

EXTERNAL FUNDING GUIDELINES

Special revenue funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. Costs that are not allowable charges to federal grants are recorded in the General Fund, in most instances.

Several state and regulatory requirements are applicable to all or most federal assistance programs. OMB Circular A-87, Allowable Cost Principles is one of the most significant in the context of appropriate use of the chart of accounts in the Financial Accounting and Reporting Module.

Office of Management and Budget (OMB) Circular A-87 establishes cost principles for school districts under grants and contracts resulting from federal legislation. They are designed to provide the basis for a program approach to the problem of determining costs and to promote efficiency and better relationships between grantees and the federal government. The principles are for determining costs only and are not intended to identify the circumstances or to dictate the extent of school district participation in the financing of a particular project. They are designed to provide federal-assisted programs operated in a school district to bear their fair share of costs recognized under these principles except where restricted or prohibited by law (TEA –Resource Guide).

Under federal funding there are three types of grants:

1. Formula (Entitlement) Grants
2. Competitive (Discretionary) Grants
3. Local Grants

Formula Grants (Entitlements)

An application for all formula entitlement programs is automatically mailed to each school district in preparation for the subsequent school year. School districts may choose not to accept the formula funds. Those school districts that choose to accept the funds are required to submit a Standard Application System (SAS) to TEA. These grants are driven by student attendance, at-risk, test scores, and other factors.

Examples of some of State and Federal Entitlement Grants are:

- Title I, Part A also known as Schoolwide Fund 211
- Title II, Teacher and Principal Training and Recruiting (TPTR) Fund 255
- IDEA – Part B Formula Fund 224
- IDEA – Part B Preschool Fund 225
- Perkins Fund 244

Competitive Grants (Discretionary)

In this type of grants an agency will announce funding opportunities for competitive discretionary funds through a written letter that briefly describes the program to be funded and procedures for obtaining a complete copy of the Request for Application (RFA).

The school district will then compete with other school districts throughout the state for the award. The External Funding Coordinator will usually receive this type of information from the agencies involved.

Local Grants

These types of grants are from the private sector, non-profit organizations, for-profit organizations and foundations. All grant application information must go through the External Funding Coordinator for review.

Pre-Award Process

- External Funding Coordinator prepares the application submission of the grant. This may require input from personnel involved with the grant.
- Develops the goals and objectives of the grant according to granting agency requirements.
- Creates a budget for the grant.
- Acquires signature requirements.

Post-Award Process

- Notice of Grant Award (NOGA) is received by Financial Services Division.
- Financial Services sets up the budget in the District's general ledger.
- All financial reporting to the funding agency is the responsibility of Financial Services.
- All financial information will be reviewed with the grant administrator (Principals) on a timely basis (monthly or quarterly).
- A copy of the budget for the grant will be provided to the Board of Trustees.

Grant Administrator Responsibilities

The grant administrator is responsible for:

- Ensuring the proper administration and accounting of the grant. The campus or department must review the program's monthly financial report. Any discrepancies must be brought to the attention of the Business Services Division as soon as possible.
- Responsible for submitting documentation indicating employees that will be paid extra-duty pay through grant funds to the Payroll Department prior to the employees working the extra-duty hours. Review payroll

- documents to ensure they are properly charged to the grant. All payroll time sheets must utilize the 61XX class object code.
- Review requisitions, purchase orders, and other requests for payment. These documents must use class objects 62XX through 66XX.
 - Review and approve purchase requisitions accordingly. Submit invoices and proper documentation to Accounts Payable for payment.
 - Ensure that all purchase orders are addressed to the appropriate vendor or other party.
 - Notify Accounts Payable of any outstanding purchase orders that need to be closed at the end of the grant period.
 - Maintain an inventory listing of equipment and other capital assets (if applicable) for your program.
 - Grants recorded in the District's general ledger must adhere to District policies and guidelines.

BUDGET CONSIDERATIONS

- Keep in mind that ALL Federal Funds have program deadlines
 - Most federal funds have a program year that runs from July thru June
 - The rest have a program year that runs from September thru August
- Due to their program deadlines, purchase orders will not be approved after a specific date (usually April 30th)
- Federal funds are subject to restrictions (i.e., travel and expenditures)

OTHER CONSIDERATIONS

- Refer to Regulation CDC related to applying for new discretionary grants.
- Refer to Regulation EHBD related to personnel funded with federal funds
 - A semi-annual certification is required for personnel funded 100% from a federal fund
 - A monthly time and effort log is required for personnel split-funded from federal funds
- Keep in mind that certain budget transfers and/or expenditures may require prior approval from TEA or other granting agency.
- Improvement plans should drive your programs and federal fund spending.
- Ensure that you are supplementing and not supplanting your educational programs.
- Ensure that proper documentation is maintained, to include references to your improvement plans on requisitions and budget transfers.