



Federal Grants Management Test

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Resources:

EDGAR Online:

<https://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>

Uniform Guidance Online:

[eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

Guidance documents:

www.bruman.com/resources

Question 1

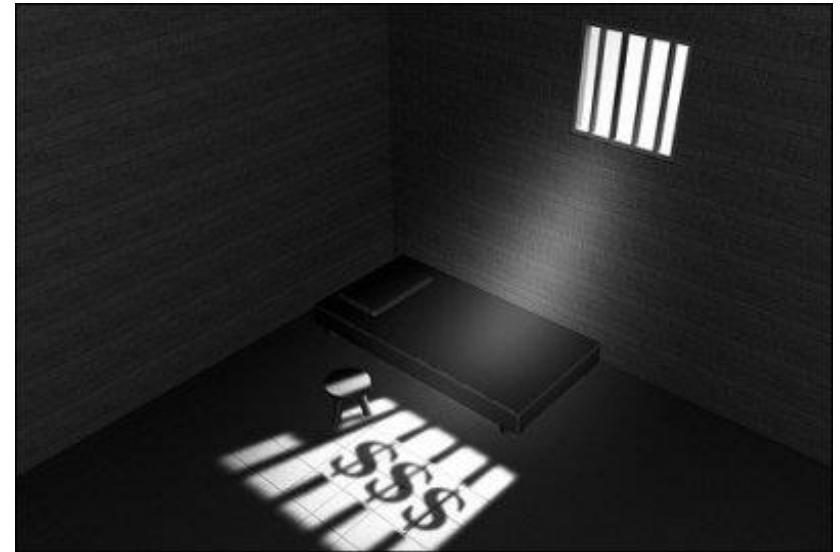
What does EDGAR stand for?

- A. Education Department Grant Award Rules
- B. Education Department Grantees Administrator's Rights
- C. Education Department General Administrative Regulations
- D. Every Darn Grant Administrator Rocks!

Question 2

A federal grants administrator cannot be personally liable if they are doing what their boss tells them to do.

- A. True
- B. False





Allowability

Question 3

When determining whether a cost is **necessary** a grantee should consider:

- A. Whether the purchase aligns with the goals of the program
- B. Whether the entity has the capacity to use what its purchasing
- C. Whether the cost is included in the application
- D. All of the above

Question 4

Which of the following should a grantee consider when determining whether a cost is **reasonable**:

- A. Whether the purchase deviates significantly from established prices
- B. Arms length bargaining
- C. Market prices for comparable goods and services in the geographical area
- D. All of the above

Question 5

Which of the following is **not** a factor when determining whether a cost is **allocable** to a federal award:

- A. The cost is incurred specifically for the award
- B. The cost benefits both the award and other work, and can be distributed in proportions approximated with reasonable methods
- C. Whether other districts or states made the same purchase
- D. The cost is necessary to the overall operation of the entity and assignable to the award in accordance with the UGG

Question 6

Under the 2024 changes to the UGG, until when may an LEA or SEA incur administrative closeout costs?

- A. Until the end of the approved budget period.
- B. Until the end of the liquidation period.
- C. Until the due date of the final reports to ED.
- D. Never. Administrative closeout costs will never ever be allowable.

Basic Factors of Allowability - 200.403

To be allowable, a cost *must*:

- Be **necessary, reasonable** and **allocable**
- Comply with the cost principles and Federal award
- Be consistent with policies and procedures applying uniformly to Federal and non-Federal activities and costs
- Be consistently treated as either direct or indirect costs
- Be determined in accordance with GAAP
- Not be included or used to meet cost sharing / match requirements
- Be adequately **documented**
- **Administrative closeout costs may be incurred until due date of the final reports.** Must be liquidated prior to due date and charged to final budget period. All other costs must be incurred during approved budget period.

Question 7

Drawdown refers to requesting and receiving funds from the federal government or pass-through entity (SEA), while disbursement refers to _____.

- A. Paying employees, vendors, and other payees to liquidate obligations
- B. Receiving funds from the awarding agency
- C. Approving costs associated with a budgeted amount
- D. Submitting all financial, performance, and other reports as required by the terms and conditions of the federal award

Question 8

A school district contracts with a company to offer virtual instruction in its schools. The contract obligates to the federal award:

- A. On the date the services begin
- B. On the first day of the grant
- C. The date of the finalized contract
- D. On the date services are completed



Financial Obligations – 200.1

Orders placed for property and services, contracts and subawards made, and similar transactions that require payment by a recipient or subrecipient under a Federal award that result in expenditures by a recipient or subrecipient under a Federal award.

When do costs obligate? 34 CFR 76.707

Type of Cost	Date of Obligation
Acquisition of real or personal property	On the date on which the State or subgrantee makes a binding written commitment to acquire the property
Personal services by an employee	When the services are performed
Personal services by a contractor	On the date on which the State or subgrantee makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date on which the State or subgrantee makes a binding written commitment to obtain the work
Travel	When the travel is taken

Question 9

On February 1, 2023, a school administrator purchases a plane ticket with federal grant funds for a conference. The flight departs on April 15, 2023. The cost of the plane ticket obligates:

- A. February 1, 2023
- B. April 15, 2023
- C. On the date the conference begins
- D. On the date the credit card was charged

Question 10

A district submitted its final performance report to the state 45 days after the end of the period of performance. The state now has _____ days to submit the final performance report to ED:

- A. 45
- B. 60
- C. 75
- D. 120

Closeout and Liquidation –200.344

- Federal agency or pass-through must close out the award when it determines that all administrative actions and required work of the Federal award have been completed.
- SEA must liquidate within 120 days of obligation date
 - Complete scope of work
 - Finish accounting
 - Finalize draw-downs
- LEA has 90 days to liquidate (or an earlier date as agreed upon by the pass-through entity and subrecipient).
- When justified, the Federal agency or pass-through entity may approve extensions for recipient or subrecipient

Question 11

The grant began on July 1st, but your district did not get their grant approved until August 1st. All charges prior to August 1st are therefore pre-award costs. Pre-award costs are only allowable to the extent they would have been allowable and:

- A. There is a public emergency that will not permit delay
- B. With written approval from the federal awarding agency
- C. Nothing else is required
- D. The cost does not exceed \$5,000

Question 12

Expenditures on food using ED grants are _____.

- A. Allowable because ED guidance prohibiting expenditures on food did not go through the formal rulemaking process
- B. Unallowable because expenditures on food are prohibited by ED guidance
- C. Generally unallowable because expenditures on food are usually not necessary for the performance of the award
- D. Unallowable because expenditures on food are always unreasonable

Question 13

The LEA wants to reimburse parents parking for attending a parent and family engagement activity. Under the 2024 changes, this expenditure is allowable if:

- A. This type of expenditure is classified as a participant support cost and is consistent with the LEA's policies and procedures
- B. The LEA received prior approval from the State.
- C. Both A&B
- D. Never. You cannot reimburse parents directly for parking.

Participant Support Costs – 200.456

- Participant support costs are allowable (see § 200.1). The classification of items as participant support costs must be documented in the recipient's or subrecipient's written policies and procedures and treated consistently across all Federal awards.
- Prior approval requirement removed

Question 14

Entertainment costs (like field trips) are **not** allowable **unless**:

- A. The grantee receives prior written approval from the federal awarding agency for the cost
- B. Parents also contribute to the cost of the field trip
- C. The field trip has a clear programmatic purpose
- D. A & C

Question 15

The following costs associated with hosting a conference are generally allowable, unless restricted by the federal award:

- A. Rental of facilities
- B. Costs of meals and refreshments
- C. Identifying available childcare
- D. All of the above

Question 16

A district uses a credit card with cash back rewards. What does the district have to do with the rewards?

- A. All rewards over \$500 must go back to the grant
- B. The cash back must be used for any district-level administrative costs
- C. All cash back must be credited back to the appropriate grant
- D. Use the funds for the staff holiday party!!



Financial Management

Question 17

A district that maintains an accurate budget complies with the financial management requirements of EDGAR.

- A. Yes
- B. Yes, because budget control is the key to grants management requirement
- C. No, because grantees must also compare budgeted amounts to actual expenditures
- D. No, because the budget is just a guideline

Question 18

A non-federal entity's internal controls must do all of the following **except**:

- A. Comply with the U.S. Constitution, federal statutes, regulations, and the terms and conditions of the federal awards
- B. Be updated annually
- C. Evaluate and monitor compliance and take prompt action to correct noncompliance
- D. Safeguard personally identifiable information (PII)

Internal Controls – 200.303

MUST:

- Establish, document, and maintain internal controls
- Comply with requirements (including U.S. Constitution)
- Evaluate and monitor compliance
- Take prompt action to correct noncompliance
- Take cybersecurity and other measures as appropriate to safeguard information including personally identifiable information (PII)

* Compliance Supplement, Internal Controls: “Control activities are the policies and procedures that help ensure the management’s directives are carried out.”

Question 19

These policies and procedures **must** be in writing:

- A. Cash management procedures
- B. Record retention procedures
- C. Allowability procedures
- D. A & C

Federal Payment – 200.305(b)

- Must minimize time elapsing between draw down and disbursement
 - Must maintain written procedures (200.302)
1. Advance Payments
 - Limited to minimum amounts needed to meet immediate cash needs
 - Subject to cash management requirements
 2. Reimbursements (preferred for construction projects)
 - Federal agency or pass-through must make payment within 30 calendar days after receipt of the payment request
 - Initial payments made with state/local funds

Federal Payment – 200.305(b)

- Cash advances must be maintained in insured accounts
- Accounts must be interest-bearing unless one of the following applies:
 - Aggregate Federal awards under \$250,000
 - Account not reasonably expected to earn in excess of \$500 per year
 - Bank requires minimum balance so high, that such account is not feasible
 - An interest-bearing account is not readily accessible (for example, due to public or political unrest in a foreign country)
- Interest earned must be remitted annually to HHS Payment Management System. Interest amounts up to \$500 may be retained by non-Federal entity for administrative purposes.



Time & Effort

Question 20

The UGG requires that time and effort records must:

- A. Reasonably reflect the total activity for which an employee is compensated
- B. Be completed, signed, and submitted monthly
- C. Be supported by a system of internal controls
- D. A & C

Documentation Standards – 200.430(g)

Documentation must...

1. Be supported by a system of internal controls which provides reasonable assurance charges are accurate, allowable and allocable;
2. Be incorporated into official records;
3. Reasonably reflect total activity for which employee is compensated;
4. Encompass all activities (federal and non-federal);
5. Comply with established accounting policies and practices; and
6. Support distribution among specific activities or cost objectives.

Question 21

Which individuals paid with federal funds need to keep time and effort records?

- A. A part time employee spending 50% of her time working on federal grants
- B. A contractor spending 50% of her time working on federal grants
- C. A full-time employee spending 50% of her time on federal grants
- D. A and C only
- E. None of the above. Only employees who spend 100% of their time on federal grants must keep time and effort records.

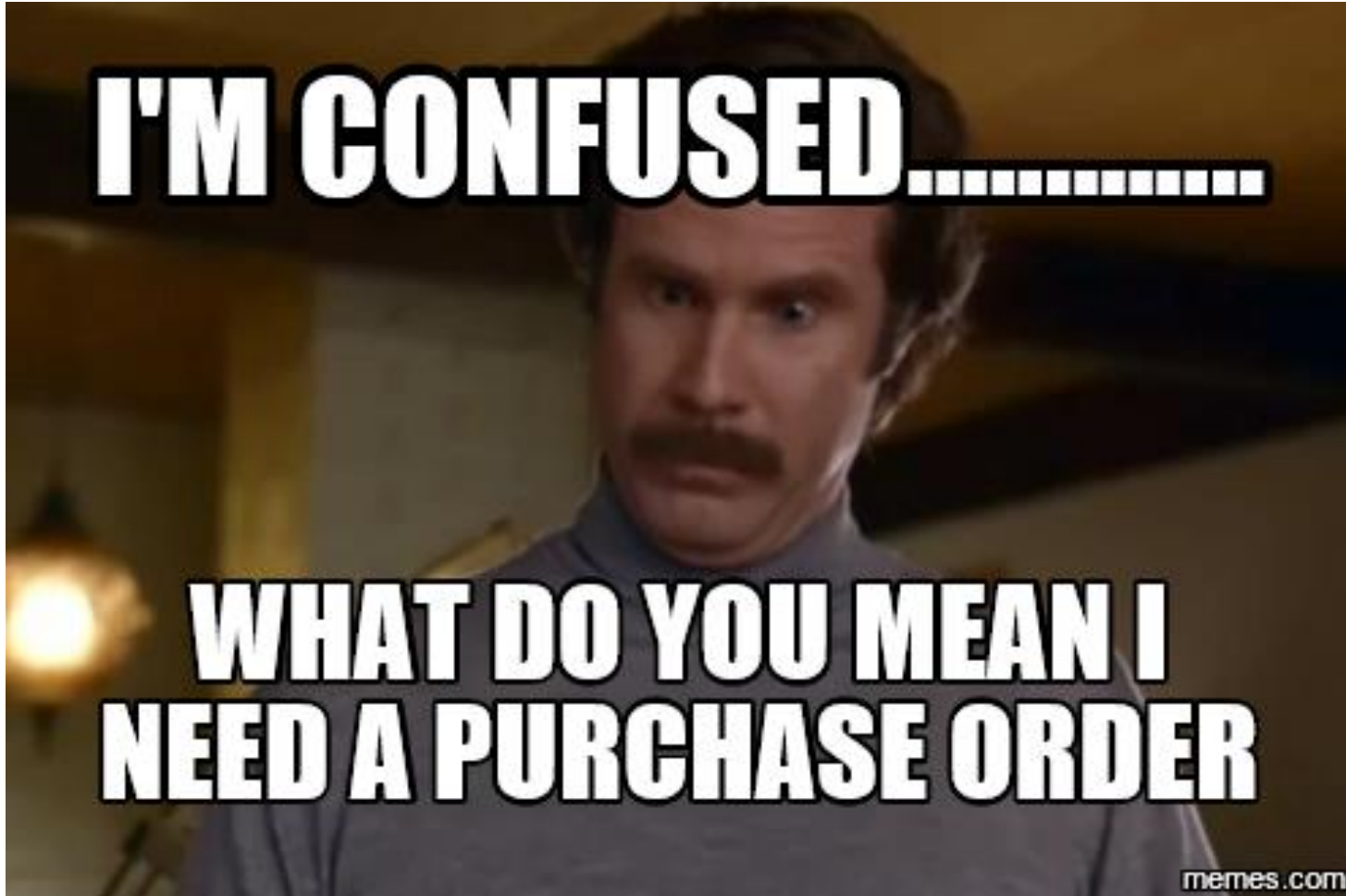
Who must keep time and effort records?

- Any employee paid in whole or in part with federal funds
- Includes: Full time and part time employees, Federal stipends that are considered salary expenses, Substitute teachers (if employees), etc. 200.430(g)(1) and (4)
- Any employee whose salary is used to meet a match/cost share requirement
- Note: time and effort requirements do not apply to contractors!

Question 22

An administrator paid with federal funds spent 40% of their time working on IDEA administration and 60% on non-federal activities. The administrator must:

- A. Maintain time and effort documentation reflecting that he worked on one cost objective if the administrator is paid with federal funds
- B. Maintain time and effort documentation reflecting that he worked on at least two cost objectives
- C. Does not need to maintain time and effort documentation
- D. Only needs to maintain time and effort documentation if his work is being used to match a federal contribution



Procurement

Question 23

Your state law requires competitive proposals for all purchases over \$50,000. For your federal grant purchases, you must:

- A. Only submit competitive proposals for all purchases over \$250,000 because that is what EDGAR requires
- B. Submit competitive proposals for all purchases
- C. Submit competitive proposals for purchases over \$50,000
- D. Submit competitive proposals for purchases over \$10,000, the micro-purchase threshold

Formal Procurement Methods – 200.320(b)

- Required when value of procurement is over the simplified acquisition threshold (\$250,000 in the FAR or a lower threshold if applicable).
- If state or local threshold is lower, must apply the lower threshold.
- Requires competition and public notice
- Includes sealed bids and competitive proposals

Question 24

The former spouse of a district employee runs a hardware company that the district plans to use for its next large purchase of maintenance supplies. May the district continue with the purchase?

- A. Yes, because former spouses automatically do not create a conflict
- B. Yes, but only if the policy allows for it and the district should screen the employee from the procurement if necessary
- C. Yes, but only if the interest is not detrimental to the district
- D. No, because there is an apparent conflict that could potentially affect the award

Conflicts of Interest – 200.318(c)

- Maintain written standards of conduct covering conflicts of interest actions of employees engaged in the selection, award, and administration of contracts.
- A conflict of interest arises when any of the following has a financial or other interest in the firm selected for award:
 - Employee, officer, agent, or board members
 - Any member of that person's immediate family
 - That person's partner
 - An organization which employs, or is about to employ, any of the above or has a financial interest in the firm selected for award

Question 25

Grantees and subgrantees may always use the COVID-19 pandemic as justification for non-competitive procurements (sole sourcing):

- A. True
- B. False



Noncompetitive Procurements – 200.320(c)

- Appropriate only when:
 - Transaction is under the micro-purchase threshold
 - Can only be fulfilled by a single source
 - There is a public emergency for the requirement that will not permit delay resulting from providing public notice of a competitive solicitation
- The recipient or subrecipient requests in writing to use a noncompetitive procurement method, and the federal agency or pass-through entity provides written approval, or
- After soliciting several sources, competition is determined inadequate

Question 26

You entered into a contract with Accel History, LLC a year ago. Last month after checking SAM.gov, you discovered they had been debarred. What must you do with your contract?

- A. Terminate the contract immediately
- B. Continue with the contract, their services are great
- C. Terminate it and enter into a new agreement as long as the vendor has a plan to get off the debarred list
- D. Write a nasty Yelp review...
- E. A or B

Question 27

During the procurement process, districts **must** give preference to goods made in America, and they **may** give preference to companies located within its state geographical borders.

A. True

B. False

Question 28

Under the 2024 change, when possible, LEAs should consider small businesses, minority-owned businesses, women-owned businesses, labor surplus area firms, and _____ in their procurement process.

- A. Veteran-owned businesses
- B. New businesses
- C. Clean energy businesses
- D. Businesses owned by Taylor Swift fans



Inventory & Records

Question 29

To meet equipment management requirements, a nonfederal entity must:

- A. Take physical inventory every two years.
- B. Investigate all incidents of loss, damage, or theft.
- C. Maintain property records that include a description of the property, a serial or other identification number, the source of funding, acquisition date and cost.
- D. All of the above
- E. None of the above. Equipment management is left to the discretion of the nonfederal entity through its policies and procedures.

Inventory Requirements – 200.313(d)

(1) Property records

- Description, serial number or other ID, source of funding, title, acquisition date and cost, percent of Federal contribution, location, use and condition, and disposition date including sale price. Recipient is responsible for maintaining and updating property records when there is a change in status of the property.

(2) Physical inventory at least every two years (or more often, if required by State or your own policies)

(3) Control system to prevent property loss, damage, theft (all incidents must be investigated and reported to the Federal agency or pass-through entity)

(4) Regular maintenance procedures in place

(5) If authorized or required to sell property, proper sales procedures to ensure highest possible return

Question 30

The UGG mandates that records be kept for 3 years subject to certain exceptions. However, we should ignore the UGG and maintain records for at least _____ years under GEPA.

- A. 1
- B. 3
- C. 5
- D. 7



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