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# Big Spring Independent School District

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## State & Federal Grants Manual

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**2023-2024**

Updated Sept 01, 2023

Lobbying Certification .....	54
Budgeting Grant Funds .....	54
Financial and Program Management.....	56
FFATA Reporting.....	56
Financial Management System .....	56
Records Retention.....	57
List of Federal Grant Awards.....	57
Internal Controls .....	57
Bonds.....	58
Payments from the Granting Agency and to Vendors .....	58
Cost Sharing or Matching Funds .....	59
Program Income.....	59
Period of performance (Obligations) .....	60
Procurement Standards and Expenditure of Grant Funds.....	61
Federal Regulations - Education Department General Administrative Regulations (EDGAR) .....	61
State-Administered Federal Grant Guidelines and Requirements .....	62
Local Guidelines Related to Unallowable Costs - Optional .....	62
Procurement Tracking and Documentation.....	63
Purchasing Efficiency Strategies.....	63
Conflict of Interest .....	64
Vendor Competition.....	64
Vendor Management .....	66
Procurement Methods.....	67
Property Standards and Management.....	75
Federally-funded Capital Assets.....	76
Federally-funded Supplies.....	76
Capitalization Policy and Definitions.....	76
Acquisition Cost.....	77
Identifying and Tracking Federally-Funded Assets .....	78
Cost Principles.....	79
Cost Allocation Plan and Indirect Cost Rate.....	80
Total Costs.....	81

Supplement, Not Supplant .....	108
Comparability .....	109
Indirect Cost .....	110
Maintenance of Effort .....	110
Single Audit .....	111
Reporting Requirements .....	113
Remedies for Non-Compliance .....	113
Grant Closeout Procedures .....	113
Grant Awards .....	115
List of Grant Awards (including grant funding source, grant period, and grant amount) .....	115

Position	Name	Phone Number	Email	Area of Responsibility
Chief Financial Officer	Susan Bryan	432-264-3620 Ext: 1010	<a href="mailto:sbryan@bsisd.esc18.net">sbryan@bsisd.esc18.net</a>	Prepare the District's budget as well as manage the daily financial obligations required of the District.
Director of Business Services	Melissa Tarbet	432-264-3620 Ext: 1013	<a href="mailto:mtarbet@bsisd.esc18.net">mtarbet@bsisd.esc18.net</a>	Oversee Accounts Payable, Federal Funds , Purchasing, General Ledger Maintenance
Accountant	Karen Clay	432-264-3620 Ext: 1014	<a href="mailto:kclay@bsisd.esc18.net">kclay@bsisd.esc18.net</a>	Bank Reconciliations, Monthly Closing, Inventory, Payroll Certifications
Benefits Specialist	Marlana Ott	432-264-3620 Ext: 1012	<a href="mailto:mott@bsisd.esc18.net">mott@bsisd.esc18.net</a>	Employee benefits and Activity Funds
Payroll Clerk	Donna Pineda	432-264-3620 Ext:	<a href="mailto:dpineda@bsisd.esc18.net">dpineda@bsisd.esc18.net</a>	Monthly payroll of contract employees
Payroll Clerk	Denise Archer	432-264-3620	<a href="mailto:darcher@bsisd.esc18.net">darcher@bsisd.esc18.net</a>	Bi – weekly Payroll
Accounts Payable Clerk	Lisa Valencia	432-264-3620 Ext: 1016	<a href="mailto:lpvalencia@bsisd.esc18.net">lpvalencia@bsisd.esc18.net</a>	Accounts Payable
Purchasing Clerk	Brandie Garcia	432-264-3620 Ext:	<a href="mailto:brgarcia@bsisd.esc18.net">brgarcia@bsisd.esc18.net</a>	Process Purchase Orders, Place Orders with Vendors, Receive Campus Deposits and Print Shop.

All Business Department staff are expected to comply with the:

- **Code of Ethics and Standard Practices for Texas Educators [Board Policy DH (Exhibit),**
- **School Board Policies, especially CAA Local regarding fraud,**
- **Big Spring ISD Employee Handbook,**
- **Big Spring ISD Fiscal Manual, sub-manuals and procedures,**
- **Big Spring ISD Confidentiality Agreement, and**
- **Big Spring ISD Technology Responsible Use Guidelines.**

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.

## Organizational Chart



The CFO, Director of Business Services, and Accountant are exempt positions under the FLSA. The Accounts Payable Clerk, the Payroll Clerks, the Purchasing Clerk and the Benefits Specialist positions are non-exempt positions under the FLSA.

### **General Ledger Maintenance (†)**

General ledger entries shall be made on an on-going 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 Accountant shall be responsible for monitoring the general ledger maintenance on a monthly basis as part of the monthly End-of-Month Process. The Director of Business Services shall have ultimate responsibility for the accuracy of the general ledger. 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. An automated numbering system through Ascender shall be utilized by the district. The Accountant, Director of Business Services, and CFO shall be authorized to create journal entries. The Director of Business Services shall be authorized to approve journal entries. All of the aforementioned business staff and the Purchasing Clerk 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 payroll department 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 payday.

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 Check Payments report for the previous month should be generated by the Accountant and forwarded to the Director of Business Services for board review. The financial reports and check payment list shall be approved by the School Board.

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

- Cash Position by Bank Account by Acct Per-Detail
- General Journal
- Combined Funds Board Report
- Check Payments & Check Register

accounts should be verified for accuracy and if accurate, the list of account codes must be submitted to the CFO to ensure that the appropriate accounts are created in the finance system.

## End of Month Process

Within 20 days after the end of the month, 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 Checklist and Procedures should be utilized to ensure that all critical steps are followed during the EOM Process.

## End of Fiscal Year Process – FY ending to 8/31/24

**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.**

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 (1110, 1111, and 1141) 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 (state and federal) should equal. The excess revenue if any should be reclassified to a payable (2181) to the granting agency, unless the excess revenue is an advance payment (deferred revenue - 2310). If expenditures exceed revenue, the amount due from the granting agency should be posted to the revenue account and accounts receivable accounts (1241).
- **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.

- **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 (†)**

All financial records for the current fiscal year shall be retained for audit purposes in accordance with the district Local Records Retention Schedule at the district's administration building. Prior year records shall be transferred to and archived at the district's Records Center. Destruction of records, at the expiration of the records, shall also be in accordance with the district's Local Records Retention Schedule. **Note: The Destruction Schedule [list of all records destroyed] is a permanent document.** Unless a record that has been destroyed is specifically listed on a Destruction Schedule, it is presumed to still exist. **The local retention period or federal retention period, whichever is longer, shall prevail.**

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]**

The district shall maintain grant-related records in a combination of paper and electronic formats. The following records shall be maintained in format(s) specified below:

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

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, etc.
- Financial Management System, Ascender Finance, HR, Assets, Purchasing, etc. modules

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 PEIMS Coordinator, Director of Business Services, and the Chief Financial Officer. 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 Director of Business Services, or the Chief Financial Officer, 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 violates the Responsible Use Guidelines. Each staff member shall sign a Responsible Use Guidelines every fiscal year.

### **Business Staff Training (†)**

Every staff member will be scheduled to attend at least one training and/or conference opportunity per year.

An annual training calendar shall be developed that may include, but is not limited to, topics in the following areas:

- Account coding
- Payroll and Human Resources Compliance Issues
- PEIMS Data Reporting and Quality
- GASB
- Audit requirements
- Legal changes, such as Purchasing
- State and Federal Grants Management
- Data system (software)
- Travel Guidelines
- Other job-related area(s) requested by a staff member
- Other job-related area(s) assigned by the CFO as a growth opportunity

Staff members that have attained TASBO certification status will be afforded an opportunity to attend at least 20 hours per year (for a total of 60 every 3 years) through TASBO or a TASBO-approved CEU provider. 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 Chief Financial Officer. 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.



## State and Federal Grant Management (†)

The Department of Contracts, Grants and Financial Administration (CGFA) at the Texas Education Agency is responsible for overseeing all phase of federal and state contracts and grants awarded to TEA grantees, including independent school districts, or LEAs. The department houses the following divisions:

- Grants Administration Division
  - Provides centralized administration of all formula and discretionary state-appropriated funds and federal grant funds awarded to TEA.
- Federal Fiscal Compliance and Reporting Division
  - Oversees activities of federal grant programs to determine whether organizations are in compliance with fiscal requirements to ensure that grant recipients spend funds in the manner specified by the grant program.
- Federal Fiscal Monitoring Division
  - Monitors the expenditures of federal grant recipients to ensure federal funds are used for authorized purposes in compliance with federal statutes, regulations, and terms and conditions of the federal awards.

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

### Federal Regulations for Federal Grant Awards

All federal grant funds are subject to the compliance with Administrative (EDGAR) and Programmatic (ESSA, 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,

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 hyperlinked in the List of Grant Awards for easy access to the Fiscal Guidelines, Allowable Costs, and/or other programmatic regulations.

At the District level, managing State and Federal Grants shall be a collaborative process between the Finance (Accounting, Budgeting, Purchasing, Payroll, etc.), Human Resources and Grant Management Departments. Each respective department shall be responsible for their duties and responsibilities as they relate to the management of state and/or federal grants. The duties of each department are listed below in general terms. Additional, specific duties and responsibilities may be listed within an area of compliance within this Manual.

#### Finance Department

- Assisting the Grant Manager with budgeting grants funds. Preparing and posting the initial budget and all amendments to the general ledger.
- Assisting the Human Resources, Payroll and Grants departments 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, after the Grant Manager's reconciliation of the time and effort reports, as appropriate if adjustments are necessary
- Developing and maintaining all salary schedules to ensure consistency between local and non-local pay rates (Includes base salaries, stipends and extra-duty rates of pay)
- 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
- Retaining all financial records for the required length of time (5 years) for audit purposes
- Managing all fixed assets and ensuring compliance with the inventory and disposition federal guidelines

#### Human Resources Department

- Assisting the Grant Manager with the recruitment and hiring of all grant-funded staff
- Ensuring that all grant-funded staff meet the Highly Effective guidelines, as appropriate (and, all state certification requirements)

## **Payroll Department**

- **Maintaining audit-ready payroll employee files for financial audit or single audit purposes, as appropriate**
- **Assisting the Grant Manager with determining the position title, Role ID and other salary information for use in completing the grant application**
- **Retaining all payroll records for the required length of time (5 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.**

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 (after HB 3) percentages and program intent code (PIC) are noted below by program:

▪ Gifted and Talented Education	100%	PIC 21*
▪ Special Education	55%	PIC 23, 33 PK
▪ Career & Technical Education	55%	PIC 22
▪ State Compensatory Education (SCE)	55%	PIC 24-30 (except 25 & 27),
▪ Bilingual/ESL Education	55%	PIC 25
▪ Dyslexia	100%	PIC 37 & PIC 43
▪ Early Education Allotment	100%	PIC 36
▪ CCMR Outcomes Bonus	55%	PIC 38

\*PIC 21 was not a state-funded separate allotment as of HB 3 (2019) but was reinstated in FY 2021-2022 (HB 1525). A TAA (To the Administrator Addressed Letter) issued on 8/26/2021 confirmed that the GT Allotment spend percentage requirement will be at 100%. We should continue to classify GT-related expenses in PIC 21.

\*\*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 High School Allotment has been expensed.

**Note. The district does use PIC 30 – all of the campuses operate a Title I School wide Program.**

### **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 Chief Financial Officer (CFO) 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 appropriate personnel. The Assistant Superintendent of Academics and Assessment has global oversight of all state special programs. The Special Program Directors/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



- PIC 25 Bilingual and ESL Education\*\*\*
- PIC 26 Non-Disciplinary Alternative Education Program\*\*
- PIC 28 Disciplinary Alternative Education Program – Basic\*\*
- PIC 29 Disciplinary Alternative Education Program – SCE Supplemental\*\*
- PIC 30 Title I, Part A School wide Activities related to SCE (Campuses with 40% or more educationally disadvantaged students)\*\*
- PIC 31 High School Allotment (discontinued funding 2018-2019)
- PIC 32 Prekindergarten, Regular (discontinued in 2022-2023)
- PIC 33 Prekindergarten, Special Education\*
- PIC 36 Early Education Allotment (New in 2019-2020)
- PIC 37 Dyslexia (New in 2019-2020)
- PIC 38 College, Career and Military Readiness (CCMR) – (New in 2019-2020)
- 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.

### **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 Ascender 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.

▪ 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 School wide Activities related to SCE (Campuses with 40% or more educationally disadvantaged students)
▪ Population Served Code 06	PIC 33	PK Special Education
▪ Population Served Code 06	PIC 43	Dyslexia, Special Education

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 Assistant Superintendent of Academics and Assessment no later than the deadline of September 15<sup>th</sup> at the beginning of each fiscal year. The Assistant Superintendent and CFO 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 CFO. [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 Assistant Superintendent of Academics and Assessment 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 Payroll 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)*.

a Corrective Action Plan. If the Corrective Action Plan indicates that the district must return state allotment program funds to TEA, the funds shall be submitted to TEA within the allotted time period. If the Corrective Action Plan indicates that the district shall correct operational procedures related to the budgeting and expensing of state allotment program funds, the CFO shall draft and implement the operational procedures.

#### **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.

Beginning with fiscal year-end (FYE) 2021, LEA auditors are strongly encouraged to answer the new set of compliance questions that are aligned with the requirements to the Texas Education Code, §48.104, Compensatory Education Allotment, and §48.105, Bilingual Education Allotment, as amended by House Bill 3 of the 86th Texas Legislature, 2019. The compliance questions can be found in the Financial Accountability System Resource Guide, Module 4: Auditing, section 4.6.5 Compliance with Laws and Regulations. Starting in FYE 2022, both the new J-4 schedule and the compliance questions will be required. They will be used to determine if the program funds were not used in compliance with the statutes. This determination may involve the LEA's average use of funds for the three preceding school years. Schedule J-4 contains two sections of four questions.

The questions are related to Compensatory Education Program and Bilingual Education Program expenditures.

**Screening:**

- Students may be referred for the gifted and talented program at any time by teachers, school counselors, parents or other interested persons.
- The District shall schedule a gifted and talented program awareness session for parents and assessment opportunities to complete the screening and identification process at least once per school year.

**Assessment:**

- Data collected through both objective and subjective assessments
- Assessment tools may include, but not limited to, the following: achievement tests, intelligence tests, creativity tests, behavioral checklists completed by teacher and parents, student/parent conferences and available student work products.

**Final selection and Notification:**

- The selection committee shall consist of at least three local district educators with GT training.
- The District shall provide written notification to parents of students who qualify for services through the GT program. Participation in any program shall be voluntary and the District shall obtain written permission from the parents before placing in program.

**Learning Opportunities/Program Services:**

- The District shall provide an array of learning opportunities to accelerate in areas of strength.
- Instructional and organizational patterns that enable identified students to work together as a group, to work with other students and to work independently.
- A continuum of learning experiences that leads to the development of advanced-level products and performances.
- In-school, and when possible, out-of-school options relevant to the student's area of strength that are available during the entire school year.

**Program changes such as furloughs, reassessment, exiting students from GT, transfer students and appeals of district decisions:**

- A furlough or transfer initiated by the District, the parent or the student may take place at any time for a student who is unable to maintain satisfactory performance or whose educational needs are not being met with the program.
- A parent, student or educator may appeal any final decision of the selection committee regarding selection for or exit from the program. Appeals shall be made first to the selection committee. Any subsequent appeals shall be made in accordance with FNG (LOCAL) beginning at Level Two.



The Chief Financial Officer shall utilize the TEA Estimating a District's FSP CTE Allotment, the CTE Courses for Academic Credit, and the CTE Advanced Course List to estimate the CTE Allotment as part of the annual budget development process.

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.

The CTE Director 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.

Per TEC 48.102, for each student in average daily attendance in a special education program under Subchapter A, Chapter 29, in a mainstream instructional arrangement, the district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by 1.15. For each full-time equivalent student in average daily attendance in a special education program under Subchapter A, Chapter 29, in an instructional arrangement other than a mainstream instructional arrangement, the district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by a weight determined according to instructional arrangement as follows:

- Homebound 5.0
- Hospital class 3.0
- Speech therapy 5.0
- Resource room 3.0
- Self-contained, mild and moderate, regular campus 3.0
- Self-contained, severe, regular campus 3.0
- Off home campus 2.7
- Nonpublic day school 1.7
- Vocational adjustment class 2.3

Additional weights for students served in residential treatment facilities, extended year program, and students with dyslexia or a related disorder are addressed in TEC 49.102.

- students at risk of dropping out of school, as defined by Section 29 . 081, and all other students; or
- (2) support a program eligible under Title I of the Elementary and Secondary Education Act of 1965
- Student that does not have a disability and resides in a residential facility
- Student who is in a remedial and support program because the student is pregnant

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 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.

In addition, the Components of the SCE Planning cycle should be documented by the SCE Coordinator. The components should include:

1. Identification of the students based on statutes, rules, and other reliable data sources
2. Comprehensive assessment of each student's needs so that the appropriate compensatory, intensive, and or accelerated instruction services, and or dropout prevention services are provided
3. Design appropriate SCE services for students that enable them to be performing at grade level at the conclusion of the next regular school year and provide services to prevent at-risk students from dropping out of school
4. Adoption of a budget to support SCE programs
5. Delivery of services to students
6. Evaluation and documenting (Assessing) the effectiveness of accelerated instruction programs and any disparity in performance on assessment instruments administered under TEC, Chapter 39, Subchapter B, or the disparity of high school completion between students at-risk of dropping out of school and all other students in the school district.
7. Holding a public hearing to discuss the results of the SCE program evaluation 8. Improve program based upon evaluation results and stakeholder input

#### **Identification of Students**

The Campus Principals (or designees) shall use the student performance data from state assessments to design and implement appropriate compensatory, intensive or accelerated instructional services for students that enable them to perform at grade level at the conclusion of the next regular school term.

In addition, secondary Campus Principals (or designees) shall provide accelerated instruction to a student enrolled in the district who has taken an end-of-course assessment and has not performed satisfactorily on the assessment instrument or who is at risk of dropping out of school. The campus shall

(11) is in the custody or care of the Department of Family and Protective Services or has, during the current school year, been referred to the department by a school official, officer of the juvenile court, or law enforcement official;

(12) is homeless, as defined by 42 U.S.C. Section 11302, and its subsequent amendments;

(13) resided in the preceding school year or resides in the current school year in a residential placement facility in the district, including a detention facility, substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, cottage home operation, specialized child-care home, or general residential operation; or

(14) has been incarcerated or has a parent or guardian who has been incarcerated, within the lifetime of the student, in a penal institution as defined by Section 1 . 07, Penal Code.

(15) enrolled in a designated dropout recovery school

The methodology for calculating the 110% satisfactory performance on all assessments shall be as noted below:

A formula has been established by TEA taking into account the number of questions answered correctly, total number of correct questions needed to pass and the 110% factor. The district uses the DMAC Solutions program to determine which students meet the satisfactory standard.

The campus counselors shall be responsible for identifying students that meet one or more of the at-risk indicators listed above. The student's at-risk status shall be indicated on the Student Information System Ascender. Documentation must be maintained on file to support the identification and noted on the Student Information System as illustrated below:

- Direct verification, where public records are used to verify a student's eligibility for free or reduce-price meals
- Did not perform satisfactorily on an assessment instrument administered to the student under TEC, Subchapter B, Chapter 39

The exit procedures shall include:

- Student does not meet the income requirements for free or reduced-price meals
- Student performed satisfactorily on an assessment instrument administered to the student under TEX, Subchapter B, Chapter 39

### **District & Campus Improvement Plans**

The SCE program compliance is unlike the other special programs in that it requires specific procedures and documentation as outlined in the Financial Accounting System Resource Guide (FASRG) Module 6. **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).

All school districts and open-enrollment charter schools, whose SCE allotment is **\$750,000** or more for the previous fiscal year, are required to submit district and campus improvement plans (DIP and CIPs) and an annual local SCE program evaluation to the TEA to evaluate SCE program compliance. For LEAs whose SCE allotment is less than **\$750,000**, the TEA will request selected plans as needed to determine program compliance.

The district is required to submit the DIP and CIPs in accordance with the TEA's Electronic Submission guidelines. The District shall electronically submit a PDF version of the DIP and at least two (2) CIPs through the TEAL system on an annual basis within 150 days after the last day permissible to send data for the PEIMS data FINAL Midyear resubmission 2 (typically late July). The determination regarding which CIPs to submit to TEA shall be based on the TEA guidelines in the FASRG, Module 6.2.3 Electronic Report Submission Requirements. The District's preparation and submission dates shall be as noted below to ensure compliance with this critical requirement.

- Campus Principals shall submit their CIPs to the Superintendent/Assistant Superintendent by November 1<sup>st</sup> for review.
- Campus Principals shall include the SCE goals, strategies, activities and resources (Staff FTEs and budgeted funds) in their Campus Improvement Plan (CIP).
- Campus Principals shall submit their final, approved (by the Asst. Supt for A&A) CIPs to the Superintendent by June 15<sup>th</sup>.
- Superintendent or designee shall submit the DIP to the Director of School Improvement by June 15<sup>th</sup>.
- The Superintendent or designee shall submit the DIP and CIPs through TEASE within the 150-day deadline, or July 1<sup>st</sup>, whichever is earlier.



identification criteria and allowable costs are described in Module 6 State Compensatory Education shall be used to determine the district's compliance with supplement and supplant provisions.

The Chief Financial Officer shall calculate the cost of the regular education program in relation to budget allocations for compensatory, intensive and/or accelerated instruction and student:teacher ratios at least two times per fiscal year (recommended at budget preparation/adoption and end-of-fiscal year). The documentation of the calculation shall be maintained for audit purposes.

**Note. All SCE Expenditures must be documented and supported in accordance with the FASRG, Module 6.**

### **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.

The Bilingual Education Allotment Weights are illustrated below:

<b>Bilingual Education Allotment Weights</b>	
<i>Identified English learners whose parents have denied program services do not generate any funding</i>	
<b>0.1</b>	English Learners in average daily attendance in a standard or alternative bilingual education or an ESL program.
<b>0.15</b>	English Learners in average daily attendance in a dual language immersion one-way or two-way program model.
<b>0.05</b>	English proficient and Reclassified English Learners in average daily attendance in a dual language immersion two-way program model.

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 district offers a Bilingual or English as a Second Language (ESL) program. The Bilingual/ESL Coordinator shall be responsible for the Bilingual/ESL Program compliance monitoring in the following areas:

#### **Establishment of LPAC Committee**

- Selection of Bilingual or ESL Educator
- Campus Administrator
- Parent Representative
- ARD Committee Representative (optional)
- Other as needed

- Satisfactory performance on the reading assessment instrument.
- TEA approved criterion-referenced tests and the results of a subjective teacher evaluation.

The Chief Financial Officer shall ensure that the appropriate program intent codes (PIC) are used to record Bilingual/ESL Program expenditures. The PIC 25 Costs are noted below:

PIC 25 Costs to Include		
Provision of a Bilingual program	Instruction in primary language	Program and student evaluation
Provision of ESL instruction	Supplemental staff expenses	Salary supplements for teachers
Services intended to make students proficient in English	Staff development	Increase cognitive academic language proficiencies
Bilingual services to immigrant students	Instructional materials and equipment	Supplies required for quality instruction and smaller class size

PIC 25 Costs to Exclude (with correct PIC)		
Foreign language courses (PIC 11)	All Disciplinary Alternative Education Program (DAEP) (PIC 28)	Salary of bilingual/ESL instructors (PIC 11)

*Texas public school districts direct cost expenditure requirement on Bilingual Education Allotment = 55% (Minimum)*

*TEA monitors compliance on BEA funds by looking at the percent the school district spends on direct costs (Sum of PIC 25 + PIC 35)*

The Special Program Director 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).

### 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.

#### Early Education Allotment

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.

For each student in average daily attendance in kindergarten through third grade, a school district is entitled to an annual allotment equal to the basic allotment multiplied by 0.1 if the student is:

- (1) educationally disadvantaged; or
- (2) a student of limited English proficiency, as defined by Section 29.052, and is in a bilingual education or special language program under Subchapter B, Chapter 29.

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.

The FASRG, Version 17 table with a summary of the program intent codes is provided below for quick reference.

Code No.	Name	Description
<b>Basic Services</b>		
11	Basic Education Services	Costs to provide basic instruction
26	Nondisciplinary Alternative Education Programs (AEP)—Basic Services	Costs for programs to serve students at risk of dropping out
28	Disciplinary Alternative Education Program (DAEP)—DAEP Basic Services	Costs for baseline program for students who are separated from the regular classroom for disciplinary reasons but otherwise similar to PIC 26
<b>Enhanced Services</b>		
21	Gifted and Talented	Costs to assess students and provide instruction
22	Career and Technical	Costs to evaluate and prepare students for gainful employment and to provide advanced technical training, homemaking, apprenticeship, and job training
23	Services to Students with Disabilities (Special Education)	Costs of special education such as homebound, hospital class, speech therapy, resource room, self-contained classroom, residential care, etc.
24	Accelerated Instruction	Costs of supplemental education for students at risk of dropping out of school
25	Bilingual Education and Special Language Programs	Costs to help students transition to the English language for academic instruction
26	Nondisciplinary Alternative Education Programs (AEP)—Supplemental Services	Costs for programs to serve students, such as supervision, parental involvement, security, dyslexia, and accelerated reading instruction
29	Disciplinary Alternative Education Program—DAEP SC Supplemental Costs	Supplemental costs for PIC 28

Code No.	Name	Description
		disorder under the TEC, §48.103, and the services are not funded from the dyslexia state allotment.  Costs incurred for dyslexia or dyslexia related disorders coded to this PIC <b>will not be included</b> in the calculation for Every Student Succeeds Act (ESSA) maintenance of effort calculation.
38	College, Career, and Military Readiness	This code is used for the costs incurred to improve college, career, and military readiness outcomes as described by the TEC, §48.110(f). At least 55 percent of the funds allocated must be used in grades eight through 12.
43	Dyslexia – Special Education	This code is used for the costs incurred for each student that it serves who has been identified as having dyslexia or a related disorder under the TEC, §48.103, and who has an Individualized Education Plan (IEP) that specifically states that dyslexia services are required and the school district uses the state allotment to serve that student.  Costs incurred for dyslexia or dyslexia related disorders coded to this PIC <b>will be included</b> in the calculation for ESSA maintenance of effort calculation.
71–89	Reserved for use by Education Service Centers	Costs for bus driver training and driver education provided by ESCs
<b>Other Services</b>		
91	Athletics and Related Activities	Costs for participation in competitive athletic activities and certain support activities not including band
99	Undistributed	Costs not easily identified with other codes used here, such as certain substitute teachers, teacher on-behalf payments, salaries for band, etc.

**Note. The FARSG Program Intent Code Include/Exclude Tables provide additional, detailed guidance regarding costs specific to each PIC.**



### **Local Regulations (Local Board Policy and/or Procedures)**

1. School Board Policy CB Local states: Each employee, board member or agent of the district who is engaged in the selection, award or administration of a contract supported by a federal grant or award and who has a potential conflict of interest as defined at Code of Federal Regulations, Title 2, section 200.318, shall disclose to the district, in writing, any conflict that meets the disclosure threshold in Chapter 176 of the Local Government Code. In addition, each employee, board member or agent of the district shall comply with any other conflict of interest requirements imposed by the granting agency or a pass-through entity.
2. School Board Policy DBD Local states: Any other employee who is in a position to affect a financial decision involving any business entity or real property in which the employee has a substantial interest, as defined by Local Government Code 171.002, shall file an affidavit with the Superintendent; however, the employee shall not be required to file an affidavit for the substantial interest of a relative.

### **Other Conflict of Interest Requirements**

1. The district shall comply with all additional conflict of interest requirements required by the federal granting agency and/or the pass-through entity (TEA).
  - a. The District shall disclose in writing to the granting agency and/or pass-through entities any potential conflict of interest concerning the expenditure of federal or state grant funds. The TEA Division of Grants Administration Conflict of Interest Disclosure Form shall be used to disclose the potential conflict.
  - b. 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. The TEA Division of Grants Administration Conflict of Interest Disclosure Form shall be used to disclose the violation(s).
  - c. The Director of Business Services shall be responsible for overseeing, reporting, and documenting any fraud, abuse, or waste of federal grant funds.
  - d. The Superintendent shall be responsible for completing the Certification Statement on the TEA Division of Grants Administration Conflict of Interest Forms.
  - e. The District shall reclassify fraudulent expenditures made with federal grant awards to local district funds, i.e. the General Fund on a temporary basis and shall seek to recover the funds for fraudulent expenditures from the individual(s) perpetrating the fraud.

### **Conflict of Interest Forms:**

- Conflict of Interest Disclosure (CIS) – Texas Ethics Commission
- Conflict of Interest Disclosure Form - TEA Division of Grants Administration
- Mandatory Disclosure Form - TEA Division of Grants Administration

- ***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 Federal Program Manager 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 role on at least an annual basis.
5. Developing and implementing district policies and procedures for all critical business functions
6. Developing and 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 or obligations 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 district may be eligible to apply for "entitlement" and/or "competitive" federal grant funds.

Federal entitlement grant funds include, but are not limited to, Every Student Succeeds Act (ESSA), Individuals with Disabilities Education Act (IDEA), and Carl D. Perkins. The "maximum" and/or "final" entitlement awards for the district are posted on the TEA Grants Management webpage at: [Administering a Grant | Texas Education Agency](#). The Grant Manager 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 are also posted on the TEA Grants Management webpage at: [ProgramSearch \(state.tx.us\)](#). The Grant Manager 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.

district's purchasing, travel, and other procedures; and are adequately documented if prior approval is required by the granting agency or pass-through entity (TEA).

The Federal Programs Director 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

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

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

The grant application shall be the source document to create the original budget. The Director of Business Services 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 Director of Business Services shall notify the Federal Programs Director 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. Additional provisions and assurances may apply to specific grants. The Federal Programs Director shall inform all staff involved in the expenditure of grant funds of the provisions and assurances for each grant program, as appropriate. Numerous resources are available on TEA's Provisions and Assurances webpage at:

[http://tea.texas.gov/Finance\\_and\\_Grants/Grants/Administering\\_a\\_Grant/Provisions\\_and\\_Assurances/](http://tea.texas.gov/Finance_and_Grants/Grants/Administering_a_Grant/Provisions_and_Assurances/)

- **General Provisions and Assurances (The New EDGAR)**
- **Debarment and Suspension (The New EDGAR)**

**“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 60 days after receipt of the NOGA or from the stamp-in date, whichever is earlier.

Budget amendments, if any, shall be approved by the Director of Business Services to ensure that the reclassification of funds is allowable under the grant management guidelines related to budget amendments. Some grants allow a transfer of funds, up to 25% of the grant award, but only within the same object class and if the new object code does not require 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 grantees deviate from the original scope or grant objectives. Other amendments may be necessary when the district changes the designated Federal Programs Director, disengages from grant activities for more than three (3) months, or a 25% reduction in the time devoted by a Federal Programs Director.

#### Best Practice for Monitoring Grant Expenditures

The Federal Programs Director 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, as applicable. If an amendment is necessary for any of the reasons specified by the pass-through entity (TEA) or in federal regulations, the Federal Programs Director shall initiate the amendment process and collaborate with the Business Office 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 shall approve all federal grant amendments.

The Director of Business Services shall be responsible for ensuring that the finance system budget corresponds to the most recent grant NOGA.



## 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 five (5) years in accordance with the district's Local Records Retention Plan. [Note: The district's retention period exceeds the three (3) year retention period required in the EDGAR.] The district's Record Management Officer (RMO), the Superintendent, 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 included in the Exhibit Section] **[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 manager for each grant (Generally, the Federal Program Director for C&I shall serve as the Grant Manager, unless otherwise noted)
- Subgrants, 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 Director of Business Services, shall review the status of each federal grant fund. The review shall include a comparison of budget to 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, developed in accordance with the Internal Control Integrated Framework (COSO) and TEA's Internal Controls Guidance Handbook, shall be made available to all staff involved in the management of federal grant funds. **[2 CFR 200.303]** TEA's Internal Controls Guidance Handbook provides a general overview of internal controls as they relate to

districts bank accounts. The draw-down of payroll expenditures shall be net of all accrued wages (object code 2161) and payroll liabilities (object code 2211).

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.

The Director of Business Services shall strive to “draw-down” federal grant funds on a monthly, or at least quarterly basis. **TEA requests that LEAs make timely draw-downs to ensure that funds are being used and that grant activities are being met throughout the grant period.**

### **Cost Sharing or Matching Funds**

The Federal Programs Director shall ensure that requirements for cost sharing and/or matching funds are approved through the grant approval process prior to the submission of the grant. At a minimum, the Federal Programs Director and the CFO 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 sub-object to separately track the expenditures for reporting and compliance purposes.

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

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

### **Program Income**

The district does not plan to generate any program income as part of a federal grant award. Federal regulations (**CFR 200.307**) allow the district to generate program income to offset federal grant award costs. Income earned, if any, must be expended in accordance with the grant requirements.

In the event that the district opts to generate program income as part of a federal grant award in the future, all recommendations for program income activities, shall be reviewed and approved by the Federal Programs Director and the CFO.

If program income activities are approved, the Federal Programs Director over the activities shall ensure that the costs of generating the program income are not federal grant funds, are nominal in cost, are offset from the program income, and meet all of the federal requirements. The TEA Division of Grant Administration Request to Add Program Income to Federal or State Grant Award and Expansion Delivery of Programmatic Services Form shall be used to request authorization to use any program income to support a state or federal grant.

**The district shall not retain any program income earned through a federal grant program.**

## **Procurement Standards and Expenditure of Grant Funds**

Procurement with and expenditure of grant funds shall be through the documented purchasing, finance or payroll department processes in place for non-grant funds and shall have additional requirements as noted below to ensure full compliance with federal regulations, specifically the Procurement Standards in **EDGAR 2 CFR Part 200.318-200.327**.

The district shall comply with the general procurement requirement of the EDGAR (2 CFR 200) **effective July 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 unless other methods such as credit cards, petty cash, direct payments, etc. are authorized in the district's operating procedures. All purchases shall be in accordance with the district's School Board Policies (CH Legal and Local) and the district's **Purchasing Procedures (Exhibit Section)**. **The district purchasing procedures shall comply with all federal, state, and local procurement requirements. If a conflict arises between the federal, state and local requirements, the stricter requirement shall prevail.**

The district shall adhere to state law and federal guidelines related to competitive procurement of grant purchases. Specifically, the district shall comply with the Texas Education Code, Chapter 44 regarding the authorized competitive procurement options available to school districts. In addition, any competitive procurement requirements specific to a federal grant must also be adhered to for all grant purchases. For example, a federal grant may require that all purchases and/or contracts that exceed \$100,000 be approved by the granting agency before approval of a purchase order or contract.

Additional compliance with federal guidelines may include specific approval for purchases from sole sources vendors, non-appropriate cancellation language in multi-year contracted purchases, vendor selection criteria, and other guidelines specific to a federal grant.

**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 Chart of Accounts Reference Guide**.

The Federal Programs Director for each federal grant shall be responsible for the programmatic and evaluation compliance and the Director of Business Services shall be responsible for the financial compliance. A **List of Grant Managers** by federal grant is included in the Exhibit section. The use of "Grant Manager" throughout this document shall refer to the specific Grant Manager by federal grant as listed on this document.

**Federal Regulations - Education Department General Administrative Regulations (EDGAR)**  
The district shall adhere to the **Education Department General Administrative Regulations (EDGAR)** and any additional grant-specific cost principles. The 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards include numerous requirements of the grantee.

## Procurement Tracking and Documentation

The Director of Business Services 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
- Like-item category (commodity code)
- 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 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 shall implement the following strategies to maximize federal grant funds:

- Consolidation of purchases to obtain volume pricing, as appropriate
- Evaluate the cost efficiencies of leases versus purchases of equipment



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:

- Past experience with the district
- Cost of goods and services, including future costs of maintenance
- Vendor's financial stability and position as it relates to the ability to provide the goods and/or services
- Small, minority, woman-owned, or labor surplus area firms
- Other criteria as reflected on the Vendor Management Procedures

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

#### *Vendor Database*

A vendor database shall be maintained by the Business Office in the finance system (Ascender Business System). The district's Vendor Management Procedures shall be adhered to for all purchases. Vendor selection shall include the following criteria:

- Has not been debarred or suspended by the State of Texas or federal government
- Is licensed or registered with the State of Texas to perform the contracted services, as appropriate
- Has obtained the minimum insurance limits and/or bonding established by the district, as appropriate
- Has disclosed any felony convictions and/or criminal history, as appropriate

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:

- Vendor application file (new vendors)
- Form W-9 – Internal Revenue Service
- Conflict of Interest Questionnaire (CIQ) – Texas Ethics Commission
- Felony Conviction Notice
- Fingerprinting (If working directly with students)
- Criminal Background and Fingerprinting (if working directly or indirectly with students)

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)].

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

### **Procurement Methods**

The district shall use one of the procurement methods allowed by federal regulations to procure goods and services with federal grant funds [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 Director of Business Services shall be responsible for selecting the appropriate procurement method for each procurement.

**The district shall adhere to the *most restrictive* federal regulations, state laws, local policies and/or procedures when the guidance documents are in conflict. [CFR 200.403(c)]**

### *Procurement Levels and Requirements*

The district has developed and implemented a Purchasing Levels and Requirements Chart for non-federal and federally-funded purchases. The chart includes the following data:

- Purchase Commitment Amount
- Support [Documentation] Required
- Additional Forms Required, if any
- RFP/RFQ Requirement
- Board Approval Requirement
- Advertising Requirement

Illustration #2 – Big Spring ISD Purchasing Levels and Requirements

Note. The threshold shall be determined by expenditures for “like-items” in the aggregate over a fiscal year (September 1<sup>st</sup> through August 31<sup>st</sup>). The Director of Business Services shall review expenditures from all district funds (local, state and federal) by “like-item” on at least a Quarterly basis to monitor that the district does not exceed any “like-item” categories. The district has elected to use a coding system for “like-items” that is similar to the State of Texas Procurement Commodity Codes, plus locally defined codes that may not exist on the Commodity Codes. A copy of the district’s Like-Item Categories are in the Exhibit Section. In addition, vendors in the finance system shall be coded to a primary vendor category.

The ‘like-item’ categories shall be entered in the finance system, (such as Ascender Business System), as vendor categories and shall be indicated on every purchase order as illustrated below. The sample requisition indicates that the supplies for Math have been coded to Like-Item Category #393 – Supplies, Instructional, Math.

The Director of Business Services shall review annual expenditures from all district funds (local, state and federal) after the close of the fiscal year to determine if any additional “like-item” categories should be added for the following fiscal year. The budgeted funds by like-item categories may also be helpful in planning for large expenditures in a particular like-item category in a given fiscal year.

### 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 Chief Financial Officer 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

vendors within a qualified purchasing cooperative or different purchasing cooperatives to meet both the EDGAR and state law requirements for competitive procurement.

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.

The Cooperative Purchasing programs shall provide an EDGAR compliance certification on an annual basis. If the Cooperative fails to provide the certification, the district shall not purchase goods or services through the Cooperative with federal grant funds. Reminder: District must still obtain at least 2 quotes from cooperatives to ensure compliance.

The district is currently participating in the following cooperative purchasing programs:

- **TASB Buy Board**
- **State of Texas Department of Information Resources**
- **ESC 20 – Pace Purchasing Cooperative**
- **ESC 8 – Interlocal Purchasing System (TIPS)**
- **ESC 19 – Allied States Cooperative**
- **ESC 16 – Tex Buy Purchasing Cooperative**
- **US Communities Government Purchasing Alliance**
- **National Joint Powers Alliance (NJPA)**
- **State of Texas Co-Op Purchasing Program (TxSmartBuy)**
- **National Intergovernmental Purchasing Alliance Co. d/b/a OMNIA Partners Public Sector**
- **ESC 6 – EPIC 6 Purchasing Cooperatives**
- **SETXPC – Southeast Texas Purchasing Cooperative**

#### *Sealed Bid Procedures – Over \$250,000\**

The **Procurement by Sealed Bids** (formal advertising) method shall be used by the district when the purchase of goods or services exceed \$250,000 if the acquisition of the goods or services lends itself to a fixed price contract and the selection of the successful bidder can be made principally on the basis of price **[2 CFR 200.320 (b)(1)]**. The district shall comply with the sealed bid requirements, as defined by the EDGAR, as noted below:

- Bids must be solicited from an adequate number of bidders, but no less than two (2) bidders
- Bids must be publicly advertised and bidders shall be provided an adequate amount of time to prepare and submit their bid. Local criteria shall include:
  - The district shall publicly advertise all bids in accordance with state law, i.e. at least two (2) times in two separate weeks
  - The district shall provide no less than ten (10) days for bidders to prepare and submit their bids



- If the district and vendor cease to negotiate, the district shall notify the vendor in writing before starting to negotiate with the 2<sup>nd</sup> highest ranked vendor.
- The district shall notify the successful proposer and process the contract documents and/or purchase orders, as appropriate
- The district shall notify all of the unsuccessful proposers to ensure that qualified bidders are encouraged to submit bids during future bid opportunities

#### **Noncompetitive Proposal Procedures**

The **Procurement by Noncompetitive Proposal** method shall be used by the district when the purchase of goods or services is from a “sole source vendor” **[2 CFR 200.320 (c)]**.

A sole source vendor is defined as a vendor that meets the following requirements:

- The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold **[2 CFR 200.320 (c)(1)]**
- The goods or services are only available from a single source **[2 CFR 200.320 (c)(2)]**
  - The district shall acquire and maintain a copy of a vendor’s sole source letter which specifies the statutory or other reason for its sole source status
  - The TEA Division of Grants Administration Request for Noncompetitive Procurement (Sole Source) Approval Form shall be utilized to request prior approval of a non-competitive, sole source proposal.
  - The district’s Sole Source Justification Form shall be completed and submitted with the single source proposal.
- A public exigency or emergency will not permit a delay resulting from the competitive solicitation process **[2 CFR 200.320 (c)(3)]**
  - The district shall declare a public exigency or emergency prior to making such as purchase of goods or services under this method
- The granting agency or pass-through entity authorized the use of a non-competitive proposal method **[2 CFR 200.320 (c)(4)]**
  - The district shall obtain written approval/authorization from the granting agency or pass-through entity.
  - The district has received written authorization from the Texas Education Agency that the Education Service Center, Region 18 is approved as a non-competitive proposal.
- After solicitation of a number of sources, competition is determined to be inadequate **[2 CFR 200.320 (c)(5)]**
  - The district shall determine that competition is inadequate if after solicitation of a number of sources, competition is determined inadequate and, only one vendor is responsive to the solicitations.

**Note. TEA has approved Education Service Centers in the non-competitive proposal category.**

(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.

For all purchases that exceed the Simplified Acquisition Threshold of \$250,000, the district shall perform a cost or price analysis with every procurement [2 CFR 200.324]. Secondly, all purchases that exceed this 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
- Payment bond on the part of the contractor for 100% of the contract price.

The Director of Business Services 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 shall contain the applicable provisions described in 2 CFR 200 Appendix II [2 CFR 200.327]. In addition, all contracts for services and/or goods purchased with federal grant funds shall be subjected to the same review and approval process as all other district contracts. The Contract Procedures and Contract Review Checklist are applicable to all federally funded contracts.

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

### **Property Standards and Management**

The district shall safeguard all property (capital assets and inventory) purchased with federal grant funds under the same guidelines as property purchased with non-federal funds [2 CFR 200.310]. Additional insurance for property purchased with federal grant funds shall be acquired if specifically required by a federal grant award. The CFO shall oversee the acquisition of insurance for all federally funded property.

Title to federally-owned property remains vested in the Federal Government. The district must submit annually an inventory listing of federally-owned property in its custody to the Federal awarding agency. Upon completion of the Federal award or when the property is no longer needed, the district must

- *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 200.1)**.
- *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 200.1]**

The district shall utilize the invoice cost, including all related costs, to record the cost of the equipment on the fixed asset database.

### *Maintaining Capital Asset Inventory & Records*

All federally-funded capital 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. All federally-funded capital assets shall have a tag affixed to the assets to distinguish the assets from non-federally funded assets.

The district fixed asset procedures require an annual inventory (or more frequently if required by a granting agency) of all capital assets and reconciliation of the asset reports. **[Note. Federal requirements CFR 200.313(d)(1) requires an inventory at least once every 2 years.]**

The district's annual inventory of capital assets shall be conducted by the Business Office. 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 capital asset records.

In addition, the district shall track all grant-funded capital 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. **[2 CFR 200.313(d)]**

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. **[2 CFR 200.310]**

The Business Office Accountant shall be responsible for maintaining the fixed asset database (Ascender Asset Management System) 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 General Provisions for Selected Items of Cost (Cost Principles) are available on the Department of Education EDGAR webpage.

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)]**

- Costs must be reasonable and necessary **[2 CFR 200.404]**



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.

The same expense allocation formula shall be used for non-federal and federal funded expenditures. Purchases shall be expensed to the appropriate fiscal year and/or grant period, as appropriate. For example, if the district purchases a subscription or maintenance agreement that covers a twelve-month period from January 1<sup>st</sup> through December 31<sup>st</sup>, only the current year expenditure and/or current grant period expenditure shall be posted to the general ledger, as appropriate. In this scenario, the following expenses would be posted to the general ledger.

Current fiscal year	January to August	8 months	Object code 6XXX
	September to December	4 months	Object code (1410)

The district has elected to use federal grant funds for both compensation/benefits and non-compensation expenditures.

## Total Costs

The **total cost** of a federal award is the sum of allowable direct and allocable indirect costs less any applicable credits. [2 CFR 200.402] 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.

The district shall post all credits [discounts, rebates, refunds, etc.] 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 Director of Business Services shall ensure that all applicable known 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.

District costs generally fall under two major categories:

- 1) compensation/benefits; and
- 2) non-compensation (supplies, services, travel/miscellaneous or equipment).



- Stipend compensation for other non-federal grant award duties shall be supported by a Supplemental Duties Job Description/Pay Notice. The additional duties shall not conflict with the federally-funded activities with the district.

#### *Substitute Teachers*

Salary expenditures for substitute teachers are allowable for approved teacher positions. The finance and payroll departments shall ensure that the expenditures for substitute teacher costs are budgeted and expensed from the appropriate account code(s). The School Board approved Substitute Pay Scale shall be used to compensate all substitute teachers whether paid from local, state or federal grant funds.

#### *Stipends and Extra Duty Pay*

Stipend and extra duty pay expenditures are allowable for authorized and approved activities. A schedule or work log shall be maintained to substantiate the stipend and/or extra duty pay. NOTE: It is recommended by the TEA that a job description for each stipend role include the duties related to the grant purpose and the grant funding source. **[Note. A Supplemental Pay Notice-Job Description is included in the Exhibit Section.]**

The School Board approved Stipend and Extra Duty Pay Schedule shall be used to compensate all district staff (exempt and non-exempt) whether paid from local, state, or federal grant funds.

The CFO shall ensure that the expenditures for stipend and extra duty pay are budgeted and expensed from the appropriate account code(s). The stipend and extra duty pay rates shall be the same as the rates used for similar locally funded activities. For example, if a teacher stipend for attending a 1-day professional development activity funded through local funds during a non-scheduled work day is \$150 per day, the teacher stipend for attending a federally-funded 1-day professional development activity should be \$150 per day, too. **[The Stipend and Extra Duty Pay Scale (adopted by the School Board) is included in the Exhibit Section.]**

#### *Allowable Benefit Costs*

District costs for fringe benefits, whether paid from local, state or federal grant funds shall be allowable as noted below **[2 CFR 200.431]:**

- All benefit costs shall be in accordance with the district's written Summary of Employee Benefits, except for any benefits that may be specifically excluded in a federal grant award
- All leave benefits shall be in accordance with the district's written Leaves and Absences Policy (DEC Legal and Local) **[2 CFR 200.431(b)]**
- 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 (and subjected to taxes, as required by federal statute)

### *Timekeeping Records*

All payroll expenditures with federal grant funds shall comply with EDGAR regulations such as the period of performance (200.77) and compensation (200.430).

The Payroll department shall ensure that all timekeeping records are properly submitted before payroll disbursements are made to federally-funded staff. The timekeeping records for exempt staff may include supplemental pay sheets for additional assignments such as summer school, tutoring, professional development, etc. in accordance with the Supplemental Pay Procedures.

The timekeeping records for non-exempt staff shall comply with the FLSA [2 CFR 200.430(i)(3)]. Specifically, all non-exempt work hours must be submitted in accordance with the Time Sheet & Time Clock Procedures and recorded through the district's timekeeping system, Veritime.

The Grant Manager, [District PEIMS Coordinator], HR Administrator and Payroll Managers shall work collaboratively to ensure that the Role ID and salary object codes reflected on the grant application (Payroll Summary) are consistent with the HR, payroll, finance, and PEIMS records.]

### **Approval of Payroll Expenditures**

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

### **Selection of Grant-Funded Staff**

The Grant Manager shall work collaboratively with the appropriate stakeholders (campuses and departments) to identify all staff needed to accomplish the grant activities. The Grant Manager shall work collaboratively with the CFO to obtain estimated salaries for proposed grant-funded staff prior to the completion of the grant application. And, the Grant Manager shall provide a copy of the Payroll Summary of each grant program to each of the campuses and departments noted above upon approval of the grant application.

### *New Positions*

New grant-funded positions shall be created only when a job description has been developed and approved by the Human Resources and the Federal Programs Director. The Federal Programs Director shall ensure that the position is approved on the grant application and that adequate funds exist to fill the position.

The CFO and payroll departments 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.

3) Business Office – ensure that funds exist for the additional PK teacher slot and change the payroll account distribution code(s) from Title I to PK as of the effective date of the transfer.

### **Job description for all grant funded staff**

The HR Administrator shall develop and distribute a job description to all district staff that is wholly or partially funded with grant funds. The job description shall include the funding source(s) and the job duties as they relate to the grant position. The grant-funded staff shall sign the job description at employment, when the funding source, job title or other change occurs in the employment or assignment of the staff member.

The job description and assignment shall be supported by documentation such as grade books, master schedule, etc.

### **Roster of all grant funded staff**

The Grant Manager shall maintain an up-to-date roster of all grant funded staff to include the position title, 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 finance departments 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 grants management department.

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 HR department shall ensure that each grant funded staff member has a signed job description on file for the position title noted on the roster. And, the HR department shall ensure that all grant-funded staff meet the state's Certification or are Highly Effective, as appropriate.
- 3) Finance – ensure that the funding source(s) and salary are correct as noted on the roster. In addition, the finance department shall ensure that the payroll distribution account code(s) are in accordance with the FASRG.

*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 (sample in Exhibit Section).

The timeline for semi-annual certifications shall cover a 6-month period. The 6-month period shall be determined per academic semester to coincide with teaching assignment each semester. The immediate supervisor shall submit all signed semi-annual certifications to the Business Office Accountant as noted below:

- 1) 1<sup>st</sup> Certification – due 1 week after the end of the 6-month period (July 1<sup>st</sup> – Dec 31<sup>st</sup>)
- 2) 2<sup>nd</sup> Certification – due 1 week after the end of the 6-month period\* - (Jan 1<sup>st</sup> – June 30<sup>th</sup>)

\*The 2<sup>nd</sup> semester certification for 10-month employees shall be due on the last working day of the school year. Submission of the required certification shall be part of a campus or department staff member's check out procedures.

The Business Office review 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 Manager shall collect and review all Semi-Annual Certification Forms. Any certifications that reflect a percentage other than 100% shall be forwarded to the finance department for adjustment of the grant payroll expenditures for the certification period. NOTE: Steps should also be taken to ensure that the staff member's work schedule is adjusted to 100% grant related, or is changed from the semi-annual certification method to time and effort reporting. The Grant Manager shall file the certifications for audit purposes.

The Business Office Accountant shall prepare a journal ledger entry to correct the account distribution code(s) as appropriate. The Purchasing Clerk 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



### *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.

The district has opted to use the Time and Effort Substitute System at this time.

### **Non-Payroll Costs**

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

All purchases with federal grant funds shall be in accordance with the Purchasing Procedures.

### **Purchase Requisitions**

Purchase requisitions must be itemized with detailed descriptions, prices, delivery details, delivery/completion date, detailed vendor info, bid number, or quote information (where applicable), along with justification, terms, and conditions critical to the order. Requisitions submitted without adequate detail will be returned to the originator.

### **Purchase Orders**

The primary method for all purchases is to issue a Purchase Order. Once issued by the district and accepted by the vendor, the Purchase Order is a binding written agreement between the District and the Vendor. The types of purchase orders are noted below:

- Single PO – One-time purchase of goods and/or services where need is identified, ordered, received and PO is closed immediately.
- Open purchase orders:
  - Annual PO – For annual contracts such as annual service contracts, subscriptions, etc. The PO shall include a description of the goods and/or services with specified annual quantity, unit of measure, and price.
  - Monthly PO - As needed purchase of small dollar items that are expected to be purchased from a particular vendor throughout the year.

Both types of purchase orders [Single and Open] may be utilized with federal grant funds, subject to the approval of the purchase in accordance with the PO approval path.

Specific instructions related to specialized purchases are included in the Purchasing Procedures. Specific instructions include, but are not limited to, the following categories of purchases:

- Walmart, Sam's Club, and HEB

- 6) The expenditure is supplemental and not supplanting a local expenditure (NOTE: Refer to compliance issues related to supplement and supplant for additional guidance.)

#### **Purchase Order Deadline(s)**

In an effort to meet all obligation and liquidation requirements of grant funds, the district has established a **May 1st** purchase order deadline. This deadline shall be adhered to by all purchase order originators. A campus principal or department head may impose an earlier deadline for their respective campus or department.

A different purchase order deadline may be required for federal grant funds to ensure that all purchases occur within the grant period (obligation period).

#### **Receipts of Goods and/or Services**

All district staff shall adhere to the Receipt of Goods and Services Procedures to ensure that receipt of all goods and services is properly documented prior to issuing payment to the vendor. No payment shall be made to a vendor for goods and/or services unless the receipt of the goods and/or services have been verified and documented by the receiving clerk (Administrative Support Secretary).

The district receives all goods under a centralized receiving system. The Campus/Department Secretary shall receive, open, and verify the receipt of all ordered goods. Signed documentation and packing lists, if any, shall be forwarded to the Accounts Payable Clerk for payment through the Accounts Payable Procedures.

For acceptance of services, the requestor shall inspect that the work has been accomplished according to the agreed upon terms and conditions and scope of work. Acceptance of partial completion should not be made unless previously agreed upon by the district and vendor in the contract and/or agreement for services.

Receipt of partial orders shall be allowable subject to the Partial Purchase Order Receipt Procedures. Payments for partial shipments shall be made within the 30-day payment period.

All shipment errors such as shortages, overages, damages, etc. shall be reported to the Campus/Department Secretary. The Campus/Department Secretary shall be responsible for vendor relations and shall address and resolve the issues with the vendor.

#### **Non-Purchase Order Purchases**

The district shall utilize non-purchase order methods to obtain goods such as credit cards, petty cash, direct payments, etc. as authorized in the district's business procedures. All of the purchases shall be subject to pre-approval by the originator (campus principal or department head), and Director of Business Services.

be approved and coded by the appropriate budget manager and approved by the Director of Business Services and the appropriate Grant Manager.

#### **Approval of Disbursements/Expenditures**

The Accounts Payable Department 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. The same procedures shall be used to issue payments to vendors from local, state and federal grant funds.

Payments for goods and services shall be made within thirty (30) days of receipt of the goods and/or services and an invoice in accordance with the Texas Prompt Payment Act.

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

- 1) Invoice amount exceeds the purchase order by 10% or \$200
- 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, if not encumbered through the purchase order system
- 4) Non-purchase order payment such as petty cash, credit card, direct invoice, reimbursement, etc.
- 5) Reclassification of a prior expenditure from one account code(s) to another

- 1) Consultant and/or contractor has not been suspended or debarred
- 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 [2 CFR 200.459(b)(1)]
- 4) The past pattern of costs, particularly in the years prior to federal awards [2 CFR 200.459(b)(3)]
- 5) The contract does not contain any proposal costs [not allowable under federal regulations]
- 6) Whether the proposed contracted services can be performed more economically by direct employment rather than contracting [2 CFR 200.459(b)(6)]
- 7) Capability of the proposed vendor to perform the required services
- 8) 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.] [2 CFR 200.459(b)(7)]
- 9) The contract and/or consultant agreement meets the allowable costs principles.
- 10) A contract subject to Davis Bacon has the appropriate contract language
- 11) The contract and/or consultant agreement fee for services do not exceed any federal grant or local limits

In addition, 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].

**All contracts with federal grant funds shall include the 2 CFR Section 200 Required Provisions Addendum for Contracts Funded by US Federal Grants (Rogers, Morris & Grover 2021).**

The final approval authority for all contracts shall be the Superintendent, unless the contract is over \$150,000, then the final approval authority shall be the Board of Trustees through approval at a regularly scheduled or special board meeting.

#### *Contract Form and Required Contract Provisions*

Unless the contractor provides a contract form, the district shall utilize the Consultant Services Agreement to execute a contract for services. The agreement (contract) shall include the following at a minimum, but may include other contract provisions, as appropriate.

- Services to be provided
- Service date(s)
- Contract Rate of Pay – Hourly, Daily, or Flat Amount
- Contract Term – Days, Months or other term length
- Fingerprinting/Senate Bill 9 Compliance
- Independent Contractor Status

### **Contractual Obligation**

The date the district executes (signs) a contract for professional services shall be defined as the "obligation date". The district cannot obligate federal grant funds, except during the grant period in compliance with **EDGAR 34 CFR 75.703**, 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 shall execute a Letter of Intent to Contract with a third party prior to the issuance of a Notice of Grant Award (NOGA), as deemed appropriate.

### **Selected Item of Cost – Travel Expenditures**

The district shall 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 (DEE Legal and Local) and the district's Travel Guidelines and Procedures. **The Travel Guidelines and Procedures are included in the Exhibit Section.**

Federal regulations (**2 CFR 200.475**) define travel costs as: *expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-Federal entity [district]. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the non-Federal entity's non-federally-funded activities and in accordance with non-Federal entity's written travel reimbursement policies.* The district has determined that all travel costs shall be paid to the travel and expensed using a per diem basis as defined in the district's travel procedures].

The allowable rates of reimbursement shall be the lesser of the federal rates or local rates. For example, if the federal rate of reimbursement for mileage is 58 cents but the local rate established in Board Policy DEE Local is 28 cents, the maximum rate of reimbursement for mileage with federal funds shall be the local rate of 28 cents. The district has elected to use a set mileage rate [as established in Board Policy DEE Local] or [as established by the General Services Administration (GSA)].

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

NOTE. No travel expenditures shall be recorded on the general ledger for a federal grant fund until AFTER the travel event has occurred and the actual travel expenditures are known and supported by documentation. Travel pre-paid or advanced expenditures shall be recorded in [the general operating



- Meals – meal expenses for overnight travel (in accordance with local travel guidelines) shall be allowed for district employees and students. **Non-overnight travel meals expenses shall not be allowed.** The district shall advance or reimburse meal expenses, subject to the GSA limits or local limits, on an *accountable* per diem basis. The traveler shall submit a written certification [Travel Authorization/Settlement Form] with [the actual meal costs] or [detailed receipts] for work-related meals and shall return the unused meal funds [if any] to the district. The meal per diems shall be adjusted in accordance with IRS regulations regarding the day of departure/return and meals provided as part of the registration fee.
- Lodging – lodging expenses for overnight travel (in accordance with local travel guidelines) shall be allowed if reasonable, necessary and directly related to federal grant activities. The district shall pay for lodging expenses up to the GSA limits with federal grant funds. The district shall pay the actual cost of lodging in excess of GSA limits only with local funds, i.e. General Fund. Receipts shall be required for all lodging expenses. Recreational or personal services such as gyms, spas, etc. shall not be allowed with local, state or federal grant funds.
- Transportation – transportation expenses shall be allowed for *reasonable* expenses such as flights, 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, necessary and limited to the guidance in the cost principles.

#### Unallowable Travel Expenditures

The following travel expenditures shall be unallowable with federal, state and local funds:

- Supplies and/or other conference resources. [This type of expense may be allowable as a supply expenditure if a purchase order is submitted and approved before the travel event, typically an Open PO not to exceed a specified amount.]
- Alcoholic drinks or beverages
- Entertainment expenses, such as in-room movies, fee-based hotel amenities such as gyms, spas, etc.
- Expenses for spouses or other non-district employees
- Expenses due to the traveler's failure to cancel a registration or travel arrangements (except for extenuating circumstances – if allowed due to extenuating circumstance only local funds may be used for the expenses)
- Hotel Internet charges (unless expense is work-related and pre-approved on travel authorization – if allowed, the charges shall be expensed to local funds)
- Non-substantiated or fraudulent travel reimbursement requests shall be non-allowable travel expenses from federal, state or local funds. Travelers who submit fraudulent travel reimbursement requests shall be subject to disciplinary action, up to and including termination of employment.

- Implement strategies to deter, mitigate, and eliminate waste and fraud in the expenditure of grant funds

## Monitoring of Grant Purchases and Expenditures

The Grant Manager 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. [Best Practice-not a federal or state requirement] The following timeline shall be used as a general guide for spending thresholds for a grant period of 15 months. The optimal spending thresholds noted below may be adjusted based on programmatic needs. For example, if the federal grant will be used for summer activities such as summer school, a larger percentage of the grant may need to be withheld for those specific activities.

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

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.

*In accordance with 2 CFR 200.329(b)(1): the non-Federal entity [district] must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes. Annual reports must be due 90 calendar days after the reporting period; quarterly or semiannual reports must be due 30 calendar days after the reporting period. Alternatively, the Federal awarding agency or pass-through entity may require annual reports before the anniversary dates of multiple year Federal awards. The final performance report will be due 90 calendar days after the period of performance end date. If a justified request is submitted by a non-Federal entity, the Federal agency may extend the due date for any performance report.*

The Grant Manager shall be responsible for compiling and submitting all federal program performance reports as required by the federal granting or pass-through agency.

Auditing findings or deficiencies shall be addressed in a timely manner upon receipt of the notification. The finance, human resources, and grant management 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 and monitor the timely implementation of corrective strategies.

- 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: The federal granting or oversight agency 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 student did not benefit from the delayed expenditure.]
- 4) Authorize [in writing] the Director of Business Services to draw-down the available grant funds by signing the Federal Grant Fund Expenditure Reimbursement Drawdown Certification Form.

Upon approval from the Federal Programs Director, the Director of Business Services shall prepare the paper and/or electronic draw-down request. The amount of the receivable shall be recorded on the general ledger (214X) and a copy of all supporting documentation such as the detailed general ledger, approval from the grant management department, and other supporting documentation shall be filed for audit purposes. The Business Office Accountant shall prepare the journal ledger entry and the Purchasing Clerk shall post the to the finance general ledger.

If additional documentation of an electronic draw-down is required by the granting agency, the Federal Programs Director shall comply with the additional requirements. For example, TEA as an oversight agency, 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 Federal Programs Director shall respond to the request within the allotted time to avoid designation as a "high risk" grantee.

**Note. TEA issues a Risk Assessment to each district on an annual basis. The district's most recent Risk Assessment is "Low".**

The Director of Business Services shall be responsible to ensure that the requested draw down amount does not exceed a grant-specific draw down amount, or percentage. [NOTE: The ESSA draw down percentage is 20% per month and aggregates each month.]

#### *Final Draw-Down Request for Reimbursement*

The final draw-down of grant funds from the granting agency shall be made within the allowable timeframe. Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award [2 CFR 200.343(b)]. 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 final draw down process shall be the same as a monthly or periodic draw down, except that all refunds, rebates, credits, discounts, or other adjustments to the general ledger must be recorded in the general ledger prior to submitting the final draw down request. The final draw-down shall be reviewed and approved in the same manner as a periodic draw-down.

### *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 and 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 Director of Business Services 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 Business Office Accountant shall prepare the adjusting journal ledger entry and the Purchasing Clerk shall post the entry to the finance general ledger.

The district shall not maintain grant funds in a separate bank account. The district has elected to draw down federal grant funds under the advanced cash reimbursement program guidelines, i.e. after the delivery of the payment to the payee. Bank account interest shall not 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 Business Office Accountant 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. The Director of Business Services shall be notified if aged receivables are not resolved within 90 days of recording the receivable.

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 CFO or Director of Business Services shall prepare the journal ledger entry and the Purchasing Clerk shall post the entry to the finance general ledger.

- 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.

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

**See Big Spring ISD's current statement of exemption in attachments to this manual.**

### **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 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, 2017]

The CFO and the Director of Federal Programs shall conduct the comparability test on an annual basis and complete the Title I Part A Comparability Assurance Document (CAD), as appropriate. **NOTE: The district is not currently exempt from the comparability requirements due to the overlapping campus grade spans.** If the district is not exempt, the Federal Programs Director shall complete and submit the Comparability Computation Form (CCF) to TEA by the mid-November annual deadline.

In completing the CAD and CCF, the <sup>1</sup>CFO and the Federal Programs Director shall follow the process outlined below:

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

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<sup>1</sup>

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 CFO 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 finance department 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 finance department shall code all special education expenditures that qualify as exceptions to a specific sub-object for tracking purposes. For example, if the district makes a long-term purchase of equipment for a special education student, the district should track that expense separately (using a sub-object) to apply that cost as an exception during the MOE calculation.**

As part of the IDEA-B grant application process, the Special Education Director will need to know the prior year Special Education expenditures and the next fiscal year budgeted Special Education Expenditures. The CFO shall provide these amounts to the Special Education Director not later than June 30th to ensure that the most accurate amounts are reflected in the grant application. Changes to these amounts, as they are known, by the CFO shall be submitted to the Special Education Director, as appropriate.

### Single Audit

In compliance with 2 CFR 200, Subpart F – Audit Requirements, the district shall engage an independent audit firm to conduct a Single Audit of federal awards. The scope of the Single Audit shall require the following:

- The audit must be conducted in accordance with GAGAS and cover the entire operations of the district during the audit period,
- Determination if the financial statements are presented fairly in all material aspects in accordance with generally accepted accounting practices,
- Evaluate the internal controls over federal programs including testing to determine the risk level,
- Determination if the district has complied with federal statutes, regulations, and terms and conditions of the federal awards,
- Follow up on prior audit findings, and
- Submit the Data Collection Form.

Upon receipt of the Single Audit, the CFO shall determine if the audit contains any Corrective Actions of Questioned Costs.



## Reporting Requirements

The district shall ensure that all reporting requirements for grant programs are met within the established timelines. A master list of all activity, progress, evaluation, and expenditure reports shall be created to include the grant program, report type, responsible person(s), and due date. 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 – Federal Programs Director
- 2) Expenditure reports such as interim, draw down, and final expenditure reports – Director of Business Services.
- 3) Compliance reports such as Comparability, Maintenance of Effort, Indirect Cost, etc. – Federal Programs Director.
- 4) Highly Effective Staff reports – Human Resources Administrator

The Grant Manager shall monitor the overall master list to ensure that all reporting requirements have been completed by the appropriate campus and/or department. The reporting requirements for TEA-administered grants are posted by grant on the TEA Grant Opportunities webpage.

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

## 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 and shall respond appropriately to all notifications of non-compliance from the federal granting agency or pass-through agency (TEA).

## Grant Closeout Procedures

The district shall submit all grant closeout documents to the granting agency or pass-through agency, as appropriate [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

## Grant Awards

**List of Grant Awards (including grant funding source, grant period, and grant amount)**

Grant Title/#	Award Date	CFDA #	Grant Period	Amount	Federal Regulations
Title I Part A	08/05/2023	84.010A	07/03/2023 - 09/30/2024	\$1,106,481	EDGAR
Title II Part A	08/05/2023	84.367A	07/03/2023 - 09/30/2024	\$159,472	EDGAR
Title I Part C Carl Perkins	08/25/2023	84.048A	07/26/2023 – 08/15/2024	\$45,898	EDGAR
IDEA – Part B	10/10/2023	84.027A	08/28/2023 - 09/30/2024	\$800,832	EDGAR
IDEA – Part B Preschool	10/10/2023	84.173A	08/28/2023 - 09/30/2024	\$26,660	EDGAR
Title III, Part A- ELA	08/05/2023	84.365A	07/03/2023 – 09/30/2024	\$21,163	EDGAR
Title IV, Part A- Subpart 1	08/05/2023	84.424A	07/03/2023 – 09/30/2024	\$94,248	EDGAR
Title V,		84.367A	09/17/2023 – 09/30/2024	\$	EDGAR
CRRSA ESSER II	08/30/2023	84.425D	07/29/2023- 09/30/2024	\$4,283,433	EDGAR
ARP ESSER III	07/16/2023	84.425U	06/21/2023- 09/30/2024	\$9,623,089	EDGAR
TCLAS–ESSER III	11/30/2021	84.425U	10/29/2021- 08/31/2024	\$1,383,000	EDGAR
TCLAS - GR	11/30/2021		10/29/2021- 05/31/2024	\$433,320	EDGAR

## Attachment #1

### Statement of Exemption

School Year: 2023-2024

LEA Name: Big Spring ISD

Every Student Succeeds Act (ESSA)

### Title I, Part A Supplement, Not Supplant (SNS) Compliance Requirement

Under ESSA Title I, Part A, the LEA must either demonstrate a valid SNS Methodology that is used to allocate State and Local funds to campuses or have a Statement of Exemption.

#### Title I Part Statute:

##### Section 1118(b)(1)

*All LEAs shall use Federal funds received under this part only to supplement the funds that would, in the absence of such Federal funds, be made available from State and local sources for the education of students participating in programs assisted under this part, and not to supplant such funds.*

#### Guidance on Exemptions

Based on guidance from the US Department of Education, LEAs that meet one of the situations described in the Statement of Exemption section, below, will not be required to demonstrate a methodology for allocating its State and local funds to its campuses in order to comply with the SNS Methodology requirement for Title I, Part A. The situations described, below, result in Title I neutral situations with regard to campus allocations. Therefore, the SNS requirement at the campus level is met for Title I, Part A purposes, as long as the LEA provides enough State and local resources to its campus(es) to provide a free, public education in the absence of Title I, Part A funds. Title I, Part A funds that are reserved at the LEA level must be used only for Title I, Part A purposes, as indicated in the LEA's approved ESSA Consolidated Federal Grant Application.

#### Statement of Exemption

The LEA, named above, will not be required to demonstrate a methodology for allocating its State and local funds for the reason indicated, below:

- ☐ The LEA has only one campus.
- ☒ All campuses in the LEA are Title I campuses.
- ☐ The LEA has only one campus in each campus category [Elementary, Middle, High School]
- ☐ All campus categories are exempt, either because all campuses in the category are Title I campuses; all are non-Title I; or the category has only one campus.

Campus Name	Campus #	Grades	Title I Served [Y/N]
Big Spring High School	114901001	9-12	Y
Big Spring Junior High School	114901043	7-8	Y
Big Spring Intermediate	114901044	5-6	Y
Goliad Elementary	114901102	4	Y
Washington Elementary	114901113	3	Y
Marcy Elementary	114901110	K-2	Y
Moss Elementary	114901111	K-2	Y
Kentwood Elementary	114901108	Pre-K	Y

JAY McWHIRTER  
Printed Name of Official

[Signature]  
Signature of Authorized Official

SUPERINTENDENT  
Title

7/1/23  
Date

**Statement of Exemption**  
**School Year: 2023-2024**  
**LEA Name: Big Spring ISD**  
**Every Student Succeeds Act (ESSA)**  
**Title I, Part A Supplement, Not Supplant (SNS) Compliance Requirement**

Under ESSA Title I, Part A, the LEA must either demonstrate a valid SNS Methodology that is used to allocate State and Local funds to campuses or have a Statement of Exemption.

**Title I Part Statute:**  
**Section 1118(b)(1)**

*All LEAs shall use Federal funds received under this part only to supplement the funds that would, in the absence of such Federal funds, be made available from State and local sources for the education of students participating in programs assisted under this part, and not to supplant such funds.*

**Guidance on Exemptions**

Based on guidance from the US Department of Education, LEAs that meet one of the situations described in the Statement of Exemption section, below, will not be required to demonstrate a methodology for allocating its State and local funds to its campuses in order to comply with the SNS Methodology requirement for Title I, Part A. The situations described, below, result in Title I neutral situations with regard to campus allocations. Therefore, the SNS requirement at the campus level is met for Title I, Part A purposes, as long as the LEA provides enough State and local resources to its campus(es) to provide a free, public education in the absence of Title I, Part A funds. Title I, Part A funds that are reserved at the LEA level must be used only for Title I, Part A purposes, as indicated in the LEA's approved ESSA Consolidated Federal Grant Application.

**Statement of Exemption**

The LEA, named above, will not be required to demonstrate a methodology for allocating its State and local funds for the reason indicated, below:

- ☐ The LEA has only one campus.
- ☒ All campuses in the LEA are Title I campuses.
- ☐ The LEA has only one campus in each campus category [Elementary, Middle, High School]
- ☐ All campus categories are exempt, either because all campuses in the category are Title I campuses; all are non-Title I; or the category has only one campus.

Campus Name	Campus #	Grades	Title I Served [Y/N]
Big Spring High School	114901001	9-12	Y
Big Spring Junior High School	114901043	7-8	Y
Big Spring Intermediate	114901044	5-6	Y
Goliad Elementary	114901102	4	Y
Washington Elementary	114901113	3	Y
Marcy Elementary	114901110	K-2	Y
Moss Elementary	114901111	K-2	Y
Kentwood Elementary	114901108	Pre-K	Y

Printed Name of Official

Signature of Authorized Official

Title

Date

Last Updated Date/Time: 05/30/2023 02:20 PM by user: debbie.park2

Schedule Status: Complete

Formula

Application ID: 0031930325970001

**eGrants**  
TEXAS EDUCATION AGENCY

Organization: BIG SPRING ISD  
Campus/Site: N/A  
Vendor ID: 1756000188

County District: 114901  
ESC Region: 18  
School Year: 2023-2024

SAS#: ESSAAA24

2023-2024 ESSA Consolidated Federal Grant Application

Campus Selection  
SC5000 - Title I, Part A Campus Selection

[View/Print Report](#)

114901-BIG SPRING ISD Title I, Part A Campus Selection

A. LEA Data - 114901-BIG SPRING ISD

(Documentation of the source of low-income data must be maintained locally by the LEA and available to be submitted to TEA upon request.)

1.	LEA Name: 114901-BIG SPRING ISD	
2.	LEA Total Low-Income Percentage:	72.13%
3.	LEA Total Enrollment:	3,509

**eGrants**  
TEXAS EDUCATION AGENCY

Organization: BIG SPRING ISD  
Campus/Site: N/A  
Vendor ID: 1756000188

County District: 11490  
ESC Region: 18  
School Year: 2023-2024

SAS#: ESSAAA24

## 2023-2024 ESSA Consolidated Federal Grant Application

**Campus Selection**  
**SC5000 - Title I, Part A Campus Selection**

Copy Prior Year Data

## B. Campus Selection Data

Total Campus Enrollment	Basis of Eligibility	Additional Title 1 Eligibility	Campus Low Income %	Additional SW Eligibility	Campus Status	# Students Served on TA Campus	Other	Consolidated Funds
<b>1. 001-BIG SPRING H S</b>								
Grades: 08-12								
1,084	Enrollment	<input type="radio"/> One-Year Transition <input type="radio"/> Grade-Span Grouping <input type="radio"/> Ed-Flex Individual Prog. Waiver <input type="radio"/> None	66.61	<input type="radio"/> SW Ed-Flex Waiver <input type="radio"/> SW Previous Year	SW			Fed/ST/Lo
<b>2. 043-BIG SPRING J H</b>								
Grades: 07-08								
516	Enrollment	<input type="radio"/> One-Year Transition <input type="radio"/> Grade-Span Grouping <input type="radio"/> Ed-Flex Individual Prog. Waiver <input type="radio"/> None	65.89	<input type="radio"/> SW Ed-Flex Waiver <input type="radio"/> SW Previous Year	SW			Fed/ST/Lo
<b>3. 044-BIG SPRING INT</b>								
Grades: 05-06								
488	Enrollment	<input type="radio"/> One-Year Transition <input type="radio"/> Grade-Span Grouping <input type="radio"/> Ed-Flex Individual Prog. Waiver <input type="radio"/> None	77.30	<input type="radio"/> SW Ed-Flex Waiver <input type="radio"/> SW Previous Year	SW			Fed/ST/Lo
<b>4. 102-GOLIAD EL</b>								
Grades: 04								
232	Enrollment	<input type="radio"/> One-Year Transition <input type="radio"/> Grade-Span Grouping <input type="radio"/> Ed-Flex Individual Prog. Waiver <input type="radio"/> None	76.29	<input type="radio"/> SW Ed-Flex Waiver <input type="radio"/> SW Previous Year	SW			Fed/ST/Lo
<b>5. 106-BIG SPRING DAEP</b>								
Grades: 05-12								



Last Updated Date/Time: 05/30/2023 02:20 PM by user: debbie.park2

Schedule Status: Complete

Formula

Application ID: 0031930325870001

**eGrants**  
TEXAS EDUCATION AGENCY

Organization: BIG SPRING ISD  
Campus/Site: N/A  
Vendor ID: 1756000188

County District: 114901  
ESC Region: 18  
School Year: 2023-2024

SAS#: ESSAAA24

2023-2024 ESSA Consolidated Federal Grant Application

Campus Selection

SC5000 - Title I, Part A Campus Selection

0	None	<input type="radio"/> One-Year Transition <input type="radio"/> Grade-Span Grouping <input type="radio"/> Ed-Flex Individual Prog. Waiver <input type="radio"/> None	0.00	<input type="radio"/> SW Ed-Flex Waiver <input type="radio"/> SW Previous Year	NS			Selected On: ▼
6. 108-KENTWOOD EL								
Grades: EE-PK								
95	Enrollment	<input type="radio"/> One-Year Transition <input type="radio"/> Grade-Span Grouping <input type="radio"/> Ed-Flex Individual Prog. Waiver <input type="radio"/> None	82.11	<input type="radio"/> SW Ed-Flex Waiver <input type="radio"/> SW Previous Year	SW			Fed/SU/Lo ▼
7. 110-MARCY EL								
Grades: KG-02								
359	Enrollment	<input type="radio"/> One-Year Transition <input type="radio"/> Grade-Span Grouping <input type="radio"/> Ed-Flex Individual Prog. Waiver <input type="radio"/> None	76.32	<input type="radio"/> SW Ed-Flex Waiver <input type="radio"/> SW Previous Year	SW			Fed/SU/Lo ▼
8. 111-MOSS EL								
Grades: KG-02								
461	Enrollment	<input type="radio"/> One-Year Transition <input type="radio"/> Grade-Span Grouping <input type="radio"/> Ed-Flex Individual Prog. Waiver <input type="radio"/> None	74.84	<input type="radio"/> SW Ed-Flex Waiver <input type="radio"/> SW Previous Year	SW			Fed/SU/Lo ▼
9. 113-WASHINGTON EL								
Grades: 03								
273	Enrollment	<input type="radio"/> One-Year Transition <input type="radio"/> Grade-Span Grouping <input type="radio"/> Ed-Flex Individual Prog. Waiver <input type="radio"/> None	79.49	<input type="radio"/> SW Ed-Flex Waiver <input type="radio"/> SW Previous Year	SW			Fed/SU/Lo ▼

C. Campus Assurances

1. ☒ SW Campuses Assurance ☐ TA Campuses Assurance ☐ Skip Campuses Assurance

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Campus Selection  
SC5000 - Title I, Part A Campus Selection

D. Supplement, Not Supplant

1. Select the statement that applies to the LEA:

- ☐ The LEA has a written, Title I-neutral methodology for distributing its state and local funds to its campuses. [Templates and examples are available in the Supplement, Not Supplant Handbook.]  
Or  
☒ The LEA has a valid Statement of Exemption based on criteria described in the Supplement, Not Supplant Handbook.