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# Sabine ISD

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## State & Federal Grants Manual

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**2021-2022**

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## General Information

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

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

All **district forms/exhibits** are denoted with **blue highlighted text** and all written, detailed **procedures** are denoted with **green highlighted text**.

## Business Department Mission

*The Mission of the Sabine Independent School District Business Office is to provide support to all District students, staff, parents, and the community and to ensure that all business operations are supportive of the instructional goals and objectives of the district in the attainment of the campus performance objectives (Student Achievement Indicators).*

*The Business Division'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 shall perform multiple roles; however, adequate internal controls and separation of duties shall be maintained at all times regardless of the size of the business department staff. The staff consists of:

Kevin Yandell, Director of Business Operations

Purchasing, insurance, investments, PEIMS/TSDS Coordinator, SSA fiscal manager

(903)984-8564 x 202

[kyandell@sabineisd.org](mailto:kyandell@sabineisd.org)

Kim Anderson, Accounting Specialist

Payroll, employee insurance, TRS liaison

(903) 984-8564 x 201

[kanderson@sabineisd.org](mailto:kanderson@sabineisd.org)

Cindy Hampton, Business Clerk

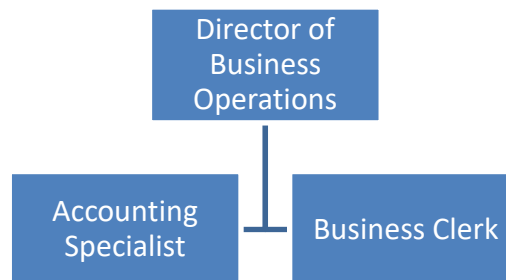
Accounts payable, purchase orders, cash receipts  
(903) 984-8564 x 203  
champton@sabineisd.org

All Business Department staff are expected to comply with the:

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

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

### Organizational Chart



The Director of Business Operations is an exempt position under the FLSA. The Accounting Specialist and Business Clerk positions are non-exempt positions under the FLSA.

### General Ledger Maintenance (†)

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

The Director of Business Operations shall be responsible for monitoring the general ledger maintenance on a monthly basis as part of the monthly End-of-Month Process [Refer to End-of-Month Checklist](#). The Director of Business Operations shall have ultimate responsibility for the accuracy of the general ledger. The general ledger shall be reviewed for accuracy in areas such as, but not limited to the following:

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

## Journal Entries (†)

All general ledger entries shall be in balance (debits shall equal credits). All journal entries shall be numbered for tracking purposes. An automated numbering system through the Ascender Finance System shall be utilized by the district. The Director of Business Operations, Accounting Specialist, and Business Clerk shall be authorized to create journal entries. The Director of Business Operations shall be authorized to approve journal entries. All of the aforementioned business staff shall be authorized to post journal entries to the general ledger.

**Note:** As an internal control, the Director of Business Operations shall not create, approve and post journal entries with line items in excess of \$100,000. Journal entries with one or more line items in excess of \$100,000 shall be approved by the Superintendent if the Director of Business Operations has created a journal entry. The Director of Business Operations will then post the journal entry.

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

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

School Board Reports and a detailed Check Payments report for the previous month should be generated by the Director of Business Operations and forwarded to the Superintendent's Secretary for board review. The financial reports and check payment list shall not be approved by the School Board.

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

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

The Director of Business Operations shall review a Summary General Ledger on a monthly basis to ensure the accuracy of fund accounting.

## Data Entry and Validation (†)

All data entry shall be from the appropriate source document(s). All data entry shall be validated (verified) with the source documents. A system of checks and balances shall be in place to ensure that all postings to the general ledger result in the desired outcome. For example, a cash receipt journal shall be validated to ensure that the total amount of the deposit matches the posted cash receipt journal. The posted cash receipt journal shall match the bank's validation of the deposit.

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

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

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



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

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

- **Check date** – the system-generated general ledger transaction should reflect the check date as part of the journal entry number
- **Account code(s)** – the account codes charged for all payroll disbursements, including liability accounts, should exist in the general ledger prior to posting the system-generated journal entries. [Note: During the payroll posting process, the Accounting Specialist must verify that all payroll accounts exist on the general ledger. If accounts do not exist on the general ledger, the accounts should be verified for accuracy.

## End of Month Process

Before the Regular Board meeting after the end of the month, all end-of-month reports should be printed and verified and the end-of-month process completed. There are three (3) steps in completing the End-of-Month process as listed below:

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

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

## End of Fiscal Year Process –

All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable. Within 30 days after the fiscal year, all end-of-fiscal year reports should be printed and verified for audit purposes.

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

- **Reconcile all cash and investment accounts** – all cash and investment accounts (1101, 1108, and 1109) shall match the corresponding bank or investment general ledger balances as of June 30<sup>th</sup>, as reflected on the respective monthly statement.

- **Reconcile all revenue accounts with amounts received and/or earned as of June 30<sup>th</sup>** – All measurable revenue should be posted to the general ledger. For example, all state aid earned as of the most recent Summary of Finance report from TEA shall be posted to the appropriate state revenue accounts.
- **Reconcile all state and federal grant revenue and expenditures** – the revenue and expenditures in every grant program (State and federal) should equal. The excess revenue if any should be reclassified to a payable (218X) to the granting agency, unless the excess revenue is an advance payment (deferred revenue - 2310). If expenditures exceed revenue, the amount due from the granting agency should be posted to the revenue account and accounts receivable accounts (124X).
- **Reconcile the final amended budget** – verify that all budget amendments (at the functional level) have been posted to the general ledger. The sum of the original budget, plus all budget amendments during the fiscal year shall equal the final amended budget.
- **Reconcile and post all accounts receivables** – all funds due from other sources, as of June 30<sup>th</sup>, shall be posted to the general ledger. The other receivables (2190) shall be measurable and expected to be received within 60 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 (such as vendors), as of June 30<sup>th</sup>, shall be posted to the general ledger. The amounts due for all goods and/or services received as of June 30<sup>th</sup> are classified as accounts payable and paid during the next fiscal year. The district has established a July 20<sup>th</sup> cut-off for prior year accounts payables, unless the accounts payable expense exceeds \$10,000 and is known prior to the end of the audit field work. [Note. The accounts payable account (2110) in the prior fiscal year and the next fiscal year must be in balance, except for construction retainage, if any.]
- **Reconcile all accrued wages and benefits as of June 30<sup>th</sup>** – All accrued wages and benefits (object codes 2161 and 2211) shall be posted to the general ledger, especially for all wages earned in August but scheduled to be paid in the next fiscal year (after July 1<sup>st</sup>).
- **Reconcile all TRS deductions and payments as of June 30<sup>th</sup>** – All TRS employee and employer deductions and expenses shall be posted to the general ledger and paid to TRS before the end of the fiscal year. Any funds remaining in object code 2155 shall be reconciled to identify under and/or overpayments to the TRS.
- **Reconcile all mandatory and voluntary deductions as of June 30<sup>th</sup>** – All mandatory (social security, withholding tax, and garnishments) and voluntary deductions (insurance and other benefits) shall be posted to the general ledger and disbursed as required by law. Any remaining funds in object codes 2151, 2153 and 2159 shall be reconciled at year end.
- **Reconcile all Due To and Due From accounts as of June 30<sup>th</sup>** – All Due To and Due From accounts shall be in balance throughout the year and at the end of the fiscal year. (object codes 217X and 126X).
- **Reconcile all prepaid expenses as of June 30<sup>th</sup>** – All prepaid expenses shall be posted to the general ledger to object code 1410. A prepaid expense is typically one that represents a disbursement of funds (payment) for goods or services that will be received or utilized in the next fiscal year. For example, a maintenance agreement that has a term of January 1<sup>st</sup> through December 31<sup>st</sup>, would have an expense for 6 months in the current fiscal and a prepaid expense of 6 months at the end of the fiscal year. [Note. The prepaid expenses should be cleared in the next fiscal year by posting the expense to the appropriate expense account code(s).
- **Reconcile the fixed assets ledger with all fixed asset additions, deletions, or changes** – All assets (as defined in the [Fixed Asset Tracking Procedures](#)) acquired during the fiscal year shall be added to the fixed asset ledger (database and/or Excel spreadsheet). Capital assets shall be recorded in object code 663X. All assets disposed of (sold or lost) shall be removed from the fixed asset ledger. Changes, if any, to the location, value, or category of assets shall be posted to the fixed asset ledger in Fund Code 901.
- **Reconcile the fund balance as of June 30<sup>th</sup>** – All changes, reductions, additions, and/or designations [restricted, committed, assigned, etc.] of fund balance accounts shall be posted to the general ledger. All budgetary fund balance accounts (object code 3700) shall be posted to

the appropriate fund balance account (typically object code 3600). [Note. Changes to the budgeted and committed fund balances should be supported by minutes of Board approval. The Superintendent and Director of Business Operations are authorized by the School Board to assign fund balances.]

### Segregation of Duties (†)

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

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

### Retention of Records (†)

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

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a **period of three years** from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a sub-recipient. **[2 CFR 200.334]**

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

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

In accordance with federal regulations, the district shall maintain the grant-related records in an open and machine-readable format. Specifically, the district shall use the following formats to store electronic data. **[2CFR 200.335]**

- Microsoft products such as Word, Excel, Access, etc.
- Financial Management System, Ascender Finance, HR, Assets, Purchasing, etc. modules

The Records Custodian for the financial records of the district is the Superintendent's Secretary. 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 Superintendent.

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

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

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

Unless notified otherwise by the federal granting agency, the district shall retain all financial and program records related to the grant award in accordance with the federal grant. Upon request from the federal granting agency, the district shall transfer the records to the requesting federal agency. **[2 CFR 200.334]**

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

Each staff member shall take appropriate steps to ensure that their respective computer system is managed in a controlled environment to prevent unauthorized access. At no time (including lunch breaks) shall a computer system be logged on to a financial data system while unattended by the respective staff member. All computer systems shall revert to a screen lock after **30 minutes (or less) of nonuse**.

### Assignment of Access and Passwords (†)

Access to data systems shall be based on the specific job duties and responsibilities of each staff member. Except for limited exceptions, staff will not be given unilateral access to all modules in the financial and payroll system. These restrictions to unilateral access are designed to prevent complete autonomy which could lead to fraud.

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

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

### Revoking Access (†)

Access to data systems are subject to change and/or revocation when changes occur to a staff member's position, duties or responsibilities. Access to data systems are also subject to revocation when a staff member violates the Responsible Use Guidelines. Each staff member shall sign an [Acceptable Use and Internet Safety Policy](#) every fiscal year.

### Business Staff Training (†)

Every staff member will be scheduled to attend at least one training and/or conference opportunity per year, either in-person or virtual.

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

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

Staff members that have attained TASBO certification status will be afforded an opportunity to attend at least 20 hours per year (for a total of 60 every 3 years) through TASBO or a TASBO-approved CEU provider. Training opportunities for other certification or licensing programs, such as a CPA, shall be provided in a manner that seeks to meet the continuing education requirements for that specific certification or license.

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

In an effort to support compliance of fiscal policies and procedures, the business office shall conduct annual training for campus and department administrative and support staff, as appropriate. The Director of Business Operations shall be responsible for developing the training calendar. Critical training areas shall include, but not be limited to:

- Activity Account Management
- Budget Development Process
- Cash Management
- State and Federal Grants Management

- Other area(s) requested by the Superintendent or department/campus administrator

## State and Federal Grant Management (†)

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

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

Compliance with all federal and State grant requirements is essential to ensure that all granted funds remain with the district. Failure to comply with grant requirements may result in denial of reimbursement requests and/or requests from the granting agency to return a portion or in some cases all grant funds. The Texas Education agency acts as the pass-thru entity for many of the United States Department of Education (USDE) federal grants.

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

### Federal Regulations for Federal Grant Awards

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

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

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

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

Overview of the Education Department General Administrative Regulations (EDGAR). The EDGAR, as amended on December 26, 2014, includes six (6) subparts and multiple appendices under 2 CFR Part 200 of EDGAR as noted below:

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

Generally, 2 CFR Part 200 applies to all programs under the Every Student Succeeds Act (ESSA) and may apply to other US Department of Education grants. **NOTE. The Title VII (Impact Aid) Program is specifically excluded from 2 CFR Part 200. [Reference: 34 Part 299.2]**

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

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

To ensure consistency with the EDGAR, the district shall utilize the acronyms and definitions included in the EDGAR for general terms related to the management of federal grant funds. The EDGAR Acronyms and Definitions can be found in **CFR 200.0** through **200.1**, respectively.

Programmatic regulations for each of the district's federal grant awards are hyperlinked in the List of Grant Awards for easy access to the Fiscal Guidelines, Allowable Costs, and/or other programmatic regulations.

At the District level, managing State and Federal Grants shall be a collaborative process between the Director of Business Operations, the Director of Curriculum and Instruction, the Director of Special Education SSA, and the Superintendent's Office. Each respective department shall be responsible for their duties and responsibilities as they relate to the management of state and/or federal grants. The duties of each department are listed below in general terms. Additional, specific duties and responsibilities may be listed within an area of compliance within this Manual.

#### Director of Business Operations

- Assisting the Grant Manager with budgeting grants funds. Preparing and posting the initial budget and all amendments to the general ledger.
- Determining the payroll distribution code(s) for all grant-funded staff.
- Assisting the Grant Manager with determining the position title, Role ID and other salary information for use in completing the grant application
- Preparing all grant-related financial reports (monthly, quarterly and/or annual).
- Preparing all financial records for the annual financial audit and single audit, as appropriate.
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
- Adjusting the general ledger, as appropriate, after the Grant Manager's reconciliation of the time and effort reports, as appropriate if adjustments are necessary
- Developing and maintaining all salary schedules to ensure consistency between local and non-local pay rates (Includes base salaries, stipends and extra-duty rates of pay)
- Managing the day-to-day cash needs for grant expenditures and drawing-down cash reimbursements, as appropriate
- Managing all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles
- Monitoring the spending thresholds throughout the grant period to ensure that the grant activities are being conducted systematically throughout the grant period
- Retaining all financial and payroll records for the required length of time (5 years) for audit purposes
- Maintaining audit-ready payroll employee files for financial audit or single audit purposes, as appropriate
- Receive and review Time and Effort documentation to compare to payroll distribution records.
- Managing all fixed assets and ensuring compliance with the inventory and disposition federal guidelines
- Receiving and monitoring the time and effort reports, as appropriate, and submitting adjustments, if any, to the finance department

#### Superintendent's Office

- Assisting the Grant Manager with the recruitment and hiring of all grant-funded staff
- Ensuring that all grant-funded staff have a job description with the grant-related duties and funding. (And, that all grant-funded staff sign a job description on an annual basis)
- Maintaining audit-ready HR employee files for financial audit or single audit purposes, as appropriate



- Retaining all personnel records for the required length of time (5 years) for audit purposes

#### Director of Curriculum and Instruction

- Ensuring that all grant-funded staff meet the Highly Effective guidelines, as appropriate (and, all state certification requirements)
- Preparing any Highly Effective and/or certification reports as required by ESSA

#### Grant Management or Special Education SSA Director **[the role of Grant Manager will be assigned to the Director of Curriculum and Instruction, unless otherwise noted]**

- Working cooperatively with the campus administrative staff to ensure that all grant activities are collaboratively planned and appropriate to each campus.
- Providing supporting documentation for budgeted grants funds. And, submitting all grant amendments to the finance department to facilitate budget amendments.
- Assisting the Director of Business Operations with determining the payroll distribution code(s) for all grant-funded staff.
- Preparing all grant-related programmatic (evaluation) reports (monthly, quarterly and/or annual).
- Reviewing and approving all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles
- Retaining all application and programmatic grant records for the required length of time (5 years) for audit purposes
- Providing information to the Superintendent's Office and the Director of Business Operations regarding the number and type of grant-funded positions approved in the grant application by the granting authority
- Verifying with the Superintendent's Office that all grant-funded staff meet the Highly Effective Staff federal guidelines, as appropriate (And, all state certification requirements)
- Verifying with the Superintendent's Office that all grant-funded staff have a job description with the grant-related duties and funding. (And, that all grant-funded staff sign a job description on an annual basis)
- Verifying with the Superintendent's Office the Highly Effective Staff Annual Report and conducting the required public notice or hearing, as appropriate

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

## Part I - State Grants

### State Programs – Allotments

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

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

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

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

### **Budgeting Special Program Allotments**

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

During the budget process, the estimated State allotment shall be calculated by the Director of Business Operations based on prior year special program enrollment, average daily attendance (ADA), and projected revenue based on the most current Summary of Finance template. The estimated state allotment by special program shall be provided to the Director of Curriculum & Instruction. The Director of Curriculum & Instruction has global oversight of all state special programs. The Special Program Coordinators, as noted below, shall be directly responsible for their respective program(s). These special program administrators shall be responsible for the programmatic compliance in their respective program(s). Programmatic compliance shall include, but not limited to: program eligibility, program design, instructional delivery, entry/exit procedures, professional development, and certification.

▪ Special Education	Vicki Thornton, Gregg Co. SSA Director
▪ Career & Technical Education	Monty Pepper, Assistant Superintendent
▪ *Gifted & Talented Education	Shelley Yates, Dir. Of Curr. and Instr.
▪ State Compensatory Education (SCE)	Shelley Yates, Dir. Of Curr. and Instr.
▪ Bilingual/ESL Education	Shelley Yates, Dir. Of Curr. and Instr.
▪ Dyslexia	Shelley Yates, Dir. Of Curr. and Instr.
▪ Early Education	Shelley Yates, Dir. Of Curr. and Instr.
▪ CCMR Outcomes Bonus	Monty Pepper, Assistant Superintendent

\*PIC 21 is not a direct state-funded program as of HB 3 (2019) but should continue to be used to classify GT-related expenses.

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

As part of the budget adoption process, the Director of Business Operations shall verify that the proposed budget includes appropriations in each of the special programs of no less than the percentages stated above as required direct expenditures for each special program. [Note. If the District does not budget to compliance, it may not spend to compliance.]

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

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

#### Basic Services – PIC 1X

- PIC 11 Basic Educational Services

#### Enhanced Services – PIC 2X – 3X

- PIC 21 Gifted & Talented
- PIC 22 Career & Technical Education
- PIC 23 Special Education\*
- PIC 24 Accelerated Education (State Compensatory Education)\*\*
- PIC 25 Bilingual and ESL Education\*\*\*
- PIC 26 Non-Disciplinary Alternative Education Program\*\*
- PIC 28 Disciplinary Alternative Education Program – Basic\*\*
- PIC 29 Disciplinary Alternative Education Program – SCE Supplemental\*\*
- PIC 30 Title I, Part A School-wide Activities related to SCE (Campuses with 40% or more educationally disadvantaged students)\*\*
- PIC 32 Prekindergarten, Regular
- PIC 33 Prekindergarten, Special Education\*
- PIC 34 Prekindergarten, State Compensatory\*\*
- PIC 35 Prekindergarten, Bilingual/ESL\*\*\*
- PIC 36 Early Education Allotment (New in 2019-2020)
- PIC 37 Dyslexia (New in 2019-2020)
- PIC 38 College, Career and Military Readiness (CCMR) – (New in 2019-2020)
- PIC 43 Dyslexia, Special Education (New in 2020-2021)\*

\*PIC codes used in Special Education mandated spending requirement

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

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

If the “intent” of a particular course or program is one of the Enhanced Services, the appropriate PIC shall be used for the expenditures even if an incidental student(s) benefits from the program. For example, the salary of a Bilingual Instructional Aide should be paid 100% from PIC 25, if the intent of his/her position is to support Bilingual students even though 1 or 2 non-Bilingual students also benefit from a small group instructional setting.

## Student Special Program Enrollment Reporting (TSDS)

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

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

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

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

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

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

- What the employee will do? Determines the function code
- What is the FLSA status of employee? Determines the object code [Exempt staff – 6119 and Non-exempt staff – 6129]

- Where the employee will work? Determines the organization code (may be split)
- Who will benefit? Determines the population served or PIC (may be split)

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

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

The Student Information System (Ascender) shall be used to create the district/campus master schedule, instructor records, and course/section records. Specifically, every course record shall reflect the correct Service ID (as noted on TEDS Code Table C022 Service-ID); and, every section course record shall reflect the correct Population Served Code (as noted on TEDS Code Table C030 Population-Served-Code).

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

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

### State Allotment Program Expenditures Compliance

Throughout the fiscal year and at the end of the fiscal year, the Director of Business Operations shall calculate the periodic and final spend percentages for each special program. The allocated expenditures by program intent code (PIC) shall be used to determine compliance. In the event that direct expenditures fall below the mandated percentages, the Director of Business Operations shall ensure that the deficit amount is budgeted in the following fiscal year. The deficit amounts, if any, shall be determined by the Director of Business Operations in the Fall of the following fiscal year,

once the audit is complete and the TSDS mid-year submission data can be entered. At that point, the Director of Business Operations will have a meeting with the Superintendent and Director of Curriculum and Instruction to identify any areas needing additional budgeting in order to meet the State mandated levels of spending.

The TEA Special Allotments Monitoring Program (SAMP) methodology and expenditure rate calculation worksheet can be used by the Director of Business Operations to ensure compliance with required spend percentages. The SAMP shall include the supplemental state allotment programs: 1.) Special Education, 2.) Compensatory Education, 3.) Bilingual Education, 4.) Career and Technology Education, 5) Dyslexia, 6) Early Education, and 7) CCMR. The Gifted and Talented expenditures (PIC 21) will also be monitored by the TEA.

Upon receipt of a TEA Preliminary SAMP report, the Director of Business Operations shall review the report and submit any additional information to TEA within 10 days of the report. If the results of a TEA Special Allotments Monitoring Program report indicate that the district did not over a period of three (3) fiscal years, utilize the state allotment program funds in accordance with TEC, TAC or TEA guidelines, the Director of Business Operations shall develop a Corrective Action Plan. If the Corrective Action Plan indicates that the district must return state allotment program funds to TEA, the funds shall be submitted to TEA within the allotted time period. If the Corrective Action Plan indicates that the district shall correct operational procedures related to the budgeting and expensing of state allotment program funds, the Director of Business Operations shall draft and implement the operational procedures.

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

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

#### **Gifted and Talented**

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

Specifically, each school district shall identify students eligible for the GT program and serve the students in an appropriate manner. All student identification and enrollment shall meet the special program guidelines in the Student Attendance Accounting Handbook (SAAH). Student enrollment data shall be submitted to TEA through the PEIMS Fall Submission as of the snapshot date. The attendance and/or contact hour data for funding purposes shall be submitted to TEA through the PEIMS Summer Submission.

While there is no direct GT allotment on the Summary of Finances, there still exists the statutory requirement to offer a GT program. Districts should continue to report expenditures to the GT PIC code (21) through PEIMS reporting.

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

The Director of Curriculum and Instruction will have oversight responsibility to certify the Gifted & Talented special program data prior to submission to TEA.

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

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

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

The High School Principal will have oversight responsibility to certify the CTE special program data prior to submission to TEA.

### **Special Education**

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

Specifically, each school district shall identify students eligible for the Special Education program and serve the students in an appropriate manner to obtain state funds. The student's Individualized Education Plan (IEP) shall serve as the official document to support that each student is eligible for special education, the type of instructional arrangement, and the number of contact hours to be served in a special education setting. All student identification and enrollment shall meet the special program guidelines in the Student Attendance Accounting Handbook (SAAH). Student enrollment data shall be submitted to TEA through the PEIMS Fall Submission as of the snapshot date. The attendance and/or contact hour data for funding purposes shall be submitted to TEA through the TSDS Summer Submission.

The Director of the Special Education SSA will have oversight responsibility to certify the Special Education program data prior to submission to TEA.

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

The Compensatory Education program must adhere to state law, Texas Education Code (TEC) 29.081 and TEC 48.104. Chapter 29 addresses the programmatic guidelines related to eligibility, "at risk" identification, and program services. Chapter 48 addresses the funding formula and allowable costs. The SCE program is funded based on fall TSDS snapshot count of enrolled students who are reported as economically disadvantaged and the census-based weight associated each identified student's home address. All student identification and enrollment shall meet the special program guidelines in the Student Attendance Accounting Handbook (SAAH).

Student enrollment data shall be submitted to TEA through the TSDS Fall Submission as of the snapshot date. The campus administrator (Principal) and the Child Nutrition Director shall be responsible for the collection, maintenance and verification of student home address and free/reduced lunch eligibility respectively.

Specifically, each school district shall identify students eligible for the Compensatory Education program and serve the students in an appropriate manner to obtain state funds. There are fourteen (14) at risk indicators in state law. Districts may also use compensatory education funds to support students who are identified as economically disadvantaged, even if they are not identified as at risk. The Campus Principal, or designee, at each campus shall be responsible for identification of all at risk students. The at-risk student enrollment shall be reported to TEA through the TSDS Fall Submission.

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

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

- Campus Principals shall submit their CIPs to the Director of Curriculum & Instruction **by October 1<sup>st</sup> for review.**
- Campus Principals shall submit their final CIP's for approval by the Asst. Supt for C&I **by July 15<sup>th</sup>.**
- Superintendent or designee shall submit the DIP to the Superintendent **by July 15<sup>th</sup>.**
- The Superintendent shall submit the DIP and CIPs through TEASE within the 150-day deadline, **or August 1<sup>st</sup>,** whichever is earlier.

Financial guidelines related to supplement, not supplant, targeted-assistance versus school-wide campus expenditures, staffing formulas, job descriptions, time and effort, student case counts, local identification criteria and allowable costs are described in Module 6 State Compensatory Education.

### **Bilingual and ESL**

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

Specifically, each school district shall identify students eligible for the Bilingual or ESL program and serve the students in an appropriate manner to obtain state funds. All student identification and enrollment shall meet the special program guidelines in the Student Attendance Accounting Handbook (SAAH). Student enrollment data shall be submitted to TEA through the PEIMS Fall



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

The Director of Curriculum and Instruction will have oversight responsibility to certify the Bilingual and ESL special program data prior to submission to TEA.

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

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

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

The use of the early education allotment must be in accordance with TEC 48.108 and can only fund programs and services designed to improve student performance in reading and math in grades prekindergarten through three, including programs and services designed to assist the district in achieving the goals from the district's early childhood literacy and mathematics proficiency plans adopted under TEC 11.185. At least 100 percent of the early education allotment must be used in accordance with TEC 48.108.

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

## **Part II - Federal Grants**

Acronyms and definitions related to federal grant management are listed in the EDGAR, Subpart A, 200.0 through 200.1, respectively, and may be accessed at: [Education Department General Administrative Regulations \(EDGAR\) and Other Applicable Grant Regulations](#).

These acronyms and definitions are used throughout this manual. One of the most critical definitions is that of a "non-federal entity". When this definition is used it refers to the "school district", as a recipient of a federal grant award.

## General Provisions (Conflict of Interest & Disclosure):

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

### Federal Regulations (EDGAR)

1. The district shall execute an organizational conflict of interest disclosure (signed by the Superintendent) only if the district enters into a relationship with an outside entity as described in the EDGAR organizational conflict regulations. **[2 CFR 200.318(c)(2)] At this time, the district has no such relationships.** [Note. EDGAR requires that if a non-Federal entity has a parent, affiliate, or subsidiary organization (that is not a state, local government, or Indian tribe), the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest.]
2. The district has developed a **Purchasing Affidavit Form** to be used to disclose employee conflicts related to purchasing, contract management or other expenditure of federal grant funds. [EDGAR requires that employees engaged in the selection, award and administration of contracts disclose conflicts to the district.] **2 CFR 200.318(c)(1)]**

### State Regulations (State Law)

The District has established conflict of interest policies [School Board Policy BBFA, CAA, CB, CBB and DBD).

1. School Board Policy DBD Legal states: A local government officer (defined as the School Board and Superintendent) shall file a conflicts disclosure statement with respect to a vendor if the vendor enters into a contract with the district or the district is considering entering into a contract with the vendor and the officer has a conflict of interest or has accepted gifts in excess of \$100 in the aggregate in a 12-month period.

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

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

### Other Conflict of Interest Requirements

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

- a. The District shall disclose in writing to the granting agency and/or pass-through entities any potential conflict of interest concerning the expenditure of federal or state grant funds. The [TEA Division of Grants Administration Conflict of Interest Disclosure Form](#) shall be used to disclose the potential conflict.
- b. The District shall disclose in writing to the granting agency and/or pass-through entities any violations of federal criminal law including fraud, bribery, or gratuity violations affecting a federal grant award. Upon detection of any fraud, abuse or waste with federal grant funds, the District shall promptly notify the proper legal authorities and pursue appropriate criminal and/or civil actions. The [TEA Division of Grants Administration Conflict of Interest Disclosure Form](#) shall be used to disclose the violation(s).
- c. The Director of Business Operations shall be responsible for overseeing, reporting, and documenting any fraud, abuse, or waste of federal grant funds.
- d. The Superintendent shall be responsible for completing the Certification Statement on the TEA Division of Grants Administration Conflict of Interest Forms.
- e. The District shall reclassify fraudulent expenditures made with federal grant awards to local district funds, i.e. the General Fund on a temporary basis and shall seek to recover the funds for fraudulent expenditures from the individual(s) perpetrating the fraud.

#### Conflict of Interest Forms:

- [Sabine ISD Purchasing Conflict of Interest Form](#)
- [Conflict of Interest Disclosure \(CIS\)](#) – Texas Ethics Commission
- [Conflict of Interest Disclosure Form](#) - TEA Division of Grants Administration
- [Mandatory Disclosure Form](#) - TEA Division of Grants Administration

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 an nominal (individual) value of \$25 [IRS business gift limit] and an aggregate value of \$100 [or current Conflict of Interest limit, whichever is less] in a fiscal year. The unsolicited gifts or tokens may be a nominal meal, vendor exhibit promotional items, calendars, or other nominal value items not specifically excluded below:

- Items prohibited at a public elementary and secondary schools such as drugs, tobacco or alcohol products

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

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

The federal awarding agency and pass-through entities, in accordance with **2 CFR 200.332**, are required to evaluate the risk of the District in respect to financial stability, quality of management system, history of performance (grants), audit reports and ability to effectively implement the grant program.

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

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

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

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

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

- ***Differentiated Grant Negotiation.*** TEA uses a differentiated grant negotiation process for federal grant applications. Organizations with a medium or high risk level are subject to a more stringent grant negotiation review than those with a low risk level.
- ***Sub-recipient Monitoring.*** Each year, TEA selects sub-recipients for fiscal monitoring, according to their risk levels. The higher your organization's risk level, the more likely you are to be selected for monitoring.

The Director of Business Operations shall obtain the district's risk assessment level by accessing the GFFC Reports and Data Collections secure application on an annual basis.

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

1. Timely submission of all required programmatic and financial reports
2. Timely and consistent submission of reimbursement requests as an indication that the district is regularly spending the federal grant funds to conduct approved grant activities
3. Complying with the federal grant award fiscal guidelines and allowable cost principles
4. Ensuring that all grant-related staff are properly trained in their respective grants management role on at least an annual basis.
5. Developing and implementing district policies and procedures for all critical business functions

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

No pre-award expenses or obligations shall be made by the District prior to the approval of the federal granting agency or pass-through entity. **[2 CFR 200.458]** Non-authorized pre-award expenses, if any, shall be paid from local District funds, i.e. the General Fund.

## Grant Application Process

The district may be eligible to apply for “entitlement” and/or “competitive” federal grant funds.

Federal entitlement grant funds include, but are not limited to, Every Student Succeeds Act (ESSA), Individuals with Disabilities Education Act (IDEA), and Carl D. Perkins. The “maximum” and/or “final” entitlement awards for the district are posted on the TEA Grants Management webpage at: [Administering a Grant | Texas Education Agency](#). The Director of Business Operations will assist the Director of Curriculum and Instruction or the Director of the Special Education SSA in obtaining the annual entitlement amounts and begin the grant development process with the appropriate stakeholders.

A list of competitive grants administered by the TEA are also posted on the TEA Grants Management webpage at: [ProgramSearch \(state.tx.us\)](#). The Director of Business Operations shall obtain the competitive grant information to determine whether the grant(s) is appropriate for the district. Some competitive grants may have matching-funds and/or in-kind payment requirements which may place a burden on the district’s available financial resources.

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

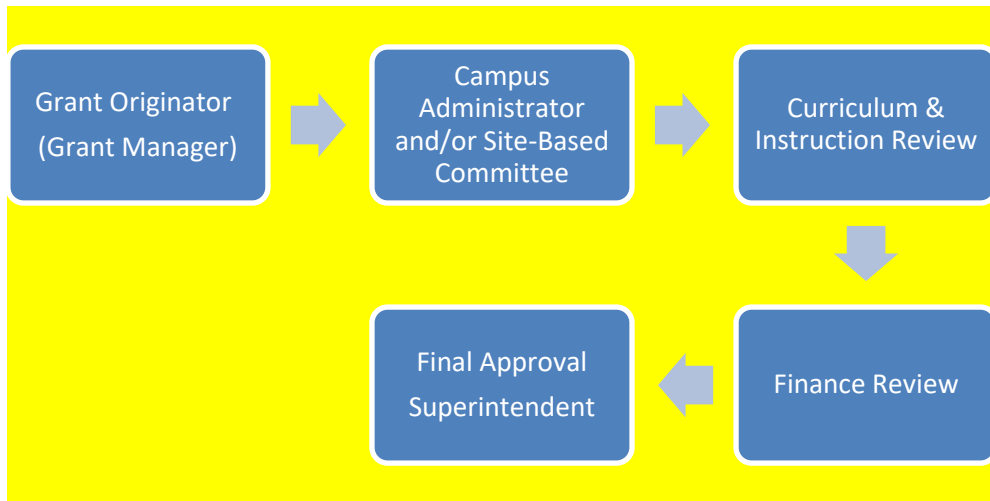
<http://burlson.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx>

- **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.**

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

The school district’s grant application process for federal grants is illustrated below on a flowchart (Illustration 1). As noted on the flowchart, all grant applications must be reviewed by the Directors of Business Operations and Curriculum & Instruction. In addition, all grant applications that will support student instruction at one or more campuses, must be developed in collaboration with the respective campus principal(s). Specific grant activities to support the academic program at a campus should be reflected in the Campus Improvement Plan.

**Illustration 1. Grant Application Approval Flowchart**



**The final approval of all grant applications shall be the Superintendent.**

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

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

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

Grants that require matching or in-kind district contributions shall be evaluated for overall impact on the district’s current and future local funds.

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

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

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

The grant application shall be the source document to create the original budget. The Director of Business Operations shall review the grant application, especially the Budget Schedules, and only budget allowable expenditures and object categories. Reserved funds, if any, shall be included in the original budget.

The Director of Business Operations shall notify the Grant Manager and campus principals (if applicable) when the funds have been budgeted and are ready for expenditure by the appropriate campus or department.

### General Provisions and Assurances

General Provisions and Assurances apply to all grants administered by TEA. Additional provisions and assurances may apply to specific grants. The Director of Business Operations shall inform all staff involved in the expenditure of grant funds of the provisions and assurances for each grant program, as appropriate. Numerous resources are available on TEA's Provisions and Assurances webpage at:

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

- [General Provisions and Assurances \(The New EDGAR\)](#)
- [Debarment and Suspension \(The New EDGAR\)](#)
- [Lobbying Certification \(The New EDGAR\)](#)

### Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion

The district must not award a contract [required for all federal grants, regardless of dollar amount] to a vendor which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal grant award programs. **[2 CFR 200.213]**

The Director of Business Operations shall verify the eligibility of each vendor with this certification requirement by requesting that the vendor execute a [Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion for Covered Contracts and Grants Form](#) before awarding a contract and/or issuing a purchase order. A copy of the certification Form shall be maintained with the contract and/or purchase order for audit purposes.

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

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

### Lobbying Certification

For all federal grants in excess of \$100,000, the district shall certify on the grant application that no federal grant funds are expended for the purpose of lobbying. [Appendix II – H1] The grants management and finance departments shall jointly execute a [Lobbying Certification Form \[Standard Form – LLL: Disclosure of Lobbying Activities\]](#), as applicable, if the district used funds other than federal grant funds for lobbying activities.

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

## Budgeting Grant Funds

The Director of Business Operations shall budget grant funds in the appropriate fund code as authorized by Financial Accountability System Resource Guide, or the granting agency, as appropriate. In addition, the object expenditure codes noted on the grant application shall be consistent with the budgeted account codes.

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

Federal grant funds shall be budgeted and available for use no later than 30 days after receipt of the NOGA.

Budget amendments, if any, shall be approved by the Director of Business Operations to ensure that the reclassification of funds is allowable under the grant management guidelines related to budget amendments. Some grants allow a transfer of funds, up to 25% of the grant award, but only within the same object class and if the new object code does not require specific approval from the granting agency.

The TEA Grants Division has developed guidance related to “When to Amend” grants administered by the TEA. The guidance document is posted on the TEA website at: [http://tea.texas.gov/Finance\\_and\\_Grants/Administering\\_a\\_Grant.aspx](http://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx)

The guidance document contains the following guidance:

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

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

The Director of Business Operations shall monitor the need for amendments at least quarterly throughout the grant period and at least one (1) month prior to the grant amendment deadline, as applicable. If an amendment is necessary for any of the reasons specified by the pass-through entity (TEA) or in federal regulations, the Grant Manager shall initiate the amendment process and collaborate with the Director of Business Operations prior to submission of the grant amendment. The approval process of a grant amendment shall be the same as the grant application process, i.e. the Superintendent shall approve all federal grant amendments.

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



## Financial and Program Management

The District must comply with all requirements of federal grant awards including the provisions of the Federal Funding Accountability and Transparency Act (FFATA) and the Financial Assistance Use of Universal Identifier and Central Contractor Registration (CCR). **[2 CFR 200.211]**

### FFATA Reporting

The district shall report the following for all federal grant awards, as appropriate. The Director of Business Operations shall be responsible for collecting and reporting the information.

1. The following data about sub-awards greater than \$25,000
  - a. Name of entity receiving award [entity = district]
  - b. Amount of award
  - c. Funding agency
  - d. NAICS code for contracts / CFDA program number for grants
  - e. Program source
  - f. Award title descriptive of the purpose of the funding action
  - g. Location of the entity (including congressional district)
  - h. Place of performance (including congressional district)
  - i. Unique identifier of the entity and its parent; and
  - j. Total compensation and names of top five executives (same thresholds as for primes)
2. The Total Compensation and Names of the top five executives if:
  - a. More than 80% of annual gross revenues from the federal government, and those revenues are greater than \$25M annually and
  - b. Compensation information is not already available through reporting to the SEC.

**At the present time, the district has no federal grant sub-awards greater than \$25,000.**

### Financial Management System

The District's financial management system, Ascender Finance System, shall be utilized to record, expend and track all federal grant revenues and expenditures. The financial management system shall be maintained in a manner that provides adequate internal controls over the data integrity, security and accuracy of the financial data. **[2 CFR 200.302(a)]**

The financial management system must contain information pertaining to all federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. All expenditures of federal grant funds shall be in accordance with the district's written procedures such as cash management, accounts payable, purchasing, travel, allowable costs, capital asset tracking, contract management, and other procedures, as appropriate. In addition, the district shall include written procedures to implement the requirements of 2 CFR 200.305 Payments. **[2 CFR 200.302(b)(6)]**

### Records Retention

The financial management system shall be utilized to store, maintain, and report all required federal grant information. **[2 CFR 200.334]** Consequently, the district shall ensure that access to the data is restricted to authorized individuals in accordance with the district's data security and access practices. In addition, the district shall retain all federal grant records for a period of five (5) years in accordance with the district's Local Records Retention Plan. [Note: The district's retention period exceeds the three (3) year retention period required in the EDGAR.] The district's Record

Management Officer (RMO), the Superintendent, shall be responsible to ensure that all records are retained, stored and accessible, as appropriate.

### List of Federal Grant Awards

A list of all federal grant awards shall be maintained to include all EDGAR required data (denoted with an \*) and district-required information listed below: A list of all federal grant awards with the required identification information is included in the Exhibit Section. **[2 CFR 200.302(b)(1)]**

- The CFDA title and number\*,
- Federal award identification number and year\*,
- Name of the Federal agency\*, and
- Name of the pass-through entity\*, if any.
- Grant period (start and end of the grant award)
- Grant award (dollar amount of award)
- Grant Manager for each grant (Generally, the Director of C&I shall serve as the Grant Manager, unless otherwise noted)
- Sub-grants, if any
- TEA-assigned risk level for each grant, as appropriate
- Applicable federal regulations (OMB A-87 or EDGAR, based on the date of grant award)

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

### Internal Controls

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

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

The district' **Internal Control Procedures** over financial management, developed in accordance with the Internal Control Integrated Framework (COSO) and TEA's Internal Controls Guidance Handbook, shall be made available to all staff involved in the management of federal grant funds. **[2 CFR 200.303]** TEA's Internal Controls Guidance Handbook provides a general overview of internal controls as they relate to the federal grants TEA awards. According to the Handbook, the district must have an effective system of internal controls in place to prevent, detect and reduce the risks of fraud, waste and abuse of federal grant awards.

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

The Director of Business Operations shall be responsible for the annual review and update of the **Internal Control Procedures**.

## Bonds

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

The Director of Business Operations shall be responsible for obtaining insurance and/or bonding, as appropriate.

## Payments from the Granting Agency and to Vendors

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

The district has determined that it will not accept advanced payments for federal grant funds. Acceptance of advanced payments require depositing of the funds in an interest-bearing bank account, tracking of interest earnings, and return of all investment earnings in excess of \$500 per year to the granting agency. **[2 CFR 200.305(9)]**

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

To ensure that the district does not draw down any advanced funds, the draw down shall occur after the 15<sup>th</sup> of the month to ensure that all payroll-related liabilities, such as federal taxes and Texas Teacher Retirement System deposits, have been disbursed from the districts bank accounts. The draw-down of payroll expenditures shall be net of all accrued wages (object code 2161) and payroll liabilities (object code 2211).

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

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

## Cost Sharing or Matching Funds

The Grant Manager shall ensure that requirements for cost sharing and/or matching funds are approved through the grant approval process prior to the submission of the grant. At a minimum, the Grant Manager and the Director of Business Operations must approve the commitment of all cost sharing and matching grant funds.

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

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

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

### **Program Income**

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

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

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

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

### **Period of performance (Obligations)**

All allowable grant expenditures shall be incurred during the grant period, i.e. begin date and end date of the federal grant award as designated on the Notice of Grant Award (NOGA). The Director of Business Operations shall coordinate with the appropriate departments related to the grant periods for each federal grant award to ensure compliance as noted below:

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

The district's purchasing deadlines have been established to facilitate the purchase of all goods and service within the fiscal year and/or grant period. The purchasing deadline for non-federally funded purchases is in late April or early May of each fiscal year. The purchasing deadline for federally funded purchases will follow this same deadline, unless the deadline is adjusted to fall within the grant's period of performance. At a minimum, the purchasing deadlines for federally-

funded purchases shall end approximately one (1) month prior to the end of the grant period to ensure **receipt** and **use** of the goods or services for the intended grant activities.

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 draw-down of federal grant funds. [2 CFR 200.309]

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

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

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

## Procurement Standards and Expenditure of Grant Funds

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

The district shall comply with the general procurement requirement of the EDGAR (2 CFR 200) **effective July 1, 2018 and amended in November 2020**. The district shall utilize a purchase order and encumbrance system to manage the expenditure of all federal grant funds unless other methods such as credit cards, petty cash, direct payments, etc. are authorized in the district's operating procedures. All purchases shall be in accordance with the district's School Board Policies (CH Legal and Local) and the district's **Purchasing Procedures (Exhibit Section)**. **The district purchasing procedures shall comply with all federal, state, and local procurement requirements. If a conflict arises between the federal, state and local requirements, the stricter requirement shall prevail.**

The district shall adhere to state law and federal guidelines related to competitive procurement of grant purchases. Specifically, the district shall comply with the Texas Education Code, Chapter 44 regarding the authorized competitive procurement options available to school districts. In addition, any competitive procurement requirements specific to a federal grant must also be adhered to for

all grant purchases. For example, a federal grant may require that all purchases and/or contracts that exceed \$100,000 be approved by the granting agency before approval of a purchase order or contract.

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

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

The Grant Manager for each federal grant shall be responsible for the programmatic and evaluation compliance and the Director of Business Operations shall be responsible for the financial compliance. Except for the IDEA-B grants or grants specific to special education, the Grant Manager will be the Director of Curriculum and Instruction. The Grant Manager for the IDEA-B grants or special education grants will be the Director of the Special Education SSA. The use of "Grant Manager" throughout this document shall refer to the specific Grant Manager by federal grant as described above.

#### **Federal Regulations - Education Department General Administrative Regulations (EDGAR)**

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

All refunds, rebates, discounts, or other credits to grant expenditures shall be posted to the finance general ledger as soon as the credit is known. [Note. It is essential to post all credits to the general ledger on a timely basis to ensure that the district does not draw-down grant expenditures in excess of actual expenditures net of all credits.]

Additional information related to the EDGAR is located at:

<http://www2.ed.gov/policy/fund/reg/edgarReq/edgar.html>

#### **State-Administered Federal Grant Guidelines and Requirements**

The district shall also adhere to General and Fiscal Guidelines established by the Texas Education Agency. The guidelines for grants awarded are hyperlinked below:

- [\*\*General and Fiscal Guidelines: EDGAR \(after May 1, 2020\)\*\*](#)

The district shall also adhere to grant-specific cost requirements established by the Texas Education Agency. The grant-specific guidelines for current district grants are hyperlinked under the Grant Opportunities webpage at: [\*\*Guidelines, Provisions, and Assurances | Texas Education Agency\*\*](#)

- **2019-20, 2020-21 and 2021-22 ESSA Consolidated Federal Grant Program Guidelines**
  - ESEA Title I, Part A Improving Basic Programs
  - ESEA Title II, Part A Teacher/Principal Training

- ESEA Title III, Part A English Language Acquisition
- ESEA Title IV, Part A, Subpart 1
- IDEA, Part B Formula and Preschool, 2019-20, 2020-21 and 2021-22
- Carl Perkins, Career and Technical Basic Grant
- ESSER I and III

### Local Guidelines Related to Unallowable Costs - Optional

The district has developed local guidelines related to unallowable costs with federal grant funds. The unallowable costs are noted below or in the Exhibit Section.

#### Unallowable Costs

- Snacks that do not meet the Smart Snack federal and/or state guidelines (Copy of USDA Smart Snack Standards included in the Exhibit Section).
- Commercial printing in color, unless it is deemed necessary to accomplish grant activities
- Meals (during a Working Lunch or Professional Development) that exceed \$20 per person [maximum amount per EDGAR, but the district could elect a lesser amount]
- Educational field trips to an amusement park for recreational purposes only
- Consultant fees in excess of \$2,500 per day [no maximum in EDGAR, but there may be a grant-specific maximum], unless an exception is authorized by the Superintendent.

### Procurement Tracking and Documentation

The Director of Business Operations shall be responsible for ensuring compliance with all federal, state and local procurement requirements and for ensuring that the district maintains an up-to-date procurement history to include, but not limited to, the information below for all federal-funded purchases (**2 CFR 200.318(i)**).

- \*Rationale for the method of procurement
- \*Selection of contract type
- \*Contractor selection or rejection
- \*Basis for the contract price
- List of all procurements by type
- Like-item category (commodity code)
- Advertisement date(s) of the procurement
- Release date of the procurement specifications
- Selection criteria for vendors
- Opening date of the procurement
- List of vendors submitting a proposal/bid
- Selection of Vendor
- Date of contract award
- Begin date of contract
- End date of contract
- Contract Amount

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

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

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

### Purchasing Efficiency Strategies

All purchases shall be purchased from a variety of qualified vendors with the ability to perform successfully under the terms and conditions of a proposed procurement. The district shall strive to avoid acquisition of unnecessary or duplicative items **(2 CFR 200.318(d))**.

The district shall implement the following strategies to maximize federal grant funds:

- Consolidation of purchases to obtain volume pricing, as appropriate
- Evaluate the cost efficiencies of leases versus purchases of equipment
- Utilize cooperative purchasing agreements, as appropriate, to obtain volume pricing **(2 CFR 200.318(e))**
- Utilize federal or state excess/surplus property supplies or equipment in lieu of purchasing new supplies or equipment, as appropriate **(2 CFR 200.318(f))**
- Utilizing value-engineering in construction projects to seek cost reductions **(2 CFR 200.318(g))**
- Develop vendor selection criteria to select the best vendor **(2 CFR 200.318(h))**
- Develop a tracking system of all informal and formal procurements **(2 CFR 200.318(i))**
- Avoid “time and materials” contracts if other alternatives exist **(2 CFR 200.318(j)(1))**
- Monitor vendor performance to ensure that the vendor provides the services and/or goods, as appropriate **(2 CFR 200.318(k))**
- Ensure that all contract and vendor disputes are resolved in the most advantageous manner
- Minimize the risk of jurisdictional issues by ensuring that all contracts would be litigated in a court within the county, city and/or state, as appropriate

The district may complete a review of the procurement system to self-certify that the procurement system is efficient and effective **(2 CFR 200.325)**. The Director of Business Operations shall oversee the completion of the self-certification. The results of the certification shall be distributed to all grant management staff. If deficiencies are noted, the Director of Business Operations shall develop a Corrective Action Plan to remedy the deficiencies, as appropriate.

### Conflict of Interest

The Superintendent shall execute an Organizational Conflict of Interest document to disclose if any conflicts exist in the application, receipt of, or expenditure of federal grant funds. **An organizational conflict of interest does not to apply to the district at this time – there are no parent, affiliate or subsidiary organizations related to the district.**

The Superintendent, Director of Business Operations, Director of Curriculum & Instruction, and Grant Manager(s) shall each execute a [Conflict of Interest Form](#) to disclose a conflict of interest, as appropriate, related to the awarding of a contract or substantial expenditures with federal grant funds. Substantial expenditures shall be defined as a purchase in excess of \$10,000.

**No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. In addition, no employee, officer or agent of the district may neither solicit nor**



**accept gratuities, favors, or anything of monetary value from contractors or parties to subcontractors. All employees shall comply with the Educators' Code of Ethics (DH Exhibit). Violators of the Code of Ethics shall be subject to disciplinary action, including but not limited to, termination of employment with the district.**

### **Vendor Competition**

The Director of Business Operations shall be responsible for coordinating the selection and awarding of contracts to vendors that are qualified to provide the goods and/or services to be purchased with federal grant funds. The vendor selection process shall ensure that the district does not restrict competition among qualified vendors **(2 CFR 200.319)**.

### *Vendor Selection Criteria*

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

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

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

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

### *Vendor Database*

A vendor database shall be maintained by the Business Office in the finance system (Ascender Business System). Vendor selection shall include the following criteria:

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

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

- Vendor application file (new vendors)
- [Form W-9](#) – Internal Revenue Service
- [Conflict of Interest Questionnaire \(CIQ\)](#) – Texas Ethics Commission
- Felony Conviction Notice
- Fingerprinting (If working directly with students)
- Criminal Background and Fingerprinting (if working directly or indirectly with students)
- Certificate of Insurance (with the District as additional insured) if services will be rendered on district property

## Vendor Management

A vendor database shall be maintained by the Business Office with oversight by the Director of Business Operations. The district's **Vendor Management Procedures** shall be adhered to in adding and maintaining approved vendors.

### *Bid and Proposal Specifications*

The district shall develop written bid/proposal specifications that are provided to every qualified vendor to ensure consistency in the procurement process. A vendor that is allowed to assist with the development of specifications shall be ineligible to submit a proposal for the specific procurement as this may provide a barrier to open, competition among the qualified vendors. **[2 CFR 200.319(b)]** The bid/proposal documents must include guidance to vendors regarding the following:

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

The district's specifications shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. **[2 CFR 200.319(b)(6)]**.

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

## Procurement Methods

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

The procurement method shall be determined based on the type of goods or services to be purchased with federal grant funds. The Director of Business Operations shall be responsible for selecting the appropriate procurement method for each procurement.

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

### Procurement Levels and Requirements

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

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

<b>Sabine I SD PURCHASING LEVELS AND REQUIREMENTS</b>					
Purchase Commitment Amount	Support Required	Additional Forms	RFP/RFQ	Board Approval	Advertising
<b>Purchase with State and Local Funds</b>					
For purchases \$49,999 or Less	1 Quote	NOT REQUIRED	Not Required	NOT REQUIRED	NOT REQUIRED
For purchases \$50,000 or More	Competitive Procurement (Education Code 44.031)	BID OR PROPOSAL TABULATION FORM	REQUIRED	BOARD AGENDA ITEM REQUIRED	MAY BE REQUIRED Two (2) consecutive weeks
<b>SOLE SOURCE PURCHASE</b> \$50,000 and over (Below \$50,000, no Agenda Item)	1 QUOTE	SOLE SOURCE DOCUMENTATION	Not Required	AGENDA ITEM REQUIRED	Not Required
<b>Purchase with State and Local Funds</b>					
For purchases \$9,999 or Less (Micro-purchase/Fed Funds)	1 QUOTE	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED
For purchases \$10,000 to \$249,999 (Small purchase/Fed Funds) Competitive Procurement/Texas	Competitive Procurement (Education Code 44.031)	BID OR PROPOSAL TABULATION FORM	REQUIRED	BOARD AGENDA ITEM REQUIRED	MAY BE REQUIRED Two (2) consecutive weeks
For purchases \$250,000 and Over Single Acquisition Threshold/Fed	COMPETITIVE PROCUREMENT EDGAR Methods Cost/Price Analysis	BID OR PROPOSAL TABULATION FORM	REQUIRED	BOARD AGENDA ITEM REQUIRED	REQUIRED Two (2) consecutive weeks
<b>SOLE SOURCE PURCHASE</b> (Only as Approved by TEA)	TEA APPROVAL FORM	SOLE SOURCE DOCUMENTATION (Document Justification)	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED

Note. The threshold shall be determined by expenditures for “like-items” in the aggregate over a fiscal year (July 1<sup>st</sup> through June 30<sup>th</sup>). For the year ended June 30, 2022, the District will only use this data for information purposes. As of July 1, 2023, the District will begin using the category codes to guide and monitor the purchases for “like-kind” items. The Director of Business Operations shall review expenditures from all district funds (local, state and federal) by “like-item” on at least a monthly basis to monitor that the district does not exceed any “like-item” categories. The district has elected to use a coding system for “like-items” that is similar to the State of Texas Procurement Commodity Codes, plus locally defined codes that may not exist on the Commodity Codes. A copy of the district’s Like-Item Categories are in the Exhibit Section. In addition, vendors in the finance system shall be coded to a primary vendor category.

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

equisation Nbr:

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Requisition Number:  Originator: 000079 - REBECCA ESTRADA Requestor: 000079 - REBECCA ESTRADA Order For:  Requisition Per: 03  
 Date Request: 03-16-2021 Date Required: 03-16-2021 Reason: SUPPLIES: MATH Reference Nbr:

Sort Key/Vendor Name: LAKESHORE LEARNING MATI Shipping Addr: LACKLAND I.S.D. - - 001 Bid Category:   
 Vendor Nbr: 80713 Campus/Dept: 750 - Business Office Bid Nbr:   
 Credit Card Code:

Priority: R Regular Work Order:  Freight Cost: 0.00  Confirm Only:  Attach:  Requisition Total: 500.00

Delete	Note	Item	Catalog Nbr	Description	Quantity	Unit of Issue	Unit Price	SubTotal	Commodity Code	Totals
				Long Description		Status	Discount %	Discount Amt	Freight Elig	Freight %
	<input type="button" value="Note"/>	001		MATH MANIPULATIVES	1.00	EA Each	500.00000	500.00	800 - 999 - SUPPLIES INSTRUCTIO	
	<input type="button" value="Accounts"/>					Y - Approved	0.00%	0.00		500.00

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

### Micro-Purchase Procurement Method

Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the school district [2 CFR 200.320(a)(1)(ii)]. The district does not currently have a procurement card.

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

The Director of Business Operations shall conduct an evaluation on an **annual basis** of the district’s internal controls, TEA-assigned risk level and documented procurement procedures to determine the appropriate micro-purchase threshold. If it is determined to be in the district’s best interest, the **Self-Certification of Micro-Purchase Threshold form** shall be submitted to the Superintendent at least 30 days prior to the start of each fiscal year for his review and consideration, if determined to be in the best interest of the District by the Director of Business Operations. The approved threshold shall be documented in the State and Federal Grants Manual to ensure that all stakeholders are aware of the approved micro-purchase threshold.

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

The **Procurement by Micro-purchase** may be the most frequently used method due to the frequent purchase of goods or services that are less than \$10,000 in the aggregate, as defined in **CFR 200.1** and the granting agency. The district shall purchase goods and services under this method from among qualified vendors, but will not competitively procure the micro-purchases, unless in the aggregate in a 12-month period (fiscal year), the district exceeds federal or state law thresholds [2 CFR 200.320 (a)], or the district’s threshold in Board Policy CH Legal or Local.

The Director of Business Operations shall distribute micro-purchases equitably among qualified vendors to the maximum extent possible and shall ensure that the price is reasonable.

### *Micro-Purchase Procedures – Up to \$9,999*

As of November 12, 2020, **2 CFR 200.320(a)(1)(iv)** states that 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 of any of the following:

- (A) A qualification as a low-risk auditee, in accordance with the criteria in §200.520 for the most recent audit;
- (B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,
- (C) For public institutions, a higher threshold consistent with State law.

The district's Board Policy CH Local has a \$50,000 threshold for Board approval of purchases.

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

### *Small Purchase Procedures - \$10,000 - \$249,999*

The **Procurement by Small Purchase Procedures** shall be used by the district when the purchase of goods or services do not exceed \$250,000, the Simplified Acquisition Threshold (**CFR 200.1**). The Business Office shall require written, emailed, or faxed quotations from at least three (3) qualified vendors for all small purchases, i.e. purchases that do not exceed \$50,000 [the state law threshold which requires a competitive procurement]. Note. The quotes can be from three (3) separate vendors within a qualified purchasing cooperative or different purchasing cooperatives to meet both the EDGAR and state law requirements for competitive procurement.

The district shall use an **Informal Bid Tabulation Form** to document the quotations from vendors. A copy of the Informal Bid Tabulation Form shall be filed with the appropriate purchase order. The Informal Bid Tabulation Form shall be approved by the Director of Business Operations.

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

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

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

- **TASB Buy Board**
- **ESC 6 Educational Purchasing Inter-local Co-op (EPIC6)**
- **ESC 7 Purchasing Co-Op**
- **ESC 8 – Inter-local Purchasing System (TIPS)**

- **ESC 11 Digital Learning Purchasing Consortium**
- **ESC 13 – PACE Purchasing Coop**
- **Omnia Partners Purchasing Co-op**
- **National Cooperative Purchasing Alliance**
- **State of Texas Co-Op Purchasing Program (TxSmartBuy)**

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

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

- Bids must be solicited from an adequate number of bidders, but no less than two (2) bidders
- Bids must be publicly advertised and bidders shall be provided an adequate amount of time to prepare and submit their bid. Local criteria shall include:
  - The district shall publicly advertise all bids in accordance with state law, i.e. at least two (2) times in two separate weeks
  - The district shall provide no less than ten (10) days for bidders to prepare and submit their bids
- Bids must contain detailed specifications to ensure that bidders have a clear understanding of the goods or services that the district is seeking to purchase
- Bids must specify the time, date, and district location where bids will be opened publicly
- Bids must be awarded based on a fixed price contract to the lowest responsive and responsible bidder. The district shall consider discounts, transportation costs, and life cycle costs only if these factors were included in the bid specifications. The district will consider payment discounts because the district does routinely take advantage of payment discounts.
- Bids will be evaluated, ranked, and a recommendation for award made to the School Board at a regularly scheduled board meeting.
  - If no bidder is recommended, the district shall reject all bids and evaluate whether to modify the bid specifications to initiate a new bid process
- The district shall notify the successful bidder and process the contract documents and/or purchase orders, as appropriate
- The district shall notify all of the unsuccessful bidders to ensure that qualified bidders are encouraged to submit bids during future bid opportunities

**\*Note. The state regulations (TEC Chapter 44) related to competitive procurement shall be implemented at a \$50,000 threshold even though the federal regulations allow greater flexibility.**

*Competitive Proposal Procedures – Over \$250,000*

The **Procurement by Competitive Proposal** method shall be used by the district when the acquisition of the goods or services exceeds \$250,000 and does not lend itself to a fixed price contract [**2 CFR 200.320 (b)(2)**]. The district shall comply with the competitive proposal requirements, as defined by the EDGAR, as noted below:

- Requests for Proposals (RFP) must be publicly advertised
- The RFP shall identify the evaluation factors and their weight in awarding the proposal

- Proposals shall be solicited from an adequate number of bidders, but no less than two (2) qualified vendors
- Proposals shall be evaluated, ranked, and a recommendation for award made to the School Board at a regularly scheduled board meeting **[2 CFR 200.320(b)(2)(ii)]**
  - The district shall utilize the [Competitive Sealed Proposal Process Checklist](#)
  - The district shall develop an instrument to evaluate each proposal and rank the proposals based on the evaluation scores
  - The district shall evaluate each proposal by committee or no less than two (2) district staff with knowledge of the RFP specifications
  - In accordance with state law, the vendor who is ranked highest as providing the “ proposal most advantageous to the district” shall be notified of the potential award
    - The district may negotiate with the vendor only as it relates to potential cost savings
    - If the district and vendor cease to negotiate, the district shall notify the vendor in writing before starting to negotiate with the 2<sup>nd</sup> highest ranked vendor.
- The district shall notify the successful proposer and process the contract documents and/or purchase orders, as appropriate
- The district shall notify all of the unsuccessful proposers to ensure that qualified bidders are encouraged to submit bids during future bid opportunities

### Noncompetitive Proposal Procedures

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

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

- The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold **[2 CFR 200.320 (c)(1)]**
- The goods or services are only available from a single source **[2 CFR 200.320 (c)(2)]**
  - The district shall acquire and maintain a copy of a vendor’s sole source letter which specifies the statutory or other reason for its sole source status
  - The [TEA Division of Grants Administration Request for Noncompetitive Procurement \(Sole Source\) Approval Form](#) shall be utilized to request prior approval of a non-competitive, sole source proposal.
- A public exigency or emergency will not permit a delay resulting from the competitive solicitation process **[2 CFR 200.320 (c)(3)]**
  - The district shall declare a public exigency or emergency prior to making such as purchase of goods or services under this method
- The granting agency or pass-through entity authorized the use of a non-competitive proposal method **[2 CFR 200.320 (c)(4)]**
  - The district shall obtain written approval/authorization from the granting agency or pass-through entity.
  - The district has received written authorization from the Texas Education Agency that the Education Service Center, Region 7 is approved as a non-competitive proposal.
- After solicitation of a number of sources, competition is determined to be inadequate **[2 CFR 200.320 (c)(5)]**
  - The district shall determine that competition is inadequate if after two (2) solicitations of bids and/or proposal, only one vendor is responsive to the solicitations

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

### *Other Procurement Guidelines*

#### Vendor Preferences

In accordance with state purchasing laws, the district shall comply with the Texas Education Code (TEC Chapter 44) if the procurement guidelines are stricter under state law than federal regulations. Regardless of the procurement method, the district shall encourage small, minority, woman-owned and labor surplus area firms to compete with other qualified vendors by implementing strategies to encourage their participation [**2 CFR 200.322**].

As appropriate, and in accordance with **2 CFR 200.322**, the district should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all sub-awards including all contracts and purchase orders for work or products under this award.

The Director of Business Operations shall ensure that vendor preferences are included in all specifications, purchase orders and contracts, as appropriate.

#### Vendor Restrictions

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

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

- (1) Procure or obtain;
- (2) Extend or renew a contract to procure or obtain; or
- (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
  - (i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
  - (ii) Telecommunications or video surveillance services provided by such entities or using such equipment.



- (iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

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

For all purchases that exceed the Simplified Acquisition Threshold of \$250,000, the district shall perform a cost or price analysis with every procurement [2 CFR 200.324]. Secondly, all purchases that exceed this threshold shall comply with federal bonding requirements such as [2 CFR 200.326]:

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

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

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

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

## Property Standards and Management

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

Title to federally-owned property remains vested in the Federal Government. The district must submit annually an inventory listing of federally-owned property in its custody to the Federal awarding agency. Upon completion of the Federal award or when the property is no longer needed, the district must report the property to the Federal awarding agency for further Federal agency utilization [2 CFR 200.312].

## Federally-funded Real Property

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

## Federally-funded Capital Assets

The district may use federal grant funds to purchase capital assets (tangible and intangible assets) and supplies if approved by the granting agency. The district shall not use federal grant funds to purchase intangible property (defined in **[2 CFR 200.1]**). If the district purchases intangible property, the title to the intangible assets vest upon acquisition with the district **[2 CFR 200.315]**.

The federally-funded capital assets shall be used only for the authorized purposes and shall be disposed of, at the end of the useful life or end of the grant period, in accordance with the grant award guidelines **[2 CFR 200.313]**. The district shall not use the federally-funded capital assets to generate program income. The purchase of capital assets shall be recorded in object code 663X in accordance with the FASRG and any local-use account codes.

## Federally-funded Supplies

The federally-funded supplies shall be used only for the authorized purposes. Supplies shall include all non-assets such as consumable supplies and non-consumable inventory (equipment with a unit cost from \$500 to \$4,999). 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. **[2 CFR 200.314]** Otherwise, the supplies shall be retained by the district or sold but must reimburse the granting agency for the district use or sale of the supplies. The district shall implement purchasing deadlines for the purchase of federally-funded supplies to ensure that residual supplies are not available at the end of the grant period or project. The purchase of supplies shall be recorded in object 639X, in accordance with the FASRG and any local-use account codes.

## Capitalization Policy and Definitions

### Capital Assets

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

- *Capital assets* means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. **(CFR 200.1)**.
- *Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. **(CFR 200.1)**
- *Computing devices* means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. **(CFR 200.1)**
- *General purpose equipment* means equipment which is not limited to research, medical, scientific or other technical activities.
  - Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.
- *Information technology systems* means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. **(CFR 200.1)**
- *Special purpose equipment* means equipment which is used only for research, medical, scientific, or other technical activities.

- Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.
- *Supplies* means all tangible personal property other than those described in **§200.1** Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. **(CFR 200.1)**

### Acquisition Cost

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

- *Acquisition cost* means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices. **[CFR 200.1]**

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

### Inventory Items

The district has also defined “inventory items” as items with a unit cost between \$1,000 and \$4,999. These items shall have a tag affixed to the item for inventory tracking and insurance purposes only. Inventory items shall include computing devices within these costs. The district shall track these items for insurance purposes and shall conduct an annual inventory of these items to the extent possible. Purchases of inventory (taggable) shall be made from object code 6398 accounts.

### Consumable Supplies

Consumable supplies shall include technology-related “walkable” or “personal use” items with a unit cost less than \$500 as the following (these items shall be tracked by the Technology Department.

- I-Pads and Chromebooks
- Computers with a cost under \$500

Consumable supplies, including the walkable and personal items with a unit cost less than \$500, shall be made from object code 6399 accounts. The consumable supplies shall be tracked by the campus or department making the purchase.

### Identifying and Tracking Federally-Funded Assets

Titles to federally funded equipment and supply purchases shall be retained by the district, unless otherwise notified by the granting agency. **[2 CFR 200.313(a)]** As district property, the district shall affix a tag, inventory, and dispose of all assets (non-grant and grant-funded) according to the district’s fixed asset procedures. **[Fixed Asset Tracking Procedures in Exhibit Section]** The district procedures shall include the recording of all assets on a database with the following information:

- 1) **District-issued tag (or identification number)**
- 2) **Date of acquisition**

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

**Note. Bold items are required by federal regulations (EDGAR, 2 CFR 200.313(d)(1))**

#### *Maintaining Capital Asset Inventory & Records*

All federally-funded capital assets shall be maintained in an operable state. If repairs are necessary, the district may pay for the repairs of the federally-funded assets with federal grant funds, unless expressly restricted by the granting agency. All federally-funded capital assets shall have a tag affixed to the assets to distinguish the assets from non-federally funded assets.

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

The district's annual inventory of capital assets shall be conducted by the Business Office. Lost, damaged, or stolen assets shall be recorded on the fixed assets database with the date of the loss. The disposition records such as the loss report (police report for thefts) shall be maintained with the capital asset records.

In addition, the district shall track all grant-funded capital asset purchases by grant, or fund code, as appropriate. The disposal of grant-funded assets shall be in accordance with federal guidelines and grant-specific guidelines, if any. At a minimum, the disposition date, reason, and sale price of all federally-funded assets shall be recorded in the fixed assets database. **[2 CFR 200.313(d)]**

During the life of the asset, the district shall ensure that all assets purchased with federal grant funds are insured against loss. The costs to insure and maintain (repair) assets purchased with federal grant funds are generally allowable costs, unless specifically prohibited by a granting agency. **[2 CFR 200.310]**

The Director of Business Operations shall be responsible for maintaining the fixed asset database (Ascender Asset Management System) of all district assets, including all federally-funded assets.

#### **Cost Principles**

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

The [General Provisions for Selected Items of Cost \(Cost Principles\)](#) are available on the Department of Education EDGAR webpage.

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

- Costs must be reasonable and necessary **[2 CFR 200.404]**
  - A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
  - Necessary is defined as costs needed to carry out the grant activities
- Be allocable to Federal awards **[2 CFR 200.405]**
- Be authorized or not prohibited under State or local laws or regulations.
- Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Except as otherwise provided for in EDGAR, be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- Be the net of all applicable credits. **[2 CFR 200.406]**
- Be adequately documented.

The district may utilize the [Allowability/Allocability of Costs Worksheet](#) to verify that all proposed obligations and expenditures meet the Cost Principles. If the Worksheet reflects that the proposed obligation and/or expenditure is not allowable and/or allocable to a federal grant award, the district shall not make the obligation/purchase with the federal grant funds. Other funds, such as local funds, may be used to make the obligation/expenditure, as appropriate.

### Indirect Cost Rate

The District is assigned indirect cost rates (restricted and unrestricted) by TEA after completing an Indirect Cost Rate Proposal worksheet and submitting it to TEA. The worksheet uses data from the three previous fiscal years to determine the rate for the next applicable fiscal year. TEA notifies the District each year of the applicable indirect cost rates. These rates are used in the SHARS Cost Reports each year and very infrequently in federal grants where it is allowable.

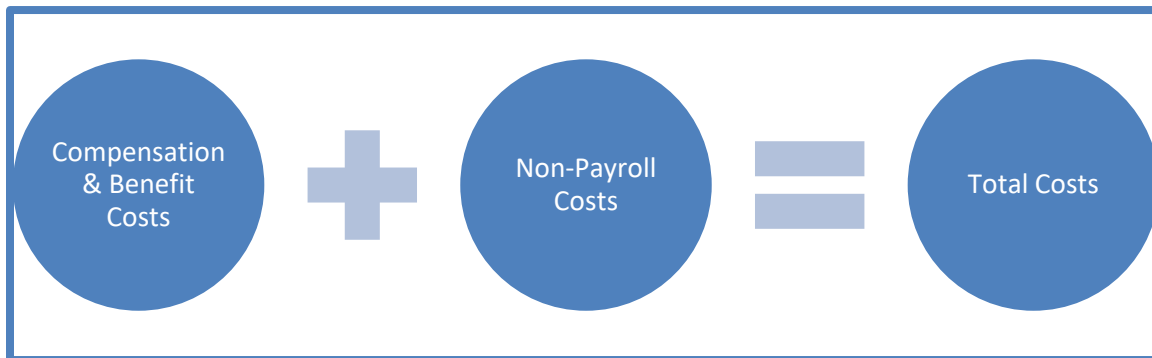
### Total Costs

The **total cost** of a federal award is the sum of allowable direct and allocable indirect costs less any applicable credits. **[2 CFR 200.402]** All refunds, rebates, discounts, or other credits to grant expenditures shall be posted to the finance general ledger as soon as the credit is known. The district shall ensure that all known credits have been posted to the general ledger prior to the drawdown on federal grant reimbursements.

The district shall post all credits [discounts, rebates, refunds, etc.] to the general ledger on a timely basis to ensure that the district does not draw-down grant expenditures in excess of actual expenditures net of all credits. Otherwise, the district may be considered to have drawn-down funds under an advanced cash method. The Director of Business Operations shall ensure that all applicable known credits have been posted to the general ledger prior to preparing and submitting a federal grant draw-down request from the granting or pass-through entity.

**District costs generally fall under two major categories:**

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



### Compensation & Benefit Costs

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

All payroll expenditures shall in accordance with federal cost principles and Department of Labor regulations, such as the Fair Labor Standards Act (FLSA). All payroll expenditures shall be paid in accordance with the federal cost principles. First and foremost, the payroll expenditures must be authorized on the grant application and the duties assigned must be directly related to grant activities. The Grants Manager shall provide a copy of the Payroll Summary to each of the departments noted above upon approval of the grant application.

### Compensation Plan

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

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

### Allowable Compensation Costs

Compensation costs shall be allowable if:

- The costs are reasonable for the services rendered and conforms to the established district compensation and benefit plans for expenditures with all other funds, i.e. local funds [**2 CFR 200.430(a)(1)**],
- The employees have been employed in accordance with the district's established hiring procedures [**2 CFR 200.430(a)(2)**], and
- The costs are supported by the appropriate timekeeping, absence tracking, time & effort certifications, or other documentation [**2 CFR 200.430(a)(3)**], as appropriate,
- Federally-funded employees shall report all outside employment or professional services rendered to other entities. The external employment and/or professional services shall not conflict with the federally-funded activities with the district [**2 CFR 200.430(c)**],
- Incentive compensation, such as stipends, awards, early resignation incentive, attendance incentive, etc. are in accordance with the district's written plans for each of these incentives [**2 CFR 200.430(f)**],
  - Stipend compensation for other non-federal grant award duties shall be supported by sufficient documentation and approved by the Principal, Athletic Director, or Director of the Special Education SSA. The additional duties shall not conflict with the federally-funded activities with the district.

#### *Substitute Teachers*

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

#### *Stipends and Extra Duty Pay*

Stipend and extra duty pay expenditures are allowable for authorized and approved activities. A schedule or work log shall be maintained to substantiate the stipend and/or extra duty pay. NOTE: It is recommended by the TEA that a job description for each stipend role include the duties related to the grant purpose and the grant funding source.

The stipends and extra duty pay approved by the Superintendent shall be used to compensate all district staff (exempt and non-exempt) whether paid from local, state, or federal grant funds.

The Director of Business Operations shall ensure that the expenditures for stipend and extra duty pay are budgeted and expensed from the appropriate account code(s). The stipend and extra duty pay rates shall be the same as the rates used for similar locally funded activities. For example, if a teacher stipend for attending a 1-day professional development activity funded through local funds during a non-scheduled work day is \$150 per day, the teacher stipend for attending a federally-funded 1-day professional development activity should be \$150 per day, too.

#### *Allowable Benefit Costs*

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

- All benefit costs shall be in accordance with the district's [Summary of Employee Benefits](#), except for any benefits that may be specifically excluded in a federal grant award

- All leave benefits shall be in accordance with the district's written Leaves and Absences Policy (DEC Legal and Local) **[2 CFR 200.431(b)]**
- The benefit costs shall be distributed equitably at the same allocation rate (percentage) as the base compensation
- The benefit costs were earned and paid during the grant period
- All benefit costs shall be allowable under the Internal Revenue Service, Fringe Benefits Guide (and subjected to taxes, as required by federal statute)

#### *Non-Allowable Benefit Costs*

The district shall **not** charge any benefit costs to a federally-funded grant if the benefit costs are **not** in accordance with district's written [Summary of Employee Benefits](#), School Board Policy, **2 CFR 200.431**, 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. **2 CFR 200.431(i)**

#### **Documentation of Compensation and Benefit Costs**

In addition, to the time and effort reporting requirements, the district shall support all compensation and benefit costs paid with federal grant funds shall be supported by the following documentation **[2 CFR 200.430(i)]**:

- 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.* In addition, the job description shall include the funding source (fund code).
  - *Supplemental duties, if any, shall be supported by adequately, approved documentation*
  - Absence records, if any
  - Time and Effort documentation, as appropriate ([Semi-Annual Certification](#))
- Non-Exempt staff
  - Employment agreement, contract, or reasonable assurance, as appropriate
  - Job description signed by the employee with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet state standards.* In addition, the job description shall include the funding source (fund code).
  - Absence records, if any
  - Time and Effort documentation, as appropriate ([Semi-Annual Certification](#))
  - Timekeeping records (actual work hours per workweek) in accordance with the FLSA and the district's Timekeeping Procedures.

#### *Timekeeping Records*

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

The Accounting Specialist shall ensure that all timekeeping records are properly submitted before payroll disbursements are made to federally-funded staff. The timekeeping records for exempt staff



may include supplemental pay sheets for additional assignments such as summer school, tutoring, professional development, etc. in accordance with the Supplemental Pay Procedures.

The timekeeping records for non-exempt staff shall comply with the FLSA [2 CFR 200.430(i)(3)]. Specifically, all non-exempt work hours must be submitted in accordance with guidelines established by the Business Office and recorded through the district's timekeeping system, TimeClock+.

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

### **Approval of Payroll Expenditures**

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

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

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

### *New Positions*

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

The Director of Business Operations shall be notified to ensure that the position is budgeted on the general ledger and the position is paid using the correct payroll account distribution codes.

### *New Hires*

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

The Grants Manager shall review the request to ensure that the position is still authorized and necessary. Changes to the job description, if any, shall be made at this time. The Director of Business Operations shall review the request to ensure that adequate funds exist in the appropriate account code(s). If funds do not exist, the Director of Business Operations shall notify the Grants Manager to determine if funds will be re-appropriated to the account code(s). After approval from the Grants Manager and the Director of Business Operations, the Superintendent's office shall advertise the position.

The screening and selection process shall include a review of the recommended applicant to ensure that he/she meets the any federal grant staff requirements such as the Highly Effective requirements under the Every Student Succeeds Act (ESSA), as appropriate, or any other grant-specific credentials. The district shall utilize the on-line Region 7 Regional Jobs posting list to advertise all new positions. Employment applications and supporting documentation are all manually completed and turned in to the Superintendent's office. [NOTE: A [Personnel Change Form](#) should be used recommend an applicant for employment.]

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

### *Transfer of Personnel*

When staff in a position funded with grant funds is recommended for transfer to another campus, department, or assignment, the Grants Manager, the Superintendent's office, and the Director of Business Operations shall work collaboratively to ensure that the appropriate staff allocations and funding changes are made at the time of the transfer. The home campus or department shall initiate the request for the transfer, especially if it is a teaching assignment change to another campus. The Grants Manager, the Superintendent's office, and the Director of Business Operations must evaluate the requested transfer to ensure that the staff allocations, Highly Effective staff requirements, and funding source changes are in compliance with grant requirements and activities.

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) Superintendent's Office – ensure that a vacancy exists in a PK teacher position and that the teacher recommended for transfer is certified to teach PK and issue a new job description to the transferred staff member;
- 2) Grants Manager – ensure that the grant strategies and activities can be accomplished in a timely manner after filling the vacancy that would be created by the transfer; and
- 3) Director of Business Operations – ensure that funds exists for the additional PK teacher slot and change the payroll account distribution code(s) from Title I to PK as of the effective date of the transfer.

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

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

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

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

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

The home campus or department, Superintendent's Office, and the Director of Business Operations shall work collaboratively to ensure that the roster accurately reflects that data maintained in their respective area of responsibility. Discrepancies, if any, in the roster shall be brought to the attention of the Grants Manager.

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

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

The review shall occur on at least a semi-annual basis throughout the school year to ensure that the roster of grant funded staff is accurate and up-to-date throughout the year.

**NOTE: It is critical that at least one of the reviews coincide with the submission of the Fall TSDS Staff Data to ensure that accurate data is submitted as of the October snapshot date.**

### **Budgeting of grant funded staff**

The roster of grant funded staff shall be the basis for budgeting of grant funded staff. The percentage of time in each funding source shall be utilized by the Director of Business Operations to create and enter the salary portion of the grant budget. The percentages shall also be utilized by the Director of Business Operations to enter the payroll distribution account code(s).

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

The Grant Manager and the Director of Business Operations shall work collaboratively to adjust the budget and payroll account code distributions of grant funded staff if the time and effort documentation consistently reflects that the percentage(s) across the funding source(s) is not a true reflection of the normal work schedule.

## Time and Effort Documentation

District staff funded wholly or partially with federal grant funds shall comply with federal guidelines related to time and effort. The grant funded staff, their immediate supervisors, grants management, and finance departments shall be aware of the federal guidelines related to time and effort documentation. On a least an annual basis, all impacted staff shall be trained by the Grants Manager and/or attend appropriate training from an outside source.

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

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

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

The staff funded 100% from one grant source do not have to maintain periodic time and effort records. However, all employees must certify in writing, at least semi-annually, that they worked solely on the program for the period covered by the certification. The employee and his/her immediate supervisor must sign the [Semi-Annual Certification Form](#) (sample in Exhibit Section).

The timeline for semi-annual certifications shall cover a 6-month period. The 6-month period shall be determined per academic semester to coincide with teaching assignment each semester. The Grant Manager shall submit all signed semi-annual certifications to the Director of Business Operations as noted below:

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

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

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

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

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

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

These employees are required to clock into the TimeClock+ system to document the non-federal time to account for their other time. The district has not applied for nor been approved by the Texas Education Agency to use the Substitute Time and Effort System; therefore it is imperative that the non-federal time be kept separate in order to allow for proper recording in the financial system. At present, there is only one employee performing duties other than their main federally-funded duties. Thus, no more time-and-effort documentation is deemed necessary.

**NOTE. The finance department shall use caution to avoid excess drawdown of grant funds due to unallowable payroll costs if timely adjustments to the general ledger are not posted prior to the drawdown of funds.**

### *Time and Effort Substitute System*

The US Department of Education (USDE) and the Texas Education Agency (TEA) have authorized the use of a substitute system for time and effort.

The district has not opted to use the Time and Effort Substitute System at this time.

## **Non-Payroll Costs**

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

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

### **Purchase Requisitions**

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

### **Purchase Orders**

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

- Single PO – One-time purchase of goods and/or services where need is identified, ordered, received and PO is closed immediately.
- Open purchase orders:
  - Annual PO – For annual contracts such as annual service contracts, subscriptions, etc. The PO shall include a description of the goods and/or services with specified annual quantity, unit of measure, and price.

- Monthly PO - As needed purchase of small dollar items that are expected to be purchased from a particular vendor throughout the year.

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

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

- Apple Purchases
- Amazon Purchases
- Walmart and Sam's Club
- Lowe's and Home Depot
- Credit cards such as the Mastercard or gas cards
- Technology purchases

### Approval of Purchase Orders

The district shall utilize the Ascender Purchasing Module to manage the expenditure of all federal grant funds unless other methods such as credit cards, petty cash, direct payments, etc. are authorized in the district's operating procedures.

The approval levels noted below are part of the Ascender Purchasing Module approval path.

- Campus principal or department head – Initial approval
- Director of Business Operations – Final approval

The district shall adhere to the normal approval path for purchase orders with non-grant funds. The Director of Business Operations shall ensure that all purchase orders have been competitively procured as required by law; and, that the expenditure (PO) has been approved by the governing body, as appropriate [Note. School Board Policy CH Local has established the threshold of contract approval by the School Board at \$50,000.]

Contracts/purchases that are approved by the School Board shall also meet the Form 1295 Certificate of Interested Parties filing instructions. The vendor shall provide a notarized Form 1295 prior to the issuance of a purchase order. After approval of the purchase order and/or contract, the Director of Business Operations shall access the Texas Ethics Commission website to acknowledge the Form 1295.

In addition, all purchase orders with grant funds shall be reviewed and approved by the appropriate Grant Manager and/or the Director of Business Operations, as deemed necessary.

The review of purchase requisitions/purchase orders shall consist of the following:

- 1) The expenditure is *reasonable* and *necessary* (as defined in federal grant guidelines). (NOTE: A test of whether an expense is necessary may include the verification that the expenditure is to perform a strategy or activity in the District or Campus Improvement Plans.)
- 2) The expenditure is not required by state law or local policy.
- 3) The expenditure has been approved in the grant application, if specific approval is required from the granting agency
- 4) The expenditure meets the allowable costs principles.

- 5) The expenditure is allowable 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.)

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

In an effort to meet all obligation and liquidation requirements of grant funds, the district will establish a purchase order deadline in late April or early May each year. This deadline shall be adhered to by all purchase order originators. A campus principal or department head may impose an earlier deadline for their respective campus or department.

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

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

All district staff shall adhere to the district's receipt of goods procedures to ensure that receipt of all goods and services is properly documented prior to issuing payment to the vendor. No payment shall be made to a vendor for goods and/or services unless the receipt of the goods and/or services have been verified and documented by the Business Clerk.

The district receives all goods under a decentralized receiving system. The campus or department staff who ordered the goods shall receive, open, and verify the receipt of all ordered goods. Signed documentation and packing lists, if any, shall be forwarded to the Business Clerk for payment.

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

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

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

The district shall utilize non-purchase order methods to obtain goods only through petty cash as authorized by the campus Principal. All of the purchases shall be subject to pre-approval by the campus principal and Grant Manager.

### ***Credit Card Purchases with Grant Funds***

The district may choose to use the district credit card for federal grant purchases, subject to the district's purchase order procedures. **2 CFR 200.320(a)(1)(ii).**

The district will use district-issued credit cards to make purchases with federal grant funds. An original, detailed receipt shall 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 shall district credit cards be used to withdraw cash.

The Grant Manager shall review and approve all credit card expenditures if the expenditure is referred by the Director of Business Operations for secondary approval.

The Grant Manager administrative review of credit card purchases shall consist of the following:

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

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

Fraudulent credit card purchases made with federal grant funds shall be grounds for disciplinary action, up to and including termination of employment. The appropriate legal authorities shall also be notified by the Superintendent for criminal prosecution, as appropriate. Accidental use of a credit card to make an unauthorized purchase with federal grant funds may be subject to similar disciplinary action but shall require immediate (within 2 days from date of discovery) restitution to the district. **[Note. The fraudulent or accidental charges may not be charged to a federal grant fund, nor drawn-down as allowable expenditures.**

#### *Petty Cash Purchases with Grant Funds*

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

NOTE: The district shall not reimburse any purchases made with a personal cash funds, except for travel-related expenditures, as appropriate.

#### *Payment Authorization Form (PA)*

In the event that a purchase order is not appropriate for a payment, the requestor shall submit a [Request for District Written Check Form](#). These procedures shall not be used for products or services already received by the requestor. The [Request for District Written Check Form](#) shall be approved and coded by the appropriate budget manager and approved by the Director of Business Operations and the appropriate Grant Manager.

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

The Business Clerk shall adhere to the [Accounts Payable Procedures](#) for all check disbursements. Specifically, all checks issued by the district shall be verified, recorded, approved, issued, and reconciled by multiple individuals to ensure segregation of duties. The same procedures shall be used to issue payments to vendors from local, state and federal grant funds.

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

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



- 1) Invoice amount exceeds the purchase order by 10% or \$200
- 2) Payment of an invoice will be paid by an account code(s) other than the original account code(s) that were used to encumber the purchase order
- 3) Travel expenditures, if not encumbered through the purchase order system
- 4) Non-purchase order payment such as petty cash, credit card, direct invoice, reimbursement, etc.
- 5) Reclassification of a prior expenditure from one account code(s) to another

## Selected Item of Cost – Contracted Services

Contracted services generally include services provided by a non-district employee. On rare occasions, a district employee may meet the Internal Revenue Service (IRS) rules for an independent contract. Contract originators shall utilize the [Employment Status – a Comparative Approach](#) on the Texas Workforce Commission website to determine the worker status prior to submitting a contract for consideration. To ensure compliance with the IRS worker classification regulations, the final worker status classification shall be reviewed and approved by Director of Business Operations before the worker begins services.

All contracted services shall be in compliance with the Professional Services Costs federal regulations [2 CFR 200.459]. Federal regulations require that professional and consultant services be rendered by individuals of a particular professional or that possess a special skill who are not employees of the district.

### Contracted Services - Definitions

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

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

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

The district's [Contract Management Procedures](#) (still in draft mode) shall be adhered to in procuring, evaluating, selecting and awarding, and monitoring contracts.

### Contract Review and Approval

All contracts and professional services agreements funded with federal grant funds shall be reviewed and approved in accordance with the district policies and procedures for all non-grant funds. For example, if School Board Policy requires that all contracts that exceed \$50,000 be approved by the Board of Trustees, all federal grant contracts that exceed \$50,000 shall also be approved by the Board.

The Superintendent shall review and approve all contracts. The review shall consist of the district's [Contract Review Checklist](#) and any other requirements specific to the contract and/or federal grants.

### *Federal Regulations Review*

The Grant Manager and Director of Business Operations shall review and approve all contracted/consultant services agreements for compliance with federal regulations regarding professional service costs (**2 CFR 200.459**). The contract review shall consist of the following:

- 1) Consultant and/or contractor has not been suspended or debarred
- 2) The contract and/or funds have been approved in the grant application, if specific approval is required from the granting agency
- 3) The contract's nature and scope of service is directly related to the federal grant award activities **[2 CFR 200.459(b)(1)]**
- 4) The past pattern of costs, particularly in the years prior to federal awards **[2 CFR 200.459(b)(3)]**
- 5) The contract does not contain any proposal costs [not allowable under federal regulations]
- 6) Whether the proposed contracted services can be performed more economically by direct employment rather than contracting **[2 CFR 200.459(b)(6)]**
- 7) Capability of the proposed vendor to perform the required services
- 8) The qualifications of the contracting firm or individual and the customary fees charged by the proposed vendor [A Resume, Vita or Statement of Qualifications shall be required for all contracts with Independent Contractors.] **[2 CFR 200.459(b)(7)]**
- 9) The contract and/or consultant agreement meets the allowable costs principles.
- 10) A contract subject to Davis Bacon has the appropriate contract language
- 11) The contract and/or consultant agreement fee for services do not exceed any federal grant or local limits

In addition, all contracts must contain applicable provisions described in *Appendix II to Part 200 Contract Provisions for non-Federal Entity Contracts Under Federal Awards* **[2 CFR 200.327]**.

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

The final approval authority for all contracts shall be the Superintendent, unless the contract is over \$50,000, then the final approval authority shall be the Board of Trustees through approval at a regularly scheduled or special board meeting.

### *Contract Form and Required Contract Provisions*

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

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

- Termination clause
- Governing law
- Signatures

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

- The contract is only effective upon receipt by the district of the NOGA from the awarding agency.
- The contract period is aligned to the grant period of availability as stated on the NOGA from the awarding agency (period of availability).
- All services will be completed during the effective dates of the contract.
- All services will be invoiced monthly after services are received (rather than paid lump sum at the beginning of the period of availability before services are rendered) and paid upon verification of receipt of services.
- The regulations for procurement in **2 CFR 200.318-327** are followed in issuing the contract.
- All professional services provided under the contract will follow the provisions of **2 CFR 200.459** Professional service costs.
- The contract identifies the funding sources that will be charged for the services provided, including the specific amount and/or percentage of the total contract amount to be charged to each funding source.
- The contract identifies and lists only reasonable, necessary, and allocable services to be provided during the period of availability of the funding sources listed in the contract.
- The administrative costs charged to the grant in the contract must comply with any limitations for administrative costs for funding sources (if applicable).
- The contract specifies that the invoice provided by the contractor will include the list of services provided, dates of services, and location(s) where services were provided during the billing period.

In addition, the contract provisions shall include:

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

### **Contractual Obligation**

The date the district executes (signs) a contract for professional services shall be defined as the "obligation date". The district cannot obligate federal grant funds, except during the grant period in compliance with **EDGAR 34 CFR 75.703**, the district shall not execute a contract prior to, or after, a grant period; otherwise, the costs of the professional services shall be unallowable under the federal cost principles.

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

## Selected Item of Cost – Travel Expenditures

The district shall use federal grant funds for travel costs. All travel-related expenditures from grant funds shall comply with the allowable federal cost principles [2 CFR 200.475], the State of Texas Travel Guidelines, School Board Policy (DEE Legal and Local) and the district's [Travel Guidelines and Procedures](#). **The Travel Guidelines and Procedures are included in the Exhibit Section.**

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

The allowable rates of reimbursement shall be the lesser of the federal rates or local rates. For example, if the federal rate of reimbursement for mileage is 58 cents but the local rate established in Board Policy DEE Local is 45 cents, the maximum rate of reimbursement for mileage with federal funds shall be the local rate of 45 cents. The district has elected to use a set mileage rate as established in the district's travel procedures.

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

NOTE. No travel expenditures shall be recorded on the general ledger for a federal grant fund until AFTER the travel event has occurred and the actual travel expenditures are known and supported by documentation. Travel pre-paid or advanced expenditures shall be recorded in a pre-paid account (object code 1410) in the federal grant fund. Pre-paid or advanced travel expenditures, if any, shall not be drawn-down for reimbursement until **AFTER** the travel event.

### Travel Expenditures with Grant Funds (Staff)

The district shall reimburse federal grant-related travel expenses that are reasonable and necessary. Each official and employee of the district has a responsibility to limit travel to purposes that are clearly essential, directly related to federal grant activities, and to consider the most economical means of accomplishing travel. Travelers are encouraged to evaluate the options: driving versus flying, carpooling instead of flying, sharing of rooms when feasible.

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

- All travel expenditures shall be reasonable and necessary to carry out the federal grant activities
- A completed [Non-Overnight or Overnight Travel form](#) for all travel expenses
- Submission of a purchase requisition for all anticipated travel expenditures to encumber the anticipated expenditures
- Submission of documentation and receipts to support *actual* travel expenditures within 10 days of the travel event, as required by the travel procedures

- Travel expenses shall not be recorded as travel expenses in a federal grant fund until “after the travel event” in compliance with the Obligation Rules.
  - The district has chosen to record travel expenses as “pre-paid expenses (1410)” until after the travel event in the respective federal grant.
  - After the travel event, the prepaid expenses shall be posted as expenses to a 64XX account via general journal.

### Travel Expenditures with Grant Funds (Students)

Educational field trip expenditures require pre-approval from the federal granting agency or pass-through entity. Requests for educational field trip travel shall be submitted on [TEA Division of Grants Administration Request for Specific Expenditure Approval: Educational Field Trips](#) for TEA-administered federal grants or the federal granting agency, as appropriate. The Grant Manager shall prepare and submit the pre-approval forms in accordance with local travel procedures.

### Allowable Travel Expenditures

- Registration fees – registration fees shall be allowable if the event is directly related to grant activities. Registration fees may be expensed only during the grant period as travel expenditures (641X). In accordance with TEA guidance, the district may pay for registration fees as miscellaneous expenditures (6499). The district has not elected to expense registration fees using a contracted services account. Recreational or social events subject to an additional fee, above and beyond the registration fee, shall not be allowed with local, state, or federal grant funds.
- Meals – meal expenses for overnight travel (in accordance with local travel guidelines) shall be allowed for district employees and students. **Non-overnight travel meals expenses shall not be allowed except when it involves student trips.** The district shall advance or reimburse meal expenses, subject to the GSA limits or local limits, on an *accountable* per diem basis. The traveler shall submit a written certification with signatures from students for advances received or detailed receipts if the entire meal is paid by or charged to the District for work-related meals and shall return the unused meal funds [if any] to the district. The meal per diems shall be paid in accordance with IRS regulations regarding the day of departure/return and meals provided as part of the registration fee.
- Lodging – lodging expenses for overnight travel (in accordance with local travel guidelines) shall be allowed if reasonable, necessary and directly related to federal grant activities. The district shall pay for lodging expenses up to the GSA limits with federal grant funds. The district shall pay the actual cost of lodging in excess of GSA limits only with local funds, i.e. General Fund. Receipts shall be required for all lodging expenses. Recreational or personal services such as gyms, spas, etc. shall not be allowed with local, state or federal grant funds.
- Transportation – transportation expenses shall be allowed for *reasonable* expenses such as flights, rental car, taxi, shuttle, mileage reimbursement, etc. (in accordance with local travel guidelines) and federal grant regulations **[2 CFR 200.475(e)]**. Receipts shall be required for all transportation expenses to the extent that a receipt is available. Transportation expenses shall be reasonable, necessary and limited to the guidance in the cost principles.

### Unallowable Travel Expenditures

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

- Supplies and/or other conference resources. [This type of expense may be allowable as a supply expenditure if a purchase order is submitted and approved before the travel event, typically an Open PO not to exceed a specified amount.]

- Alcoholic drinks or beverages
- Entertainment expenses, such as in-room movies, fee-based hotel amenities such as gyms, spas, etc.
- Expenses for spouses or other non-district employees
- Expenses due to the traveler’s failure to cancel a registration or travel arrangements (except for extenuating circumstances – if allowed due to extenuating circumstance only local funds may be used for the expenses)
- Hotel Internet charges (unless expense is work-related and pre-approved on travel authorization – if allowed, the charges shall be expensed to local funds)
- Non-substantiated or fraudulent travel reimbursement requests shall be non-allowable travel expenses from federal, state or local funds. Travelers who submit fraudulent travel reimbursement requests shall be subject to disciplinary action, up to and including termination of employment.

In addition, in accordance with EDGAR, no federal, state or local funds shall be used for travel expenditures of non-district staff such as spouses. “Family-friendly” travel costs such as dependent care costs **[2 CFR 200.475(c)(1)]** may be allowable with federal grant funds under EDGAR, the district shall not allow any “family-friendly” travel expenditures with federal grant funds.

### Out-of-State Travel

Out-of-state staff travel expenditures require pre-approval from the federal granting agency or pass-through entity. Requests for out-of-state travel shall be submitted on [TEA Division of Grants Administration Request for Specific Expenditure Approval: Out-of-State Travel](#) or other federal granting agency prior to the travel event. The district shall not allow out-of-state travel with federal grant funds.

### Review and Approval of Travel Expenditures

The Grant Manager shall review and approve all travel-related expenditures paid with federal grant funds if the expenditure is referred by the Director of Business Operations for secondary approval.

The Grant Manager review shall consist of the following:

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

### Financial Monitoring and Reporting

The district shall ensure that all grant funds are consistently monitored throughout the grant period **[2 CFR 200.329]**. The monitoring shall include, but not be limited to:

- Compliance with federal requirements such as cost principles, audit, reporting requirements, etc.
- Compliance with account coding in accordance with the FASRG
- 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

### Monitoring of Grant Purchases and Expenditures

The Grant Manager and the Director of Business Operations shall monitor the expenditures during the grant period to ensure that the funds are spent in a systematic and timely manner to accomplish the grant purpose and activities. The Director of Business Operations and the applicable grant manager shall determine the appropriate method to monitor expenditures for a particular grant, either State or federal.

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

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

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

Auditing findings or deficiencies shall be addressed in a timely manner upon receipt of the notification. The Director of Business Operations and the Grant Manager shall work collaboratively to develop and implement a Corrective Action Plan to resolve the findings or deficiencies. The Superintendent shall approve the Corrective Action and monitor the timely implementation of corrective strategies.

The district shall disclose to the granting agency if any federal grant funds have been subject to fraud to district staff and/or contractors (vendors) [**2 CFR 200.113 Mandatory Disclosure**]. Corrective actions, as appropriate, shall be implemented to remedy the loss of grant funds due to fraud.

## Draw-down of Grant Funds

The district shall on at least a monthly basis, or as allowed or required by the grant guidelines, draw-down grant funds that have been spent in accordance with the grant guidelines. The draw-down shall be for all allowable and documented expenditures to date, less grant funds received to date, as verified by a financial general ledger.

**NOTE: The expenditures shall be net of all refunds, rebates, discounts, credits, and other adjustments, if any. Rebates from corporate card programs shall also be applied to federal grant awards based on an allocation method (percentage of expenditures by fund group).**

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

- The expenditure has been made as evidenced by distribution of a paycheck to a grant funded staff member or mailing, e-paying, or delivering a payment to a vendor.
- Monthly payroll liability payments such as federal taxes, Social Security/Medicare taxes, Teacher Retirement System, wage garnishments, and insurance/elective deductions have been distributed, as appropriate.
- Accrued wages (2161) and accrued liabilities (2211) shall be deducted from the expenditures reflected on the general ledger. [The accrued wages and liabilities represent future disbursements.]

**At no time shall the district draw-down any “advanced” cash payments.**

### *Initiation of Draw-Down Request for Reimbursement*

The draw-down of grant funds from the granting agency shall be initiated by the Director of Business Operations. A detailed summary general ledger of each grant fund should be analyzed to determine if the district is entitled to draw-down funds, i.e. if the granting agency owes the district any funds. If the district has funds available for draw-down, a detailed general ledger should be analyzed and the information input into the spreadsheets generated by the Director of Business Operations.

**If a grant has a matching requirement, the district shall draw-down only the allowable amount after verifying compliance with the level of matching expenditures.**

### *Review and Approval of Draw-Down Request for Reimbursement*

The Director of Business Operations review shall consist of the following:

- 1) A review of the detailed general ledger for any unusual charges or reclassification of expenditures
- 2) A test sampling of either unusual or large expenditures to ensure that the expenditures were reviewed and approved by all designated staff
- 3) Monitor the percentage of expenditures-to-date to ensure that the grant funds are expended on a timely basis throughout the grant period. [NOTE: The federal granting or oversight agency may disallow grant fund expenditures that appear to be made outside of the grant period or so late in the grant period that the district and its student did not benefit from the delayed expenditure.]



Upon review, the Director of Business Operations shall prepare the paper and/or electronic draw-down request. The amount of the receivable shall be recorded on the general ledger (214X) only at the end of the fiscal year.

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

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

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

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

The final draw-down of grant funds from the granting agency shall be made within the allowable timeframe. Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award [2 CFR 200.343(b)]. The grant liquidation guidelines shall be adhered to in making final payment for all goods and services received and *placed into service* before the end of the grant period.

The final draw down process shall be the same as a monthly or periodic draw down, except that all refunds, rebates, credits, discounts, or other adjustments to the general ledger must be recorded in the general ledger prior to submitting the final draw down request. The final draw-down shall be reviewed and approved in the same manner as a periodic draw-down.

**NOTE: There shall be no outstanding purchase orders or pending liquidations at the time of the final draw down of grant funds.]**

The district shall promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that are not authorized to be retained by the district for use in other projects [2 CFR 200.343(d)].

#### *Certification of Draw-Down Requests for Reimbursement*

Federal regulations (CFR 200.415) require that the district certify the accuracy of the annual and fiscal reports or vouchers requesting payments be signed by the authorized individual(s). The Director of Business Operations shall certify every draw-down of funds, including the final expenditure report (draw-down of funds) as noted below:

*By signing this report, I certify to the best of our knowledge and belief that the reports is true, complete, and accurate, and the expenditures, disbursements and cash receipts are the*

*purposes and objectives set forth in the terms and conditions of the federal award. I am 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.*

#### *Missed Deadline for Draw-Down Requests for Reimbursement*

If a final draw-down deadline is missed, the Director of Business Operations shall contact the granting or pass through 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.**

#### *Recording Draw-Down Requests for Reimbursement Receivables*

The receivable from the granting agency shall be recorded in the general ledger only at the end of a fiscal year. State grant receivables shall be recorded to object code 1241 and federal grant receivables shall be recorded to object code 1242. The same process for preparation and posting of the general ledger entry as a periodic draw-down shall be adhered to.

**NOTE: The revenues realized and the expenditures should be equal at the time of the final draw down of grant funds.**

#### *Receipt of Grant Funds*

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

The district shall record all grant fund receivables upon receipt from the granting agency. The receipt of grant funds shall be posted to the general ledger to the appropriate receivable or revenue account code, as applicable. In the event that the grant funds received do not match the recorded receivable, the Director of Business Operations shall contact the granting agency to determine the discrepancy. If the granting agency has reduced and/or increased the grant funds paid to the district, a general ledger adjustment shall be posted to the appropriate revenue and receivable accounts. The Director of Business Operations shall prepare and post the adjusting journal ledger entry to the finance general ledger.

The district shall not maintain grant funds in a separate bank account. The district has not elected to draw down federal grant funds under the advanced cash reimbursement program guidelines, i.e. after the delivery of the payment to the payee.

#### *Tracking and Recording Receivables*

At the end of the fiscal year, all known and measurable receivables shall be recorded to the general ledger to the appropriate grant code. The Director of Business Operations shall prepare and post the entry to the finance general ledger.

## Grant Compliance Areas

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

### Supplement, Not Supplant

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

Although the definition may change from statute to statute, supplement not supplant provisions basically require that grantees use state or local funds for all services required by state law, State Board of Education (SBOE) rule, or local policy and prohibit those funds from being diverted for other purposes when federal funds are available. Federal funds must supplement—add to, enhance, expand, increase, extend—the programs and services offered with state and local funds. Federal funds are not permitted to be used to supplant—take the place of, replace—the state and local funds used to offer those programs and services. [TEA Supplement, Not Supplant Handbook, 2019]

***The Penalties for supplanting are often severe. All federal funds involved in a supplant situation normally must be returned to the federal government. Since audits are usually conducted after the grant period has ended, there is often no other alternative correction action available other than returning the funds. [Excerpt: TEA Supplant, Not Supplant Handbook, 2019]***

The district process to ensure that all grant funded activities are supplemental shall be a collaborative effort between the Grants Manager and Director of Business Operations. All applicable individuals shall receive training and be aware of the supplement not supplant provisions.

TEA has established “presumptions of supplanting”. In other words, there are three (3) scenarios in which the US Department of Education will presume that a supplant situation has occurred, unless the grantee can rebut the presumption with documentation. The burden of proof is on the district.

1. Providing Services Required Under State or Local Law
2. Providing Same Services as Those Provided in Prior School Year with State or Local Funds
3. Providing the Same Services in Federal and Non-Federal Programs

The Grants Manager or campus principal, as applicable, shall review and approve all purchase orders (and non-purchase order payments) as noted in the district’s Purchase Order Approval Path. The review by the Grants Manager or campus principal, as applicable, shall include a determination if the planned purchase and/or expenditure meet one of the following guidelines:

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

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

## Comparability

Comparability of services is a fiscal accountability requirement that applies to local educational agencies (LEAs) that receive funds under Title I, Part A of the Every Student Succeeds Act (ESSA). The intent of the comparability of services requirement is to ensure that an LEA does not discriminate (either intentionally or unintentionally) against its Title I schools when distributing resources funded from state and local sources simply because these schools receive federal funds.

[TEA Title I, Part Comparability of Services Guidance Handbook, 2017](#)

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

In completing the CAD and CCF, the Director of Business Operations shall follow the process outlined below:

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

If TEA determines that the district is non-compliant, the Grant Manager and the Director of Business Operations shall work collaboratively to address the non-compliance. In addition, the district shall adjust the budgets as appropriate, until the district is in compliance with the comparability requirement.

## Indirect Cost

Grantees must have a current, approved federal indirect cost rate to charge indirect costs to the grant. The indirect cost rate is calculated using costs specified in the grantee's indirect cost plan. Those specified costs may not be charged as direct costs to the grant under any circumstances.

[TEA Indirect Cost Guidance](#)

The district has applied for an Indirect Cost Rate through the pass-through entity (TEA) for the fiscal year period(s), from FY 2021 to FY 2022. The Director of Business Operations shall complete and submit an Indirect Cost Rate Proposal by the established deadline as specified by the pass-through entity (TEA) on the Indirect Cost webpage at: [Indirect Cost Rates | Texas Education Agency](#).

The district's Indirect Cost Rate, or the maximum allowable rate, whichever is less shall be used to post Indirect Costs for federal funds to the General Fund for any grants upon which indirect costs are claimed.

### Maintenance of Effort

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

#### *ESSA MOE*

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

The Director of Business Operations shall compute the MOE using the [TEA ESSA LEA MOE Determination Calculation Tool](#) during the budget adopted process and at the end of the fiscal year. Non-compliance with ESSA MOE will result in a reduction of ESSA funds in the exact proportion by which the district fails to meet the MOE requirement; therefore, the finance department shall plan for the reduction of grant funds at the local level. If the ESSA MOE falls below the required level, the finance and grant management departments shall collaborate to develop a plan to bring the district into compliance with the MOE requirements.

#### *IDEA-B MOE*

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

The Director of Business Operations shall compute the MOE using the [TEA IDEA-B LEA MOE Calculation Tool](#) during the budget adopted process and at the end of the fiscal year. Non-compliance with IDEA-B MOE will result in a reduction of IDEA-B funds in the exact proportion by which the district fails to meet the MOE requirement; therefore, the finance department shall plan for the reduction of grant funds at the local level. If the IDEA-B MOE falls below the required level, the Director of Business Operations and the Director of the Special Education SSA shall collaborate to develop a plan to bring the district into compliance with the MOE requirements.

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

As part of the IDEA-B grant application process, the Director of the Special Education SSA will need to know the prior year Special Education expenditures and the next fiscal year budgeted Special Education Expenditures. The Director of Business Operations shall provide these amounts to the Director of the Special Education SSA not later than June 15th to ensure that the most accurate amounts are reflected in the grant application. Changes to these amounts, as they are known, by the Director of Business Operations shall be submitted to the Director of the Special Education SSA, as appropriate.

## Single Audit

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

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

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

- If there are any Corrective Actions, an Action Plan to remedy the deficiencies shall be developed and implemented by the Director of Business Operations.
- If there are any Questioned Costs, an Action Plan to reclassify the un-allowed expenses shall be developed and implemented by the Director of Business Operations.

The Director of Business Operations shall electronically submit the Single Audit to the Federal Audit Clearinghouse at the end of the fiscal year. Verification of the submission shall be maintained for audit purposes.

## Reporting Requirements

The district shall ensure that all reporting requirements for grant programs are met within the established timelines. A master list of all activity, progress, evaluation, and expenditure reports shall be created to include the grant program, report type, responsible person(s), and due date. Completion of the reports may require the collaboration of several administrators; however, the ultimate responsibility for the reporting requirement shall be as noted below:

- 1) Programmatic reports such as activity, progress and evaluations – Grants Manager
- 2) Expenditure reports such as interim, draw down, and final expenditure reports – Director of Business Operations
- 3) Compliance reports such as Comparability, Maintenance of Effort, Indirect Cost, etc. – Director of Business Operations

#### 4) Highly Effective Staff reports – Director of Curriculum and Instruction

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

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

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

#### Remedies for Non-Compliance

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

#### Grant Closeout Procedures

The district shall submit all grant closeout documents to the granting agency or pass-through agency, as appropriate [2 CFR 200.344]. Grant closeout procedures shall include, but not be limited to:

- Ensure that no obligations are made after the grant period end date
- Liquidate all obligations incurred during the grant period
- Submit the final grant program performance report, if any
- Submit the final grant expenditure report, if any
- Drawdown all the expended grant funds (reimbursement request) – Match the grant expenditure draw-downs with the finance general ledger
- Certify that the final drawdown of federal grant funds is 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

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

Under 2 CFR 200.344(h), if the non-Federal entity does not submit all reports in accordance with this section and the terms and conditions of the Federal Award, the Federal awarding agency must

proceed to close out with the information available within one year of the period of performance end date.

## Grant Awards

### List of Grant Awards (including grant funding source, grant period, and grant amount]

Active Federal Grants								
As of May 2021								
Grant Name	CFDA #	Federal	Pass-Through	Grant Period		Grant Award	Grant Manager	TEA Risk Level
		Agency	Agency	Start	End			
ESEA Title I, Part A - 2019-20	84.010	USDE	TEA	7/30/19	9/30/21	\$ 249,756	S Yates	Low
ESEA Title I, Part A - 2020-21	84.010	USDE	TEA	7/6/20	9/30/21	192,830	S Yates	Low
Title II, Part A - 2019-20	84.367	USDE	TEA	7/30/19	9/30/21	43,449	S Yates	Low
Title II, Part A - 2020-21	84.367	USDE	TEA	7/6/20	9/30/21	33,030	S Yates	Low
Title III, Part A - 2020-21	84.365	USDE	TEA	7/6/20	9/30/21	14,794	S Yates	Low
Title IV, Part A, Sbpt 1 - 2020-21	84.424	USDE	TEA	7/6/20	9/30/21	17,239	S Yates	Low
ESSER I	84.425D	USDE	TEA	6/23/20	9/30/22	187,405	K Yandell	Low
IDEA-B Formula - 2019-20 *	84.027	USDE	TEA	7/30/19	9/30/21	1,015,454	V Thornton	Low
IDEA-B Formula - 2020-21 *	84.027	USDE	TEA	7/20/20	9/30/21	931,671	V Thornton	Low
IDEA-B Prteschool - 2020-21 *	84.173	USDE	TEA	7/20/20	9/30/21	20,569	V Thornton	Low
CRF PPRP	84.425D	USDE	TEA	5/21/20	1/31/21	54,212	K Yandell	Low
CRF Operation Connectivity	84.425D	USDE	TEA				K Yandell	Low
Provider Relief Fund	93.498	USDHHS		N/A		5,056	K Yandell	Low

IDEA-B Formula and Pre-School federal funds are managed by the Gregg County Special Education Shared Services Arrangement, for which the District is currently the fiscal agent.



## Forms, Exhibits & Procedures

<b>Forms/Exhibits</b>	<b>Page #</b>	<b>Procedures</b>	<b>Page #</b>
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## **Sabine ISD**

### **Confidentiality and Use of Information Agreement**

The Business Office works with various employees, vendors, departments, and schools throughout the District. The work performed by this Division is very sensitive; therefore, a high level of trust must be maintained between the Division and the employees of the district. Employees should feel very comfortable in discussing issues with the Division and know that these issues would only be discussed with appropriate management, as appropriate.

Any and all information related to the work performed by the Business Office should be kept confidential. This information should only be discussed with the employee, vendor, administrative supervisor, or Superintendent, as appropriate.

Among the most critical information is documentation related to employee's Personally-Identifiable Information (PII) such as health, benefits, financial, family members, or other personal information. Violators will be subject to discipline, employment termination, and/or may be reported to the appropriate legal authorities. Violations of some protected information, such as health or medical information, is also protected by federal laws, such as HIPPA.

Each Business Office staff member is authorized to access specific district's financial and/or payroll system(s) for job-related purposes only. Use of the systems for personal reasons/benefit, or mere curiosity, is strictly prohibited. If a business office staff member is able to access information that he/she believes to be restricted from his/her access, he/she shall not gain access or view the information and shall immediately report the security breach to the Network System Analyst.

I have read the above statements and I agree to keep any and all information related to the work performed by me confidential. I will only discuss this information with the individuals mentioned above, as appropriate. I will not add, change or delete information without proper authorization nor will I view or use information that I can access for personal reasons or curiosity. I understand that violation of this agreement could result in disciplinary action, up to and including termination.

All Business Office staff shall sign a Confidentiality Agreement on an annual basis.

\_\_\_\_\_  
Business Office Employee (Signature)

\_\_\_\_\_  
Business Office Employee (Printed Name)

\_\_\_\_\_  
Date

# FINANCE END OF MONTH REPORTS CHECKLIST

MONTH \_\_\_\_\_ YEAR \_\_\_\_\_

**STEP 1: Change purchase order posting period (1<sup>st</sup> business day of next month)**

**STEP 2: Record interest income on bank accounts and investments**

**STEP 3: Balance Various Accounts**

\_\_\_\_\_ Due To's (217X) and Due From's (126X)

\_\_\_\_\_ Investments (Texas Class and LSIP) – agree G/L with the month-end statements

\_\_\_\_\_ Make sure SSA cash accounts equal zero. If not, make a transfer to/from Texas Class as needed

**STEP 4: Reconcile Bank Accounts (1<sup>st</sup> business day of next month)**

\_\_\_\_\_ General Fund

\_\_\_\_\_ Payroll Fund

\_\_\_\_\_ Debt Service Fund

**STEP 5: EOM Activities and Reports (After bank reconciliations)**

\_\_\_\_\_ Ensure all tax deposits have been recorded

\_\_\_\_\_ FIN1300 – Check Payment List (Only Funds 199,240,410,599 & 699)

\_\_\_\_\_ FIN1600 – Batch Process Balance Error Listing (Verify accounts are in balance)

\_\_\_\_\_ FIN3051 – Board Reports - Summary (Only Funds 199,240,410,599, & 699)

**STEP 6: Close EOM**

\_\_\_\_\_ BACKUP

\_\_\_\_\_ UTILITIES: EOM CLOSING

\_\_\_\_\_ FINANCE TABLE UPDATES: In Accounting Periods, increment Next Month

\_\_\_\_\_

EOM Processed by: \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature)

## **Sabine I S D**

### **Purchasing Affidavit**

As an employee of Sabine ISD, you may be involved in the purchasing of goods or services for your campus and/or department. As a purchaser of goods and/or services on behalf of the District, you should have a working knowledge of Federal regulations (EDGAR), State Law (TEC 44) and Local Board Policy (CH Local, CAA Local and DH Local among other policies). A copy of the District's State and Federal Grants Manual, Fiscal Manual and Purchasing Procedures can be located on the District's Business Webpage.

**Please review the Purchasing Guidelines listed below:**

- The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with the adopted budget, state law, Board policy, and the **District's purchasing procedures**.
- The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control. Persons making unauthorized purchases shall assume full responsibility for all such debts.
- All purchase commitments shall be made by the Superintendent or designee in accordance with administrative procedures, including the District's purchasing procedures.
- District employees shall not be permitted to make purchases for personal use through the District's business office.
- **Employees shall not accept or seek anything of material value from contractors, vendors, or other persons providing services or materials to the District, except as otherwise permitted by law or District policy. [Board Policy CAA Local – Financial Ethics]**

**I hereby acknowledge that I will review and comply with the federal, state and local regulations related to the purchasing of goods and/or services on behalf of Sabine ISD. Furthermore, I acknowledge that failure to comply with the purchasing regulations may result in personal responsibility to pay for any unauthorized, unapproved purchases of goods and/or services and may result in disciplinary action, up to and including termination of employment.**

**Employee Printed Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Employee Signature:** \_\_\_\_\_

**Campus/Dept:** \_\_\_\_\_

Date

### Self-Certification of Increased Micro-Purchas Threshold

WHEREAS, Pursuant to Board Policy CH (LOCAL), the Board has authorized the Superintendent to develop purchasing procedures to implement the requirements of State and federal law. Further, the District's Board of Trustees has delegated authority to the Superintendent to make budgeted purchases of goods and services costing less than \$50,000.

WHEREAS, Pursuant to 2 CFR §200.320(a)(1)(iv), an non-federal entity may self-certify a Micro Purchase 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 2 CFR §200.334.

Therefore, Sabine ISD self-certifies that effective July 1, 202X, and for the fiscal year 202X-2X, its Micro Purchase Threshold, as defined by 2 CFR §200.320(a)(1)(ii), is hereby increased to \$49,999.99. Unless otherwise required by the District's internal purchasing regulations or controls, purchases up to the Micro Purchase Threshold may be purchased without soliciting competitive price or rate quotations if the District considers the price to be reasonable based on research, experience, purchase history, or other information and documents its files accordingly.

This self-certification is based on the following justification, as recognized and authorized by 2 CFR §200.320(a)(1)(iv)(C): Texas law generally permits public school districts to make non-competitive purchases for goods and services valued at less than \$50,000 in the aggregate, as set forth in Texas Education Code §44.031(a).

In any instance where Texas or other federal law imposes a requirement to competitively procure any good or service costing less than \$50,000, or where Texas or other federal law imposes more stringent purchasing standards or procedures than set forth in 2 CFR Part 200, the District will continue to follow the more restrictive legal requirement.

APPROVED BY:

\_\_\_\_\_  
Stacey Bryce  
Superintendent of Schools, Sabine ISD

Date: \_\_\_\_\_

## Competitive Sealed Proposal Checklist

Completed (Check)	Date	Activity
		Obtain School Board approval of the competitive procurement method (for each construction project)
		Prepare the Request for Proposals (including the selection criteria and weights, as appropriate)
		Determine if electronic proposals will be accepted (If so, rules must exist to ensure the identification, security and confidentiality of the proposals)
		Publish the Notice Publication (Minimum of once a week for at least 2 weeks prior to the deadline for proposals)
		Open, record and read aloud all of the proposals
		Evaluate and select the proposal that offers the best value to the district (based on selection criteria)
		Initiate negotiation with the vendor that submitted the 1 <sup>st</sup> ranked proposal
		Accept the proposal 1 <sup>st</sup> ranked proposal, or reject the 1 <sup>st</sup> ranked proposal and notify the offeror in writing before commencing negotiation with the 2 <sup>nd</sup> ranked offeror
		If the 1 <sup>st</sup> ranked proposal is rejected, initiate negotiation with the vendor that submitted the 2 <sup>nd</sup> ranked proposal (this process shall continue until a proposal is selected or the proposals are reviewed and rejected)
		Obtain Administrative (Superintendent or Designee) and/or School Board approval of the selected proposal (School Board approval is required if the award amount exceeds \$50,000 (state law) or the local policy limit, whichever is lower.
		Issue an award letter to the successful vendor and a letter of non-acceptance to the other vendors
		Execute the contract and/or purchase order to commit to the purchase of goods or services
		Encumber the funds required for the purchase of goods or services

## Contract Review Checklist

Vendor: \_\_\_\_\_

Yes	No	N/A	Activity
			Contracting parties are correct?
			Term of contract is specified? [Start and end date]
			Maximum contract cost is stated in the contract?
			Scope of work is detailed in the contract and deliverables, if any?
			Multi-year contract has a funding out clause on a fiscal year basis?
			Contract has an "auto-renew" provision?
			Venue is listed as Bexar County, Texas?
			Governing Law is the State of Texas?
			Amendments, if any, must be in writing and agreed to by both parties?
			Dispute resolution is mediation?
			Dispute resolution is arbitration?
			Termination clause has a "with or without cause" provision?
			Indemnification clause is worded appropriately (In accordance with Texas law)
			Limitation of liability is stated? [Is the amount reasonable]
			Payment terms, in accordance with Texas Prompt Payment Act?
			Attorney Fees are specified?
			Severability Clause is present? [Events and timelines]
			Confidentiality Clause is appropriately worded? (Subject to Texas PIA)
			Ownership of intellectual property for items created?
			Person (vendor) is indebted to district (if restricted in CH Local)?
			Professional services contracts were obtained under Govt. Code 2254.003?
			Inter-local Agreements: Vendor has stipulated contract-related or management fees? [Must report these fees to Board in writing on an annual basis.]
			Certificates of Insurance are required?
			Payment and/or Performance Bonds are required?
			Criminal history: Felony Conviction Form has been submitted for contractor and subcontractor, if any
			Criminal history: Vendor has certified that all contractor and subcontractor employees have been subject to a national criminal history [applicable if the contract includes "continuing duties" or "direct (unsupervised) contact with a

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Contract Recommended: ( )Yes ( )No

**Sabine ISD**  
**Allowability/Allocability of Costs Worksheet**

**Reasonable**

- Is the cost a fair price for the goods and/or services in the general market?
- Is the quantity purchased based on the actual minimum need?
- Will the goods and/or services be consumed or received during the grant period for specific grant activities?
- Are there are other related costs of implementation that make this cost unreasonable?
- Are there substantial repair and maintenance costs (equipment)?

If the answer is “no” to any question.....STOP HERE....THE COST IS NOT ALLOWABLE

**Necessary**

- Is there an identified grant activity(ies) that the goods or services will support? [List the specific goal, strategy and/or activity]  
\_\_\_\_\_
- Are these goods and/or services necessary to carry out grant activities? [List the potential impact of not obtaining the goods and/or services.]  
\_\_\_\_\_

If the answer is “no” to any question.....STOP HERE....THE COST IS NOT ALLOWABLE

**Allocable**

- What is the percentage of time that the goods and/or services will be used for a grant activity?  
\_\_\_\_\_
- Will the goods and/or services benefit another federal, state or local program?
- Is the charge to the federal grant aligned with the percentage of use of the goods and/or services?

If the answer is “no” to question #3 .....STOP HERE....THE ENTIRE COST IS NOT ALLOCABLE

**Allowability**

- Are the costs of the goods and/or services reasonable and necessary?
- Are the costs of the goods and/or services allowable by the Federal Cost Principles or program-specific cost principles?
- Are the costs of the goods and/or services in alignment with the typical costs paid by the district with non-federal grant funds?
- Are the costs of the goods and/or services consistently treated as direct or indirect costs?
- Are the costs of the goods and/or services determined in accordance with GAAP?
- Are the costs of the goods and/or services excluded as a cost or used to meet cost sharing or matching requirements of any other federal grant in either the current or a prior period?
- Are the costs of the goods and/or services adequately documented with supporting cost proposals, quotations, competitive procurement, invoice, etc.?
- Are the costs of the goods and/or services not required by the state law or local policy/procedure?

If the answer is “no” to any question.....STOP HERE....THE COST IS NOT ALLOWABLE



# Allowable Cost Certification – Federally Funded Employees

July 1, 2020– December 31, 2020

ESSA Funds (Fund 211)

I certify that the following employee(s), in the positions listed, are and have been appropriately funded from federal ESSA funds because the duties of their positions are allowable costs under the grant guidelines.

<u>Employee Name</u>	<u>Grant</u>	<u>Position</u>
Daniel Rich	Title I, Part A	Instructional Technologist

\_\_\_\_\_

Date: \_\_\_\_\_

Kevin Yandell, Director of Business Operations

# PERSONNEL CHANGE NOTICE

*(Complete and Send to TRACY CALVIT, Central Office)*

Employee Name: \_\_\_\_\_ Employee # \_\_\_\_\_

SS# \_\_\_\_\_ Department/Campus: \_\_\_\_\_

TYPE OF CHANGE(S) – mark **ONLY** those that apply:

Name \_\_\_\_\_ Address \_\_\_\_\_ Telephone # \_\_\_\_\_ Terminated/Resigned \_\_\_\_\_ Campus \_\_\_\_\_

Transfer \_\_\_\_\_ Job Title \_\_\_\_\_ Salary/Wage \_\_\_\_\_ New Hire \_\_\_\_\_ Payroll Deduction \_\_\_\_\_

From: \_\_\_\_\_ To: \_\_\_\_\_

Phone # \_\_\_\_\_

IF ADDRESS/PHONE CHANGE: OK to publish in school directory? Yes or No  
OK for public access? Yes or No

Effective Date of Change: \_\_\_\_\_

COMMENTS: \_\_\_\_\_

SALARY (based on application info): \_\_\_\_\_

Changes after receiving Service Record?  yes  no \_\_\_\_\_

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
*(if necessary)*

Superintendent's Signature \_\_\_\_\_ Date: \_\_\_\_\_  
*(if necessary)*

.....

**FOR CENTRAL OFFICE USE ONLY:**

ROUTE TO: Tracy \_\_\_\_\_ Kevin \_\_\_\_\_ Kim \_\_\_\_\_

# SABINE INDEPENDENT SCHOOL DISTRICT

## CONSULTANT SERVICE CONTRACT

The Sabine Independent School District, hereinafter referred to as "District," and independent contractor, **Name of consultant**, hereinafter referred to as "Consultant," enter into a contract on this the \_\_\_ day of \_  
\_\_\_\_\_ for the provision of consultant services.

1. District agrees to engage Consultant, and Consultant agrees to perform personally, in a manner satisfactory to District, the following services:

*Describe the services to be performed in this space including the days/hours to be worked, the service to be performed and any other specific requirements of the engagement.*

2. Unless discontinued earlier by District, the services are to be performed at the following times and places:

*Describe the days/hours to be worked and the location where the work will take place.*

District agrees to pay Consultant a fee of \$ \_\_\_\_\_ per hour/flat fee [circle one] for a total fee not to exceed \$ \_\_\_\_, as compensation for services rendered, plus allowance expenses for transportation, lodging, meals, and materials, upon submission of appropriate receipts for such expenses. **All reimbursements for expenses associated with consultant services shall be made in accordance with the LISD TRAVEL EXPENSE GUIDELINES FOR CONSULTANT SERVICES. Consultant shall not be paid in advance.**

This agreement shall be in effect from \_\_\_\_\_ to \_\_\_\_\_, unless terminated by either party at any time, with or without cause. In the event of termination by District or Consultant prior to completion of the contract, compensation shall be prorated on the basis of hours actually worked, and Consultant shall only be entitled to receive just and equitable compensation for any satisfactory work completed and expenses incurred up to the date of termination.

Consultant may not assign this contract to a third party without the written consent of the District. Consultant must conduct a criminal background check, at the Consultant's expense, of all employees employed under this contract, except District employees.

Consultant is not an employee of District, and is not entitled to fringe benefits, pension, workers compensation, retirement, etc. District shall not deduct Federal income taxes, FICA (Social Security), or any other taxes required to be deducted by an employer, as this is the responsibility of Consultant.

Consultant agrees to hold District harmless from any and all liability incurred by District by reason of Consultant's negligence or breach of contract, including, without limitation, damages of every kind and nature, out-of-pocket costs, and legal expenses.

IN WITNESS WHEREOF, Sabine Independent School District and Consultant have executed this contract, effective the date first herein written.

SABINE INDEPENDENT SCHOOL DISTRICT

*Superintendent or designee*

By: \_\_\_\_\_

Date: \_\_\_\_\_

CONSULTANT --

By: \_\_\_\_\_

Date: \_\_\_\_\_

Social Security/Federal Tax ID Number: \_\_\_\_\_

Signature of SISD Staff Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Date of Board approval: \_\_\_\_\_  
*(for contracts of \$50,000 or more)*