

SUPPLEMENT VS  
SUPPLANTING

The term “supplement, not supplant” is a provision common to many federal statutes authorizing education grant programs. Although the definition may change from statute to statute, “supplement, not supplant” provisions basically require that grantees use state or local funds for all services required by state law, or local policy and prohibit those funds from being diverted for other purposes when federal funds are available. Federal funds must supplement—add to, enhance, expand, increase, extend—the programs and services offered with state and local funds. Federal funds are not permitted to be used to supplant—take the place of, replace—the state and local funds used to offer those programs and services.

The purpose of a “supplement, not supplant” provision is to help ensure that federal grant funds are expended to benefit the intended population defined in the authorizing statute, rather than being diverted to cover expenses that the College would have paid out of other funds in the event the federal funds were not available. In this way, the federal government can ensure that the level of state and local support for a program remains at least constant and is not replaced by federal funds.

Grant managers and Financial Services at Brazosport College periodically audit and review federal spending to assure compliance with the supplement, not supplant provision.

Thus, funding provided under the federal grant funds shall supplement (increase the level of services) and not supplant (take the place of) state, local, and other federal funds. Awarded Applicants shall not use federal grant funds to supplant funds that, in the absence of the federal grant funds, would have been spent on students.

Federal funds cannot be used to pay for services, staff, programs, or materials that would otherwise be paid with state or local funds.

Any program or activity required by State law, Coordinating Board rules, or local board policy may not be paid with federal funds. State or local funds may not be decreased or diverted for other uses merely because of the availability of federal funds. Awarded Applicant shall maintain documentation that clearly demonstrates the supplementary nature of federal funds.

PRESUMPTION OF  
SUPPLANTING

An Awarded Applicant may be considered in noncompliance with the “supplement, not supplant” requirement if federal funds are used to provide services that the Awarded Applicant is required to provide under State or local law, rule, or a court order. Also, Awarded Applicant could be considered in noncompliance for any

cost to federal funds for any service that was previously funded with State or local funds.

If a program or activity cost was funded with non-federal funds in one year and with federal funds the next year, an auditor would most likely make a presumption of supplanting. However, the Awarded Applicant then has the opportunity to rebut the presumption. In view of the current reductions in state appropriations and local tax revenues, an Awarded Applicant may be justified in funding the cost with federal funds.

For a decision to allocate federal funds in this way, the Awarded Applicant should have two types of documented evidence that supports its action:

1. Evidence of an actual reduction in state and/or local support and/or other non-federal support. Examples of such evidence are state appropriation language or a communication from the Coordinating Board regarding a reduction in state funding. There may be similar examples relating to reduced funding from local or private sources.
2. Proof that the activity/program would be discontinued without the benefit of federal funds. Examples of this type of evidence might be minutes from a meeting called by the college president or minutes from a faculty meeting.

The Awarded Applicant should have proper evidence in place before taking this kind of action. The Coordinating Board may request copies of the documented evidence (as described above) prior to approving a budget amendment that would reallocate federal funds to an activity or program previously funded by non-federal funds.