



Federal Grants Manual

May 2021

Prepared by the Business Office and the Federal Funding Department

PORT ARTHUR INDEPENDENT SCHOOL DISTRICT

Port Arthur, Texas

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Dr. Mark Porterie

*I, Dr. Mark Porterie, Superintendent, approve this Federal Grants Manual
on the 15th day of July.*

Dr. Mark Porterie

Dr. Mark Porterie

PORT ARTHUR INDEPENDENT SCHOOL DISTRICT

Port Arthur, Texas

BUSINESS OFFICE

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GENERAL INFORMATION

The District has established fiscal procedures that apply to all financial transactions regardless of the funding source. This manual provides guidelines and procedures for budgeting and expending Federal Grant funds. A routine needs assessment is conducted to identify the grant needs of the District. A plan is developed from the assessment to address the District's needs. Appropriate steps are taken to prepare budgets, evaluate staffing requirements and to define the program requirements.

PORT ARTHUR INDEPENDENT SCHOOL DISTRICT MISSION

Our mission, as the primary source of public education in the community, is to meet the unique educational needs of our diverse population by providing a comprehensive quality education for students of the Port Arthur Independent School District.

BUSINESS OFFICE MISSION

The Business Office's primary goal is to protect the assets of the District and to ensure that all financial transactions are performed in accordance with generally accepted accounting practices.

BUSINESS OFFICE STAFF

The Business Office staff performs multiple roles; however, adequate controls for the separation of duties will be maintained at all times. The Business Office staff consists of:

NAME	TITLE	EMAIL	PHONE
Dr. Mark Porterie	Superintendent of Schools	mporterie@paisd.org	409.989.6244
Phyllis Geans, CPA, CFO, RTSBA	Asst. Superintendent for Business & Finance	pgeans@paisd.org	409.989.6236
Denise Davis, MBA, RTSBA	Comptroller	denise.davis@paisd.org	409.989.6217
Margaret Moreno	Secretary	margaret.moreno@ paisd.org	409.989.6236
Lien Nguyen	General Accountant	lien.nguyen@paisd.org	409.989.6164
Diane Ward	General Accounting Clerk	dward@paisd.org	409.989.6216
Tien Tran	Accounts Payable Accountant	tien.tran@paisd.org	409.989.6237
Steven Malmay	Budget/Payroll Accountant	steven.malmay@paisd.org	409.989.6103

Carlesha Lewis	Disbursement, A/P & Fixed Assets Clerk	carlesha.lewis@paisd.org	409.989.6271
Stephanie Brazier	Payroll Supervisor	sbrazier@paisd.org	409.989.6269
Linda Paige	Payroll Clerk	lgpaige@paisd.org	409.989.6221
Loan Pham	Payroll Clerk	loan.pham@paisd.org	409.989.6262
Kristin Gentry	Purchasing Manager	kristin.gentry@paisd.org	409.989.6264
Donald Nellison	Mail Room Supervisor	dnellison@paisd.org	409.989.6145
Caffrie "Penny" Porterie	School Messenger	pporterie@paisd.org	409.989.6145
Smirna Avendano	Receptionist	savendano@paisd.org	409.989.6100

The Business Office staff that is directly involved with Federal grants is:

NAME	TITLE	EMAIL	PHONE
Dr. Mark Porterie	Superintendent of Schools	mporterie@paisd.org	409.989.6244
Phyllis Geans, CPA, CFO, RTSBA	Asst. Superintendent for Business & Finance	pgeans@paisd.org	409.989.6236
Denise Davis, MBA, RTSBA	Comptroller	denise.davis@paisd.org	409.989.6217
Margaret Moreno	Secretary	margaret.moreno@ paisd.org	409.989.6236
Lien Nguyen	General Accountant	lien.nguyen@paisd.org	409.989.6164
Diane Ward	General Accounting Clerk	dward@paisd.org	409.989.6216

The Federal Funding grant staff that is directly involved with Federal grants is:

NAME	TITLE	EMAIL	PHONE
Dr. Mark Porterie	Superintendent	mporterie@paisd.org	409.989.6244
Dr. Melvin Getwood	Assistant Superintendent for Curriculum & Instruction, Secondary	mgetwood@paisd.org	409.989.6224
Aleen Brady	Grant Manager	aperry@paisd.org	409.989.6249
Trisha Bush	Secretary	tbush@paisd.org	409.989.6224
Tawana Johnson	Secretary	tjohnson@paisd.org	409.989.6211

All District staff is expected to comply with the:

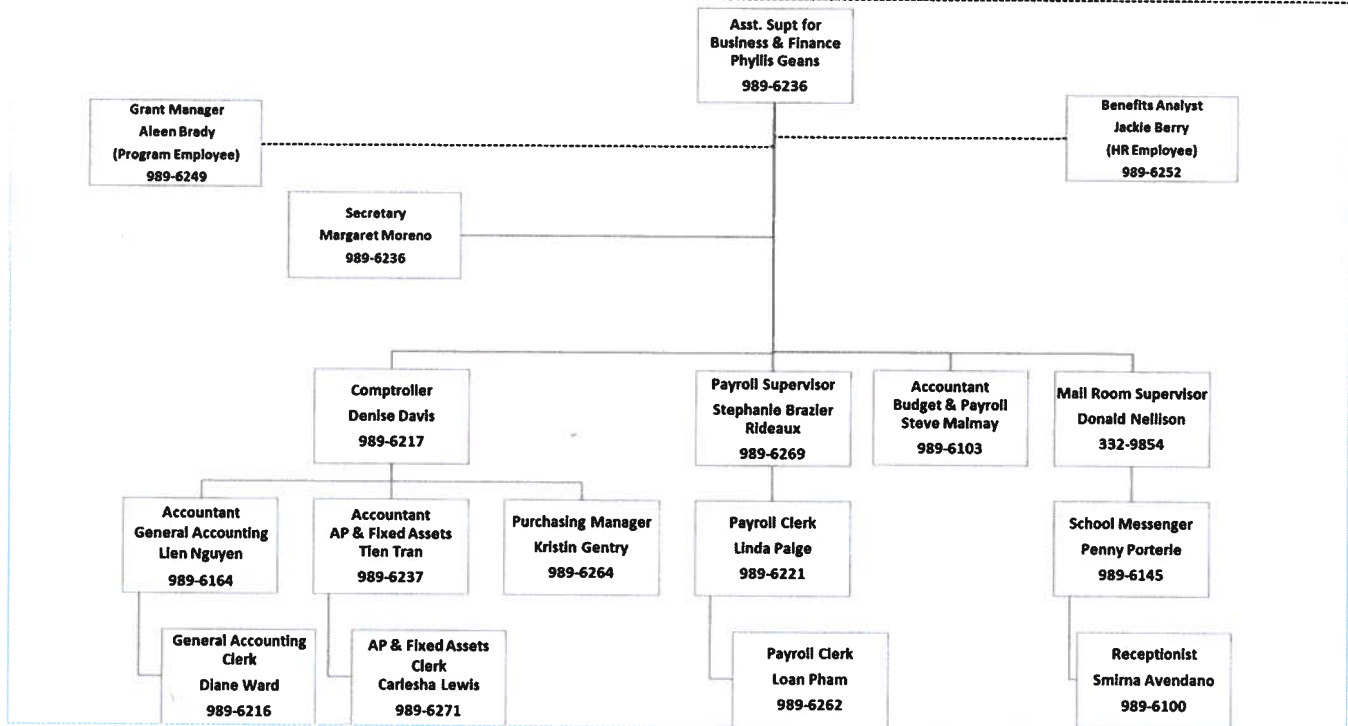
- **Code of Ethics and Standard Practices for Texas Educators (Board Policy DH)**
- **School Board Policy CAA (LOCAL) regarding fraud**
- **Port Arthur ISD Code of Conduct (Employee Handbook)**
- **Port Arthur ISD Acceptable Use Guidelines**

Each staff member will have an up-to-date job description on file in the Human Resources department. In addition, each staff member will sign an evaluation instrument during the annual evaluation process. Changes to job descriptions should be made when substantial changes occur in job duties or responsibilities.

ORGANIZATIONAL CHARTS

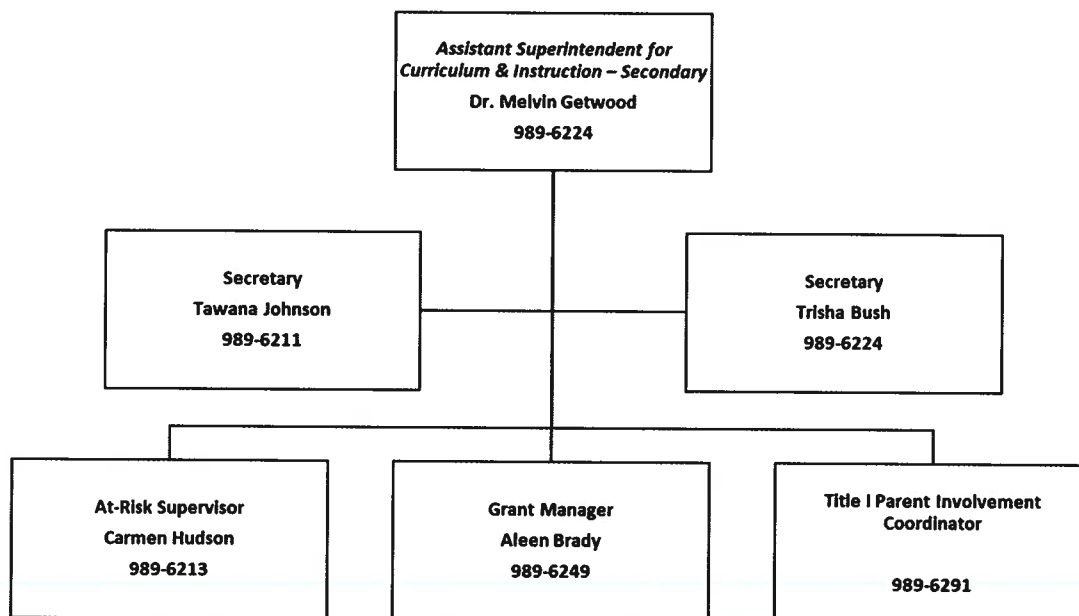
BUSINESS OFFICE

May 2021



FEDERAL FUNDING

May 2021



GENERAL LEDGER MAINTENANCE

General ledger entries will be made on an on-going basis as needed. End-of-the-month and end-of-the-year entries will be made on a timely basis. End-of-the-year entries will be made prior to the audit field work by the District's Federal audit firm.

The Business Office will be responsible for monitoring the general ledger maintenance on a monthly basis. The general ledger will 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 will be in balance (debits will equal credits). A Journal Voucher form will be used to document all entries. All journal entries will be numbered for tracking purposes. An automated numbering system through the Munis Accounting software is used by the District. The Business Office will be authorized to create journal entries and each journal is approved by either the Assistant Superintendent for Business and Finance or the Comptroller. The Accounting Clerk will be authorized to post journal entries to the general ledger.

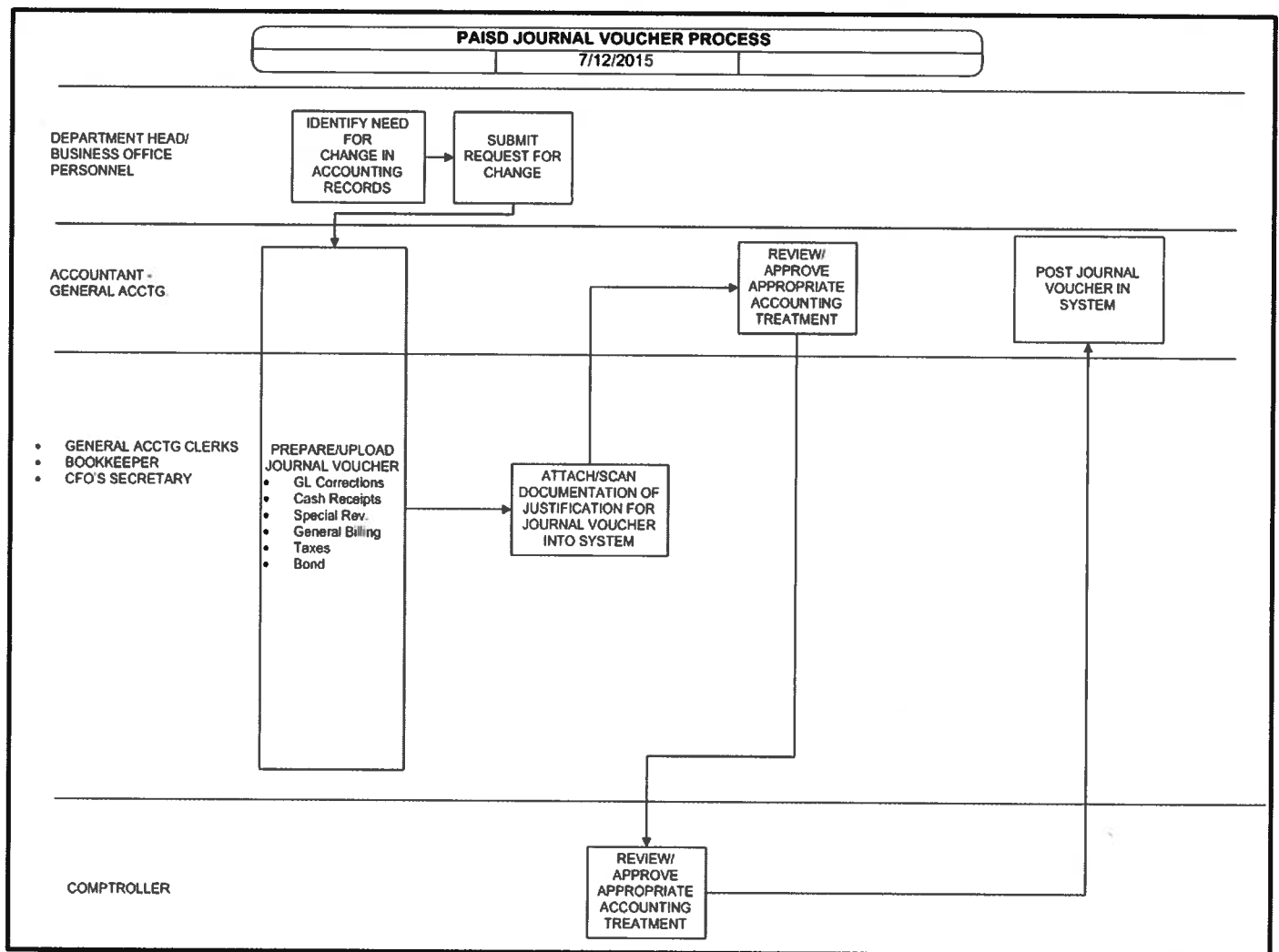
All payroll general journals will be interfaced to the finance system by the payroll department. The Payroll Supervisor will verify that payroll general journals are in balance and posted accurately to the general ledger. All payroll general journals must be posted to the finance general ledger no later than the actual pay date. Reallocation of payroll costs to a different funding source will be completed utilizing the Payroll History Transfer Authorization form. This form must be approved by the following:

- Director of Human Resources
- Assistant Superintendent for Business and Finance or Comptroller
- Assistant Superintendent for Curriculum and Instruction (If not initiated by Federal Funding Department)

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.

Financial reports are submitted to the Board of Trustees on a monthly basis. All reports are filed for review and audit purposes including any and all pertinent documentation.

See the PAISD Journal Voucher Process flow below for a graphical illustration of the flow for journal entries.



DATA ENTRY AND VALIDATION

All data entry will be from the appropriate source document(s). All data entry will be validated (verified) with the source documents. A system of checks and balance will be in place to ensure that all postings to the general ledger result in the desired outcome.

GENERAL LEDGER TRANSACTION (MINIMUM DATA REQUIRED)

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

- Date of the general ledger transaction – the date of the transaction should be within the posting month and within the posting fiscal year
- Account code(s) – the proper account code will be used for all transactions
- Journal [transaction] number – the number assigned will be automatically assigned in a sequential order
- The credit and debit amounts – the total debits must match the total credits
- Description of the transaction – explain the reason for the transaction

- Supporting document – supporting documentation should be attached to the journal entry form for audit tracking purposes
- Proper Approval – the journal should be approved by the appropriate staff

END-OF-MONTH PROCESS

Within 10 days after the end of the month, all end-of-month reports are reviewed and verified and the end-of-month process completed. The Business Office uses a checklist to ensure that all critical steps are followed during the EOM Process. The checklist covers the following areas:

- Advancing the Accounting Period
- Posting all open batches as they relate to:
 - Purchase Orders
 - General Journals
 - Cash Receipts
 - AP Invoices
 - Budget Transfers/Amendments
 - Employee Expense Claims
- Reconciling Accounts Receivable – compare the AR/GL report to the Account Trial Balance; and compare the Invoice Detail Report Summary to the Account Trial Balance
- Reconciling Accounts Payable – compare the Invoice History Report to the Account Trial Balance
- Reconciling Purchase Order Encumbrance Balances – compare the Purchase Order Report to the YTD Budget Report Encumbrance total and the Balance Sheet Encumbrances
- Reconciling the Account Trial Balance
- Posting month-end entries
- Performing month-end close

END-OF-FISCAL YEAR PROCESS

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 will be posted to the general ledger:

- Reconcile all cash and investment accounts – all cash and investment accounts will match the corresponding bank or investment general ledger balances as of August 31st, as reflected on the respective monthly Statement
- Reconcile all revenue accounts with amounts received and/or earned as of August 31st – All measurable revenue should be posted to the general ledger
- Reconcile all grant revenue and expenditures – the revenue and expenditures in every grant program (State and/or Federal) should equal. The excess revenue if any should be reclassified to a payable to the granting agency, unless the excess revenue is an advance payment (deferred revenue). If expenditures exceed revenue, the amount due from the granting agency should be posted to the revenue account and accounts receivable accounts
- Reconcile the final amended budget – verify that all budget amendments (at the functional level) have been posted to the general ledger. The sum of the original budget, plus all budget amendments during the fiscal year will equal the final amended budget
- Reconcile and post all accounts receivables – all funds due from other sources, as of August 31st, will be posted to the general ledger. The receivables will be measurable and expected to be received within 30-45 days after the end of the fiscal year in accordance with the District's accounting standards

- Reconcile and post all accounts payables – all payables due to others (vendors especially), as of August 31st, will be posted to the general ledger. The amounts due for all goods and/or services received as of August 31st are classified as accounts payable and paid during the next fiscal year
- Reconcile all accrued wages and benefits as of August 31st – All accrued wages and benefits will be posted to the general ledger, especially for all wages earned in August but scheduled to be paid in the next fiscal year (after September 1st)
- Reconcile all prepaid expenses as of August 31st – All prepaid expenses will be posted to the general ledger
- Reconcile the fixed assets ledger with all fixed asset additions, deletions, or changes – All assets acquired during the fiscal year will be added to the fixed asset database and/or Excel spreadsheet. All assets disposed of (sold or lost) will be removed from the fixed asset ledger
- Reconcile the fund balance as of August 31st – All changes, reductions, additions, and/or designations [restricted, committed, assigned, etc.] of fund balance accounts will be posted to the general ledger. All budgetary fund balance accounts (object code 3700) will be posted to the appropriate fund balance account (typically object code 3600)

SEGREGATION OF DUTIES

Specific Business Office duties are segregated to ensure internal controls are maintained. The duties include, but are not limited to the following:

- Endorsement of checks – The same staff member will not prepare and endorse accounts payable or payroll checks
- Bank reconciliations – The same staff member will 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 will not prepare non- cash general ledger transactions and post the transactions to the general ledger.
- Purchasing and Receiving functions – The same staff member will not serve as the final approver of a purchase order and verify receipt of the goods
- Contract Management – The same staff member will not approve a contract for goods or services and have sole approval authority to disburse the payment for the contracted goods or services
- Purchasing and Accounts Payable functions – The same staff member will not be able to establish a new vendor and also process disbursement checks to pay vendors
- Payroll and Human Resources functions – The Payroll Department cannot determine the amount an employee should be paid. This function is only performed in the HR Department

RETENTION OF RECORDS

All financial records for the current fiscal year will be retained for audit. The District will maintain grant-related records in a combination of paper and electronic formats. The Records Custodian for the financial records of the District is the Assistant Superintendent for Business and Finance.

All questions related to the retention, destruction, and/or addition of new record series shall be directed to the District's Records Management Officer (RMO), the District's Chief Education Reform Academic Officer and Secondary Supervisor. All records will be retained for a minimum of five (5) years.

DATA SYSTEM SECURITY & ACCESS TO RECORDS

Business Office staff handles and/or processes a substantial amount of confidential information. All staff is strictly prohibited from revealing confidential information to an unauthorized individual. Unless required by Federal, State, and/or local statute, the District is not required to permit public access to their records. The District will make all grant-related records available for access to the Federal granting agency and/or pass-through entity upon request.

Unless notified otherwise by the federal granting agency, the District will retain all financial and program records related to the grant award in accordance with the Federal grant. Upon request from the Federal granting agency, the District will transfer the records to the requesting Federal agency.

Employees are governed by the code of conduct found in the employee handbook. All employees receive and must sign a form acknowledging receipt of the employee handbook.

The staff will be authorized to access the District's financial and/or payroll system(s) for job-related purposes only. Use of the systems for personal reasons or benefit will result in disciplinary action, up to and including employment termination.

Each staff member will take appropriate steps to ensure that their respective computer system is managed in a controlled environment to prevent unauthorized access. At no time (including lunch breaks) will a computer system be logged on to a financial data system while unattended by the respective staff member. All computer systems will revert to a screen lock after seven (7) minutes of non-use.

ASSIGNMENT OF ACCESS AND PASSWORDS

Access to data systems will be based on the specific job duties and responsibilities of each staff member. Except for limited exceptions, staff will not be given unilateral access to all modules in the financial and payroll system. For example, a payroll staff member will not have access to the human resources system unless the access is limited in scope and "read-only." These restrictions to unilateral access are designed to prevent complete autonomy which could lead to fraud.

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

Data system access to the authorized modules will be determined by the Business Office and the Human Resources (HR) Department. Each staff member will 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 Security Administrator 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 is in violation.

BUSINESS STAFF TRAINING

Every staff member will be afforded an opportunity to attend trainings that are relevant to their job as the budget will allow. Training topics are related to 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

In an effort to support compliance to fiscal policies and procedures, the business office conducts annual training and monthly training for campus and department administrative and support staff, as appropriate. Critical training areas include, but are not limited to:

- Munis Training (Accounting database procedures & processes)
- Activity Account Management
- Budget Management
- Cash Management
- Payroll Activities

ADMINISTRATIVE PROCEDURES – PROPER USE OF GRANT FUNDS

- Annual training sessions are conducted with administrators and campus personnel responsible for managing the use of grant funds (see Business Office Manual for training materials and roster of attendees).
- Grant Management processes and procedures are further discussed with the program managers and administrators and administrative assistants/campus staff during the year. For example, the Business Office assists with:
 - Grant Application Preparation/Revisions to the Applications
 - Grant Disbursements (see PAISD Grant Disbursement Process flow)
 - Grant Payroll Process
- Updates on Grant processes are communicated to the administrators at Leadership Meetings which are held monthly.

FEDERAL GRANT MANAGEMENT

The Office for Grants and Fiscal Compliance (GFC) at Texas Education Agency is responsible for managing all discretionary and formula grants, ensuring the agency's compliance with Federal grant requirements, and conducting audits and reviews of all local educational agencies (LEAs). The department houses the following divisions:

- Division of Grants Administration
(formerly the Division of Discretionary Grants and the Division of Formula Funding)

- Division of Federal Program Compliance
(formerly the Fiscal Accountability and Federal Reporting Unit)
- Division of Financial Compliance
(formerly housed in the Office for Accreditation)

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

FEDERAL REGULATIONS FOR FEDERAL GRANT AWARDS

All Federal grant funds are subject to the compliance with Administrative (EDGAR) and Programmatic (NSLP, IDEA, etc.) regulations for each Federal grant award.

At the District level, managing Federal Grants is a collaborative process between the Business Office (Accounting, Budgeting, Purchasing, Payroll, etc.), Human Resources and Federal Funding Departments. Each respective department is 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.

BUSINESS OFFICE DUTIES AND RESPONSIBILITIES

- Assisting the Grant Manager with budgeting grants funds
- Assisting the Human Resources department with determining the payroll distribution code(s) for all grant-funded staff
- Preparing all grant-related financial reports (monthly, quarterly and/or annual)
- Preparing all financial records for the annual financial audit and single audit, as appropriate
- Ensuring compliance with the FASRG (Financial Accountability System Resource Guide) in coding all payroll and non-payroll expenditures
- Managing the day-to-day cash needs for grant expenditures and drawing down cash reimbursements, as appropriate
- Managing all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles
- 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 to meet Federal guidelines
- Ensuring that the necessary documentation is secured to reflect tasks performed when employee's time is split between multiple fund codes, as well as semi-annual certification forms for employees paid with Federal sources

HUMAN RESOURCES DEPARTMENT DUTIES AND RESPONSIBILITIES

- Assisting the Program Manager and Directors with the recruitment and hiring of all grant-funded staff
- Ensuring that all grant-funded staff meets the Federal guidelines, as appropriate and all State certification requirements

- Ensuring that all grant-funded staff has a job description with the grant-related duties and funding and that all grant-funded staff signs a job description
- Maintaining audit-ready HR employee files for financial audit or single audit purposes, as appropriate
- Developing and maintaining all salary schedules to ensure consistency between local and non-local pay rates (Includes base salaries, stipends and extra-duty rates of pay)
- Working with Program Manager and Directors in determining position titles, Role IDs and other salary information for grant-funded positions
- Retaining all personnel records for the required length of time (5 years) for audit purposes

FEDERAL FUNDING DEPARTMENT DUTIES AND RESPONSIBILITIES

- Working cooperatively with the campus administrative staff to ensure that all grant activities are collaboratively planned and appropriate to each campus
- Assisting the Human Resources department with determining the payroll distribution code(s) for all grant-funded staff
- Preparing all grant-related programmatic (evaluation) reports (monthly, quarterly and/or annual)
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
- Receiving and monitoring the time and effort reports, as appropriate, and submitting adjustments, if any, to the Business Office
- Monitoring the spending thresholds throughout the grant period to ensure that the grant activities are being conducted systematically throughout the grant period
- Reviewing and approving all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles
- Retaining all grant records for the required length of time (5 years) for audit purposes
- Providing information to the Human Resources department regarding the number and type of grant-funded positions approved in the grant application by the granting authority
- Verifying with the HR department that all grant-funded staff has a job description with the grant-related duties and funding.
- Assisting the HR department with determining the position title, Role ID and other salary information for use in completing the grant application

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

500 FEDERAL GRANTS

Acronyms and definitions related to Federal grant management are listed in the EDGAR, Subpart A, § 200.1, Definitions.

For a copy of EDGAR, see https://www.ecfr.gov/cgi-bin/text-idx?SID=79ba9f27c536c7734ad1435caeb5dc8d&mc=true&tpl=/ecfrbrowse/Title02/2cfrv1_02.tpl.

These acronyms and definitions are used throughout this manual. One of the most critical definitions is that of a “non-Federal entity.” When this definition is used it refers to the “School District,” as a recipient of a Federal grant award.

Grant Management

The Federal Funding Department has oversight for the grant management function. The Assistant Superintendent of Curriculum and Instruction – Secondary who is the department head works very closely with various departments, Program Managers, the Superintendent, and Board of Trustees to ensure compliance with Federal guidelines for grants. The Federal Funding Department is also the initial point of contact with the granting agencies for the financial and regulatory administration of all State and Federal grants.

Overall responsibility for submitting proposals and for executing and administering awards rests with the Superintendent. The District has adopted an institutional oversight model for State and Federal financial assistance. The oversight model establishes lines of authority within the District related to financial transactions on government assistance received. There are four fundamental principles:

1. The Grant Manager reviews and approves all grant activities
2. The final approval authority varies depending on the type of transaction. All transactions follow an approval path
3. Responsibility is defined as the authority to make a decision and be accountable for any outcomes associated with that decision
4. Oversight is always distinct from the operating unit that makes the decisions

The overall responsibilities of the Grant Management function include, but are not limited to:

- a. Reviewing all grant applications that have a financial reporting or compliance requirement prior to submission for approval by the Superintendent or his designee;
- b. Establishing, communicating and promoting policies and procedures consistent with Federal, State, and local regulations;
- c. Exercising budgetary control of grant funds;
- d. Providing overall financial support and monitoring; and
- e. Providing overall compliance monitoring to include:
 - Maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to the State and Federal regulations;
 - Coordinating formal agency audits or interim reviews of grants by Federal or State agencies, external/internal auditor(s); and
 - Providing support and guidance to Campus and central administrative offices for the effective administration and financial management of grants.

Staff Responsibilities

Grant Management Administrative Procedures are managed by various groups/departments. Duties and responsibilities are shown below.

Assistant Superintendent of Curriculum and Instruction - Secondary

- Administration of the following grants:
 - Title I, Part A
 - Title II, Part A
 - Title III, Part A
 - Head Start
 - Title I, Part C

- Carl Perkins
- IDEA-B Formula
- IDEA-B Preschool
- Other grants as awarded
- Complete grant application in accordance with grant requirements making sure that application reflects District plans for funds
- Complete amendments to grants as required by grant and District
- Monitoring finance and compliance of grants
- Reporting unusual or irregular activities related to grants to the Superintendent
- Maintaining current knowledge of Federal, State and District policies related to grants
- Providing campus training for Federal grants, as appropriate
- Working with Principals to ensure compliance with supplement vs. supplant issues
- Approve applications for grants
- Assist in assuring the Federal program goals and objectives are listed correctly in the District Improvement Plan (DIP) and Campus Improvement Plan (CIP).
- Assist in assuring that the District meets compliance standards and follows the DIP and CIP related to the Federal programs
- Providing help for grant applications in determining staffing needs and verifying qualifications of employment applicants
- Review CIP and DIP for compliance
- Conduct comprehensive needs assessment for District
- Submitting State and Federal grant applications
- Compliance reporting

Grant Manager

- Develop plan from assessment, identified needs and prepare budget, staffing and program descriptions
- Approval of all purchases to ensure compliance with grant requirements, coding, allowable costs, and alignment with identified needs, CIPs and DIPs
- Monitoring finance and compliance of grants
- Monitoring unusual or irregular activities related to grants
- Maintaining current knowledge of Federal, State and District policies related to grants
- Assist in providing central staff and campus training for Federal grants, as appropriate
- Coordinating the responsibilities of staff involved in all State and Federal grants to verify that all aspects of grant compliance are being considered and adhered to
- Reviewing grant information and educating District personnel on the allowable purposes of each grant they are responsible for
- Assist in completing amendments to grants as required by grant and District
- Verifying budgets to meet Federal, State and local guidelines
- Working with campuses and other departments to verify that each is aware of their allocated budget, if any, and the allowable uses for that budget
- Approve all requisitions and verify that expenditures are allowable
- Assist Program Managers as necessary to complete compliance reports
- Working with principals and managers in relationship to compliance with program specific purchasing issues as needed

- Maintaining financial records and working with financial auditors to prove financial compliance with grant requirements in coordination with the Business Office
- Budget reporting to budget managers, campuses, and central administration

Director of Human Resources

- Annual review of code of ethics (2 CFR §§ 200.317 through 200.326, and Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards), policies and administrative procedures for all of the above listed duties and responsibilities

Business Office

- Maintaining fiduciary and financial responsibility for all grant activities
- Processing and maintaining the accounting data for grants
- Grant accounting will include the details of all grant transactions from the approval of the proposed grant to final action by the grantee and grantor
- Requesting drawdowns of funds
- Preparing and submitting periodic, final and revised expenditure reports and certifying expenses are true and correct
- Approve all purchases to ensure compliance with grant requirements, coding, allowable, competitive procurement, correct pricing on bids and proposals, eligible vendors (not on debarred list) and alignment with identified needs, CIPs and DIPs
- Periodic reporting (cash drawdowns)
- Quarterly reporting
- Budget reporting to budget managers, campuses, and central administration
- Reconciliation of accounting records with expenditure reports to grantor agencies

Program Manager – These duties apply to any department head, principals, or leaders who have oversight for administration and management of a grant.

- Verify that costs are allowable under the applicable statute, regulations and other grant requirements
- Verify that a cost is an authorized expenditure in the approved grant budget as amended.
- Document why a specific good or service was selected and how the price was determined to be reasonable for purchases of goods and services from a sole source vendor
- Monitor if the vendor is performing the services or providing the goods called for in the applicable contract
- Define the general expense reimbursement process and address the approval process to ensure that expenditures do not exceed the approved amount, as well as the required approved forms and third-party source records that must be submitted. Also, include in this process how to address any subsequent approval of any expenditure that exceeded the approved amount
- Identify the third-party documentation (e.g., invoices) required to support the disbursement of grant funds. The procedure should further discuss the degree to which the vendor is required to describe the goods and/or services provided (e.g., dates, total hours and number of students to whom the contractor provided therapy)
- Manage a travel authorization and travel reimbursement process. Identify the individual(s) responsible for initiating and approving travel and the disbursement of funds. Ensure that the District's travel procedures and policies are followed **before** travel is approved

- Monitor the disposition of fixed assets. Working in conjunction with the Business Office to ensure that assets purchased with Federal/State grants are not disposed of without proper documentation and notification

Chief Academic Reform Officer – Elementary/Director/Executive Director Head Start

- Administration of the Head Start, Priority/Focus, and High-Quality Pre-K Grants
- Work with the Policy Council and Director of Head Start to develop, implement and monitor short and long-term strategies, plans, goals and objectives focused on achieving the agency's mission
- Ensure that the agency's fiscal budget management, human resources and other administrative support are developed and fully implemented
- Participate and provide guidance as a key member of the agency's management team
- Serve as designee for the superintendent and communicate program need, service requirements, constraints and political issues
- Coordinate the administration and interpretation of Federal mandated rules for Head Start
- Review CIP and DIP for compliance
- Conduct comprehensive needs assessment and self-assessment for Head Start program for the District
- Develop plan from the assessment conducted, identified the needs of the program, prepare the corresponding budget, and prepare staffing and program descriptions

Director of Special Education – Reports directly to the Assistant Superintendent of Curriculum and Instruction – Secondary and is responsible for:

- Administration of the following grants:
 - IDEA-B Formula
 - IDEA-B Pre-School
- Complete grant application in accordance with grant requirements making sure that application reflects District plans for funds
- Complete amendments to grants as required by grant and District
- Monitoring finance and compliance of Grants
- Reporting unusual or irregular activities related to grants to the Assistant Superintendent for Curriculum and Instruction – Secondary
- Maintaining current knowledge of Federal, State and District policies related to grants
- Working with the Business Office and supervisors to ensure MOE issues are addressed (where applicable)

Career and Technology Education Coordinator – Reports directly to the Principal of the High School and is responsible for:

- Administration of the Carl Perkins grant
- Complete grant application in accordance with grant requirements making sure that application reflects District plans for funds
- Complete amendments to grants as required by grant and District
- Monitoring finance and compliance of Grants
- Reporting unusual or irregular activities related to grants to the Assistant Superintendent of Curriculum and Instruction – Secondary

- Maintaining current knowledge of Federal, State and District policies related to grants
- Ensure compliance report is completed and submitted

Director of Child Nutrition

- Administration of the following grants:
 - School Breakfast Program
 - National School Lunch
 - Summer Feeding Program
- Correctly completing, with assistance from appropriate staff, in accordance with grant requirements for above grants

General Provisions

The District will comply with all applicable General Provisions of EDGAR (2 C.F.R. Part 200). Specific areas of compliance are noted below:

1. The District has a conflict of interest procedure which requires that local government officers and/or vendors disclose in writing any potential conflict of interest. Therefore, any person or entity who contracts or seeks to contract with PAISD for the sale or purchase of property, goods, or services (regardless of the funding source) are required to file a Conflict of Interest Questionnaire. If a conflict of interest exists, a similar Conflict of Interest Questionnaire must be completed by the applicable District employee/local government officer. The local government officers include any administrator who works for the District or any employee who is in a decision-making position to influence the services/products provided to the District. Conflicts of interest, if any, will be posted on the District's website and reported to the granting agency. The Purchasing Manager is responsible for overseeing and collecting the Conflict of Interest Questionnaires from vendors and the CFO's secretary collects these forms from the employees.
2. The District will comply with all additional conflict of interest requirements mandated by the Federal granting agency and/or the pass-through entity (TEA).
3. The CFO/Comptroller will be responsible for overseeing, reporting and documenting any fraud, abuse or waste of Federal grant funds.
4. PAISD requires a Disclosure of Interested Parties (Form 1295) for any and all Board approved contracts. In 2015, the Texas Legislature adopted House Bill 1295, which added Section 2252.908 of the Texas Government Code. This section of the code provides that a business entity must submit a Disclosure of Interested Parties (Form 1295) at the time the business entity submits the signed contract. The Disclosure requirement applies to any contracts entered into on or after January 1, 2016.

A business entity is required to file Form 1295 electronically with the Texas Ethics Commission using the Commission's online filing application, which can be found at: https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

Upon board approval of contract, the business entity must print a copy of the completed form, which will include a certification of filing containing a unique certification number. The Form 1295 must be signed by an authorized agent of the business entity. The business entity must then submit the completed, signed Form 1295 to the PAISD Purchasing Department in PDF form.

All District employees are prohibited from soliciting gifts or tokens from vendors or other parties who are affected by (or have an interest in) a Federal grant award. In addition, all District employees are prohibited from accepting unsolicited gifts or tokens from vendors or other parties who are affected by (or have an interest in) a Federal grant award that exceed a nominal (individual) value of \$25.00 and an aggregate value of \$100.00 in a fiscal year.

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

Pre-Federal Award Requirements

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

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

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

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

No pre-award expenses will be made by the District prior to the approval of the Federal granting agency or pass-through entity. Non-authorized pre-award expenses, if any, will be paid from local District funds, i.e. the General Fund.

500.1 GRANT APPLICATION PROCESS

The District may be eligible to apply for “entitlement” or “competitive” Federal grant funds. Federal entitlement grant funds include, but are not limited to, Every Student Succeeds Act (ESSA), Individuals with Disabilities Education Act (IDEA), and Carl D. Perkins. The “maximum” and/or “final” entitlement awards for the District are posted on the TEA Grants Management webpage at: <http://tea.texas.gov/index4.aspx?id=5040>. The Grant Manager will obtain the annual entitlement amounts and begin the grant development process with the appropriate stakeholders.

A list of competitive grants administered by the TEA is also posted on the TEA Grants Management webpage at: <https://tea.texas.gov/finance-and-grants/grants/grants-administration/competitive-grant-dates>.

The Grant Manager will 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.

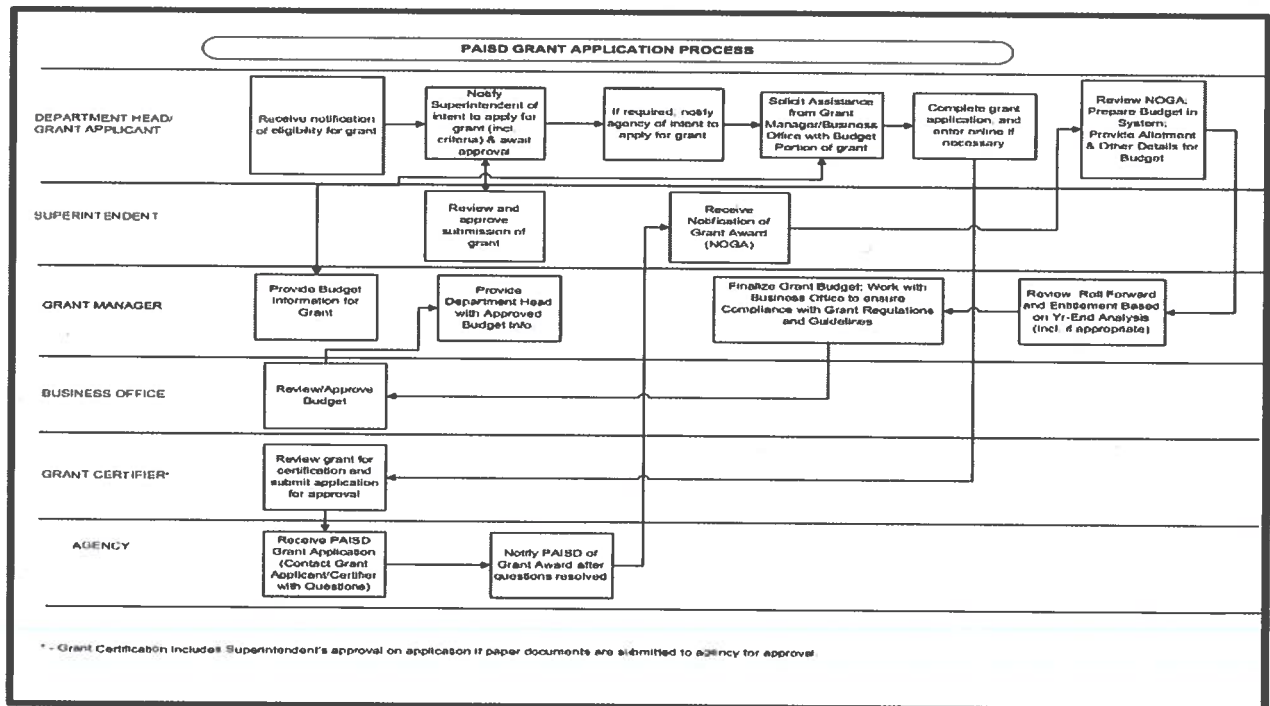
TEA's Grant Opportunities webpage provides a wealth of information related to available grants, such as: <https://tea4avalonzo.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx>

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

The School District's grant application process for Federal grants is illustrated by the flowchart below:

All grant applications that will support student instruction at one or more campuses must be developed in collaboration with the respective campus principal(s). Specific grant activities to support the academic program at a campus should be reflected in the Campus Improvement Plan.

The final approver of a grant application will be the Superintendent or his designee.



The Grant Manager will ensure that all grant budget schedules are completed using the correct account code structure (as appropriate); are in compliance with the District's purchasing, travel and other procedures; and are adequately documented if prior approval is required by the granting agency or pass-through entity (TEA).

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

- Student field trips
- Hosting conferences
- Out-of-State travel

Grants that require matching or in-kind District contributions will be evaluated for overall impact on the District's current and future local funds.

No Federal grant funds will be budgeted, encumbered, or spent until the grant has been approved by the granting agency and a Notice of Grant Award (NOGA) or award letter has been issued to the District.

All grant notices will be done in accordance to the District Public Notice policy GC (LEGAL).

500.2 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 Funding Department will inform all staff involved in the expenditure of grant funds of the provisions and assurances for each grant program, as appropriate.

500.21 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION

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

The Business Office will verify the eligibility of each vendor with this certification requirement by requesting that the vendor execute a Certification Form before awarding a contract and/or issuing a purchase order. A copy of the Certification Form will be maintained with the contract and/or purchase order for audit purposes.

The Business Office will monitor ongoing contracts to verify the contractor's compliance with the debarment, suspension, ineligibility and voluntary exclusion provisions. The District will also ensure that a vendor is not suspended or debarred by searching the excluded parties list system (EPLS) on <https://sam.gov/content/exclusions> prior to awarding a contract to a vendor. The District will also verify

that vendors are not suspended or debarred prior to renewing an existing contract with a vendor. For all EPLS searches, the District shall retain a print screen of the verification on file.

500.22 LOBBYING CERTIFICATION

For all Federal grants in excess of \$100,000, the District will certify on the grant application that no Federal grant funds are expended for the purpose of lobbying.

500.3 BUDGETING GRANT FUNDS

The Federal Funding Department and Program Managers are responsible for establishment and oversight of Federal Grant budgets. These groups provide input to the Human Resources Department so that the appropriate Payroll Budget can be established. The Business Office works closely with the Federal Funding Department and Program Managers to ensure the accuracy of the budget, compliance with FASRG, and adherence to Business Office procedures and/or guidelines. The District submits its Indirect Cost Rate Proposal (ICRP) annually to TEA for approval. Once approved, this indirect cost rate is used in determining the indirect expense to include in the Federal Grants budget. A comprehensive needs assessment is conducted annually and is used for developing all Federal and Grant Budgets. Depending on the grant, the budget process is either done during the writing of the grant or after amounts have been awarded. In each case, the Grant Manager has budget planning meetings with Program Managers and/or campus staff involved with the grant. Budget amendments are done with the input from all parties involved in the grant process: The Grant Manager, Program

Managers, Assistant Superintendent of Curriculum and Instruction – Secondary, and the Chief Academic Reform Officer – Elementary.

The following reasons are allowable variances for all Federal and Grant Funds:

1. Budget Variance – Grantees are not required to amend formula or discretionary grant applications as long as the grantee is moving 25% or less of the total approved budget and is not adding a new line item. Items requiring specific approval are required to be budgeted in the original application or added via an amendment before grant funds may be expended on the item
2. Increase or Decrease in Payroll – An amendment will be required to increase or decrease the number of approved payroll positions by more than 20%
3. Change in program intent – Revise the scope or objectives of the grant
4. Change in funding amount, as applicable to the grant
5. Add a class/object code or position not previously budgeted
6. Increase the quantity of capital outlay items approved for items costing \$5,000 or more

If a budget amendment is necessary during the plan year, the Assistant Superintendent will submit an amendment to the appropriate entity such as TEA. The Grant Manager will monitor the need for amendments throughout the grant period. If an amendment is necessary for any of the reasons specified by the pass-through entity (TEA), or granting agency in Federal regulations, the Grant Manager will initiate the amendment process. The approval process of a grant amendment will be the same as the grant application process.

500.4 STANDARDS FOR FINANCIAL AND PROGRAM MANAGEMENT

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

500.41 FINANCIAL MANAGEMENT

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

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

Records Retention

The financial management system will be utilized to store, maintain, and report all required Federal grant information. Consequently, the District will 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 will retain all Federal grant records for a period of five (5) 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. The District will 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 will be maintained to include all EDGAR required data (denoted with an *) and District-required information listed below:

The CFDA title and number*:

- Federal award identification number and year*,
- Name of the Federal agency*, and
- Name of the pass-through entity*, if any.

On at least a monthly basis, the Business Office will review the status of each Federal grant fund. The review will include a comparison of budget to expenditures.

500.42 INTERNAL CONTROLS

The District's internal control procedures over financial management, developed in accordance with the Internal Control Integrated Framework, Committee of Sponsoring Organizations (COSO), will be made available to all staff involved in the management of Federal grant funds. The internal control

procedures will be reviewed on at least an annual basis and updated as appropriate. If any weakness in an internal control is detected, the internal control procedures will be revised to incorporate the weakness(es) at either the annual review or as the need arises dependent upon the severity (materiality)

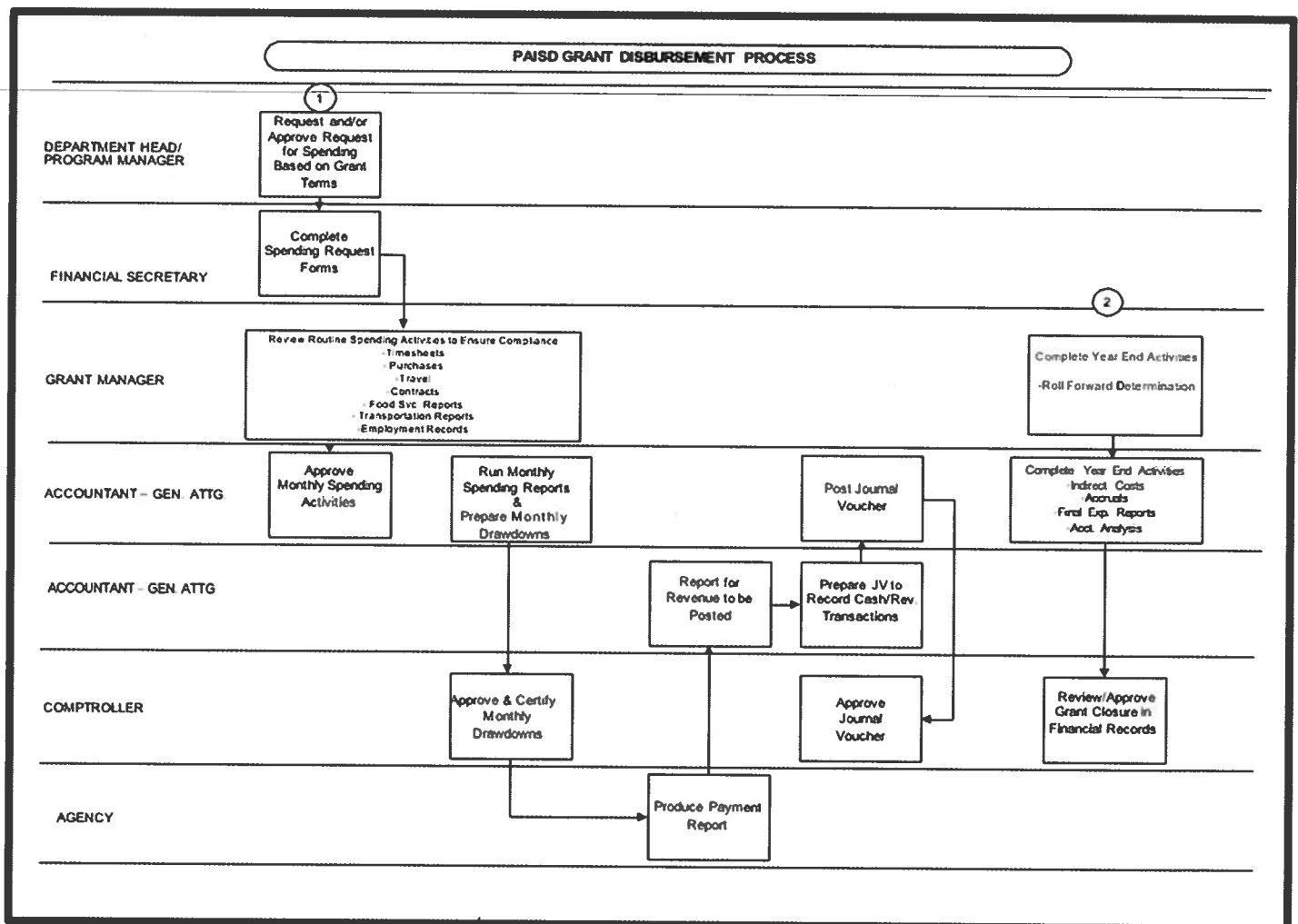
of the weakness. The Comptroller will be responsible for the annual review and update of the Internal Control Procedures.

500.43 BONDS

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

500.44 PAYMENTS

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



500.45 COST SHARING OR MATCHING FUNDS

The Program Manager over each Federal grant award will 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 Assistant Superintendent for Business and Finance, or the Assistant Superintendent of Curriculum and Instruction-Secondary 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 will utilize a sub-object to separately track the expenditures for reporting and compliance purposes.

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

Cost sharing and matching funds that are a result of donated services or supplies, will be recorded and tracked in accordance with the Federal regulations (2 CFR § 200.306).

500.46 PROGRAM INCOME

The District will not generate any program income as part of a Federal grant award.

500.47 PERIOD OF PERFORMANCE (OBLIGATIONS)

All allowable grant expenditures will be incurred during the grant period, i.e. begin date and end date of the Federal grant award as designated on the Notice of Grant Award (NOGA) or award letter. The Grant Manager will notify the appropriate departments, such as Purchasing, Human Resources, Finance, Payroll, etc. of the grant periods for each Federal grant award to ensure compliance as noted below:

- No employee will be hired and paid from Federal grant funds except during the Federal grant period
- No purchase obligation will be made from Federal grant funds except during the Federal grant period
- No payroll or non-payroll expenditures will be made from Federal grant funds except during the Federal grant period

All obligations with Federal grant funds must occur during the grant period. Obligations that occur before or after the grant period are not allowable costs. The obligations must be liquidated in accordance with the grant deadlines, especially as they relate to the final drawdown of Federal grant funds. Guidance regarding the obligation of Federal grants funds can be found in TEA's General and Fiscal Guidelines.

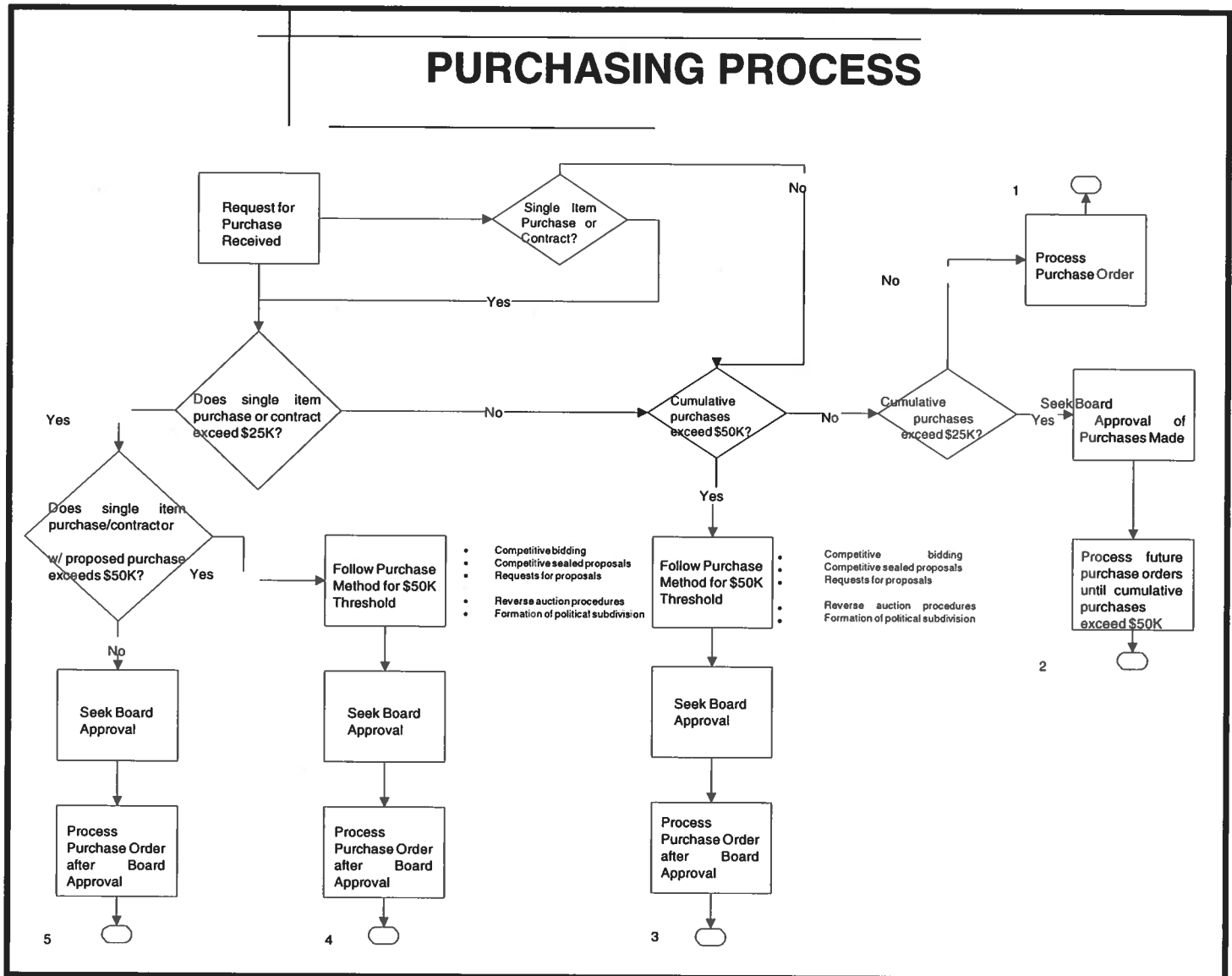
The Grant Manager will monitor the expenditures during the grant period to ensure that the funds are spent in a systematic and timely manner to accomplish the grant purpose and activities.

500.5 PROCUREMENT STANDARDS/EXPENDITURE OF GRANT FUNDS

Expenditures of grant funds are managed and monitored through the Business Office processes. Although the same processes are in place for non-grant funds, additional steps (*see section 500.53*) are pursued to ensure full compliance with Federal cost principles.

500.51 GENERAL PROCUREMENT STANDARDS

The District will fully implement the 2 CFR Part 200 Procurement Standards beginning with the 2018-19 School Year.



The District utilizes a purchase order and encumbrance system to manage the expenditure of all Federal grant funds. When appropriate and on a more limited basis, other methods such as credit cards, direct payments, etc. are used. All purchases are made in accordance with the district's School Board Policies (CH Legal and Local) and the District's Purchasing Procedures.

The District purchasing procedures will comply with all Federal, State and local procurement requirements.

The Business Office will be responsible for ensuring compliance with all Federal, State and local procurement requirements and for ensuring that the District maintains an up-to-date procurement history to include, but not limited to, the information below:

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

The procurement history records and other procurement records will be retained in accordance with the Federal, State and/or local retention periods, whichever is greater. The procurement records will be made available to the Federal granting agency, pass-through entity (TEA), and auditors, as appropriate.

PURCHASING EFFICIENCY STRATEGIES

All purchases with Federal grant purchases will be in accordance with the Federal regulations, specifically 2 CFR § 200.318. The District will also make purchases in accordance with applicable provisions of the USDA/NSLP/TDA Administrator's Reference Manual. All purchases will 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 will strive to avoid acquisition of unnecessary or duplicative items. The District has the following strategies in place to maximize Federal grant funds:

- Utilize cooperative purchasing agreements, as appropriate, to obtain volume pricing
- Utilize Federal or State excess/surplus property supplies or equipment in lieu of purchasing new supplies or equipment, as appropriate
- Utilizing value-engineering in construction projects to seek cost reductions
- Develop vendor selection criteria to select the best vendor
- Develop a tracking system of all informal and formal procurements
- Monitor vendor performance to ensure that the vendor provides the services and/or goods, as appropriate
- Ensure that all contract and vendor disputes are resolved in the most advantageous manner

500.52 VENDOR COMPETITION

The Business Office and/or designee will be responsible for selecting and awarding contracts to vendors that are qualified to provide the goods and/or services to be purchased with Federal grant funds. The vendor selection process will ensure that the District does not restrict competition among qualified vendors in accordance with District Board policy and 2 CFR Part 200, §§ 200.319-.320 procurement standards.

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
- Other factors that pertain to the RFP

The District will not restrict vendor competition by requiring any of the following as selection criteria:

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

A vendor database is maintained by the Business Office within the Munis Accounting System. The District's Adding/Renewing Vendors Procedures will be adhered to for all purchases. These procedures include review and approval of all new vendors by the Comptroller. All vendors will 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 form (new vendors)
- Form W-9
- Conflict of Interest Questionnaire
- Felony Conviction Notice
- Suspension and Debarment

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

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

The Business Office and/or designee will oversee all bid/proposal documents before release to the vendor to ensure the documents comply with the Federal requirements.

500.53 PROCUREMENT PROCESS

An effective procurement process is very important. The District's procurement process will follow the set of prescribed steps below:

- Develop written procurement procedures that guide the staff through actions necessary for successful procurement.
- Select the appropriate procurement method, as described in the written procurement procedures (not required for the micro-purchase method).
- Develop and publicize the solicitation as appropriate, as described in the written procurement procedures.
- Receive and evaluate offers according to the rubric or scale, as described in the written procurement procedures.
- Determine the best fit for District, best price, award contract, and execute the contract, as described in the written procurement procedures.
- Manage the contract, as described in the written procurement procedures, including required records retention.

500.54 PROCUREMENT PHASES

There are specific phases of Procurement for USDA funds. The District will use the following phases of procurement if a formal bid process is needed:

1. **Planning.** Below is a list of the first steps that will be taken prior to any purchase.
 - a. What is needed in the way of product/products and/or services?
 - b. When are the products or services needed?
 - c. What is an estimated cost of the products or services needed? Multiple resources will be used to determine an “estimate” of the value or cost. The cost/price analysis will be used to determine the most appropriate procurement method.
 - d. How we will pay for the products and/or services?
2. **Forecasting.** Below is a list of the resources to be used for forecasting our needs.
 - a. We will review our past program to determine if the products or services were used in the previous program year.
 - b. Current program needs will be assessed and product amounts and/or service needs will be determined.
 - c. Upcoming program years will be considered in regard to future needs and possible renewal or extensions of contracts if necessary.
3. **Soliciting.** The following general steps will be taken to start the solicitation process. Each procurement method is more specifically outlined later in this manual.
 - a. Based on the cost/price analysis in our planning phase, the most appropriate procurement method will be used.
 - b. A general specification with details will be written to document the product or service needed.
 - c. Terms and conditions of the contract will be outlined and reviewed to ensure the solicitation clearly describes our needs and deliverables required.
 - d. Each solicitation will include the following information:
 - 1) Deadline (date and time) the quotes or responses are to be received.
 - 2) The method the quotes or responses are to be submitted and to whom.
 - 3) Evaluation criteria, if any is used, clearly outlined to include scoring rubric.
 - 4) Date and time by which the solicitation will be awarded.
 - 5) Term of the contract and if any renewals or extensions will be allowed.
 - e. Research will be done to identify potential suppliers.

4. **Awarding.** Based on the procurement method, the following general processes will be used:
 - a. A winner will be selected using the following methods.
 - 1) Equitable distribution for all Micro-Purchases.
 - 2) Low bid winner for Small Purchases and IFB's.
 - 3) A single winner through evaluation criteria for Small Purchases and RFP's.
 - 4) Pre-award approvals must be obtained from TDA for any solicitation that is deemed non-competitive or sole source.
 - 5) Multiple winners are selected for RFP's when a "line-item" award approach is taken to procure the best price for each product specified in the solicitation.
5. **Contract Management.** The following items will be monitored during the life of an awarded contract.
 - a. Quantities specified are made available and delivered.
 - b. Delivery times and schedules are being met per contract terms.
 - c. Product deliveries and/or services are occurring at the correct location if multiple locations are part of the awarded contract.
 - d. Products and/or services are meeting the specifications as described in the solicitation.
 - e. Substitutions of products are being handled as outlined in the Terms and Conditions and are adequate to the specified product.

Vendor response time to product or service issues is appropriate in regard to each situation, if any.

500.55 PROCUREMENT METHODS

The District will use one of the procurement methods allowed by Federal regulations to procure goods and services with Federal grant funds. In addition, the District will comply with State purchasing laws and local Board Policy, CH (Legal and Local) and CBB (Legal).

The following standards will apply to all procurement methods used by the District, with no exceptions. Solicitations will:

- Allow for "full and open" competition
- Be handled with integrity and fairness to all potential bidders
- Award responsive and responsible contractors
- Be fully documented to allow for complete transparency and follow the 5-years record retention requirement

The procurement method will be determined based on the type of goods and/or services to be purchased with Federal grant funds. The Business Office will be responsible for selecting the appropriate procurement method for each procurement.

Micro-Purchase Procedures

The Procurement by the Micro-purchase process will be considered to ensure we are in compliance with Board Policy CH (Legal or Local) and CBB (Legal). Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold of \$10,000 (for TDA purchases).

The Procurement by the Micro-purchase process is slightly different when using grant funds received from USDA. For micro-purchases under TDA, there are two elements for proper procurement: (1) cost

aggregate amount less than the threshold and (2) equitable distribution of purchases. According to TDA a micro-purchase is a single purchase or transaction that has a total aggregate cost that is equal to or less than \$10,000; total aggregate cost may consist of one product and/or service or multiple products and/or services. Separate aggregate purchases may occur weekly, monthly, or annually. In other words, the aggregate total for a micro-purchase amount is the total cost for a single invoice for a single purchase or

transaction. It is not an accumulation of weekly, monthly, or annual purchases for a specific product and/or service—it is an individual purchase or contract with an individual invoice or contracted price.

The District will apply the TEA/EDGAR aggregate definition to the purchase of items with USDA funds; as long as the purchases are equitably distributed. The District will not apply any local or state regulation that limits the distribution of purchases to all vendors (prevents equitable distribution) that are able to provide the items and/or services to be purchased.

When using USDA funds, the small purchase method may be the more appropriate procurement method even though the total aggregate amount for a single purchase qualifies for a micro-purchase. If the District purchases the same products and/or services frequently, the cost savings from using the small purchase method instead of the micro-purchase method may be significant. If this is the case, the District will explore the benefits of using the informal small purchase method instead of a micro-purchase method.

Self-Certification of Micro-Purchase Threshold

Per § 200.320(1)(iv)(C) the District, as a Non-Federal entity, may increase the micro-purchase threshold up to \$50,000. Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation. Section (C) allows public institutions, to increase to a higher threshold consistent with State law. In this case, starting with the 2020-2021 fiscal year, PAISD has increased its micro-purchase threshold to \$49,999.99. The District must self-certify the increased micro-purchase threshold annually and shall follow all applicable rules set forth by TEA. *See, e.g.,* <https://tea.texas.gov/about-tea/news-and-multimedia/correspondence/taa-letters/changes-to-federal-grant-regulations>.

The Procurement by the Small purchase procedures applies when using grant funds received from USDA. A small purchase is appropriate when the products and/or services have an aggregate total for a single purchase or total purchase that is equal to or less than the simplified acquisition threshold. The small purchase method results in a contract between the District and the contractor. To obtain cost savings, a

District may use the small purchase method instead of the micro-purchase method if the amount of the purchase is equal to or less than the simplified acquisition threshold or may use the formal procurement method for purchases that qualify for informal purchasing methods. In this instance, aggregate total for a small purchase amount is the total amount of the cost for a single purchase or the total cost for grouped purchases made over an extended period of time (such as a product delivered once a week or twice a month over a specific period of time).

Competitive Proposal Procedures

The **Procurement by Competitive Proposal** method will be used by the District when the acquisition of the goods or services exceeds \$50,000 but is less than \$249,999. When evaluating qualified proposals, the following considerations will be taken into account for award recommendations: overall quality and value to the District, suitability for the intended purpose, and overall cost to the District. PAISD reserves the right to accept or reject all or any part of any bid, waive minor technicalities, and award the proposal to serve the best interest of the District. The District will comply with the sealed bid requirements, as defined by the EDGAR, as noted below:

- Requests for Proposals (RFP) must be publicly advertised
- The RFP will identify the evaluation factors and their weight in awarding the proposal
- Proposals will be solicited from an adequate number of qualified bidders
- Proposals will be evaluated, ranked and a recommendation for award made to the School Board at a regularly scheduled board meeting
 - The District will develop an instrument to evaluate each proposal and rank the proposals based on the evaluation scores
 - The District will evaluate each proposal by District staff with knowledge of the RFP specifications
 - In accordance with State law, the vendor who is ranked highest as providing the “best value to the District” will be notified of the potential award
 - If the District and vendor cease to negotiate, the District will notify the vendor in writing before starting to negotiate with the 2nd highest ranked vendor.

NOTE: If the purchase is between \$50,000 and \$249,999.99 and the vendor chosen is a part of a cooperative purchasing program, procurement requirements are satisfied. *See* 2 CFR § 200.318(e); Tex. Gov’t Code § 791.0225 (“A local government that purchases goods and services under this section [i.e., through an interlocal contract] satisfies the requirement of the local government to seek competitive bids for the purchase of the goods and services.”). The District will make every attempt to verify that the purchasing cooperative has followed the most restrictive of the state or federal procurement rules and will maintain that documentation.

Non-Competitive Proposal Procedures

The District will exercise due diligence to ensure competition occurs (i.e., advertise, use multiple cooperatives, etc.) in all possible instances. The **Procurement by Non-Competitive Proposal** method will be used by the District when the purchase of goods or services is from a “sole source.”

- Patented, copyrighted, secret or monopolized items or process
- Films, manuscripts or books
- Utility services such as gas or water
- Captive replacement parts or components required by warranties; certified parts or installers

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

- A public exigency or emergency will not permit a delay resulting from the competitive solicitation process
 - The District will declare a public exigency or emergency prior to making such as purchase of goods or services under this method.

- The granting agency or pass-through entity authorized the use of a non-competitive proposal method
 - The District will obtain written approval/authorization from the granting agency or pass-through entity.
- After solicitation of a number of sources, competition is determined to be inadequate
 - The District will determine that competition is inadequate if after two (2) solicitations of bids and/or proposal, only one vendor is responsive to the solicitations

Procurement by a noncompetitive method is an appropriate method of procurement when one or more of the following types of circumstances apply: the aggregate dollar amount does not exceed the micro-purchase threshold, inadequate competition, public emergency or an unexpected emergency situation, sole source, express authorization received from federal awarding agency or pass-through entity, or TDA authorization in special situations. When a District uses any noncompetitive method of procurement, the District must retain all related documentation onsite to demonstrate compliance. If a District enters into a sole source contract without TDA approval, the contract has been improperly procured. All costs associated with an improperly procured contract are unallowable, including any ongoing and maintenance costs, from the nonprofit food service account. When using funds from USDA, a noncompetitive proposal requires TDA “pre-award approval.” The District will obtain TDA’s approval prior to award and purchase of products or services. All requests for approval must be submitted through the State Agency’s online system, TX-UNPS.

USDA Buy American

The District will also exercise due diligence as it relates to the Buy American provisions. The Buy American provision applies to all purchases made with SNP funds. The Buy American provision requires schools to purchase domestically grown and processed food to the maximum extent practicable. For a food product to meet the Buy American requirement, over 51% of the final processed food product must consist of agricultural commodities that were grown domestically (sometimes, referred to as processed substantially using domestic agricultural commodities).

[NOTE: Domestic food products include food products from the United States territories: Guam, American Samoa, Virgin Island, Puerto Rico, and the Northern Marian Islands.]

Purchases made in accordance with the Buy American provision must follow the applicable procurement regulations calling for full and open competition.

The District will ensure that all solicitations, request for offers and contracts for food products include a requirement that all awarded contracts will include and adhere to the Buy American provision. In solicitations and contracts the District has the authority to take the following actions related to the Buy American provision:

- Require certifications from offerors including statements on contracts and invoices.
- Designate an offeror as non-responsive if the appropriate phrasing is not included in the offer.
- Establish penalties, including contract termination, for noncompliance.

Third Party

Third parties, acting on behalf of the District, must purchase domestically grown and processed food to the maximum extent practicable. Any entity or third party that purchases food or food products on behalf of the District must

1. Follow the same Buy American provisions that the District is required to follow and
2. Provide the District with all documentation the District requires to demonstrate that purchases are compliant with the Buy American provision.
3. Provide the District with documentation in the following Buy American Exception situations:
 - The food product is not produced in sufficient quantities of a satisfactory quality.
 - Competitive offers reveal that the cost of a domestic food product is significantly higher than a non-domestic food product.

USDA Foods

Non-processed USDA Foods delivered to a District must be grown in the United States. When USDA Foods items are made into processed end products, 51% of resulting food products must be of United States (US) origin. The food products must be manufactured/processed in the United States.

Bid/Proposal Questions and Protest Procedures

An interested party may protest any of the following situations:

- Solicitation or other request for offers for a contract for the procurement of property or services
- Cancellation of a solicitation or other request
- Award or proposed award of a contract
- Termination of a contract, if the protest alleges that the termination was based on improprieties in the administration of the contract.

PAISD will do the following:

1. Include clear instructions in each solicitation document about questions and protest procedures.
2. Follow all written procedures to resolve protests.
3. Ensure that all protests are resolved.
4. Retain all documentation related to a protest.
5. Notify TDA when a protest is received.

PAISD will address all respondent protests in accordance with the timelines outlined in Policy GF (Local). PAISD will provide evaluation scores at the request of the respondent. Requests for other information, including pricing information and copies of proposals, will be handled in accordance with the Texas Public Information Act. Violations of law should be referred to the local, state or Federal authority. (2 CFR, Section 200.318[k])

PAISD will allow respondents to request clarification of information prior to the close of the bid/proposal. These requests must be received a minimum of 3 business days prior to the close of the bid/proposal. PAISD will address the request for additional information as an addendum to all respondents.

Economic Price Adjustments in Vendor Contracts

The economic price adjustments, which allow a District to adjust costs in the contract, must be tied to an appropriate standard or cost index. Relating the price adjustments in a contract to an index allows the District to ensure that increases under the contract are not without basis. For example, if fuel prices are increasing drastically, an appropriate index such as the Consumer Price Index (CPI) will reflect this change.

This index is preferred because the USDA uses this index for the National School Lunch Program (NSLP) yearly funding increases. The intention is that if the USDA increased funding by a certain percentage the District would be able to allow the increase in food cost to rise at the same percentage. Vendors will be able to bid on multi-year contracts that allow for inflation and the District will be able to maintain a consistent level of service and food cost percentage from year to year.

Applying Geographic Preferences in Procurement

As amended, the National School Lunch Act (NSLA) allows SFA's receiving funds through the Child Nutrition Programs to apply a geographic preference when procuring unprocessed, locally grown or locally raised agricultural products. This applies to operators of all of the School Lunch Programs.

PAISD may apply geographic preference to the procurement of agricultural products that:

- Are unprocessed
- Are locally grown or locally raised
- Have not been cooked, seasoned, frozen, canned, or combined with any other products

Because the NSLP is Federally Funded, geographic preferences cannot be restrictive to local definitions such as city, county, or state lines. PAISD determines local as "within the State of Texas or within 250 miles of Port Arthur ISD."

Discounts, Rebates, and Credits

PAISD requires that all discounts, rebates, and credits accrue back to the school nutrition account. The contractor will be required to identify the amount of each discount, rebate, or other applicable credit on bills and invoices presented to the PAISD. Contractors will be required to identify the method by which they will report discounts, rebates, and credits. All discounts, rebates, and credits will be tracked via monthly invoices or annual velocity reports. Contractors will be required to maintain documentation of costs, discounts, rebates, and credits and make those available to PAISD upon request.

Small and Minority Businesses, Women Business Enterprises, and Labor Surplus Area Firms and/or Disabled Veteran Business Enterprise (MWDVBE)

PAISD will encourage open competition amongst small, minority, woman, and disabled veteran's businesses by:

1. Reducing barriers in Formal and Informal Contract solicitations by:
 - a. Allowing for businesses that may be MWDVBE to compete on an equal footing. This will be accomplished by having a qualification process where MWDVBE bids are given points equal to the requirements that may be restrictive, such as length of service in business, size of distribution facilities, etc.

- b. Allowing for extra points in the evaluation if a bidder/proposer qualifies as an MWDVBE
 - c. Structuring contracts to allow awards to more than one Proposer in the best interest of the District in order to award a portion of the agreement to MWDVBE vendor that may not be able to perform to an agreement that is too large for current financial/logistical capabilities.
- 2. Structuring Contracts that May allow for Cost Credit to Small, Minority and Women owned businesses:
 - a. PAISD may structure an RFP Formal Procurement agreement to allow for price variation of not more than 5% of total cost above the lowest responsive bidder to award to a small, minority or women owned business. For example, the lowest bidder was \$100 dollars, a certified small, minority or women owned enterprise bid \$105, the contract may be awarded to the small, minority or women owned enterprise if it is in the best interest of the District.
- 3. Providing Positive Outreach
 - a. PAISD will place qualified small, minority and women owned enterprises on solicitation lists; and
 - b. Assure that small, minority and women owned enterprises are solicited whenever they are potential sources

Local Sourced Products: Farm to School Initiative

PAISD is committed to local markets and family farmers in the State of Texas. Our objective is to support the local agricultural economy and reduce the environmental impact of long distance shipping. PAISD defines “Local Sourced Products” as products that are grown within the State of Texas, with preference to sources located within 250 miles of Port Arthur ISD.

When purchasing local sourced products, PAISD will follow the planning phase as stated earlier in this manual and do a cost/price analysis to determine the most appropriate procurement method. In order to encourage the bidders to purchase locally sourced produce, PAISD may assign additional point values in the “Award of Contract” section of the solicitation that can demonstrate:

- 1. The bidder is purchasing produce locally by submitting a list of local farmers, their addresses, the produce that is anticipated to be purchased from each farm location, and the anticipated harvest dates of the produce
- 2. The bidder must also agree to the ability to submit a report during the term of the contract that demonstrates continued purchases from local farms

Use of Excess and Surplus Property

PAISD, to the best of the district’s ability, may utilize excess and surplus property when available. The TDA allows a district to use a significant portion of our entitlement (PAL) allocation from USDA to purchase DOD fresh fruit and vegetable products. The TDA manages the solicitation and award of the DOD Produce Vendors. Contracting Entities (CE’s) in the state of Texas and participating in the DOD Fresh Program can receive weekly deliveries as outlined in the awarded contract.

Cooperative Membership and Procurement

The USDA allows for “Purchasing Goods and Services Using Cooperative Agreements, Agents, and Third-Party Services.”

PAISD may participate in a purchasing cooperative when it is determined to be in the best interest of the district. As a governmental agency, PAISD has the option to legally join a “governmental agency or Education Service Center (ESC) agency” purchasing cooperative through an Interlocal or Interagency Agreement.

PAISD will submit a written request to the awarded vendor of the bid/RFP to piggy back on a specific agency/co-op’s bid. If approved by awarded vendor, PAISD will obtain all final bids/requests for proposal documentation from the cooperative or lead district. When utilizing a "piggyback" contract, PAISD will ensure the following:

1. The procurement was conducted in accordance with applicable Federal, State and local regulations.
2. The contract contains a clause that permits other agencies to "piggyback."
3. The addition of PAISD to the contract does not create a material change as outlined in the contract; USDA ARM Manual Section 17 defines “material change” as a “change made to a contract after the contract has been awarded that alters the terms and conditions of the contract substantially enough that had other offerors known of the change in advance, they may have bid differently and more competitively. *See USDA ARM Manual*, Section 17 at p. 22 (May 27, 2021 version).
4. All documentation related to the contract will be obtained and retained, information includes:
 - a. Solicitation
 - b. Verification of Published Advertisement
 - c. Contract Terms and Conditions
 - d. Evaluation Criteria, if any
 - e. Responses
 - f. Notification of Awarded vendor(s)
 - g. Documentation of any extensions or Amendments

Unnecessary or Duplication of Goods/Services

PAISD will avoid acquisition of unnecessary or duplicative items/services. Purchases will be justified using the following criteria:

1. Purchaser will determine if there are like items in the District that may not be in use and consider transferring item before determining if purchase is necessary
2. The item is being considered for menus or is needed to serve, prepare, receive, transport or store an item on the menu
3. The item is replacing an obsolete, broken, damaged or outdated piece of equipment

Recalls

PAISD will use the following procedures in regard to products that have been recalled, or are discovered to be defective or faulty:

1. The Food Service Director/Manager/Program Coordinator will register for email notifications of recalled products through USDA Food Safety and Inspection Service (usfsis@public.govdelivery.com) and/or recalls.gov or any other viable resource in regard to food and product safety and recalls
2. Vendors’ Recall procedures will be requested with every Small Purchase, IFB and RFP procurement method used

3. Any notices or alerts from awarded vendors or distributors in regard to a recalled product will be handled immediately, following all instructions from the vendor or distributor in regard to the handling of the recalled product
4. Actions may include but not be limited to:
 - a. Disposal of all affected product
 - b. Photos of products affected, documentation of case lot numbers, distributor codes or any other pertinent information as documentation of product origin
 - c. Removal of affected product to a safe area to be picked up by the vendor or distributor
 - d. Credits issued for all affected product that could not be used

Other Procurement Guidelines

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

The District will 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 will follow the District board policies (CH and CV). Secondly, all purchases that exceed this threshold will comply with Federal bonding requirements such as:

- 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 District may give preference or bonus points to local producers when soliciting and awarding contracts for the purchase of unprocessed locally grown or raised agricultural products as long as the preference or bonus points do not restrict full and open competition. The District must include its method or methods of using local preference in its written procurement procedures, in the solicitation for the food items, and in the contract as appropriate.

When federal funds are used, the District must include specific regulatory and legislative provisions in all solicitations/contracts. The most common examples are:

- Byrd Anti-Lobbying Amendment
- Clean Air and Water Act and Federal Water Pollution Control Act
- Contract Work Hours and Safety Standards Act
- Davis-Bacon Act
- Equal Employment Opportunity
- Rights to Inventions (Pertaining to Patent Rights, Copyright and Rights)
- Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms (Historically Underutilized Business or HUB)
- Debarment and Suspension

- Administrative, Contractual, or Legal Remedies for Violation or Breach of Contract Terms by Contractor (for Contracts Exceeding Simplified Acquisition Threshold)
- Termination for Cause and for Convenience (for Contracts in excess of \$10,000)

The District will comply with federal regulations for domestic preferences for procurement (as detailed in 2 C.F.R. § 200.322), procurement of recovered materials (as detailed in 2 C.F.R. § 200.323), retention and access requirements for records (as detailed in 2 C.F.R. § 200.334-200.338), and the prohibition on certain telecommunications and video surveillance services or equipment (as detailed in 2 C.F.R. § 200.216).

The Purchasing Manager will be responsible to ensure that all purchases above this threshold are guaranteed with the appropriate bid guarantee, performance bond and payment bond.

All contracts for services and/or goods purchased with Federal grant funds will be subjected to the same review and approval process as all other District contracts.

Capital Expenditures

Texas Department of Agriculture (TDA) requires a District to get pre-approval on expenditures for food service equipment or alterations to equipment, only if the total equipment “per unit” cost is greater than \$5,000. PAISD will submit a request for approval prior to purchasing the item via email to TDA including:

- District Name and ID, and contact information (phone and email address)
- Description of the equipment, including the purpose and how it supports the operation or maintenance of the District
- Provide an estimated cost and whether or not we have sought bid pricing
- Describe how the old equipment (if any) will be disposed of and acknowledge that any proceeds from the disposal will be used to offset the cost of the replacement
- Acknowledge that any equipment purchased will be used exclusively (100%) by the District

Cost/Price Analysis

The District shall conduct an independent estimate and cost/price analysis for procurements and/or purchasing actions that aggregate to \$250,000 annually. *(See PAISD Determination of Cost or Price Analysis form for an example of what the form looks like.)*

The District shall obtain a completed Conflict of Interest form from all Board members and all key personnel.

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

Complete before awarding or
entering into contract

**Port Arthur Independent School District
DETERMINATION OF COST OR PRICE ANALYSIS (REASONABLENESS)**

Purpose: Federal regulations require documentation of cost analysis or price analysis for every procurement action at or above \$250,000 (see 2 C.F.R. § 200.324). The Determination of Cost or Price Reasonableness form is used to document the analysis showing that the offered price is fair and reasonable. The form is kept as part of the procurement file to demonstrate that the procurement process was conducted in an open and fair manner and that the District received the most advantageous price.

Instructions:

1. Complete a separate Determination of Cost or Price Reasonableness form for each vendor being recommended for contract award. Complete all applicable sections according to the instructions given.
2. Provide a detailed discussion of your price analysis or cost analysis. A Determination of Cost or Price Reasonableness form that lacks sufficient detail cannot be approved.
3. Submit completed form to the Purchasing Agent prior to contract award.

Prepared by: _____ **Department:** _____ **Date:** _____

Subject: Determination of Cost or Price Reasonableness

Good or service to be acquired: _____

[Procurement Type, e.g., RFP, RFQ] #: _____

Independent Estimate Produced Before Receiving Bids or Proposals: ☐ Yes (attach supporting document(s))

Vendor(s): _____ **Amount(s):** _____

(Attach written quotation or other information that documents the estimate of cost or price reasonableness)

I. Procurement Type

This expenditure of \$250,000 or more is being made under one or more of the following (check those that apply and attach supporting documentation):

For items A – C, complete Section II (Price Analysis)

- A. ☐ Interlocal agreement or purchasing cooperative (TEC 44.031(a)(4) / Tex. Gov't Code Ch. 791; 2 C.F.R. § 200.318(e)), including construction services
- B. ☐ Request for Proposals (or Competitive Sealed Proposals) for goods or services, including construction services
- C. ☐ Competitive Bidding for goods or services, including construction services

For items D – K, complete Sections III (Cost Analysis) and IV (Profit)

- A. ☐ Sole source (as defined under TEC 44.031(j))
- B. ☐ Emergency procurement (as defined under TEC 44.031(h))
- C. ☐ Competitive Bidding, Competitive Sealed Proposal, or Request for Proposals (where the solicitation is publically posted) where only one (1) bid/proposal is received
- D. ☐ Professional services (as defined under TEC 44.031(f) and/or Ch. 2254 of the Tex. Gov't Code) where no price competition exists prior to selection
- E. ☐ Design Build; Construction Manager-Agent
- F. ☐ Price adjustment to Purchase Order No. _____ or Contract No. _____ (and already procured under item A – I)
- G. ☐ Extension of an existing contract past its initial term. Contract extension is allowed under procurement method or contract, if allowed by Board policy.
- H. ☐ Cost-reimbursement contract

Note: When using federal funds, Construction Manager-at-Risk or other Cost-Plus contracts are prohibited.

- I. **Price Analysis:** *If the expenditure is being made under items A, B, or C in Section I (Procurement Type) above, complete this Section only. You are not required to complete Sections III or IV.*

Price offered is considered fair and reasonable for the following reason(s), and if applicable, is supported by attached documentation and/or a detailed discussion of the price analysis (select at least one applicable situation):

- ☐ Comparison of previous district purchase order and contract prices with current proposed price, for the same or similar items. Both the validity of the comparison and the reasonableness of the previous price(s) have been established. *Attach the referenced purchase orders/contracts, amounts, issuance dates, and how they are similar to the current purchase.*
- ☐ Comparison with Vendor's published price lists, market prices, pricing indexes, and discount or rebate arrangements. *Attach published price list or other published pricing information used (a vendor's quotation or correspondence does not qualify as a published price list).*
- ☐ Comparison of proposed price with independent estimates, which were determined to be allowable under 2 C.F.R. Part 200, Subpart E—Cost Principles. *Attach estimates used.*
- ☐ Comparison of proposed price with prices obtained through market research for the same or similar items. *Attach documentation of research conducted.*
- ☐ The order is priced in accordance with existing PAISD Purchase Order No. _____ and/or PAISD Contract No. _____, which was competitively established.
- ☐ Other reason (specify and attach supporting documentation if applicable): _____

- I. **Cost Analysis:** *If you selected D–K in Section I (Procurement Type), complete this Section and attach a detailed breakdown of the vendor's proposed costs (e.g., labor, materials, profit, reimbursable expenses).*

After analyzing and verifying vendor's cost information, it is determined that each of the cost items listed by the vendor is allocable, reasonable, necessary, and therefore, allowable in accordance with 2 C.F.R. Part 200, Subpart E—Cost Principles for the following reason(s) (select at least one applicable situation and attach supporting documentation and/or a detailed discussion of the cost analysis):

- ☐ Comparison of costs proposed with actual costs previously incurred by the same vendor for the same or similar work.
- ☐ Comparison of costs proposed with actual costs of previous same or similar work performed by other vendors.
- ☐ Comparison of costs proposed with previous cost estimates from the vendor or other vendors for the same or similar items or work.
- ☐ Comparison of costs proposed with the District's independent estimate, which was determined to be allowable under 2 C.F.R. Part 200, Subpart E—Cost Principles. *Attach independent estimate.*
- ☐ Comparison of costs proposed with the methods proposed by vendor with the requirements of the solicitation, *i.e., do the costs reflect the technical approach proposed and the work required?*
- ☐ Verification that the costs proposed conforms to the appropriate set of cost principles.
- ☐ Verification of the accuracy of the cost and pricing information submitted and evaluating the application of audited or pre-negotiated (e.g., by the Federal Government) indirect cost (e.g., overhead) rates, labor and fringe benefit rates, or other factors.
- ☐ Verification of the accuracy of cost and pricing information proposed and evaluation of the effect of vendor's current practices on future costs.
- ☐ Verification of the accuracy of the cost and pricing information submitted and evaluation of vendor's projected cost trends.
- ☐ Other reason (*specify and attach supporting documentation if applicable*):

- II. **Profit:** *If you selected D – K in Section I (Procurement Type), complete this Section.*

Negotiated profit amount (attach supporting documentation): _____

Profit negotiated is considered fair and reasonable for the following reasons, and is supported by attached documentation and/or a detailed discussion of the cost or price analysis (you must complete each item below and explain reasoning; attach additional pages and/or supporting documents if necessary):

- ☐ Consideration of the complexity of the work to be performed. _____

- ☐ Consideration of the risk borne by the contractor. _____

- ☐ Consideration of the contractor's investment. _____

- ☐ Consideration of the amount of subcontracting. _____

- ☐ Consideration of the quality of contractor's record of past performance. _____

- ☐ Consideration of industry profit rates in the surrounding geographical area for similar work. _____

CERTIFICATION:

I certify that the information provided above is true and correct to the best of my knowledge and belief. I further certify that I have determined that the costs or price offered or the fee negotiated are necessary, fair, and reasonable.

Name of Individual Preparing Form

Signature

Date

500.6 PROPERTY STANDARDS

The District will safeguard all property (assets and inventory) purchased with Federal grant funds under the same guidelines as property purchased with local funds. Additional insurance for property purchased with Federal grant funds will be acquired if specifically required by a Federal grant award. The Assistant Superintendent for Business & Finance will oversee the acquisition of insurance for all Federally-funded property.

Real Property

The District has not and will not use Federal grant funds to purchase real property.

Equipment and Supplies

The District will use Federal grant funds to purchase equipment and supplies. The Federally-funded equipment will be used only for the authorized purposes and will be disposed of, at the end of the useful life or at the end of the grant period, in accordance with the grant award guidelines. The District will not use the Federally-funded equipment to generate program income. The Federally-funded supplies will be used only for the authorized purposes. Any residual (unused) supplies, in excess of \$5,000 in total aggregate value, at the end of the grant program or project may be used for any other Federal grant program. Otherwise, the supplies will be retained by the District or sold, but must reimburse the granting agency for the District use or sale of the supplies.

The District has implemented purchasing deadlines for the purchase of Federally-funded supplies to ensure that residual supplies are not available at the end of the grant period or project. For example, the Business Office does not allow any staff to initiate Purchase Orders within two (2) weeks of the grant (program) end. This is done so that all merchandise could be received and all services could be performed by the end of the grant period. A letter is sent to everyone involved with grant funds to inform them of the actual closeout dates for orders. The Business Office monitors this activity closely.

In addition, the Business Offices maintains and distributes a grant summary recap report to the Grant Manager and upper management. This recap is used as a tool to facilitate us meeting the objective of spending grant funds timely.

Capitalization Policy and Definitions

The District will utilize the same capitalization policy for non-grant and grant-funded asset purchases. The District's capitalization threshold for assets is \$5,000 per unit cost. The District is in the process of adopting the EDGAR (2 CFR § 200.1) definitions of property as noted below:

- *Capital Assets* means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with generally accepted accounting principles (GAAP).
- *Capital Assets – District-Defined* (6640) is used to classify any items that do not meet the individual \$5,000 capital asset criteria, but by school district policy, are required to be recorded as capital assets either (1) when the school district policy requires an item costing less than \$5,000 to be defined as a capital asset; or, (2) when aggregate amounts purchased equal or exceed \$5,000.

- *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.
- *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.
- *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.
- *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 the definition of 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.

NOTE: For the School Nutrition Program, capital expenditures of \$5,000 or more require prior approval from the Texas Department of Agriculture (TDA). The District must have written TDA approval before making a capital expenditure purchase.

Acquisition Cost

The District has also adopted the EDGAR definition of Acquisition cost.

Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with 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.

The District will utilize the invoice cost, and all related costs, to record the cost of the equipment on the fixed asset database.

500.61 IDENTIFYING AND TRACKING FEDERALLY-FUNDED ASSETS

Title to Federally funded equipment and supply purchases will be retained by the District, unless otherwise notified by the granting agency. As District property, the District will affix a tag, inventory, and dispose of all assets (non-grant and grant-funded) according to the District's Accounting

Inventories Board Policy CFB (Local) and fixed asset procedures. The District procedures will include the recording of all assets on a database with the following information:

- 1) District-issued tag (or identification number)
- 2) Date of acquisition
- 3) Description of asset
- 4) Serial number, or other identifying number
- 5) Funding source, i.e. fund code
- 6) Cost of asset (acquisition cost)
- 7) Life of asset
- 8) Location of asset (building)
- 9) Depreciation of asset
- 10) Owner of asset title, typically the District

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

Maintaining Asset Inventory & Records

All Federally-funded assets will 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 purchases of fixed assets must follow guidelines outlined in the District’s Business Office Procedures manual.

Items meeting the criteria of a fixed asset as described above must be tagged with a District asset tag. Tagging, reporting, and controlling the asset will follow the guidelines established in the Business Office. Asset lists are maintained by the District Business Office.

This guidance refers to capitalization of cost with items purchased with Federal and Grant funds. As a general rule this refers to equipment or software that exceeds \$5,000 and has a shelf life of more than 12 months.

Software:

- Life of less than 12 months but more than \$5,000 in cost. In this case the initial set-up fee would be capitalized, but the subscription fee would not be capitalized.
- Any maintenance fee would also not be capitalized. However, if the maintenance costs are greater than \$5,000 and these services extend the useful life of the asset, these costs should be capitalized.
- Both subscription and maintenance fee would be coded to 6200 or 6300 depending on the arrangement.

The District’s fixed asset procedures will include an annual inventory (or more frequently, if required by a granting agency) of all assets and reconciliation of the inventory reports. The District’s inventory of assets will be conducted by the Business Office each fiscal year. Lost, damaged, or

stolen assets will 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) will be maintained with the asset records.

In addition, the District will track all grant-funded asset purchases by grant, or fund code, as appropriate. The disposal of grant-funded assets will 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 will be recorded in the fixed assets database.

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

The Business Office will be responsible for maintaining the fixed asset database of all District assets, including all Federally-funded assets.

500.7 COST PRINCIPLES

All grant expenditures must be allowable under the Federal Cost Principles (2 CFR 200 – Subpart E), the grant application program assurances, the granting agency's policies, and the District policies and procedures.

The District will adhere to the Cost Principles for Federal grants [EDGAR SUBPART E] and any additional grant-specific cost principles. The general principles of EDGAR state that costs:

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

The Grant Manager will verify that all proposed obligations and expenditures meet the Cost Principles. If the proposed obligation is not an allowable expenditure and/or allocable to a Federal grant award, the District will not make the obligation/purchase with the Federal grant funds. Other funds, such as local funds, may be used to make the obligation/expenditure, as appropriate.

The **total cost** of a Federal award is the sum of allowable direct and allocable indirect costs less any applicable credits. All refunds, rebates, discounts or other credits to grant expenditures will be posted to the finance general ledger as soon as the credit is known. The District has elected to seek reimbursement for the TEA Federally-funded grants. The District will ensure that all known credits have been posted to the general ledger prior to the drawdown on Federal grant reimbursements. The Business Office will ensure that all applicable credits have been posted to the general ledger prior to preparing and submitting a Federal grant drawdown request from the granting or pass-through entity.

The District has elected to seek advanced payments for the Head Start grant. The District will ensure that no check is released or payment is made until the money has been received from the Head Start Agency. The District will ensure that a payment request is done each time a need arises. The request will be made only for the amount needed and should/would match the credit(s) that will be posted to the general ledger.

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

Selected Items of Costs

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

500.71 COMPENSATION & BENEFITS – EMPLOYEE (PAYROLL EXPENDITURES)

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

Compensation Costs

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

- The costs are reasonable for the services rendered and conforms to the established District compensation and benefit plans for expenditures with all other funds, i.e. local funds. The employees have been employed in accordance with the District's established Hiring Procedures

- The costs are supported by the appropriate timekeeping, absence tracking, time & effort certifications or other documentation, as appropriate
- The costs are in accordance with the District's written plans as it relates to incentive compensation, such as stipends, awards, early resignation incentive, attendance incentive, etc.

Benefit Costs

District costs for fringe benefits for Federally-funded staff will be allowable as noted below:

- All benefit costs will be in accordance with the District's written Summary of Employee Benefits and approved by the Board annually
- All leave benefits will be in accordance with the District's written Leaves and Absences Policy (DEC)
- The benefit costs will 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 will be allowable under the Internal Revenue Service, Fringe Benefits Guide (as subjected to taxes, as required by Federal statute)

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

- Severance or settlement agreement payouts to current and/or previous Federally-funded grant staff

Expenditure Objects related to Compensation and Benefit Costs

Payroll costs (Object 6100's) is a major classification when looking at Compensation. This classification includes the gross salaries or wages and benefit costs for employee services. An employee is paid a salary or wage. The School District acts in a supervisory capacity over an employee and furnishes a working area and usually the equipment and materials necessary for the completion or performance of a task or service. Although an employee may work with more than one supervisor subsequent to, during, or after the normal employment period of hours, if the services or tasks performed are at the general direction of the School District, the amount paid to that employee is considered a payroll cost.

- 6112 Salaries or Wages for Substitute Professional Staff
This code is used to classify the gross salary and wage expenditures for substitute professional staff
- 6118 Stipends – Professional
Amounts above the School District's standard pay for additional certification requirements, or additional duties, such as a Bilingual teacher
- 6119 Salaries or Wages – Teachers and Other Professional Personnel
This code is used to classify the gross salary and wage expenditures for teachers and other professional personnel
- 6116 Extra Duty – Teacher/Other Professional Personnel
This code is used to classify wages paid to professional personnel for performing duties beyond the normal working day

- 6121 Extra Duty/Overtime – Support Personnel
This code is used to classify wages paid to support personnel for performing duties beyond the normal working day or duties
- 6129 Salaries or Wages for Support Personnel
This code is used to classify salaries or wages for support personnel such as paraprofessional and support staff
- 6141 Social Security/Medicare
This code is used to classify expenditures required to provide employee benefits under the Federal Social Security program - this excludes employee contributions
- 6142 Group Health and Life Insurance
This code is used to classify expenditures made to provide personnel with group health and life insurance benefits. This excludes employee contributions but includes benefit amounts transferred to an Internal Service Fund
- 6143 Workers' Compensation
This code is used to classify expenditures made to provide personnel with workers' compensation benefits. This includes benefit amounts transferred to an Internal Service Fund. There are no employee contributions
- 6145 Unemployment
This code is used to classify expenditures made to provide personnel with unemployment benefits
- 6146 Teacher Retirement
This code is used to classify expenditures made from local, State and Federal program funds and/or private grants to pay State matching of teacher retirement on the above State minimum contribution or the required matching amount from Federal funds. Also included in this account is any employer contribution for the retired teachers' health insurance plan
- 6148 Employee Benefits – New Hire
- 6149 TRS Care

Documentation of Compensation and Benefit Costs

In addition, to the time and effort reporting requirements, all compensation and benefit costs paid with Federal grant funds will be supported by the following documentation:

- Exempt Staff
 - Employment agreement, contract, or reasonable assurance, as appropriate
 - Job description signed by the employee, with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet State standards*
 - *Supplemental duties, if any, will be supported by a Supplemental Duties Job Description* or original job description will be revised to include the additional duties
 - Absence records, if any
 - Time and Effort documentation, as appropriate
- Non-Exempt Staff
 - Employment agreement, or reasonable assurance, as appropriate

- Job description signed by the employee, on an annual basis, with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet State standards*
- Absence records, if any
- Time and Effort documentation, as appropriate
- Timekeeping records (actual work hours per workweek) in accordance with the FLSA and the District's Timekeeping Procedures

Timekeeping Procedures

Kronos

1. All exempt employees are required to scan in
2. All non-exempt employees must scan and in and out through the Kronos timekeeping system
3. All non-exempt employees are responsible for assuring scans are completed or any missing scan adjustments are approved
4. If a non-exempt employee does not scan in or out on any scheduled work day, the system will automatically dock the employee for a full day's pay
5. If an employee discovers that he/she worked but failed to scan in or out, he/she should complete a Kronos Exception form. These forms can be secured from the campus/department head
6. The Kronos system will be updated by the campus/department secretary based on the approved Kronos Exception forms received
7. If the campus/department secretary does not receive the approved Kronos Exception form prior to the end of the payroll processing period, the employee will be docked
8. Overtime, exception pay, and temporary assignments/positions are imported into the Munis system for approval by the appropriate department heads. For Special Revenue accounts, the department head, Program Manager, Grant Manager, and Assistant Superintendent for Curriculum and Instruction must also approve time worked

Manual Timesheets

1. The employee should include the service provider's name (i.e., Program which supported the work activities) and employee ID number
2. The time sheet should include position, campus/department name and program title.
3. All time worked each day must be shown
4. Timesheets must be approved by the appropriate department heads. For Special Revenue accounts, the department head, Program Manager, Grant Manager, and Assistant Superintendent for Curriculum and Instruction–Secondary must also approve time worked
5. All approved timesheet information is keyed into the Munis system for processing

500.72 SELECTION OF GRANT-FUNDED STAFF

The Grant Manager will work collaboratively with the appropriate stakeholders (campuses and departments) to identify all staff needed to accomplish the grant activities. The Grant Manager will work collaboratively with the Human Resources Department to obtain estimated salaries for proposed grant-funded staff prior to the completion of the grant application. And, the Grant Manager will

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.

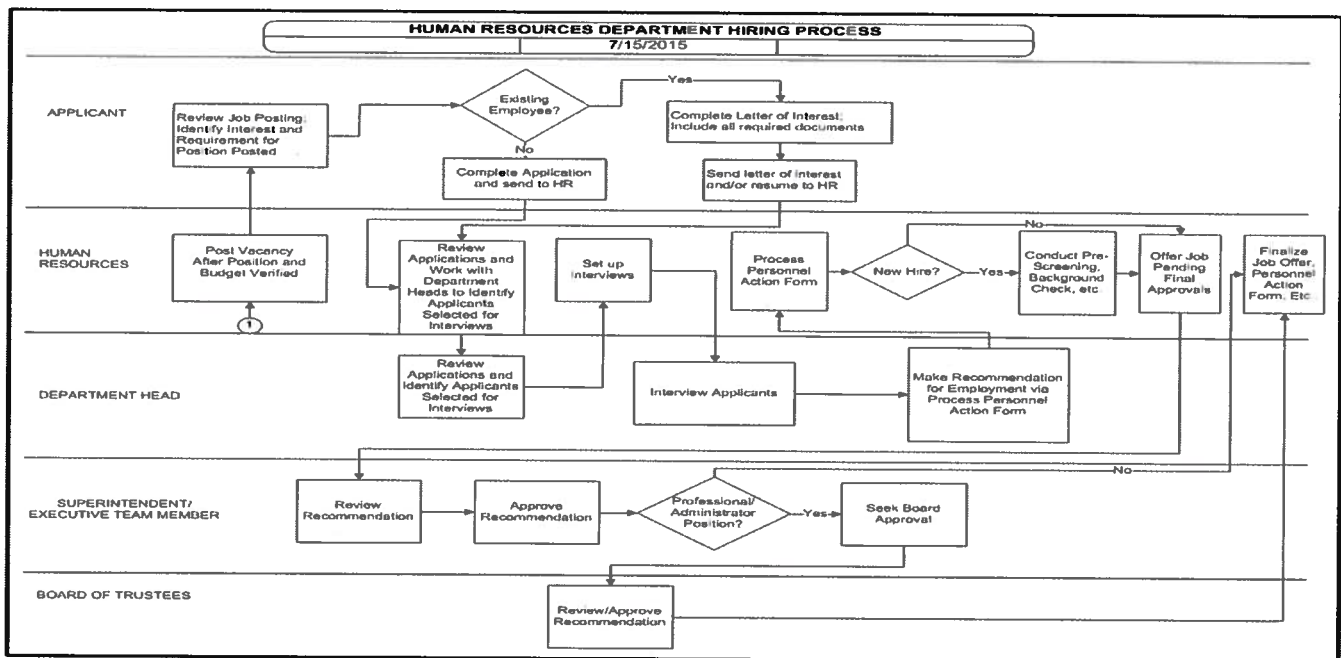
The process of approving payroll expenditures from grant funds will be a collaborative process between the campus or department, Human Resources, Grants Management, and Business Office. Each campus and/or department plays an essential role in ensuring that all Federal grant requirements are met.

The School-Board-approved Salary Schedule will be used to compensate all District staff whether paid from local, State or Federal grant funds. In addition, the District will provide the same employer-provided benefits for all District staff whether paid from local, State or Federal grant funds.

The compensation for grant-funded staff will be allocated to the respective grant program (fund) based on the single and/or multiple cost objectives performed by the grant-funded staff. If a grant-funded staff member performs non-grant activities during the day or beyond the normal work day, the compensation for the non-grant activities will be paid from non-grant funds.

Grant-funded staff with more than one cost objective will comply with the Time and Effort documentation requirements. Incentive payments, such as performance, perfect attendance, safety, etc. for grant-funded staff will be allowable with Federal grant funds if they are based on the same criteria as non-Federal grant funded staff, and if allowable by the grant.

See the Human Resources Department Hiring Process flowchart below for a graphical illustration of the hiring process:



New Positions

New grant-funded positions will be created only when a job description has been developed and approved by the Human Resources department and the Assistant Superintendent for Curriculum and Instruction–Secondary. The Grant Manager will ensure that the position is approved on the grant

application and that adequate funds exist to fill the position. The Business Office and Human Resources departments will be notified to ensure that the position is budgeted on the general ledger and the position is paid using the correct payroll account distribution codes.

New Hires

New staff hired for work in positions that are wholly or partially funded with Federal grant funds, will be hired when a position and funding are both available. Upon separation of an employee, the home campus or department will inform the Program Manager of the need to replace the position. The Program Manager will inform the Human Resources Department and Grant Manager. Once notification is given to the appropriate personnel, a Personnel Action in the Munis Financial System will be initiated. The Grant Manager will review the request to ensure that the position is still authorized and necessary. Changes to the job description, if any, will be made at this time. The Business Office and Federal Funding department will review the request to ensure that adequate funds exist in the appropriate account code(s). If funds do not exist, the Business Office will notify the Grant Manager to determine if funds will be re-appropriated to the account code(s). After approval from the Grant Manager and Business Office, the Human Resources department will advertise the position.

The screening and selection process will include a review of the recommended applicant to ensure that he/she meets the qualifications for the position and grant-specific credentials. [NOTE: A Personnel Action in the Munis Financial System will initiate the process. Upon employment, the new hire will receive and sign a copy of his/her respective job description to include the grant funding source.] [NOTE: If the position is funded with a short-term grant fund, the employee will be notified in writing when the grant funding will lapse, especially if their position will lapse at the end of the grant.]

Transfer of Personnel

When staff in a position funded with grant funds is recommended for transfer to another campus, department, or assignment, the Grants Management, Human Resources, and Business Offices will work collaboratively to ensure that the appropriate staff allocations and funding changes are made at the time of the transfer. The home campus or department will initiate the request for the transfer, especially if it is a teaching assignment change at a campus. The grants management, Human Resources and Business Offices must evaluate the requested transfer to ensure that the staff allocations and funding source changes are in compliance with grant requirement.

For example, if an elementary principal requests to transfer a Title I Reading teacher to a Pre-Kindergarten regular classroom teacher, the following considerations should be evaluated by the respective departments: 1) HR – ensure that a vacancy exists in a PK teacher position and that the teacher recommended for transfer is certified to teach PK, 2) Grants management – ensure that the grant strategies and activities can be accomplished in a timely manner after filling the vacancy that would be created by the transfer; and 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.

Substitute Teachers

Salary expenditures for substitute teachers are allowable for approved teacher positions. The Business Office will ensure that the expenditures for substitute teacher costs are budgeted and expensed from the appropriate account code(s).

Stipends and Extra-Duty Pay

Stipend and extra-duty pay expenditures are allowable for authorized and approved activities. A schedule or work log will 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.

The Federal Funding department will 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 will be the same as the rates used for similar locally funded activities. For example, if a teacher stipend for attending a one-day professional development activity funded through local funds during a non-scheduled work day is \$150 per day, the teacher stipend for attending a Federally-funded one-day professional development activity should be \$150 per day, too.

500.73 TIME AND EFFORT DOCUMENTATION

School districts are required to maintain auditable “time and effort” documentation that show how each employee paid with Federal funds spent his or her compensated time. On a semi-annual basis, the Business Office reviews a list of all employees and funding sources to determine the applicable documentation required. A request is made based on this list to secure time and effort or semi-annual certifications.

Time and effort reports are written, after-the-fact (not estimated or budgeted) documentation of how the time was spent. Time and effort reports should be prepared by any staff with salary charged directly to multiple Federal awards, or directly to any combination of Federal award and other Federal, State or local fund sources. District may elect to use the State-approved Substitution Time and Effort system. On a semi-annual basis, the Business Office requests a copy of the time and effort reports from the applicable employees.

Semi-annual certifications are required for personnel whose compensation is funded solely from Federal funds. The District also requests semi-annual certifications from those employees who work under a single cost objective (even if multiple funding sources are utilized). These certifications document that he/she has been working solely in activities supported by the Federal funds. The certification must (1) cover a semi-annual period (e.g., use District dates August - September), (2) identify the program, and (3) be signed and dated by an employee and/or supervisor having knowledge of the employee’s duties.

Also, federally-funded employees are required to maintain a job description on file, signed and dated by the employee, which clearly shows that the employee is assigned to the program or single cost objective. The job description must be updated when a function or activity is added to or deleted from an existing job description. This description must clearly identify the function and activities performed by the employee for the applicable fund source(s) or cost objective and must be maintained in the employee’s personnel file.

500.74 NON-PAYROLL EXPENDITURES

Direct non-payroll expenditures include contracted services, supplies, travel and equipment. The expenditure of Federal grant funds for non-payroll costs will 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.

TEA Guidelines Related to Specific Costs

The District will adhere to TEA's Budgeting Costs Guidance Handbook as published to the TEA website. A copy of the guidelines will be made available to all staff with authority to initiate and/or authorize a purchase or expenditure with Federal grant funds. In addition, all staff with authority to initiate and/or authorize a purchase or expenditure, such as campus financial secretaries, campus and department administrators, business office staff, and grant department staff will receive a copy of the latest guidelines. The guidelines will be incorporated in the annual training for all of these staff members.

500.75 APPROVAL OF GRANT PURCHASES AND EXPENDITURES

The District will adhere to the normal approval path for purchase orders with non-grant funds. In addition, all purchase orders with grant funds will be reviewed and approved by the Grant Manager. The Grant Manager review will consist of the following:

1. The expenditure is *reasonable* and *necessary* (as defined in Federal grant guidelines).
2. The expenditure is not required by State law or local policy.
3. The expenditure has been approved in the grant application, and if specific approval is required from the granting agency, this approval has been obtained.
4. The expenditure meets the allowable costs principles.
5. The expenditure is allowable and approved in the grant application and is consistent with the grant purpose.
6. The expenditure is supplemental and not supplanting a local expenditure. (NOTE: Refer to compliance issues related to supplement and supplant for additional guidance)
7. The expenditure has been competitively procured as required by law, as appropriate.
8. The expenditure has been approved by the governing body, as appropriate. [Note: School Board Policy CH (Local) has established the threshold of contract approval by the School Board at \$25,000.]

Consultants/Contracted Services

The following list applies to all consultant agreements and contracted services:

1. All consulting agreements must go through the steps outlined by the Business Office.
2. All consultants must be in the vendor system established by the District.
3. Consultants are never paid in full in advance. This should not be reflected in any agreement made with a consultant. Payment is made after services are rendered.
4. Payment can only be made from an original invoice not from a copy and must follow the steps outlined by the Business Office.

In addition, the Grant Manager will review and approve all consultant services agreements for compliance with Federal regulations regarding professional service costs (2 CFR § 200.459).

Purchase Orders with Grant Funds

The following applies to any and all purchases made with Purchase Orders:

1. All encumbrances and expenditures of approved funds will occur on or after the effective submission date of the application or amendment (date the application or amendment was submitted to the Agency, or the first day grant funds are available for obligation, whichever is later)

2. Follow District guidelines as outlined in the Business Office for processing purchase orders requisitions
3. A requisition **MUST** be approved prior to a purchase being made. If this is not done, the campus may be responsible for the cost, **NOT** grant funds
4. Requisitions need to have approvals prescribed by the Business Office
5. The Business Office is the final approver on all requisitions
6. All requisitions are converted to Purchase Orders by the Business Office
7. All grant-funded purchases must be received in time to substantially benefit the project during the current grant period. Business Office procedures have been put in place to ensure that funds for goods and services are not obligated during a grant period if the goods and services will be delivered after the ending date of the grant. Equipment purchased with grant funds must be received, installed, and put into service before the ending date of the grant. All obligations and receipt of goods must occur within the grant period

Purchase of Supplies, Materials, and Miscellaneous Operating Costs

Purchases of supplies, materials, and miscellaneous operating costs must conform to all applicable Federal and Grant Funds regulations. Purchases must also comply with District guidelines outlined in the District Business Office.

Individual Reimbursements

Reimbursements to individuals purchasing items with grant funds are discouraged. The District recommends the use of a purchase order for all expenditures. The payment must conform to all grant and District guidelines. Original detailed receipts are required.

Credit Card Purchases with Grant Funds

The District will use District-issued credit cards to make purchases with Federal grant funds only in the event of a bona fide emergency.

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

The Program Manager will review and approve all credit card expenditures.

500.76 TRAVEL EXPENDITURES WITH GRANT FUNDS (STUDENTS & STAFF)

The District may use Federal grant funds for travel costs. All travel-related expenditures from grant funds will comply with the allowable Federal cost principles, the Texas Travel Reimbursement Guidelines (which uses the U.S. General Service Administration's per diem rate found on www.gsa.gov), School Board Policy and the District's travel guidelines. The allowable rates of reimbursement will be the lesser of the Federal rates or local rates. For example, if the Federal rate of reimbursement for mileage is .575¢ but the local rate established in Board Policy DEE (Regulation) is 51¢, the maximum rate of reimbursement for mileage with Federal funds will be the local rate of 51¢. The Grant Manager will review and approve all travel-related expenditures paid with Federal grant funds.

Grant funds cannot be used for travel expenditures of:

- Non-District staff such as spouses, family members, etc.
- “Family-friendly” travel expenditures (i.e., dependent care travel)
- School Board members
- Contractors or consultants for their professional development

Shown below are the guidelines which will apply to the expenditure of grant funds for staff, student and/or parent travel, as appropriate:

1. In general, “travel” is defined as travel outside the District boundaries where an employee may be a representative of the District. In this case the District may reimburse the employee for some or all of his/her qualified expenses. Approval to travel must be obtained before taking any trip by completing a Request to Attend Professional Meeting form, regardless of expenses requested.
2. Documentation as to the purpose of the trip must be attached to the Request to Travel at District Expense before approval. A copy of a brochure, flyer, registration or entry form is acceptable. Documentation must show the location, dates, and times of the event, and any meals or other expenses that are provided.
3. Registration and other non-travel expense must be paid by purchase order. If a vendor does not accept purchase orders, a direct payment will be processed. Proper documentation must be included as an attachment to the purchase order. All special instructions must be clearly noted. These types of purchase orders should also be prepared in advance and in accordance to the registration deadlines.
4. Travel expenses are composed of the costs incurred to reach a destination and return. These costs are as follows:
 - a. Lodging
 - 1) This is the cost of the lodging or rooms for District employees or administrators. Original itemized hotel receipt is required after the trip. The District is exempt from Texas Hotel Occupancy Tax as well as the Texas State Sales Tax on hotel parking. The District will pay State sales tax on out of State travel. An exemption form must be obtained prior to travel. Room service, laundry, phone calls, etc. should not be claimed as trip/travel expenses.
 - 2) Hotel rates from grant funds should not exceed those allowed by the granting agency. Any excess must be paid through local funds. Hotel allowances are those published on www.gsa.gov per the destination or District policy, whichever is less.
 - 3) Follow District guidelines as outlined in the Business Office procedures (DEE Regulation).
 - b. Meals – *See Port Arthur ISD Travel Procedures*
 - 1) The employee will be reimbursed the ACTUAL cost, not to exceed the rates established by the District or limits established by the granting agency.
 - 2) Original itemized receipts must be submitted – Alcohol, gratuity, tips are not reimbursable expenses.
 - 3) Travel *allowances* in which the per diem is paid to the employee regardless of the amount actually expended, are not allowable.
 - 4) Meals should be included in the Statement of Expense

- 5) Overnight meals will be reimbursed according to PAISD travel procedures.
 - 6) One-day Travel meals are coded to Object Code 6417, not to exceed guidelines set by the granting agency.
 - 7) If any meals are provided while at a conference or meeting, or as part of a lodging package, the traveler is not eligible for the related allowance. Unused funds cannot be carried over from one day to the next.
- c. Transportation
 - 1) This is the cost of traveling to a destination and returning while on District business. The cost of transportation must comply with the reasonable and necessary guidelines and properly documented parking, taxi, and shuttle expenses are reimbursed with proper documentation (itemized receipts). Tips are not reimbursable.
 - d. Mileage
 - 1) Mileage claims will be based on the shortest practical route between the District and the destination via intermediate points at which official business is conducted. Generally, the mileage reimbursement amount will be equal to the lesser of office to destination or home to destination. Mapquest.com will be utilized to calculate total miles and standardize trip distances, and calculations will be based on city-to-city mileage.
 - 2) The expectation is that one car is used for mileage reimbursement when individuals are traveling to the same event. (There may be exceptions from time to time.)
 - 3) Travelers are required to select the shortest and most economical route but may justify the selection of another route if it was chosen for safety reasons and specific justification of the selection is given.
 - e. Registration
 - 1) Registration must be paid by purchase order, when applicable.
 - 2) The date of conference, names of attendees, and conference location should be included on the purchase requisition.
 - 3) A copy of the brochure, flyer, registration form, registration confirmation when applicable, agenda, etc. should be included.
 - 4) Registration should be paid in advance of the conference and is sent directly to the vendor of the conference.
5. A Statement of Expense form should be completed following Port Arthur ISD Travel Procedures.
 6. The Statement of Expense form:
 - a. Should be submitted to the Business Office no later than five (5) days after the completion of the trip.
 - b. Should be a recap of all costs associated with the trip.
 - c. Should include correct information for any and all monies advanced.
 - d. Should be accompanied by original and itemized receipts for hotel, meals, etc.
 - e. Should be completely filled out to include the account number, date(s) of the trip, time of departure and return, and purpose of the trip.
 - f. Should be completed with both employee and supervisor/principal/director signatures.

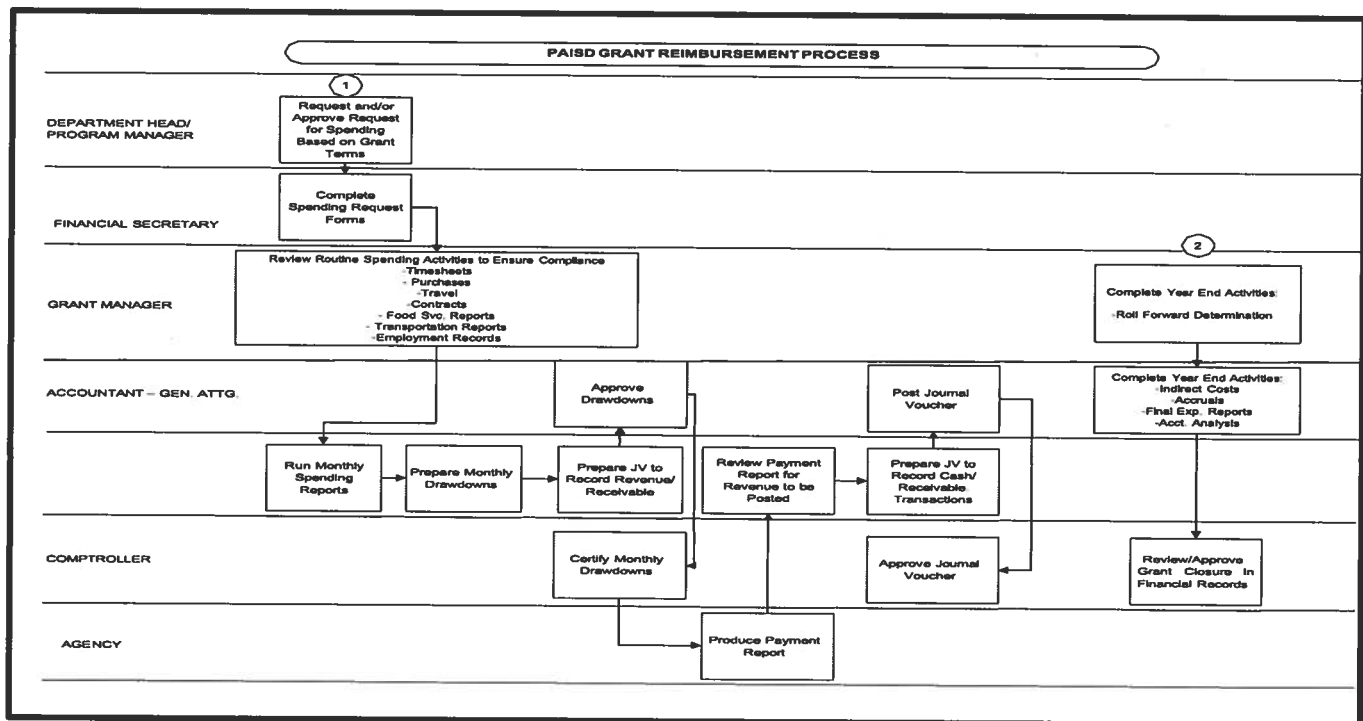
500.77 PREPARING EXPENDITURE REPORTS & DRAWDOWN OF FUNDS

The District will on a monthly basis use the Munis Financial System to generate an expenditure report from the general ledger for each grant to date. This information will be used to generate the monthly drawdown request from the Texas Education Agency Login System (TEAL).

500.78 DRAWDOWN OF GRANT FUNDS

Reimbursements

The District will seek reimbursement for all other TEA Federal grant expenditures, rather than using an advanced payment method. Consequently, the District will prepare and submit a “drawdown” of Federal grant funds only after the payments have been made and distributed to the vendor via mail, e-payables or other delivery method. The drawdown of expended funds will be net of all rebates, refunds, contract settlements, audit recoveries and interest earned, as appropriate. The Business Office will be responsible for preparing the drawdown of Federal grant funds. When payments for expenses are made, an entry is done to establish the Payable and Receivable. When the drawdown is received, an entry is made to the general ledger to record the cash and receivable.



The District will, on a monthly basis, or as allowed or required by the grant guidelines, drawdown grant funds that have been spent in accordance with the grant guidelines. The drawdown of grant funds from the granting agency will be initiated by the Business Office. Drawdowns will be completed by the 15th of each month for all expenses incurred by the last day of the previous month. The drawdown will be for all expenditures to date, less grant funds received to date as verified by the financial general ledger.

The final drawdown of grant funds from the granting agency will be made within the allowable timeframe. The grant liquidation guidelines will 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 drawdown process will be the same as a monthly or periodic drawdown, except that all refunds, rebates, credits, discounts or other adjustments to the general ledger must be recorded in the general ledger prior to submitting the final drawdown request. [NOTE: There will be no outstanding purchase orders or pending liquidations at the time of the final drawdown of grant funds.] The final drawdown will be reviewed and approved in the same manner as a periodic drawdown.

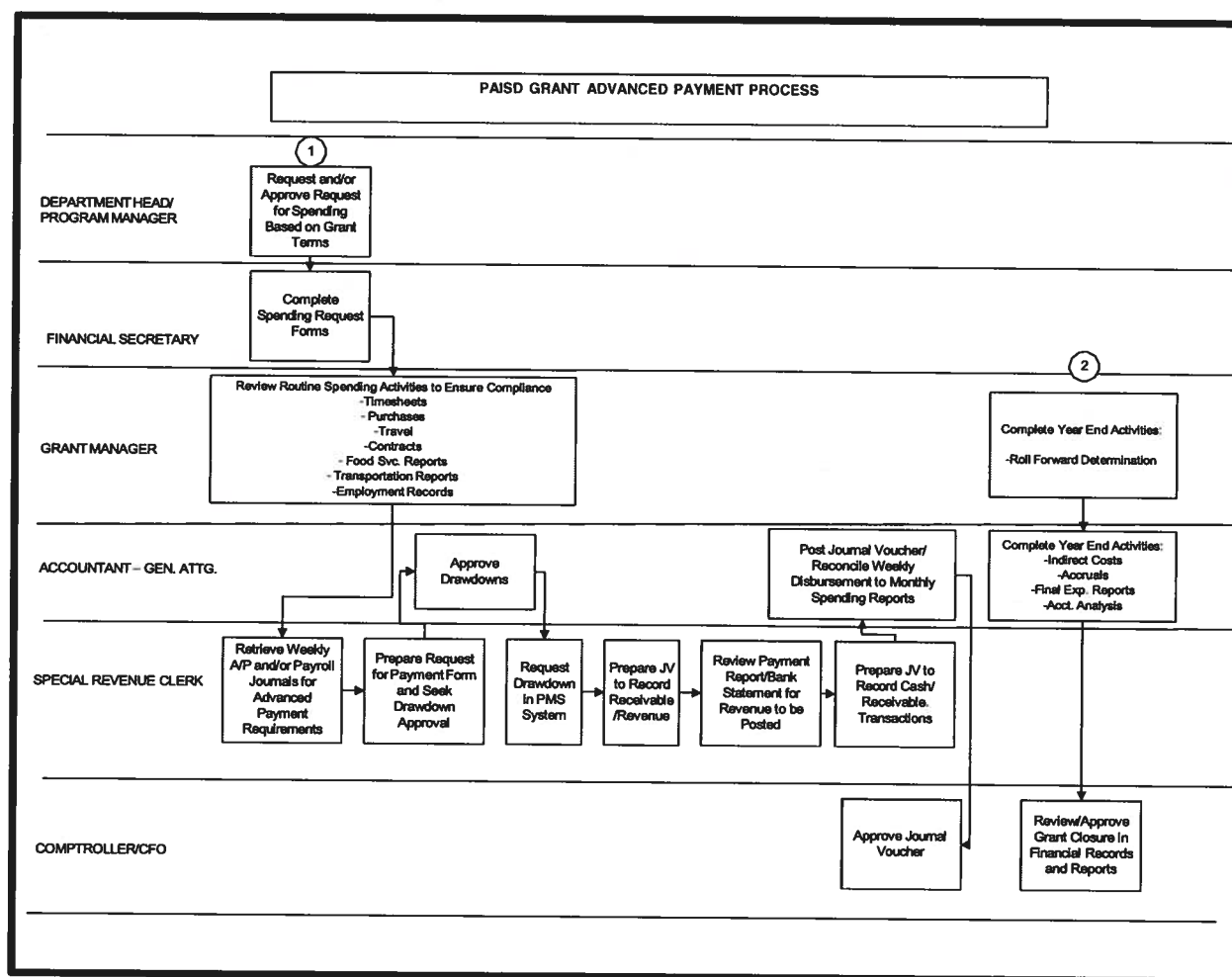
Federal regulations (2 CFR 200.415) requires that the District certify the accuracy of the annual and fiscal reports or vouchers requesting payments be signed by the authorized individual(s). The Business Office will certify every drawdown of funds, including the final expenditure report (drawdown of funds) as noted below:

By signing this report, we certify to the best of our knowledge and belief that the reports are true, complete and accurate, and the expenditures, disbursements and cash receipts are the purposes and objectives set forth in the terms and conditions of the Federal award. We are aware that any false, fictitious, or fraudulent information or omission of any material fact, may subject us to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

If a final drawdown deadline is missed, the Business Office will contact the granting agency to determine if a process exists to request a filing deadline extension. [NOTE: TEA has developed procedures to request an extension for filing expenditure reports. The request form must be completed, signed by the Superintendent, and filed with TEA within 30 days of the final expenditure report deadline.]

Advanced Payments

The District has determined that it will accept advanced payments for the federally-funded Head Start grant program. The District will prepare and submit a "payment request" through the Payment Management System before payments are made. Payments are considered to be made the day the check is mailed, delivered, or electronically submitted. The Business Office staff will assess the need and gather all necessary documentation for payments due to be made. From this documentation, a request will be made for the amount needed. The frequency of the request will be based on need, but the District expects to request funds on a weekly basis for accounts payable invoices and semi-monthly for payroll. The payment request will be net of any and all rebates, refunds, contract settlements, audit recoveries and interest earned, as appropriate. When the request is made, an entry is made to the general ledger to record the receivable. When the money is received, an entry is made to clear the receivable and record the cash.



Receipt of Grant Funds

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

The District will record all grant fund receivables upon receipt from the drawdown process. The receipt of grant funds will be posted to the general ledger to the appropriate account code. In the event that the grant funds received do not match the recorded receivable, the Business Office will contact the granting agency to determine the discrepancy.

500.8 GRANT COMPLIANCE AREAS

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

500.81 SUPPLEMENT, NOT SUPPLANT

The term — supplement, not supplant is a provision common to many Federal statutes authorizing education grant programs. There is no single supplement, not supplant provision. Rather, the wording

of the provision varies depending on the statute that contains it. Although the definition may change from statute to statute, supplement not supplant provisions basically require that grantees use State or local funds for all services required by State law, State Board of Education (SBOE) rule, or local policy and prohibit those funds from being diverted for other purposes when Federal funds are available. Federal funds must supplement—add to, enhance, expand, increase, extend—the programs and services offered with State and local funds. Federal funds are not permitted to be used to supplant—take the place of, replace—the State and local funds used to offer those programs and services.

Port Arthur ISD has implemented guidelines to ensure compliance with the Federal fiscal requirement of supplement, not supplant. The purpose of the procedures is to ensure that the level of State and local support for programs remains at least constant and is not replaced by Federal funds. Federal funds are used to supplement (add to, enhance, to expand, create something new, increase) the funds available from non-Federal sources, and not to supplant (replace or take the place of) the existing non-Federal funds.

Federal funds may be used only to supplement or augment the educational programs generally offered with State and local funds.

Federal funds may be used only to provide supplemental services that would not have been provided had the Federal funds not been available.

State or local funds which previously funded activities may not be diverted to another purpose simply because Federal funds are now available to fund those activities. In other words, the use of Federal funds may not result in a decrease in State or local funds for a particular activity, which, in the absence of the Federal funds, would have been available to conduct the activity.

Federal funds must supplement or augment that which must be provided by State law or SBOE rule, or any activities which have been adopted as policy by a local school board of education to fund from non-Federal sources.

If Federal funds are used to enhance or expand a State mandate, SBOE rule, or local board policy, the Federal supplementary activities must be separately identified and clearly distinguishable from the activities identified as necessary for implementing a State mandate, SBOE rule, or local board policy as outlined in the implementation plan.

500.82 SUPPLEMENT, NOT SUPPLANT COMPLIANCE REQUIREMENT

Under ESSA Title I, Part A, the district must demonstrate a Supplement/Not Supplant Methodology that is used to allocate State and Local funds to campuses and that the allocation process is equitable.

Title I Part A 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.

TEA Guidance on Supplement/Not Supplant

Based on TEA guidance, districts who have 1 campus per grade span with no duplication of grades, will not be required to demonstrate a methodology for Supplement/Not Supplant.

PAISD **is** required to demonstrate a methodology for Supplement/Not Supplant because the district has duplication of grade spans.

Statement of Methodology:

PAISD will use a grade span methodology.

Type of Methodology:

PAISD will calculate the campus allocations using pupil data.

Criteria Used:

- Per Pupil – based on a per pupil allocation by grade span level

Grade Span	Total # of Students
Elementary	4,651
Middle School	1,667
High School	1,997

- Calculation to include –
 - PICs 11, 21, 22 & 31
 - Functions 11, 12, 13, 21, 22, 23, 32, & 33
 - All campus organization codes (001-120)

Mathematical Calculation:

- PIC 11 – per pupil allocation by grade span

Grade Span	Per Pupil Allocation	# of Students	Campus Allocation
Elementary	\$3,912	4,651	\$18,193,233
Middle School	\$3,737	1,667	\$6,230,038
High School	\$5,054	1,997	\$10,092,079

- PIC 21 – based on a per pupil allocation by grade span level

Grade Span	Per Pupil Allocation	# of Students	Campus Allocation
Elementary	\$634	158	\$100,219
Middle School	\$318	75	\$23,833
High School	\$277	90	\$24,894

- PIC 22 – N/A, at the High School level only

500.83 COMPARABILITY

Comparability of services is a fiscal accountability requirement that applies to local educational agencies (LEAs) that receive funds under Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by the Every Student Succeeds Act of 2015 (ESSA). The intent of the comparability of services requirement is to ensure that an LEA does not discriminate (either intentionally or unintentionally) against its Title I schools when distributing resources funded from State and local sources simply because these schools receive Federal funds. [TEA Title I, Part Comparability of Services Guidance Handbook, 2017]

The Federal Funding department conducts the comparability test on an annual basis and completes the Title I Part A Comparability Assurance Document (CAD). NOTE: If the District determines that it is exempt from the comparability requirements, the Federal Funding department will note the exemption on the CAD and submit it to TEA. If the District is not exempt, the Federal Funding department will complete and submit the Comparability Computation Form (CCF) to TEA by the mid-November annual deadline.

In completing the CAD and CCF, the Federal Funding Department follows 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 Federal Funding department. After review and approval by the Federal Funding 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

If TEA determines that the District is non-compliant, the Business Office and Federal Funding department will work collaboratively to address the non-compliance. In addition, the District will adjust the budgets as appropriate until the District is in compliance with the comparability requirement.

500.84 INDIRECT COSTS

Grantees must have a current, approved Federal indirect cost rate to charge indirect costs to the grant. School Districts must submit their annual requests for approval to TEA for an indirect cost rate using a new Indirect Cost Rate Proposal (ICRP). The Business Office will prepare and post a general ledger entry for the indirect costs.

Key components of the ICRP include:

- A certification of indirect costs to be signed by the Assistant Superintendent for Business & Finance
- A classification of costs into excluded, unallowable, direct, and indirect costs. Costs for all function codes reported in the Statement of Revenues, Expenditures, and Changes in Fund

- Balance–Governmental Funds of the district’s annual financial and compliance report must be classified
- A list of general management position titles with associated salary and fringe benefits. These positions include, but are not limited to, the superintendent, assistant superintendent, chief financial officer, head of service functions, and other district- wide positions
- The district’s organizational chart
- Supporting schedules that detail excluded costs

500.85 MAINTENANCE OF EFFORT

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

Every Student Succeeds Act (ESSA) MOE

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

The Business Office will compute the MOE using the TEA ESSA LEA MOE Determination Calculation Tool during the budget adoption process and at the end of the fiscal year. Non-compliance with ESSA MOE will result in a reduction of ESSA funds in the exact proportion by which the District fails to meet the MOE requirement; therefore, the Business Office will plan for the reduction of grant funds at the local level. If the ESSA MOE falls below the required level, the Business Office and Federal Funding department will collaborate to develop a plan to bring the District into compliance with the MOE requirements.

IDEA-B MOE

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

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

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

500.86 GRANT MONITORING AND ACCOUNTABILITY

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

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

The Program Manager for each Federal grant will be responsible for the programmatic and evaluation compliance. The Business Office and the Grant Manager will be responsible for the financial compliance. The use of “Program Manager” throughout this document will refer to the specific Program Manager by Federal grant.

The Program Manager will monitor the timing of grant activities throughout the grant period, especially as they relate to the desired outcomes. The Program Manager will also monitor the timing of grant expenditures, especially as they relate to the period of availability of grant funds. If either the grant activities or grant expenditures reflect that the District will not accomplish the grant activities during the grant period, the Program Manager will work to develop an action plan to ensure that the Federal grant goals are met. The oversight of grant activities and expenditures will include, but not be limited to, the following:

- Cost overruns or high unit costs
- Significant developments that may result in an inability to complete the grant activities

The District will 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.

Audit findings or deficiencies will be addressed in a timely manner upon receipt of the notification. The finance, human resources and grant management staff will work collaboratively to develop and implement a Corrective Action Plan to resolve the findings or deficiencies. The Superintendent, or designee, will approve the Corrective Action Plan and monitor the timely implementation of corrective strategies.

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

Grant Closeout Procedures

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

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

500.9 GRANT AWARDS

2020 – 2021 AWARDED GRANTS					
FAR Fund Code	Grant Title	Fed Award # CFDA #	Grant Period	Amount	Program Manager
211	Title I, Part A – Improving Basic Programs	S010A190043 84.010A	07/01/19- 09/30/21	\$3,962,075	Asst. Superintendent for Curriculum & Instruction - Secondary
212	Title I, Part C – Migrant	S011A180044 84.011A	07/01/19- 09/30/21	\$428,634	Asst. Superintendent for Curriculum & Instruction - Secondary
212	MEP AIIMS	S011A180044 84.011A	11/21/19- 11/01/21	\$50,000	Multilingual/Migrant Director
224	IDEA B – Formula	H027A190008 84.027A	09/04/19- 09/30/21	\$1,734,185	Director of Special Education
225	IDEA B - Pre-School	H173A190004 84.173A	09/04/19- 09/30/21	\$32,876	Director of Special Education
255	Title II, Part A- Supporting Effective Instruction	S367A190041 84.367A	07/01/19- 09/30/21	\$598,779	Asst. Superintendent for Curriculum & Instruction - Secondary
263	Title III, Part A-ELA	S365A190043 84.365A	07/01/19- 09/30/21	\$365,197	Multilingual/Migrant Director
266	ESSER Grant	S425D200042 84.425D	08/21/20- 09/30/22	\$3,040,408	Superintendent of Schools
276	Instructional Continuity	S377A160044 84.377A	05/21/20- 07/30/21	\$56,000	Asst. Superintendent for Curriculum & Instruction - Secondary
289	Title IV, Part A, Subpart I	S424A190045 84.424A	07/01/19- 09/30/21	\$328,330	Asst. Superintendent for Curriculum & Instruction - Secondary
289	Restart for 2019 Flooding	S938A200005 84.938A	09/17/19- 12/17/21	\$32,111	Asst. Superintendent for Business & Finance and CFO
429	School Safety and Security Grant		01/22/20- 05/31/22	\$134,610	Asst. Superintendent for Curriculum & Instruction - Secondary

2020-2021 AWARDED GRANTS

FAR Fund Code	Grant Title	Fed Award # CFDA #	Grant Period	Amount	Program Manager
211	Title I, Part A – Improving Basic Programs	S010A190043 84.010A	07/01/20- 09/30/21	\$3,592,443	Asst. Superintendent for Curriculum & Instruction - Secondary
211	TTL I 1003 School Improvement	S010A190043 84.010A	07/01/20- 09/30/21	\$185,463	Asst. Superintendent for Curriculum & Instruction - Secondary
212	Title I, Part C – Migrant	S011A180044 84.011A	07/01/20- 09/30/21	\$184,290	Multilingual/Migrant Director
212	AIIMS PILOT	S011A180044 84.011A	10/02/20- 08/31/22	\$12,838	Asst. Superintendent for Curriculum & Instruction - Secondary
224	IDEA B – Formula	H027A190008 84.027A	07/01/20- 09/30/21	\$1,597,663	Director of Special Education
225	IDEA B - Pre-School	H173A190004 84.173A	07/01/20- 09/30/21	\$30,178	Director of Special Education
244	Carl D. Perkins	V048A190043 84.048A	07/01/20- 08/15/21	\$143,493	Career and Technology Director
255	Title II, Part A- Supporting Effective Instruction	S367A190041 84.367A	07/01/20- 09/30/21	\$410,773	Asst. Superintendent for Curriculum & Instruction - Secondary
263	Title III, Part A-ELA	S365A190043 84.365A	07/01/20- 09/30/21	\$204,386	Multilingual/Migrant Director
289	Title IV, Part A, Subpart 1	S424A190045 84.424A	07/01/20- 09/30/21	\$269,587	Asst. Superintendent for Curriculum & Instruction - Secondary
404	SSI/Community Partnerships		09/01/20- 08/31/21	\$397,971	Chief Education Reform Academic Officer

TEA Grant Opportunities can be found at:

<https://tea4avalonzo.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx>

[The following resources are available online for each grant program]

- **General and Fiscal Guidelines**
- **Program Guidelines**
- **Program-Specific Provisions and Assurances•**