

**Manhattan Area Technical College
Institutional Policy and Procedure Manual**

Policy No. 6.2.6

Title: Supplanting Policy	
Originated by: Kerri Bellamy	Originated Date: 7/2/2025
Approval Date: 8/26/2025	
Revised by:	Revised Date:
Reviewed on:	

Policy Statement: This policy ensures that all expenditures made with federal funds at Manhattan Area Technical College (MATC) comply with the federal requirement that such funds supplement and not supplant non-federal funds. The goal is to enhance Career and Technical Education (CTE) programs without replacing existing state or local funding sources.

In accordance with 2 CFR Part 200 (EDGAR 6th Edition), MATC shall use federal funds only to supplement (add to) existing state and local funding for CTE programs and shall not supplant (replace) those funds.

Rationale: Supplanting occurs when federal funds are used **in place of** state, local, or institutional funds to pay for activities or services that the institution would otherwise fund from its own resources. This practice is **prohibited** under most federal funding guidelines, including those outlined in **EDGAR (2 CFR Part 200)**.

The rationale behind this prohibition is to:

- **Preserve the integrity of federal funding** by ensuring it adds value rather than offsets existing obligations.
- **Encourage innovation and program improvement** by using federal funds to support new or expanded initiatives.
- **Ensure accountability and compliance** with federal regulations to avoid financial penalties or loss of funding.

Definitions:

- **Supplanting:** The use of federal funds to replace state or local funds for activities that are required by law or were previously funded by non-federal sources.
- **Supplementing:** The use of federal funds to provide additional services, programs, or materials that would not otherwise be available through state or local funding.

Presumptions of Supplanting:

Supplanting is presumed to have occurred if:

- An activity was funded with non-federal funds in the prior year and is now funded with federal funds without documented justification.
- Federal funds are used to provide services required under other federal, state, or local laws.
- Federal funds are used to provide services to CTE students that are provided to non-CTE students with non-federal funds.

These presumptions may be rebutted with clear documentation showing that the activity would not have been carried out in the absence of federal funding.

A request for purchasing must adhere to the following procurement policies:

- Policy 6.2.1 – Authorization to Purchase
- Policy 6.2.2 – Sealed Bids
- Policy 6.2.5 – Sole Source Purchasing Justification (when applicable)

Unallowable Uses (Examples of Supplanting) *not an exhaustive list:

- Paying salaries of staff previously funded by state or local funds without a change in job duties.
- Purchasing standard classroom supplies (e.g., paper, toner) that are typically provided by the institution.
- Funding administrative positions or general operations previously covered by institutional budgets.
- Using federal funds for construction, capital improvements, or maintenance.

Documentation Requirements:

To avoid supplanting, MATC must maintain:

- Budget records showing prior year funding sources.
- Job descriptions and time/effort documentation for personnel funded by federal grants.
- Justifications for new or expanded services funded by federal grants.