



UGG, EDGAR, & ESEA Updates

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Ensuring Compliance Under the EDGAR and UGG Final Regulations

- Changes took effect 7/1/25
 - New EDGAR Books can be purchased on the BruMan Group webpage for \$44 each.
 - [Publications – The Bruman Group, PLLC](#)
 - Online searchable version of 2 CFR 200 within the National Archives (eCFR) Code of Federal Regulations
 - [2 CFR 200 Searchable Version](#)
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34 CFR 76.722

- 34 CFR 76.722 – Continuous Improvement Reporting
 - A State may require a subgrantee to submit reports that assists the State in **engaging in periodic review and continuous improvement of the State's plan and supporting the subgrantee in engaging in periodic review and continuous improvement of the subgrantee's plan**. 34 CFR 76.722

Continuous improvement:

- Collecting and analyzing data about a project component's implementation and outcomes to inform necessary changes throughout the project.
 - These plans may include strategies to gather ongoing feedback from participants and stakeholders on the implementation of the project component. 34 CFR 77.1(c)
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34 CFR 76.732 – Performance Records

- A grantee must keep records of significant project experiences and results
 - The grantee must use the records under paragraph (a) to
 - Determine progress in accomplishing project objectives
 - Inform periodic review and continuous improvement of project plans
 - Revise those project objectives, if necessary
 - We are currently exploring how other states assess progress made with ESEA funding toward project objectives and goals, including how they conduct periodic reviews of these objectives
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2 CFR 200.017

- 2 CFR 200.217 – Whistleblower Protections
 - An employee of a recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant.
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2 CFR 200.017

- 2 CFR 200.217 – New Whistleblower Protections
 - The recipient and subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. 4712.
 - FAQ “ Does this requirement only apply to federally funded employees?”
 - While this is guidance for federal funding, it is recommended that an LEA inform all employees of these rights.
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West Virginia Code §6C Article 1

- West Virginia Code also has Whistleblower Protections under this Chapter and Article.
 - You are protected under State and Federal law!
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2 CFR 200.017 - Example

- What does this look like?
 - LEA will need to create a policy specific to employee whistleblower protections or add verbiage to an existing policy.
 - This can be an item that is given to employees at the beginning of the year.
(in items such as the employee handbook)
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2 CFR 200.113

- 2 CFR 200.113 – Mandatory Disclosures
 - Applicant, recipients, and subrecipients must promptly disclose **whenever it has credible evidence of the commission of a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations** under False Claims Act (Title 18 - Criminal and Title 31 – Civil)
 - Must be made in writing to the Federal agency, the **agency's Office of Inspector General, and** the pass-through entity (if applicable)
 - Also required to report to SAM and FAPIIS (as applicable)
 - Includes any activities or subawards in connection with the Federal award.
 - Failure to report can result in remedies for noncompliance (2 CFR 200.339)
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2 CFR 200.113 – Mandatory Disclosures

- OIG presentations over the past few years have set a new precedent regarding disclosures.
 - The new standard is to disclose any suspicion of inappropriate or illegal activities immediately, rather than waiting to conduct internal investigations first.
 - This approach allows OIG to lead the investigations and ensures that no parties are perceived as complicit in potential wrongdoing due to delayed or improper disclosure timelines.
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2 CFR 200.303

- 2 CFR 200.303 – Recipients and Subrecipients must:
 - Establish, **document**, and maintain internal controls
 - Comply with requirements
 - Evaluate and monitoring compliance
 - Take prompt action to correct noncompliance
 - The word document is new with internal controls.
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2 CFR 200.1 - Definition

Equipment

- Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a **per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes, or \$10,000.**
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2 CFR 200.313

2 CFR 200.313 - Equipment

- Disposition of Equipment with a current fair market value of **\$10,000 or less (per unit)** may be retained, sold, or otherwise disposed of with no further responsibility to the Federal agency or the pass-through entity.
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2 CFR 200.313 (cont.)

2 CFR 200.313 - Equipment

- A control system must be in place to ensure safeguards for preventing property loss, damage, or theft. Any loss, damage, or theft of equipment must be investigated. **The recipient or subrecipient must notify the Federal agency or pass-through entity of any loss, damage, or theft of equipment that will have an impact on the program.**
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2 CFR 200.1 - Definition

Supplies

- Supply means all tangible personal property other than those described in the equipment definition. **A computing device is a supply if the acquisition cost is below the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes or \$10,000, regardless of the length of its useful life.**
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2 CFR 200.314

2 CFR 200.314 - Supplies

- Title to supplies acquired under the Federal award will vest upon acquisition in the recipient or subrecipient. When there is a residual inventory of unused supplies **exceeding \$10,000 in aggregate value** at the end of the period of performance, and the supplies are not needed for any other Federal award, the recipient or subrecipient may retain or sell the unused supplies. **Unused supplies means supplies that are in new condition, not having been used or opened before.**
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2 CFR 200.314 – Unused.. Where does this apply?

- Ending ESSER funding discussion involved 1:1 devices. LEAs had used devices for 2-3 years and wanted to dispose of them to get new ones. This was acceptable.
 - **DO NOT** attempt to use federal funding to purchase “supplies”, open the boxes, and immediately attempt to sell items for a profit.
 - This would go against other sections of statute that state; federal funding cannot be used for profit of the recipient or subrecipient.
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2 CFR 200.318(c)

2 CFR 200.318(c) - Conflict of Interest

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 member**
 - Any member of their immediate family
 - Their partner
 - An organization which employs, or is about to employ, any of the parties and has a financial or other interest in or tangible personal benefit from an entity considered for a contract.
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2 CFR 200.318(c) – Example

- Example for an employee; a CSBO who owns a construction company aiding in their business being the awarding bid for a construction project in their district.
 - Example for an outside organization; CSBO plans to go work for a construction company and prior to leaving aids in that business being the awarding bid for a construction project in their district.
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2 CFR 200.319

2 CFR 200.319 - Competition

- Prohibition from using geographic preferences has been removed.
 - This was previously under the "examples of situations that may restrict competition".
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2 CFR 200.319(c)

- Placing unreasonable requirements on firms for them to qualify to do business;
 - Requiring unnecessary experience and excessive bonding;
 - Noncompetitive pricing practices between firms or between affiliated companies;
 - Noncompetitive contracts to consultants that are on retainer contracts;
 - Organizational conflicts of interest;
 - Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
 - Any arbitrary action in the procurement process.
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2 CFR 200.320(c)

2 CFR 200.320(c) - Noncompetitive Procurement

- The aggregate amount of the procurement transaction does not exceed the micro-purchase threshold;
 - *Policy 8200 will be updated to reflect its lowest threshold for bidding of \$10,000 (currently under State Board approved waiver). This matches the lowest threshold in 2 CFR 200.*
 - After soliciting several sources, competition is determined inadequate.
 - *Vendors may choose to bid on RFP, and may not be able to meet the needs of the LEA, be it capacity issues, timing issues, etc.*
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2 CFR 200.320(c) – Continued

2 CFR 200.320(c) - Noncompetitive Procurement

- The procurement transaction can only be fulfilled by a single source;
 - *Letters from vendors are no longer acceptable.*
 - *New Sole Source Process – Bidding items/services out, then if needed, compile evidence to support that the vendor is a sole source. This could be google searching for evidence supporting the claim, it could be items showing other vendors cannot meet the needs, etc.*
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2 CFR 200.320(c) – Continued

2 CFR 200.320(c) - Noncompetitive Procurement

- The public exigency or emergency for the requirement will not permit a 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;
 - *These go hand in hand, if there is an emergency circumstance the district will need to make this request, or the Federal Agency/Pass-Through Entity will give notification.*
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2 CFR 200.332(e)(2)

Enhanced Oversight

- Subrecipient monitoring language enhanced to suggest more robust monitoring expected.
 - **Ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward.**
 - This would also include the follow-up to ensure that the corrective actions that were put in place are successful.
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2 CFR 200.332(e)(2) – Continued

- Our office is reviewing other state for how this process is completed.
 - Ideally our process will assist LEAs in correcting issues in a way that will produce long lasting change and effectiveness rather than simply checking a box to get past noncompliance issue.
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2 CFR 200.438

2 CFR 200.438 Entertainment and Prizes

- (a) Entertainment costs. Costs of entertainment, including amusement, diversion, and social activities and any associated costs (such as gifts), are unallowable unless they have a specific and direct programmatic purpose and are included in a Federal award.
 - (b) Prizes. Costs of prizes or challenges are allowable if they have a specific and direct programmatic purpose and are included in the Federal award.
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2 CFR 200.501

200.501 Audit requirements.

(a) Audit required. A non-Federal entity that expends **\$1,000,000 or more** during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.



ESEA Updates

Funding Update

The US Department of Education has not released a portion of Title funds for FY2025. The following funding services are impacted:

- **Title I-C**, Education of Migrant Children
- **Title II-A**, Supporting Effective Instruction
- **Title III-A**, Language Instruction for English Learners
- **Title IV-A**, Student Support and Academic Enrichment
- **Title IV-B**, 21st Century Community Learning Centers

This funding is for expenditures between July 1, 2025, and September 30, 2026. While in past years these funds have been made available on July 1, USDE has not made them available. We currently have no indication of a timeline for when, or if, they will be released.

We recommend a review of your budget to determine which immediate planned expenditures, such as salaries, may need to be covered by other funding sources. We learned yesterday it may be possible to be reimbursed for these expenditures should the funds be released, but again, we want to emphasize there is no guarantee this will occur.

We also recommend a review of your budget to determine priorities. It may be possible to draw upon other federal funds, such as Title I, or local funds, to pay for services deemed essential.

Fraud

- Employees getting paid for reported time worked over summer, with no record of work being completed.
 - Falsifying enrollment records.
 - Attempting to pay bonuses for all employees by giving stipends for work that never occurred.
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Waste

- Purchasing items for the sake of purchasing.
 - Purchasing items that do not tie back to LEA plans, needs assessment, or grant scope and objectives.
 - Purchasing items in excess, stockpiling, or misallocating resources.
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Abuse

- Employee of LEA entered into an agreement with an outside company, under the guise of purchasing custodial supplies. Many orders were made over several years, after self-reporting and bringing in an outside auditor it was found that most of the supplies ordered were not received.
 - This was done intentionally by the employee and the outside company, to fraudulently make a profit from federal funding.
 - Extravagant purchases for meals and/or entertainment for parent and family engagement events.
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Guilty until proven innocent?

- ESSER misspending
- OIG Investigations
- Special circumstance reviews
- OIG's new precedent to report suspicions

Recent events have reshaped the way we must approach expenditures. It's essential that we now evaluate spending through the lens of fraud, waste, and abuse to ensure we are all responsible stewards of these funds.



Timeline Reminders

- LEA Strategic Plans were due June 30.
 - ESEA Consolidated Application was due July .
 - Protected Prayer opened July 1 and is due September 15.
 - Title IV, Part A, Annual Reporting opened July 1 and is due November 30.
 - Carryover will open October 1 and is due by December 31.
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Title IV, Part A – Additional Reporting



Title IV, Part A - Reporting

ESEA, as amended by ESSA, Title IV, Part A, Section [4104\(a\)\(2\)](#)

(a)(2) Each State that receives an allotment under section [4103](#) shall publicly report on how funds made available under this subpart are being expended by local educational agencies, including the degree to which the local educational agencies have made progress toward meeting the objectives and outcomes described in ESSA, section [4106\(e\)\(1\)\(E\)](#).



Title IV, Part A - Annual Public Reporting

LEAs are required to complete public reporting on the uses of Title IV, Part A funds each year.

Process (Forms vs. Application Supplement in GPS)

WVDE must make data regarding LEA Title IV, Part A expenditures, and level of goals met available to the public.



Title IV, Part A – Transferability

- Title IV, Part A can be transferred in part or whole into;
 - Title I, Part A,
 - Title II, Part A,
 - Title III, Part A, or
 - Title IV, Part B, Subpart 2
 - Reminder, when funds are transferred, they take on the scope and restrictions of the Title in which they are transferred.
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**Coming Soon to a GPS
Near You**



Coming Soon to a GPS Near You

- Third Grade Success Act Funding Application Revision
 - Final Stage of Testing
 - Communities In Schools Funding Application
 - Open!
 - Communities In Schools Grant Monitoring
 - Open!
 - Stronger Connections Grant Monitoring
 - Open!
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Coming Soon to a GPS Near You

- Alternative Discipline Grant Monitoring
 - Testing
 - McKinney-Vento Grant Monitoring
 - Still building
 - Project AWARE Grant Monitoring
 - Open!
 - ARP-HCY Grant Monitoring
 - Open!
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Coming Soon to a GPS Near You

- ESEA Consolidated Desktop Monitoring
 - Open!
 - ESEA Consolidated On-Site Monitoring
 - Open!
 - ESEA Consolidated Self-Assessment Monitoring
 - Open!
 - Protected Prayer
 - Open!
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Coming Soon to a GPS Near You

- Title IV, Part A Annual Reporting
 - Open!
 - Title IV, Part A Triannual Reporting
 - Open!
 - Charter School Significant Expansion Application
 - Open!
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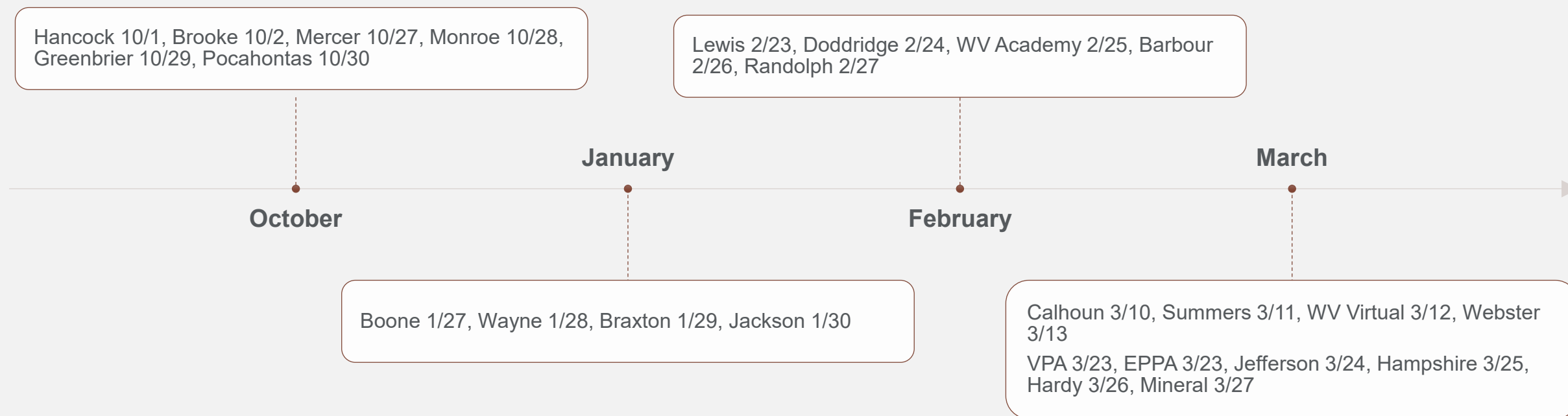
Coming Soon to a GPS Near You

- Schoolwide Eligibility Waiver Application
 - Testing
 - Grandfathering Waiver Application
 - Not yet started
 - Carryover Application
 - Not yet started
 - Immigrant Grant Funding Application
 - Not yet started
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Fiscal Monitoring for ESEA



ESEA On-Site Monitoring Schedule





ESEA Monitoring Timeline for Desktop and On-Site

Detailed Expenditure Reports Due:

- August 4, 2025

All Evidence Due:

- 3 weeks before the monitoring visit

Additional Evidence Due:

- 1 week and 1 day after monitoring visit
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ESEA Self-Assessment Monitoring

- If you are not on the list to be monitored on-site, you will complete the self-assessment monitoring in GPS.
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ESEA Monitoring Timeline for Self-Assessment

All Narratives Due:

- October 6, 2025



Fiscal Indicator – Section 9

- <https://wvdegps.k12.wv.us>



Questions?

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