



Indian Education Discretionary Grant Programs – CFDA 84.299A Demonstration Grants for Indian Children and Youth Program: Accessing Choices in Education (ACE) Grant Competition for 2020

Questions and Answers from the Pre-Application Webinars held on July 23 and 30, 2020.

## Section 4: Budget

<b>Question 27:</b>	What is the funding ceiling per year and for the total five-year period?
<b>Answer:</b>	There is no maximum amount for a project. Estimates for the total available funds for this year’s grant competition, range of awards, average size of awards, and estimated number of awards are included in the NIA. Please note the “Estimated Average Size of Awards” number is per year and that none of these estimates is binding.
<b>Question 28:</b>	Considering the state of affairs due to the novel coronavirus pandemic, how much flexibility will be allowed to service changes based on ever-fluctuating circumstances within districts, e.g. distance/hybrid learning plans?
<b>Answer:</b>	Grantees have some flexibility to move cost items within budget categories without needing Department approval, subject to certain limits and items that require advance approval by OIE. See the cost principles at 2 CFR 200.308(c), 200.407. Prior approval items include changing a cost item from a grantee expense to a contracted expense or the reverse; equipment; and travel costs. For example, if the budget submitted with an application for a \$1,000,000 grant includes \$800,000 in contracted direct services for year 2, and the service plan includes several providers that will provide services remotely to students due to physical school closures, and then halfway through the school year students are back physically at school, if the grantee and its providers want to change services to a physical location, which necessitates an increase in the total budgeted amount for contracts, the grantee would submit a revised budget and request approval from OIE. Grantees should propose a project that is likely to be sustainable given current uncertainties.
<b>Question 29:</b>	Is the funding based on the number of students served and the per- pupil amount? Are ranges of funding published?
<b>Answer:</b>	The applicant should propose what it thinks will best meet the needs of the community. Please note there are selection criteria regarding the extent to which the per pupil amounts are transparent to the public and the extent to which the per-pupil cost is reasonable in relation to the project objectives. The NIA includes an estimated range of awards.
<b>Question 30:</b>	Regarding the budget, can we use our indirect cost (IDC) rate? Is there a cap or can we use the Tribe's IDC negotiated rate? I was under the impression that the indirect cost rate did not need to be part of the administrative cap.
<b>Answer:</b>	The indirect cost rate of the lead applicant can be used to the extent that the indirect cost rate, direct administrative expenses, the service selection method and anything else needed to oversee the project combined together do not exceed 20% of the total annual award. The administrative cost cap is set at 5% by statute. For FY 2020, the administrative cap applies only to direct administrative costs, so the

	indirect costs do NOT need to part of the 5% administrative cap. However, this competition requires that 80% of grant funds go to direct services for students. As a result, no more than 20% of grant funds may be used for other purposes, including all direct administrative costs, indirect costs, any structural costs (such as the service selection method and parent feedback method) and may not be more than 15% of the total grant.
<b>Question 31:</b>	If an applicant anticipates using its planning period to identify service providers, how should it develop the budget request for subsequent years?
<b>Answer:</b>	An applicant should propose the budget that it anticipates being appropriate to meet the goals of the program. An applicant can estimate per-pupil costs for each service and each provider without knowing who the actual providers will be.
<b>Question 32:</b>	May a grantee make annual budget modifications?
<b>Answer:</b>	Yes, as long as they do not change the scope and objectives of the grant. A grantee can make changes among budget categories, subject to needing prior approval from OIE for certain items such as changing to/from the contracting category; purchase of equipment; and travel costs.
<b>Question 33:</b>	If the applicant is one of the service providers, can the applicant use grant funds to plan the project during the planning period?
<b>Answer:</b>	The planning period can include the costs of planning and developing the service selection method and the parent involvement and feedback system. However, an applicant cannot include costs of building capacity of its own entity or another entity to be able to provide the services.
<b>Question 34:</b>	Will grantees be allowed to purchase food for the program?
<b>Answer:</b>	Please note that the grantee will be contracting for services with various service providers. Whether or not food is an allowable cost, for example if one provider wanted to offer snacks during an after-school program, is very fact-specific and depends on whether it is reasonable and necessary for the project objective. A grantee will review each provider's cost plan and approve costs accordingly and should contact its OIE program officer with any specific questions.
<b>Question 35:</b>	Will the planning staff be considered Administrative or Project Supervision?
<b>Answer:</b>	Since the requirement that 80% of grant funds be used for direct services does not apply to the planning period, you don't need to designate the planning staff as direct versus non-direct service costs as you must in subsequent project years. The planning of the ACE structural system during the planning period does not need to come under the 5% direct admin cap.
<b>Question 36:</b>	Does the 5% administrative cap also include the match or is it only for the federal funds?
<b>Answer:</b>	There is no required match for this competition. If an applicant wants to use non-Federal funds to increase the funds available for administration, it is free to do so.
<b>Question 37:</b>	Is evaluation and reporting included under the 20%?

<b>Answer:</b>	Evaluation of the project, reporting to the Department, and the project director’s travel to DC for any Directors’ meetings, are not direct services to students and thus must be part of the 20%. Reporting to the Department is an example of an administrative cost that would be included in the 5% cap on direct administrative costs. There is no requirement for a formal project evaluation in this program, but a grantee should include any continuous improvement efforts in the 20%.
<b>Question 38:</b>	How do we account for the parent liaison salary in the budget?
<b>Answer:</b>	Up to 15% of the grant can be used for the selection method and the parent involvement and feedback structure, which can include a parent liaison, so that person’s salary would fall under this 15% cap. A grantee could use outside funding to support that salary as well.
<b>Question 39:</b>	Can we buy a bus or van with these funds?
<b>Answer:</b>	<p>A bus or van would constitute “equipment,” which requires approval of the Department program official; it would depend on whether the cost is necessary and reasonable for the project, meets all of the other requirements of the federal cost principles, and is supplemental to what is already provided by the schools attended by the students to be served. <u>For example, transportation costs to and from school for the regular school day is not permitted.</u> For a service that parents could select for their child at an after-school location or summer program, however, transportation may be a reasonable and necessary cost.</p> <p>Under the ACE priority, services are provided by service providers that the grantee contracts with, not by the grantee itself (although the grantee can be one of the service providers). It is possible that a service provider could include transportation to and from the service location, if it is supplemental, and include the cost of that transportation as part of the per-pupil cost of the services.</p>
<b>Question 40:</b>	How should we document the 5% cap during the project period? Timesheets?
<b>Answer:</b>	The 5% cap should first be totaled in the budget narrative of your application. During the grant period, a grantee would document the expenses as it would any other grant expense (e.g., timesheets for salaries of employees, expense documentation for other expenses).
<b>Question 41:</b>	There doesn’t appear to be a place on the budget form to put the amount that is for direct administrative costs, the ACE structural costs, and the direct student services. Where do we document that we are in compliance with the limits on those categories? Also, there is a selection criterion on the per-pupil funding amount but no place for that on the budget form; where should we include that?
<b>Answer:</b>	The budget (ED524) form in the application package is an agency-wide form and it is true that there is not a place to document the breakdowns for direct administrative costs (limited to 5% of the grant), the ACE structural costs, which consist of the service selection method and parent involvement/feedback process (limited to 15% of the grant in years other than the planning period), the direct student services (minimum of 80% in years other than the planning period), and the total for non-direct student services (maximum 20% in years other than the planning period). All applicants should document those amounts in the Budget Narrative section of the

	<p>application. You can include a chart in the Budget Narrative that adds the amounts from the budget form from the categories of personnel, contractual, etc. into the categories of direct admin, structural, student services, and non-student services.</p> <p>For the proposed per-pupil amount, there are selection criteria regarding the extent to which the per pupil amounts are transparent to the public and the extent to which the per-pupil cost is reasonable in relation to the project objectives. An applicant should address those selection criteria in the project narrative along with all other selection criteria; it would also be helpful to include the per-pupil amount in the budget narrative.</p>
<b>Question 42:</b>	If we are the grantee and also want to provide direct services, can we use grant funds to pay someone on our staff or do we need to contract with an outside person to provide the services?
<b>Answer:</b>	If the grantee is also one of the service providers, it may pay a staff member as a service provider. Please note, it is important to keep careful records for the budget to account separately for the provision of direct services and the project oversight activities. In addition, all requirements applicable to other service providers would also apply to a grantee that provides services (e.g., non-discrimination, etc.).