

Substantial Approval FAQ

- **What is the difference between substantial approval and SEA Director Approval? (34 CFR 76.708)**

- *Substantial approval* means there is a submitted funding application with a reasonable attempt at a budget and that there is a General Statement of Assurances (GSA) in “SEA General Statement of Assurance Accepted” status. This is affirmation that an LEA intends to accept monies from a particular funding source and agrees to abide by all assurances in the GSA. Substantial approval enables the LEA to *obligate* funds from their grant.
- *SEA Director Approval*, on the other hand, is confirmation that the grant program area has provided final director approval to the funding application submitted, and via this director approval the LEA understands that grant expenditures must meet all applicable rules and requirements of the funding source. SEA Director Approval status also enables the LEA to submit GME Reimbursement Requests during the applicable project period.

- **What is the earliest date for substantial approval? (34 CFR 76.708)**

The grant’s project start date is the *earliest* substantial approval date provided. For instance, July 1st is the project start date for many federal and state grants and thus July 1st would be the earliest substantial approval date. Applications submitted in a substantially approvable state *prior* to a grant’s project start date will receive the project start date as the substantial approval date.

- **How does substantial approval work in the GME system?**

During GME’s overnight process, the system looks for submitted applications, meaning those in **LEA Authorized Representative Approved** status. If the application(s) meet ADE’s federally mandated minimum requirements for providing substantial approval, the system automatically provides it. The **only** criteria to be used for substantial approval is:

- The submitted funding application includes a reasonable budget.
- The LEA has a General Statement of Assurances (GSA) in “SEA General Statement of Assurance Accepted” status.

- **What if an LEA's funding application isn't substantially approved by the grant's project start date?**

It is important to remember that substantial approval provides the date at which obligations can be made with a grant's funds. As such, expenditures can be reimbursed from the date the funding application was substantially approved (once it additionally receives SEA Director Approval). Funding applications with substantial approval after a project's start date cannot obligate, not be reimbursed for expenditures that occurred prior to the substantial approval date.

For example: a substantial approval date of August 15th, would prevent an LEA from being reimbursed for any expenditures which happened between July 1st and the August 15th substantial approval date (such as salaries/benefits of full-time employees).

- **What if an LEA does not receive funding until after a grant's project start date (such as via carryover)?**

It is important to remember that substantial approval is provided for a given fiscal year. Some LEAs may be eligible to carryover funds from a previous fiscal year into the next yet may not have already received grant funding in the current fiscal year. If this is the case, it is vital that an LEA has an approved, current year GSA, and submits their application to receive substantial approval. They would then be eligible to obligate those carryover funds after their substantial approval date (which may be different than the current year's project start date).

- **Where can one find a funding application's substantial approval date?**

There are two locations within a funding application that substantial approval is documented. When substantial approval is granted via the overnight process in GME, the system posts the following date-stamped comment within the application's history log: *Per 34 CFR 76.708, your application has been submitted in a substantially approvable state. While you may begin obligating funds for <Name of Grant> as of <Date>, reimbursement will not be available until the application is final Director Approved.*

In addition to the posted comment, funding applications with substantial approval contain a section named "Substantially Approved Dates". Viewing this will provide the user a list of all grants contained in the application, a dropdown indicating Yes or No for if substantial approval has been provided, and the date of that approval. Please note, if this is a consolidated application, there will be separate substantial approvals for all grants containing allocations within that funding application. Each grant *may* have different substantial approval dates.



IMPORTANT ITEMS FOR ADE STAFF:

- Applications **must not be returned for edits on the same day they are submitted.** As mentioned, the posting of substantial approval occurs via an overnight process within the GME system. If the application is not in “LEA Authorized Representative Approved” state, it will be prevented from obtaining substantial approval.
- **Manual substantial approval should not be done unless advised by Grants Management to do so.** Program specialists should NOT change the Yes/No drop-downs.

Need Assistance?

Grants Management System (GME)	Help Desk Support Ticket
Phone: 602.542.3901	
Opt 1-Technology, Opt 2-Processing, Opt 3-Monitoring	https://helpdeskexternal.azed.gov