Kirbyville Consolidated Independent School District

Grants Management Procedures



2014-2015

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Staff Directory

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Georgia Sayers	Assistant Superintendent	gsayers@kirbyvillecisd.org	409-423-7521
Cay Kent	Business Manager	ckent@kirbyvillecisd.org	409-420-0708
Jimmy Gaspard	Technology Director	jgaspard@kirbyvillecisd.org	409-423-7522
Jerry Gore	Special Education Director	jgore@kirbyvillecisd.org	409-994-4895

Current Year Grants

- 211 Title I, Part A
- 240 National School Lunch
- 242 Summer Feeding Program
- 244 Carl D. Perkins Career and Technical Education Act
- 255 Title II, Part A
- Title III, Part A
- 270 Title VI, Part B, Subpart 2

General Guidelines

Grants management procedures are used for the financial and regulatory administration of all state and federal financial assistance to the district. Overall responsibility for submitting proposals and for executing and submitting awards rests with the Superintendent. The guidelines establish lines of authority within the district related to financial transactions on government assistance received.

General information provided in this document is based on multiple sources. For more specific information, consult the grant application and regulations and OMB Circular A-87 for federal cost principles. All applicable KCISD Policies and Procedures and Administrative Guidelines and Purchasing Procedures are to be followed for expenditures.

Responsibilities of Grant Management

Grants Management is handled by various individuals dependent upon the Program; the Superintendent, the Assistant Superintendent, Business Manager, Kirbyville Consolidated Independent School District Board of Trustees, and the granting agencies.

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 three fundamental principles:

1. The Business Manager is the final approval authority for all grant activity prior to submission to the Superintendent.

2. Responsibility is defined as the authority to make a decision and be accountable for any outcomes associated with that decision.

3. Oversight is always distinct from the operating unit that makes the decisions.

The overall responsibilities of the Grants 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;
b. Establishing, communicating and promoting policies and procedures consistent with federal, state, and local regulations;
c. Providing assistance to project managers for the preparation of grant applications;
d. Exercising budgetary control of grant funds;
e. Providing overall financial support and monitoring;
f. 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; and
- Providing support and guidance to campus and central administrative offices for the effective administration and financial management of grants.

Staff Responsibilities

Superintendent

- Approve applications for grants
- Responsible for making sure the federal program goals and objectives are listed correctly in the DIP and CIP
- Making sure that the District meets compliance standards and follows the DIP and CIP related to the federal programs
- Responsible for making sure the federal program goals and objectives are listed correctly in the DIP and CIP

Business Manager - Reports directly to the Superintendent and is responsible for:

- Administration of the following Grants:
  - Title I, Part A
  - Title II, Part A
  - Title III, Part A
  - Title VI, Part B, Subpart B
  - Carl D. Perkins Career and Technical Education Act
  - National School Lunch
  - Summer Feeding Program
- Correctly completing , with assistance from appropriate staff, and submitting state and federal grant applications in, accordance with grant requirements, for above grants as well as other grant opportunities not listed above
- Providing help for grant applications in determining staffing needs and verifying qualifications of employment applicants
- Monitoring finance and compliance of stated grants
- Monitoring unusual or irregular activities related to grants
- Maintaining current knowledge of federal, state and District policies related to grants
- Working with Superintendent, Assistant Superintendent, Directors and Principals to verify that the use of grant proceeds is aimed at meeting the needs of DIP and CIP, and is in the best interest of our students, employees and taxpayers
- 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
- Complete amendments to grants as required by grant and District
- Verifying budgets 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
- Final approver, before Superintendent, of all requisitions and verifying expenditures are allowable and within allowable ranges
- Compiling, verifying and filing of expenditure reports and compliance reports as necessary
- Files accurate quarterly reports for programs requiring such filing
- Advising all District staff on non-program specific local, state and federal purchasing guidelines
- Working with principals and directors in relationship to compliance with program specific purchasing issues as needed
- Reconciling District financial records to federal reports to verify accuracy
- Maintaining financial records and working with financial auditors to prove financial compliance with grant requirements
- Working with Directors to ensure compliance with supplement vs. supplant issues
- Working with Directors to ensure MOE issues where applicable

Director of Special Education - Reports directly to the Superintendent and is responsible for:

- Administration of the following Grants:
  - IDEA–B Formula
  - IDEA-B Preschool
- Submitting state and federal grant applications mentioned above
- Monitoring finance and compliance of stated grants
- Reporting unusual or irregular activities related to grants to the Business Manager

- Maintaining current knowledge of federal, state and District policies related to grants
- Providing central staff and campus training for federal and state grants, as appropriate

Other Directors (Special Education and Technology)

- Reviewing grant information and educating district personnel on the allowable purposes of each grant they are responsible for
- Determining with help of Superintendent, Business Manager and other Directors whether each grant helps KCISD meet the goals spelled out in the DIP and CIP
- 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
- Working with District personnel to ensure each campus and department are aware of their responsibilities under grant
- Working with Business Manager and business office to make sure budget meets 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
- Working with Business Manager and business office to verify expenditures are allowable and within allowable ranges
- Working with Business Manager and business office to verify filing of expenditure reports and compliance reports as necessary

Business Office Responsibilities

Business Office responsibilities include:

- Maintaining fiduciary and financial responsibility for all grant activities
- Processing and maintaining the accounting data for grants
- Grant accounting shall include the details of all grant transactions from the approval of the proposed grant to final action by the grantee and grantor
- Maintaining grant budgeting including amendments

Department Responsibilities

Duties	Staff Responsible
Review CIP and DIP for compliance	Superintendent, Assistant Superintendent, Business Manager, Principals and each department director
Conduct comprehensive needs assessment for District	Superintendent and Assistant Superintendent
Develop plan from assessment, identified needs and prepared budget, staffing and program descriptions	Superintendent and Assistant Superintendent with input from program directors, Business Manager and principals
Compliance reporting	Handled by each of the directors over the individual grants as listed in the staff responsibilities section above
Training on budgeting, budget amendments, coding, time and effort, purchasing, credit cards, split-funded salary allocations, contract monitoring (including debarred vendors), travel reimbursements and other employee reimbursements, and selected unallowable costs	Business Manager in conjunction with the responsible director of each grant
Approval of all purchases to ensure compliance with grant requirements, coding, allowability of costs, competitive procurement, correct pricing on bids and proposals, eligible vendors (not on debarred list) and alignment with identified needs, CIPs and DIPs	Business Manager in conjunction with the responsible director of each grant
Periodic reporting (cash draw downs)	Business Manager
Quarterly reporting	Business Manager
Budget reporting to budget managers, campuses, and central administration	Business Manager
Reconciliation of accounting records with expenditure reports to grantor agencies	Business Manager with input of individual directors over each grant.
Annual review of code of ethics (34CFR Section 80.36), policies and administrative procedures for all of the above listed duties and responsibilities	Business Manager

Supplement Not Supplant Procedures

Kirbyville CISD 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, or increase) the funds available from non-federal sources, and not to supplant (replace or take the place of) the existing non-federal funds.

1. Federal funds shall not be used to provide services that the District is required to provide under federal, state, or local laws/policies.
    a. Salary expenditures for staff required by federal, state, or local policy shall not be paid from federal funds. For example, teacher FTEs that meet the state's 22:1 student-teacher ratio for grades PK through 4th will not be funded from federal funds. Excess teacher units, if any, may be eligible for payment through federal funds.
        Documentation shall include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.
    b. Salary expenditures for staff required by local policy shall not be paid from federal funds. Excess staff units, if any, may be eligible for payment through federal funds.
        Documentation shall include Board minutes or local policy reflecting the staffing requirement and a report that reflects the staff units throughout the district mandated by the local minutes/policy and the excess units, if any.
    c. Federal funds shall not be used to pay for state required activities, such as state-mandated assessments.
        Documentation shall include purchase orders for state required activities. The purchase orders shall reflect that non-federal funds were used to pay for the expenditures.

2. Procedures for determining that a school participating in a school-wide program is using federal funds available only to supplement the amount of funds that would, in the absence of NCLB federal funds, be available from non-federal sources for the school (including funds needed to provide services for children with disabilities and children with limited English proficiency.)Note: In a Title I schoolwide program, a school is not required to provide supplemental services to identified children (currently Kirbyville Elementary is Title I school-wide).

3. Procedures for determining supplement, not supplant when state or local funds are no longer available. Federal funds shall not be used to provide services that the District is required to make available under other Federal, State or local laws (Board Policy).
    a. Salary expenditures for staff required by federal, state, or local policy shall not be paid from federal funds. For example, teacher FTEs that meet the state's 22:1 student-teacher ratio for grades PK through 4th will not be funded from federal funds. Excess teacher units, if any, may be eligible for payment through federal funds.
        Documentation shall include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.
    b. Salary expenditures for staff required by local policy shall not be paid from federal funds. Excess staff units, if any, may be eligible for payment through federal funds.
        Documentation shall include the Board minutes or policy and a report that reflects the staff units throughout the district mandated by the minutes or policy and the excess units, if any.

c. Federal funds shall not be used to pay for state required activities, such as state-mandated assessments.

Documentation shall include purchase orders for state required activities. The purchase orders shall reflect that non-federal funds were used to pay for the expenditures.

4. Procedures for determining that program-specific supplement, not supplant provisions are met.
A review of the non-federal funds available to each campus (school-wide and non-participating) shall be conducted on an annual basis by the Superintendent, Assistant Superintendent, Business Manager and Grant Directors.
   a. TEA's Comparability Computation Report (CCR) should provide valuable information related to the level of state and local funding available at each Title I A participating and non-participating campus.
   b. All purchase orders with federal funds shall be reviewed by the Business Manager and the Director in charge of a particular federal program to ensure compliance with the supplement, not supplant provision. The final approver's signature and date is his/her representation that the grantee complied with local policy and procedure and state and/or federal law, rules and/or grant requirement, as applicable

5. Procedures for determining supplement, not supplant when state or local funds are no longer available
   a. Federal funds shall not be used to provide staff that the District provided with non-federal funds in the prior year.
   Documentation may include a report that reflects the staff units throughout the district and the prior year and current year source of funding.
   b. Federal funds shall not be used to pay for goods or services that the District provided with non-federal funds in the prior year.
   Documentation may include Budget Worksheets or other budget documents.

6. Procedures for determining that program-specific supplement, not supplant provisions are met.
   a. Title I, Part A – Improving Basic Programs
      i. Title I, Part A federal funds shall be used only to supplement the amount of funds available from non-federal sources for the campus including funds needed to provide services that are required by law for children with disabilities and children with limited English proficiency. A schoolwide campus does not have to demonstrate that activities are supplemental. The school is not required to identify particular children or to provide supplemental services to identified children.
      ii. A review of the non-federal funds available shall be conducted on an annual basis.
   b. Title II, Part A – Teacher/Principal Training and Recruitment
      i. Using Title II, Part A funds to meet any state mandate or local board policy would be considered a supplant. For example, if an LEA decides to use Title II, Part A funds to hire additional teachers to reduce class size in Grade 2, the state mandate of 22:1 must be met with state and/or local funds before additional teachers may be hired with Title II, Part A funds.
      ii. Documentation may include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.
   c. Title III, Part A – LEP

i. Title III, Part A funds shall be used so as to supplement the level of Federal, State, and local public funds that, in the absence of such availability, would have been expended for programs for limited English proficient children and immigrant children and youth and in no case to supplant such Federal, State, and local public funds.
ii. Documentation may include a report that reflects the state and/or local funds used to provide Bilingual education or ESL services to students as required by state law and the federal funds used to provide additional services beyond the basic education program that is already provided.

d. Title VI, Part B, Subpart 2 – Rural & Low-Income School Program
i. Title VI, Part B, Subpart 2 Rural and Low-Income School Program shall be used to address local academic needs more effectively by giving greater flexibility in the use of limited federal resources. It is designed to address the unique needs of rural school districts that frequently (1) lack the personnel and resources needed to compete effectively for federal competitive grants and (2) receive formula allocations in amounts too small to be effective in meeting their intended purposes.
ii. Using Title VI, Part B, Subpart 2 Rural and Low-Income School Program funds to meet any state mandate or local board policy would be considered a supplant. For example, if an LEA has been using state and/or local funds to conduct national background checks on employees, the LEA may not decide to use Title IV, Part A funds for the next school year.
iii. Documentation may include a report that reflects state and local funds used to comply with state mandated requirements

Time and Effort Requirements

Kirbyville Consolidated Independent School District will strive to keep all employees hired with federal or state sources with a single purpose and a sole funding source when possible. Such job responsibilities with funding source limitations will be duly noted on their job descriptions and communicated to the employee, their supervisor and district level staff.

Supervisors should pay careful attention when assigning other duties to any employee on campus and recruiting employees for additional work. In cases involving employees with special funding sources, supervisors should know that additional timekeeping requirements are imposed on the district, the supervisor and the employee. If a situation warrants other assignments to these specially funded employees, the supervisor should contact the Business Manager or Grant Director immediately to determine what needs to be done to maintain district compliance with governing standards.

<u>Sole purpose / Single funding source employees</u>

In an effort to verify this time and effort, reports will be given to campus administrators and employees, at the beginning of each fall and spring semester asking the administrators and employees to verify and sign off as to their agreement that the work the administrator assigns these employees is that single purpose with no other funding source. At the end of each fall and spring semester the report will be given to the employee to verify their work for that prior semester, noting any variances from that sole purpose and funding source. Examples of these other roles or funding sources are: tutorials paid from

other funds, bus duties or any kind, working athletic events…….. The reports once completed will be submitted to the Business Manager or Grant Director for verification and compiling with other district compliance records.

In situations where specially funded employees work summer school or other assignments outside of their contract calendar, another report will be completed by the supervisor and employee. It will then be submitted to the Business Manager or Grant Director showing the time worked and noting that it was outside of their contract calendar for their federally funded position.

Dual job assignments / Multiple funding sources

If circumstances make it necessary to use employees in more than one role, or to fund the employee from more than one source, the following guidelines will apply. Monthly reports will be completed by the employee and their immediate supervisor showing time worked at each of the various employment responsibilities. Signatures of each shall be affixed and the report forwarded again to the Business Manager or Grant Director for verification and retention. If the separate assignments are notable by different timekeeping rules, supervisors should print out a copy of the employee's time records for the month in question and submit those along with the report.

Job Descriptions

KCISD will maintain job descriptions for all district employees. Job descriptions for employees involved with grant programs will have specific reference made on the job description as to the source of their grants funding. At the time of hiring or changing the responsibilities for any employee in the district, including a grant funded employee, supervisors must notify the Business Manager or Grant Director and obtain appropriate approval. Additionally, other district policies must be followed in relation to these changes, such as board approval for new professional employees.

All employees in the district with hiring responsibilities must ensure that each employee hired is either highly qualified at the time of hire or has a plan laid out that will ensure that they are highly qualified within allowable timeframes. Evidence of this criteria will be maintained by the in the employees personnel folder located in the business office.

Budgeting for Grants

In order to establish a budget in the district's accounting system for federal funds, each year a copy of the budget program summary from the TEA system must be submitted to the Business Manager along with an individual account code breakdown of how it should be budgeted in the District accounting system. Business office personnel will provide each director with a worksheet to use in preparing the individual account breakdown upon request, or the director may use the system reports to produce such

on their own. From this information business office personnel will input budgets into the District accounting system as promptly as possible.

Monthly, business office staff will submit program expenditures through the TEASE federal expenditure reporting system. At this time, the budget amount reflected in this system will be compared to the budget as listed in the District's accounting system. If the amounts do not match, the director of said program will be contacted concerning the difference and asked to provide information to the business office to correct the budget variance.

Each time the budget for one of these special program funds changes, the director of that program must submit a copy of the updated budget and information on how it should be accounted for in the budget system so that the two amounts agree at all times. Business office staff will communicate to program directors that the budget has been updated. Program directors or their staff should use system provided reports to verify that system budgets agree with the information they submitted, and if variances exist, report those variances to the Business Manager immediately.

Budget amounts for personnel and related benefits for payroll will be calculated during the annual budget process based on the employees reported to the Business Manager as being paid for by each special program. Once the budget process is complete, these amounts will be given to each special director along with detail reports showing the employees and the related expenses being charged to each individual account. Directors should verify the accuracy of the personnel in these reports and report and discuss variances with the Business Manager.

Any payroll costs not associated with individual employees, example summer school payroll, tutorials, will not automatically be calculated by the system. Programs that paying for these type expenses should included these amounts in their budget requests given to the business office. Business Office budget staff will also help special program directors in establishing the amounts needed in these accounts based on historical data. Program directors are responsible for determining the variances between historical data and current year program needs. Additionally business office staff will help with providing rates of pay so these estimates can me calculated as accurately as possible.

By maintaining accurate budgets, the business office staff will be able to ensure that accounts are not overspent based on program approved budgets. It is the responsibility of the special program directors to ensure that amounts being spent and the personnel being charged to the individual programs meet the requirements of said program. Business office staff will verify proper coding practices are followed when requisitions are submitted, but are not responsible for verifying their appropriateness in each program. If business office staff question the coding used on any expenditure the requisition will be returned for director's consideration. If the correction to the coding changes the needed budget, it is required that the TEA budget program be amended prior to making any District system correction if applicable.

Any discrepancies noted from either side should be communicated as soon as noticed so as the system can be maintained accurately. Doing so will allow all parties to be able to analyze information and maintain control over the programs.

Budget Amendments

In the event the Business Manager or Program Director should need to amend the application and/or the budget, approval must be granted prior to the date the applicant encumbers such funds and/or such services are rendered by submitting an amendment to the appropriate governing authority. There are certain instances when re-budgeting is permitted without a written approved amendment. However, other types of changes require the prior written approval from the authorized authority via a written amendment. The Business Manager or Program Director must refer to the specific grant instructions for guidelines regarding budget amendments.

Accounting Records

Kirbyville Consolidated Independent School District utilizes Skyward, a school-specific software for its financial general ledger and budgeting and student attendance reporting needs. Any reference to reports throughout this section, unless otherwise noted, will be information produced using this software package. Employee time and attendance is maintained by a time sheet system.

All grant fiscal/accounting records are to be maintained and should include at a minimum a general ledger of all expenditures, time and effort records for employees, charges made to payroll as documented in a payroll ledger, purchase orders, invoices, receipts, travel vouchers showing expenses reimbursed to employees, cancelled checks, bank statements, and any other documentation that supports the financial transactions shown on the general ledger for said grant. These same accounting records are required to substantiate draw down requests submitted to TEA via the TEASE system.

Program records would be any documentation which provides evidence that program activities as described in the application authorizing program statute actually occurred. Program records might include: class rosters, attendance rosters, sign-in sheets, lesson plans, student test scores, agendas of meetings/trainings, copies of materials, handouts, minutes from meetings, etc.

Purchasing Guidelines

The district must make its purchases follow relevant statues and policies. Although bound by these constraints, the district's objective is to purchase the best products, materials and services at the lowest practical prices. Purchasing for grants should follow the same standards applied for all KCISD purchasing. Only exceptions to those standards will be those imposed by the specific grants themselves. Each program director is responsible for noting the differences from normal district procedures and communicating those to district staff. Business office staff will maintain compliance with normal procedures unless evidence of grant compliance is shown for a variance and that evidence will be maintained with purchasing records for those items. District purchasing guidelines should be considered an integral part of this manual and followed by all employees involved with grant management to verify compliance with federal grants internal control policies. The following procedures are based on State of Texas statutes, KCISD Policies and Procedures.

A purchase request in the form of a requisition gives staff members a method to ask for goods and services. Requisitions are generated utilizing the district's current accounting software, Skyward. Each requisition must include a detailed description of goods and/or services including unit of issue, price and quantity. Once requisitions are created and submitted, they are sent through an approval process in which they are evaluated and the need verified and correct coding assigned to the purchase. The Superintendent is the final approver. The requisition creates a purchase order once the final approver has approved the purchase. A purchase is generated by the accounts payable department which encumbers the order in the financial program. The order is placed at the district level. Once shipments have been processed and received, the accounts payable department will match invoice, receipts and purchase order to process for payment. Invoices and receipts must contain a detailed description of items or services purchased.

Purchases using special revenue funds must match the approved grant application from the funding agency and comply with all program guidelines and assurances. These purchases will begin with a requisition and follow the same purchasing guidelines as outlined by the district.

District credit cards will only be issued to employees with an approved credit card upon approval from Central Office. Employees with these cards must sign documentation agreeing to follow District guidelines for their use and approving payroll reductions if used outside of agreed upon purchases. These forms include the card to be used, the purpose of the purchase, budget accounts to be used and the signature approval of a supervisor. Each card is signed in and signed out to employees utilizing a credit card in/out sheet. This sheet is keep and maintained in the business office. The original receipt must be turned in with the return of the card. The receipt and approval form accompany a purchase voucher that is used for payment purposes. These cards are used solely for convenience and workload reduction.

Grant retention records: Financial and program records, supporting documents, statistical records and all other records pertinent to program regulations on an awarded grant must be retained for a period of Fiscal Year End + 5 years. Such records are kept in business offices storage for a period of Fiscal Year End + 2 years. Disposal of such records are initiated by the contractor utilizing state and federal guidelines and approved by the Business Manager, Program Director -- when grant related, and Superintendent.

Reimbursements: Expenses incurred that are charged to federal funds must follow federal program allowable cost guidelines. Employees seeking reimbursement for prior approved expenses incurred out of pocked should submit a check request to the business office requesting reimbursement of expenses with original itemized receipts. Expenses incurred and charged to federal funds must follow federal program allowable cost guidelines.

Internal controls: Internal control is a process designed by the district to provide reasonable assurance regarding the achievement of these objectives: effectiveness and efficiency of operations; reliability of financial reporting; consistency from one grant program to another; and compliance with applicable laws and regulations. The controls will include all methods adopted by the district to safeguard its assets, comply with management policies and grant items and conditions and provide reliability of accounting information data. The district has adopted policies to comply with internal controls and the controls are tested each year by an independent audit firm.

No expenditures above and beyond approved negotiated grant amounts are to be made without documentation being given to the Business Manager for amending the budget accordingly. This

documentation will be maintained with annual budget work papers for substantiation of budget and expenses.

KCISD does not allow for the purchase of any type of pre-purchase card or certificate for making any purchase on behalf of the district and does not maintain a petty cash fund.

Cash Management Requirements: The district operates on a reimbursement basis for expenditures incurred for federal programs. The expenditures must be paid before requesting reimbursement for TEA via the grant expenditure reporting system. All transactions for requesting reimbursement of funds are maintained with the monthly expenditure report to justify the request for reimbursement. The district should not have more cash on hand than is necessary to meet three days cash needs for federal programs.

Fixed Assets Guidelines: Like items with an aggregate cost of $5,000 or more must be capitalized. They must have a useful life of at least seven years, be non-expendable; retain original shape and appearance; and not lose its identity through incorporation into a different or more complex unit or substance. If parts are purchased separately to assemble into one item or unit, the total cost determines if the unit is to be considered a fixed asset. Source documents for all fixed assets in the district are maintained for the life of the asset plus five years and will be maintained with other district records according to our records retention plan. Fixed assets are to be coded as such in the district's accounting system.

Fixed assets that are no longer in working condition are to be disposed of following district policy guidelines. Proceeds from sale of property will be booked as revenue from sale of property. Fixed assets that are no longer in working condition or have been stolen or destroyed must be removed from fixed asset reports maintained by the district auditor. Fixed assets associated with grants will be disposed of following grant policies. Program directors will contact state and or federal authorities for permission to dispose of the asset and get directions as to what the proceeds from that disposal are to be used for. Such correspondence should be noted and kept with district records as required.

Individuals wishing to purchase property or capital assets from grant resources must first have such purchase approved through the grant application process. Such approval should be shown to the Business Manager for set up of budget for those items. Source documents for all fixed assets in the district are maintained for the life of the asset plus five years and will be maintained with other district records according to our records retention plan.

Guidelines for Allowable Costs: Guidelines for allowable costs under the grant can be found in OMB Circular A-87. In addition, processes in KCISD Policies and Procedures must be followed. The purchases must be aligned with the appropriate Campus/District Plan and must follow the OMB cost principles, applicable grant requirements in determining reasonableness, allowableness and allocable costs. Purchases must be approved by the appropriate federal program administrator as part of the process. Funds must be expended for reasonable and necessary costs in conducting grant activities.

Professional and Contracted Services: Cost of professional and contracted services rendered by persons who are members of a particular professional or possess a special skill and who are not officers or employees of the district, are allowable, when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the federal government. To determine allowable costs, no

single factor or any special combination of factors is necessarily determinative. However, the following factors are relevant:

- The nature and scope of the service rendered in relation to the service required
- The necessity of contracting for the service, considering the district's capability in the area
- The past pattern of such costs, particularly in the year prior to the federal award(s)
- The impact of federal awards on the district's business
- Whether the proportion of deferral work to district's total business is such as to influence the district in favor of incurring the cost, particularly where the service rendered are not of a continuing nature and have little relationship to work under federal grants and contracts
- Whether the service can be performed more economically by direct employment
- The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federal awards
- Adequacy of the contractual agreement for the service estimate of time require, rate of compensation and termination provisions

Supplies and Materials: Supplies are defined as tangible personal property other than equipment. Supplies are to be used for the originally authorized purposes as long as needed for that purpose. Supplies purchases with grant funds, as budgeted in the grant agreement, belong to the district and should remain on the campuses.

Capital Outlay: If the district purchases capital outlay (furniture and/or equipment) to accomplish the goals of the project, the title will remain with the district until disposed of by the district. When capital outlay items are no longer needed for the originally authorized purposes, the items may be used by other activities currently or previously supported by TEA.

Property Management Requirements: The district is required to manage property acquired in whole or in part with grant funds by establishing and using procedures that meet 34 CRF 80.32 including the following requirements:

- Maintain property records within a fixed asset inventory system to include the description of the property, the serial number; the source of the property, the name of the entity that holds title; the acquisition date and cost; the percentage of federal/state participation in the cost of the property; the location and condition of the property; and any disposition data including date of sale of the property. TEA must be contracted for written instructions on the disposal of property.

Travel Costs: The need for travel tied to the goals of grant programs must be determined prior to travel. In order for travel costs to be paid or reimbursed, the employee must complete a travel form and receive a supervisor's approval. All itemized receipts for costs incurred must be submitted after travel. After attending a conference/training/meeting, verification of completion of the event must be submitted. Travel costs must comply with OMB Circular A-87 and district travel policy. The Business Manager or grant program director shall ensure that the allowable costs expended to federal funds do not exceed allowed rates as indicated. Mileage and meal reimbursement will be paid at the state or district rate, whichever is lower. Only exceptions to those standards will be those imposed by the specific grants themselves. Each individual program director is responsible for noting the differences from normal district procedures and communicating those to district staff. Business office staff will maintain compliance with normal procedures unless evidence of grant compliance is shown for a variance and that evidence will be maintained with purchasing records for those items. District travel guidelines should be considered an

integral part of this manual and followed by all employees involved with grant management to verify compliance with federal grants internal control policies.

I, Richard Hazlewood, Superintendent, approve the Grants Management Procedures Manual this the 30th day of July, 2014.

Richard Hazlewood