

State & Federal
Programs Manual
2022-23



WACO INDEPENDENT SCHOOL DISTRICT

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State and Federal Programs Management

The District has established fiscal procedures that apply to all financial transactions regardless of funding source. Other guidelines detail those general procedures. Procedures that relate directly and/or indirectly to state and federal grant programs are included in this manual. The purpose of these guidelines are to provide a reference to the fiscal requirements and procedures necessary for responsible financial management of the District's state and federal grant programs. The intent is to guide grant recipients as well as administrative and support staff in the proper disbursement, accounting, and accountability for state and federal grant funds as prescribed by law.

The guidelines reference the Code of Federal Regulations (CFR), the Catalog of Federal Domestic Assistance, the single Audit Act, as amended, the Texas Education Code (TEC) and the Financial Accounting Systems Resource Guide (FASRG) published by the Texas Education Agency (TEA). Since these guidelines cannot be all-inclusive, readers are encouraged to refer to specific program legislation and regulations, as required. In such instances where state statute is more restrictive than federal requirements, the state statute applies.

Although Child Nutrition program descriptions and basic account coding information is included in this manual, Child Nutrition program management should rely on information put out by the Texas Department of Agriculture (TDA) since it is not deemed practical to duplicate those regulations here.

General Procedures

Financial Management

Financial management and accounting responsibility for District administered grant programs is charged to Business and Financial Services under the direction of the Assistant Superintendent for Finance and Operations.

The Business and Financial Services division is organized and staffed to optimize accountability and internal controls over the District's financial operations. Separation of functions fall along the following lines:

- Accounting Services – review and verification including cash/investment reconciliations, asset management, and financial reporting;
- Budget and Payroll – budget development and maintenance and payroll processing;
- Business Services – daily business operations, processing and verifying procurement and revenue transactions;

- Grants Management – competitive grant writing, monitoring and compliance reporting, and
- State and Federal Programs Management – manage programs funded through federal Every Student Succeeds Act (ESSA) grants as well as State Compensatory Education (SCE).

The following organization chart illustrates the reporting lines:



Individual transactions, including, but not limited to, requisitions, check requests, receiving, time cards, and budget changes, are typically initiated by the campus or department and are processed through Business and Financial Services where staff verifies account coding, ascertains documentation supports transactions, and ensures that transactions adhere to laws, regulations, and District policy.

The District employs a full-time Grants Accountant to review expenditures under state and federal awards. Under the supervision of the Accounting Coordinator, the Grants Accountant is responsible for and preparing and filing all required financial reports with the appropriate granting agency.

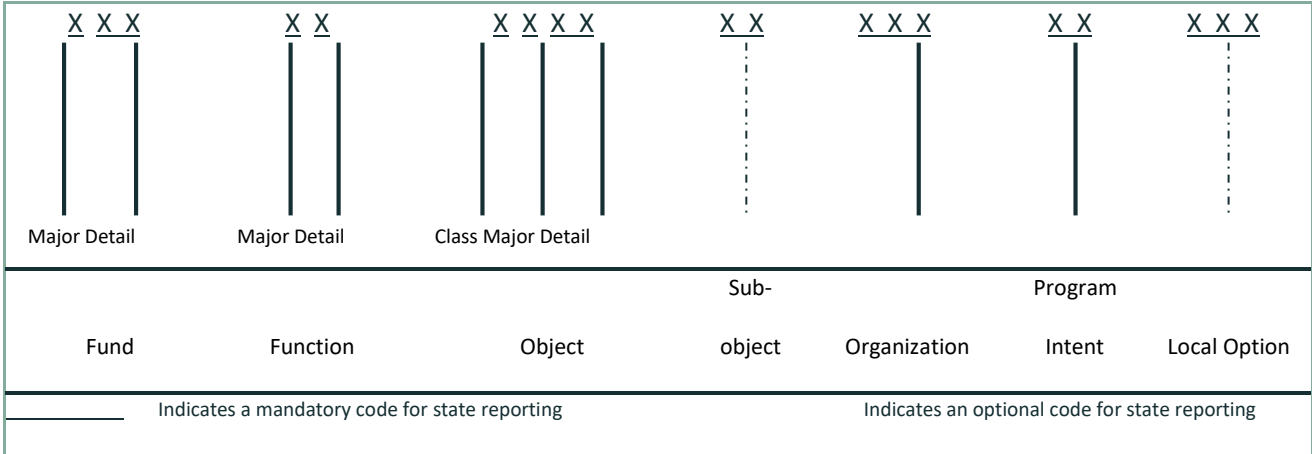
All professional staff in the division are expected to obtain continuing education, as needed, to maintain up-to-date knowledge and skills in their areas of responsibility. The District annually budgets funds to enable staff to take advantage of development opportunities. Other staff, whose duties include business functions related to state and federal grant awards, receive annual training on changes in law, regulations, and policy as well as refresher training on business related procedures and processing.

Accounting Systems

The District’s financial accounting system conforms to the standard budgeting and financial reporting systems established by the Texas Education Agency (TEA). This budgeting and financial accounting and reporting system conforms to generally accepted accounting principles (GAAP) and the principles outlined in the Codification of Governmental Accounting and Financial Reporting Standards. (GASB Codification).

The system utilizes a modified accrual basis of accounting for governmental funds, budgets and budgetary controls, and encumbrance accounting to help ensure the control of expenditures.

The standard accounting code structure required by the TEA facilitates statewide reporting and fund accounting but permits flexibility which allows the District to trace funds to a level of expenditures adequate to establish that such funds have been used according to the statutes, regulations, and the terms of the state or federal award. The following illustrates the account code structure.



Additional information regarding the District's financial accounting system may be found in [Section 2: Accounting Systems](#).

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Internal Control

The District's Board of Trustees has created a strong control environment setting standards and adopting policies designed to promote fiscal accountability and establishing clearly defined reporting lines. The administration has developed control activities in the form of procedures to provide reasonable assurance in regards to the effectiveness and efficiency of its financial operations.

These procedures are designed to include the following activities:

- Authorization and approval of transactions
- Physical controls over assets, processes, and data
- Review and verification of data and results of operations
- Reconciliations of balances in the accounting system to third-party documentation
- Documentation and records retention formalizing procedures, providing consistency, and supporting activity
- Training and supervision to ensure that staff is competent to perform job functions in carrying out the District's business

Lines of reporting are devised to separate conflicting functions as much as possible with custody, recording, and review activities assigned to multiple individuals while maintaining operational efficiency and effective communications.

A discussion of these internal control principles and control activities is included in [Section 3: Internal Controls](#).

Records Retention

All financial records shall be retained for audit purposes in accordance with the District's Records Management guidelines as described in [Section 4: Records Management](#). Destruction of records shall also be in accordance with these guidelines. The Destruction Schedule is a permanent document. Records not listed on the Destruction Schedule are presumed to still exist.

Documentation related to federal awards must include records documenting compliance with federal statutes, regulations, and the terms and conditions of any federal award; must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.

Automated Financial Systems and Electronic Data Processing

All transactions shall be initiated from appropriate source document(s). Financial transactions must be appropriately authorized and supported by documentation. Transactions impacting the expenditures of state or federal awards shall be routed through the appropriate grant or program administrator for review and approval prior to the generation of obligating documents or processes.

All data entry shall be validated (verified) with the source documents. A system of checks and balances shall be in place to ensure that all postings to the general ledger result in the desired outcome. Ongoing, daily data entry validation and review greatly increases the accuracy of financial accounting.

Access to financial information systems shall be based on the specific job duties and responsibilities of each staff member. Except for limited exceptions, staff will not be given unilateral access to all modules in the financial and payroll system. Staff shall be authorized to access the District's financial and/or payroll system(s) for job-related purposes only. Use of the systems for personal reasons or benefit will result in disciplinary action, up to and including employment termination.

Section 5: Automated Financial Systems and Electronic Data Processing provides an overview of control activities over financial applications as well as general systems controls.

General Ledger Maintenance

Transactions shall be posted to the general ledger on a daily basis to ensure timely and accurate reporting. The Assistant Superintendent for Finance and Operations and Account Coordinator are responsible for monitoring the general ledger and managing the operational accounting. General ledger transactions shall be clearly identified.

Automated processes create and record most of the financial transactions impacting the general ledger. Manual journal entries are routinely required to directly change account balances and bring the balance sheet and income statement up to date on an accrual basis. General journal entries must be consistent with supporting documentation and approved by supervisory personnel prior to posting. Changes to the general ledger should be posted within the same fiscal period as the changes occurred or as soon as practicable.

Month-end and annual closing procedures have been developed to ensure that all routine transactions, applicable to the fiscal period, have been posted to the general ledger and all adjusting or correcting entries resulting from reconciliation procedures have been made.

Controls over the posting of system generated transactions and manual journal entries as well as detail on monthly and fiscal year-end closing procedures are discussed in [Section 7: General Ledger Maintenance](#).

Procedures Specific to State and Federal Grants

The Department of Contracts, Grants and Financial Administration (CGFA) at Texas Education Agency (TEA) oversees all phases of federal and state contracts and grants awarded through TEA, managing all discretionary and formula grants, ensuring the agency's compliance with federal grant requirements, and conducting audits and reviews of all local educational agencies (LEAs). The department houses the following divisions:

- Grants Administration Division – centralized administration of all formula and discretionary state-appropriated funds and federal grant funds awarded to TEA.
- Division of Federal Fiscal Compliance and Reporting Division – oversees activities of federal grant programs to determine whether organizations are in compliance with fiscal requirements.
- Federal Fiscal Monitoring Division – monitors expenditures of federal grant sub recipients to ensure federal funds are used for authorized purposes in compliance with federal statutes and regulations.

Compliance with all federal and state grant requirements is essential to ensure that all granted funds remain with the district. Failure to comply with grant requirements may result in denial of reimbursement requests and/or requests from the granting agency to return a portion or in some cases all grant funds.

Responsibility for State and Federal Grants

At the District level, managing State and Federal Grants shall be a collaborative process between Financial and Business Services, Human Resources, Curriculum & Instruction department and departments responsible for grants or special programs management. Each respective department shall be accountable for their duties and responsibilities as they relate to the management of state and/or federal grants. The duties of each department are listed below in general terms. Additional, specific duties and responsibilities may be listed within an area of compliance within this Manual.

Finance Department

- Assisting the grant manager with budgeting grant funds. Preparing and posting the initial budget as well as subsequent budget changes to the general ledger.
- Assisting the Human Resources department with determining the payroll distribution account code(s) for all grant-funded staff.
- Preparing all grant-related financial reports (monthly, quarterly and/or annually).
- Preparing all financial work papers and providing financial records for the annual financial audit and single audit, as appropriate.
- Ensuring compliance with the TEA's Financial Accounting Systems Resource Guide (FASRG) in recording and coding all payroll and non-payroll expenditures.

- Adjusting the general ledger, after the grant manager has submitted time and effort reports, as appropriate when adjustments are necessary.
- Submitting requests for cash reimbursements, i.e., drawing down funds.
- Reviewing all purchases and other contractual expenditures to ensure compliance with the grant periods and allowable cost principles.
- Retaining all financial records for the required retention period (five years after the end of the grant period) for audit purposes.
- Managing inventory assets and ensuring compliance with federal guidelines related to tracking and disposing of federal property.

Human Resources Department

- Assisting the Grant Manager with the recruitment and hiring of grant-funded staff.
- Ensuring that all grant-funded teachers meet state certification requirements and paraprofessionals meet the highly-qualified requirements of Every Student Succeeds Act (ESSA).
- Ensuring that all staff have a current job description specifying all grant-related duties and funding. Grant-funded staff shall sign a copy of their job description on an annual basis. A copy of the certified job description shall be maintained by the employing department, grant manager, and Human Resources department.
- Maintaining audit-ready employee files for financial audit or single audit purposes.
- Developing and maintaining all salary schedules to ensure consistency between local and non-local pay rates including base salaries, stipends and extra-duty rates of pay.
- Assisting the grant manager with determining the job title, role and position information, PEIMS coding, and other salary information necessary to complete the grant application.
- Retaining all personnel records for the required length of time (five years after the end of the grant period) for audit purposes.

Grants Management and/or Special Programs Departments

- Submitting grant applications and amendments prior to obligating funds or incurring expenses.
- Working cooperatively with campus staff to ensure that all grant activities are collaboratively planned, appropriate to each campus, and in accordance with the awarded grant.
- Providing supporting documentation for grant approved activities.
- Submitting approved grant amended budgets to the Grants Accountant to facilitate updating internal budgets.
- Provide the Human Resources department with payroll distribution code(s) for grant-funded positions.
- Preparing grant-related programmatic (evaluation) reports as required by the funder.
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
- Receiving and monitoring the time and effort reports, as appropriate, and submitting adjustments, if any, to the Grants Accountant.
- Monitoring the spending thresholds throughout the grant period to ensure that the goals and objectives are on target for successful completion.

- Reviewing and approving all purchasing and contractual commitments to ensure compliance with the grant periods and allowable cost principles.
- Retaining programmatic grant records for the required length of time (five years after the end of the grant period) for audit purposes. Fiscal records are kept in the Business and Financial Services.
- Providing information to the Human Resources department regarding the number and type of grant-funded positions approved in the grant application by the granting authority.
- Verify with the Human Resources department that all grant-funded staff meet the state certification or highly qualified criteria as required under federal guidelines, as appropriate.
- Verifying with the Human Resources department that all grant-funded staff have a current job description specifying grant-related duties and funding and ensuring that all grant-funded staff sign a copy of the job description on an annual basis, as appropriate.
- Consulting with Human Resources in determining the job title, role and position information, PEIMS coding, and other salary information necessary to complete the grant application

All departments shall provide staff training for their respective staff and other staff, as appropriate, regarding grant management duties and the responsibilities of each staff member.

State Program Allotments

State program allotments are authorized under Chapter 42 of the Texas Education Code (TEC) and paid to school districts through the Foundation School Program. In general, the allotments are based on the number of students eligible to receive funding under the specific program multiplied by the basic allotment as modified by ‘weights’ authorized under the law. These calculations are further described in each respective section. Laws regarding programmatic guidelines related to eligibility, identification, and services are codified in Chapter 29 of the TEC and supplemented by regulations established by the Commissioner of Education as disseminated through the Student Attendance and Accounting Handbook (SAAH) published by the Texas Education Agency (TEA).

School districts initially receive funding based on legislative estimates. A settle-up process occurs at the end of each fiscal year as the TEA reconciles final attendance reported through PEIMS with the legislative estimates. Funds owed to a district are normally paid by the TEA by the end of September in the following fiscal year. Overpayments to a district are normally deducted from the following fiscal year’s funding. Final settlement does not occur until the District submits its annual financial report and the TEA extracts property tax collection data.

Rules established by the State Board of Education, Texas Administrative Code, Title 19, Part 2, Rule §105.11, prescribe a percentage of each state allotment that must be spent on “direct” expenditures for the given program. The current percentages and program intent code (PIC) are noted below by program:

☐ Career & Technical Education	55%	PIC 22
☐ Special Education	55%	PIC 23
☐ State Compensatory Education (SCE)	55%	PIC 24-30 & 34 (except 25&27)
☐ Bilingual/ESL Education	55%	PIC 25

During the budget process, the estimated state allotment shall be calculated by Assistant Superintendent for Finance and Operations based on current year special program enrollments and average daily attendance (ADA) as appropriate. The estimated allotment for each special program shall be provided to the special program administrator. The special program administrator shall be responsible for the programmatic compliance for the respective program(s). Programmatic compliance shall include, but is not limited to: program eligibility, program design, instructional delivery, entry/exit procedures, professional development, certification, and the allocation and expenditure of allotments to address needs assessment and meet program objectives. Planned expenditures of supplemental program allotments must be included in campus and district improvement plans.

The following individuals are responsible for administering the special programs:

- Gifted & Talented Education Director of Advance Academic Studies
- Career & Technical Education Director of Career and Technical Education
- Special Education Executive Director of Special Education Compliance
- State Compensatory Education (SCE) Director of State and Federal Programs • Bilingual/ESL Education
Director of Bilingual/ESL Education

Business and Financial Services, specifically the Assistant Superintendent for Finance and Operations, shall be responsible for the financial compliance for each of these special programs. Financial compliance shall include, but is not limited to: budget development and maintenance, review of expenditures, financial reporting to TEA through the Public Education Information Management System (PEIMS), and audit of financial records.

As part of the budget adoption process, the Assistant Superintendent for Finance and Operations shall verify that the proposed budget includes appropriations in each of the special programs of *no less* than the percentages stated above as required direct expenditures for each special program.

At the end of each six weeks as student attendance and special programs enrollments become available, the Director of Budget and Payroll will recalculate fiscal year allotments by special program. Throughout the year, the Assistant Superintendent for Finance and Operations shall project final spend percentages for each special program, calculating final spend percentages at year-end. Allocated expenditures by program intent code (PIC) shall be used to determine compliance. In the event that direct expenditures fall below mandated percentages, the Assistant Superintendent for Finance and Operations shall ensure that the shortfall is added to allotments and budgeted in the following fiscal year.

School districts should use program intent codes (PIC) with any transaction that is directly attributable to the program intent. TEA utilizes this component of the account code to monitor compliance

and allocate expenditures charged to PIC 99, Undistributed Costs, to the other programs. Program intent codes for direct program costs, other than athletics, are classified as 'Basic' or 'Enhanced' as follows:

Basic Services – PIC 1X

- PIC 11 Basic Educational Services

Enhanced Services – PIC 2X – 3X

- PIC 21 Gifted & Talented
- PIC 22 Career & Technical Education
- PIC 23 Special Education
- PIC 24 Accelerated Education (State Compensatory Education or SCE)
- PIC 25 Bilingual and ESL Education
- PIC 26 Non-Disciplinary Alternative Education Program
- PIC 28 Disciplinary Alternative Education Program – Basic
- PIC 29 Disciplinary Alternative Education Program – SCE Supplemental
- PIC 30 Title I, Part A School-wide Activities related to SCE (Campuses with 40% or more educationally disadvantaged students)
- PIC 32 Prekindergarten
- PIC 33 Pre Kindergarten-Special Education
- PIC 34 Prekindergarten-Compensatory Education
- PIC 35 Prekindergarten-Bilingual Education
- PIC 36 Early Education Allotment
- PIC 37 Dyslexia
- PIC 38 College Career Military Readiness

If the intent of a particular program or activity is to meet the needs of students identified under one or more of the Enhanced Services, the appropriate PIC shall be used for the expenditures even if the program or activity incidentally benefits other students. For example, the salary of an instructional aide, hired to provide additional classroom assistance to students needing bilingual services, should be paid 100% from PIC 25 even though one or two non-bilingual students also benefit from a small group instructional setting.

By June 1st of each school year, the Campus Principal, working with the Human Resources department and special program manager(s), shall determine staffing needs based on the campus master schedule. Positions are created in the financial information system by the Human Resources department. The position inventory shall reflect the position role, job title, classification, full-time equivalent, and, if filled, the incumbent's name and pay rate.

Additionally, each position will reflect the account code(s) to be utilized for payroll distribution purposes. The payroll distribution coding is determined based on the employee's assignment. Specifically, the following questions should be asked:

- What is the source of funding? Determines the fund code
- What are the employee's job duties? Determines the function code
- Where will the employee work? Determines the organization code
- What student population will benefit from the service? Determines the program intent code

Determining the correct payroll account distribution code(s) is critical to ensure that all payroll costs are expensed in the correct account code(s), particularly for staff assigned on a partial or full time basis to support a special program. Funding for a position may be split between multiple account codes depending on the assignment. Only the payroll costs for services where the intent is to serve one or more special populations may be charged to the enhanced program intent code.

For example, a teacher that teaches five career and technical education courses, two regular education courses (which may include athletics for physical education credit), and one conference period should be coded 71.4% to PIC 22 and 28.6% to PIC 11. The conference period is discounted and the payroll distribution is based on the actual teaching periods. [Note: The master schedule shall reflect the teacher's assignment for each period and population served code, or 'intent', for the course. The population served codes, *PEIMS Data Standards, Code Table 030: Population Served*, and related program intent codes are shown below:

?	Population Served Code 04	PIC 21 Gifted & Talented
?	Population Served Code 05	PIC 22 Career & Technical Education
?	Population Served Code 06	PIC 23 Special Education
?	Population Served Code 03	PIC 24 Accelerated Education (State Compensatory Education)
?	Population Served Code 02	PIC 25 Bilingual Education
?	Population Served Code 07	PIC 25 ESL Education
?	Population Served Code 03	PIC 26 Non-Disciplinary Alternative Education Program
?	Population Served Code 03	PIC 28 Disciplinary Alternative Education Program-Basic
?	Population Served Code 03	PIC 29 Disciplinary Alternative Education Program-SCE Supplement
?	Population Served Code 03	PIC 30 Title I, Part A School wide Activities related to SCE (Campuses with 40% or more educationally disadvantaged students)
?	Population Served Code 01	PIC 32 Prekindergarten
?	Population Served Code 06	PIC 33 Prekindergarten-Special Education
?	Population Served Code 01	PIC 34 Prekindergarten-Accelerated Education (SCE)
?	Population Served Code 02	PIC 35 Prekindergarten-Bilingual Education PIC 36, 37, 38

Staff assigned to support students, not specifically receiving special program(s) services, shall be coded with a Population Served Code of '01' and the basic program intent code of '11'.

Special program managers shall verify all positions coded to program intent codes under their purview, including any non-campus based positions, by July 1st. Determination of payroll distribution coding, including program intent codes, for non-campus staff shall follow the same guidelines outlined above.

The special program managers should, minimally, review the payroll distribution coding at the beginning of the school year and at mid-term to ensure that the position(s) coding remains accurate.

The Budget Department shall verify that funds are budgeted in the appropriate payroll account codes. Budget changes and/or amendments, if any, shall be prepared to correct differences. [Note. The minimum spend percentages shall again be verified to ensure that budgeted amounts for applicable program intent codes still meet or exceed the minimum spend percentage for each special program allotment.]

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Campus principals shall notify special program and/or grant managers prior to making any staffing changes that will impact special program funds or grant awards. The special program or grant manager shall be responsible for ensuring that any changes to staff assignments are submitted to the Human Resources department within five (5) days of the assignment change. The Human Resource department will verify the changes and correct the account distribution coding as necessary.

An assignment account number change will automatically create a system generated adjustment of salary/wage charges in the general ledger, as of the effective date of the change, when the earnings adjustments process is run during the month end payroll process. This process creates the adjustment for salary and wage charges, only. The Accounting Coordinator and/or Grants Accountant prepare and post correcting journal entries for benefit charges.

Gifted and Talented Student Allotment (GT)

Under Texas Education Code (TEC) §29.122, school districts are required to adopt a process for identifying and serving gifted and talented students and shall establish a program for those students at each grade level. Gifted and talented student, TEC §29.121, means a student who performs at or shows the potential for performing at a remarkably high level of accomplishment when compared to others of the same age, experience, or environment and who:

- Exhibits high performance capability in an intellectual, creative, or artistic area;
- Possess an unusual capacity for leadership; or ☐ Excels in a specific academic field.

The District must develop written policies on student identification that are approved by the Board of Trustees and disseminated to parents. Final selection of the students to be served in the gifted and talented program must be made by a committee of at least three District educators who have received training in the nature and needs of gifted students. The District must keep on file a class roster of all students who are served in the gifted and talented program in each school year. The student may be included in the enrollment if the student is identified and served in the program.

While the District should include all students identified and served in the program as part of its gifted and talented enrollment, not more than five percent of a district's students in average daily attendance are eligible for funding. See TEA's *Student Attendance Accounting Handbook (SAAH)* for additional information on attendance accounting provisions.

Controls must be in place to ensure that a student's participation in the program is included only once. At the beginning of each school year and at the end of each six-week reporting period, the special program manager(s) should verify the Student Detail Report to ensure that the coding of gifted and talented students is correct.

Student enrollment data, as of the snapshot date, shall be submitted to TEA through the PEIMS Fall Submission. Final enrollments, for funding purposes, shall be submitted with the PEIMS Summer Submission. The special program administrator with oversight responsibility to certify the Gifted and Talented enrollment data prior to submission shall be the Directors of Advanced Academics.

For each identified student served in a program for gifted and talented students, the District is entitled to an annual allotment equal to the district's adjusted basic allotment multiplied by 0.12. Funds allocated under the section, other than the amount that represents the program's share of general administrative costs, must be used in providing programs for gifted and talented students. Amounts spent for general administrative or "indirect" costs may not exceed 45% of the total allotment.

Career and Technology Education (CTE)

Career and technology education is established as part of the total education system as an option under which a student may receive specific education that:

- incorporates competencies leading to academic and technical skill attainment;
- leads to:
 - an industry-recognized license, credential, or certificate; or
 - at the postsecondary level, an associate or baccalaureate degree;
- includes opportunities for students to earn college credit for coursework; and
- include, as an integral part of the program, participation by students and teachers in activities of career and technical student organizations supported by the agency and the State Board of Education.

The state plan, TEC §29.182, also requires the District to provide, to the greatest extent possible, opportunities for students to enroll in dual credit courses designed to lead to a degree, license, or certification as part of the program.

To be eligible for CTE contact hour funding, the District must offer at least one coherent sequence of courses in at least three different career clusters. Students in grades 7 through 12 are eligible for CTE contact hours. State approved CTE courses are listed in Section 4, Code Table C022 of the *PEIMS Data Standards*. Each CTE course must be taught by a qualified/certified teacher or, for a dual credit course, the postsecondary faculty must meet Southern Association of Colleges and School Teacher requirements.

To earn CTE contact hours for funding purposes a student may be enrolled simultaneously in as many CTE courses as his or her schedule permits but credit will be given for no more than six contact hours per day. Additionally, a student may not be given partial credit hours for a course, i.e. is not eligible to receive CTE contact hours for participating for one hour in a two-hour course. A student who is enrolled in a CTE course approved for state weighted funding must have a corresponding CTE code (V1, V2, V3, V4, V5, or V6) for attendance accounting purposes. The code is based on the course's average minutes per day and is used to calculate contact hours for funding purposes. See the *Student Attendance Accounting Handbook (SAAH)* for additional information regarding student attendance accounting for CTE.

The master schedule shall serve as documentation to support the designation of CTE courses. Student enrollment data, as of the snapshot date, shall be submitted to TEA through the PEIMS Fall Submission.

Attendance and contact hour data, utilized for funding purposes, is submitted through the PEIMS Summer Submission.

The special program administrator with oversight responsibility to certify the career and technology data prior to submission to TEA shall be the Director of Career & Technical Education.

Funding for Career and Technology programs is authorized under TEC §42.154. For each full-time equivalent student in average daily attendance in an approved career and technology education program in grades 7 through 12 (seven through 12 for in CTE programs for students with disabilities), the District is entitled to an annual allotment equal to the adjusted basic allotment multiplied by a weight of 1.35. The District will receive an additional \$50 if the student is enrolled in two or more advanced career and technology education classes for a total of three or more credits or an advanced course as part of a tech- prep program. A 'full-time equivalent' student means 30 hours of contact a week between a student and career and technology education program personnel

Funds allocated under the section, other than the amount that represents the program's share of general administrative costs, must be used in providing career and technology education programs. Amounts spent for general administrative or 'indirect' costs may not exceed 45 percent of the total allotment.

Special Education

Consistent with federal law, the District must provide eligible students with disabilities a free appropriate public education, which may include instruction in the regular classroom, instruction through special teaching, or instruction through contracts approved under the law. Instruction shall be supplemented by related services when appropriate. Texas Education Code (TEC) §29.003 sets out eligibility criteria for special education. A student is eligible to participate in a school district's special education program if the student is:

- not more than 21 years of age and has a visual or auditory impairment that prevents the student from being adequately or safely educated in public school without the provision of special services; or
- is at least three but not more than 21 years of age, as of the first day of instruction, and has one or more of the following disabilities that prevents the student from being adequately or safely educated in public school without the provision of special services:
 - physical disability;
 - mental retardation;
 - emotional disturbance;
 - learning disability;

- autism;
- deaf-blind;
- speech disability;
- or traumatic brain injury;

Specifically, each school district shall identify students eligible for special education and serve the students in an appropriate manner to receive state funds. The student’s Individualized Education Plan (IEP) shall serve as the official document to support that each student is eligible for special education, the type of instructional arrangement, and the number of contact hours to be served in a special education setting. All student identification and enrollment shall meet the special program guidelines in the *Student Attendance Accounting Handbook (SAAH)*.

Student enrollment data, as of the snapshot date, shall be submitted to TEA through the PEIMS Fall Submission. Final attendance and/or contact hour data utilized for funding purposes shall be submitted to TEA through the PEIMS Summer Submission.

The special program administrator with oversight responsibility to certify the special education program data prior to submission to TEA shall be the Executive Director of Special Education.

Funding for special education programs is authorized under TEC §42.151. For each student in average daily attendance in a mainstream instructional arrangement, the District is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 1.15. For each full-time equivalent student in average daily attendance in an instructional arrangement other than mainstream, the District is entitled to an annual allotment equal to the adjusted basic allotment multiplied by a weight determined according to the instructional arrangement as follows:

- Homebound 5.0 • Hospital class 3.0 • Speech therapy 5.0
- Resource room 3.0
- Self-contained, mild and moderate, regular campus 3.0
- Self-contained, severe, regular campus 3.0 • Off home campus 2.7
- Nonpublic day school 1.7 • Vocational adjustment class 2.3
- Residential care and treatment facility 4.0 • State schools 2.8

A full-time equivalent student is based on 30 hours of contact a week between a special education student and special education program personnel.

Funds allocated under this section, other than the amount that represents the program’s share of general administrative costs, must be used in providing special education programs. Amounts spent for general administrative or ‘indirect’ costs may not exceed 48 percent of the total allotment.

Compensatory Education (SCE)

Texas Education Code §29.081 requires school districts to use student performance data to design and implement appropriate compensatory, intensive, or accelerated instructional services that enable the students to be performing at grade level at the conclusion of the next regular school term. Unlike the other special programs allotments, the student population generating funding and the programs' target population are not necessarily one and the same. Programs funded through the Compensatory Education allotment must address the needs of 'students at risk of dropping out of school'. At-risk indicators include:

- not advancing a grade level;
- not maintaining an average equivalent to 70 on a scale of 100 in two or more subjects;
- not performing satisfactorily on an assessment instrument;
- not performing satisfactorily on a readiness test (for prekindergarten);
- student is pregnant or a parent;
- placement in alternative education program;
- expulsion;
- currently on parole, probation, deferred prosecution or other conditional release;
- previously reported as having dropped out of school;
- is a student of limited English proficiency;
- in the custody or care of the Department of Protective and Regulatory Services;
- homeless;
- is residing in a residential placement facility, including a detention or substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, or foster group home; or
- a student has been incarcerated or has a parent or guardian who has been incarcerated, within the lifetime of the student, in a penal institution as defined by Section 10.07, Penal Code.

The person designated as the At-Risk Coordinator at each campus shall be responsible for identification of students at-risk of dropping out of school. The students must be coded as such, as of the snapshot date, in the District's attendance accounting system and reported to TEA through the PEIMS Fall Submission.

Expenditures of state compensatory education funds must: 1) support the intent and purpose of the program, 2) be allowable under statute and guidance, and 3) be directly related to specific interventions identified in the appropriate district and campus improvement plans. Financial guidelines related to supplement not supplant, targeted-assistance versus school-wide campus expenditures, staffing formulas, job descriptions, time and effort, student case counts, local identification criteria and allowable costs are described in the Financial Accounting System Resource Guide (FASRG), Module 9, State Compensatory Education.

The district improvement plan (DIP) and campus improvement plans (CIP) serve as basis of documentation for the expenditure of state compensatory education funds. Annually, within 150 days after the final PEIMS Midyear submission date, typically mid-July, the District shall electronically submit PDF files of the District Improvement Plan and at least two Campus Improvement Plans through the TEA Security

Environment (TEASE) system. The determination regarding which campus plans to submit shall be based on the TEA guidelines in the §9.1.2, Summary of Filing Requirements, of the FASRG.

Access to the TEASE system's AUDIT application is required to upload plans. The Director of State and Federal Programs shall submit the required plans to the Assistant Superintendent for Finance and Operations at least one week prior to the submission due date. The Assistant Superintendent for Finance and Operations shall upload the plans through TEASE by the submission deadline.

Funding for compensatory education programs is authorized under TEC §42.152. For each student who is educationally disadvantaged or who is a student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.2, and by 2.41 for each full-time equivalent student who is in a remedial and support program because the student is pregnant. Because the District, under the Community Eligibility Provision, provides free breakfast and lunch to all students, the number of educationally disadvantaged students is determined by the school's Direct Certified number of students.

The Budget Department uses these counts to estimate state compensatory education funding to:

- determine the budget allocation for the subsequent fiscal year and
- project current year's funding at the end of each six-week attendance period.

Funds allocated under this section, other than the amount that represents the program's share of general administrative costs, shall be used to fund supplemental programs and services designed to eliminate any between students at risk of dropping out of school and all other students. Amounts spent for general administrative or 'indirect' costs may not exceed 45 percent of the total allotment.

Bilingual and Special Language Programs

Texas Education Code (TEC) §29.053 requires that each district with an enrollment of 20 or more students of limited English proficiency in any language classification in the same grade level shall offer a bilingual education or special language program. Each district that is required to offer bilingual education and special language programs shall offer the following for students of limited English proficiency:

- bilingual education in kindergarten through the elementary grades;
- bilingual education, instruction in English as a second language, or other transitional language instruction in post-elementary grades through grade 8; and
- instruction in English as a second language in grades 9 through 13

To be eligible for state funding, a student in the bilingual or ESL education program must meet the following requirements:

- have a language other than English indicated on the home language survey;
- considered LEP because the student tested below the cutoff scores on the test appropriately administered for the student's grade level. The following guidelines should be used in determining whether a student is considered LEP:
 - grades prekindergarten (PK) through 1: student scores below cutoff score on an oral language proficiency test (OLPT) approved by the Texas Education Agency (TEA), and
 - grades 2 through 12;
 - student scores below cutoff score on an approved OLPT; and/or
 - student scores below cutoff scores on the English reading and English language arts sections of a norm-referenced standardized test in English (selected from the *List of Approved Tests for Assessment of Limited English Proficient Students*);
- be recommended for placement in the program by a language proficiency assessment committee (LPAC); and
- have a record of parental approval to place the LEP student in a bilingual or ESL education program. For LEP students in grades 9 through 12, check LPAC documentation for services recommended by the LPAC to meet student needs.

Additionally, for the District to claim bilingual/ESL eligible days present for funding, the District must show that its bilingual and ESL education programs meet the following state requirements:

- A student is served in a full-time bilingual instructional program by staff members certified or on permit to teach bilingual education. The amount of instruction in each language (the student's home language and English) must be commensurate with the student's level of proficiency in both languages and the student's level of academic achievement. LEP students must be provided instruction in language arts, mathematics, science, health, and social studies both in their home language and in English. The appropriate bilingual program type code should be recorded for each student served in a bilingual program.
- ☐ A student is provided instruction in ESL by staff members certified or on permit to teach ESL or bilingual education. In PK through grade 8, the amount of time accorded to instruction in ESL Texas Essential Knowledge and Skills (TEKS) may vary from the amount of time accorded to instruction in English language arts in the general education program for non-LEP students to a full-time instructional setting using second language acquisition methods. In high school, the ESL program must be consistent with graduation requirements. The LPAC may recommend appropriate services that may include content courses provided through sheltered instructional approaches by trained teachers, enrollment in ESL courses, additional state elective English courses, and special assistance provided through locally determined programs. The appropriate ESL program type code should be recorded for each student served in an ESL program.

- A student is served in a program approved by the TEA under an exception to the Spanish bilingual program or under a waiver to the ESL program. A student is served in a program approved by the TEA under an exception to a language other than Spanish for as long as the State Board for Educator Certification does not have a certificate for that language. A TEA-approved exception or waiver remains valid for the current year only. The appropriate bilingual or ESL program type code should be recorded for each student served in program under a bilingual exception or ESL waiver.

Student identification and enrollment shall meet the guidelines as described in the *Student Attendance Accounting Handbook (SAAH)*. Program funding is based on eligible days present. Student enrollment data, as of the snapshot date, shall be submitted to TEA through the PEIMS Fall Submission. Final attendance and/or contact hour data for funding purposes shall be submitted to TEA through the PEIMS Summer Submission. The special program administrator with oversight responsibility to certify the Bilingual and ESL special program data prior to submission to TEA shall be the Director of Bilingual/ESL.

Funding for bilingual education is authorized under TEC §42.153. For each student in average daily attendance in a bilingual or special language program, the District is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.1. Funds allocated under this section, other than the amount that represents the program's share of general administrative costs, shall be used to provide bilingual education or special language programs. The allotment may be used only for program and student evaluation, instructional materials and equipment, staff development, supplemental staff expenses, salary supplements for teachers, and other supplies required for quality instruction and smaller class size. Amounts spent for indirect costs may not exceed 45 percent of the total allotment.

Federal Grant Awards

District funding, accounted for as federal grant awards, is primarily passed through to the District from the Texas Education Agency (TEA) and includes both formula and discretionary grants. The District is also the recipient of a number of grants funded directly through the U.S. Department of Education (USDE).

Formula grants are non-competitive entitlements which typically flow from the USDE through state block grants. These block grants are awarded to states based on census data. Funds are passed on to school districts based on certain student populations. The legislation authorizing a formula grant includes a formula for calculating the amount of grant funds, or the entitlement, that each applicant may receive.

The (TEA) administers three major formula grant programs:

- Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act of 2005 (ESSA)
- Individuals with Disabilities Education Act of 2004 (IDEA)
- Carl D. Perkins Vocational and Technical Education Act of 2006

The formula grant application process for a given school year normally opens during the preceding spring semester. The application for each eligible applicant includes an estimate of the funding amount or "planning amount" that will be available. As data becomes available, TEA will revise the estimates

and a final “maximum entitlement” is issued. Formula grants are managed by the special programs administrators for their particular program area. Monitoring and reporting is the responsibility of the Accounting Services department and the Grants Accountant.

Legislation authorizing discretionary grants defines the population served or basic services to be provided. However, TEA is able to further develop additional criteria for the grants. These grants may be awarded on a competitive or noncompetitive basis. Funds for noncompetitive grants are allotted for a predetermined list of applicants. TEA contacts the eligible school district directly to notify them of the availability and amount of the funding.

Formula grants and most noncompetitive grants require the District to submit a grant application through the agency’s eGrants system. For other noncompetitive grants, a paper application may be required. In this case Microsoft Word files are linked to the grant as listed on the [TEA Grant Opportunities](#) webpage.

Competitive discretionary grants are awarded to grantees depending on the number of eligible applicants and the total amount of funds available. Because it is a competitive process, grant applications are subject to a peer review process. The purpose of the review and scoring process is to determine the applicant’s ability to implement its proposed program. Applications meeting submission requirements and receiving the highest scores will be recommended for funding. Funding selections become final after TEA negotiates the application with the District.

A paper application is also used for these competitive grants. Discretionary grants require applicants to submit applications or proposals outlining the grant program, including a detailed budget of how the program goals will be accomplished. Information regarding the grant application process is available through TEA’s [Application Guidelines, General and Fiscal Guidelines](#).

The availability of competitive grants is posted to the [TEA Grant Opportunities](#) webpage and notice is published in the [Texas Register](#). Additionally, TEA provides information about the grant in an applicant’s conference and/or a frequently asked questions (FAQ) document. TEA monitors the process to ensure fairness and consistency.

The Federal Fiscal Compliance and Reporting Division at TEA is responsible for formulating guidelines and monitoring the expenditures of federal grant sub recipients to ensure that federal funds are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements. The Federal Fiscal Monitoring Division is responsible for conducting audits and reviews of all local education agencies (LEA).

Direct grants funds are received from the federal government and do not flow through an intermediary agency. The district applies directly to a federal government agency, typically the U.S. Department of Education, for a discretionary (competitive) grant. The agency is responsible for managing and monitoring grants that are funded directly to the District. The WISD Grants Management department is responsible for oversight of all competitive, discretionary grants. For information on applying for federal grants which do not flow-through TEA, District guidelines are available in the [Grants Management Handbook](#).

Compliance with all federal and state grant requirements is essential to ensure that all granted funds remain with the district. Failure to comply with grant requirements may result in denial of reimbursement requests and/or requests from the granting agency to return a portion or in some cases all grant funds.

Federal Regulations for Federal Grant Awards

All federal grant funds are subject to the compliance with Administrative (EDGAR) and Programmatic (NSLP, IDEA, etc) regulations for each federal grant award. Title 34, Code of Federal Regulations (CFR), Parts 75-

79, 81 to 86 and 97-99 EDGAR is currently in transition. For awards made prior to 12/26/2014, EDGAR Parts 74 and 80 still apply. For awards made on or after 12/26/2014, 2 CFR Part 200, which includes the substance formerly in parts 74 and 80, applies. For state-administered federal grants, TEA shall notify the district on the Notice of Grant Award (NOGA) of the applicable administrative regulations. The State and Federal Grants Addendum contains guidance for pre-December 26, 2014 federal grant awards. The date of the award to the district (or pass-through entity such as TEA) shall determine the appropriate regulations.

When the district's local policies and/or procedures conflict with the federal regulations, the district shall comply with the more restrictive regulations and the more restrictive regulations shall be adhered to in all aspects of federal and state grants management.

Overview of the Education Department General Administrative Regulations (EDGAR). The EDGAR, as amended on December 26, 2014, includes five (5) subparts under 2 CFR Part 200 of EDGAR as noted below:

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C – Federal Pre-award Requirements and contents of Federal Awards
- Subpart D – Post Federal Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements
- Appendices – I through XII

The EDGAR in its entirety can be accessed at: www.ecfr.gov.

To ensure consistency with the EDGAR, the district shall utilize the acronyms and definitions included in the

EDGAR for general terms related to the management of federal grant funds. The EDGAR Acronyms and Definitions can be found in CFR 200.0 through 200.99. These acronyms and definitions are used throughout this manual. One of the most critical definitions is that of a “non-federal entity”. When this definition is used it refers to the “school district”, as a recipient of a federal grant award.

General Provisions

The District shall comply with all General Provisions of EDGAR. Specific areas of compliance are noted below:

Conflicts of Interest

The District has established a conflict of interest policy, and it shall apply for all federal grant awards, and it shall disclose in writing any potential conflict of interest to the granting agency. See Policies *BBFA (LEGAL) Ethics-Conflict of Interest Disclosures* and *DBD (LEGAL) and DBD (LOCAL) Employment Requirements and Restrictions-Conflict of Interest*.

Employees are required to disclose to their supervisor any situation that creates a potential conflict of interest with proper discharge of assigned duties and responsibilities or creates a potential conflict of interest with the best interests of the district. This includes the following:

- A personal financial interest
- A business interest or any other obligation or relationship
- Non-school employment

No employee or Board member shall participate in selection, award, or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award:

- An employee or Board member.
- Any member of the immediate family of an employee or Board member.
- The partner of an employee or Board member.
- An organization that employs or is about to employ any of the above.

The district shall comply with all additional conflict of interest requirements required by the federal granting agency and/or the pass-through entity (TEA).

Mandatory Disclosures

The District shall disclose in writing to the granting agency and/or pass-through entities any violations of federal criminal law including fraud, bribery or gratuity violations affecting a federal grant award. Upon detection of any fraud, abuse or waste with federal grant funds, the District shall promptly notify the proper legal authorities and pursue appropriate criminal and/or civil actions. In addition, the district shall report to the granting agency and pass-through entity, the extent of the fraud or violations. In addition, the District shall reclassify fraudulent expenditures made with federal grant awards to local district funds, i.e. the General Fund. The Assistant Superintendent for Finance and Operations shall be responsible for overseeing, reporting and documenting any fraud, abuse or waste of federal grant funds.

Prohibition from Soliciting Gifts or Tokens

All district employees are prohibited from soliciting gifts or tokens from vendors or other parties who are affected by (or have an interest in) a federal grant award.

The District's employees and Board members shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.

Employees may not accept gifts or favors that could influence, or be construed to influence, the employee's discharge of assigned duties. The acceptance of a gift, favor, or service by an administrator or teacher that might reasonably tend to influence the selection of textbooks, electronic textbooks, instructional materials or technological equipment may result in prosecution of a Class B misdemeanor

offense. This does not include staff development, teacher training, or instructional materials, such as maps or worksheets that convey information to students or contribute to the learning process.

Pre-Federal Award Requirements

The federal awarding agency and pass-through entities are required to evaluate the risk of the District in respect to financial stability, quality of management system, history of performance (grants), audit reports and ability to effectively implement the grant program.

The District shall implement strategies as noted below to ensure that its risk level for federal grants management is determined to be “low”:

1. Timely submission of all required programmatic and financial reports
2. Complying with the federal grant award fiscal guidelines and allowable cost principles
3. Ensuring that all grant-related staff are properly trained in their respective grants management role on at least an annual basis.
4. Implementing grant management procedures and internal controls

If the District is determined to be a “high risk” district, it shall comply with all of the additional requirements imposed by the federal granting agency and/or pass-through entity. In addition, the District shall develop and implement strategies to correct the deficiencies in an effort to move to a “low risk” entity status.

No pre-award expenses shall be made by the District prior to the approval of the federal granting agency or pass-through entity. Non-authorized pre-award expenses, if any, shall be paid from local District funds.

Grant Application Process

The district may be eligible to apply for entitlement or competitive federal grant funds.

Federal entitlement grant funds include, but are not limited to, Every Student Succeeds Act (ESSA), Individuals with Disabilities Education Act (IDEA), and Carl D. Perkins. The maximum and/or final entitlements for the district are posted on the TEA Grants, Applying for a Grant. The appropriate grant manager shall obtain the annual entitlement amounts and begin the grant development process with the appropriate stakeholders.

Competitive grant opportunities directly from the federal government are listed at the following website: <http://www.grants.gov/>. A list of competitive grants administered by the TEA are also posted on the TEA Grants Management webpage at: www.tea4avoswald.tea.state.tx.us. The Grants Management department staff monitor competitive grant opportunities and determine whether the grant(s) is appropriate for the district. Some competitive grants may require matching-funds and/or in-kind donations. This requirement may place a burden on the district’s available financial resources and must be approved in advance. (See section on costing sharing or matching funds)

TEA's Grant Opportunities webpage provides a wealth of information related to available grants such as:

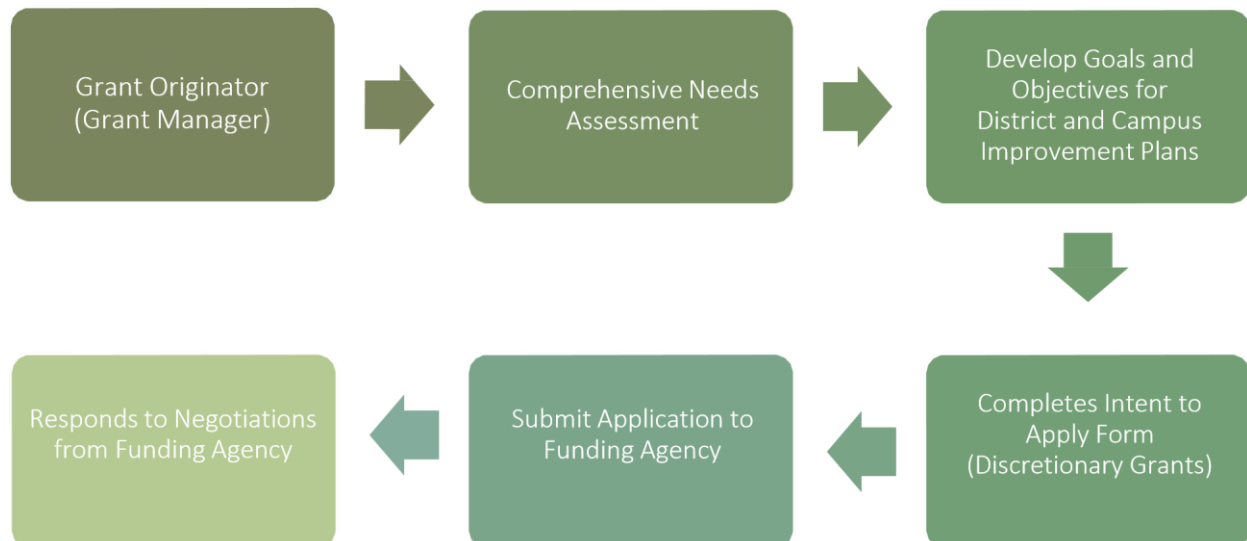
- Program Description
 - Funding Information
 - Application & Support Information
 - General and Fiscal Guidelines
 - Handbooks and Other Guidance
 - Program Guidelines
 - Critical Events (time line)
-
- Contact information

These guidelines may be found on TEA's website at:

[\[http://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx\]](http://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx)

All district staff involved in the management of federal grant awards shall be aware of these resources.

The grant application process for federal grants can vary from grant to grant. In addition, all grant applications that will support student instruction at one or more campuses, must be developed in collaboration with the respective campus principal(s). Specific grant activities to support the academic program at a campus should be reflected in the Campus Improvement Plan. The following illustrates the application process:



The final approval of a grant application for the District shall be the Superintendent's designee for the specific grant.

The grant manager(s) shall work collaboratively with the Business and Financial Services department to ensure that: all grant budget schedules are completed using the correct account code structure; procurement complies with the District's purchasing, travel and other procedures; and expenditures are adequately documented, if prior approval is required by the granting agency or pass-through entity.

The grant manager shall obtain pre-approval for the following activities which have been identified by the granting agency or pass-through entity (TEA);

- Educational field trips
- Hosting conferences
- Out-of-state travel
- Inventory Disposition
- Special or Unusual Costs

- Noncompetitive Procurement
- Participant Support Costs

Grants that require matching or in-kind district contributions shall be evaluated for overall impact on the District's current and future local funds by the Budget Department and approved by the Assistant Superintendent for Finance and Operations or Superintendent.

No federal grant funds shall be budgeted, encumbered, or spent until either of the following has occurred:

- the discretionary grant has been approved by the granting agency and a Notice of Grant Award (NOGA) has been issued to the District; or
- the planning entitlement has been received by the District and the grant application has been submitted to TEA.

[NOTE: TEA allows federal grant expenditures from the grant application "stamp-in date"; however, expenditures that require TEA's specific approval are not approved until the NOGA has been issued.]

The Grants Accountant shall notify the grant manager when the funds have been budgeted and are activated for expenditure by the authorized campus or department.

General Provisions and Assurances

General Provisions and Assurances apply to all grants administered by TEA. Additional provisions and assurances may apply to specific grants. The grant manager shall inform all staff involved in the expenditure of grant funds of the provisions and assurances for each grant program, as appropriate.

Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion

The district must not award a contract to a vendor which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal grant award programs.

The Purchasing department shall verify the eligibility of each vendor with the Representations and Certifications form before awarding a bid and/or issuing a purchase order. All vendors on the approved vendor list have completed the form.

The Purchasing department shall monitor ongoing contracts to verify the contractor's compliance with the debarment, suspension, ineligibility and voluntary exclusion provisions. In the event that a vendor is suspended or debarred during a contract, the district shall continue the contract in force until the contract lapses. The contract term shall not include any extensions to the original term of the contract.

Lobbying Certification

For all federal grants in excess of \$100,000, the district shall certify on the grant application (Schedule #1- General Information) that no federal grant funds are expended for the purpose of lobbying. The Assistant Superintendent for Finance and Operations shall execute a Lobbying Certification Form [Standard Form – LLL: Disclosure of Lobbying Activities], as applicable, if the district used funds other than federal grant funds for lobbying activities.

The Business Services Director shall ensure that all contract award documents with federal grant funds contain the appropriate lobbying certification language.

Post Federal Award Requirements

Budgeting Grant Funds

The Grants Manager shall prepare a budget for the awarded grant. The funds shall be budgeted in the appropriate fund code as authorized by Financial Accountability System Resource Guide, or the granting agency, as appropriate. In addition, the object expenditure codes noted on the grant application shall be consistent with the budgeted account codes. The Grants Accountant will enter the budget in to the District's financial information system.

For example, if the grant application included \$2,000 for "6219 Professional Services", the budget shall include an appropriation for Professional Services in object code 6219. However, if the intent was to expend funds to pay a Math Consultant, the grant application may need to be amended to move the "6219 Professional Services" funds to the correct object code "6299 Other Professional Services". All expenditures shall be made from the correct FASRG object code.

Federal grant funds shall be budgeted and available for use no later than five working days after receipt of the NOGA or from the stamp-in date. The grant manager is responsible for notifying the Grants Accountant of receipt of the NOGA or the stamp-in date.

Initial Budget Set Up

After District has received the NOGA, the Grant Manager and Grant Accountant shall:

- Compare job descriptions with the approved grant application;
- Compare the TEAMS-Position Inventory to the approved grant application budget for personnel;
- Compare the TEAMS payroll account coding to the job description;
- Compare the TEAMS payroll account distribution percent to the approved application budget for personnel
- Determine account coding for all approved expenditures

The Grant Accountant/Grant Manager shall:

- Verify the benefit formulas in the Benefit Formula Worksheet
- Update the benefit rates. The current budgeted rates are determined by the CFO and Budget Department.
- Enter the position/employee name, base salary, # of FTEs and % of time allocated to the grant. The worksheet will calculate the budgeted benefit cost allocated to the grant.
- Compare the budgeted benefits on the Benefit Formula Worksheet to the approved grant application/amendment. If total salary and benefits are greater than the application/amendment, determine corrective action with the Grant Manager.

Budget changes, if any, shall be approved by the Grants Manager to ensure that the reclassification of funds is allowable under the grant management guidelines related to budget amendments. Some grants allow a transfer of funds among direct cost categories up to 25% of the grant award, depending on whether the new object code requires specific approval from the granting agency.

The TEA Grants Division has developed guidance related to “When to Amend” grants administered by the TEA. The guidance document is posted on the TEA website at:

http://tea.texas.gov/Finance_and_Grants/Grants/Administering_a_Grant.aspx

In addition to TEA’s guidelines, federal regulations require that the district amend the grant application when we deviate from the original scope or grant objectives. Other amendments may be necessary when the district changes the designated grant manager, disengages from grant activities for more than three (3) months, or there is a 25% reduction in the time devoted to the grant by a grant manager.

The Grants Manager shall monitor the grant for budget compliance and the necessity for amendments at least quarterly throughout the grant period and at least one (1) month prior to the grant amendment deadline, if applicable. If an amendment is necessary for any of the reasons specified by the pass-through entity (TEA) or in federal regulations, the Grants Manager shall initiate the amendment

process. The approval process of a grant amendment shall be the same as the grant application process. The Grants Accountant shall monitor the budget and notify the grant manager of any over expenditure. The grant manager is responsible for ensuring that the finance system budget corresponds to the most recent NOGA.

Standards for Financial and Program Management

The District must comply with all requirements of federal grant awards including the provisions of the Federal Funding Accountability and Transparency Act (FFATA) and the Financial Assistance Use of Universal Identifier and Central Contractor Registration (CCR).

FFATA Reporting

The Federal Funding Accountability and Transparency Act requires information on federal awards be made available to the public at www.USASpending.gov. All federal agencies that make federal contract, grant, loan, and other financial assistance awards in amount more than \$25,000 are required to submit reports. The prime recipient is required to report the data on sub-recipients. A prime recipient is the entity directly receiving a federal award, and may include state and local governments, for-profit and not-for-profit organizations, universities, and individuals. The Federal Sub-award Reporting System collects data on executive compensation and first-tier sub-awards at <https://www.fsr.gov/>.

The district shall report the following for all federal grant awards, as appropriate. The Grants Manager shall be responsible for collecting and reporting the information.

- The following data about first tier sub-awards greater than or equal to \$25,000
 - VITA
 - Farm to School
 - ESSA
 - Perkins & Special Education
 - SVPP
- Name of entity receiving award [entity = district]
- Amount of award
- Funding agency
- NAICS code for contracts / CFDA program number for grants
- Program source
- Award title descriptive of the purpose of the funding action
- Location of the entity (including congressional district)
- Place of performance (including congressional district)
- Unique identifier of the entity and its parent; and
- Total compensation and names of top five executives (same thresholds as for primes)

- Total compensation and the names of the top five executives if:

- More than 80% of annual gross revenues from the federal government, and those revenues are greater than \$25M annually and
- Compensation information is not already available through reporting to the SEC.

Financial Management

The District's financial management system, TEAMS, shall be utilized to expend and track all federal grant expenditures. The financial management system shall be maintained in a manner that provides adequate internal controls over the data integrity, security and accuracy of the financial data.

The financial management system must contain information pertaining to all federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. All expenditures of federal grant funds shall be in accordance with the district's written procedures such as cash management, accounts payable, purchasing, travel, allowable costs, capital asset tracking, contract management, and other procedures, as appropriate.

Records Retention

The financial management system shall be utilized to store, maintain, and report all required federal grant information. Consequently, the district shall ensure that access to the data is restricted to authorized individuals in accordance with the district's Data Security and Access policies, see *Section 5: Automated Financial Systems and Electronic Data Processing*.

In accordance with federal regulations, the district shall maintain the grant-related records in an open and machine readable format. Specifically, the District shall use the following formats to store electronic data.

- Microsoft products such as Word, Excel, Access, etc.
- Financial Management System, TEAMS

In addition, the District shall retain all federal grant records for a period of five (5) years after the end of the grant period in accordance with the district's Local Records Retention Plan. [Note: The District's retention period exceeds the three (3) year retention period required in the EDGAR.]

All financial records for the current fiscal year shall be retained for audit purposes in accordance with the district Local Records Retention Schedule. Destruction of records, at the expiration of the records, shall also be in accordance with the District's Local Records Retention Schedule. Note: The Destruction Schedule [list of all records destroyed] is a permanent document. Unless a record that has been destroyed is specifically listed on a Destruction Schedule, it is presumed to still exist.

The District's Records Management Officer (RMO), the Records Management Specialist, shall be responsible to ensure that all records are retained, stored and accessible, as appropriate. All questions related to the retention, destruction, and/or addition of new record series shall be directed to the Records Management Specialist.

List of Federal Grant Awards

A list of all federal grant awards shall be maintained to include EDGAR required data (denoted with an *) and district-required information listed below:

- The CFDA title and number*,
- Federal award identification number and year*,
- Name of the Federal agency*, and
- Name of the pass-through entity*, if any.
- Grant manager for each grant
- Sub-grants, if any

On at least a monthly basis, the Grants Accountant shall review the status of each federal grant fund. The review shall include a comparison of budget to expenditures.

Cash Management: Payments

The district has elected to draw down federal grant funds under the cash reimbursement program guidelines and acknowledges the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless there is reasonable belief the request is not proper. No interest shall be earned, recorded, nor returned to the granting agency as a result of the cash reimbursement program.

Expenses for the report month are compiled after all payroll processes have posted to the general ledger. Payroll should post by the end of the 7th day of the month (TRS is due on the 6th of the month).

Wage and salary transactions are recorded in the general ledger on an accrual basis. Accrual transactions can be greater than cash payments, so it is necessary to submit the request for reimbursement after the first payroll of the month following the report month. This ensures the reimbursement request is not more than cash expended at the time of the request.

Reimbursement requests will be submitted based on the following schedules:

- Requests are not made before the 15th of the month following the report month for: • Texas Education Agency
- Department of Education
- Governor's Office
- Requests are made as close to the due date as possible:

- Education Service Center Region 10
- Texas Workforce Commission (no later than the 19th of each month)

The District does not maintain a separate bank account for grant funds. The following financial institutions are used for direct deposit or drawdowns:

- TEXPOOL – Funds from TEA, Department of Agriculture, ESC Region 10, TWC
- Depository Bank (Extraco Bank) – Funds from Department of Education

Internal Controls

The District's internal control procedures over financial management, developed in accordance with the Internal Control Integrated Framework (COSO), shall be disseminated to all staff involved in the management of federal grant funds. The internal control procedures shall be reviewed on at least an annual basis and updated as appropriate. If any weakness in an internal control is detected, the internal control procedures shall be revised to incorporate strategies to address the weakness at either the annual review or as the need arises dependent upon the severity (materiality) of the weakness.

Internal control procedures are embedded in the procedures described in the manual for each type of transaction. Additional information regarding the District's control environment, risk assessment, communication, and monitoring as well as the basics of control activities can be found in *Section 3: Internal Controls*. The Assistant Superintendent for Finance and Operations along with the managers for each functional area shall be responsible for the annual review and update of the Internal Control Procedures.

Bonds

If the granting agency requires that the district obtain bonding and/or insurance for a specific project, the district shall ensure that the bonds are obtained from a company that holds a certificate of authority as specific in 31 CFR Part 223, Surety Companies Doing Business with the United States. The Business Services Director shall be responsible for obtaining insurance and/or bonding, as appropriate.

Payment

Payments to vendors shall be made promptly in accordance with federal regulations and state law. Specifically, in accordance with the Texas Prompt Payment Act, the district shall pay all invoices within 30 days of receipt of the goods/services and the invoice, whichever is later.

In the event that the district receives an advance payment from a federal granting agency, the district shall ensure that it expends the advanced funds in a timely manner. Excess funds may earn interest, which may require return to the federal granting agency if the interest meets the federal threshold. The district has determined that it will not accept advanced payments for federal grant funds.

The district shall seek reimbursement for federal grant expenditures, rather than using an advanced payment method. Consequently, the district shall prepare and submit a “draw-down” of federal grant funds only after the payments have been made and distributed to the vendor via mail, e-payables or other delivery method. The draw-down of expended funds shall be net of all rebates, refunds, contract settlements, audit recoveries and interest earned, as appropriate. The Grants Accountant shall be responsible for preparing the draw-down of federal grant funds. All draw-downs shall be recorded on the general ledger as a receivable when the draw-down process is complete and posted to the cash account upon receipt of the receivable.

Cost sharing or matching funds

The grant manager over each federal grant award shall ensure that requirements for cost sharing and/or matching funds are approved through the grant approval process prior to the submission of the grant. At a minimum, the grant proposal must be evaluated for overall impact on the District’s current and future local funds by the Budget Department. The Assistant Superintendent for Finance and Operations or Superintendent must approve the commitment of all cost sharing and matching grant funds. The district shall not commit cost sharing and/or matching funds over the required amount (as directed by the funder).

If cost sharing or matching funds are required as part of a federal grant award, the required direct or in-kind expenditures should be recorded and tracked on the general ledger. If matching grant funds are required in the General Fund (Fund 199), the district shall utilize a local option code to separately track the expenditures for reporting and compliance purposes.

All staff paid with cost sharing and matching funds, shall be subject to the Time and Effort Documentation requirements.

Cost sharing and matching funds that are as a result of donated services or supplies, shall be recorded and tracked in accordance with the federal regulations (CFR 200.306).

Program Income

Federal regulations (CFR 200.307) allow the district to generate program income to offset federal grant award costs. Income earned, if any, must be expended in accordance with the grant requirements. All recommendations for program income activities, shall be reviewed and approved by the Grants Manager, Budget Department, and Assistant Superintendent for Finance and Operations.

If program income activities are approved, the grant manager over the activities shall ensure that the costs of generating the program income are not federal grant funds, are nominal in cost, are offset from the program income and meet all of the federal requirements. The District will not generate any program income as part of a federal grant award.

Period of performance (Obligations)

All allowable grant expenditures shall be incurred during the grant period, i.e. begin date and end date of the federal grant award as designated on the Notice of Grant Award (NOGA). The Grants Accountant shall notify the Business Services, Budget and Payroll, and Grants Management departments of each federal grant award to ensure compliance as noted below:

- No employee shall be hired and paid from federal grant funds except during the federal grant period;
- No purchase obligation shall be made from federal grant funds except during the federal grant period; and
- No payroll or non-payroll expenditures shall be made from federal grant funds except during the federal grant period.

A spreadsheet shall be maintained of all grant awards. As new grants are awarded, the Grants Accountant will forward an updated copy to the Business Services, Budget and Payroll, and Grants Management departments. The recent additions will be highlighted to facilitate processing by those departments.

All obligations with federal grant funds must occur during the grant period. Obligations that occur before or after the grant period are not allowable costs, unless otherwise specified and allowed in the grant application. The obligations must be liquidated in accordance with the grant deadlines, especially as they relate to the final draw-down of federal grant funds. Guidance regarding the obligation of federal grants funds can be found in TEA’s General and Fiscal Guidelines.

The grant manager shall monitor the expenditures during the grant period to ensure that the funds are spent in a systematic and timely manner and in accordance with the program goals/objectives outlined in the grant application. The following timeline shall be used as a general guide for spending thresholds for a grant period of 15 months. The optimal spending thresholds noted below may be adjusted based on programmatic needs. For example, if the federal grant will be used for summer activities such as summer school, a larger percentage of the grant may need to be withheld for those specific activities.

- Within 3 months of the grant start date 25%
- Within 6 months of the grant start date 50%
- Within 9 months of the grant start date 75%
- Within 12 months of the grant start date 100%

Procurement Standards/Expenditure of Grant Funds

Expenditures of grant funds shall be processed through the same purchasing, accounting, and payroll procedures governing the expenditure of non-grant funds. However, additional requirements shall be in force as noted below to ensure full compliance with federal cost principles.

General Procurement Standards

District purchasing procedures shall comply with all federal, state and local procurement requirements. The District shall comply with the general procurement requirement of the EDGAR (2 CFR

200). All purchases shall be in accordance with the District's School Board Policies (CH Legal and Local) and consistent with the District's purchasing procedures as described in *Section 14: Procurement and Payables* of this manual.

For all purchases with federal grant funds, the district shall comply with the federal regulations, EDGAR related to the purchasing of goods and services. [2 CFR 200.317-200.326] All relevant statutes, regulations, board policies and procedures shall be made available to all purchasing stakeholders, as appropriate in a paper or electronic format. The district shall implement the following strategies to maximize federal grant funds:

- Consolidation of purchases to obtain volume pricing, as appropriate
- Evaluate the cost efficiencies of leases versus purchases of equipment
- Utilize cooperative purchasing agreements, as appropriate, to obtain volume pricing
- Utilize federal or state excess/surplus property supplies or equipment in lieu of purchasing new supplies or equipment, as appropriate

The District encourages staff to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. The District's Business Services Director receives notifications of such surplus items and forwards such information on to potentially interested department administrators for consideration. Items previously purchased include vehicles and trailers. (EDGAR §200.318)

The District must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. Prior to contract award, vendors will be investigated to see if any suspension or debarment is in place that would preclude them from receiving a federally funded contract. (EDGAR §200.318 and §200.212)

The Business Services Department shall be responsible for selecting and awarding contracts to vendors that are qualified to provide the goods and/or services for purchase with federal funds. The vendor selection process shall ensure that the district does not restrict competition among qualified vendors. (902.52)

The District shall maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. (EDGAR §200.318)

The District shall be responsible for ensuring compliance with all federal, state and local procurement requirements and for ensuring that the district maintains an up-to-date procurement history to include, but not limited to:

- Advertisement date(s) of the procurement

- Release date of the procurement specifications
- Selection criteria for vendors
- Opening date of the procurement
- List of vendors submitting a proposal/bid
- Bid evaluation or tabulations sheets
- Selection of Vendor
- Date of contract award
- Begin date of contract
- End date of contract

All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of EDGAR §200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. The district shall not restrict vendor competition by requiring any of the following as selection criteria:

- Unreasonable requirements, such as excessive experience or bonding, brand name products or geographic preferences that would unduly restrict competition among qualified vendors
- Arbitrary restrictions that are not essential to the bid/proposal specifications

The District must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. (EDGAR §200.321)

The District must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. (EDGAR §200.322)

The Business Services Director shall be responsible for ensuring compliance with all federal, state and local procurement requirements and for ensuring that the district maintains an up-to-date procurement history to include, but not limited to:

- List of all procurements by type
- Advertisement date(s) of the procurement
- Release date of the procurement specifications
- Selection criteria for vendors
- Opening date of the procurement
- List of vendors submitting a proposal/bid
- Selection of Vendor
- Date of contract award
- Begin date of contract
- End date of contract

The procurement history records and other procurement records shall be retained in accordance with the federal, state and/or local retention periods, whichever is greater. The procurement

records shall be made available to the federal granting agency, pass-through entity (TEA), and auditors, as appropriate.

Purchasing Efficiency Strategies

All purchases with federal grant purchases shall be in accordance with the federal regulations, specifically CFR 200.318. All purchases shall be purchased from a variety of qualified vendors with the ability to perform successfully under the terms and conditions of a proposed procurement. The district shall strive to avoid acquisition of unnecessary or duplicative items. The district shall implement the following strategies to maximize federal grant funds:

- Consolidation of purchases to obtain volume pricing, as appropriate
- Evaluate the cost efficiencies of leases versus purchases of equipment
- Utilize cooperative purchasing agreements, as appropriate, to obtain volume pricing
- Utilize federal or state excess/surplus property supplies or equipment in lieu of purchasing new supplies or equipment, as appropriate
- Utilize value-engineering in construction projects to seek cost reductions
- Develop vendor selection criteria to select the best vendor
- Develop a tracking system of all informal and formal procurements
- Avoid “time and materials” contracts if other alternatives exist
- Monitor vendor performance to ensure that the vendor to ensure that the vendor provides the services and/or goods, as appropriate
- Ensure that all contract and vendor disputes are resolved in the most advantageous manner
- Minimize the risk of jurisdictional issues by ensuring that all contracts would be litigated in a court within the county, city and/or state, as appropriate

Conflict of Interest

The Superintendent shall execute an Organizational Conflict of Interest document to disclose if any conflicts exist in the application, receipt of, or expenditure of federal grant funds.

The Grant Manager, Director of Business Services, and any other person directly involved in the evaluation process shall each execute a Conflict of Interest Form to disclose a conflict of interest, as appropriate, related to the awarding of a contract or substantial expenditures with federal grant funds. Substantial expenditures shall be defined as a purchase in excess of \$50,000.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. In addition, no employee, officer or agent of the district may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontractors. All employees shall comply with the Educators’ Code of Ethics, [see Policy DH \(Exhibit\) Employee Standard of Conduct](#). Violators of the Code of Ethics shall be subject to disciplinary action, including but not limited to, termination of employment with the district.

Vendor Competition

The Business Services Department shall be responsible for selecting and awarding contracts to vendors that are qualified to provide the goods and/or services to be purchased with federal grant funds. The vendor selection process shall ensure that the district does not restrict competition among qualified vendors.

Vendor Selection Criteria

The district has selected vendor qualification criteria that includes, but is not limited to, the following:

- the purchase price;
- the reputation of the vendor and of the vendor's goods or services;
- the quality of the vendor's goods or services;
- the extent to which the goods or services meet the district's needs;
- the vendor's past relationship with the district;
- the impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses;
- the total long-term cost to the district to acquire the vendor's goods or services;
- for a contract for goods and services, other than goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company or majority owner:
 - has its principal place of business in this state; or
 - employs at least 500 persons in this state; and
 - any other relevant factor specifically listed in the request for bids or proposals.

Construction contracts will be evaluated differently as there are Government Code guidelines that govern the evaluation of construction contracts. Government Code Sec. 2269.055 states that in determining the award of a contract under this chapter, the governmental entity may consider:

- the price;
- the offeror's experience and reputation;
- the quality of the offeror's goods or services;
- the impact on the ability of the governmental entity to comply with rules relating to historically underutilized businesses;
- the offeror's safety record;
- the offeror's proposed personnel;
- whether the offeror's financial capability is appropriate to the size and scope of the project; and
- any other relevant factor specifically listed in the request for bids, proposals, or qualifications.

In determining the award of a contract under this chapter, the governmental entity shall:

- consider and apply any existing laws, including any criteria, related to historically underutilized businesses; and
- consider and apply any existing laws, rules, or applicable municipal charters, including laws applicable to local governments, related to the use of women, minority, small, or disadvantaged businesses.

A vendor database shall be maintained by the Business Services Department through the District's IonWave eBidding System. The district allows any and all interested vendors to self-register for all bid opportunities in the district through the IonWave eBidding system. Vendor selection shall ensure that the vendor has not been debarred or suspended from contracting under federal grants.

All vendors shall complete the appropriate vendor forms as required by federal or state regulations and the district. The District requires that every vendor have the following documents on file:

- Form W-9
- Conflict of Interest Questionnaire
- Felony Conviction Notice/Representations and Certifications
- Fingerprinting (If working directly with students)

The District shall develop written bid/proposal specifications that are provided to every qualified vendor to ensure consistency in the procurement process. At no time shall the district allow a specific vendor to develop the bid/proposal specifications as this may provide a barrier to open, competition among the qualified vendors. The bid/proposal documents must include guidance to vendors regarding the following:

- Time, date and place of bid/proposal opening
- Anticipated award date, as applicable
- Written specifications and addendums, as appropriate
- List of all bid/proposal required documents such as CIQ, Felony Conviction Notice, etc.
- Bid/Proposal Sheet
- Bid/Proposal evaluation criteria, including the weights, as applicable

The Business Services Director shall oversee all bid/proposal documents before release to the vendor to ensure the documents comply with the federal requirements.

Procurement Methods

The District shall use one of the procurement methods allowed by federal regulations to procure goods and services with federal grant funds. In addition, the district shall comply with state purchasing laws and local Board Policy, *CH (LEGAL and LOCAL) Purchasing and Acquisition*.

The procurement method shall be determined based on the type of goods or services to be purchased with federal grant funds. The Business Services Director shall be responsible for selecting the appropriate procurement method for each procurement. The District utilizes a purchase order and encumbrance system to manage the expenditure of all federal grant funds. In addition to purchase orders,

the District also utilizes credit cards, direct payments, etc. as authorized in the District's operating procedures.

Methods of Procurement (Federal Funds) (EDGAR §200.320)

The non-Federal entity must use one of the following methods of procurement.

- Procurement by micro-purchases (less than \$10,000)
- Procurement by small purchase procedures (less than \$250,000)
- Procurement by sealed bids
- Procurement by competitive proposals
- Procurement by non-competitive proposals

The District must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold (\$250,000 including contract modifications). The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the District must make independent estimates before receiving bids or proposals. (EDGAR §200.323)

The District must adhere to Appendix II to Part 200—Contract Provisions under Federal Awards as per EDGAR §200.326. In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the District under the Federal award must contain provisions covering the following, as applicable:

- Contracts for more than the simplified acquisition threshold currently set at \$250,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- All contracts in excess of \$10,000 must address termination for cause and for convenience by the Waco ISD including the manner by which it will be effected and the basis for settlement. Micro-Purchase Procedures

The *Procurement by Micro-purchase* may be most frequently used method due to the frequent purchase of goods or services that are less than \$10,000, as defined in CFR 200.67 and ARM Section 17. The district shall purchase goods and services under this method from among qualified vendors, but will not competitively procure the micro-purchases, unless in the aggregate in a 12-month period (fiscal year), the district exceeds the state law thresholds, or the district's threshold in Board Policy CH Legal or Local. The Business Services Department and Grant Manager(s) shall distribute micro-purchases equitably among qualified vendors.

Self-Certification of Micro-Purchase Threshold

Per § 200.320(1)(iv)(C) the Non-Federal entity may increase to the micro-purchase threshold up to \$50,000. Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with §200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation. Section (C) allows public institutions, to increase to a higher threshold consistent with State law. In this case, Waco ISD has increased their threshold to \$49,999.99 to be compliant. A copy of the self-certification may be obtained from the Business Services Department.

Small Purchase Procedures

The *Procurement by Small Purchase Procedures* shall be used by the district when the purchase of goods or services do not exceed \$250,000, the Simplified Acquisition Threshold (CFR 200.88). The purchasing department shall require written, emailed or faxed quotations from at least three (3) qualified vendors for all small purchases, i.e. purchases that do not exceed \$50,000. The district shall strive to obtain small purchases from qualified vendors under a Cooperative Purchasing Program. The district is currently participating in the following cooperative purchasing programs:

- ESC Region 2013, San Antonio/Austin
- PACE (Purchasing Association of Cooperative Entities)
- ESC Region 4, Houston, Texas Cooperative Purchasing Network (TCPN)
- Central Texas Purchasing Alliance (CTPA)
- BuyBoard
- Houston-Galveston Area Council of Governments (HGAC-BUY)
- Comptroller of Public Accounts Contracts (CPA)
- TXMAS (CPA)
- Department of Information Resources (DIR)
- TEXAN2000, part of DIR
- US Communities
- Tarrant County Purchasing Cooperative
- Harris County Department of Education (HCDE) Choice Partners Cooperative
- Texas Interlocal Purchasing System (TIPS-TAPS)
- Purchasing Solutions Alliance (PSA) (Brazos Valley Council of Governments)
- ESC, Region XI Texas Educational Technology Purchasing Consortium (TETPC)
- Robinson ISD Interlocal Agreement
- City of Waco Interlocal Agreement
- Central Texas Purchasing Alliance (CTPA)
- NCPA – National Cooperative Purchasing Alliance
- Public Sourcing Solutions (PSS)
- Educational & Institutional Cooperative Services (E&I)
- Houston ISD Interlocal Agreement
- Tejas Food

Services Coop TexBuy (ESC 16)

Sealed Bid Procedures

The *Procurement by Sealed Bids* method shall be used by the district when the purchase of goods or services exceed \$50,000 if the acquisition of the goods or services lends itself to a fixed price contract and the selection of the successful bidder can be made principally on the basis of price. The district shall comply with the sealed bid requirements, as defined by the EDGAR, as noted below:

- Bids must be solicited from an adequate number of bidders, but no less than two (2) bidders
- Bids must be publicly advertised and bidders shall be provided an adequate amount of time to prepare and submit their bid.
- The district shall publicly advertise all bids in accordance with state law, i.e. at least two (2) times in two separate weeks
- The district shall provide no less than ten (10) days for bidders to prepare and submit their bids
- Bids must contain detailed specifications to ensure that bidders have a clear understanding of the goods or services that the district is seeking to purchase
- Bids must specify the time, date and district location where bids will be opened publicly
- Bids must be awarded based on a fixed price contract to the lowest responsive and responsible bidder. The district shall consider discounts, transportation costs and life cycle costs only if these factors were included in the bid specifications. The district will not consider payment discounts because the district may not be able to take advantage of payment discounts.
- Bids will be evaluated, ranked and a recommendation for award made to the School Board at a regularly scheduled board meeting.
- If no bidder is recommended, the district shall reject all bids and evaluate whether to modify the bid specifications to initiate a new bid process
- The district shall notify the successful bidder and process the contract documents and/or purchase orders, as appropriate

Competitive Proposal Procedures

The *Procurement by Competitive Proposal* method shall be used by the district when the acquisition of the goods or services exceeds \$50,000 and does not lend itself to a fixed price contract. The district shall comply with the sealed bid requirements, as defined by the EDGAR, as noted below:

- Requests for Proposals (RPF) must be publicly advertised
- The RFP shall identify the evaluation factors and their weight in awarding the proposal
- Proposals shall be solicited from an adequate number of bidders, but no less than two (2) qualified vendors
- Proposals shall be evaluated, ranked and a recommendation for award made to the School Board at a regularly scheduled board meeting
- The district shall develop an instrument to evaluate each proposal and rank the proposals based on the evaluation scores
- The district shall evaluate each proposal by committee or no less than two (2) district staff with knowledge of the RFP specifications
- In accordance with state law, the vendor who is ranked highest as providing the “proposal most advantageous to the district” shall be notified of the potential award:

- The district may negotiate with the vendor only as it relates to potential cost savings
- If the district and vendor ceases to negotiate, the district shall notify the vendor in writing before starting to negotiate with the 2nd highest ranked vendor.

Noncompetitive Proposal Procedures

The *Procurement by Noncompetitive Proposal* method shall be used by the district when the purchase of goods or services is from a “sole source vendor”. A sole source vendor is defined as a vendor that meets the following requirements:

- The goods or services are only available from a single source
- The district shall acquire and maintain a copy of a vendor’s sole source letter which specifies the statutory or other reason for its sole source status
- A public exigency or emergency will not permit a delay resulting from the competitive solicitation process
- The district shall declare a public exigency or emergency prior to making such as purchase of goods or services under this method
- The granting agency or pass-through entity authorized the use of a non-competitive proposal method
- The district shall obtain written approval/authorization from the granting agency or pass- through entity.
- After solicitation of a number of sources, competition is determined to be inadequate
- The district shall determine that competition is inadequate if after two (2) solicitations of bids and/or proposal, only one vendor is responsive to the solicitations

Other Procurement Guidelines

Regardless of the procurement method, the district shall encourage small, minority, woman-owned and labor surplus area firms to compete with other qualified vendors by implementing strategies to encourage their participation.

The district shall comply with the federal regulations related to the procurement of recovered materials (CFR 200.322) and the Solid Waste Disposal Act.

For all purchases that exceed the Simplified Acquisition Threshold of \$250,000, the district shall perform a cost or price analysis with every procurement. Secondly, all purchases that exceed this threshold shall comply with federal bonding requirements such as:

- Bid guarantee from each bidder of five percent (5%) of the contract price
- Performance bond (construction projects) on the part of contractor for 100% of the contract price
- Payment bond (construction projects) on the part of contractor for 100% of the contract price.

The Business Services Director shall be responsible to ensure that all purchases above this threshold are guaranteed with the appropriate bid guarantee, performance bond and payment bond.

All contracts for services and/or goods purchased with federal grant funds shall be subjected to the same review and approval process as all other district contracts. The *Contract Procedures and Checklist* are applicable to all federally funded contracts.

The district shall retain all records related to the procurement of goods and services in accordance with federal, state and local requirements. In addition, all procurement records shall be available for inspection and/or audit during the life of the records. The district shall maintain all procurement records for five (5) years in accordance with the district's Local Records Retention Schedule.

Property Standards

The district shall safeguard all property (assets and inventory) purchased with federal grant funds under the same guidelines as property purchased with local funds. Additional insurance for property purchased with federal grant funds shall be acquired if specifically required by a federal grant award. The Business Services Director shall oversee the acquisition of insurance for all federally funded property.

Real Property

The district has not and will not use federal grant funds to purchase real property.

Equipment and Supplies

The district shall use federal grant funds to purchase equipment and supplies. The district shall not use federal grant funds to purchase intangible property. Title to equipment and supplies acquired under a federal award will vest upon acquisition in the non-Federal entity.

The federally-funded equipment shall be used only for the authorized purposes of the project as long as needed and not encumbered without approval from the Federal awarding agency. When no longer needed for the original program, the equipment may be used in the following order of priority:

- Activities under a Federal award from the original funding agency •
Activities under a Federal award from another Federal agency

During the time of the grant funded program, the equipment is available for use to other Federal grant funded programs as long as it does not interfere with the program that acquired the funds.

The district shall not use the federally-funded equipment to generate program income. The federally- funded supplies shall be used only for the authorized purposes.

Capitalization Policy and Definitions

The district shall utilize the same capitalization policy for non-grant and grant-funded asset purchases. GAAP requires certain fixed assets to be capitalized for financial reporting purposes. A

capitalized asset is a fixed asset that has a unit cost equal to or greater than the capitalization threshold established for that asset type. Under Policy CFB (LOCAL), Accounting for Inventories, the District has established capitalization thresholds.

For most fixed assets, this threshold is \$5,000. Threshold amounts are shown in *Table 2: Asset Classification Threshold Amounts*.

- **Capitalized Asset:** An asset that has a unit cost equal to or greater than the capitalization threshold established for that asset type, see *Table 2: Asset Classification Threshold Amounts*, and with an expected life of greater than one year.
- **Controlled Asset:** Equipment which is non-expendable, tangible, personal property acquired for less than \$5,000 and has an expected life of greater than one year for which the District maintains accountability through its asset management system. Such items are expensed rather than capitalized, are subject to District inventory control procedures, and are particularly at risk from loss or theft. May also be referred to as “inventorial” equipment.
- **Inventorial Equipment:** Equipment for which the District holds title, which is non-expendable, tangible, personal property which is freestanding, complete in itself, does not lose its identity or become a component part of another piece of equipment when put into use, and which has a normal life expectancy of more than one year. Inventorial equipment includes capitalized equipment and controlled equipment with an acquisition cost of less than \$5,000. The value of inventorial equipment is the same as its acquisition value. Inventorial equipment does not include the following:
 - Grouped capitalization of standard office or classroom furniture and other groups of goods of like nature. These grouped items are not required to be individually tagged or inventoried; however, the total value of the grouping must be included in the District asset management system as non-inventorial equipment.
 - Building components, e.g., lighting, heating, solar panel, plumbing, air conditioning systems, which are permanently built in or installed, the removal of which would impair the building or structure or substantially reduce its value.
 - Software costs included with the purchase cost of hardware shall be capitalized and included as part of the value of inventorial equipment. All separately purchased software should be expensed.
 - *Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. (CFR 200.33)
 - *Computing devices* means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. (CFR 200.20)
 - *General purpose equipment* means equipment which is not limited to research, medical, scientific or other technical activities. (CFR 200.48)
 - Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.
 - *Information technology systems* means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. (CFR 200.58)

- *Special purpose equipment* means equipment which is used only for research, medical, scientific, or other technical activities. (CFR 200.89)
- Examples of special purpose equipment include microscopes, x-ray machines, surgical Instruments, and spectrometers.
- *Supplies* means all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. (CFR 200.94)

Acquisition Cost

Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices.(CFR 200.2)

The district shall utilize the invoice cost, and all related costs, to record the cost of the equipment on the asset management system. The cost in the asset management system will be reconciled to the general ledger monthly.

Identifying and Tracking Federally-Funded Assets

Items purchased through state or federal grant awards will be reviewed and approved through the purchase order process by the grant manager. Some items may require prior approval by the federal granting authority or pass-through agency. The approved grant application and program specific guidelines will be points of reference for determining an allowable asset. If an asset item is questionable as to allowability, written approval from the funder is required before requisitioning the asset.

Annual Inventory

A physical inventory will be taken and the results reconciled with the property records at least once every two years but with the intention of a physical inventory annually. The Accountant-Finance and Technology Service Department will schedule the inventory with the campus or department, make available a list from the asset management system of inventory items, inventory items using a barcode scanner with other staff from the Accounting department and Technology Services department and reconcile inventory discrepancies such as location of assets, missing assets and new assets.

Fixed Asset Management System

The District uses an automated asset management system

- 1) District-issued tag (barcoded number on the Waco ISD Property tag)
- 2) Date of acquisition

- 3) Description of asset
- 4) Serial number, or other identifying number
- 5) Funding source, i.e. fund code
- 6) Federal Award Identification Number
- 7) Federal use of asset (percentage)
- 8) Cost of asset (acquisition cost)
- 9) Use and condition of the asset (New, Used, etc.)
- 10) Life of asset
- 11) Location of asset (building and room number)
- 12) Depreciation of asset
- 13) Owner of asset title, typically the district
- 14) Purchase Order number
- 15) Disposition data including date of disposal, reason and sale price of property

The Accountant-Financial shall be responsible for maintaining the asset management system of all district assets, including all federally-funded assets.

The district has also defined “controlled asset categories” where most items have a unit cost between \$500 and \$4,999. Inventory items shall include computing devices within these costs.

Equipment Maintenance

All federally-funded assets shall be maintained in an operable state. If repairs are necessary, the district may pay for the repairs of the federally-funded assets with federal grant funds, unless expressly restricted by the granting agency.

The district fixed asset procedures shall include an annual inventory (or more frequently if required by a granting agency) of all assets and reconciliation of the inventory reports. [Note. Federal requirements CFR 200.313 requires an inventory at least once every two years.] The district's annual inventory of assets shall be conducted by the Accounting department and the Technology Services Department each fiscal year. Condition of the property will be noted during the inventory.

Lost, damaged, or stolen assets shall be recorded on the asset management system. A copy of the property loss report and police report will be attached to the Inventory Transfer and Removal Record form. The Accountant-Financial will use the form for updates to the asset management system. Designated staff for each campus and department may request disposal of equipment through accounting software.

During the life of the asset, the district shall ensure that all assets purchased with federal grant funds are insured against loss. The costs to insure and maintain (repair) assets purchased with federal grant funds are generally allowable costs, unless specifically prohibited by a granting agency.

Disposal/Sale of Equipment

Disposition instructions will be requested from the Federal awarding agency when original or replacement equipment is no longer needed for the original project or other activities supported by a Federal awarding agency. Disposition will be made as follows:

1. Items of equipment with a fair market value of 5,000 or less will be retained or disposed of with no obligation to the Federal awarding agency.
2. Items of equipment with a fair market value greater than \$5,000 will be retained or sold. If sold, a portion of the proceeds will return to the Federal awarding agency.
3. Any unused supplies in excess of \$5,000 in total aggregate value, at the end of the grant program or project, may be used for any other federal grant program. If sold, a portion of the proceeds will return to the Federal awarding agency.
4. Title to the property may be transferred to the Federal Government or to a third party.

Transfer of federally funded equipment to another WISD location will be noted on the Inventory Transfer or Removal Record. The form includes a column for federal funds designation.

Cost Principles

All grant expenditures must be allowable under the Federal Cost Principles (2 CFR 200 – Subpart E), the grant application program assurances, the granting agency’s policies, and District policies and procedures. The cost principles are found at: <http://www.ecfr.gov/cgi-bin/text-idx?SID=60623b20e6213558b4aa6ab7eb76b619&node=2:1.1.2.2.1.5&rgn=div6>

The district shall adhere to the Cost Principles for federal grants [EDGAR SUBPART E] and any additional grant-specific cost principles. The general principles of EDGAR state that:

- Costs must be reasonable and necessary
- A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
- Necessary is defined as costs needed to carry out the grant activities
- Be allocable to Federal awards
- Be authorized or not prohibited under State or local laws or regulations.
- Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Except as otherwise provided for in EDGAR, be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- Be net of all applicable credits.
- Be adequately documented.

All goods and services purchased with grant funds must be received in time to substantially benefit the project and intended beneficiaries during the grant period for which the funds were awarded. Equipment purchased with grant funds must be received, installed, and put into service before the ending date of the grant period.

The grantee may not expend funds for goods or services that will not be utilized between the beginning and ending dates of the grant. Per federal cost principles (Office of Management and Budget [OMB] OMB Circular A-87 for independent school districts and open-enrollment charter schools), federal grant expenditures must "be necessary and reasonable for proper and efficient performance and administration of Federal Awards." Audits of Texas grantees, including those by the US Department of Education's Office of the Inspector General, have found that goods and services delivered after the grant period did not significantly benefit the project within the beginning and ending dates of the grant and thus

were not necessary and reasonable expenditures. TEA encourages the grantee to ensure that purchases made with grant funds are put into use as early as possible during the grant period so that intended beneficiaries of those goods and services receive full benefit. Funds not expended within the grant period will be allocated during the subsequent grant year in accordance with the requirements of the authorizing legislation.

The Grant Manager shall refer to Unallowable Costs by Class Object Code and Program Specific Use of Funds on the TEA website and TEA Guidelines Related to Specific Costs http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1#sg2.1.200_1419.sg16 to verify that all proposed obligations and expenditures meet the Cost Principles. If the proposed obligation and/or expenditure is not allowable and/or allocable to a federal grant award, the District shall not make the obligation/purchase with the federal grant funds. Other funds, such as local funds, may be used to make the obligation/expenditure, as appropriate.

The total cost of a federal award is the sum of allowable direct and allocable indirect costs less any applicable credits. All refunds, rebates, discounts or other credits to grant expenditures shall be posted to the finance general ledger as soon as the credit is known. The District shall ensure that all known credits have been posted to the general ledger prior to the drawdown on federal grant reimbursements. [Note. It is essential to post all credits to the general ledger on a timely basis to ensure that the district does not draw-down grant expenditures in excess of actual expenditures net of all credits. Otherwise, the District may be considered to have drawn-down funds under an advanced cash method.] The Grants Accountant shall ensure that all known applicable credits have been posted to the general ledger prior to preparing and submitting a federal grant draw-down request from the granting or pass-through entity.

A cost allocation plan or an indirect (F&A) cost rate, whether submitted to a Federal cognizant agency for indirect costs or maintained on file by the District, must be certified by the District using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs as set forth in Appendices III through VII, and Appendix IX. The certificate must be signed on behalf of the district by the Assistant Superintendent for Finance and Operations.

All District costs with federal grant funds, whether direct or indirect, shall meet the minimum requirements of allowability as specified in the 2 CFR 200.403. In addition, the costs must meet the general provisions for selected items of cost (2 CFR 200.420). Specific items not listed within these procedures shall be evaluated by the Grants Manager, Grants Accountant, Budget Department or any combination of the three on case-by-case basis for allowability. The general cost allowability rules for specific items of cost listed within these procedures shall apply to all federal grant funds, unless more restrictive allowability rules are required by a particular federal grant award. The district shall adhere to the more restrictive allowability rules when a conflict arises between the general allowability rules, the program-specific allowability rules, and the District's allowability rules.

Selected Items of Costs

District costs generally fall under two major categories: 1) compensation/benefits; and 2) non- compensation (supplies, services, travel or equipment). The district has elected to use federal grant funds for both compensation/benefits and non-compensation expenditures.

Responsibilities:

- Grants Manager is responsible for *reviewing* and *approving* job descriptions, salary allocations, time & effort reports, purchase order requisitions, travel requests, budget transfers and account coding.
- Grants Accountant is responsible for *reviewing* budgets, account coding and expenditures for federal and state programs.

Compensation & Benefits – Employee (Payroll Expenditures)

Compensation and benefits (payroll expenditures) are allowable costs for personal services rendered by District employees during the period of performance under the federal grants.

Compensation Costs

All payroll expenditures shall be paid in accordance with the federal cost principles. First and foremost, the payroll expenditures must be authorized on the grant application and the duties assigned must be directly related to grant activities. In addition, compensation costs shall be allowable if:

- The costs are reasonable for the services rendered and conforms to the established District compensation and benefit plans for expenditures with all other funds, i.e. local funds;
- The employees have been employed in accordance with the District's established Hiring Procedures;
- The costs are supported by the appropriate timekeeping, absence tracking, time & effort certifications or other documentation, as appropriate;
- Federally-funded employees shall report all outside employment or professional services rendered to other entities. The external employment and/or professional services shall not conflict with the federally-funded activities with the District;
- Incentive compensation, such as stipends, awards, early resignation incentive, attendance incentive, etc. in accordance with the District's written plans for each of these incentives; and
- Stipend compensation for other non-federal grant award duties shall be supported by a Supplemental Duties Job Description/Pay Notice. The additional duties shall not conflict with the federally-funded activities with the District.

The Payroll department is responsible for reviewing compensation for exempt, non-exempt, substitute and hourly employees before each pay run. Preliminary disbursement reports are reviewed for possible time clock errors, stipend errors, missing employees, etc.

The requirement for all federally-funded employees to report outside employment or professional services rendered to other entities and the restriction that additional duties shall not conflict with the federally- funded activities is included in the Employee Handbook.

Benefit Costs

District costs for fringe benefits for federally-funded staff shall be allowable as noted below:

- All benefit costs shall be in accordance with the district's written Summary of Employee Benefits
- All leave benefits shall be in accordance with the district's written Leaves and Absences Policy (DEC Local)
- The benefit costs shall be distributed equitably at the same allocation rate (percentage) as the base compensation
- The benefit costs were earned and paid during the grant period
- All benefit costs shall be allowable under the Internal Revenue Service, Fringe Benefits Guide (as subjected to taxes, as required by federal statute)

The district shall not charge any benefit costs to a federally-funded grant if the benefit costs are not in accordance with district's written Summary of Employee Benefits, School Board Policy, or other written benefit plan(s). The district has established the following as non-allowable benefit costs:

- Severance or settlement agreement payouts to current and/or previously federally-funded grant staff
- Optional pension plans (other than the mandatory Teacher Retirement System of Texas contributions)
- Automobile costs or allowance

Documentation of Compensation and Benefit Costs

In addition, to the time and effort reporting requirements, the district shall support all compensation and benefit costs paid with federal grant funds by the following documentation:

- Exempt staff
- Employment agreement, contract, or reasonable assurance, as appropriate
- Job description signed by the employee with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet state standards. Also, wording such as "other duties as assigned" shall not be included in the job description.*
- *Supplemental duties, if any, shall be supported by a Supplemental Duties Job Description/Pay Notice*
- Absence records, if any
- Time and Effort documentation, as appropriate (Semi-Annual Certification, Periodic Time and Effort, or the Substitute System for Time and Effort)
- Non-Exempt staff
- Employment agreement, contract, or reasonable assurance, as appropriate
- Job description signed by the employee with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet state standards. Also, wording such as "other duties as assigned" shall not be included in the job description".*

- Absence records, if any
- Time and Effort documentation, as appropriate (Semi-Annual Certification, Periodic Time and Effort, or the Substitute System for Time and Effort)
- Timekeeping records (actual work hours per workweek) in accordance with the FLSA and the district's Timekeeping Procedures.

[Note. The grant manager will coordinate with the Grants Accountant to ensure that the Role ID and object codes reflected on the grant application (Payroll Summary) are consistent with the HR, payroll, finance and PEIMS records.]

Selection of Grant-Funded Staff

The grant manager shall work collaboratively with the appropriate stakeholders (campuses and departments) to identify all staff needed to accomplish the grant activities. The Grants Manager shall work collaboratively with the Human Resources Department to obtain estimated salaries and the Grants Accountant or Budget and Payroll department to obtain estimated benefit rates for proposed grant-funded staff prior to the completion of the grant application. Upon award, the grant manager shall provide a copy of the negotiated grant budget to the Grants Accountant and Budget and Payroll department. As grant positions are filled and/or as grant staff changes, the grants manager will provide a Payroll Summary for each grant to the Grants Accountant and Budget and Payroll department.

The process of approving payroll expenditures from grant funds shall be a collaborative process between the campus or department, grant managers, Human Resources, Budget and Payroll, and Accounting departments. Each campus and/or department plays an essential role in ensuring that all federal grant requirements are met.

The School Board approved Teacher Hiring and Mid-Point Pay Scale shall be used to compensate all District staff whether paid from local, state or federal grant funds. In addition, the District shall provide the same employer-provided benefits for all staff whether paid from local, state or federal grant funds.

Compensation for grant-funded staff shall be allocated to the respective grant program (fund) based on the single and/or multiple cost objectives performed by the grant-funded staff member. If a grant-funded staff member performs non-grant activities during the day or beyond the normal work day, the compensation for the non-grant activities shall be paid from non-grant funds. Grant-funded staff with more than one cost objective, shall comply with the Time and Effort documentation requirements. Incentive payments, such as performance, perfect attendance, safety, etc. for grant-funded staff shall be allowable with federal grant funds if they are based on the same criteria as non-federal grant funded staff.

New Positions

New grant-funded positions shall be created only when a job description has been developed and approved by the Human Resources department, the representative Cabinet member and the grant manager. The New Position Request form will be completed by the grant manager, signed by a

Cabinet member and submitted to Human Resources department. The grant manager shall ensure that the position is approved on the grant application and that adequate funds exist to fill the position. The grant manager shall notify the Grants Accountant and Budget Department to ensure that the position is budgeted on the general ledger and the position is paid using the correct payroll account distribution codes.

New Hires

New staff hired for work in positions that are wholly or partially funded with federal grant funds, shall be hired when a position and funding are both available. Upon separation of an employee, the home campus or appropriate department of the position shall initiate a request to replace the position.

The grant manager shall review the request to ensure that the position is still authorized and necessary and verifies all grant information is complete and accurate. Changes to the job description, if any, shall be made at this time. After Cabinet member approval, the Budget Department shall review the request to ensure that adequate funds exist in the appropriate account code(s). If funds do not exist, the Budget Department or the Grants Accountant shall notify the grant manager to determine if funds will be re-appropriated to the account code(s). After approval from the grant manager and the Budget Department, the Human Resources department shall advertise the position.

The screening and selection process shall be conducted by the Human Resources department, grant manager or other appropriate department, and shall include a review of the recommended applicant to ensure that he/she meets the highly qualified requirements under the Every Student Succeeds Act (ESSA), as appropriate, or any other grant-specific credentials.

Upon employment, the new hire shall receive and sign a copy of his/her respective job description to include the grant funding source. NOTE: If the position is funded with a short-term grant fund, the employee shall be notified in writing when the grant funding will lapse, especially if their position will lapse at the end of the grant.

Transfer of Personnel

When staff in a position funded with grant funds is recommended for transfer to another campus, department, or assignment, the grant manager, Human Resources, and the Budget and Payroll department or Grants Accountant shall work collaboratively to ensure that the appropriate staff allocations and funding changes are made at the time of the transfer. The home campus or appropriate department shall initiate the request for the transfer, especially if it is a teaching assignment change at a campus. The grant manager, Human Resources and Grants Accountant must evaluate the requested transfer to ensure that the staff allocations, highly qualified staff requirements, and funding source changes are in compliance with grant requirements.

For example, if an elementary principal requests to transfer a Title I Reading teacher to a Pre-Kindergarten regular classroom teacher, the following considerations should be evaluated and completed by the respective departments:

- Human Resources – ensure that a vacancy exists in a prekindergarten teacher position and that the teacher recommended for transfer is certified to teach prekindergarten; change the payroll account distribution code(s) from Title I to the general fund as of the effective date of the transfer;
- Grant manager – ensure that the grant strategies and activities can be accomplished in a timely manner after filling the vacancy that would be created by the transfer; and
- Budget and Payroll department – ensure that funds exist for the additional prekindergarten teacher position and make any necessary corrections to the general ledger for benefits.

Substitute Teachers

Salary expenditures for substitute teachers are allowable for approved teacher positions. The Budget and Payroll department and Grants Accountant shall ensure that the expenditures for substitute teacher costs are budgeted and expensed from the appropriate account code(s). The Board approved substitute pay scale shall be used to compensate all substitute teachers whether paid from local, state or federal grant funds.

Stipends and Extra Duty Pay

Stipend and extra duty pay expenditures are allowable for authorized and approved activities. A Request for Extra Duty Compensation form shall be maintained to substantiate the stipend and/or extra duty pay. NOTE: It is recommended by the TEA that a job description for each stipend role include the duties related to the grant purpose and the grant funding source. Board approved Stipend and Extra Duty Pay Schedules shall be used to compensate all substitute teachers whether paid from local, state or federal grant funds.

The grant manager shall determine whether or not the stipend/extra duty pay request is in accordance with the grant budget and objectives. The Budget and Payroll department shall ensure that the expenditures for stipend and extra duty pay are budgeted and expensed from the appropriate account code(s). The stipend and extra duty pay rates shall be the same as the rates used for similar locally funded activities. For example, if a teacher stipend for attending a one-day professional development activity funded through local funds during a non-scheduled work day is \$100 per day, the teacher stipend for attending a federally-funded one-day professional development activity should also be \$100 per day.

Initial Grant Set Up

After District has received the NOGA, the grant manager and Grants Accountant shall:

- Compare job descriptions with the approved grant application;
- Compare the TEAMS-Position Inventory to the approved grant application budget for personnel;
- Compare the TEAMS payroll account coding to the job description;
- Compare the TEAMS payroll account distribution percentage to the approved application budget for personnel

The Grants Accountant shall:

- Verify the benefit formulas in the *Benefit Formula Worksheet*.

- Update the benefit rates. The current budgeted rates are determined by the Chief Financial Officer and Budget Department.
- Enter the position/employee name, base salary, number of full-time equivalent positions, and the percent of time allocated to the grant. The worksheet will calculate the budgeted benefit cost allocated to the grant.
- Compare the budgeted benefits on the *Benefit Formula Worksheet* to the approved grant application/amendment. If total salary and benefits are greater than the application/amendment, determine corrective action with the grant manager.

Time and Effort Documentation

District staff funded wholly or partially with federal grant funds shall comply with federal guidelines related to time and effort. The grant funded staff, their immediate supervisors, grants management, human resources, and finance departments shall be aware of the federal guidelines related to time and effort documentation.

A form of time and effort documentation shall be completed and signed by all staff funded wholly or in part by federal or state funds. The immediate supervisor or somebody with direct knowledge of employee's schedule shall review, approve and sign the form.

The Grants Manager or other trained staff shall conduct time and effort training on or before the first day of work for federal and state funded staff. This training shall be specific to the different types of time & effort documentation and the allowable and not allowable duties. Unallowable duties may be found on TEA's website under Administering a Grant, Allowable Cost and Budgeting Guidance.

The District shall collect and monitor time and effort documentation for district employees only. Time and effort documentation does not apply to Independent Contractors.

The grant managers shall enforce the deadlines for and track the submission of all forms. The Grants Accountant shall also track the submission of all forms.

The District shall comply with all federal time and effort documentation guidelines. The following requirements shall apply to all District staff funded wholly or partially from federal grant funds, including staff funded through non-federal grant funds as part of a cost sharing or matching requirement.

Job description for all grant funded staff

The District shall develop and distribute a job description to all District staff that is wholly or partially funded with grant funds. The job description shall include the funding source and the job duties as they relate to the grant position. The grant-funded staff shall be provided with a copy of and sign the job description at employment and on an annual basis, or at a minimum, when the funding source, job title or other change occurs in the employment or assignment of the staff member. Staff shall direct specific questions about job duties to their immediate supervisor.

The job description and assignment shall be supported by documentation such as grade books, master schedule, etc. The job description for positions funded wholly or partially from federal awards shall not include in the duties “other duties, as assigned” or other equivalent language.

Roster of all grant funded staff

The grant manager shall maintain an up-to-date roster of all grant funded staff to include the position title, and funding source(s) by percentage. The roster of grant funded staff shall include all staff paid with non- federal grant funds whose compensation/benefits are paid as part of a matching or cost sharing requirement of a federal grant fund.

The grant manager, home campus or department, Human Resources, and the Budget and Payroll department shall work collaboratively to ensure that the roster accurately reflects the data maintained in their respective area of responsibility. Discrepancies, if any, in the roster shall be brought to the attention of the grant manager.

The roster is located in TEAMS reports. The Positions by Account Code report should be:

- Run by Fund, i.e. 206*
- Reviewed for appropriate role name, position control number, employee name, payroll distribution account number, funding percentage and salary allocated to payroll distribution account.

Responsibilities related to the roster are:

- Campus or department – Ensure that the grant funded staff are assigned in the position title as noted on the roster and are working the proper percentage of time for the grant. The master schedule or assignment of instructional staff must support the position title and funding source.
- Human Resources – ensure that the position title and salary percentage are correct as noted on the roster. In addition, the Human Resources department shall ensure that each grant funded staff member has a signed job description on file for the position title noted on the roster and that all grant-funded staff meet the state’s Certification or are Highly Qualified, as appropriate.
- Budget and Payroll – Ensure that the funding source(s) and salary percentage are correct as noted on the roster. In addition, the finance department shall ensure that the payroll distribution account code(s) are in accordance with the FASRG.
- Grant manager – Ensure that the number of positions, job titles, and total salary and benefits are authorized and align with the approved grant application/amended payroll budget. Ensure the PEIMS Staff Data submitted to TEA is consistent with the position title, Role ID, and object code, if applicable.

The position roster shall be reviewed at least monthly throughout the school year to ensure that the roster of grant funded staff is accurate and up-to-date. NOTE: It is critical that at least one of the reviews by the grant manager coincide with the submission of the Fall PEIMS Staff Data to ensure that accurate data is submitted as of the October snapshot date.

Budgeting of grant funded staff

The roster of grant funded staff, *Positions by Account Code* report, and the *Benefit Formula Worksheet* shall be used for budgeting grant funded staff. The percentage of time in each funding source shall be utilized by the accounting department to create and enter the salary portion of the grant budget. The percentages shall also be utilized by the human resources department to enter the payroll distribution account code(s).

In addition, the Grants Accountant shall ensure that the *Program Budget Summary and Support* of the grant application matches the budget and payroll account code(s). For example, if the Grant Personnel Schedule for Title I, Part A includes a position of a "008 – Counselor (6119)", the budget and payroll account code distribution shall be entered in as 6119 object code.

The grant manager and the Human Resources, Budget and Payroll, and Accounting departments shall work collaboratively to adjust the budget and payroll account code distributions of grant funded staff if the time and effort documentation consistently reflects that the percentage(s) across the funding source(s) is not a true reflection of the normal work schedule.

Time and

effort requirements for staff funded 100% from one grant (or working 100% of their time in a single cost objective)

The staff funded 100% from one grant source do not have to maintain periodic time and effort records. However, all employees must certify in writing, at least semi-annually, that they worked solely on the program for the period covered by the certification. The employee and his/her immediate supervisor must sign the *Time and Effort Certificate of Assurance* form.

Job descriptions for staff using the 100% *Semi-Annual Certification* form should not include wording such as “other duties as assigned”.

The timeline for semi-annual certifications shall be once per academic semester to coincide with work assignments each semester. The immediate supervisor shall submit all signed semi-annual certifications to the grant manager one week after completion of work assignment or as noted below:

- 1st Certification for Fall semester – due 1 week after the start of the 2nd semester
- 2nd Certification for Spring semester – due 1 week after the end of the 2nd semester

The grant manager review shall consist of the following:

- A review of the certification forms to ensure that every staff member and supervisor has certified that the staff schedule is 100% grant related
- A test sampling of staff assignments, i.e. master schedule, duty schedule, etc. to verify the schedule is 100% grant related

The grant manager shall collect and review all *Semi-Annual Certification* forms. Any certifications that reflect a percentage other than 100% shall be forwarded to the Grants Accountant for adjustment of the grant payroll expenditures for the certification period. [NOTE: Steps should also be taken to ensure that the staff member’s work schedule is adjusted to 100% grant related, or is changed from the semi-annual certification method to time and effort reporting.].The grant manager shall file the certifications for audit purposes and also send a copy to the Grants Accountant.

If the 100% *Semi-Annual Certification* form should not have been used because 100% of time was not specific to the grant objective, corrective action is as follows:

- Staff begins preparing a daily time and effort worksheet immediately unless work schedule is changed to reflect 100% of time for grant objective.
- Grant manager collaborates with staff member, Grants Accountant and Budget Department to determine the new payroll account distribution percentage.
- Human Resources department must be notified of the new payroll account distribution percentage and the effective dates. Human Resources then updates TEAMS-Employee Search-Assignments-Accounts tab.

Time and

- Payroll Supervisor runs the TEAMS-Employee Earnings Adjustment process to correct salary distribution in the general ledger.
- Grants Accountant prepares a journal entry to adjust benefit cost in the general ledger.
- Coordinator of Accounting approves the journal entry and posts to the general ledger.

Time and effort applies to employees who do one of the following:

- Do not work 100% of their time in a single grant program
- Work under multiple grant programs
- Work under multiple cost objectives

Employees who are split-funded are required to maintain a *Time and Effort Worksheet* [see Appendices in the Manual]. Split-funded employees must track time and effort daily and submit reports at least monthly to coincide with the district pay periods. Such reports must reflect an after-the-fact distribution of 100 percent of the actual time spent on each activity and must be signed by the employee and their immediate supervisor. Charges to payroll must be adjusted to coincide with the preparation and submittal of interim expenditure reports as required for TEA discretionary grants.

Grant-funded staff under this category shall complete a *Time and Effort Worksheet* to include the date, grant/fund source, activity, time worked in increments no less than 15 minutes, percentage worked in the grant source per day and a summary for the month which shall separate time worked and paid time off. The staff member and his/her immediate supervisor shall sign the time and effort report. The time and effort reports shall be completed once per month to coincide with the two payroll cycles each month. Time and effort reports are due to the grant manager within one week of the last pay period of the month.

The immediate supervisor shall submit all signed time and effort reports to the grant manager.

The grant manager shall review the documentation for the following:

- A comparison between the summary percentage of grant-related work per funding source to the budgeted percentage utilized to charge the monthly (or semi-monthly) payroll charges
- If the time and effort report reflects the same percentage, the report may be filed for audit purposes
- If the time and effort report reflects a variance from budget greater than 10%, the report shall be used by the Grants Accountant for adjustment of the payroll charges on the general ledger.

The Grants Accountant shall prepare a journal entry to reclassify the expenditures as noted on the reconciliation of the time and effort report(s). According to federal regulations, the final amount charged to each grant award must be accurate, allowable and properly allocated. The Accounting department shall post all variances greater than 10% to the general ledger; otherwise, the variances shall

Time and

be posted prior to the final expenditure report. [NOTE: The Grants Accountant should use caution to avoid excess drawdown of grant funds due to unallowable payroll costs if timely adjustments to the general ledger as not posted prior to the drawdown of funds.]

If the payroll distribution needs to be adjusted to actual time worked, corrective action is as follows:

- Human Resources department must be notified of the new payroll account distribution percentage and the effective date. Human Resources then updates TEAMS-Employee Search-Assignments-Accounts tab.
- Payroll Supervisor runs the TEAMS-Employee Earnings Adjustment process to correct salary distribution in the general ledger.
- Grants Accountant prepares a journal entry to adjust benefit cost in the general ledger.
- Coordinator of Accounting approves the journal entry and posts to the general ledger.

Effort Substitute System

The US Department of Education (USDE) and the Texas Education Agency (TEA) have authorized the use of a substitute system for time and effort. This form of time and effort is an option only if the employee has a regular, pre-determined work schedule.

In the event that the district determines that it is in its best interest to use the Time and Effort Substitute System, the *Management Certification* shall be completed, signed by the Superintendent and filed with TEA in accordance with the established deadlines. Extensive training of staff shall occur at the time the system is implemented to ensure that all grant-funded staff and the grants management and finance departments are aware of the requirements of this system.

The Grants Accountant shall submit the *Management Certification* form and the *Employee Schedule and Certification* form annually before the due date. The forms can be found at:

http://tea.texas.gov/Finance_and_Grants/Grants/Administering_a_Grant/Substitute_System_of_Time_and_Effort_Reporting/

The Grants Accountant and the grant manager shall review requirements for the substitute system before the first day of work performed by staff.

The grant manager shall compare requirements for the substitute system to the staff work schedule in order to verify the substitute system is appropriate. If appropriate, the grant manager shall train relevant staff on the substitute system requirements. Staff shall notify the grant manager immediately if the job tasks appear to require changes that will no longer meet the requirements. The grant manager will assess the information and act accordingly.

Time and

Non-Payroll Expenditures

Direct non-payroll expenditures include contracted services, supplies, travel and equipment. The expenditure of federal grant funds for non-payroll costs shall adhere to the district's purchasing policies and procedures. In addition to the normal purchasing process, all grant funds must be approved by the grant manager for each respective grant program, as appropriate.

The grant manager with approval authority for each federal grant is indicated on the listing *Grant Awards* in the Appendices to this manual.

TEA Guidelines Related to Specific Costs

The district shall adhere to TEA's *Guidelines Related to Specific Costs* as published to the TEA website. A copy of the guidelines shall be made available to all staff with authority to initiate and/or authorize a purchase or expenditure with federal grant funds. In addition, all staff with authority to initiate and/or authorize a purchase or expenditure, such as campus bookkeepers, campus and department administrators, business office staff, and grant department staff shall receive a copy of the latest guidelines. The guidelines shall be incorporated in the annual training for all of these staff members. These guidelines shall be posted on the District's website as a resource when expending federal grant funds. General Provisions for Selected Items of Cost can be found in 2 CFR 200.420 200.475.

The Compensatory Education Coordinator will provide mandatory annual training for all campus secretaries and budget managers. Individual trainings will be provided throughout the year for new personnel and for those who have demonstrated difficulty in following processes and required documentation.

The Grants Management department shall conduct training for staff funded by discretionary grants. Training will be held at the onset of the grant award and will be ongoing as new staff are hired and/or as the need arises.

Local Guidelines Related to Unallowable Costs

The District has developed local guidelines related to unallowable costs with federal grant funds. Although some of these costs may be allowable under the federal or state regulations, the District has determined that expenditures shall be an unallowable expenditure with federal grant funds. The unallowable costs are noted in the *Allowable and Unallowable Costs by Grant* in the Appendices to this manual.

Selected Items of Cost – Professional Services

All contracts and professional services agreements with grant funds shall be reviewed and approved in accordance with the District guidelines for all non-grant funds. For example, if School Board Policy requires that all contracts that exceed \$50,000 be approved by the Board of Trustees, all federal grant contracts that exceed \$50,000 shall adhere to that policy. The district's contract management procedures shall be adhered to in procuring, evaluating, selecting and awarding contracts. The vendor shall complete the *District required forms*, available on the District's website, to include, at a minimum, the following:

- W-9 Form for vendor identification and tax purposes
- Conflict of Interest Questionnaire
- Felony Conviction Notice
- Criminal Background and Fingerprinting (if working directly or indirectly with students)
- Addendum contract provisions for contracts under federal awards

In addition, the grant manager shall review and approve all consultant services agreements for compliance with federal regulations regarding professional service costs (2 CFR 200.459).

The grant manager and Business Services Director shall preview contracts and consider the following:

- Consultant or contractor has not been suspended or debarred (contracts greater than \$25,000)
- The contract and/or funds have been approved in the grant application, if specific approval is required from the granting agency
- The contract's nature and scope of service is directly related to the federal grant award activities
- The past pattern of costs, particularly in the years prior to federal awards
- The contract does not contain any proposal costs [not allowable under federal regulations]

- Whether the proposed contracted services can be performed more economically by direct employment rather than contracting
- Capability of the proposed vendor to perform the required services
- The qualifications of the contracting firm or individual and the customary fees charged by the proposed vendor [A Resume, Vita or Statement of Qualifications shall be required for all contracts with Independent Contractors.]
- The contract and/or consultant agreement meets the allowable costs principles.
- A contract subject to Davis Bacon has the appropriate contract language
- The contract and/or consultant agreement fee for services do not exceed any federal grant or local limits

Additionally, the Business Services Director, shall review and approve all contracts. The review shall follow procedures outlined on the District's *Contract Review Checklist* and any other requirements specific to the contract and/or federal grants.

The final approval authority for all contracts shall be the Superintendent or designee, unless the contract is over \$50,000, then the final approval authority shall be the Board of Trustees through approval at a regularly scheduled board meeting. The approving of contracts below \$5,000 has been delegated to the Superintendent's designee.

The date the District executes (signs) a contract for professional services shall be defined as the "obligation date". Since the District cannot obligate federal grant funds, except during the grant period, the District shall not execute a contract prior to, or after, a grant period; otherwise, the costs of the professional services shall be unallowable under the federal cost principles.

The District will not execute a *Letter of Intent* with a third party prior to the issuance of a Notice of Grant Award (NOGA), as deemed appropriate.

All contracts for professional services, funded through a federal grant award, shall comply with the following contract provisions as recommended in the Texas Education Agency's Guidance and Best Practices for Professional Services Contracts:

- The contract is only effective upon receipt by the district of the NOGA from the awarding agency.
- The contract period is aligned to the grant period of availability as stated on the NOGA from the awarding agency (period of availability).
- All services will be completed during the effective dates of the contract.
- All services will be invoiced monthly after services are received (rather than paid lump sum at the beginning of the period of availability before services are rendered) and paid upon verification of receipt of services.
- The regulations for procurement in 2 CFR §§200.318-323 are followed in issuing the contract.
- All professional services provided under the contract will follow the provisions of 2 CFR 200.459 Professional service costs.
- The contract identifies the funding sources that will be charged for the services provided, including the specific amount and/or percentage of the total contract amount to be charged to each funding source.

- The contract identifies and lists only reasonable, necessary, and allocable services to be provided during the period of availability of the funding sources listed in the contract.
- The administrative costs charged to the grant in the contract must comply with any limitations for administrative costs for funding sources (if applicable).
- The contract specifies that the invoice provided by the contractor will include the list of services provided, dates of services, and location(s) where services were provided during the billing period.

Additional district contract provisions shall include:

- The contract shall not have multi-year extensions without a “non-appropriation of funds” cancellation clause
- The contract extensions, if included, shall restrict the contract renewals and/or extensions to either a “sole discretion of the district” or “mutual agreement” and not an “automatic renewal”.
- All products created as a result of the district shall be vested in the district and the district shall retain all intellectual property rights

Approval of Grant Purchases and Expenditures:

Related to the approval of grant purchases and expenditures, the district shall adhere to the normal approval path for purchase orders as with non-grant funds. In addition, all purchase orders with grant funds shall be reviewed and approved by the appropriate grant manager. The grant manager’s review shall consist of the following:

- The expenditure is *reasonable* and *necessary* (as defined in federal grant guidelines). (NOTE: A test of whether an expense is necessary may include the verification that the expenditure is to perform an activity or meet a strategy in the District or Campus Improvement Plans.)
- The expenditure is not required by state law or local policy.
- The expenditure has been approved in the grant application, if specific approval is required from the granting agency
- The expenditure meets the allowable costs principles.
- The expenditure is allowable, approved in the application, and consistent with the grant purpose
- The expenditure is supplemental and not supplanting a local expenditure unless the Supplement, not Supplant guidelines do not apply. (NOTE: Refer to compliance issues related to supplement and supplant for additional guidance)
- The expenditure has been competitively procured as required by law, as appropriate.
- The expenditure has been approved by the governing body, as appropriate [Note. School Board Policy CH Local has established the threshold of contract approval by the School Board at \$50,000]

In addition to the normal approval path of district expenditures, all grant expenditures shall be approved by the grant manager under the following circumstances:

- Invoice amount exceeds the purchase order by 5% or \$50.00
- Payment of an invoice will be paid by an account code(s) other than the original account code(s) that were used to encumber the purchase order
- Travel expenditures, if not encumbered through the purchase order system
- Non-purchase order payment such as credit card, reimbursement, etc.
- Reclassification of a prior expenditure from one account code(s) to another

Accounts payable staff shall adhere to the Accounts Payable Procedures for all check disbursements. Specifically, all checks issued by the district shall be verified, recorded, approved, issued and reconciled by multiple individuals to ensure segregation of duties.

Credit Card Purchases with Grant Funds

An original, detailed receipt shall be required for all credit card purchases with federal and state funds. If the purchaser does not submit an original, detailed receipt for audit purposes, the expenditure and/or reimbursement may not be charged to a federal fund. At no time shall district credit cards be used to withdraw cash.

The grant manager shall review and approve all credit card expenditures. The grant manager's administrative review shall consist of the following:

- 1) Original, detailed receipt includes an itemized list of what was purchased
- 2) There is a valid reason for the purchase which is consistent with the grant guidelines 3) The credit card purchase meets the allowable costs principles.

NOTE: The District shall not reimburse any purchases made with a non-district credit card, except for travel- related expenditures, as appropriate.

Fraudulent credit cards purchases made with federal grant funds shall be grounds for disciplinary action, up to and including termination of employment. The appropriate legal authorities shall also be notified for criminal prosecution, as appropriate. Accidental use of a credit card to make an unauthorized purchase with federal grant funds may be subject to similar disciplinary action but shall require immediate (within two days from date of discovery) restitution to the district. [Note. The fraudulent or accidental charges may not be charged to a federal grant fund, nor drawn-down as expenditures.]

Petty Cash Purchases with Grant Funds

The District shall not use a petty cash account to make purchases with federal grant funds.

Travel Expenditures with Grant Funds (Students & Staff)

The district may use federal grant funds for travel costs. All travel-related expenditures from grant funds shall comply with the allowable federal cost principles, the State of Texas-Travel Guidelines, School Board Policy and the District's travel guidelines. The allowable rates of reimbursement shall be the lesser of the federal rates or local rates. For example, if the federal rate of reimbursement for

mileage is .575 cents but the local rate established in Board Policy DEE (Local) is 28 cents, the maximum rate of reimbursement for mileage with federal funds shall be the local rate of 28 cents.

The travel-related expenditures with grant funds shall fall within the grant period, unless a specific exception is allowable by the granting agency.

The following guidelines shall apply to the expenditure of travel related grant funds for staff, student and/or parent travel, as appropriate.

- A completed *Request to Attend Business or Professional Meetings* for out-of-district travel
- A completed *Monthly In-District Travel Report* for in-district travel
- Registration fees – registration fees shall be allowable if the event is related to grant activities, goals and objectives. Registration fees may be paid from the current grant period for an event during the next grant period only if there is an absolute deadline to register for the event. Early registration deadlines shall not apply. Recreational or social events subject to an additional fee, above and beyond the registration fee, shall not be allowed with grant funds.
- Meals – meal expenses for overnight travel (in accordance with local travel guidelines) shall be allowed for District employees and students. Non-overnight travel meals expenses shall not be allowed. The District shall reimburse meal expenses up to the District approved limit which is currently less than the GSA limits. The traveler shall submit an approved Travel Request form (TR-1) with receipts of actual meal costs for work-related meal expenses. The meal per diems shall be adjusted in accordance with IRS regulations regarding the day of departure/return and meals provided without cost as part of the registration fee.
- Lodging – lodging expenses for overnight travel (in accordance with local travel guidelines) shall be allowed. The District shall pay for lodging expenses up to the GSA limits. Receipts shall be required for all lodging expenses. Recreational or personal services such as gyms, spas, etc. shall not be allowed with grant funds.
- Transportation – transportation related to employee and student travel expenses shall be allowed for *reasonable* expenses such as flight, rental car/bus, taxi, shuttle, mileage reimbursement, etc. (in accordance with local travel guidelines). Receipts shall be required for all transportation expenses to the extent that a receipt is available. Transportation expenses shall be reasonable and limited to the guidance in the cost principles.

No grant funds shall be used for travel expenditures of non-district staff (family/friends) such as spouses. The District shall not allow any “family-friendly” travel expenditures, such as dependent care travel costs, with federal grant funds. Non-employee travel expenses for contracted evaluation services should be written into the evaluation contract. Other non-employee travel, such as mileage for volunteers, parents, etc., must be written into the grant application and/or grant amendment and approved by the funding agency in advance.

The grant manager shall review and approve all travel-related expenditures paid with federal grant funds. The grant manager’s review shall consist of the following:

- All original, detailed receipts include an itemized list of what was purchased
- The traveler has documented a valid reason for the travel which is consistent with the grant guidelines and purpose

- The travel expenditures meet the allowable cost time and principles.
- The travel is not for the Superintendent or other individual (non-employee such as family member, School Board, etc.).
- The travel is for students during an educational field trip or other approved activity in accordance with grant guidelines and purpose
- The travel is not for a contractor or consultant for the *their* professional development
- The travel was approved by the granting agency, as appropriate (for example: out-of-the-country travel)

Preparing Expenditure Reports & Draw Down of Funds

An expenditure report is a statement of expenditures sent to the grant or pass-through funding agency. The report is prepared and submitted by the Grants Accountant monthly, quarterly and annually on or before the due date. The format of the report is determined by the funding agency. The schedule for submitting required financial reports is specific to the grant/award.

Responsibilities:

- Grants Accountant is responsible for reviewing and compiling expenditure data related to monthly reimbursement requests, submitting expenditure reports/reimbursement requests and recording revenue to the general ledger for federal and state programs.
- The Program Managers are responsible for reviewing the monthly expenditure report/reimbursement request and certifying the expenditure report, if required.
- ☒ Assistant Superintendent and Accounting Coordinator are responsible for certifying the expenditure report, if required.

Grants Accountant:

On or after the 6th day of the month following the report month, to ensure payroll and benefits for the prior month are posted to the general ledger, the Grants Accountant will:

- TEAMS-My Accounts-Account Detail tab
- Search for expenses by grant/fund and possibly sub-object, organization or local option code (Load All). Download to Excel.
- Review amended budget column for variations from the approved budget in the grant application/amendments.
- Review balance column for negative amounts.

☐ Follow up on anything not reasonable or incorrect, then make necessary corrections to budget or transactions after notifying the grant manager.

- TEAMS-My Accounts-Account Transactions tab
- Search for cumulative grant expenses through report date. · Begin Date: Start date of grant or fiscal year.
 - End Date: Last day of prior month (report date).
 - Select Expense.
 - Enter necessary parts of the account number to select one grant. Always enter fund and possibly sub-object, organization or local option code.
 - Search and download to Excel. Save file to Grants folder.
 - Sort by major object code, account number, posting date.
- Review expenses for:
 - Compliance with grant application/amendments.
 - Completeness (all payroll and benefits should be posted).
 - Follow up on anything not reasonable or incorrect, then:
 - Correct using journal entry if incorrect.
 - Do not ask for reimbursement if expense is questionable. If the expense is determined allowable, the expense can be included in the following month's reimbursement request. If expense is determined unallowable, submit a journal entry to reclassify the expenditure.
- Send the file to the appropriate grant manager for review. The grant manager must review and approve the file before submitting the expenditure report to funding agency.
- Enter expenses in *Grant Expenditure Worksheet* (see example in the Appendices to this manual) and apply approved indirect cost rate to the appropriate base (adjusted direct program cost).

- Expenditure report/Reimbursement request
- Enter report information and submit for:
 1. TEA through TEAL website.
 2. Department of Education through G5 website.
<https://www.g5.gov/ext/wps/portal?g5.parameters.errorcode=>
 3. Texas Workforce Commission through TWC website.
<http://www.twc.state.tx.us/partners/cash-draw-monthly-expenditure-report-system>

4. Texas Governor's Office in eGrants webpage.
<https://egrants.gov.texas.gov/Default.aspx>
5. US Department of Justice.
<https://diamd-auth.usdoj.gov>

Draw-down of Grant Funds:

The District shall on at least a monthly or quarterly basis (as appropriate to specific grant), or as allowed or required by the grant guidelines, draw-down grant funds that have been spent in accordance with the grant guidelines. The draw-down shall be based on the grant expenditure worksheet prepared by the Grants Accountant. NOTE: The expenditures shall be net of all refunds, rebates, discounts, credits, and other adjustments, if any.

The District shall submit a draw-down of federal grant funds only when the expenditure has been made as evidenced by distribution of a paycheck to a grant funded staff member or mailing, e-paying, or delivering a payment to a vendor. At no time shall the district draw-down any "advanced" cash payments, unless specifically allowed by the granting agency.

The draw-down of grant funds from the granting agency shall be initiated by the Grants Accountant. A detailed general ledger of each grant fund should be generated to determine if the District is entitled to draw-down funds, i.e. if the granting agency owes the district any funds. The detailed general ledger should be forwarded to the grant manager for their review and approval. If a grant has a matching requirement, the district shall draw-down only the allowable amount after verifying compliance with the level of matching expenditures.

The grant manager's review shall consist of the following:

- A review of the detailed general ledger for any unusual charges or reclassification of expenditures
- A test sampling of either unusual or large expenditures to ensure that the expenditures were reviewed and approved by all designated staff
- Monitor the percentage of expenditures-to-date to ensure that the grant funds are expended on a timely basis throughout the grant period. [NOTE: TEA may disallow grant fund expenditures that appear to be made outside of the grant period or so late in the grant period that the district and its students did not benefit from the delayed expenditure.]
- Authorize [in writing] the Grants Accountant to draw-down the available grant funds

Upon approval from the grant manager, the Grants Accountant shall prepare the paper or electronic draw-down request. The amount of the receivable shall be recorded on the general ledger and a copy of all supporting documentation such as the detailed general ledger, approval from the grant manager, and other supporting documentation shall be filed for audit purposes. The Grants Accountant shall prepare the journal ledger entry and the Coordinator of Accounting shall post the entry to the general ledger.

If manual approval of an electronic draw-down is required by the granting agency, the Grants Accountant shall comply with such requirements. For example, TEA at times requests supportive information related to a drawn down such as a detailed general ledger, narrative justification, or summary of expenditures by object code. Upon a request from the TEA, the Grants Accountant shall respond to the request within the allotted time to avoid designation as a “high risk” grantee.

If the requested draw down amount exceeds a grant-specific draw down amount, or percentage, the grant manager will provide an explanation and the Grants Accountant will submit the requested justification to the funding or pass-through agency. [NOTE: The ESSA draw down percentage is 20% per month and aggregates each month.]

The final draw-down of grant funds from the granting agency shall be made within the allowable timeframe. The grant liquidation guidelines shall be adhered to in making final payment for all goods and services received and placed into service before the end of the grant period. The draw down process shall be the same as a monthly or periodic draw down, except that all refunds, rebates, credits, discounts or other adjustments to the general ledger must be recorded in the general ledger prior to submitting the final draw down request. Also, the final draw down shall include any remaining indirect cost not included in previous draw downs. [NOTE: There shall be no outstanding purchase orders or pending liquidations at the time of the final draw down of grant funds.] The final draw-down shall be reviewed and approved in the same manner as a periodic draw-down.

Federal regulations (CFR 200.415) requires that the District certify the accuracy of the annual and final fiscal reports or vouchers requesting payments by the authorized individual(s). The grant manager and Assistant Superintendent for Finance and Operations or other individual specified by the funding or pass-through agency, shall jointly certify the final expenditure report (draw-down of funds) as noted below:

By signing this report, we certify to the best of our knowledge and belief that the reports is true, complete and accurate, and the expenditures, disbursements and cash receipts are the purposes and objectives set forth in the terms and conditions of the federal award. We are aware that any false, fictitious, or fraudulent information or omission of any material fact, may subject us to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise.

If a final draw down deadline is missed, the Accounting Coordinator and/or the Grants Accountant shall contact the granting agency to determine if a process exists to request a filing deadline extension. [NOTE: TEA has developed procedures to request an extension for filing expenditure reports. The request form must be completed, signed by the Superintendent and filed with TEA within 30 days of the final expenditure report deadline.]

The receivable from the granting agency shall be recorded in the general ledger. The same process for preparation and posting of the general ledger entry as a periodic draw-down shall be adhered to. [NOTE: The revenues realized and the expenditures should be equal at the time of the final draw down of grant funds.]

Cash Management: Payments

The District has elected to draw down federal grant funds under the cash reimbursement program guidelines and acknowledges the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless there is reasonable belief the request is not proper. No interest shall be earned, recorded, nor returned to the granting agency as a result of the cash reimbursement program.

Expenses for the report month are compiled after all payroll processes have posted to the general ledger. Payroll should post by the end of the 7th day of the month (TRS is due on the 6th of the month).

Wage and salary transactions are recorded in the general ledger on an accrual basis. Accrual transactions can be greater than cash payments, so it is necessary to submit the request for reimbursement after the first payroll of the month following the report month. This ensures the reimbursement request is not more than cash expended at the time of the request.

Reimbursement requests will be submitted based on the following schedules:

- Requests are not made before the 15th of the month following the report month for:
 - Texas Education Agency
 - Department of Education
 - Governor's Office
- Requests are made as close to the due date as possible:
 - Education Service Center Region 10
 - Texas Workforce Commission (no later than the 19th of each month)

District does not maintain grant funds in a separate bank account. The following depositories are used for direct deposit of drawdowns:

- TEXPOOL – Funds from TEA, Department of Agriculture, ESC Region 10, TWC
- Depository Bank (Extraco Bank) – Funds from Department of Education

Receipt of Grant Funds

Funds received by the district shall be direct deposited by the funding or pass-through agency, recorded by the Grants Accountant, posted by the Accounting Coordinator, and reconciled by the Accountant.

The District shall record the deposit of funds upon receipt from the granting agency. The receipt of funds shall be posted to the general ledger to the appropriate receivable account. In the event that the funds received do not match the recorded receivable, the Grants Accountant shall contact the granting agency to resolve the discrepancy. If the granting agency has reduced and/or increased the grant funds paid to the district, a general ledger adjustment shall be posted to the appropriate revenue and receivable accounts. The Grants Accountant shall prepare the adjusting journal entry and the Accounting Coordinator shall post the entry to the general ledger.

Tracking and Recording Receivables

On at least a monthly basis, the Grants Accountant shall review all pending receivables. Aged receivables, defined as greater than 60 days from the recording date, shall be investigated and resolved by contacting the granting agency. At the end of the fiscal year, all known and measurable receivables shall be recorded to the general ledger to the appropriate grant code. The Grants Accountant shall prepare the journal entry and the Accounting Coordinator shall post the entry to the general ledger.

Grant Compliance Areas

The district shall ensure that it is in compliance with all provisions and assurances of all grant programs. In addition, the district shall comply with grant requirements such as *supplement not supplant*, comparability, indirect cost, and maintenance of effort spending levels.

Supplement, Not Supplant

The phrase “Supplement not Supplant” is a provision common to many federal statutes authorizing education grant programs. There is no single supplement, not supplant provision. Rather, the wording of the provision varies depending on the statute that contains it.

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, State Board of Education (SBOE) rule, 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. [TEA Supplement, Not Supplant Handbook, 2013]

The District’s process to ensure that all grant funded activities are supplemental shall be a collaborative effort between grant managers and the Business and Financial Services department. Administrators shall receive training and be aware of the supplement not supplant provisions. The Budget and Payroll department, Grants Accountant, and Accounting Coordinator receive via email the *Assignment Account Number Change Notification* from TEAMS. This notice reflects an account number change and effective date for an employee and is used to evaluate supplement, not supplant (transfer to new position, same position but different funding, etc.).

The grant managers shall review and approve all purchase orders (and non-purchase order payments). The review shall include a determination if the planned purchase and/or expenditure meet one of the following guidelines:

- The grant funds will be used to enhance, expand, or extend required activities. Examples may include before/after tutoring, additional research-based instructional programs, or other supplemental expenditures not required by state law or local policy.
- The grant funds will be used for specific grant activities included the grant application that are above and beyond the activities funded with local funds
- The grant funds will be used to supplemental grant activities as noted on the DIP or a CIP.

Program-specific supplement, not supplant provisions shall be complied with in addition to the overall federal funds requirements.

Comparability

Comparability of services is a fiscal accountability requirement that applies to local educational agencies

(LEAs) that receive funds under Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by the Every Student Succeeds Act of 2015 (ESSA). The intent of the comparability of services requirement is to ensure that an LEA does not discriminate (either intentionally or unintentionally) against its Title I schools when distributing resources funded from state and local sources simply because these schools receive federal funds. [TEA Title I, Part Comparability of Services Guidance Handbook, 2013]

The Budget Department shall conduct the comparability test on an annual basis and complete the Title I, Part A, *Comparability Assurance Document* (CAD). NOTE: If the district determines that it is exempt from the comparability requirements, the Budget Department shall note the exemption on the CAD and submit it to TEA. If the District is not exempt, the Director shall complete and submit the *Comparability Computation Form* (CCF) to TEA by the mid-November annual filing deadline.

In completing the CAD and CCF, the Budget Department shall follow the process outlined below:

- 1) Determine if the District is exempt from the comparability requirement. If so, complete and submit CAD and stop here.
- 2) If not exempt, the comparability testing process should continue as noted below:
 - a. List all campuses in the CCF comparability testing
 - b. Identify all campuses on the CCF as Title I Part A, skipped, or non-Title I Part A
 - c. Determine whether to include dedicated EE and/or PK campuses in the comparability testing
 - d. Select test method 1, 2, or 3 and use it consistently to all campuses being tested
 - e. Complete the CAD for review by the grant management department. After review and approval by the grants management department, the CAD and CCF should be forwarded to the Superintendent for signature.
 - f. Submit the CAD and CCF to TEA by the mid-November filing deadline

If TEA determines that the District is non-compliant, the Budget Department and the grants/program manager shall work collaboratively to address the non-compliance. The Budget Department shall increase or decrease a campuses general fund budget, as appropriate, until the District is in compliance with the comparability requirement.

Indirect Cost

Grantees must have a current, approved federal indirect cost rate in order to charge indirect costs to the grant. The indirect cost rate is calculated using costs specified in the grantee's indirect cost proposal. Those specified costs may not be charged as direct costs to the grant under any circumstances. [*TEA Indirect Cost Handbook, 2014*]

The District shall apply for an indirect cost rate through the federal granting agency or pass-through entity (TEA) in accordance with the current regulations. The Assistant Superintendent for Finance and Operations shall complete and submit an Indirect Cost Rate Proposal by the established deadline as specified by the passthrough entity (TEA) on the Indirect Cost webpage at: <http://tea.texas.gov/index4.aspx?id=3842>

The District's Indirect Cost Rate, or the maximum allowable rate, whichever is less shall be used to post Indirect Costs for federal funds to the General Fund. The Grants Accountant shall prepare an adjusting journal entry for the indirect costs. The Accounting Coordinator shall post the entry to the general ledger.

The District receives two indirect cost rates: restricted and unrestricted. Most grants permit the use of the restricted rate to recover administrative costs.

- The restricted rate is used for grant programs to which the supplement, not supplant provision applies.
- The unrestricted rate is used for grant programs to which the supplement, not supplant provision does not apply.

The Grants Accountant shall determine and record the indirect cost as follows:

- Compile direct program expenditures as of the report period and enter in Grant Expenditure Worksheet.
- Determine if any costs should be backed out of direct cost for the Indirect Cost calculation.
- The following costs should be excluded when using the restricted indirect cost rate:
 - 6219-The portion of each subcontract* in excess of \$25,000.
 - 6290-Subgrants*, regardless of amount.
 - 6500-Debt service
 - 6600-Capital outlay
 - 6620-Building purchase, construction or improvements.
 - Org 701-Office of the Superintendent
 - Function 51, 6100-6400-Operations and Maintenance of Plant.
- The following costs should be excluded when using the unrestricted indirect cost rate:
 - 6219-The portion of each subcontract in excess of \$25,000.
 - 6290-Subgrants, regardless of amount.
 - 6500-Debt service, regardless of amount.
 - 6600-Capital outlay, regardless of amount.
 - 6620-Building purchase, construction or improvements.

- Subtract cost to be excluded from the direct program expenditures to obtain the adjusted program costs.
- Apply the appropriate indirect cost rate to the adjusted program cost to equal indirect cost.
- Check indirect cost amount for Title III, LEP funds. Administrative funds are limited to 2%.
- Prepare journal entry to record program revenue and indirect cost revenue.
- 5900 or 5800 revenue account-Direct program cost plus indirect cost
- 5900 or 5800 contra revenue account-Indirect cost
- 199-Indirect cost

• Example of journal entry:

	Debit-Accounts Receivable (211.00.1241.00.000.00.000)		
	Credit-Program	Cost	plus IDC
	(211.00.5929.00.000.00.000)		
Debit-IDC	(211.00.5929.00.000.00.944)		
Credit-IDC	(199.00.5929.00.000.00.000)	The	

Accounting Coordinator reviews and posts journal entry to general ledger.

*Subcontracts and sub-grants may be primarily distinguished as follows:

- A contract obligates a vendor or service provider to furnish goods or services to the buyer, who pays for and benefits from them. If the contract is for services, they are usually of a kind that the buyer would perform for itself if it had the resources. A purchase order is not a contract, but is procurement of goods and services. Look at the intent and characteristics of a purchase.
- A grant is an agreement between an awarding agency (grantor) and recipient of funds (grantee). The goods and services purchased with grant funds do not benefit the grantor.

Maintenance of Effort

The district shall comply with the Every Student Succeeds Act (ESSA) and Individuals with Disabilities Act (IDEA) maintenance of effort requirements.

ESSA MOE

Federal statute requires that local education agencies (LEAs) receiving Title I, Part A funds must continue to maintain fiscal effort with state and local funds. An LEA may receive its full Title I, Part A entitlement if either the combined fiscal effort per student or the aggregate expenditures for the preceding fiscal year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year. Maintenance of Effort (MOE) is determined using state and local operating expenditures by function, excluding expenditures for community services, capital outlay, debt service, and supplementary expenses as a result of a Presidential declared disaster, as well as any expenditures from funds provided by the federal government. [[*TEA ESSA MOE Handbook*](#)]

The Assistant Superintendent for Finance and Operations or Budget Department shall compute the MOE using the TEA [*ESSA LEA MOE Determination Calculation Tool*](#) during the budget adoption

process and at the end of the fiscal year. Non-compliance with ESSA MOE will result in a reduction of ESSA funds in the exact proportion by which the District fails to meet the MOE requirement; therefore, the Business and Financial Services department shall plan for the reduction of grant funds at the local level. If the ESSA MOE falls below the required level, the Business and Financial Services department and the Compensatory Education Coordinator shall collaborate to develop a plan to bring the District into compliance with the MOE requirements.

IDEA-B MOE

An LEA that accepts IDEA-B funds is required under IDEA-B to expend, for services to students with disabilities, at least an amount equal to 100% of the state and/or local funds it expended on students with disabilities during the previous year. Federal law provides four methods of demonstrating compliance (or “maintaining effort”), as described in the Methods of Determining Compliance section. [*TEA IDEA-B MOE Guidance Handbook, 2014*]

The Budget Department shall compute the MOE using the *TEA IDEA-B LEA MOE Calculation Tool* during the budget adoption process and at the end of the fiscal year. Non-compliance with IDEA-B MOE will result in a reduction of IDEA-B funds in the exact proportion by which the District fails to meet the MOE requirement; therefore, the Business and Financial Services department shall plan for the reduction of grant funds at the local level. If the IDEA-B MOE falls below the required level, the Business and Financial Services department and Special Education Director shall collaborate to develop a plan to bring the District into compliance with the MOE requirements.

NOTE: The Business and Financial Services department shall code all special education expenditures that qualify as exceptions to a specific sub-object for tracking purposes. For example, if the district makes a long term purchase of equipment for a special education student, the District shall track that expense separately to apply that cost as an exception during the MOE calculation.

As part of the IDEA-B grant application process, the grant manager must know the prior year and the next fiscal year budgeted special education expenditures. The Budget Department shall provide these amounts to the Special Education Director not later than May 1 to ensure that the most accurate amounts are reflected in the grant application. Changes to these amounts, as they are known, by the Budget Department shall be submitted to the Special Education Director, as appropriate.

Participation of Students Enrolled in Private Schools

Public schools districts are required to provide services to eligible private school students, conduct a child find process to locate students with disabilities enrolled in private school and engage in consultation with private schools about the provision of services. This is authorized through ESEA, ESSA, and IDEA regulations.

In mid-May an informational meeting is conducted to inform all private non-profit organizations of the Title I, Title II, Title III, and IDEA-B services that they may be eligible for and the processes for collaborating with the District to acquire those services. An advertisement is posted in the

Waco Tribune Herald, for two weekends in April, inviting all private non-profit educational entities to the informational meeting regarding the grants and entitlement opportunities.

Consultation with each participating private non-profit (PNP) organization is conducted prior to the ESSA grant application to determine the types of services needed. As the PNP submits required data, the *TEA Equitable Services Worksheet* is completed to determine the amount of funds which would be available to provide services for each entity. The administrator/designee of each PNP works with the Compensatory Education Coordinator for Title I and II services, the Bilingual Education Director for Title III services, and the designee for IDEA-B services throughout the school year.

The Special Education Director contacts the private schools to provide information about Child Find and the referral process. After discussing the suspected area of disability with the campus representative or parent, Special Education department staff conduct an evaluation which includes: notice and consent for testing, procedural safeguards and receipt for parent to sign, parent information packet, teacher information packet, health history, and observation protocol for the campus. After the evaluation, an Admission, Review, and Dismissal (ARD) meeting is conducted with parents, school personnel and the evaluation team. The parents decide whether to enroll the child in public or private school.

Reporting Requirements

The District shall ensure that all reporting requirements for grant programs are met within the established timelines. Completion of the reports may require the collaboration of several departments; however, the ultimate responsibility for the reporting requirement shall be as noted below:

- Programmatic reports such as activity, progress and evaluations – grant managers
- Expenditure reports such as interim, draw down and financial expenditure reports – Grant Accountant and Accounting Coordinator
- Compliance reports such as Comparability, Maintenance of Effort, Indirect Cost, etc. – Chief Financial Officer and Budget Department
- Highly Qualified Staff reports – Executive Director Human Resources

The Grants Management department shall monitor the master list for discretionary grants to ensure that all reporting requirements have been completed by the appropriate campus and/or department.

Grant Monitoring and Accountability

The district shall ensure that all grant funds are consistently monitored throughout the grant period. The monitoring shall include, but not be limited to:

- Compliance with federal requirements such as cost principles, audit, reporting requirements, etc.
- Monitoring of grant expenditures are properly documented and meet all allowable costs
- Monitor grant performance such as internal controls, audit findings, over/under expenditures, etc.
- Implement strategies to deter, mitigate and eliminate waste and fraud in the expenditure of grant funds

The grant manager for each federal grant shall be responsible for the programmatic and evaluation compliance and the Grants Accountant shall be responsible for the financial compliance. A list of the grant manager by federal grant is included in the Appendices to this manual. The use of “grant manager” throughout this document shall refer to the specific grant manager by federal grant, as listed.

The grant manager shall monitor the timing of grant activities throughout the grant period, especially as they relate to the desired outcomes. The Grants Accountant shall monitor the timing of grant expenditures as they relate to the period of availability of grant funds. If either the grant activities or grant expenditures reflect that the district will not accomplish the grant activities during the grant period, the grant manager shall work collaboratively with the Grants Accountant, campus staff and other relevant departments to develop an action plan to ensure that the federal grant goals are met. The oversight of grant activities and expenditures shall include, but not be limited to, the following:

- Cost overruns or high unit costs
- Construction projects – certification of project completeness (as evidenced by the AIA) • Significant developments that may result in an inability to complete the grant activities

The District shall maintain documentation to support all grant expenditures and provide the documentation upon request to the District’s external auditors, granting agency or other oversight agency, as appropriate.

Any audit findings or deficiencies shall be addressed in a timely manner upon receipt of the notification. Business and Financial Services, Human Resources and grant managers shall work collaboratively to develop and implement a Corrective Action Plan to resolve the findings or deficiencies. The Superintendent or designee, shall approve the Corrective Action Plan and monitor the timely implementation of corrective strategies.

The District shall disclose to the granting agency if any federal grant funds have been subject to fraud to District staff and/or contractors (vendors). Corrective actions, as appropriate, shall be implemented to remedy the loss of grant funds due to fraud.

Remedies for Non-Compliance

The District may be subject to consequences due to non-compliance with federal regulations. The District shall strive to maintain compliance, but shall respond appropriately to all notifications of non-compliance from the federal granting agency or pass-through agency (TEA).

Grant Closeout Procedures

The District shall submit all grant closeout documents to the granting agency or pass-through agency, as appropriate. Grant closeout procedures shall include, but not be limited to:

- Ensure that no obligations are made after the grant period end date
- Liquidate all obligations incurred during the grant period
- Submit the final grant program performance report, if any
- Submit the final grant expenditure report, if any
- Drawdown all the expended grant funds (reimbursement request) – Match the grant expenditure draw-downs with the finance general ledger
- Certify that the final drawdown of federal grant funds are accurate (Certification)
- Refund any excess grant funds, interest, or other payables to the granting agency or pass-through agency
- Account for any real and/or personal property on hand at the end of the grant period

Grant Opportunities

[TEA Grant Opportunities](#): [The following resources are available on TEA's website for each grant program]

General and Fiscal Guidelines

Program Guidelines

Program-Specific Provisions and Assurances

