

# UNITED I.S.D. Federal and State Grants Manual

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UNITED INDEPENDENT SCHOOL DISTRICT  
201 LINDENWOOD DRIVE  
LAREDO, TEXAS 78045

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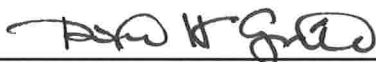
## United ISD Federal and State Grants Manual

**Prepared by:**

- Division of Business and Finance: Comptroller's Office, Federal & State Programs and Grants Administration
- Division of Curriculum and Instruction: Advanced Academics, Career and Technical Education (CTE), Special Education, and Bilingual/ESL/Dual Language/Foreign Language Departments
- Human Resources Department
- Purchasing Department
- Fixed Assets Department

**Effective Date:** July 1, 2015

Updated: June 21, 2021

**Superintendent Approval:****Date: 7-01-21**

### General Information

The United Independent School District has established fiscal procedures that apply to all financial transactions regardless of the funding source. Procedures that relate directly and/or indirectly to federal and state grant compliance are indicated with a (+). A separate section in this Federal and State Grants Manual will include specific procedures related to acquiring, expending, and managing grant funds.

In accordance with Board Policy BP Local, the Superintendent and administrative staff shall be responsible for developing and enforcing procedures for the operation of the District. These procedures shall constitute the administrative regulations of the District and shall consist of guidelines, handbooks, manuals, forms, and any other documents defining standard operating procedures. The Superintendent shall approve this Federal and State Grants Manual on an annual basis, or as appropriate, if federal, state or local changes in regulations or policy warrant immediate changes. Administrative guidelines and procedures are subject to Board review but shall not be adopted by the Board.

The use of "Grant Administrator" throughout this document shall refer to the specific Grant Administrator that oversees each federal or state grant as per the District's Organizational Chart.

References to department guidelines, procedures and forms outlined in this document are available from the corresponding department.

### Division of Business and Finance: Organizational Charts

The Division of Business and Finance is overseen by the Asst. Supt. of Business and Finance. This area encompasses the Comptroller's Office, Federal and State Programs Department, the Grants Administration Department, Tax Office and Records Management Department, and the Risk Management Department. See **Forms, Exhibits & Procedures** section in the appendix for the Organizational Chart for the District.

### Mission

United, we inspire all students to become responsible world citizens by pursuing excellence through life-long learning. The Mission of the Comptroller's Office is to be responsible for the financial



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## Mission

United, we inspire all students to become responsible world citizens by pursuing excellence through life-long learning. The Mission of the Comptroller’s Office is to be responsible for the financial management for United ISD through the preparation and reporting of the financial condition of the governmental, proprietary and fiduciary funds.

## Comptroller’s Office Staff

The Comptroller’s Office and its staff shall perform multiple roles; however, adequate controls of segregation of duties shall be maintained at all times. The office staff includes the Comptroller, four managers that oversee the areas of Accounting, Activity Funds, Budget and Payroll, one senior accountant, seven staff accountants, and various paraprofessional staff. The personnel listing is available from the UISD Comptroller’s Office website.

All staff members of the Comptroller’s Office are expected to comply with the:

- Code of Ethics and Standard Practices for Texas Educators [Board Policy DH (Exhibit),
- School Board Policy CAA Local regarding fraud,
- United ISD Code of Conduct (Employee Handbook),
- Confidentiality Agreement, and
- Employee Agreement for an Electronic Communications System Account

Each staff member shall have an up-to-date job description on file in the Human Resources Department. In addition, each staff member should receive and sign a job description and corresponding evaluation



instrument during the annual evaluation process. Changes to job descriptions should be made when substantial changes occur in job duties or responsibilities.

## Budget: Supplement Not Supplant

In accordance with the United States Department of Education (USDE) Title I Part A Supplement, Not Supplant requirement under ESSA, United Independent School District (“UISD” or the “District”) has adopted the following methodology to ensure that all Title I, Part A funds are utilized to supplement the funds that would, in the absence of such Title I, Part A funds, be made available from State and local sources (General Operating Fund) for the education of students participating in programs assisted under Title I, Part A, and not to supplant, such as State and local funds. Furthermore, UISD will not use federal funds to provide services required by state law, State Board of Education rule or local policy.

- **Statement of the Methodology:** The District allocates state and local education funds (General Operating Funds) to the campuses based on the number of students enrolled **per grade span** for regular funds and uses a formula based on a **weighted per-pupil** amount for Bilingual and State Compensatory funds. The District ensures a fair and equitable distribution of state and local funds to all campuses, regardless of their Title I status.
- **Criteria Used in Methodology:** The **Regular allocation** is based on the campus projected enrollment multiplied by the percent of average daily attendance (“ADA”). The District uses a 94.25% average daily attendance rate. The **Bilingual allocation** is based on the projected enrollment for the campus multiplied by the average percentage of the bilingual population of the campus. The average percentage is based on the campus bilingual population for the past three (3) years. The **State Compensatory allocation** is based on the projected enrollment multiplied by the percentage of economically disadvantaged for the campus. The percentages used are based on the income survey form completed by a student’s family during registration.
- **Mathematical Calculation Formula:** For **Regular fund** allocations from the General Operating Fund, the calculation for High School and Middle School is the projected enrollment multiplied by 94.25% attendance rate. For Elementary campuses, the calculation is enrollment less than half (1/2) of the Pre-Kindergarten enrollment, and the total is then multiplied by a 94.25% attendance rate. There are three different rates based on the grade spans (high school, middle school and elementary). The calculated ADA per campus is multiplied by the respective **grade span** rate to determine the amount of regular funds allocated to the campus.

The **Bilingual allocation** is based on the projected enrollment for the campus multiplied by the average percentage of the bilingual population of the campus and then multiplied by the **district-wide** per pupil allocation for bilingual students in the General Operating Fund.

The **State Compensatory allocation** is based on the projected enrollment multiplied by the percentage of economically disadvantaged for the campus and then multiplied by **district-wide** per pupil allocation for state compensatory in the General Operating Fund.

## General Ledger Maintenance(†)

General ledger entries shall be made on an ongoing basis as needed. End-of-the-month and end-of-the-year entries shall be made on a timely basis. End-of-the-year entries shall be made prior to the audit field work by the district’s external audit firm.

The Accounting Manager shall be responsible for monitoring the general ledger maintenance on a monthly basis as part of the End of Month process. The general ledger shall be reviewed for accuracy in areas such as, but not limited to the following:



- Cash and investment balances equal the respective bank or investment monthly statements
- Aged purchase orders, receivables and payables
- Verify that fund accounts are in balance
- Verify that bank account reconciling items are posted to the general ledger

## Journal Entries(†)

All general ledger entries shall be in balance (debits shall equal credits). A Journal Voucher form shall be used to document all entries. All journal entries shall be numbered for tracking purposes. A manual number is given by the authorized issuer that identifies it by month, fiscal year and number. This same journal entry is given an automated number by the financial software system. Staff Accountants, Junior Accountants and Assistants shall be authorized to create journal entries and the Senior Accountant and Managers shall be authorized to post journal entries to the general ledger.

All payroll general journals shall be interfaced to the finance system by the payroll department. The Staff Accountant and Payroll Manager shall verify that the pre-post payroll general journals and the finance payroll general journals are in balance and posted accurately to the general ledger. All payroll general journals must be posted to the finance general ledger no later than the actual pay date.

All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable. At times, prior to closing the month, additional reconciling journal entries may be posted in accordance with the creation and approval guidelines.

School Board Reports and a detailed Disbursement report for the previous month should be generated and forwarded to the Superintendent's Office for board review. The Financial Reports and Disbursement list shall be approved by the School Board.

All reports should be filed for audit purposes including, but not limited to, the following:

- Cash General Journal
- General Ledger
- Check Payments & Check Register
- Detail General Ledger
- Summary General Ledger

The Accounting Manager and Senior Accountant shall review a Summary General Ledger on a monthly basis to ensure the accuracy of fund accounting.

## Data Entry and Validation(†)

All data entry shall be from the appropriate source document(s). 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. For example, a cash receipt journal shall be validated to ensure that the total amount of deposit matches the posted cash receipt journal. The posted cash receipt shall match the bank's validation of the deposit.

Ongoing, daily data entry validation greatly increases the accuracy of the fund accounting and facilitates reconciliation of the monthly bank statements with the general ledger.

## General Ledger Transaction (Minimum Data Required) (†)

All general ledger financial transactions shall require the following minimum data:



- **Date of the general ledger transaction** – the date of the transaction should be within the posting month and within the posting fiscal year.
- **Account code(s)** – the proper account code shall be used for all transactions
- **Journal [transaction] number** – the number assigned should be manually or automatically assigned in a sequential order. A log of the journal numbers utilized each fiscal year should be available in a manual or automated form. Automated, system-generated general ledger entries shall be easily distinguished from manual general ledger entries.
- **The credit and debit amounts**– the total debits must match the total credits
- **Reason for the general ledger transaction** – the reason should explain the reason for the transaction such as cash receipt number, adjustment to budget/expense, etc.
- **Supporting document** – supporting documentation, if any, shall be attached to the journal entry form for audit tracking purposes
- **Signature or initials, as appropriate**
  - Signature or initials from originator (batch mode)
  - Signature or initials of approver (update/post batch)

All general ledger payroll transactions shall require the following minimum data:

- **Check date** – the system-generated general ledger transaction should reflect the check date as part of the journal entry number
- **Account code(s)** – the account codes charged for all payroll disbursements, including liability accounts, should exist in the general ledger prior to posting the system-generated journal entries. [Note: During the payroll posting process, the payroll department must print and verify that all payroll accounts exist on the general ledger. If accounts do not exist on the general ledger, the accounts should be verified for accuracy and if accurate, the list of account codes must be submitted to the Budget Office to ensure that the appropriate accounts are created in the finance system.

## End of Month Process

Within 10 days after the end of the month (EOM), all end-of-month reports should be printed and verified and the end-of-month process completed. There are four (4) steps in completing the End-of-Month process as listed below:

- Reconciliation of all bank accounts
- EOM Activities (Report Generation & Verification)
- Run EOM Reports (archival purposes)
- Process the EOM Close

The Finance EOM Procedures should be utilized to ensure that all critical steps are followed during the EOM Process.

## End of Fiscal Year Process

All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable. Within 30 days after the fiscal year, all end-of-fiscal year reports should be printed and verified for audit purposes. For grants having a different grant award period (other than August 31<sup>st</sup>), all changes as noted above should be posted within 30 days of the end of grant period.



All end-of-fiscal year adjustments should be posted to the general ledger prior to closing out the fiscal year. Prior to the start of the audit field work, the following adjustments shall be posted to the general ledger:

- **Reconcile all cash and investment accounts** – all cash and investment accounts shall match the corresponding bank or investment general ledger balances as of August 31<sup>st</sup>, as reflected on the respective monthly statement.
- **Reconcile all revenue accounts with amounts received and/or earned as of August 31<sup>st</sup>** – All measurable revenue should be posted to the general ledger. For example, all state aid earned as of the most recent Summary of Finance report from TEA shall be posted to the appropriate state revenue accounts.
- **Reconcile all state and federal grant revenue and expenditures** – the revenue and expenditures in every grant program (federal and state) should equal. The excess revenue if any should be reclassified to a payable to the granting agency, unless the excess revenue is an advance payment (deferred revenue). If expenditures exceed revenue, the amount due from the granting agency should be posted to the revenue account and accounts receivable accounts.
- **Reconcile the final amended budget** – verify that all budget amendments (at the functional level) have been posted to the general ledger. The sum of the original budget, plus all budget amendments during the fiscal year shall equal the final amended budget.
- **Reconcile and post all accounts receivables** – all funds due from other sources, as of August 31<sup>st</sup>, shall be posted to the general ledger. The receivables shall be measurable and expected to be received within 60 days after the end of the fiscal year or end of the grant award period in accordance with the district's accounting standards.
- **Reconcile and post all accounts payables** – all payables due to others (vendors especially), as of August 31<sup>st</sup>, shall be posted to the general ledger. The amounts due for all goods and/or services received as of August 31<sup>st</sup> are classified as accounts payable and paid during the next fiscal year. The district has established a September 30<sup>th</sup> cut-off for prior year accounts payables, unless the accounts payable expense exceeds \$10,000 and/or is known prior to the end of the audit field work. [Note. The accounts payable account (2110) in the prior fiscal year and the next fiscal year must be in balance.]
- **Reconcile all accrued wages and benefits as of August 31<sup>st</sup>** – All accrued wages and benefits shall be posted to the general ledger, especially for all wages earned in August but scheduled to be paid in the next fiscal year (after September 1<sup>st</sup>).
- **Reconcile all TRS deductions and payments as of August 31<sup>st</sup>** – All TRS employee and employer deductions and expenses shall be posted to the general ledger and paid to TRS before the end of the fiscal year. Any funds remaining in object code 2155 shall be reconciled to identify under and/or overpayments to the TRS.
- **Reconcile all mandatory and voluntary deductions as of August 31<sup>st</sup>** – All mandatory (social security, withholding tax, and garnishments) and voluntary deductions (insurance and other benefits) shall be posted to the general ledger and disbursed as required by law. Any remaining funds in object codes 2151, 2153 and 2159 shall be reconciled at year end.
- **Reconcile all Due To and Due From accounts as of August 31<sup>st</sup>** – All Due To and Due From accounts shall be in balance throughout the year and at the end of the fiscal year. (object codes 217X and 126X).
- **Reconcile all prepaid expenses as of August 31<sup>st</sup>** – All prepaid expenses shall be posted to the general ledger to object code 1410. A prepaid expense is typically one that represents a disbursement of funds (payment) for goods or services that will be received or utilized in the next fiscal year.



- **Reconcile the fixed assets ledger with all fixed asset additions, deletions, or changes (Fixed Assets Department)** – All assets (as defined in the Fixed Asset Procedures) acquired during the fiscal year shall be added to the fixed asset ledger. All assets disposed of (sold or lost) shall be removed from the fixed asset ledger. Changes, if any, to the location, value, or category of assets shall be posted to the fixed asset ledger in Fund Code 901.
- **Reconcile the fund balance as of August 31<sup>st</sup>** – All changes, reductions, additions, and/or designations [restricted, committed, assigned, etc.] of fund balance accounts shall be posted to the general ledger. All budgetary fund balance accounts (object code 3700) shall be posted to the appropriate fund balance account (object code 3600). Changes to the budgeted and committed fund balances should be supported by minutes of Board approval. The Assistant Superintendent for Business and Finance and the Comptroller may be authorized by the School Board to assign fund balances as per Board Policy CE Local.

## Segregation of Duties(†)

At a minimum, the District staff shall operate under a segregation of duties, including but not limited to, the following:

- **Endorsement of checks** – The same staff member shall not prepare **and** endorse accounts payable or payroll checks.
- **Bank reconciliations** – The same staff member shall not prepare cash disbursements, cash deposits, or other cash transactions **and** reconcile the district's bank accounts.
- **Maintain non-cash accounting records** – The same staff member shall not prepare non-cash general ledger transactions **and** post the transactions to the general ledger.
- **Purchasing and Receiving functions** – The same staff member shall not serve as the final approver of a purchase order **and** verify receipt of the goods.
- **Contract Management** – The same staff member shall not approve a contract for goods or services **and** have sole approval authority to disburse the payment for the contracted goods or services.
- **General Ledger Maintenance** – The same staff member shall not prepare, approve and post a general ledger transaction, unless a specific exception exists in the district procedures.

## Retention of Records(†)

The district shall maintain grant-related records in a combination of paper and electronic formats. The following records shall be maintained in accordance with state and federal funding regulations:

- Grant applications and grant award notifications (Paper and PDF files)
- Grant revenues and expenditures (eFinance System)
- Grant purchasing records (eFinance System, paper, PDF and Excel files)
- Grant expenditure draw-downs (reimbursements) – Paper, PDF, and Excel files

All financial records for the current fiscal year shall be retained for audit purposes in accordance with the district Local Records Retention Schedule consistent with the Texas Library and Archives Commission Records Retention Schedules. Destruction of records, at the expiration of the records, shall also be in accordance with the district's Local Records Retention Schedule. 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.

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a **period of three years** from the date of submission



of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. **[2 CFR 200.334]**

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: **[2CFR 200.335]**

- Microsoft products such as Word, Excel, Access, Paper Vision, etc.
- PowerSchool Financial Management System

The Records Custodian for the financial records of the district is the Comptroller from the Division of Business and Finance. All questions related to the retention, destruction, and/or addition of new record series shall be directed to the District's Records Management Officer (RMO), which is the Tax Assessor/Collector.

### **Data System Security & Access to Records(†)**

Division of Business and Finance staff handles and/or processes a substantial amount of confidential information. All staff is strictly prohibited from revealing confidential information to an unauthorized individual. Unless required by Federal, state, and local statute, the district is not required to permit public access to their records. The district shall make all grant-related records available for access to the federal granting agency and/or pass-through entity upon request. **[2CFR 200.336]**

All Division of Business and Finance staff shall sign a Confidentiality Agreement on an annual basis. Among the most critical information is documentation related to employee's Personally-Identifiable Information (PII) such as health, benefits, financial, family members, or other personal information **[2CFR 200.337]**. Violators will be subject to discipline, employment termination, and/or may be reported to the appropriate legal authorities. Violations of some protected information, such as health or medical information, is also protected by federal laws, such as HIPPA.

Unless notified otherwise by the federal granting agency, the district shall retain all financial and program records related to the grant award in accordance with the federal grant. Upon request from the federal granting agency, the district shall transfer the records to the requesting federal agency **[2CFR 200.335]**.

The Division of Business and Finance staff shall be authorized to access the district's records 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.

Each staff member shall take appropriate steps to ensure that their respective computer system is managed in a controlled environment to prevent unauthorized access. At no time (including lunch breaks) shall a computer system be logged on to a financial data system while unattended by the respective staff member. All computer systems shall revert to a screen lock after 5 minutes of non-use.

### **Assignment of Access and Passwords(†)**

Access to data 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. For example, a payroll staff member will not have access to the human resources system unless the access is limited in scope and "read-only". These restrictions to unilateral access are designed to prevent complete autonomy which could lead to fraud.



Each staff member shall be responsible for securing their assigned (selected) password. At no time shall passwords be shared with others or posted in visible locations within the staff member's work space. Violators of this restriction shall be subject to disciplinary action, including but not limited to employment termination.

Data system access to the authorized modules shall be determined by the job assignment and job role. Each staff member shall have access to their respective database(s) and tabs within a database based on their position. Security roles will be established and assigned with the specific access to each module. In the event that a staff member gains access, due to human or software error, that he/she is not entitled to, it is the responsibility and duty of the staff member to notify the Information Technology Department regarding the ability to access the restricted database or module(s).

## **Revoking Access(†)**

Access to data systems are subject to change and/or revocation when changes occur to a staff member's position, duties or responsibilities. Access to data systems are also subject to revocation when a staff member violations the Responsible Use Guidelines. Each staff member shall sign an Employee Agreement for an Electronic Communications System Account Form every fiscal year.

## **Business Staff Training(†)**

Staff members are encouraged to continue their professional development and maintain their proficiency through attendance at conferences, seminars, workshops and trainings. Training opportunities for other certification or licensing programs, such as a CPA, shall be provided in a manner that seeks to meet the continuing education requirements for that specific certification or license.

Additional training requests should be submitted to the Comptroller's Office. It is the employee's responsibility to request additional training that he/she feels will be beneficial in performing the assigned job tasks. At times, the immediate supervisor may also recommend or direct that a staff member attend specific training to improve their skills or comply with a Growth Plan.

In an effort to support compliance of fiscal policies and procedures, the district shall conduct annual training for campus and department administrative and support staff, as appropriate. The Purchasing Department along with the Comptroller's Office shall be responsible for developing the training calendar. Critical training areas shall include, but not be limited to:

- Activity Account Management
- Budget Development Process
- Federal and State Grants Management
- Accounts Payable
- Employee Travel
- Purchasing Procedures
- Records Retention
- Fixed Assets Procedures
- Support Service Areas

## **Federal and State Grant Management(†)**

Compliance with all federal and state grant requirements is essential to ensure that all granted funds remain with the district. Compliance is essential to ensure that all granted funds serve the appropriate population(s) and purpose(s) set by the grantor. Failure to comply with grant requirements may result in:



- Denial of reimbursement requests;
- Return of a portion, or in some cases, all awarded grant funds; and/or
- Return/future denial of other federal and state funding. All grants are subject to compliance with the regulations for each award.

The Texas Education agency acts as the pass-thru entity for many of the United States Department of Education (USDE) federal grants.

[TEA Grant Opportunities](#) are posted on the TEA webpage to provide administrative guidance, timelines, due dates, program-specific guidelines, use of funds, and many more resources.

The Department of Contracts, Grants, and Financial Administration (CGFA) oversees all phases of federal and state grants awarded to TEA grantees, including independent school districts, open-enrollment charter schools, and education service centers (known as local educational agencies, or LEAs), as well as other types of organizations, such as nonprofits. The department is responsible for managing all discretionary and formula grants and contracts, ensuring the agency's compliance with the fiscal requirements of federal grants, and conducting monitoring and grant reviews of federal grant subrecipients. The website for TEA's CGFA is: [https://tea.texas.gov/Finance\\_and\\_Grants/Grants](https://tea.texas.gov/Finance_and_Grants/Grants).

The department houses the following divisions:

- Division of Grants Administration
- Division of Federal Fiscal Compliance and Reporting
- Federal Fiscal Monitoring

#### 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 of the Code of Federal Regulations (34 CFR), known as the [Education Department General Administrative Regulations \(EDGAR\)](#), pertains to TEA grants. For a complete description of the federal regulations that apply to federal education grant awards, visit [USDE's EDGAR website](#). Refer to the [EDGAR Materials and Resources](#) page of the TEA website for details on new federal regulations, including their effective/applicability date, purpose, a list of the OMB circulars they replace, and links to related TEA grantee guidance.

For state-administered federal grants, TEA shall notify the district on the Notice of Grant Award (NOGA) of the applicable administrative regulations.

**When the district's local policies and/or procedures conflict with the federal regulations, the district shall comply with the more restrictive regulations 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 six (6) subparts and multiple appendices under 2 CFR Part 200 of EDGAR as noted below:

- Subpart A – Acronyms and Definitions



- Subpart B – General Provisions
- Subpart C – Pre-award Requirements
- Subpart D – Post-award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements
- Appendices – I through XI

Generally, 2 CFR Part 200 applies to all programs under the Every Student Succeeds Act (ESSA) and may apply to other US Department of Education grants.

The EDGAR in its entirety can be accessed at: [Education Department General Administrative Regulations \(EDGAR\) and Other Applicable Grant Regulations](#).

Technical assistance and interim guidance can be accessed at: [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards | U.S. Department of Education](#). Interim guidance should be monitored to ensure that additional requirements or flexibilities issued via an OMB Memorandum, but not codified in the EDGAR are known and complied with.

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 200.1, respectively. Programmatic regulations for each of the district's federal grant awards are available from the grantors.

#### Other Federal and State Grant Programs not flowing through the Dept. of Education ???

Compliance with all federal and state grant requirements is essential to ensure that all granted funds serve the appropriate population(s) and purpose(s) set by the grantor. Failure to comply with grant requirements may result in: denial of reimbursement requests; return of a portion or in some cases all grant funds; and/or return of or future denial of other federal and state funding. All grants are subject to compliance with the regulations for each award.

#### Managing Federal and State Grants

At the District level, managing Federal and State Grants shall be a collaborative process between the various divisions of the school district including, but not limited to Business and Finance Division (Accounting, Budgeting, Payroll, Federal and State Programs, Grants Administration, Records Management, etc.), Support Services Division (Purchasing, Fixed Assets, Information Technology), Human Resources (HR) Department, and the Curriculum and Instruction Division. Each respective division/department shall be responsible for their duties and responsibilities as they relate to the management of state and/or federal grants. The duties of selected departments are listed below in general terms. Additional specific duties and responsibilities may be listed within an area of compliance within this Manual.

##### Division of Business and Finance (Comptroller's Office)

- Preparing and posting the initial budget and all amendments to the general ledger.



- Assisting the Human Resources department with determining the payroll distribution code(s) for all grant-funded staff.
- Preparing all grant-related financial reports (monthly, quarterly and/or annual).
- Preparing all financial records for the annual financial audit and single audit, as appropriate.
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
- Adjusting the general ledger, as appropriate, for the reconciliation of the time and effort reports, as appropriate if adjustments are necessary
- Managing the day-to-day cash needs for grant expenditures and drawing-down cash reimbursements, as appropriate
- Managing all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles (in conjunction with the Purchasing Department)
- Retaining all financial records for the required length of time (5 years) for audit purposes (in conjunction with the Records Management Department)

#### Fixed Assets Department

- Managing all fixed assets and ensuring compliance with the inventory and disposition as per federal guidelines

#### Human Resources Department

- Assisting with the recruitment and hiring of all grant-funded staff
- Ensuring that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate (And, all state certification requirements)
- Ensuring that all grant-funded staff has a job description with the grant-related duties and funding. (And, that all grant-funded staff sign a job description on an annual basis)
- Preparing the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate
- Maintaining audit-ready HR employee files for financial audit or single audit purposes, as appropriate
- Developing and maintaining all salary schedules to ensure consistency between local and non-local pay rates (includes base salaries and extra-duty rates of pay)
- Assisting the Grant Administrator with determining the position title, Role ID and other salary information for use in completing the grant application
- Retaining all personnel records for the required length of time (5 years) for audit purposes

#### Federal and State Programs, Grants Administration, and/or Advanced Academics , Career and Technical Education (CTE), Special Education and Bilingual/ESL/Dual/Foreign Language Departments

- Working cooperatively with the district/campus administrative staff to ensure that all grant activities are collaboratively planned and appropriate to each district/campus.
- Providing supporting documentation for budgeted grants funds. Submitting all grant amendments to the Division of Business and Finance to facilitate budget amendments.
- Assisting the Human Resources department with determining the payroll distribution code(s) for all grant-funded staff.
- Preparing all grant-related programmatic (evaluation) reports (monthly, quarterly and/or annual).
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
- Managing the day-to-day cash needs for grant expenditures and drawing-down cash reimbursements, as appropriate



- Managing all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles (in conjunction with the Purchasing Department)
- Retaining all financial records for the required length of time (7 years) for audit purposes (in conjunction with the Records Management Department)
- Receiving and monitoring the time and effort reports, as appropriate, and submitting adjustments, if any, to the Comptroller's Office in the Division of Business and Finance
- Monitoring the spending thresholds throughout the grant period to ensure that the grant activities are being conducted systematically throughout the grant period
- Reviewing and approving all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles
- Retaining all grant records for the required length of time (as per federal and state guidelines, whichever is longer) for audit purposes
- 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
- Verifying with the HR department that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate (And, all state certification requirements)
- Verifying with the HR department that all grant-funded staff has a job description with the grant-related duties and funding. (And, that all grant-funded staff sign a job description on an annual basis)
- Verifying with the HR department the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate
- Assisting the HR department with determining the position title, Role ID and other salary information for use in completing the grant application

#### Payroll Department

- Maintaining audit-ready payroll employee files for financial audit or single audit purposes, as appropriate
- Retaining all payroll records for the required length of time (7 years) for audit purposes
- Assisting the Human Resources & Grants departments with determining the payroll distribution code(s) for all grant-funded staff.
- Receive and review Time and Effort documentation to compare to payroll distribution records.

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

Job descriptions for the departments listed above with grant management responsibilities are available at the Human Resources Department.



## Part I - State Grants

### State Programs – Allotments

The Texas Education Agency's State Funding Division is responsible for administering the [Foundation School Program](#) (FSP) and wealth equalization provisions of the Texas Education Code. In addition to the FSP Basic Allotment, the district receives state program allotments to meet the needs of specific student populations. The special program allotments shall be used to **supplement** (beyond the basic program) the academic needs of students enrolled in a special program.

State Program allotments are estimated and paid to school districts through a Summary of Finance template created by the Texas Education Agency. The actual state allotments are calculated as noted below in each respective section. A settle-up process occurs at the end of each fiscal year – funds owed to a district are paid by TEA and funds owed by a district are paid to TEA (or TEA reduces the following fiscal year funds by the amount owed to the state).

A percentage of each state allotment must be spent on “direct” expenditures for the given special program. The current percentages and program intent code (PIC) are noted below by program:

▪ <b>Special Education</b>	<b>55%</b>	<b>PIC 23</b>
▪ <b>Career &amp; Technical Education</b>	<b>55%</b>	<b>PIC 22</b>
▪ <b>State Compensatory Education (SCE)</b>	<b>55%</b>	<b>PIC 24 &amp; 30 (except 25&amp; 27)</b>
▪ <b>Bilingual/ESL Education</b>	<b>55%</b>	<b>PIC 25</b>
▪ <b>Dyslexia</b>	<b>100%</b>	<b>PIC 37 &amp; 43</b>
▪ <b>Early Education Allotment</b>	<b>100%</b>	<b>PIC 36</b>
▪ <b>CCMR Outcomes Bonus</b>	<b>55%</b>	<b>PIC 38</b>

#### Budgeting Special Program Allotments

The per-pupil expenditures of federal, state and local funds, including actual personal expenditures and actual non-personnel expenditures must be in compliance with federal regulations [ESSA and 34 CFR]. As a best practice, the district shall ensure that the appropriate program intent code (PIC) and campus/department organization codes are used during the budget and expenditure processes. Expenditures coded to PIC 99 (undistributed) and Organization Code 999 will be distributed by TEA using a methodology that may include: student enrollment by campus, staff FTEs, square footage of buildings (for functions such as 34, 35, 51, etc.), or other methodology as may be determined by TEA.

During the budget process, the estimated state allotment shall be calculated by the Treasury Management (Comptroller’s Office) based on prior year special program enrollment, average daily attendance (ADA), and projected revenue based on the most current Summary of Finance template. The estimated state allotment by special program shall be provided to the \_Special Program Coordinators\_ [Curriculum or Special Program staff]. The \_Associate Superintendent of Curriculum and Instruction\_ [Curriculum or Special Program staff] has global oversight of all state special programs. The [Special](#)

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Program Coordinators, as noted below, shall be directly responsible for their respective program(s). These special program administrators shall be responsible for the programmatic compliance in their respective program(s). Programmatic compliance shall include, but not limited to: program eligibility, program design, instructional delivery, entry/exit procedures, professional development, and certification.

▪ Special Education	Executive Director of Special Education
▪ Career & Technical Education	Career & Technical Education Program Director
▪ Gifted & Talented Education	Director of Advanced Academics
▪ State Compensatory Education (SCE)	Executive Director of Federal & State Programs
▪ Bilingual/ESL Education	Director of Bilingual/ESL/DUAL/Foreign Language
▪ Dyslexia	Director of 504/Dyslexia
▪ Early Education	Executive Director of Elementary Education
▪ CCMR Outcomes Bonus	Director of Advanced Academics
▪ *High School Allotment	Executive Director of High School Instruction

\*PIC 31 was discontinued with HB 3 (2019), but residual funds (if any) should continue to be coded to PIC 31 until 100% of the aggregate High School Allotment since its inception has been expensed.

The Comptroller's Office, specifically Budget Management, shall be responsible for the financial compliance in each of these special programs. Financial compliance shall include, but not limited to: budgeting development & monitoring, approval of expenditures, financial reporting to TEA, financial audit, calculating per-pupil expenditures by program, and purchasing with state allotment funds.

As part of the budget adoption process, Budget Management 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. [Note. If the District does not budget to compliance, it may not spend to compliance.]

### **Program Intent Codes (PICs) – FASRG**

The mandated program intent codes (as defined in the FASRG or recently by TEA) are classified as Basic or Enhanced. The PICs in these classifications for regular and special program allotments are noted below:

#### **Basic Services – PIC 1X**

- PIC 11 Basic Educational Services
- PIC 26 Nondisciplinary Alternative Education Program\*\*
- PIC 28 Disciplinary Alternative Education Program\*\*

#### **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)\*\*
- PIC 25 Bilingual and ESL Education\*\*\*
- PIC 26 Non-Disciplinary Alternative Education Program\*\*
- PIC 29 Disciplinary Alternative Education Program – SCE Supplemental\*\*
- PIC 30 Title I, Part A Schoolwide Activities related to SCE (Campuses with 40% or more educationally disadvantaged students)\*\*
- PIC 31 High School Allotment (discontinued funding 2018-2019)
- PIC 32 Prekindergarten, Regular
- PIC 33 Prekindergarten, Special Education\*
- PIC 34 Prekindergarten, State Compensatory\*\*
- PIC 35 Prekindergarten, Bilingual/ESL \*\*\*
- PIC 36 Early Education Allotment
- PIC 37 Dyslexia
- PIC 38 College, Career and Military Readiness (CCMR)
- PIC 43 Dyslexia, Special Education (New in 2020-2021)\*

\*PIC codes used in Special Education mandated spending requirement

\*\*PIC codes used in State Compensatory Education mandated spending requirement

\*\*\*PIC codes used in Bilingual/ESL mandated spending requirement

If the “intent” of a particular course or program is one of the Enhanced Services, the appropriate PIC shall be used for the expenditures even if an incidental student(s) benefits from the program. For example, the salary of a Bilingual Instructional Aide should be paid 100% from PIC 25, if the intent of his/her position is to support Bilingual students even though 1 or 2 non-Bilingual students also benefit from a small group instructional setting. The PIC 31 High School Allotment code has been discontinued. The District uses PIC 31 code to classify expenditures related to initiatives for students in grade 6-12.

### **Student Special Program Enrollment Reporting (PEIMS)**

The special program enrollment shall be reported to TEA through the PEIMS data submissions. Campus principals shall be responsible for developing procedures to identify the entry and exit of students into the state mandated special programs. The procedures shall comply with the Texas Education Code, Chapter 29 for each respective special program. The entry and withdrawal of students in special programs shall be in accordance with the district’s Attendance Accounting Procedures Handbook, TEA’s *Student Attendance Accounting Handbook (SAAH)* and the *Texas Student Data Standards (TSDS)*.

Upon enrollment and throughout the school year, the Student Information System (TxEIS) shall be used to record student enrollment in each special program. The student enrollment record shall include the entry and exit date(s) for all special programs that generate state funding.

The PEIMS Annual Timelines shall be used to ensure that prior to the submission of the Fall, Summer and Extended Year PEIMS Student Data that all students are properly coded in their respective special programs. The campus principals shall review the appropriate TSDS reports prior to all PEIMS Submissions to ensure that the student special program enrollment is accurate and reasonable



compared to the historical data. The reports listed on the table below include some, but not all, of the reports that each principal shall review and sign-off on before the submission of PEIMS data to TEA.

Submission	Report #	Report Name
Fall	PDM1-120-002	LEP/BL/ESL and Parental Denial Students
	PDM1-120-003	Student Program Roster
	PDM1-120-005	Student Data Review
	PDM1-120-009	Disaggregation of PEIMS Student Data
Summer	PDM3-120-004	Disaggregation of PEIMS Summer Attendance Data
	PDM3-120-013	Special Programs Attendance Data
	PDM3-120-015	Previous Year Average Daily Attendance Data
Extended Yr	PDM4-120-001	Extended School Year (ESY) Services Roster
	PDM4-120-004	Bilingual/ESL Summer School Roster

### Staff Full-time Equivalent (FTEs) and Payroll Account Coding

At the beginning of each school year, the salaries of all staff should be determined based on their position and assignment. Specifically, we need to know the following:

- What the employee will do? Determines the function code
- What is the FLSA status of employee? Determines the object code [Exempt staff – 6119 and Non-exempt staff – 6129]
- Where the employee will work? Determines the organization code (may be split)
- Who will benefit? Determines the population served or PIC (may be split)

Determining the correct payroll account distribution code(s) is critical to ensure that all payroll costs are expensed in the correct account code(s). This is extremely important for staff assigned on a part-time or full-time basis to support a special program. Only the payroll costs for services whose intent is to serve one or more special program may be charged to the special program PIC.

Best Practice to ensure accuracy of Staff FTEs by special program:

By **September 15th**, each school year, the Director of Compensation and the Certification Coordinator will review the Master Schedule (Tyler System) and compare the report to the staff assignment. **[Sample FTE Report in the Exhibit Section]** The Staff FTE report generated by the personnel system reflects the names of all staff, position, and the assignment by PIC code. For example, a teacher that teaches 4 special education classes and 4 career and technical education courses, should have .5 FTEs in PIC 23 (Special Education) and .5 FTEs in PIC 22 (Career Technology). [Note. The master schedule shall reflect the teaching assignment for all teachers and every course section shall reflect the “intent”, or population served code. The population served codes (**PEIMS Population Served Code Table 030 in Exhibit Section**) and program intent codes are correlated 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 Supplemental
▪ Population Served Code 03	PIC 30	Title I, Part A Schoolwide Activities related to SCE (Campuses with 40% or more educationally disadvantaged students)

All staff assigned to support all students, not specifically served in a special program, shall be coded as basic population served (01) and the basic program intent code (11).

Special Program Administrators shall also submit a Staff FTE report for non-campus administrative staff **by September 15<sup>th</sup>** at the beginning of each fiscal year. The PIC codes for the non-campus staff shall reflect what they do, where they are assigned to work, and the special program(s) that they support.

The Staff FTEs reports shall be submitted to the Human Resources Department and the Division of Business and Finance no later than the deadline of September 15<sup>th</sup> at the beginning of each fiscal year. The Human Resources Department and the Division of Business and Finance shall verify the Staff FTEs and ensure that funds are budgeted in the appropriate payroll account codes. Budget changes and/or amendments, if any, shall be prepared by the Division of Business and Finance. [Note. The minimum spend percentages shall be verified again to ensure that the budgeted amount by PIC still meets or exceeds the minimum spend percentage by special program.]

After approval of the Staff FTEs reports, the Human Resources Department shall submit the Staff FTEs to the payroll department for the purpose of updating the payroll distribution record(s) of each district employee.

Campus Principals and Special Program Administrators shall be responsible to ensure that any changes to staff assignments are submitted to the Human Resources Department within five (5) days of the assignment change. The prior process of verifying the FTEs/account codes, approval of the FTE report, and submission of the reports to the payroll department shall occur upon the receipt of assignment changes.

The staff FTEs by special program shall be reported to TEA through the PEIMS data submissions. Campus principals shall be responsible for developing procedures to ensure that all staff, especially instructional staff, has the correct populated served code in the campus master schedule. The procedures shall comply with the district's Attendance Accounting Procedures Handbook, TEA's *Student Attendance Accounting Handbook (SAAH)* and the *Texas Student Data Standards (TSDS)*.

The Student Information System (TxEIS) shall be used to create the district/campus master schedule, instructor records, and course/section records. Specifically, every course record shall reflect the correct



Service ID (as noted on TEDS Code Table C022 Service-ID); and, every section course record shall reflect the correct Population Served Code (as noted on TEDS Code Table C030 Population-Served-Code).

The PEIMS Annual Timelines shall be used to ensure that prior to the submission of the Fall and Summer PEIMS Staff Data that all staff are properly coded in their respective special programs. The campus principals shall review the appropriate TSDS reports prior to all PEIMS Submissions to ensure that the staff data by special program enrollment is accurate and reasonable compared to the historical data. The reports listed on the table below include some, but not all, of the reports that each principal shall review and sign-off on before the submission of PEIMS data to TEA.

Submission	Report #	Report Name
Fall	PDM1-110-004	Staff FTE Summary
	PDM1-110-005	Student and Staff Counts by Service ID
	PDM1-110-006	Staff FTE by ROLE ID
	PDM1-110-007	Payroll Information by Program Intent Code 21 thru 25
	PDM1-111-001	Individual Staff Profiles (PIC Code and Pop Served should match)

### **State Allotment Program Expenditures Compliance**

Throughout the fiscal year and at the end of the fiscal year, the Division of Business/Finance, shall calculate the periodic and final spend percentages for each special program. The allocated expenditures by program intent code (PIC) shall be used to determine compliance. In the event that direct expenditures fall below the mandated percentages, the Division of Business/Finance shall ensure that the deficit amount is budgeted in the following fiscal year. The deficit amounts, if any, shall be provided by the Division of Business/Finance to the Special Program Administrators or planning and budgeting purposes.

### **State Allotment Program Legal Requirements (TEC excerpts)**

State laws, specifically Chapter 29 and Chapter 48 include requirements related to program eligibility and allowable funds. Excerpts from each state allotment program fund requirements are noted in the following sections.

### **Gifted and Talented**

The Gifted and Talented program must adhere to state law, Texas Education Code (TEC) 29.121. Chapter 29 addresses the programmatic guidelines related to eligibility, identification, program services, and use of funds.

Specifically, each school district shall identify students eligible for the GT program and serve the students in an appropriate manner. All student identification and enrollment shall meet the special program guidelines in the Student Attendance Accounting Handbook (SAAH). Student enrollment data



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

HB 1525 (considered the HB 3 Clean Up Bill) entitles schools to a weight of 0.07 for each identified GT student served. Not more than 5% of students are eligible for this funding. Funding is capped at the amount appropriated: \$100 million per year.

Each school district must annually certify to the commissioner that the district has established a program for gifted and talented students as required by Chapter 29 and that the program is consistent with the state plan developed under Section 29.123

The Special Program Administrator with oversight responsibility to certify the Gifted & Talented special program data prior to submission to TEA shall be as noted on the Annual List of Program Coordinators (Exhibit Section).

### **Career and Technical Education (CTE)**

The Career and Technical Education program must adhere to state law, Texas Education Code (TEC) 29.181 and TEC 48.106. Chapter 29 addresses the programmatic guidelines related to eligibility, identification, and program services. Chapter 48 addresses the funding weight(s) and allowable costs.

Specifically, each school district shall identify students eligible for the CTE program and serve the students in an appropriate manner to obtain state funds. The Master Schedule shall serve as the official document to support that each student was enrolled in a CTE course. All student identification and enrollment shall meet the special program guidelines in the Student Attendance Accounting Handbook (SAAH). Student enrollment data shall be submitted to TEA through the PEIMS Fall Submission as of the snapshot date. The attendance and/or contact hour data for funding purposes shall be submitted to TEA through the PEIMS Summer Submission.

School districts are eligible to receive weighted funding for eligible full-time equivalent (FTE) students in approved Career and Technology Education (CTE) programs. In addition to this weighted funding, school districts are also eligible to receive \$50 for each FTE student enrolled in two or more advanced CTE courses for three or more credits. Additionally, students enrolled in a designated P-TECH or a 9-12 New Tech campus (identified by having an active agreement with the New Tech Network) are eligible for \$50 per student. These two funding elements determine a district's total CTE allotment. The CTE allotment applies to students in grades 7-12 who take an approved career and technical education (CTE) course designated with an "H" in the CTE course column of the Texas Education Data Standards, Section 4, Service-ID (CO22) code table.

HB 1525 changes Career & Technical Education (CTE) funding from one weight of 1.35 per FTE to a system of tiered weights related to courses (1.1 for non-approved programs, 1.28 weight for approved CTE programs for levels 1&2, and 1.47 for approved CTE programs for levels 3 & 4). Small and mid-sized districts are entitled to full CTE funding.



The Special Program Administrator with oversight responsibility to certify the CTE special program data prior to submission to TEA shall be as noted on the Annual List of Program Coordinators (Exhibit Section].

### **Special Education**

The Special Education program must adhere to state law, Texas Education Code (TEC) 29.003 and TEC 48.102. Chapter 29 addresses the programmatic guidelines related to eligibility, identification, and program services. Chapter 48 addresses the funding weight(s) and allowable costs.

Specifically, each school district shall identify students eligible for the Special Education program and serve the students in an appropriate manner to obtain 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 shall be submitted to TEA through the PEIMS Fall Submission as of the snapshot date. The 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 Special Education program data prior to submission to TEA shall be as noted on the Annual List of Program Coordinators (Exhibit Section].

### **Compensatory Education (SCE)**

The Compensatory Education program must adhere to state law, Texas Education Code (TEC) 29.081 and TEC 48.104. Chapter 29 addresses the programmatic guidelines related to eligibility, "at risk" identification, and program services. Beginning with the 2019–2020 school year, school districts and open-enrollment charter schools will receive an annual allotment equal to the basic allotment multiplied by one of five weights for students determined to be educationally disadvantaged. These weights are based on the tier assigned in that year to the census block group in which a student who is educationally disadvantaged resides. The campus administrator (Principal) and the Child Nutrition Administrator shall be responsible for the collection, maintenance and verification of student home address and free/reduced lunch eligibility respectively.

School districts and open-enrollment charter schools will continue to receive an annual allotment for each 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. School districts and open-enrollment charter schools will also continue to receive an annual allotment for each full-time equivalent student who is in a remedial and support program under the TEC, §29.08, because the student is pregnant.

The purpose of the allotment is to provide funding to districts and charter schools for supplemental programs and services designed to eliminate any disparity in performance on assessment instruments or disparity in the rates of high school completion between educationally disadvantaged students and all other students as well as at-risk students and all other students. The weights of the required allotments are prescribed under the TEC, §48.104 (a–e).



Prior to HB3, economically disadvantaged data from the Texas Department of Agriculture (TDA) was used to determine funding estimates based on the average number of students eligible for enrollment in the national school lunch program of free or reduced-price lunches for the best six months during the preceding federal fiscal year.

Under HB3, the agency will now calculate the compensatory education weight based on (a) the student's designation as educationally disadvantaged and (b) the census block group where the individual student's home or residence address is located. Individual identification practices under Community Eligibility Provision (CEP) will remain unchanged and school districts and charter schools must comply with 19 Texas Administrative Code §61.1027 for an alternative reporting method. Because the funding will be based on information collected by the school district or charter school, the identified and reported information must be accurate so that the district or charter school receives the correct amount of funding.

For initial SCE funding, TEA will use the address of each campus to determine the weight to apply for each student who is educationally disadvantaged at that campus. Initial funding for the 2019–2020 school year will be based on 2018 fall enrollment estimates. However, actual funding will be based on each student census block group submitted in the PEIMS Fall submission. Starting in the spring of 2020, the monthly Foundation School Program payments will be based on the actual student census block group submitted in the 2019 PEIMS Fall data.

HB 1525 entitles districts to the highest possible compensatory education weight for each enrolled student who is homeless. Allows use of comp ed funds to pay for an instructional coach to help disadvantaged students, duties performed by attendance officers, and programs to build skills related to social emotional wellness.

The Campus Principal, or designee, at each campus shall be responsible for identification of all at risk students. The at-risk student enrollment shall be reported to TEA through the PEIMS Fall Submission.

The SCE program compliance is unlike the other special programs in that it requires specific documentation as outlined in the Financial Accounting System Resource Guide (FASRG) Module 9. **The District Improvement Plan (DIP) and Campus Improvement Plans (CIP) are the primary source of documentation for the expenditure of SCE funds.** The DIP and CIPs shall include the SCE goals, strategies, activities and resources (Staff FTEs and budgeted funds).

According to TEA, annually within 150 days after the last day permissible to send data for the PEIMS data FINAL Midyear resubmission 2 (typically late July), the District shall electronically submit a PDF version of the DIP and at least two (2) CIPs through the TEASE system. The determination regarding which CIPs to submit to TEA shall be based on the TEA guidelines in the FASRG, Module 9.1.2 Summary of Filing Requirements. The District's submission dates shall be as noted below to ensure compliance with this critical requirement.



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 Module 6 State Compensatory Education.

### **Bilingual and ESL**

The Bilingual and ESL program must adhere to state law, Texas Education Code (TEC) 29.053 and TEC 48.105. Chapter 29 addresses the programmatic guidelines related to eligibility, identification, and program services. Chapter 48 addresses the funding weight(s) and allowable costs.

Specifically, each school district shall identify students eligible for the Bilingual or ESL program and serve the students in an appropriate manner to obtain state funds. All student identification and enrollment shall meet the special program guidelines in the Student Attendance Accounting Handbook (SAAH). Student enrollment data shall be submitted to TEA through the PEIMS Fall Submission as of the snapshot date. The 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 as noted on the Annual List of Program Coordinators (Exhibit Section).

(Applicable only if the District has not spent 100% of the prior year(s) allotment.)

### **New Allotments created by HB 3, 86th Legislative Session**

House Bill 3 created three new allotments that will require financial reporting: the dyslexia allotment, the college, career and military readiness (CCMR) outcomes bonus, and the early education allotment. The FASRG has been updated in April 2021 with final rules related to the use of these allotments, but the allotments and statutory language around their use are described below.

The use of the dyslexia allotment must be in accordance with TEC 48.103 and can be used only for a student who is receiving services in accordance with an IEP under Section 29.005 or a plan developed under Section 504, is receiving instruction that meets dyslexia criteria established by the State Board of Education and is provided by a person with specific training in providing that instruction, or that is permitted to use modifications in the classroom or accommodations in the administration of assessment instruments on the basis of having dyslexia or a related disorder. School districts are prohibited from using more than 20 percent of the dyslexia allotment to contract with a private provider to provide supplemental academic services recommended in the student's IEP or 504 plan. Students may not be excused from school to receive these supplemental services. At least 100 percent of the dyslexia allotment must be used in accordance with TEC 48.103.

The use of the early education allotment must be in accordance with TEC 48.108 and can only to fund programs and services designed to improve student performance in reading and math in grades prekindergarten through three, including programs and services designed to assist the district in achieving the goals from the district's early childhood literacy and mathematics proficiency plans



adopted under TEC 11.185. At least 100 percent of the early education allotment must be used in accordance with TEC 48.108.

At least 55 percent of the college, career and military readiness outcomes bonus must be used in accordance with TEC 48.110 in grades 8 through 12 to improve college, career and military readiness outcomes.



## Part II - Federal Grants

Acronyms and definitions related to federal grant management are listed in the EDGAR, Subpart A, 200.0 through 200.1, respectively, and may be accessed at: <http://www.ecfr.gov/cgi-bin/text-idx?SID=bce3e6e14adb00a7863cc39935f3e35e&node=sg2.1.200.a.sg0&rgn=div7>

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 (Conflict of Interest & Disclosure):

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

#### **Federal Regulations (EDGAR)/State Regulations (State Law)/Local Regulations (Local Board Policy and/or Procedures)/Other Conflict of Interest Requirements**

1. The District has established a conflict of interest policy for all federal grant awards and shall disclose in writing any potential conflict of interest to the granting agency. The same conflict of interest questionnaire that is used for other district functions shall be utilized for compliance with this provision. The District’s Conflict of Interest Form # 729-003 shall be completed by all district staff involved in federal grant awards: Superintendent, Business and Finance Division (Accounting, Budgeting, Payroll, Federal and State Programs, Grants Administration, Records Management, etc.), Support Services (Purchasing, Fixed Assets), Human Resources Departments and the respective Special Programs Departments (Gifted and Talented, Career and Technical Education (CTE), Special Education, Compensatory Education (SCE) and Bilingual and ESL Departments). Conflicts of interest, if any are identified, shall be reported to the granting agency. The Purchasing Department shall be responsible for overseeing and collecting the conflict of interest questionnaires. **[2 CFR 200.318]**
2. The district shall comply with all additional conflict of interest requirements required by the federal granting agency and/or the pass-through entity (TEA), as appropriate:
  - a. Texas Ethics Commission FORM CIS, most recent revision
  - b. Texas Education Agency Division of Grants Administration Conflict of Interest Disclosure Form
3. 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 if required by the granting agency. The external auditors and/or internal auditors and/or other district staff shall be responsible for overseeing, reporting and documenting any fraud, abuse or waste of federal grant funds. The district has a 24-hour Fraud and Ethics hotline that is available at 1-800-398-1496.



As per Board Policy CAA Local, each employee who supervises or prepares District financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his or her area of responsibility for fraud and financial impropriety. Any person who suspects fraud or financial impropriety in the District shall report the suspicions immediately to any supervisor, the Superintendent or designee, the Board President, local law enforcement, or the 24-hour fraud and ethics hotline

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 (Board Policy CBB Legal).

In addition, as per Board Policy DBD local, all district employees are prohibited from accepting solicited or unsolicited gifts or tokens, that exceed a nominal (individual) value of \$25 in a calendar year, from vendors or other parties who are affected by (or have an interest in) a federal or state grant award unless changed by official board action.

District employees who violate this administrative directive shall be subject to disciplinary action, up to and including termination of employment with the district. Violations that exceed the federal Conflict of Interest thresholds shall be reported to the federal granting agency and/or pass-through entity by the Superintendent or designee.

### **Pre-Federal Award Requirements:**

The federal awarding agency and pass-through entities, in accordance with 2 CFR 200.322, 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.

To comply with this requirement, the Federal Fiscal Monitoring Division at TEA conducts an annual risk assessment of all subrecipients, including local educational agencies, to determine their potential risk of noncompliance. Based upon the outcome of the risk assessment, subrecipients are assigned a risk level of low, medium, or high.

The division updates the risk assessment model annually to ensure that risk indicators and weights reflect current risks, such as economic conditions; political conditions; regulatory changes; unreliable information; financial problems that could lead to diversion of grant funds; loss of essential personnel; loss of accreditation; rapid growth; new activities, products, or services; and organizational restructuring.

The risk assessment criteria include indicators and weights derived from multiple sources. Each subrecipient is allotted points based upon these criteria, and assigned a risk level of high, medium, or low based on the total number of points allotted.

The current TEA criteria to determine the risk level is available on the TEA website at: [Annual Federal Fiscal Risk Assessment | Texas Education Agency](#).

The effects of the district's risk level determined by TEA may impact the districts in the following ways:

- ***Differentiated Grant Negotiation.*** TEA uses a differentiated grant negotiation process for federal grant applications. Organizations with a medium or high risk level are subject to a more stringent grant negotiation review than those with a low risk level.



- *Subrecipient Monitoring.* Each year, TEA selects subrecipients for fiscal monitoring, according to their risk levels. The higher your organization's risk level, the more likely you are to be selected for monitoring.

The Executive Director for Federal & State Programs shall obtain the district's risk assessment level by accessing the GFFC Reports and Data Collections secure application on an annual basis.

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. Timely and consistent submission of reimbursement requests as an indication that the district is regularly spending the federal grant funds to conduct approved grant activities
3. Complying with the federal grant award fiscal guidelines and allowable cost principles.
4. Ensuring that all grant-related staff are properly trained in their respective grants management roles on at least an annual basis.
5. 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 as imposed by the federal granting agency and/or pass-through entity. In addition, the District shall develop and implement strategies to correct the identified 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 [2 CFR 200.458]. Non-authorized pre-award expenses, if any, shall be paid from local District funds, i.e. the General Fund.

## Grant Application Process

The Texas Education Agency provides federal funding to districts as a pass through entity of the US Department of Education. As such, the district may be eligible to apply to TEA for formula (entitlement) or discretionary grant funds: the legislation authorizing a formula grant includes a mathematical formula for calculating the amount of grant funds, or the entitlement, that each applicant may receive; the legislation authorizing a discretionary grant gives some freedom, or discretion, to the agency administering the grant. The legislation may define certain elements of the grant program, such as population to be served or services to be provided, while leaving the administering agency free to determine other elements, such as eligibility criteria or the amount to be awarded to various grantees. TEA publishes grant applications electronically through the eGrants system and on paper. The process an applicant must follow to apply for funds is different for eGrants and paper applications.

- **eGrant Applications:** An eGrant is an online grant application that is published through eGrants, TEA's electronic grants system. The eGrants system stores and makes available all grant-related documents, such as the grant application, general and fiscal guidelines, program guidelines, and any errata notices issued for the grant. eGrant applications must be completed electronically and submitted online. Formula or entitlement grants are submitted on eGrants.
- **Paper Applications:** Applicants must download paper grant applications in Adobe PDF form format from the [TEA Grant Opportunities](#) page, then complete the forms on the applicant's desktop. After the application is complete, the applicant must print, sign, and mail the forms to the TEA Document Control Center. All grant-related documents, such as the grant application, general and fiscal guidelines, program guidelines, and any errata notices issued for the grant,



are listed on the TEA Grant Opportunities page. Discretionary funds are typically submitted as a paper application. TEA may award discretionary grants on a competitive or noncompetitive basis (see

[http://tea.texas.gov/Finance\\_and\\_Grants/Grants/Applying\\_for\\_a\\_Grant/Applying\\_for\\_a\\_Grant](http://tea.texas.gov/Finance_and_Grants/Grants/Applying_for_a_Grant/Applying_for_a_Grant))

Federal entitlement grant funds include, but are not limited to, Every Student Succeeds Act (ESSA), Individuals with Disabilities Education Act (IDEA), and the Carl D. Perkins Vocational Training Act. The entitlement awards for the district are posted on the TEA Grants Management webpage at:

<http://tea.texas.gov/index4.aspx?id=5040>. TEA releases entitlement grant planning amounts (initial, then often revised) planning amounts prior to the start of the grant year. Final entitlement grant planning amounts are released by TEA as the school year progresses. The appropriate grant administrator shall obtain the annual entitlement amounts and begin the grant development process with the appropriate stakeholders.

A list of competitive grants administered by the TEA is also posted on the TEA Grants Management webpage at: <https://tea.texas.gov/finance-and-grants/grants/grants-administration>. The appropriate grant administrator shall obtain the competitive grant information to determine whether the grant(s) is appropriate for the district. Some competitive grants may have matching-funds and/or in-kind payment requirements which may place a burden on the district's available financial resources; these issues must be taken into account when determining whether to apply for the grant. All discretionary grant applications must be submitted by the Grants Administration Department.

TEA's Grant Opportunities webpage provides vital information related to available grants such as:

- General and Fiscal Guidelines
- Program Guidelines
- Program-Specific Provisions and Assurances
- General Provisions and Assurances
- Debarment and Suspension Certification
- Lobbying Certification
- Sample Application
- Deadlines and Due Dates for: grant application, amendments and grant reporting.

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

The school district's grant application process for federal grants is illustrated in the exhibit section - **Forms, Exhibits & Procedures**. There are two processes shown: the consolidated grant application process and the discretionary grant application process. All grant applications must be reviewed by the Division of Business and Finance and the respective Department(s). In addition, all grant applications that will support student instruction at one or more campuses must be developed in collaboration with the respective executive director. Specific grant activities to support the academic program at a campus should be reflected in the Campus Improvement Plan. The final approval of a grant application shall be the Superintendent or designee.

The Grant Administrator shall work collaboratively with the Division of Business and Finance to ensure that all grant budget schedules are completed using the correct account code structure (as appropriate); the district's purchasing, travel and other procedures; and are adequately documented if prior approval is required by the granting agency or pass-through entity.

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



- [Student educational field trips](#) – TEA Division of Grants Administration form
- [Hosting or sponsoring conferences](#) - TEA Division of Grants Administration form
- [Out-of-state travel](#) - TEA Division of Grants Administration form
- [Request for Approval of Special or Unusual Costs](#) – TEA Division of Grants Administration form
- [Request for Approval of Participant Support Costs](#) – TEA Division of Grants Administration form

#### Other Application Related Forms

- ESSA Consolidated Administrative Funds for the current fiscal year
- Request for Specific Expenditure Approval: Educational Field Trips (Requires USDE approval at this time)
- Request for Specific Expenditure Approval: Hosting or Sponsoring of Conference
- Request for Specific Expenditure Approval: Out-of-State Travel

These forms can be accessed from TEA through the link below:

#### [Forms for Prior Approval, Disclosure and Justification](#)

An approved copy of a pre-approval form, if required, shall be attached to the purchase order for audit purposes.

Grants that require matching or in-kind district contributions shall be evaluated for overall impact on the district's current and future local funds. No federal grant funds shall be budgeted, encumbered, or spent until either of the following has occurred:

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

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 is issued.

The grant application shall be the source document to create the original budget. The Grant Administrator shall review the grant application, especially the Budget Schedules, and only budget allowable expenditures and object categories. Reserved funds, if any, shall be included in the original budget. The Division of Business and Finance shall notify the Grant Administrator when the funds have been budgeted and are ready for expenditure by the appropriate campus or department.

## General Provisions and Assurances

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

The following provisions and assurances apply to grants awarded *on or after* December 26, 2014:

- [General Provisions and Assurances: The New EDGAR](#): Required for every TEA grant agreement



- [Debarment and Suspension: The New EDGAR](#): Required for all federal grants, regardless of dollar amount
- [Lobbying Certification: The New EDGAR](#): Required for all federal grants greater than \$100,000

## 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. **[2 CFR 200.213]**

The Grant Administrator working with the Purchasing Department shall verify the eligibility of each vendor with this certification requirement by requesting that the vendor execute a Certification Form before awarding a contract and/or issuing a purchase order. A copy of the Certification Form shall be maintained with the contract and/or purchase order for audit purposes.

The Grant Administrator working with 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.

The Vendor Management Procedures shall be utilized to verify that vendors are not on the State of Texas or Federal ([www.sam.gov](http://www.sam.gov)) debarred lists.

## Lobbying Certification

For all federal grants in excess of \$100,000, the Grant Administrator will certify on the grant application that no federal grant funds are expended for the purpose of lobbying. The Grant Administrator 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 Purchasing Department shall ensure that all contract award documents with federal grant funds contain the appropriate lobbying certification language.

## Budgeting Grant Funds

The Division of Business and Finance shall budget grant funds 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.

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 30 days/months after receipt of the NOGA or from the stamp-in date. Budget amendments, if any, shall be approved by the Grant Administrator to ensure that the reclassification of funds is allowable under the grant management guidelines related to budget amendments. A budget amendment is not required for transfers of funds (of up to 25% of the total grant award) within different funded object codes, unless 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/Administering\\_a\\_Grant.aspx](http://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx).

The guidance document contains the following guidance:

1. Use Table 1 for federally funded grants and for grants funded from both federal and state sources.
2. Use Table 2 for state-funded grants. Refer to the “Select Grantees” column if the NOGA is for over \$1 million.

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 Administrator, disengages from grant activities for more than three (3) months, or a 25% reduction in the time devoted by a Grant Administrator.

#### Best Practice for Monitoring Grant Expenditures

The Grant Administrator shall monitor the need 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 Grant Administrator shall initiate the amendment process and collaborate with the Division of Business and Finance prior to submission of the grant amendment. The approval process of a grant amendment shall be the same as the grant application process, i.e. the Superintendent, or designee, shall approve all federal/state grant amendments.

The Division of Business and Finance shall be responsible for ensuring that the finance system budget corresponds to the most recent grant 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), the Financial Assistance Use of Universal Identifier, and maintain current entity registration on SAM.gov . **[2 CFR 200.211]**

#### FFATA Reporting

The district shall report the following for all federal grant awards, as appropriate. The Grants Administration Department shall be responsible for collecting and reporting the information on SAM.gov.

1. The following data about sub-awards greater than \$25,000



- a. Name of entity receiving award [entity = district]
  - b. Amount of award
  - c. Funding agency
  - d. NAICS code for contracts / CFDA program number for grants
  - e. Program source
  - f. Award title descriptive of the purpose of the funding action
  - g. Location of the entity (including congressional district)
  - h. Place of performance (including congressional district)
  - i. Unique identifier of the entity and its parent; and
2. The Total Compensation and Names of the top five executives if:
- a. More than 80% of annual gross revenues from the federal government, and those revenues are greater than \$25M annually and
  - b. Compensation information is not already available through reporting to the SEC.

## Financial Management System

The District's financial management system, PowerSchool Finance System, shall be utilized to expend and track all federal grant revenues and 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. **[2 CFR 200.302(a)]**

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. In addition, the district shall include written procedures to implement the requirements of 2 CFR 200.305 Payments. **[2 CFR 200.302(b)(6)]**

### Records Retention

The financial management system shall be utilized to store, maintain, and report all required federal grant information. **[2 CFR 200.334]** 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. In addition, the district shall retain all federal grant records for a period of three (3) to seven (7) years in accordance with the district's Local Records Retention Plan. The district's retention period exceeds the three (3) year retention period required in the EDGAR. All grant records retention requirements will be maintained for the period specified. The district's Record Management Department shall be responsible to ensure that all records are retained, stored and accessible, as appropriate.

### List of Federal Grant Awards



A list of all federal grant awards shall be maintained to include all EDGAR required data (denoted with an \*) and district-required information listed below: [List of all federal grant awards with the required identification information is available upon request from the Grant Administrator] **[2 CFR 200.302(b)(1)]**

- 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 period (start and end of the grant award)
- Grant award (dollar amount of award)
- Grant administrator for each grant
- Sub grants, if any
- TEA-assigned risk level for each grant, as appropriate
- Applicable federal regulations (OMB A-87 or EDGAR, based on the date of grant award)

On at least a monthly basis, the Division of Business and Finance, shall review the status of each federal grant fund. The review shall include a comparison of budget to actual expenditures. **[2 CFR 200.302(b)(5)]**

## Internal Controls

Internal controls, defined in **2 CFR 200.1**, is a process, implemented by the district, designed to provide reasonable assurance regarding the achievement of objectives in the following categories.

- Effectiveness and efficiency of operations
- Reliability of reporting for internal and external use; and
- Compliance with applicable laws and regulations.

The district's internal control procedures over financial management are included within the Division of Business and Finance Policies and Procedures. These are made available to all staff involved in the management of federal grant funds. **[2 CFR 200.303]** They are reviewed on at least an annual basis and updated as appropriate. If any weakness in an internal control is detected during the year, the internal control procedures are revised to incorporate the weakness at either the annual review or as the need arises dependent upon the severity (materiality) of the weakness.

The Division of Business and Finance's Policies and Procedures are embedded within this manual as appropriate and the full document is available from the Division of Business and Finance. The Division of Business and Finance through the Comptroller's office 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. Purchasing Department shall be responsible for obtaining insurance and/or bonding, as appropriate.



## Payments

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. **[2 CFR 200.305(9)]** 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, ACH 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 Division of Business and Finance 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.

All expenditures must meet the Obligation Rules (Title 34, 76.707 ). Obligations that are liquidated and recognized as expenditures must meet the allowable cost principles in 2 CFR 200, Subpart E of EDGAR (as applicable) and program rules, regulations, and guidelines contained elsewhere.

## Cost sharing or matching funds

The Grant Administrator for each federal grant award shall ensure that requirements for cost sharing and/or matching funds are approved by the respective department or the Division of Business and Finance prior to the submission of the grant. The Superintendent or designee, and the Division of Business and Finance must approve the commitment of all cost sharing and matching grant funds.

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 federal regulations (CFR 200.306).

## Program Income

The district will not generate any program income as part of a federal grant award. If program income activities are approved, the Grant Administrator over the activities shall ensure that the costs of generating program income are not paid with federal grant funds, are nominal in cost, are offset from the program income, and meet all of the federal requirements. The district will not retain any program income earned through a federal grant program.

## 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 Grant Administrator shall notify the appropriate departments of the grant periods for 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
- No payroll or non-payroll expenditures shall be made from federal grant funds except during the federal grant period.

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 the grant allows for pre-award costs. The obligations must be liquidated in accordance with the grant deadlines, especially as they relate to the final draw-down of federal grant funds. **[2 CFR 200.309]**

Guidance regarding the obligation of federal grants funds [Title 34 76.707] can be found in [TEA's General and Fiscal Guidelines](#). Excerpt from the guidelines is noted below:

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An obligation occurs depending upon the expenditure, as described in the following table.

If the Obligation Is For—	The Obligation Is Made—
Acquisition of real or personal property	On the date the grantee makes a binding written commitment to acquire the property
Personal services by an employee of the grantee	When the services are performed
Personal services by a contractor who is not an employee of the grantee	On the date on which the grantee makes a binding written commitment to obtain services
Performance of work other than personal services	On the date on which the grantee makes a binding written commitment to obtain the work
Public utility services	When the grantee receives the services
Travel	When travel is taken
Rental of real or personal property	When the grantee uses the property

The Grant Administrator shall monitor the expenditures during the grant period to ensure that the funds are spent in a systematic and timely manner to accomplish the grant purpose and activities.

## Procurement Standards/Expenditure of Grant Funds

Expenditures of grant funds shall be through the Division of Business and Finance and Purchasing Department processes in place for non-grant funds, but shall have additional requirements as noted below to ensure full compliance with federal cost principles, specifically the Procurement Standards in **EDGAR 2 CFR Part 200.318-200.327**. Furthermore, USD's Child Nutrition Program follows the Texas Department of Agriculture's Administrators Reference Manual (ARM) for any additional requirements for that program.

The district shall comply with the general procurement requirement of the EDGAR (2 CFR 200) **effective September 1, 2018 and amended in November 2020**.

The district shall utilize a purchase order and encumbrance system to manage the expenditure of all federal grant funds. All purchases shall be in accordance with the district's School Board Policies (CH Legal and Local) and the district's Purchasing Procedures. The district purchasing procedures shall comply with all federal, state and local procurement requirements.



The Purchasing Department working with the Grant Administrator 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, the information below:

- 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 district shall utilize the Financial Accountability System Resource Guide (FASRG) Account Code Structure to record all payroll and non-payroll expenditures.** Additional guidance regarding the FASRG Account Code Structure is available on the TEA Website ([www.tea.texas.gov](http://www.tea.texas.gov)) and the district's Coding Chart Reference Guide.

The Grant Manager for each federal grant shall be responsible for the programmatic and evaluation compliance and the Comptroller's Office shall be responsible for the financial compliance.

Campuses/Departments must fill out and submit an EDGAR Compliance Form when planning to use federal/grant funds in order to be in compliance with 2 CFR Part 200 (EDGAR), subpart E and under the terms and conditions of the Federal Grant Award. The EDGAR Compliance Form must be filled out completely and submitted with the requisition to the Federal and State Programs and Purchasing Departments. No requisition will be approved without a complete EDGAR Compliance Form.

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, and auditors, as appropriate. The USD record retention schedule for awarded bids is 5 years. Unsuccessful bid records are kept for 2 years.

The grant-specific guidelines for current district grants are hyperlinked under the Grant Opportunities webpage at: [Guidelines, Provisions, and Assurances | Texas Education Agency](#)

### **Local Guidelines Related to Unallowable Costs - Optional**

The district has developed local guidelines related to unallowable costs with federal grant funds.

### **Procurement Tracking and Documentation**

The Purchasing Department 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, the information below for all federal-funded purchases **(2 CFR 200.318(i))**.

- \*Rationale for the method of procurement
- \*Selection of contract type
- \*Contractor selection or rejection
- \*Basis for the contract price
- 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
- Contract Amount

\*EDGAR-specific provisions [2 CFR 200.318(i)].

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. **(2 CFR 200.318(d))**. The District abides by 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 **(2 CFR 200.318(e))**
- Utilizing value-engineering in construction projects to seek cost reductions **(2 CFR 200.318(g))**
- Utilize federal or state excess/surplus property supplies or equipment in lieu of purchasing new supplies or equipment, as appropriate **(2 CFR 200.318(f))**
- Develop vendor selection criteria to select the best vendor **(2 CFR 200.318(h))**
- Develop a tracking system of all informal and formal procurements **(2 CFR 200.318(i))**
- Avoid “time and materials” contracts if other alternatives exist **(2 CFR 200.318(j)(1))**
- Monitor vendor performance to ensure that the vendor provides the services and/or goods, as appropriate **(2 CFR 200.318(k))**
- 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
- Other strategies – as applicable

The District will make available upon request of the Federal awarding agency or pass-through entity technical specifications on proposed procurements, pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates when the Federal awarding agency believes such review is needed to ensure compliance **(2 CFR 200.325)**.

#### Conflict of Interest

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal or state award if he or she has a real or perceived conflict of interest. A conflict of interest occurs when an employee participates directly or indirectly in the procurement process from which that employee or member of the employee's family will directly or indirectly benefit financially. 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 (DH Exhibit). 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 requesting department in conjunction with the Purchasing 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 **(2 CFR 200.319)**.

#### Vendor Selection Criteria

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

- The purchase price (total cost of the acquisition)
- 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's ultimate parent company or majority owner
  - I. Has its principal place of business in this state or
  - II. employs at least 500 persons in this state
- Any other relevant factor specifically listed in these specifications

The district shall not restrict vendor competition by requiring any of the following as selection criteria **[2 CFR 200.319]**



- 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
- Other

A vendor database shall be maintained by the Purchasing Department in the finance system. The district's purchasing procedures shall be adhered to for all purchases. Vendor selection shall include the following criteria:

- Has not been debarred or suspended from contracting under federal grants
- Has complied with all solicitation requirements
- Has provided the best value to the District

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:

- Non-Collusion Statement
- Felony Conviction Notification
- Certification Sheet
- Conflict of Interest Questionnaire (Texas Ethics Commission FORM CIQ, latest revision))
- Form W-9
- Certification of Criminal History Record Form
- EDGAR Certifications
- House Bill 1295
- House Bill 793

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 qualified vendors **[2 CFR 200.319(b)]**. 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
- Other documents

The Purchasing Department in conjunction with the Grant Administrator shall oversee all bid/proposal documents before release to the vendor to ensure the documents comply with the federal requirements.

The district's specifications shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the



technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. **[2 CFR 200.319(b)(6)]**.

## **Procurement Methods**

The district shall use one of the procurement methods allowed by federal regulations to procure goods and services with federal grant funds. **[2 CFR 200.320]** In addition, the district shall comply with state purchasing laws and local Board Policy, CH Legal and Local.

The procurement method shall be determined based on the type of goods or services to be purchased with federal grant funds. The requesting department in conjunction with the Purchasing Department shall be responsible for selecting the appropriate procurement method for each purchase.

### **Micro-Purchase Procurement Method**

Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the school district **[2 CFR 200.320(a)(1)(ii)]**.

The school district is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the school district must be authorized or not prohibited under State or local laws or regulations. School districts may establish a threshold higher than the Federal threshold. **[2 CFR 200.320(a)(1)(ii) and (iii)]**.

The Assistant Superintendent for Business and Finance shall conduct an evaluation on an **annual basis** of the district’s internal controls, TEA-assigned risk level and documented procurement procedures to determine the appropriate micro-purchase threshold.

#### Micro-Purchase Procedures - Less than \$10,000

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. The district shall purchase goods and services under the informal 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. To the extent practicable, the Purchasing Department shall distribute micro-purchases equitably among qualified vendors.

The finance/purchasing department shall distribute micro-purchases equitably among qualified vendors to the maximum extent possible and shall ensure that the price is reasonable.

The district has not elected to self-certify a threshold up to \$49,999 in accordance with Texas law (TEC 44.031).

#### Small Purchase Procedures



The Procurement by Small Purchase Procedures shall be used by the district when the purchase of goods or services are greater than \$10,000 but do not exceed \$24,999, as required by Board Policy CH Local which is more stringent than the Simplified Acquisition Threshold **(CFR 200.1)**.

The district shall strive to obtain small purchases from qualified vendors under a Cooperative Purchasing Program **[2 CFR 200.318 (e)]**. Even though these cooperative purchasing programs have competitively procured the vendor contracts, the district shall compare the pricing among the vendors to select the best quality and price.

#### Purchases of \$25,000.00 to \$49,999.99

There are two procurement methods that can be used for purchases that range from \$25,000.00 to \$49,999.99. The first method is through an informal competitive bidding process known as "Request For Competitive Quotations" RFCQ for short. The District shall purchase goods and services using this informal method from among qualified vendors, unless the aggregate in a fiscal year exceeds \$50,000.00. An RFCQ will require the development of product or service specifications and a committee will need to evaluate all submitted proposals. The RFCQ bid method does not need to be advertised in a local newspaper and does not need to be sent to the School Board of Trustees for approval.

The second method is to use Intergovernmental Agreements. The use of Intergovernmental Agreements is described below.

#### Use of Intergovernmental Agreements

To foster greater economy and efficiency, the District enters into state and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services. 2 CFR § 200.318(e). This includes cooperative purchasing agreements as well as shared services arrangements (SSAs) where practical and beneficial.

The district may utilize cooperative vendors under a Cooperative Purchasing Program. The district is currently participating in the following cooperative purchasing programs:

- **Buyboard – Texas Local Government Statewide Purchasing**
- **HCDE – Harris County Department of Education**
- **HGACBuy – Houston Galveston Area Council Program**
- **Goodbuy**
- **PACE – Purchasing Association of Cooperatives Entities**
- **Region One – Child Nutrition Program/South Texas Cooperative (CNP-STC)**
- **TCPN – The Cooperative Purchasing Network**
- **Texas Department of Information Resources (DIR)**
- **Texas Procurement and Support Services (TPASS)**
- **TXMAS – Texas Multiple Award Schedules**
- **U.S. Communities purchasing cooperative**
- **NCPA - National Cooperative Purchasing Alliance**
- **TIPS - The Interlocal Purchasing System**

#### Sealed Bid Procedures

The procurement by sealed bid method shall be used by the District when the purchase of goods or services exceed \$50,000.00 annually 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 **[2 CFR**



**200.320 (b)(1)].** The District shall comply with the sealed bid requirements, as defined by EDGAR, as noted below.

- Bids must be solicited from an adequate number of 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.
  - The District shall provide no less than ten (10) days from the second advertisement 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 consider payment discounts because the District does routinely take advantage of payment discounts.
- Bids will be evaluated, ranked and a recommendation for award will be made to the School Board at a regularly scheduled 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 documentation 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 exceed \$50,000.00 annually and does not lend itself to a fixed price contract [**2 CFR 200.320 (b)(2)**]. The District shall comply with the sealed bid requirements, as defined by the EDGAR, as noted below:

- Requests for Proposal (RFP) 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.
- Proposals shall be evaluated, ranked and a recommendation for award made to the School Board at a regularly scheduled board meeting. [**2 CFR 200.320(b)(2)(ii)**]
- 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.
- The District may negotiate with the vendor only as it relates to potential cost savings.

#### 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 as outlined in [**2 CFR 200.322**].

As appropriate, and in accordance with **2 CFR 200.322**, the district should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods,



products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

The Purchasing Administrator shall ensure that vendor preferences are included in all specifications, purchase orders and contracts, as appropriate.

#### Vendor Restrictions

In accordance with **2 CFR §200.216** that prohibits certain telecommunications and video surveillance services or equipment, the Purchasing Administrator and the Director of Technology shall review and approve all telecommunication contracts for goods and services with federal grant funds to include the following:

(a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

- (1) Procure or obtain;
- (2) Extend or renew a contract to procure or obtain; or
- (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
  - (i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
  - (ii) Telecommunications or video surveillance services provided by such entities or using such equipment.
  - (iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

The district shall comply with the federal regulations related to the procurement of recovered materials **[2 CFR 200.323]** and the Solid Waste Disposal Act.



If construction and/or major remodeling and renovation are allowable and approved under a particular federal program, there are numerous laws and regulations with which the District must comply. The District will comply with all applicable state and federal laws, regulations, and guidelines for construction and/or major remodeling and renovation, including those found in 34 § CFR 76.600 and in 34 CFR § 75.600 - .617, as well as those found in 2 CFR § 200.317 - .326 related to procurement. In addition, the District will comply with requirements under the Department of Labor's [Davis-Bacon and related Acts](#), as well as bonding requirements specified in 2 CFR § 200.325. Failure to comply with these requirements could result in the repayment of funds.

For all construction, renovation and wiring projects that exceed the district's threshold of \$50,000 (district threshold exceeds the Simplified Acquisition Threshold of \$150,000), the district shall perform a cost or price analysis with every procurement **[2 CFR 200.324]**. Secondly, all purchases that exceed the district's threshold shall comply with federal bonding requirements such as **[2 CFR 200.326]**:

- Bid guarantee from each bidder of five percent (5%) of the contract price
- Performance bond on the part of the contractor for 100% of the contract price (for any projects over \$100,000)
- Payment bond on the part of the contractor for 100% of the contract price (for any projects over \$25,000)

The Purchasing Department 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 **[2 CFR 200.327]**. 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.

The District must perform a cost or price analysis in connection with every federal procurement action in excess of the Simplified Acquisition Threshold including contract modifications in accordance with 2 CFR 200.323. The District requires documentation of independent estimates of goods or services being procured before receiving bids or proposals and then uses a cost or price analysis to show that the prices received in a bid or proposal are fair and reasonable before awarding a contract.

#### Cost/Price Analysis for Federal Procurements in Excess of \$250,000

In accordance with the requirements in 2 CFR § 200.323, the District will make independent estimates of the goods or services being procured before receiving bids or proposals to get an estimate of how much the goods and services are valued in the current market.

To accomplish this, before bids and proposals are received, the District conducts either a price analysis or a cost analysis, depending on the type of contract, in connection with all procurements using Federal funds in excess of \$250,000. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the District will come to an independent estimate prior to receiving bids or proposals, 2 CFR § 200.323(a). The cost analysis or price analysis, as appropriate for the particular situation, will be documented in the procurement files.

Accordingly, the District performs a cost or price analysis in connection with every Federal procurement action in excess of \$250,000, including contract modifications, as follows:



**Cost Analysis Non-competitive Contracts:** A cost analysis involves a review of proposed costs by expense category, and the Federal cost principles apply, which includes an analysis of whether the costs are allowable, allocable, reasonable, and necessary to carry out the contracted services. In general,

- A cost analysis must be used for all non-competitive contracts, including sole source contracts.
- The Federal cost principles apply.
- All non-competitive contracts must also be awarded and paid on a cost-reimbursement basis, and not on a fixed-price basis.
- In a cost-reimbursement contract, the contractor is reimbursed for reasonable actual costs incurred to carry out the contract.
- Profit must be negotiated as a separate element of the price in all cases where there is no competition.

When performing a cost analysis, the program director, with assistance from the requesting department, Business Office and Finance Support, and Purchasing Office negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work, 2 CFR § 200.323(b).

**Price Analysis Competitive Contracts:** A price analysis determines if the lump sum price is fair and reasonable based on current market value for comparable products or services. In general,

- A price analysis can only be used with competitive contracts and is usually used with fixed-price contracts. It cannot be used with non-competitive contracts.
- Compliance with the Federal cost principles is not required for fixed-price contracts, but total costs must be reasonable in comparison to current market value for comparable products or services.
- A competitive contract may be awarded on a fixed-price basis or on a cost reimbursement basis. If awarded on a cost-reimbursement basis, the Federal cost principles apply and costs are approved by expense category, and not a lump sum.

Costs or prices based on estimated costs for contracts are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable costs under the Federal cost principles.

### Types of Purchases

Purchases for goods and services are done through the open market by the following methods:

Formal Method and Informal Method

#### **I. Formal Method**

The formal method is a process where the solicitation and award is governed by the Texas Education Code-Subchapter B. Sec.44.031 and local board policy.

The requirements are as follows:

All contracts with a value of \$50,000 or more shall be made by one of the following methods, which provide the best value to the District:

- competitive bidding; for services other than construction services;
- competitive sealed proposals; for services other than construction services;



- request for proposals, for services other than construction services;
- an interlocal contract;
- a method provided by Chapter 2267, Government Code for construction services;
- the reverse auction procedure as defined by section 2155.062(d) government code or
- the formation of a political subdivision corporation under Section 304.001, Local Government Code

#### Advertisement

A public notice must be published in the county where the school district is located once a week for at least two consecutive weeks prior to the time set for Receiving bids/proposals

#### Sealed Bids/Proposals

All bids/proposals must be sealed.

#### Opening Bid /Proposals

At the minimum two (2) district employees must open bids/proposals. The Purchasing Department encourages the requesting department to send a representative(s) to the bid/proposal opening. At opening only vendor names will be read aloud with the exception of construction projects. Submitted pricing will be read aloud for construction projects only.

#### Evaluation of Proposals

All RFPs, RFQ, and RFCQs will be evaluated by a committee comprised of UISD employees that are selected by departments. The committee will need to be comprised of at least two employees that can offer insight, knowledge, and expertise of the proposals submitted by the vendors. The evaluation will take place at the UISD Purchasing Department unless otherwise organized.

The evaluation committee will go over the evaluation criteria to be used to score each response. Once all the vendors are scored, they will be ranked from highest score to lowest score by the committee. For RFPs and RFQs a recommendation will be made to the UISD Board of Trustees based on the evaluation scores. The highest ranking vendor(s) will be recommended to become approved vendors for UISD.

#### Evaluation Criteria

The evaluation criteria used to evaluate the solicitations may include but not limited to the following:

- The purchase price (total cost of the acquisition)
- 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’s ultimate parent company or majority owner
  - I. Has its principal place of business in this state or
  - II. employs at least 500 persons in this state
- Any other relevant factor specifically listed in these specifications.

#### Awards

All Contracts are awarded to the proposer offering the best value to the District; based on criteria set forth in specifications, terms and conditions of the bid/proposal.

#### Right to Reject Bid

The District has the right to reject any or all bids.

#### Procurement Methods for Construction Projects Government Code 2267

- Competitive Bidding
- Competitive Sealed Proposals
- Construction Manager Agent
- Construction Manager at Risk
- Design-Build Method
- Job Order Contracts

#### Competitive Bidding

- The District must select an architect or engineer to prepare construction documents
- Request for bids must include construction documents, estimated budget, project scope, estimated completion date and other necessary information
- District selects “lowest responsible bidder”
- No changes in scope, deadlines or price may be negotiated prior to contract award

#### Competitive Sealed Proposals

- District must hire an engineer or architect to prepare construction documents for the project
- Request for proposals must include construction documents, weighted selection criteria, estimated budget, project scope, estimated completion date and other necessary information
- District scores and ranks proposers, and may negotiate modifications in scope or time, and price changes associated with modifications. Can only negotiate with one proposer at a time, starting with 1st ranked. If unable to agree, must terminate negotiations and moves to 2nd ranked, and so on until contract reached
- One winner selected (unless it is a CSP for a JOC)

#### Construction Managers



- CM-Agent: Acts as a fiduciary of the District, providing consultation, management or administration services over multiple prime construction contractors. A CM-Agent may NOT act as a contractor or subcontractor on the project(s) and does not hold any construction contracts with any party. District procures prime contractors for the project(s) following procurement laws.
- CM-At Risk: Provides pre-construction services during the design phase (alongside the A/E), including estimating, scheduling, feasibility and constructability reviews, and systems/materials recommendations. The CM-at-Risk also serves as the general contractor during the construction phase, holding the contracts with the subcontractors. District pays for actual costs of construction, plus a markup, up to a guaranteed maximum price.

#### Design-Build Method

- Single firm or team acts as designer and constructor of project, selected by RFQ process
- No competitive bids for cost of construction at the time you procure and select the firm/team
- Pricing negotiated after selection, typically a design fee during the design phase, and “cost-plus a fee” during the construction phase, up to a guaranteed maximum price

#### Job Order Contracts

- “A procurement method used for maintenance, repair, alteration, renovation remediation, or minor construction” of facilities “when the “work is of a recurring nature, but the delivery times, types, and quantities of work required are indefinite”
- Only construction method that allows selection of more than one winner
- Only construction method that allows for use of a cooperative in lieu self-procurement
- Use can use the CSP method to obtain proposals, but must clarify that it ***is a JOC contract***

#### II. Informal Method

The competitive quotation process is used for making purchases involving dollar amounts less than \$50,000, in the aggregate, for a twelve-month period when not available through an approved source.

The purpose of competitive quotation procedures is to obtain the lowest practical prices for needed items.

- Purchase orders between \$10,000.00 and \$24,999.99 need three price quotes from vendors. Requesting campus/department must fill out the Price Quotation log sheet and attach it to the requisition.
- Purchase orders between \$25,000.00 and \$49,999.99 must be obtained by the Purchasing department through the RFCQ (request for competitive quotations) process. The District shall purchase goods and services using this informal method from among qualified vendors, unless the aggregate in a fiscal year exceeds \$50,000.00. An RFCQ will require the development of product or service specifications and a committee will need to evaluate all submitted proposals. The RFCQ bid method does not need to be advertised in a local newspaper and does not need to be sent to the School Board of Trustees for approval.

#### Separate, Sequential, or Component Purchases

When preparing requisitions, the requesting department must be aware that employees; shall not intentionally or knowingly make or authorize separate, sequential or component purchases to avoid the



competitive bidding requirements & purchasing policy. Component purchases means purchases of the component parts on an item that in normal purchasing practices would be made in one purchase. Separate purchases means purchases made separately of items that in normal purchasing practices would be made in one purchase.

Sequential purchases means purchases over a period of items that in normal purchasing practices would be made in one purchase. Violation of this provision is a Class B or C misdemeanor. Conviction may result in confinement in a penitentiary, removal from office or dismissal from employment. Texas Education Code-Subchapter B. - Sec. 44.032.

#### Sole Source Purchases

The United Independent School District Purchasing Department monitors sole source purchases. Every two years, a vendor must resubmit their sole source form with the District to remain a sole source vendor.

For an item to be considered a sole source purchase, United Independent School District Purchasing Department must first review the request based on the requirements set forth in Texas Education Code 44.031(j) and (k) and District policy. The vendor's sole source claim must then be reviewed, researched, and approved by the District's Sole Source Committee to be added as a sole source vendor.

Qualification for Sole Source are the following:

Without complying with Subsection (a), a school district may purchase an item that is available from only one source (not provided through distributors or dealers), including:

- An item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly
- A film, manuscript, or book
- a utility service, including electricity, gas, or water; and
- A captive replacement part or component for equipment.
- The exceptions provided above do not apply to mainframe data-processing equipment and peripheral attachments with a single-item purchase price in excess of \$15,000. Texas Education Code 44.031 (See Exhibit C)

The following will not be considered acceptable for inclusion as a sole source vendor by the District:

- Services are not included in the statute and must be procured through other appropriate means.
- A product with a patent that does not change the intent or output of an item
- A product that is marketed through two or more distributors or has two or more outlets for purchasing the product.
- Regional contracts between a manufacturer and a vendor that limits other vendors from selling the same product to the District.

As stated above, all vendors must resubmit their sole source form to the District every two years. A prospective sole source vendor must complete the vendor Sole Source form and submit it to the Purchasing Department for review. Upon receiving the form, the Purchasing Department will perform a



reasonable amount of research (e.g. internet searches, knowledge of potential competition, etc.) to validate sole source claims during the initial phase of approving a vendor for sole source status.

#### Sole Source Committee

The sole source evaluation committee shall include procurement officers, purchasing manager, purchasing director, and end-user department. The committee will evaluate sole source packets submitted by vendors on a quarterly basis. If approved, the vendor will be listed as a sole source for the two periods on the UISD vendor search engine.

Any purchase using the sole source procurement process and using Federal Funds must have the vendor submit a Texas Education Agency Request for Noncompetitive Procurement (Sole Source) Approval to TEA. Should the vendor's application be approved by TEA, a purchase order may be created.

#### Professional Services

The engagement or contract of any professional service, such as a licensed physician, optometrist, surgeon, architect, certified public accountant, land surveyor, registered engineer, or any group or association thereof may not be selected or awarded a contract for services on the basis of competitive bids, but shall be selected and awarded or engaged on the basis of demonstrative competence and qualifications for the type of professional services to be performed at a fair and reasonable price as long as professional fees are consistent and not higher than the published recommended practices and fees of the various applicable professional associations and do not exceed the maximum provided by any state law.

In the procurement of professional services, such services shall be contracted on the basis of a two-step process.

1. Initial selection shall be based on demonstrated competence and qualifications of the person, including any firm who is to provide the services.
2. After a selection is made a contract shall be negotiated at a fair and reasonable price.

If a contract is not negotiated with the most highly qualified person, negotiations shall be formally ended with that person and negotiations should begin with the second most highly qualified person. Negotiations shall be undertaken in the above sequence until a contract is made. Govt. code 2254

#### Pre-Paid Purchases

No prepayment for equipment or services will be allowed.

#### Emergency Purchases

In emergency situations, the Superintendent may approve, to the extent permitted by law, the purchase of supplies, equipment, or services for less than \$50,000 without the quote requirement. Such emergency purchases shall be disclosed to the Board at the next regularly scheduled Board meeting.

#### Emergency Damage or Destruction



If school equipment or a part of a school facility or personal property is destroyed or severely damaged or , as a result of an unforeseen catastrophe or emergency, undergoes major operational or structural failure, and the board of trustees determines that the delay posed by the methods provided for in this section would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment or the part of the school facility may be made by methods other than those required by this section Education Code 44.031. Education Code 44.031(h)

#### Lease Purchase Agreements

Leasing equipment is an option that should be considered when it is to the best interest of the District. If a department prefers to lease, the department should include in their requisition the reasons why a lease purchase is preferred. A comparative analysis between a lease purchase and an outright purchase is always very helpful and should be provided. Such comparison should include all operating costs related to the operations of the equipment for the term of the lease, including supplies, maintenance costs, and interest rates. Lease purchase requests should be submitted at least sixty days prior to the start of the contract.

#### Equipment Purchases

Equipment purchases are a result of the annual budget process. As departments prepare their budgets and submit them for approval, their equipment needs are separated and placed in an equipment-prioritized list. Once the prioritized list is funded it becomes the “Equipment Approved List” from which departments prepare requisitions and submit them to Purchasing. Equipment needs during the rest of the year must be submitted through channels to the Assistant Superintendent of Business/Finance. Once the equipment is approved, the equipment is purchased.

#### Computers-Hardware, Software and Maintenance

Requests for computers and related equipment, such as software and maintenance must be coordinated and approved by the Technology Department regardless of funds used. Prior to preparing a requisition, a department should contact the Technology Department to discuss their needs. Once their needs are identified, a requisition should be prepared and submitted to the Technology Director for approval. Approved requisitions will be forwarded to Purchasing.



### Online Purchases

Online purchases are not allowed. The only online purchases that are allowed by the District are purchases from Amazon. All Amazon purchases need to be submitted and approved by the designated Procurement Officer.

### Used Equipment Purchases

Used equipment purchases must include a cost analysis and benefit that must be submitted to the Purchasing Department for approval.

### Maintenance and Repair Services

When a department needs to secure services for maintenance and/or repairs, the requisition should list the equipment needing service, service required and the estimated cost. Repairs to telephones, computers and related equipment should be coordinated with the Technology Department. Repairs to building; equipment attached to buildings such as air conditioning and heating, lighting, and grounds should be coordinated with the Maintenance Department. Repairs for vehicles should be coordinated with the transportation department. Repairs for all other office equipment and furniture should be coordinated with Purchasing.

## **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 Risk Management Department 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 may use federal grant funds to purchase intangible property, subject to the CFR 200.315. The federally-funded equipment shall be used only for the authorized purposes and shall be disposed of, at the end of the useful life or end of the grant period, in accordance with the grant award guidelines. The district shall/shall not use the federally-funded equipment to generate program income. The federally-funded supplies and intangible property shall be used only for authorized purposes **[2 CFR 200.1]]**.

Items of equipment with a current per-unit fair market value of \$5,000 or less may be retained, sold, or otherwise disposed of with no further obligation to TEA. After receiving written authorization from TEA, items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained or sold. The grant must be credited and a refund must be submitted to TEA for the fair market value of the equipment. The refund will then be returned by TEA to Federal government.

Any residual (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. Otherwise, the supplies shall be retained by the district or sold, but must reimburse the granting agency for the district use or sale of the supplies. The district shall implement purchasing deadlines for the purchase of federally-funded supplies



to ensure that residual supplies are not available at the end of the grant period or project. The purchasing deadlines are communicated to Grant Administrator by the Division of Business and Finance.

#### Capitalization Policy and Definitions

The district shall utilize the same capitalization policy for non-grant and grant-funded asset purchases. The district's capitalization threshold for assets is \$5,000 per unit cost. The district has adopted the EDGAR **(CFR 200.1)** definitions of property as noted below:

- *Capital assets* means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. (CFR 200.12).
- *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 200.1)**
- *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 200.1)**
- *General purpose equipment* means equipment which is not limited to research, medical, scientific or other technical activities.
  - 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 200.1)**
- *Special purpose equipment* means equipment which is used only for research, medical, scientific, or other technical activities.
  - 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 **§200.1** 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 200.1)**

#### Acquisition Cost

The district has also adopted the EDGAR definition of acquisition cost as noted below:

- *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 fixed asset database.

The district has also defined "inventory items" as items with a unit cost between \$1,000 and \$4,999. These items shall have a tag affixed to the item for inventory tracking and insurance purposes only. Inventory items shall include computing devices within these costs. The district shall track these items for insurance purposes and shall conduct a bi-annual inventory of these items to the extent possible.



The district has also defined technology-related “walkable” or “personal use” items with a unit cost less than \$1,000 as the following (these items are the responsibility of the acquiring or assigned campus or department).

- Mobile Learning Devices
- Computers with a cost under \$1,000
- Other: Printers, scanners, laptops

## Identifying and Tracking Federally-Funded Assets

Title to federally funded equipment and supply purchases shall be retained by the district, unless otherwise notified by the granting agency. As district property, the district shall affix a tag, inventory, and dispose of all assets (non-grant and grant-funded) according to the district’s fixed asset procedures. The district procedures shall include the recording of all assets on a database with the following information:

1. District-issued tag (or identification number)
2. Date of acquisition
3. Description of asset
4. Serial number, or other identifying number
5. Funding source, i.e. fund code
6. Federal use of asset (percentage)
7. Cost of asset (acquisition cost)
8. Use and condition of the asset (New, Used, etc.)
9. Life of asset
10. Location of asset (building and room number)
11. Depreciation of asset
12. Owner of asset title, typically the district

### Maintaining Asset Inventory & Records

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 a bi-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 2 years.] The district’s bi-annual inventory of assets shall be conducted by the Fixed Assets Department. Lost, damaged, or stolen assets shall be recorded on the fixed assets database with the date of the loss. The disposition records such as the loss report (police report for thefts) shall be maintained with the asset records.

In addition, the district shall track all grant-funded asset purchases by grant, or fund code, as appropriate. The disposal of grant-funded assets shall be in accordance with federal guidelines and grant-specific guidelines, if any. At a minimum, the disposition date, reason and sale price of all federally-funded assets shall be recorded in the fixed assets database.

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.

The Fixed Assets Department along with the Comptroller’s Office shall be responsible for maintaining the fixed asset database of all district assets, including all federally-funded assets.



## 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 the district policies and procedures. The district shall adhere to the Cost Principles for federal grants [EDGAR SUBPART E] and any additional grant-specific cost principles. General criteria affecting the allowability of costs includes, but may not be limited to, the following: **[2 CFR 200.403]** and **[2 CFR 200.320(b)(7)]** The general principles of EDGAR state that:

- Costs must be reasonable and necessary **[2 CFR 200.404]**
  - 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 **[2 CFR 200.405]**
- 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 the 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 the net of all applicable credits. **[2 CFR 200.406]**
- Be adequately documented.

The District's EDGAR Form (found within the Purchasing Department forms under "For Staff" on the USD website) will be utilized to verify that all proposed obligations and expenditures meet the Cost Principles. If the EDGAR Form reflects that the proposed obligation and/or expenditure are 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 the 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. 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 Division of



Business and Finance shall ensure that all 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.

The District's indirect cost rate is determined by TEA based on documentation presented in the indirect cost rate proposal submission. The TEA assigned indirect cost rate is also the federally accepted indirect cost rate.

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 Grant Administrator and Division of Business 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 or TEA. 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.

### **Compensation & Benefits – Employee (Payroll Expenditures)**

Compensation and benefits (payroll expenditures) are allowable costs for 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 **[2 CFR 200.430(a)(1)]**,
- The employees have been employed in accordance with the district's established Hiring Procedures **[2 CFR 200.430(a)(2)]**, and
- The costs are supported by the appropriate timekeeping, absence tracking, time & effort certifications or other documentation **[2 CFR 200.430(a)(3)]**, as appropriate,
- All district 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 **[2 CFR 200.430(c)]**,
- 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 **[2 CFR 200.430(f)]**,
- Stipend compensation for other non-federal grant award duties shall be supported by a Non-Contractual Supplemental ("NCS") Duties Agreement and Pay Form, and/or Notice of Assignment of Exempt Personnel to Supplemental Duty. The additional duties shall not conflict with the federally-funded activities with the district.



## 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 Board Policy
- 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 the 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 previous 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. These shall be supported by the following documentation:

- Exempt staff
  - Employment agreement, contract, or reasonable assurance, as appropriate
  - Job description signed by the employee
  - Supplemental duties, if any, shall be supported by a Non- Contractual Supplemental Duties ("NCS") Agreement and Pay Form and/or Notice of Assignment of Exempt Personnel to Supplemental Duty.
  - Absence records , if any
  - Time and Effort documentation, as appropriate through a Semi-Annual Certification and/or an approved "substitute system"
- Non-Exempt staff
  - Employee Reasonable Assurance of Employment Form
  - Job description signed by the employee
  - Absence records, if any
  - Time and Effort documentation, as appropriate through a Semi-Annual Certification and/or an approved "substitute system"
  - Timekeeping records (actual work hours per workweek) in accordance with the FLSA and the district's Kronos Guidelines.
  - Other

The Human Resources Department shall ensure that the Role ID and object codes reflected on the grant application are consistent with the Human Resources and PEIMS records.



## Selection of Grant-Funded Staff

The Grant Administrator shall work collaboratively with the appropriate stakeholders (campuses and departments) to identify all staff needed to accomplish the grant activities. The Grant Administrator shall obtain written Superintendent approval for the inclusion of grant funded staff prior to the completion of the grant application. The Division of Business and Finance and Human Resources will work collaboratively to provide estimated salaries for proposed grant-funded staff prior to the completion of the grant application. The Human Resources shall provide a copy of the Personnel Funded with Federal Funds (Payroll Summary) of each grant program to the Grant Administrator. The Grant Administrator shall provide the number of full time equivalents (FTE) to each of the campuses and departments noted above upon approval of the grant application.

The process of approving payroll expenditures from grant funds shall be a collaborative process between Human Resources Department, Grant Administrator, and Division of Business and Finance. Each campus and/or department plays an essential role in ensuring that all federal grant requirements are met. The School Board approved Compensation Plan 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 district staff whether paid from local, state or federal grant funds.

The 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. 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 returning incentive for approved campuses, 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. Information of federally funded staff FTEs is available from the Human Resources Department.

### New Positions

New grant-funded positions shall be created only when a job description has been developed by the Human Resources Department and the Grant Administrator, and approved in writing by the Superintendent or designee. The Grant Administrator shall ensure that the position is approved on the grant application and that adequate funds exist to fill the position. The Division of Business and Finance and Human Resources Department shall be notified 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 employment of an employee, the home campus or department of the position shall initiate a request to replace the position using the Position/Action and Recommendation Form (PAR Form). The Human Resources Department shall review the request to ensure that the position is still authorized and necessary and that the appropriate account code(s) remain the same. This is done to ensure the funds appropriated are sufficient for budget purposes. Changes to the job description, if any, shall be made at this time. After approval from the Grant Administrator and Division of Business and Finance, the Human Resources department shall advertise the position.

The screening and selection process 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. The PAR Form will be used to start the process.



Upon employment, the new hire shall receive and sign a copy of his/her contract that includes a special funding provision for employment in a federal funded position. 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

The District's Transfer and Reassignment Guidelines are used when transfers are available or necessary. When staff in a position funded with grant funds is recommended for transfer to another campus, department, or assignment, the Human Resources Department determines the staff needs based on the District's Staffing Guidelines. The Grant Administrator, Human Resources Department, and Division of Business and Finance shall work collaboratively to ensure that the appropriate staff allocations and funding changes are made at the time of the transfer.

#### Substitute Teachers

Salary expenditures for substitute teacher are allowable for approved teacher positions. The Division of Business and Finance shall ensure that the expenditures for substitute teacher costs are budgeted and expensed from the appropriate account code(s). Substitutes hired for federally funded teacher positions must meet the ESSA Highly Qualified Requirements and/or other grant requirements in order to be paid from grant funds. The School-Board approved Compensation Plan shall be used to compensate all substitute teachers whether paid from local, state or federal grant funds.

#### Stipends and Extra Duty Pay

Stipends may not be paid with grant funds.

Extra duty pay expenditures are allowable for authorized and approved activities. A schedule or work log shall be maintained to substantiate the stipend and/or extra duty pay. The School-Board approved Compensation Plan shall be used to compensate for all stipends and extra duty pay. The Division of Business and Finance shall ensure that the expenditures extra duty pay are budgeted and expensed from the appropriate account code(s). The extra duty pay rates shall be the same as the rates used for similar locally funded activities.

### **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, Grant Administrator, Human Resources Department, and Division of Business and Finance shall be aware of the federal guidelines related to time and effort documentation. All impacted staff shall be trained by the Grant Administrator at the Annual Budget Training and/or attend appropriate training from an outside source.

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 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 job duties as they relate to the grant position. The grant-funded staff shall sign the job description on a semi-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. Furthermore, a payroll authorization form will be completed by Human Resources Department indicating the funding source (i.e. budget code) and percentage of salary allocated to the funding source.

The job description and assignment shall be supported by documentation created in the normal course of their job responsibilities relevant to their position.

#### Roster of all grant funded staff

The Grant Administrator shall maintain an up-to-date roster of all grant funded staff to include the position title, annual salary, 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 home campus or department, Human Resources, and the Division of Business and Finances shall work collaboratively to ensure that the roster accurately reflects that data maintained in their respective area of responsibility. Discrepancies, if any, in the roster shall be brought to the attention of the Grant Administrator.

The review of the roster shall include, but not be limited to the following:

1. Campus or department – ensure that the grant funded staff are assigned in the position title as noted on the roster. The master schedule or assignment of instructional staff must support the position title and funding source.
2. Human Resources – ensure that the position title and salary are correct as noted on the roster. In addition, the Grant Administrator shall ensure that each grant funded staff member has a signed job description on file for the position title noted on the roster. And, the HR department shall ensure that all grant-funded staff meet the state's Certification or are Highly Qualified, as appropriate.
3. Finance – ensure that the funding source(s) and salary are correct as noted on the roster. In addition, the Division of Business and Finance shall ensure that the payroll distribution account code(s) are in accordance with the FASRG.
4. Grant Administrator – ensure that the positions are authorized on the grant application and that the PEIMS Staff Data submitted to TEA is consistent with the position title, Role ID and object code.

The review shall occur on at least a semi-annual basis throughout the school year to ensure that the roster of grant funded staff is accurate and up-to-date throughout the year. It is critical that at least one of the reviews 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 shall be the basis for budgeting of grant funded staff. The percentage of time in each funding source shall be utilized by the Division of Business and Finance 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 Grant Administrator shall ensure that the Grant Personnel Schedule of the grant application matches the budget and payroll account code(s).

The Grant Administrator, Human Resources and the Division of Business and Finances 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 Semi-Annual Certification Form and/or an approved “substitute system”.

The timeline for semi-annual certifications shall be once per academic semester to coincide with teaching assignment each semester.

The Grant Administrator review shall consist of the following:

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

The Grant Administrator shall collect and review all Semi-Annual Certification Forms. Any certifications that reflect a percentage other than 100% shall be forwarded to the Division of Business and Finance for adjustment of the grant payroll expenditures for the certification period. 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 Administrator shall file the certifications for audit purposes.

The Division of Business and Finance shall prepare a journal ledger entry to correct the account distribution code(s) as appropriate. The Division of Business and Finance shall post the entry to the finance general ledger.

Time and effort requirements for staff split funded (funded from more than one (1) cost objective and/or grant programs)

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

1. Do not work 100% of their time in a single grant program
2. Work under multiple grant programs
3. Work under multiple cost objectives

These employees are required to maintain a Time and Effort Worksheet or to account for their time under a substitute system. Employees must prepare time and effort reports at least monthly to coincide FFF 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 preparation and submittal of the interim expenditure report required for TEA discretionary grants.

Grant-funded staff under this category shall complete a Time and Effort Worksheet to include the date, grant source, percentage worked in the grant source per day and the summary for the month (or pay cycle). The staff member and his/her immediate supervisor shall sign the time and effort report. The timeline for time and effort reports shall be once per month to coincide with the monthly payroll cycles.

The immediate supervisor shall submit all signed time and effort reports to the Grant Administrator.



The Grant Administrator review shall consist of the following:

1. A review of the time and effort reports to compare the summary percentage of grant-related work per funding source to the budgeted percentage utilized to charge the monthly (or semi-monthly) payroll charges.
2. A test sampling of staff assignments, i.e. master schedule, duty schedule, etc. to verify the percentage of grant-related work per funding source.
3. If the time and effort report reflects the same percentage, the report may be filed for audit purposes.
4. If the time and effort report reflects a different percentage, the report shall be reconciled to reflect the correct payroll charges by grant funding source and forward the reconciliation to the Division of Business and Finance for adjustment of the payroll charges on the general ledger.

The Division of Business and Finance 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 Division of Business and Finance shall post all variances to the general ledger; otherwise, the variances shall be posted prior to the final expenditure report.

#### Time and 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.

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 Division of Business and Finances are aware of the requirements of this system.

### **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 Division of Business and Finance and Grant Administrator for each respective grant program, as appropriate.

#### 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 can be accessed through the District's website as a resource when expending federal grant funds.

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

#### Local Guidelines Related to Unallowable Costs



The district has not developed local guidelines related to unallowable costs with federal grant funds. The district follows the new EDGAR regulations.

#### Selected Items of Cost – Professional Services

### **Contracts and Professional Services with Grant Funds**

All contracts and professional services agreements shall be reviewed and approved in accordance with the district guidelines for all non-grant funds.

A *contract* is defined in EDGAR as a legal instrument by which the district purchases property or services needed to carry out the project or program under a federal grant award **[2 CFR 200.1]**.

*Professional services* are defined in the Texas Government Code (Chapter 2254) as services within the scope of the practice or accounting, architecture, land surveying, medicine, optometry, professional engineering, real estate appraising or professional nursing. In addition, it includes professional services in these areas by a person who is licensed or registered in the state.

Other *contracted services* shall be defined as services by a non-employee or entity that do not meet the professional services definition.

The district's Service Provider Guidelines shall be adhered to in procuring, evaluating, selecting and awarding contracts. The vendor shall complete the Professional Services Package to include, at a minimum, the following documents:

- Request for Service Providers W-9 Form for vendor identification and tax purposes
- Contract
- Conflict of Interest Questionnaire
- Felony Conviction Notice
- Criminal Background and Fingerprinting (if working directly or indirectly with students)
- Certificate of Insurance (with the District as an additional insured) if services will be rendered on district property
- Vendor Acknowledgement Form

In addition, the Grant Administrator shall review and approve all consultant services agreements for compliance with federal regulations regarding professional service costs (2 CFR 200.459). The Grant Administrator and/or Division of Business and Finance review shall consist of the following:

1. Consultant and/or contractor has not been suspended or debarred (contracts greater than \$50,000)
2. The contract and/or funds have been approved in the grant application, if specific approval is required from the granting agency
3. The contract's nature and scope of service is directly related to the federal grant award activities
4. The contract does not contain any proposal costs [not allowable under federal regulations]
5. Whether the proposed contracted services can be performed more economically and/or appropriately by direct employment rather than contracting
6. Capability of the proposed vendor to perform the required services
7. 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.]



8. The contract and/or consultant agreement meets the allowable costs principles
9. A contract subject to Davis Bacon has the appropriate contract language
10. The contract and/or consultant agreement fee for services do not exceed any federal grant or local limits
11. Exceptions to above - IDEA Provisions for Independent Educational Evaluations (see exhibit 2) effective March 8, 2019.

The Grant Administrator shall review and approve all contracts. The review shall consist of the district's guidelines 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 date the district executes (signs) a contract for service provider 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 district contracts for service providers (professional services) to be 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:

1. The contract is only effective upon receipt by the district of the NOGA from the awarding agency.
2. The contract period is aligned to the grant period of availability as stated on the NOGA from the awarding agency (period of availability).
3. All services will be completed during the effective dates of the contract.
4. All services will be invoiced 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.
5. The regulations for procurement in **2 CFR 200.318-327** are followed in issuing the contract.
6. All professional services provided under the contract will follow the provisions of **2 CFR 200.459** Professional service costs.
7. 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.
8. 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.
9. The administrative costs charged to the grant in the contract must comply with any limitations for administrative costs for funding sources (if applicable).
10. 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.
- All contracts must contain applicable provisions described in *Appendix II to Part 200 Contract Provisions for non-Federal Entity Contracts Under Federal Awards* [2 CFR 200.327].

## Approval of Grant Purchases and Expenditures

The district shall adhere to the normal approval path for purchase orders with non-grant funds.

In addition, all purchase orders with grant funds shall be reviewed and approved by the appropriate Division of Business and Finance and the Grant Administrator.

The Division of Business and Finance and the Grant Administrator review shall consist of the following:

1. The expenditure is *reasonable* and *necessary* and *allocable* (as defined in the federal cost principles (2 CFR 200-Subpart E). A test of whether an expense is necessary may include the verification that the expenditure is to perform a strategy or activity in the District or Campus Improvement Plans.
2. The expenditure is not required by state law or local policy.
3. The expenditure has been approved in the grant application, if specific approval is required from the granting agency.
4. The expenditure meets the allowable costs principles.
5. The expenditure is allowable, allocable and approved in the grant application and is consistent with the grant purpose.
6. The expenditure is supplemental and not supplanting a local expenditure.
7. The expenditure has been competitively procured as required by law, as appropriate.
8. The expenditure has been approved by the governing body, as appropriate.

In an effort to meet all obligation and liquidation requirements of grant funds, generally in January of each year campuses and departments are notified of the upcoming budget deadlines and the requirement to spend the funds to benefit the current school year/grant period. The Division of Business and Finance will then review expenditures and encumbrances periodically to ensure all requirements are met.

In addition to the normal approval path of district expenditures, all grant expenditures shall be approved by the Division of Business and Finance and/or Grant Administrator under the following circumstances:

1. Invoice amount exceeds the purchase order by 10%
2. 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
3. Travel expenditures [2 CFR 200.475]
4. Non-purchase order payments, including reimbursements.
5. Reclassification of a prior expenditure from one account code(s) to another

All Division of Business and Finance 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



The district may choose to use purchase cards (credit cards) for federal grant purchases. **2 CFR 200.320(a)(1)(ii).**

The district may use district-issued credit cards to make purchases with federal grant funds. Currently, campuses and departments only have access to credit cards for Sam's Club, Wal-Mart and HEB. The Purchasing Department has procedures in place for the use of each of these cards. Local procedures require that a purchase order be issued prior to the use of these credit cards. The only other credit card in the district is under the administration of the Superintendent. District employees may be allowed to use this card only for emergency or unforeseen circumstances and only as approved by the Superintendent.

An original, detailed receipt shall be required for all credit card purchases with federal funds. If an original, detailed receipt is not available, a duplicate receipt will be accepted. If the purchaser does not submit an original or duplicate, 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 Administrator shall review and approve all credit card expenditures.

The Grant Administrator review shall consist of the following:

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

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

Fraudulent credit card 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 2 days from the date of discovery) restitution to the district. The fraudulent or accidental charges may not be charged to a federal grant fund, nor drawn-down as expenditures.

### **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 [**2 CFR 200.475**], the State Tex-Travel Guidelines, School Board Policy and the district's travel guidelines. The District uses the Government Service Administration per diem for lodging and out of state meal rates. If city or county is not listed, then the District uses the State Room rate.

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 grant funds for staff, student and/or parent travel, as appropriate.

- A completed Travel Request Form/Settlement Voucher for all travel
- Registration fees – registration fees shall be allowable if the event is related to grant activities. Registration fees may not be paid from the current grant period for an event during the next grant period. 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. Certificate of Completion or Attendance is required.

- 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 be paid at a per-diem rate or prorated rate in accordance with local travel guidelines. The district shall advance or reimburse meal expenses on an *accountable* per diem basis only in accordance with local travel guidelines. The traveler shall submit a written certification Settlement Voucher with the actual meal costs for work-related meals, or shall return the unused meal funds to the district. 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 expenses shall be allowed for *reasonable* expenses such as flight, rental car, taxi, shuttle, mileage reimbursement, etc. (in accordance with local travel guidelines) and federal grant regulations [2 CFR 200.475(e)]. 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 such as spouses. The district shall not allow any “family-friendly” travel expenditures, such as dependent care travel costs, with federal grant funds[2 CFR 200.475(c)(1)].

The Division of Business and Finance and the Grant Administrator shall review and approve all travel-related expenditures paid with federal grant funds. The review shall consist of the following:

1. All original, detailed receipts include an itemized list of what was purchased (at the time of settlement)
2. The traveler has documented a valid reason for the travel which is consistent with the grant guidelines and purpose
3. The travel expenditures meet the allowable cost time and e principles.
4. The travel is not for the Superintendent or other individual (non-employee such as family member, School Board, etc.).
5. The travel is for students during an educational field trip or other approved activity in accordance with grant guidelines and purpose
6. The travel is not for a contractor or consultant for their professional development
7. The travel was approved by the granting agency, as appropriate (for example: out-of-the-country travel)

## Preparing Expenditure Reports & Draw-Down of Funds

### Draw-down of Grant Funds

The district shall at least monthly, 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 for all expenditures to date, less grant funds received to date, as verified by a financial general ledger. The expenditures shall be net of all refunds, rebates, discounts, credits, and other adjustments, if any. In addition, the district may not draw down more cash than necessary.



If the district has opted to operate under a cash reimbursement program guidelines, the district shall submit a draw-down of federal grant funds only when the following has occurred:

- The expenditure has been made as evidenced by the distribution of a paycheck to a grant funded staff member or mailing, ACH, 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 Division of Business and Finance. A detailed summary 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. If the district has funds available for draw-down, a detailed general ledger should be generated and forwarded to the Division of Business and Finance for their review and approval and shall be made available to the Grant Administrator upon request.

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 Division of Business and Finance review shall consist of the following:

1. A review of the detailed general ledger for any unusual charges or reclassification of expenditures
2. A test sampling of either unusual or large expenditures to ensure that the expenditures were reviewed and approved by all designated staff
3. 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.]

Upon approval from the Grant Administrator, the Division of Business and Finance, 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 and other supporting documentation shall be filed for audit purposes. Division of Business and Finance shall prepare the journal ledger entry and the Division of Business and Finance shall post the to the finance general ledger, while ensuring segregation of duties.

If manual approval of an electronic draw-down is required by the granting agency, the Division of Business and Finance shall comply with the manual 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 Division of Business and Finance shall respond to the request within the allotted time to avoid designation as a “high risk” grantee.

The Division of Business and Finance shall be responsible to ensure that the requested draw down amount does not exceed a grant-specific draw-down amount, or percentage.

The final draw-down of grant funds from the granting agency shall be made within the allowable time frame. 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 drawdown request. 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 fiscal reports or vouchers requesting payments be signed by the authorized individual(s). The Division of Business and Finance shall jointly certify every draw-down of funds, including 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 Division of Business and Finance, shall contact the granting agency to determine if a process exists to request a filing deadline extension. 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. The revenues realized and the expenditures should be equal at the time of the final draw-down of grant funds.

#### Receipt of Grant Funds

All district staff, especially those assigned with federal grant duties, shall adhere to the Cash Management Procedures. Specifically, all cash received by the district shall be deposited, recorded reconciled by multiple individuals to ensure segregation of duties.

The district shall record all grant fund receivables upon receipt from the granting agency. The receipt of grant funds shall be posted to the general ledger to the appropriate receivable account code. In the event that the grant funds received do not match the recorded receivable, the Division of Business and Finance shall contact the granting agency to determine 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 Division of Business and Finance shall prepare the adjusting journal ledger entry and the Division of Business and Finance shall post the entry to the finance general ledger, while maintaining appropriate segregation of duties.

The district will not maintain grant funds in a separate bank account.

The district has elected to draw down federal grant funds under the cash reimbursement program guidelines, i.e. after the delivery of the payment to the payee. No interest shall be earned, recorded, nor returned to the granting agency as a result of the cash reimbursement program.

#### Tracking and Recording Receivables

On at least a monthly basis, the Division of Business and Finance shall review all pending receivables. Aged receivables, defined as greater than 60 days from the date of recording, 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 Division of Business and Finance shall prepare the journal ledger entry and the Division of Business and Finance shall post the entry to the finance general ledger, while maintaining appropriate segregation of duties.



## 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 term —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. [\[TEA Supplement, Not Supplant Handbook, 2019\]](#)

The district process to ensure that all grant funded activities are supplemental shall be a collaborative effort between the Grant Administrator and Division of Business and Finance. Both departments shall receive training and be aware of the supplement not supplant provisions.

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

1. The grant funds will be used to enhance, expand, or extend required activities.
2. 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
3. The grant funds will be used to supplemental grant activities as noted on the DIP or a CIP.
4. Other

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

STATEMENT of the SUPPLEMENT. NOT SUPPLANT METHODOLOGY (as of school year 2018-19)-See Exhibit 1, pg 62.

### 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 (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 Division of Business and Finance is responsible for compliance with the comparability requirements. The Executive Director of Federal and State Programs shall conduct the comparability calculations on an annual basis and complete the Title I Part A Comparability Assurance Document (CAD). If the district



determines that it is exempt from the comparability requirements, the Division of Business and Finance and the Grant Administrator shall note the exemption on the CAD and submit it to TEA. If the district is not exempt, the Grant Administrator shall complete and submit the Comparability Computation Form (CCF) to TEA by the mid-November annual deadline.

In completing the CAD and CCF, the Executive Director of Federal and State Programs shall follow the process outlined below [and illustrated on the workflow]

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 Division of Business and Finance. After review and approval by the Division of Business and Finance and the Executive Director for Federal and State Programs, the CAD and CCF should be forwarded to the Superintendent for signature.
  - f. Submit the CAD and CCF through the Grants Administration Department to TEA by the deadline.

If TEA determines that the district is non-compliant, the Executive Director for Federal and State Programs and the other applicable UISD departments shall work collaboratively to address the noncompliance. In addition, the district shall adjust the budgets as appropriate until the district is in compliance with the comparability requirement.

## Indirect Cost

Grantees must have a current, approved federal indirect cost rate to charge indirect costs to the grant. The indirect cost rate is calculated using costs specified in the grantee's indirect cost plan. 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 Division of Business and Finance shall complete and submit an Indirect Cost Rate Proposal by the established deadline as specified by the pass-through 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 Division of Business and Finance shall prepare a general ledger entry for the indirect costs. The Division of Business and Finance shall post the entry to the finance general ledger, while ensuring appropriate segregation of duties.

## 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 Division of Business and Finance, shall compute the MOE using the TEA [ESSA LEA MOE Determination Calculation Tool](#) during the budget adopted 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 Division of Business and Finance shall plan for the reduction of grant funds at the local level. If the ESSA MOE falls below the required level, the finance and grant management departments 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 Division of Business and Finance, shall compute the MOE using the [TEA IDEA-B LEA MOE Calculation Tool](#) during the budget adopted 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 Division of Business and Finance shall plan for the reduction of grant funds at the local level. If the IDEA-B MOE falls below the required level, the finance and grant management departments shall collaborate to develop a plan to bring the district into compliance with the MOE requirements.

NOTE: The Division of Business and Finance 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 should 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 Administrator will need to know the prior year Special Education expenditures and the next fiscal year budgeted Special Education Expenditures. The Division of Business and Finance shall provide these amounts to the Grant Administrator to ensure that the most accurate amounts are reflected in the grant application. Changes to these amounts, as they are known, by the Division of Business and Finance, shall be submitted to the Grant Administrator, as appropriate.

### **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:

1. Programmatic reports such as activity, progress and evaluations – Grant Administrator
2. Expenditure reports such as interim, draw-down and final expenditure reports – Division of Business and Finance



3. Compliance reports such as Comparability, Maintenance of Effort, Indirect Cost, etc. – Division of Business and Finance and Grant Administrator
4. Highly Qualified Staff reports – Human Resources Department

The Grant Administrator shall monitor that all reporting requirements have been completed by the appropriate campus and/or department.

An illustration of the ESSA Consolidated Application for 2020-2021 Critical Events are noted below:

Critical Events			
Grant Description	Event	Reporting Period	Due Date
All	ADC Availability Date	-	05/15/2020
All	Application Availability Date	-	06/02/2020
All	Application Due Date	-	09/03/2020
All	Last Amendment Due Date	-	06/02/2021
Title I, Part A	Revised Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title I, Part C Migrant	Revised Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title I, Part D Subpart 1	Revised Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title I, Part D Subpart 2	Revised Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title II, Part A	Revised Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title III, Part A ELA	Revised Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title III, Part A Immigrant	Revised Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title IV, Part A - SSAEP	Revised Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title I, Part A	Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title I, Part C Migrant	Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title I, Part D Subpart 1	Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title I, Part D Subpart 2	Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title II, Part A	Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title III, Part A ELA	Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title III, Part A Immigrant	Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021
Title IV, Part A - SSAEP	Final Expenditure Report	07/01/2020-09/30/2021	11/01/2021

## Grant Monitoring and Accountability

The district shall ensure that all grant funds are consistently monitored throughout the grant period[**2 CFR 200.329**]. 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 Administrator for each federal grant shall be responsible for the programmatic and evaluation compliance and the Division of Business and Finance shall be responsible for the financial compliance. The use of “Grant Administrator” throughout this document shall refer to the specific Grant Administrator of the project detailed in the federal grant as per the District Organization Chart.

The Grant Administrator shall monitor the timing of grant activities throughout the grant period, especially as they relate to the desired outcomes. The Division of Business and Finance shall monitor the timing of grant expenditures, especially 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 Administrator and Division of Business and Finance shall work collaboratively to develop an action plan to ensure that the federal grant goals are met.



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.

Auditing findings or deficiencies shall be addressed in a timely manner upon receipt of the notification [ **2 CFR 200.329(b)(1)**]. The Division of Business and Finance, Human Resources, and Grants Administration staff 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 noncompliance 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[**2 CFR 200.344**] . 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
- Other

The Grant Administrator must ensure that all grant close-out provisions are met on a timely basis and resolved with the awarding agency to avoid a termination of the grant award.

Under **2 CFR 200.344(h)**, if the non-Federal entity does not submit all reports in accordance with this section and the terms and conditions of the Federal Award, the Federal awarding agency must proceed to close out with the information available within one year of the period of performance end date.

### Grant Awards

List of Federal and State Grant Awards are available from the applicable Grant Administrator.



## Forms, Exhibits & Procedures

Document	Department and/or Link	Page
District Organizational Chart	<a href="#">UISD Organizational Chart</a>	
Exhibit 1 - Statement of the Supplement, Not Supplant Methodology	Federal and State Program/Division of Business and Finance	62
Exhibit 2 - IDEA Provisions for Independent Educational Evaluation	Special Ed Department	63
Consolidated Grant Application Process	Federal and State Program	64
Discretionary Grant Application Process	Grants Administration Department	65
OMB New EDGAR Regulations	<a href="#">New EDGAR Federal Regulations</a>	
TEA Prior Approval and Disclosure Forms	<a href="#">TEA Prior Approval &amp; Disclosure Forms</a>	
UISD Board Policies	<a href="#">UISD Board Policies</a>	
Educators' Code of Ethics DH Exhibit	<a href="#">Educator of Ethics</a>	
Comptroller's Office Documents	<a href="#">Comptroller's Office Website</a>	
Federal & State Programs Documents	<a href="#">Federal &amp; State Programs Website</a>	
Grants Administration Documents	<a href="#">Grants Administration Website</a>	
Purchasing Department Documents	<a href="#">Purchasing Department Website</a>	
Curriculum & Instruction Documents	<a href="#">Curriculum and Instruction Dept. Website</a>	



# Exhibit 1

## STATEMENT of the SUPPLEMENT, NOT SUPPLANT METHODOLOGY

(as of 2018-19 school year)

In accordance with the United States Department of Education (USDE) Title I Part A Supplement, Not Supplant requirement under ESSA, United Independent School District (“UISD” or the “District”) has adopted the following methodology to ensure that all Title I, Part A funds are utilized to supplement the funds that would, in the absence of such Title I, Part A funds, be made available from State and local sources for the education of students participating in programs assisted under Title I, Part A, and not to supplant, such state and local funds. Furthermore, UISD will not use federal funds to provide services required by state law, State Board of Education rule or local policy.

### METHODOLOGY

#### STATEMENT OF THE METHODOLOGY:

The District allocates state and local education funds to the campuses based on the number of students enrolled **per grade span** for regular funds and uses a formula based on a **weighted per-pupil** amounts for Bilingual and State Compensatory funds. The District ensures a fair and equitable distribution of state and local funds to all campuses, regardless of their Title I status.

#### CRITERIA USED IN METHODOLOGY:

The **Regular allocation** is based on the campus projected enrollment multiplied by the percent of average daily attendance (“ADA”). The District uses a 94.25% average daily attendance rate. The **Bilingual allocation** is based on the projected enrollment for the campus multiplied by the average percentage of the bilingual population of the campus. The average percentage is based on the campus bilingual population for the past three (3) years. The **State Compensatory allocation** is based on the projected enrollment multiplied by the percentage of economically disadvantaged for the campus. The percentages used are based on the income survey form completed by a student’s family during registration.

#### MATHEMATICAL CALCULATION FORMULA:

For **Regular fund** allocations, the calculation for High School and Middle School is the projected enrollment multiplied by 94.25% attendance rate. For Elementary campuses, the calculation is enrollment less half (1/2) of the Pre-Kindergarten enrollment, and the total is then multiplied by a 94.25% attendance rate. There are three different rates based on the grade spans (high school, middle school and elementary). The calculated ADA per campus is multiplied by the respective **grade span** rate to determine the amount of regular funds allocated to the campus.

The **Bilingual allocation** is based on the projected enrollment for the campus multiplied by the average percentage of the bilingual population of the campus and then multiplied by the **district-wide** per pupil allocation for bilingual students.



The **State Compensatory allocation** is based on the projected enrollment multiplied by the percentage of economically disadvantaged for the campus and then multiplied by **district-wide** per pupil allocation for state compensatory.

## **Exhibit 2**

### **UISD Special Education Department**

#### **IDEA Provisions for Independent Educational Evaluations**

##### **Exception to Edgar Compliance Guidelines Independent Educational Evaluations (IEEs) Requests Vendors who did not submit their proposal through the EDGAR process**

\*This statement must be attached to all purchase orders when utilizing a vendor that did not submit a proposal through the EDGAR process\*

The attached contains the provision of IDEA, a federal law applicable to public school districts in its administration of special education, which states that the parents have the right to an independent educational evaluation (IEE) at public expense. If the school district does not consent to the IEE, the District can file a due process complaint with TEA to argue that its own assessment is appropriate and incur the associated costs. The IEE evaluation may be a psychological evaluation, a speech evaluation, a functional behavior assessment, or any other evaluation for which UISD has conducted its own evaluation. The school district must provide information on where an IEE can be obtained consistent with its criteria (qualifications, cost etc.) which may include a geographic location parameter.

The IDEA law regarding IEEs does not include a provision regarding provision of evaluations at “the best value for the District” or procurement and purchasing parameters of Texas law or EDGAR. The IDEA law is not based on requesting and receiving competitive quotes for services. Rather, the IEE is considered based on the type of evaluation that is being requested by the parent consistent with the school district’s evaluation which was found appropriate by the student’s ARD committee.

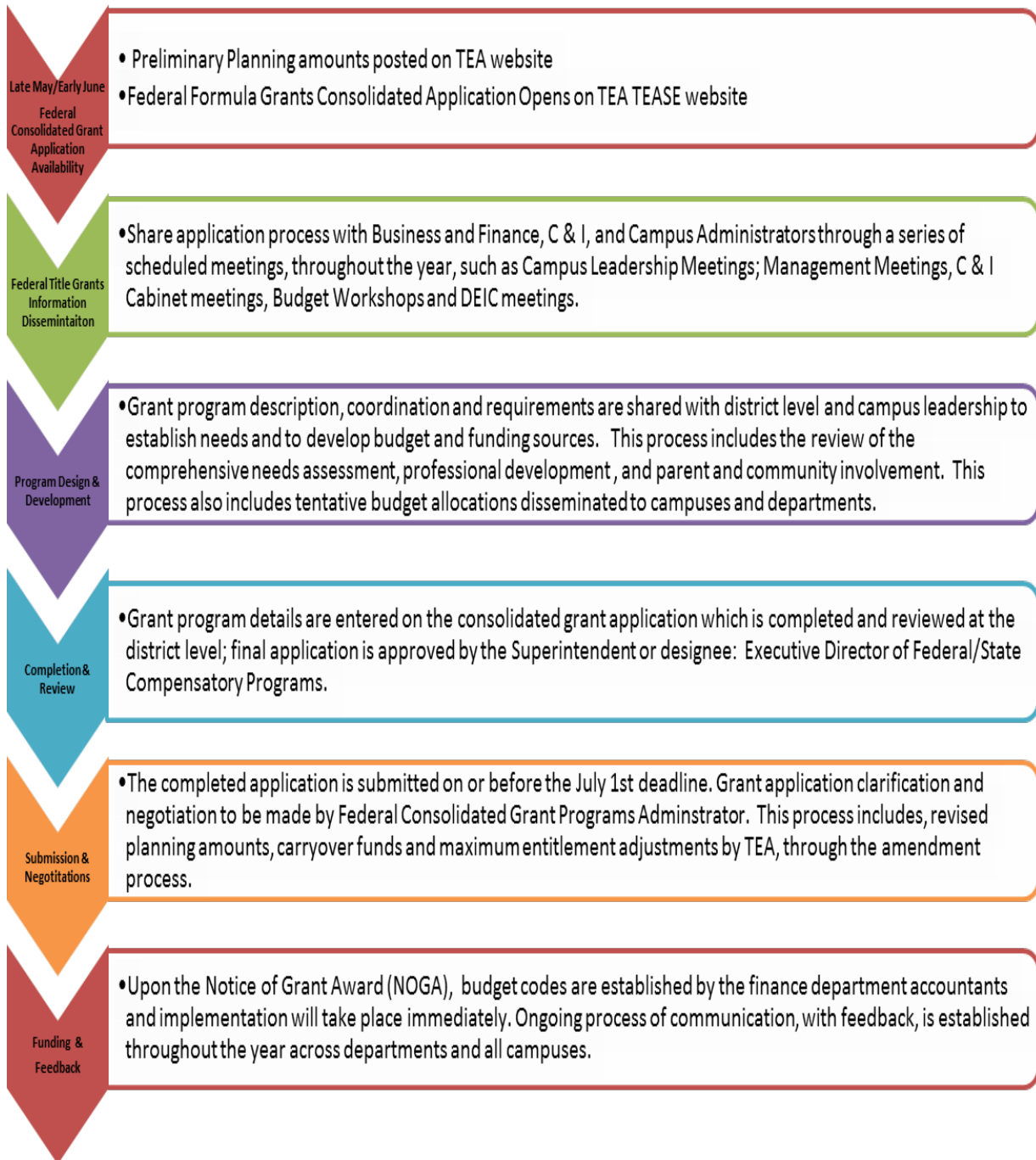


IDEA is specific in its mandate about public school districts providing independent educational evaluations at public expense or filing a due process complaint to defend its own evaluation without unnecessary delay.

UISD SPECIAL EDUCATION DEPARTMENT 3.08.19

**United ISD ESSA Federal Consolidated Grant Application Process  
Federal/State Programs Office**







**United ISD Grants Administration Department  
Discretionary Grant Application Process**

