

VR Basics Part 2


VRTAC-QM Fiscal Team



Disclaimer



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Terms for Informed VR Staff

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Period of Performance

The background of the slide features a light blue and white color scheme. In the upper right corner, there are several interlocking gears of different sizes, some in white and some in a light gray. Faint, thin white circles are also scattered across the background, some overlapping the gears.

The total estimated **TIME** interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. 2
C.F.R. §200.1

It's all about **TIMING.**

In the bottom right corner, there are several concentric circles. One circle is a solid orange color, while the others are thin white outlines. They are arranged in a way that they appear to be overlapping or nested.

When does the “cha-ching” occur?

The Education Department General Administrative Regulations (EDGAR) at **34 C.F.R. §76.707** provide a chart specifying when financial obligations are considered made.

This chart is used as a basis for “**assigning**” financial obligations to VR funding.

[More In-Depth Training on PoP here.](#)

State VR agencies must also follow their State laws, regulations, and policies and procedures, as applicable.



When does the “cha-ching” occur? ⁽²⁾

1. **Acquisition of real or personal property** - On the date the State or subgrantee makes a binding written commitment to acquire the property (**34 C.F.R. § 76.707(a)**).
2. **Personal services** by an employee of the State – When the services are performed (**34 C.F.R. § 76.707(b)**).
3. **Personal services by a contractor** who is not an employee of the State - On the date on which the State makes a binding written commitment to obtain the services (**34 C.F.R. § 76.707(c)**).
4. **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 (**34 C.F.R. § 76.707(d)**).
5. **Public utility services** – When the State receives the services (**34 C.F.R. § 76.707(e)**).
6. **Travel** – When the travel is taken (**34 C.F.R. § 76.707(f)**).
7. **Rental of real or personal property** – When the State uses the property (**34 C.F.R. § 76.707(g)**).

Match

VR

78.7% Federal
21.3% non-Federal
(State Share)



SE

90% Federal
10% non-Federal
(State Share)



OIB

90% Federal
10% non-Federal
(State Share)



While the term **match** is used in the VR regulations, the process described in the statute is **cost sharing** as defined in **2 C.F.R. § 200.1**

Match Requirements

Expenditures reported as match are subject to the same requirements as Federal funds. Match must be:

- Verifiable from records
- Not reported as match for any other Federal award
- Allowable, reasonable allocable & necessary
- Not paid by the Federal government under another Federal award (unless Federal authorizing statute permits the Federal funds to be used as match)
- Except for **OIB (34 CFR Part 367.63)**, third party in-kind contributions specified in **2 CFR Part 200.306(b)** may not be used as match.



Match⁽²⁾

The matching requirement is a STATE requirement. When there is both a blind and general agency, expenditures from both agencies are combined to determine compliance.

[\(TAC 23-01\)](#)

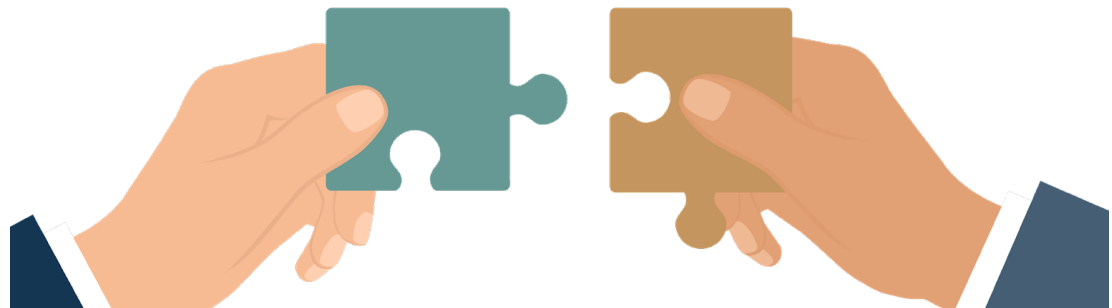
How is it calculated?

The matching requirement for \$100.00 in Federal Vocational Rehabilitation (VR) funds is calculated using the following formula:

(Grant Award Amount/Federal Share) X (State Match)

$$(\$100/.787)*(.213) = \$27.06$$

In this example, total project costs are \$127.06:
\$100 Federal and \$27.06 non-Federal



Sources of Match

Technical Assistance Circular RSA-TAC-23-01

Allowable Source of
Non-Federal Share for
the State Vocational
Rehabilitation Services
Program

Typical Sources

- 1 State Appropriated Funds
- 2 Third-Party Cooperative Arrangements
- 3 Interagency Cash Transfers
- 4 Contributions by Private Entities
- 5 Establishment, development, and improvement of CRPs
- 6 Certain RSVFP Expenditures (BEP)

Maintenance of Effort (MOE)

In any given Federal fiscal year, if non-Federal (State) expenditures fall below total non-Federal (State) expenditures for the fiscal year two years before the fiscal year under review, the State **has not met its MOE requirement**.

Example, in FFY 2022, the State spent \$3,265,211

Take 2022 + 2 years= FFY 2024

The State must expend \$3,265,211 in FFY 2024.

- If they did not and there is a shortfall, a reduction is assessed against the next year's grant award.
- **Expenditures from both the Blind and General agencies are combined** to determine compliance with the MOE requirement, based on [DCL 23-02's](#) definition of recipient.
- *Waivers may be granted to permit the State to respond to exceptional or uncontrollable circumstances.

Maintenance of Effort (MOE)⁽²⁾

- VR agencies must report in [Sections D and E of the RSA-17](#) all non-Federal expenditures and unliquidated obligations in the appropriate lines.
- VR agencies must report the Federal Financial Report all non-Federal expenditures and unliquidated obligations incurred under the VR program during the period of performance for the award, regardless of the source of funding, **even if the amount reported exceeds the amount of non-Federal share required to match the total Federal funds awarded.**

Pre-Employment Transition Services

Reservation of Funds



Section 110(d)(1) of the Rehabilitation Act of 1973 (Rehabilitation Act), as amended by the Workforce Innovation and Opportunity Act (WIOA), **requires a State to reserve at least 15 percent of its State allotment**, under the State Vocational Rehabilitation (VR) Services grant (**CFDA 84.126A**), for the provision of pre-employment transition services to students with disabilities under section 113 of the Rehabilitation Act.

This **applies only to the Federal funds portion of the grant.**

Agencies with both a blind and general agency-this is looked at on a Statewide basis.

Federal Program Income

Income received by the State that is directly generated by an activity supported under the grant [34 C.F.R. 361.63](#)

Typical Sources

- 1 Payments from the SSA for rehabilitating Social Security beneficiaries
- 2 Payments received from workers' compensation funds
- 3 Fees for services to defray part or all the costs of services provided
- 4 Income generated by a state-operated community rehabilitation program



Program Income

Addition Method

Consistent with requirements set forth in both the Uniform Guidance (**2 CFR § 200.307(e)(2)**) and applicable program regulations, **grantees must use program income only as an “addition” to the Federal award**. In so doing, grantees must use program income for the same purposes authorized under the program.



Program Income⁽²⁾

Reporting

For reporting purposes, program income will never increase after the 4th quarter. Any program income received during the subsequent FFY, is considered earned in the next FFY's grant award, regardless of the basis of accounting, or if carryover requirements are met.



Federal Program Income ⁽²⁾

- Must be used for the provision of VR services, administration of the State Plan, or carrying out innovation and expansion activities
- **Must be spent** before Federal funds are drawn down
- Can also be transferred to:
 - Independent Living – Parts B and C
 - Independent Living – OIB
 - Client Assistance Program



Carryover



Program funds which remain unobligated at the end of the year of appropriation, including reallocated funds, remain available for obligation during the succeeding fiscal year.

The state may only carry forward the unexpended Federal funds it was able to match in the year the funds were appropriated.

Reallotted Funds

No later than 45 days before the end of each fiscal year, States report to RSA any amount of their full allotment which cannot be used or matched.



As soon as possible and not later than the end of the fiscal year, RSA reallots these funds to other States that can use those additional funds during the current or subsequent fiscal year.



Providing the State **can meet the matching requirement** by obligating the non-Federal share of any reallotted funds **in the fiscal year for which the funds were appropriated**.



Funds reallotted to another State are considered to be **an increase in the recipient State's allotment** for the fiscal year for which the funds were appropriated.



107 Monitoring

Based in regulatory requirements (both VR and SE)

- Section 107(a) of the Rehabilitation Act of 1973, as amended by Title IV of the Workforce Innovation and Opportunity Act.
 - Often referred to as “107 Monitoring.”
 - Conduct annual reviews and periodic onsite monitoring.
 - See if the State is complying substantially with the provision of the State plan and with evaluation standards and performance indicators.

Objective of monitoring

- To support the State VR agencies and RSA in improving results for individuals with disabilities seeking high-quality competitive integrated employment by responding to the unique needs and challenges of individual agencies.

RSA 107 Monitoring



Resources

VRTAC-QM

- [Home | VRTAC-QM](#)

RSA

- [Home | Rehabilitation Services Administration \(ed.gov\)](#)
- [Section 107 Monitoring](#)
- [2 CFR 200](#)
- [34 CFR 36.707](#)



Thank you!

