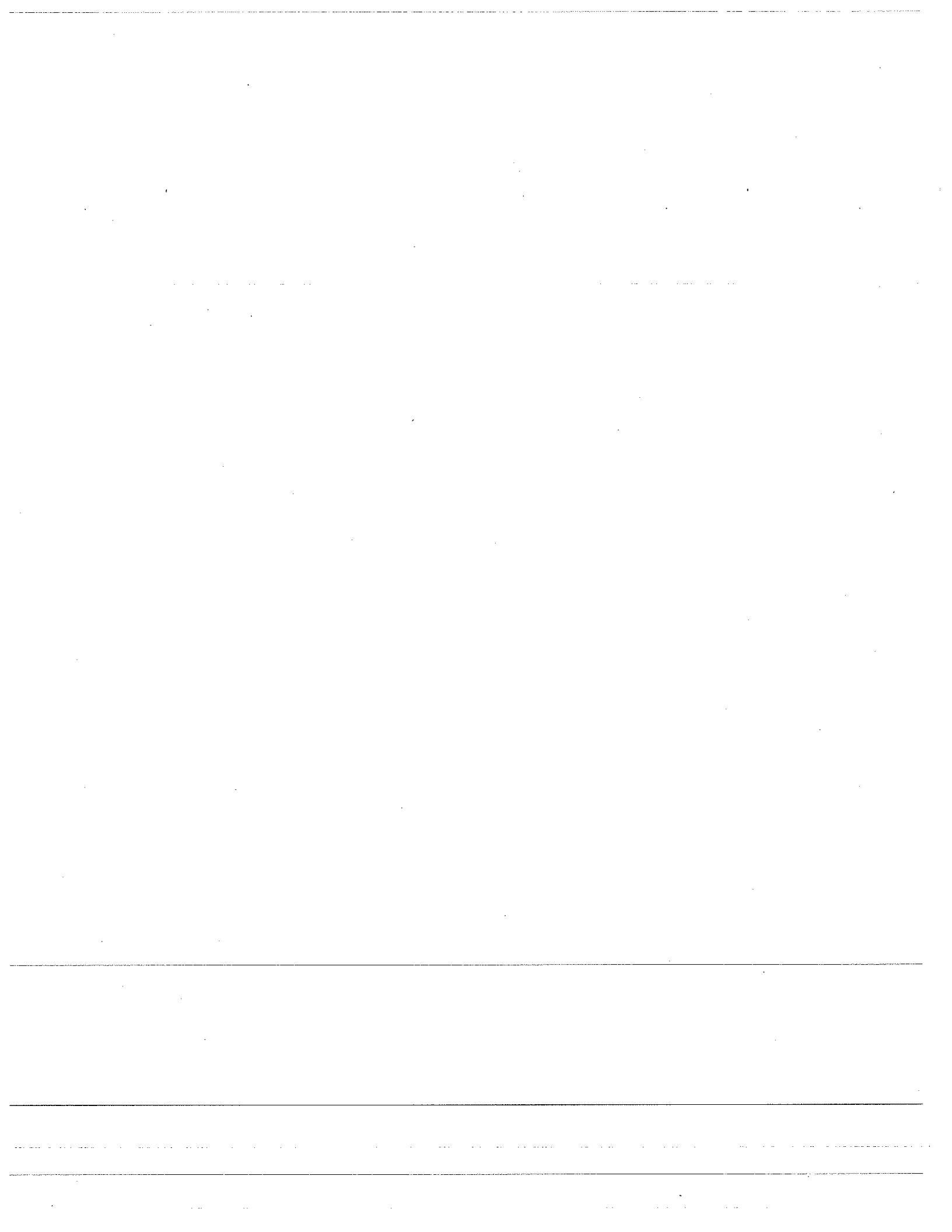
NATIONAL OFFICE CONTACT and audits in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, Puerto Rico, and the Virgin Islands.

Non-Federal Audit Team
Office of Inspector General
U.S. Department of Education
1999 Bryan Street, Suite 2630
Dallas, TX 75201-6817
Phone: Voice (214) 880-3031
FAX (214) 880-2492

For audits in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas.

Non-Federal Audit Team
Office of Inspector General
U.S. Department of Education
8930 Ward Parkway, Suite 2401
Kansas City, MO 64114-3302
Phone: Voice (816) 268-0502
FAX (816) 823-1398

For audits in Alaska, Arizona, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming, and the Pacific Islands.



GRANT ATTACHMENT 8

Trafficking in Persons

The Department of Education adopts the requirements in the Code of Federal Regulations at 2 CFR 175 and incorporates those requirements into this grant through this condition. The grant condition specified in 2 CFR 175.15(b) is incorporated into this grant with the following changes. Paragraphs a.2.ii.B and b.2.ii. are revised to read as follows:

“a.2.ii.B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85.”

“b.2.ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85.”

Under this condition, the Secretary may terminate this grant without penalty for any violation of these provisions by the grantee, its employees, or its subrecipients.

12/2014



Reporting Prime Awardee Executive Compensation Data As Required under the Federal Funding Accountability and Transparency Act

The Federal Funding Accountability and Transparency Act (FFATA) is designed to increase transparency and improve the public's access to Federal government information. To this end, FFATA requires that executive compensation data be reported for all new Federal grants funded at \$25,000 or more that meet the reporting conditions as set forth in this grant award term, and that are awarded on or after October 1, 2010. For FFATA reporting purposes, the prime awardee (i.e. the grantee) is the entity listed in box 1 of the Grant Award Notification.

a. Reporting Total Compensation of the Prime Awardee's Executives:

1. Applicability and what to report. The prime awardee must report total compensation for each of its five most highly compensated executives for the preceding completed fiscal year, if all of the following conditions are applicable: —

i. the total Federal funding authorized to date under this award is \$25,000 or more; **and**

ii. in the preceding fiscal year, the prime awardee received--

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); **and**

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); **and**

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Securities and Exchange Commission total compensation filings at www.sec.gov/answers/excomp.htm.)

2. Where, what and when to report. The prime awardee must report executive compensation described in paragraph **a.1.** of this grant award term as part of its registration profile in the System for Award Management (www.SAM.gov).

i. The types of compensation that must be reported for each subrecipient are listed in the definition of "total compensation" appearing in item **b** of this grant award term. If this is the first award the prime awardee has received that is subject to the reporting requirements in paragraph **a.1.**, the prime awardee must report by the end of the month following the month in which this award is made, and on each anniversary of this award.

b. Definitions. For purposes of this grant award term:

1. Entity means all of the following, as defined in 2 CFR Part 25:

- i. A Governmental organization, which is a State, local government, or Indian tribe;
- ii. A foreign public entity;
- iii. A domestic or foreign nonprofit organization;
- iv. A domestic or foreign for-profit organization;
- v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

2. *Executive* means officers, managing partners, or any other employees in management positions.

3. *Total compensation* means the cash and noncash dollar value earned by the executive during the prime awardee's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

- i. Salary and bonus.
- ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
- iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
- v. Above-market earnings on deferred compensation which is not tax-qualified.
- vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

Reporting Subgrant Data and Executive Compensation Data for Subrecipients As Required under the Federal Funding Accountability and Transparency Act

The Federal Funding Accountability and Transparency Act (FFATA) is designed to increase transparency and improve the public's access to Federal government information. To this end, FFATA requires that subgrant data be reported for all new Federal grants funded at \$25,000 that meet the reporting conditions as set forth in this grant award term, and that are awarded on or after October 1, 2010. Subgrant data and executive compensation data for subrecipients must be reported by the prime awardee. For FFATA reporting purposes, the prime awardee (i.e. the grantee) is the entity listed in box 1 of the Grant Award Notification. Only subgrants made by the prime awardee to **first-tier subrecipients** are reportable in accordance with FFATA.

a. Reporting of First-tier Subgrants:

1. **Applicability.** Unless the prime awardee is exempt as provided in paragraph c of this grant award term, the prime awardee must report each action that obligates \$25,000 or more in Federal funds for a subgrant to an entity (see definitions in paragraph e of this award term).
2. **Where to report.** The prime awardee must report each obligating action described in paragraph a.1. of this award term at www.FSRS.gov.
3. **What to report.** The prime awardee must report the information about each obligating action that the submission instructions posted at www.FSRS.gov specify.
4. **When to report.** The prime awardee must report subgrants described in paragraph a.1., by the end of the month following the month during which the prime awardee makes the subgrant. For example, if the prime awardee obligates a subgrant on any date during the month of October of a given year (i.e., between October 1 and 31), the prime awardee must report the subgrant by November 30 of that year.

b. Reporting of Total Compensation of Subrecipient Executives:

1. **Applicability and what to report.** Unless the prime awardee is exempt as provided in paragraph c of this award term, for each first-tier subrecipient under this award, the prime awardee shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year if all of the following conditions are applicable to the subrecipient:

i. in the subrecipient's preceding fiscal year, the subrecipient received--

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Securities and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm.)

2. **Where to report.** The prime awardee must report subrecipient executive compensation described in paragraph b.1 of this award term at www.FSRS.gov.

3. **What to report.** The types of compensation that must be reported for each subrecipient are listed in the definition of "total compensation" appearing in item d of this grant award term.

4. **When to report.** The prime awardee must report subrecipient executive compensation described in paragraph b.1., by the end of the month following the month during which the prime awardee makes the subaward. For example, if the prime awardee obligates a subgrant on any date during the month of October of a given year (i.e., between October 1 and 31), the prime awardee must report any required compensation information of the subrecipient by November 30 of that year.

5. **Conditions imposed on subgrants.** The prime awardee must include a condition on its subgrants that requires the subrecipients to timely report the information required under paragraph b.1. to the prime awardee, or in the System for Award Management (www.SAM.gov) as executive compensation data entered in www.SAM.gov by the subrecipient will pre-populate in www.FSRS.gov.

c. **Exemptions:**

If, in the previous tax year, the prime awardee had gross income, from all sources, under \$300,000, the prime awardee is exempt from the requirements to report:

1. Subawards, and
2. The total compensation of the five most highly compensated executives of any subrecipient.

d. **Definitions. For purposes of this award term:**

1. **Entity** means all of the following, as defined in 2 CFR part 25:

- i. A Governmental organization, which is a State, local government, or Indian tribe;
- ii. A foreign public entity;

- iii. A domestic or foreign nonprofit organization;
- iv. A domestic or foreign for-profit organization;
- v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

2. **Executive** means officers, managing partners, or any other employees in management positions.

3. **Subaward:**

i. Is 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. A subaward does not include payments to a contractor, small purchase agreements, vendor agreements, and consultant agreements, when goods or services under these relationships are provided for the benefit of the pass-through entity.

ii. Payments to an individual that is a beneficiary of a Federal program are not considered subawards for FFATA reporting purposes.

iii. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a [subgrant] or a contract, and is reportable in accordance with FFATA when the subrecipient of the subaward: (1) determines who is eligible to receive what Federal assistance; (2) has its performance measured in relation to whether objectives of a Federal program were met; (3) has responsibility for programmatic decision making; (4) is responsible for adherence to applicable Federal program requirements specified in the Federal award; and (5) in accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity from which it received the subaward (see 2 CFR 200.330(a)). Subgrants as referenced in EDGAR § 75.708, are considered subawards and are reportable in accordance with FFATA, if they are awarded by a pass-through entity to a subrecipient, and the conditions and requirements as addressed within this definition are applicable.

4. **Subrecipient** means an entity that:

i. Receives a subgrant from the prime awardee (i.e. the entity listed in box 1 of the Grant Award Notification) under this award; and

ii. Is accountable to prime awardee (i.e. the entity listed in box 1 of the Grant Award Notification) for the use of the Federal funds provided by the subaward.

5. **Total compensation** means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

i. Salary and bonus.

ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

v. Above-market earnings on deferred compensation which is not tax-qualified.

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

GRANT ATTACHMENT 11

SPECIFIC CONDITIONS FOR DISCLOSING FEDERAL FUNDING IN PUBLIC ANNOUNCEMENTS

When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, U.S. Department of Education grantees shall clearly state :

- 1) the percentage of the total costs of the program or project which will be financed with Federal money;
- 2) the dollar amount of Federal funds for the project or program; and
- 3) the percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

Recipients must comply with these conditions under Division H, Title V, Section 505 of Public Law 115-141, Consolidated Appropriations Act, 2018.



**PROHIBITION OF TEXT MESSAGING AND EMAILING WHILE
DRIVING DURING OFFICIAL FEDERAL GRANT BUSINESS**

Federal grant recipients, sub recipients and their grant personnel are prohibited from text messaging while driving a government owned vehicle, or while driving their own privately owned vehicle during official grant business, or from using government supplied electronic equipment to text message or email when driving.

Recipients must comply with these conditions under Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009.



Registration of Data Universal Numbering System (DUNS) Number and Taxpayer Identification Number (TIN) in the System for Award Management (SAM)

The U.S. Department of Education (Education) Grants Management System (G5) will begin disbursing payments via the U.S. Department of Treasury (Treasury) rather than directly through the Federal Reserve as in the past. The U.S. Treasury requires that we include your Tax Payer Identification Number (TIN) with each payment. Therefore, in order to do business with Education you must have a registered DUNS and TIN number with the SAM, the U.S. Federal Government's primary registrant database. If the payee DUNS number is different than your grantee DUNS number, both numbers must be registered in the SAM. Failure to do so will delay the receipt of payments from Education.

A TIN is an identification 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.

- Social Security Number "SSN"
- Employer Identification Number "EIN"
- Individual Taxpayer Identification Number "ITIN"
- Taxpayer Identification Number for Pending U.S. Adoptions "ATIN"
- Preparer Taxpayer Identification Number "PTIN"

If your DUNS number is not currently registered with the SAM, you can easily register by going to www.sam.gov. Please allow 3-5 business days to complete the registration process. If you need a new TIN, please allow 2-5 weeks for your TIN to become active. If you need assistance during the registration process, you may contact the SAM Federal Service Desk at 866-606-8220.

If you are currently registered with SAM, you may not have to make any changes. However, please take the time to validate that the TIN associated with your DUNS is correct.

If you have any questions or concerns, please contact the G5 Hotline at 888-336-8930.



System for Award Management and Universal Identifier Requirements

1. Requirement for System for Award Management (SAM)

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

2. Requirement for Data Universal Numbering System (DUNS) Numbers

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
2. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

3. Definitions

For purposes of this award term:

1. System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).
2. Data Universal Numbering System (DUNS) number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).
3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
 - a. A Governmental organization, which is a State, local government, or Indian Tribe;
 - b. A foreign public entity;
 - c. A domestic or foreign nonprofit organization;
 - d. A domestic or foreign for-profit organization; and
 - e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
4. Subaward:
 - a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - b. The term does not include your procurement of property and services needed to carry out the project or program (see 2 CFR 200.501 of the OMB "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards").
 - c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
5. Subrecipient means an entity that:
 - a. Receives a subaward from you under this award; and
 - b. Is accountable to you for the use of the Federal funds provided by the subaward.



UNITED STATES DEPARTMENT OF EDUCATION
Office of the Chief Financial Officer

MEMORANDUM to ED GRANTEEES REGARDING THE USE OF GRANT FUNDS FOR CONFERENCES AND MEETINGS

You are receiving this memorandum to remind you that grantees must take into account the following factors when considering the use of grant funds for conferences and meetings:

- Before deciding to use grant funds to attend or host a meeting or conference, a grantee should:
 - Ensure that attending or hosting a conference or meeting is consistent with its approved application and is reasonable and necessary to achieve the goals and objectives of the grant;
 - Ensure that the primary purpose of the meeting or conference is to disseminate technical information, (e.g., provide information on specific programmatic requirements, best practices in a particular field, or theoretical, empirical, or methodological advances made in a particular field; conduct training or professional development; plan/coordinate the work being done under the grant); and
 - Consider whether there are more effective or efficient alternatives that can accomplish the desired results at a lower cost, for example, using webinars or video conferencing.
- Grantees must follow all applicable statutory and regulatory requirements in determining whether costs are reasonable and necessary, especially the Cost Principles for Federal grants set out at 2 CFR Part 200 Subpart E of the, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." In particular, remember that:
 - Federal grant funds cannot be used to pay for alcoholic beverages; and
 - Federal grant funds cannot be used to pay for entertainment, which includes costs for amusement, diversion, and social activities.
- Grant funds may be used to pay for the costs of attending a conference. Specifically, Federal grant funds may be used to pay for conference fees and travel expenses (transportation, per diem, and lodging) of grantee employees, consultants, or experts to attend a conference or meeting if those expenses are reasonable and necessary to achieve the purposes of the grant.
 - When planning to use grant funds for attending a meeting or conference, grantees should consider how many people should attend the meeting or conference on their behalf. The number of attendees should be reasonable and necessary to accomplish the goals and objectives of the grant.
- A grantee hosting a meeting or conference may not use grant funds to pay for food for conference attendees unless doing so is necessary to accomplish legitimate meeting or conference business.
 - A working lunch is an example of a cost for food that might be allowable under a Federal grant if attendance at the lunch is needed to ensure the full participation by conference attendees in essential discussions and speeches concerning the purpose of the conference and to achieve the goals and objectives of the project.
- A meeting or conference hosted by a grantee and charged to a Department grant must not be promoted as a U.S. Department of Education conference. This means that the seal of the U.S. Department of Education must not be used on conference materials or signage without Department approval.

UNITED STATES DEPARTMENT OF EDUCATION

Office of the Chief Financial Officer

- All meeting or conference materials paid for with grant funds must include appropriate disclaimers, such as the following:
 - 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.
- Grantees are strongly encouraged to contact their project officer with any questions or concerns about whether using grant funds for a meeting or conference is allowable prior to committing grant funds for such purposes.
 - A short conversation could help avoid a costly and embarrassing mistake.
- Grantees are responsible for the proper use of their grant awards and may have to repay funds to the Department if they violate the rules on the use of grant funds, including the rules for meeting- and conference-related expenses.

12/2014




UNITED STATES DEPARTMENT OF EDUCATION

MEMORANDUM

ENCLOSURE 4

DATE: July 12, 2016

TO: Recipients of grants and cooperative agreements

FROM: Tim Soltis 
Delegated the Authority to perform the Duties and Functions of the Chief
Financial Officer

SUBJECT: Department of Education Cash Management Policies for Grants and Cooperative
Agreements

The purpose of this memorandum is to remind the Department of Education's (the Department's) grant and cooperative agreement recipients (grantees) of existing cash management requirements regarding payments. The Department expects that grantees will ensure that their subgrantees are also aware of these policies by providing relevant information to them.

There are three categories of payment requirements that apply to the draw of funds from grant accounts at the Department. The first two types of payments are subject to the requirements in the Treasury Department regulations implementing the Cash Management Improvement Act (CMIA) of 1990, 31 U.S.C.6513, and the third is subject to the requirements in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) at 2 CFR part 200,¹ as follows:

- (1) Payments to a State under programs that are covered by a State's Treasury State Agreement (TSA);
- (2) Payments to States under programs that are not covered by a TSA; and
- (3) Payments to other non-Federal entities, including nonprofit organizations and local governments.

CMIA Requirements Applicable to Programs included in a TSA

Generally, under the Treasury Department regulations implementing the CMIA, only major assistance programs (large-dollar programs) are included in a State's written TSA. See 31 CFR part 205, subpart A. Programs included in a TSA must use approved funding techniques and both States and the Federal government are subject to interest liabilities for late payments. State interest liabilities accrue from the day federal funds are credited to a State account to the day the State pays out the federal funds for federal assistance program purposes. 31 CFR 205.15. If a

¹ The Department adopted the Uniform Guidance as regulations of the Department at 2 CFR part 3474.

State makes a payment under a Federal assistance program before funds for that payment have been transferred to the State, Federal Government interest liabilities accrue from the date of the State payment until the Federal funds for that payment have been deposited to the State account. 31 CFR 205.14.

CMIA Requirements Applicable to Programs Not Included in a TSA

Payments to States under programs not covered by a State's TSA are subject to subpart B of Treasury's regulations in 31 CFR part 205. These regulations provide that a State must minimize the time between the drawdown of funds from the federal government and their disbursement for approved program activities. The timing and amount of funds transfers must be kept to a minimum and be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs. 31 CFR 205.33(a). States should exercise sound cash management in funds transfers to subgrantees.

Under subpart B, neither the States nor the Department owe interest to the other for late payments. 31 CFR 205.33(b). However, if a State or a Federal agency is consistently late in making payments, Treasury can require the program to be included in the State's TSA. 31 CFR 205.35.

Fund transfer requirements for grantees other than State governments and subgrantees

The transfer of Federal program funds to grantees other than States and to subgrantees are subject to the payment and interest accrual requirements in the Uniform Guidance at 2 CFR 200.305(b). These requirements are similar to those in subpart B of the Treasury Department regulations in 31 CFR part 205, requiring that "payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity." 2 CFR 200.305(b) introduction.

The Federal Government and pass-through entities must make payments in advance of expenditures by grantees and subgrantees if these non-Federal entities maintain, or demonstrates the willingness to maintain, written procedures "that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability as established in" 2 CFR 200.305(b). If a grantee or subgrantee cannot meet the criteria for advance payments, a Federal agency or pass-through entity can pay that entity through reimbursement. See 2 CFR 200.305(b)(1) and (4) for more detailed description of the payment requirements and the standards for requiring that payments be made by reimbursement.

Non-Federal entities other than States must maintain advance payments in interest bearing accounts unless certain conditions exist. See 2 CFR 200.305(b)(8) for those conditions. The requirements regarding interest accrual and remittance follow:

- Grantees other than States and subgrantees must annually remit interest earned on federal advance payments except that the non-Federal entity may retain up to \$500 of interest earned on the account each year to pay for the costs of maintaining the account.
- Grantees other than States and subgrantees must remit interest earned on Federal advance payments to the Department of Health and Human Services, Payment Management

System (PMS), through either Automated Clearinghouse (ACH) network or Fedwire. Detailed information about electronic remittance of funds via ACH or Fedwire are specified in 2 CFR 200.305(b)(9)(i) and (ii). For non-Federal entities that do not have electronic remittance capability, checks must be made payable to HHS and addressed to:

U.S. Department of Health and Human Services
Program Support Services
P.O. Box 530231
Atlanta, GA 3035-0231

The remittance should be accompanied by a letter stating that the remittance is for "interest earned on Federal funds" and should include the DUNS number of the non-Federal entity making the payment.

Grantees, including grantees that act as pass-through entities and subgrantees have other responsibilities regarding the use of Federal funds. For example, all grantees and subgrantees must have procedures for determining the allowability of costs for their awards. We highlight the following practices related to the oversight of subgrantee compliance with the financial management requirements in the Uniform Guidance that will assist State grantees (pass-through entities) in meeting their monitoring responsibilities. Under 2 CFR 200.331, pass-through entities must –

- Establish monitoring priorities based on the risks posed by each subgrantee, including risks associated with the drawdown of grant funds and remittance of interest to the Federal Government;
- Monitor the fiscal activity of subgrantees as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

A small number of ED grant programs have program-specific cash management and payment requirements based on the authorizing legislation or program regulations. These program-specific requirements may supplement or override general cash management or payment requirements. If you have any questions about your specific grant, please contact the program officer, whose contact information is on Block 3 of your Grant Award Notification (GAN).

Thank you for your attention to this matter. If you have any questions, please contact Blanca Rodriguez at (202) 245-8153 or blanca.rodriguez@ed.gov

Attachment



**Recipients of ED Grants and Cooperative Agreements
Frequently Asked Questions on
Cash Management**

Q What are the Federal Laws and Regulations Regarding Payments to the States?

A The *Cash Management Improvement Act of 1990 (CMIA)* establishes interest liabilities for the Federal and State governments when the Federal Government makes payments to the States. See 31 U.S.C. 3335 and 6503. The implementing regulations are in Title 31 of the Code of Federal Regulations (CFR), Part 205, <http://www.fms.treas.gov/fedreg/31cfr205final.pdf>.

Q What is a Treasury-State Agreement (TSA)?

A A TSA documents the accepted funding techniques and methods for calculating interest agreed upon by the U.S. Department of the Treasury (Treasury) and a State. It identifies the Federal assistance programs that are subject to interest liabilities under the CMIA. The CMIA regulations specify a number of different funding techniques that may be used by a State but a State can negotiate with the Treasury Department to establish a different funding technique for a particular program. A TSA is effective until terminated and, if a state does not have a TSA, payments to the State are subject to the default techniques in the regulations that Treasury determines are appropriate.

Q What are the CMIA requirements for a program subject to a Treasury-State Agreement?

A Payments to a State under a program of the Department are subject to the interest liability requirements of the CMIA if the program is included in the State's Treasury-State Agreement (TSA) with the Department of Treasury. If the Federal government is late in making a payment to a State, it owes interest to the State from the time the State spent its funds to pay for expenditure until the time the Federal government deposits funds to the State's account to pay for the expenditure. Conversely, if a State is late in making a payment under a program of the Department, the State owes interest to the Federal government from the time the Federal government deposited the funds to the State's account until the State uses those funds to make a payment. For more information, see the recently issued Memorandum from the Chief Financial Officer on Cash Management which is posted on the ed.gov "ED Memoranda to Grantees" page at: <http://www2.ed.gov/policy/fund/guid/gposbul/gposbul.html>

Q What are the CMIA requirements for a program that is not subject to a Treasury-State Agreement?

A If a program is not included in the State's TSA, neither the State nor the Federal government are liable for interest for making late payments. However, both the Federal government and the State must minimize the time elapsing between the date the State requests funds and the date that the funds are deposited to the State's accounts. The State is also required to minimize the time elapsed between the date it receives funds from the Federal government and the date it makes a payment under the program. Also, the Department must minimize the amount of funds transferred to a State to only that needed to meet the immediate cash needs of the State. The timing and amount of funds transferred must be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs.

Q What if there is no TSA?

A When a State does not have a TSA in effect, default procedures in 31 CFR, part 205 that the Treasury Department determines appropriate apply. The default procedures will prescribe efficient funds transfer procedures consistent with State and Federal law and identify the covered Federal assistance programs and designated funding techniques.

Q Who is responsible for Cash Management?

A Grantees and subgrantees that receive grant funds under programs of the Department are responsible for maintaining internal controls regarding the management of Federal program funds under the Uniform Guidance in 2 CFR 200.302 and 200.303. In addition, grantees are responsible for ensuring that subgrantees are aware of the cash management and requirements in 2 CFR part 200, subpart D.

Q Who is responsible for monitoring cash drawdowns to ensure compliance with cash management policies?

A Recipients must monitor their own cash drawdowns and those of their subrecipients to assure substantial compliance to the standards of timing and amount of advances.

Q How soon may I draw down funds from the G5 grants management system?

A Grantees are required to minimize the amount of time between the drawdown and the expenditure of funds from their bank accounts. (See 2 CFR 200.305(b).) Funds must be drawn only to meet a grantee's immediate cash needs for each individual grant. The G5 screen displays the following message:

By submitting this payment request, I certify to the best of my knowledge and belief that the request is based on true, complete, and accurate information. I further certify that the expenditures and disbursements made with these funds are for the purposes and objectives set forth in the applicable Federal award or program participation agreement, and that the organization on behalf of which this submission is being made is and will remain in compliance with the terms and conditions of that award or program participation agreement. I am aware that the provision of any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me, and the organization on behalf of which this submission is being made, to criminal, civil, or administrative penalties for fraud, false statements, false claims, or other violations. (U.S. Code Title 18, Section 1001; Title 20, Section 1097; and Title 31, Sections 3729-3730 and 3801-3812)

Q How may I use Federal funds?

A Federal funds must be used as specified in the Grant Award Notification (GAN) and the approved application or State plan for allowable direct costs of the grant and an allocable portion of indirect costs, if authorized.

Q What are the consequences to recipients/subrecipients for not complying with terms of the grant award?

A If a recipient or subrecipient materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, including those in 2 CFR part 200, an assurance, the GAN, or elsewhere, the awarding agency may take one or more of the following actions:

1. Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity not in compliance.
3. Wholly or partly suspend or terminate the Federal award.
4. Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal award agency regulations (or in the case of a pass-through be initiated by a Federal awarding agency).
5. Withhold further Federal awards for the project or program.
6. Take other remedies that may be legally available.

- Q Who is responsible for determining the amount of interest owed to the Federal government?**
- A** As set forth in 31 CFR 205.9, the method used to calculate and document interest liabilities is included in the State's TSA. A non-State entity must maintain advances of Federal funds in interest-bearing accounts unless certain limited circumstance apply and remit interest earned on those funds to the Department of Health and Human Services, Payment Management System annually. See 2 CFR 200.305. Also, see the July 6, 2016, memorandum from the Department's Chief Financial Officer on Department of Education Cash Management Policies for Grants and Cooperative Agreements posted at <http://ww2.ed.gov/policy/fund/guid/gposbul.html>
- Q What information should accompany my interest payment?**
- A** Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from ASAP, NSF or another federal agency payment system. CFR 200.305(b)(9).
- Q Are grant recipients/subrecipients automatically permitted to draw funds in advance of the time they need to disburse funds in order to liquidate obligations?**
- A** The payment requirements in 2 CFR 200.305(b) authorize a grantee or subgrantee to request funds in advance of expenditures if certain conditions are met. However, if those conditions are not met, the Department and a pass-through agency may place a payee on reimbursement.
- Q For formula grant programs such as ESEA Title I, for which States distribute funds to LEAs, may States choose to pay LEAs on a reimbursement basis?**
- A** A subgrantee must be paid in advance if it meets the standards for advance payments in 2 CFR 200.305(b)(1) but if the subgrantee cannot meet those standards, the State may put the subgrantee on reimbursement payment. See 2 CFR 200.305(b)
- Q Will the Department issue special procedures in advance if G5 plans to shut down for 3 days or more?**
- A** Yes, before any shutdown of G5 lasting three days or more, the Department issues special guidance for drawing down funds during the shut down. The guidance will include cash management improvement act procedures for States and certain State institutions of higher education and procedures for grants (including Pell grants) that are not subject to CMIA.

