

UGG - It's Changing Again!

Updates to the Uniform Grant Guidance & EDGAR

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WISCONSIN DEPARTMENT OF
Public Instruction
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Laws and Regulations

- ★ **Federal Statute**
 - ESEA, IDEA, Perkins, etc.
- ★ **Uniform Grant Guidance (UGG)**
- ★ **General Education Provisions Act (GEPA)**
- ★ **Education Department of General Administrative Regulations (EDGAR)**
- ★ **Compliance Supplement for Auditors**
- ★ **State Statutes**
- ★ **State and Local Policies and Procedures**

2 CFR 200 Uniform Grant Guidance

- OMB Circular A-87, rules for federal grants awarded to local governments (us), which before the Uniform Grant Guidance had not been updated since 1992.
- Effective December 2014 - Federal grant rules applying to all agencies established in one regulation.
- OMB reviews the Uniform Grant Guidance every five years and proposes updates, last effective update was in 2020.

2020 UGG Revision

Focused On:

- ❖ Grant program development and design
- ❖ Measuring recipient performance
- ❖ Raising thresholds (such as the simplified acquisition thresholds)

Revision caused confusion, because most grants through the USDE have elaborate grant program designs and measurement - ESEA End of Year Reports, IDEA procedural compliance monitoring and the IDEA indicators...it appeared we were also supposed to implement the UGG review (but it was clarified that it was for federal agencies that did not have an established grant awarding system).

2025 Proposed UGG Revisions

1. Fix outdated references to statutory authorities.
2. Increase monetary thresholds - an exciting one even!
3. Provide clarifications on sections that have been misinterpreted over the past 10 years.
4. A lot of effort put into removing confusing acronyms and switching to “plain language.”

Plain Language

Existing Language	Proposed Change
Non-Federal Entity	Subrecipient
OMB designated governmentwide systems	Where applicable: <ul style="list-style-type: none"><li data-bbox="1008 594 1290 646">● SAM.gov<li data-bbox="1008 685 1499 738">● USASpending.gov<li data-bbox="1008 777 1750 893">● FFATA Subaward Reporting System

DUNS to UEID

DUNS and Bradstreet numbers transitioned to the Unique Identifier for System for Award Management.

As of July 1, 2023, grant payments could not be made to a subrecipient unless they had a Unique Entity Identifier (UEI) registered with SAM.gov.

Now that this is established, the process will be codified in the Uniform Grant Guidance.

Equipment Threshold

Raise the threshold for an item to be considered “equipment” (and required to follow the burdensome federal inventory requirements) from \$5,000 per unit to \$10,000 per unit.

This is the federal threshold, but just like now, if the subrecipient has established a lower capitalization threshold, this increase will not make a difference on the “administrative burden” requirements that the higher threshold is attempting to avoid.

“Administrative Burden”

Equipment (§200.313(d)): Management Requirements

These requirements apply to:

- Any items meeting the definition of equipment (either \$10,000 or the subrecipient’s capitalization threshold if less)
- Equipment purchased in whole or in part with Federal funds
- Includes replacement equipment if Federally-paid for equipment proceeds were used

Equipment Management Requirements

1) Property Records must exist and include:

- A description of the property
- A serial number or other identification number
- The source of funding – including the Federal Award Identification Number (FAIN), which can be found on the grant subaward document
- Who holds the title
- Acquisition date
- Cost of the equipment

Equipment Management Requirements

- **Percentage of Federal funds used for the equipment**
- **Location, use and condition of the property**
- **Any ultimate date of disposal**
 - Date of disposal
 - Sale price of the equipment

2) **Physical Inventory**

- **Must be conducted and the results reconciled with the property records at least once every two years**

Equipment Management Requirements

3) Control system

- Ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage or theft must be investigated.

3) Maintenance

- Procedures must be developed to keep the property in good condition.

3) Disposition

- Procedures must be developed to keep the property in good condition.

“Supplies” Threshold

Supplies - which include ‘computing devices’ - are tangible personal property that cost less than \$10,000 per item - regardless of the length of its useful life.

The supplies threshold is dependent on the subrecipient’s capitalization threshold (for example, cannot have capital equipment threshold of \$5,000 per item but have another \$10,000 threshold for supplies...)

Single Audit Threshold

Currently, if a subrecipient *claims* more than \$750,000 of federal funds (from all programs) during a fiscal year (July 1 - June 30), then the subrecipient must have a federal single audit performed.

Proposal is to increase this threshold to \$1,000,000.

The proposed rule would not be in place for the ESSER funds, with the last of those grants being in place until September 30, 2024.

Single Audit Threshold

Every two years, the Office of Management and Budgets Director is authorized to adjust the dollar threshold amount of Single Audit Act, provided the Director does not make adjustments below \$300,000.

\$1,000,000 - \$750,000 = ???

2025 Proposed EDGAR Revisions

Most of the updates are removing references to programs or statutes that no longer exist, and making sure most sections are references 2 CFR 200 - Uniform Guidance.

In addition, a lot of language clean up (that was not done with the Uniform Grant Guidance was put into place), with terminology around grants (formula and discretionary).

Education Department's General Administrative Regulations (EDGAR)

- **Specific rules applied to federal grants awarded from the US Department of Education.**
- **EDGAR, Part 75, outlines “When an Obligation is Made...,” restricted indirect rate conditions, and services to private schools.**

2025 Proposed EDGAR Revisions

A subrecipient's right to request for a hearing when funds are withheld or rescinded:

EDGAR update would clarify that a subrecipient must include a citation to the alleged violation of a Federal or State statute, rule, regulation, or guideline governing the applicable program and a brief description of the alleged violation when it requests that the SEA hold a hearing on the withholding of funds.

What you currently see on any formal federal grant-related letter from DPI:

When taking enforcement action for a subgrantee's material failure to comply with a term of a federal grant, DPI is required to provide an opportunity for any hearing to which the subgrantee is entitled under any applicable statute or regulation ([2 CFR § 200.342](#)). You may request a hearing pursuant to [§ 227.42](#), Wis. Stats., to dispute the material facts above, by submitting a written request to: Chief Legal Counsel, Wisconsin Department of Public Instruction, P.O. Box 7841, Madison, WI 53707-7841. Your request must be received within 30 days from the date of this notice. **If you request a hearing, you must include in your request the disputed material facts and the basis for your dispute and allege which state or federal rule, law, regulation, or guidance is violated.**

2025 Proposed EDGAR Revisions

EDGAR has an entire section on equitable services to private schools - the restrictions on benefitting a private school, who receives services, responsibilities of the LEA.

Proposal is to remove this section entirely from EDGAR, because the other federal programs cover these same topics and there is a concern that having the language in two different places may result in conflicting statutes.

Many SEAs have a concern with removing this language...

2025 Proposed EDGAR Revisions

One of the items that is proposed to be removed is:

§ 76.656 - An applicant for a subgrant shall include the following information in its application:

- A description of how the applicant will meet the Federal requirements for participation of students enrolled in private schools
- The basis the applicant used to select the students.
- The places and times that the students will receive benefits under the program.
- The differences, if any, between the program benefits the applicant will provide to public and private school students, and the reasons for the differences.

2025 Proposed EDGAR Revisions

Definition of Construction

Construction means

- (1) Preparing drawings and specifications for school facilities;
- (2) Repairing, renovating, or altering school facilities;
- (3) Extending school facilities as described in § 222.172(b);
- (4) Erecting or building school facilities, as described in § 222.172(c); and
- (5) Inspections or supervision related to school facilities projects.

2025 Proposed EDGAR Revisions

Because of the ESF Projects, a lot of scrutiny on real property and construction. The monitoring currently being applied to those projects also apply to the other federal programs, they just haven't been enforced yet...

SF-429 Real Property Status Report

Standard report used by subrecipients to establish a Federal Interest on real property that was improved using Federal funds.

The report should be used to report on single/individual and/or multiple parcels of real property (land, buildings, etc.)

Single report maintained per title for 15 years following the most recent use of federal funds for construction / remodeling.

14a. Description of Real Property:

14b. Address of Real Property (legal description and complete address including zoning information):

Street1:

Street2:

City:

County:

State:

Province:

Country:

ZIP / Postal Code:

Zoning Information:

GPS Location Longitude:

GPS Location Latitude:

14c. Land Acreage or Square Units:

Enter Amount:

Select units: Acres Square Feet
 Square Kilometers Square Meters

14d. Gross and Usable Square Footage/Meters (i.e., of building, house, etc.):

Enter Amounts:

Gross Usable

Select units: Square Feet Square Meters

14e. Real Property Ownership Type(s):

A. Owned B. Co-Owned C. Fee Simple D. Corporate
 E. Joint Tenancy F. Partnership G. Limited Liability Partnership H. Co-Operative
 I. Government Furnished Property J. Other (Describe):

14f. Real Property Cost:

\$ Share Percentage %:

Federal Share: \$ [%]

Non-Federal Share: \$ [%]

Total (sum of Federal and Non-Federal Share): \$ [%]



14g. Has a deed, lien, covenant, or other related documentation been recorded to establish Federal interest in this real property?

STEP ONE - Determine Titles

Initial collecting of building groupings under a “Title” through WISEgrants.

Title A

Lapham
Elementary

Marquette
Elementary

O’Keeffe Middle

Title B

East High

Title C

Lowell
Elementary

Schenk
Elementary

Each Title grouping would maintain its own SF-429 OMB Form

1. Submission of any federal grant claim that has a positive amount in a construction or remodeling line item.
2. Identify the building(s) impacted; WISEgrants will find the Title grouping.
3. Either a new form will be created for that Title, or an existing form will be brought up to update.
4. Annually the LEA will need to review the Title groupings, and during the year adjust for any new schools, school closures, or school consolidations.
5. For 15 years, the LEA will be required to review the OMB form information and update or report a change in the Title (such as selling the building).

2025 Proposed EDGAR Revisions

Definition of Minor Remodeling

Minor remodeling means minor alterations in a previously completed building. The term also includes the extension of utility lines, such as water and electricity, from points beyond the confines of the space in which the minor remodeling is undertaken but within the confines of the previously completed building. The term does not include building construction, structural alterations to buildings, building maintenance, or repairs.

More To Come

These are just the proposed amendments, when there are final rules, technical assistance will be updated and additional information provided.

Thank you!