

FREQUENTLY ASKED QUESTIONS

The following questions were submitted by Title III Directors of other HBCU's, staff of the Division of Institutional Development (DID) and by the Office of Grant and Contracts Services (GCS). The answers are based on provisions contained in the Program Regulations (34CFR 608 and 609).

Q1: Should Certificates of Effort be maintained for personnel participating in Title III if institutional policy does not require such reports?

A1: Grantees are encouraged to review thoroughly the provisions contained in EDGAR, Part 4, Appendix D, J, 7 for a full description of the standards applied in establishing the allowability of costs for compensation for personal services. These standards indicate that a grantee must maintain documentation to support its payroll distribution systems for charges to the grant for personal services, except charges for stipulated salary support. Title III grantees should not assume that salaries allowed under the grant qualify as stipulated salary support—they probably do not.

Q2: Are costs for entertainment and/or speakers allowable under the Title III HBCU program?

A2: Costs for entertainment is unallowable by EDGAR (34, CFR 74, Appendix D, 12). However, costs for cultural activities (which may also entertain an audience) that are specifically related to strengthening the academic program and/or to assisting students in successfully completing academic requirements are allowable. Appropriate documentation is needed to ensure compliance: e.g., students' evaluations/reactions to cultural exposures tied to course objectives and required for successful completion of course work or programs of study. Speakers may also be used to strengthen the academic program and student offerings for successful completion of academic requirements. In any case, documentation of the relationship to the academic program is required. The limitation of supplanting also applies to these allowable activities.

Q3: Can a grantee be allowed to spend funds before the new fiscal year begins (October 1st) for an activity that is slated to begin in August of that year.

A3: Yes. Both Part 74 and Part 80 incorporated by reference OMB circulars A-21, A-87, and A-122, govern allowable expenditures under most grant awards, thus giving them the force of law. The relevant circulars allow grantees to expend funds before the effective date of the award only with the prior approval of the awarding agency (so-called "pre-agreement" or "pre-award" costs). Therefore, a grantee may spend money three months prior to the effective date of the continuation award.

Q4: What is the procedure for submitting requests for revisions and transfers of funds under the new legislation?

A4: The new legislation did not change the procedures. The requests should be addressed to your grants specialists. You must include your award number on all correspondence. The grantee must justify the reason (s) for the change and the appropriate budget breakdown associated with it. The request should be submitted at least 30 days prior to the requested effective date.

Q5: Can Title III funds awarded under the Undergraduate HBCU program be used for allowable activities to strengthen a grantee's Graduate Program?

A5: No. Funds awarded under the HBCU Program may not be used to fund allowable activities in the HBGI Program.

Q6: Can students be paid out of Title III/HBCU funds to perform needed project tasks?

A6: There is no specific statutory or regulatory guidance on payment to students to perform project tasks. However, the EDGAR regulations stipulate that costs shall be reasonable and consistent with established institutional policies and practices applicable to the work of the institution generally (34 CFR 74, Appendix D, C, 2). Student employment must be justified and necessary to meet activity objectives, like all proposed costs. Student employment should also be based on appropriate selection criteria and qualifications to carry out project tasks, if requested for Title III approval.

Q7: What budget revision and programmatic changes require prior approval?

A7: The following budget revisions require prior written approval: (1) to transfer amounts budgeted for indirect costs: (2) to transfer amounts budgeted for student support (tuition/stipends/fees): (3) to establish new line items: and (4) if a grant provides support for both constructions and nonconstruction work, then prior approval is required before any budget transfers between the two types of work can occur.

EDGAR 74.103 requires prior approval for the following programmatic changes: (1) changes to project scope or objectives: (2) changes in key personnel: and (3) to continue the project for more than three (3) months without the direction of a project director. As it relates to EDGAR, these are the only programmatic changes, which require prior approval. Please note that the transfer of funds across activities to complete approved workshop and objectives does not require prior approval. This is a major departure from practices in recent years.

Q8: What is a Legislatively Allowable Activity (LAA)?

A8: The legislatively allowable activities for Title III Part B programs are listed in the Section 323 of the Higher Education Opportunity Act (HEOA) as amended, as well as OMB Circular A-21 and the 34 CFR Section 608.10. If you are uncertain whether proposed activity is legislatively allowable or not you should always contact your assigned Program Officer to inquire. They will issue a written response with a determination.

Q9: When I have to request project and/or budget changes that require prior approval from ED, how should I submit those changes? How does ED decide to approve or disapprove my request?

A9: Proposed project and/or budget changes must be submitted in writing to your ED Program Officer. The proposal should include the following documents:

- Cover Letter providing overview of proposed changes and why they are necessary to the success of the project
- Revised Activity Narrative (if applicable)
- Revised Budget Summary (if applicable)
- Revised Individual Activity Budget Form (if applicable)
- Revised Activity Objectives and Anticipated Results (if applicable)
- Revised Implementation Strategy/Timetable Form (if applicable)
- Curriculum Vitae or Resume of New Project Director and/or Activity Director (if applicable)

Upon receipt of the written request, the program staff may contact grantees directly for clarification or additional information as needed.

All submitted requests for programmatic and/or budget changes are evaluated on a case-by-case basis. The decision to approve or disapprove a request is based on requirements imposed by applicable Federal statutes, including the General Education Provisions Act (GEPA), program legislation and regulations, EDGAR, and OMB circulars. All resulting costs and activities related to approved changes must be allowable. No official may authorize any administrative actions that conflict with any applicable Federal statute, program legislation or regulation, EDGAR, grant conditions; or permit changes that would alter the scope or objectives of a competitive discretionary grant.