



Federal & State Grant Programs Administrative Procedures Manual

2023-2024

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

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District Officials

Henry Yzaguirre – Superintendent of Schools
Tony Kingman – Chief Financial Officer
Millicent Marcha – Chief Academic Officer

Preface

The South San Antonio Independent School District has created a State and Federal Grants Operating Procedures Manual through collaborative efforts of the Division of Business and Financial Services, Internal Legal Counsel, Division of Academics and the Financial Accountability System Resource Guide (FASRG) to outline District policies and procedures in the understanding of the complex financial requirements of the educational world environment.

The main focus of the dynamic and fluid manual is to facilitate the various levels of policies in accordance with state and federal law in order to meet the needs of schools and departments.

Our emphasis is on educating staff members through training to empower them in making sound business practice decisions.

Recommendations for improvement of procedures are always welcome.

**South San Antonio
Independent School District**

Department of Federal and State Programs

Contact Information

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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 grant compliance are included in this section.

Federal Grant Management

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

- Division of Grants Administration
- Division of Federal Program Compliance
- Division of Financial Compliance

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.

Federal Regulations for Federal Grant Awards

All federal grant funds are subject to the compliance with Administrative Education Department General Administrative Regulations (EDGAR) and Programmatic (NSLP, IDEA, etc.) regulations for each federal grant award. Title 34, Code of Federal Regulations (CFR), Parts 75-79, 81 to 86 and 97-99 EDGAR is currently in transition. For awards made prior to 12/26/2014, EDGAR Parts 74 and 80 still apply. For awards made on or after 12/26/2014, 2 CFR Part 200, which includes the substance formerly in parts 74 and 80, applies. For state-administered federal grants, TEA shall notify the District on the Notice of Grant Award (NOGA) of the applicable administrative regulations. The State and Federal Grants Addendum contains guidance for pre-December 26, 2014 federal grant awards. The date of the award to the District (or pass-through entity such as TEA) shall determine the appropriate regulations.

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

The EDGAR, as amended on December 26, 2014, includes five (5) subparts 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

The EDGAR in its entirety can be accessed at:

<https://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>

GRANT COORDINATION PROCESS

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

Finance Department Role

1. Assisting the Grant Manager with budgeting grants funds. Preparing and posting the initial budget and all amendments to the general ledger.
2. Assisting the Human Resources department with determining the payroll distribution code(s) for all grant-funded staff.
3. Preparing all grant-related financial reports (monthly, quarterly and/or annual).
4. Preparing all financial records for the annual financial audit and single audit, as appropriate.
5. Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
6. Adjusting the general ledger, as appropriate, after the Grant Manager's reconciliation of the time and effort reports, as appropriate if adjustments are necessary.
7. Managing the day-to-day cash needs for grant expenditures and drawing-down cash reimbursements, as appropriate.
8. Managing all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles.
9. Retaining all financial records for the required length of time (5 years) for audit purposes.
10. Managing all fixed assets and ensuring compliance with the inventory and disposition federal guidelines.

Human Resources Department Role

1. Assisting the Grant Manager with the recruitment and hiring of all grant funded staff.
2. Ensuring that all grant funded staff meet the Highly Qualified staff federal guidelines, as appropriate (And, all state certification requirements).
3. 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).
4. Preparing the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate.
5. Maintaining audit ready Human Resource employee files for financial audit or single audit purposes, as appropriate.
6. 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).
7. Assisting the Grant Manager with determining the position title, role ID and other salary information for use in completing the grant application.
8. Retaining all personnel records for the required length of time (5 years) for audit purposes.

Federal Programs Department Role

1. Working cooperatively with the campus administrative staff to ensure that all grant activities are collaboratively planned and appropriate to each campus.
2. Providing supporting documentation for budgeted grants funds and submitting all grant amendments to the finance department to facilitate budget amendments.
3. Assisting the Human Resources department with determining the payroll distribution code(s) for all grant-funded staff.
4. Preparing all grant-related programmatic (evaluation) reports (monthly, quarterly and/or annual).
5. Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
6. Receiving and monitoring the time and effort reports, as appropriate, and submitting adjustments, if any, to the finance department.
7. Monitoring the spending thresholds throughout the grant period to ensure that the grant activities are being conducted systematically throughout the grant period.
8. Reviewing and approving all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles.
9. Retaining all grant records for the required length of time (5 years) for audit purposes.
10. Providing information to the Human Resources department regarding the number and type of grant-funded positions approved in the grant application by the granting authority.
11. Verifying with the Human Resources department that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate (and, all state certification requirements).

12. Verifying with the Human Resources department 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 verification on an annual basis.
13. Verifying with the Human Resources department that the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate.
14. Assisting the Human Resources department with determining the position title, role ID and other salary information for use in completing the grant application.

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.

GENERAL PROVISIONS

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

1. The District has established a conflict of interest policy for all federal grant awards and shall disclose in writing any potential conflict of interest to the granting agency. The same conflict of interest questionnaire that is used for other District functions shall be utilized for compliance with this provision. The Local Government Officer Conflicts Disclosure Statement shall be completed by all District staff involved in federal grant awards: Superintendent, Finance Department, Human Resources, Grant Manager, and Director of Purchasing. Conflicts of interest, if any, are reported and shall be posted on the district's website and reported to the granting agency. The Chief of Staff shall be responsible for overseeing and collecting the conflict of interest questionnaires.
2. The District shall comply with all additional conflict of interest requirements required by the federal granting agency and/or the pass-through entity TEA.

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. In addition, the District shall report to the granting agency and passthrough entity, the extent of the fraud or violations. In addition, the District shall reclassify fraudulent expenditures made with federal grant awards to local District funds, i.e. the General

Fund. The Federal Programs Director shall be responsible for overseeing, reporting and documenting any fraud, abuse or waste of federal grant funds.

All District employees are prohibited from soliciting gifts or tokens from vendors or other parties who are affected by (or have an interest in) a federal grant award.

In addition, all District employees are prohibited from accepting unsolicited gifts or tokens from vendors or other parties who are affected by (or have an interest in) a federal grant award that exceed a nominal (individual) value of \$50 and an aggregate value of \$50 in a fiscal year. The unsolicited gifts or tokens may not include the following:

- Items prohibited at 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. The Chief Academic Officer shall report violations that exceed the federal Conflict of Interest thresholds to the federal granting agency and/or pass-through entity.

Pre-Federal Award Requirements

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

The District 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. Complying with the federal grant award fiscal guidelines and allowable cost principles.
3. Ensuring that all grant-related staff are properly trained in their respective grant(s) management role on at least an annual basis.
4. Implementing grant management procedures and internal controls.

If the District is determined to be a high-risk district, it 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 shall be made by the District prior to the approval of the federal granting agency or pass-through entity. Non-authorized pre award expenses, if any, shall be paid from local District funds, i.e. the general fund.

Grant Application Process

The District may be eligible to apply for entitlement or competitive federal grant funds.

Federal entitlement grant funds include, but are not limited to, Every Student Succeeds Act (ESSA), Individuals with Disabilities Education Act (IDEA), and Carl D. Perkins. The maximum and/or final entitlement awards for the District are posted on the TEA Grants Management webpage at: [TEA Compliance Reporting](#)

The appropriate Grant Manager shall obtain the annual entitlement amounts and begin the grant development process with the appropriate stakeholders.

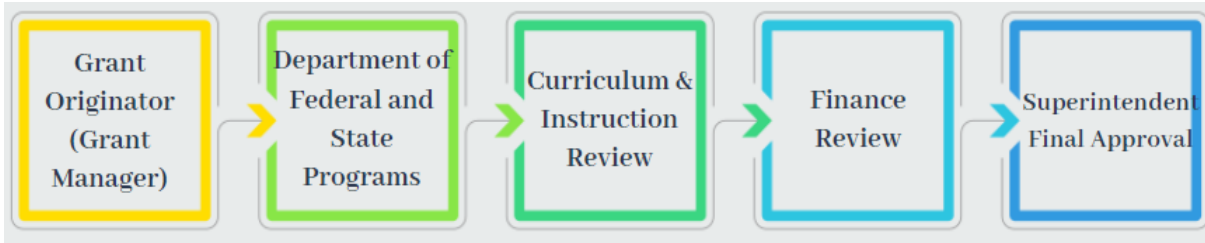
A list of competitive grants administered by the TEA are also posted on the TEA Grants Management webpage at: [TEA Grant Opportunities](#)

The appropriate Grant Manager shall obtain the competitive grant information to determine whether the grant(s) is appropriate for the district. Some competitive grants may have matching funds and/or in-kind payment requirements which may place a burden on the district's available financial resources.

TEA's Grant Opportunities [website](#) provides a wealth of information related to available grants such as:

- 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. As noted on the flowchart, all grant applications must be reviewed by the finance department, curriculum department and the federal programs department. 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.



The final approval of a grant application shall be the Superintendent.

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

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

1. Student field trips
2. Hosting conferences
3. Out-of-state travel

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

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

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

The business office shall notify the Grant Manager when the funds have been budgeted and are ready for expenditure by the appropriate campus or department.

General Provisions and Assurances

General Provisions and Assurances apply to all grants administered by TEA. Additional provisions and assurances may apply to specific grants. The federal programs department shall inform all staff involved in the expenditure of grant funds of the provisions and assurances for each grant program, as appropriate.

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. The finance department shall 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 purchasing department shall ensure that all contract award documents with federal grant funds contain the appropriate lobbying certification language.

PROCUREMENT

Complete purchasing policy and procedures followed by the District may be found in the Texas Education Agency Financial Accountability System Resource Guide (FASRG) in the Purchasing Module. FASRG can be accessed through the TEA website at: [TEA Website](#)

Board Policies pertaining to purchasing can be accessed through the South San Antonio ISD website at: [SSAISD Board Policies](#)

Purchasing Authority

The following persons are delegated the authority to act as agents for South San Antonio ISD in carrying out the purchasing activities of the district:

- Superintendent of Schools
- Chief Financial Officer
- Director of Purchasing
- Superintendent Designee

All expenditures require an approved requisition and Purchase Order to ensure prompt payment.

The Purchasing Department recommends utilizing current vendors before reaching out to new vendors.

Legal Basis for Competitive Bids, Proposals & Quotations

Purchases less than \$50,000. Requisitions cannot be split to avoid obtaining quotes. The following limits apply to the TOTAL requisition amount, not the cost of a particular item:

- Requisitions totaling less than \$10,000 (local funds), 1 quote.
- Requisitions totaling less than \$1999.99 (federal funds), 1 quote
- Requisitions between \$10,000 to \$49,999 (local funds), 3 quotes or 1 quote if using a cooperative interlocal contract or district bid.
- Requisitions between \$2,000 and \$49,999 (federal funds) 3 quotes or 1 quote if using a cooperative interlocal contract or district bid.
- Purchases over \$50,000 will require Board of Trustee approval
- Requisitions above \$50,000 (local and federal funds) require a formal procurement method or an approved cooperative contract.
- Purchases over \$250,000 will require a formal procurement method and include a cost or price analysis.

The requesting Department may request 3 quotes in lieu of contacting the Purchasing Department. The 3 quotes must be submitted to the Purchasing Department with your Purchase Order Request (POR).

Exceptions:

- Textbooks
- Books and encyclopedias purchased directly from the publisher
- Component repair parts (parts made by the same manufacturer as the item being repaired and no comparable parts available)
- Sole Source items with letter on file in the Purchasing Department

Purchases greater than \$50,000 (Requires Board Approval):

All school district contracts for the purchase of goods and services valued at \$50,000 or more in the aggregate during a 12-month period must be competitively bid. EC 44.031

Exceptions include:

- Professional Services - architect, physician, certified public accountant, attorney, surveyor, engineer, or state certified real estate appraiser EC 44.031 F
- Sole Source Goods - items only available from one source covered by a patent, copyright, or monopoly; films, books, manuscripts; utility services; and captive replacement or component parts for equipment repair. EC 44.031 J
- Emergency repair or replacement of school equipment that has been damaged or destroyed with the approval of the Board of Trustees. EC44.031 H
- Computers with an annual aggregate value above \$25,000. EC 44.031k • School buses with an annual aggregate value greater than \$20,000 EC 44.031 L

Formal procurement methods

- Competitive bids
- Competitive sealed proposals
- Request for proposals for services other than construction services
- An interlocal contract
- The reverse auctions procedure as defined by Government Code 2155.062 • The formation of a political subdivision corporation under Local Government Code 304.001

Notice is required for bids and requests for proposal:

- To be published once a week for at least two weeks prior to the deadline for receiving responses.
- In a newspaper for the county in which the school district's central office is located. EC 44.031 g

Please see purchasing web page for the full 2023-24 purchase manual: [South San Antonio ISD Procurement Manual 23-24](#) In addition to the information in this manual, please see accounting web page for the full travel guidelines: [SSAISD Travel](#)

BUDGETING GRANT FUNDS

The finance department 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.

Federal grant funds shall be budgeted and available for use no later than 30 days after receipt of the NOGA or from the stamp-in date.

Budget amendments, if any, shall be approved by the Federal Programs Department, 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: [TEA Administering a Grant](#)

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 we 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 Grant Manager 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, if 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 finance department 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 finance department, Federal Programs Accountant shall be responsible for ensuring that the finance system budget corresponds to the most recent grant (NOGA).

Standards for 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).

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:

1. The CFDA title and number*,
2. Federal award identification number and year*,
3. Name of the Federal agency*, and
4. Name of the pass-through entity*, if any

On at least a monthly basis, the Chief Financial Officer shall review the status of each federal grant fund. The review shall include a comparison of budget to expenditures.

Internal Controls

A copy of the district's Internal Control Procedures is embedded with this manual and available from the business department. The Chief Financial Officer shall be responsible for the annual review and update of the Internal Control Procedures.

PAYMENT 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.

In the event that the District receives an advance payment from a federal granting agency, the District shall ensure that it expends the advanced funds in a timely manner. Excess funds may earn interest, which may require return to the federal granting agency if the interest meets the federal threshold.

- The District has determined that it will not accept advanced payments for federal grant funds. 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 drawdown of expended funds shall be net of all rebates, refunds, contract settlements, audit recoveries and interest earned, as appropriate. The Federal Programs Accountant shall be responsible for preparing the drawdown of federal grant funds. All drawdowns shall be recorded on the general ledger as a receivable when the drawdown process is complete and posted to the cash account upon receipt of the receivable.

COST SHARING OR MATCHING FUNDS

The Grant Manager over each federal grant award 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 Chief Academic Officer and the Chief Financial Officer 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 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 will not generate any program income as part of a federal grant award.

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.

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 Grant Manager shall notify the appropriate departments, such as Purchasing, Human Resources, Finance, Payroll, etc. of the grant periods for each federal grant award to ensure compliance as noted below:

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

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

The Grant Manager 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 following timeline shall be used as a general guide for spending thresholds for a grant period of 15 months. The optimal spending thresholds noted below may be adjusted based on programmatic needs. For example, if the federal grant will be used for summer activities such as summer school, a larger percentage of the grant may need to be withheld for those specific activities.

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

PROPERTY STANDARDS

The District shall safeguard all property (assets and inventory) purchased with federal grant funds under the same guidelines as property purchased with local funds. Additional insurance for property purchased with federal grant funds shall be acquired if specifically required by a federal grant award. The Executive Director of Business Operations shall oversee the acquisition of insurance for all federally funded property.

Real Property

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

Equipment and Supplies

The District shall use federal grant funds to purchase equipment and supplies. The District shall not use federal grant funds to purchase intangible property. The federally funded equipment 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. The District shall not use the federally funded equipment to generate program income. The federally funded supplies shall be used only for the authorized purposes. Any residual unused supplies, in excess of \$5,000 in total aggregate value, at the end of the grant program or project may be used for any other federal grant program. Otherwise, the supplies shall be retained by the District or sold, but must reimburse the granting agency for the District use or sell 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 purchasing deadlines are posted in the Purchasing Manual.

Capitalization Policy and Definitions

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 200.12) definitions of property as noted below:

- Capital assets means tangible or intangible assets used in operations having a useful life of more than one year, which are capitalized in accordance with Generally Accepted Accounting Principles (GAAP). (CFR 200.12)
- 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 200.33)

- 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 200.20)
- 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 200.58)
- 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 §200.33 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 200.94)

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 and 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 200.2)

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

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.

The District has also defined technology-related walkable or personal use items with a unit cost less than \$1,000 as the following (these items shall be tracked by the Technology Department):

- iPads
- chromebooks
- Computers, laptops, and such devices with a cost under \$1,000

Identifying and Tracking Federally Funded Assets

Title to federally funded equipment and supply purchases shall be retained by the district, unless otherwise notified by the granting agency. 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. 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. Life of asset
10. Location of asset (building and room number)
11. Depreciation of asset
12. Owner of asset title, typically the district

Maintaining Asset Inventory & Records

All federally funded 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.

The District fixed asset procedures shall include an annual inventory (or more frequently if

required by a granting agency) of all assets and reconciliation of the inventory reports. The Finance department shall conduct the district's annual inventory of assets each fiscal year. 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 asset records.

In addition, the District shall track all grant-funded 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.

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.

The General Compliance Accountant shall be responsible for maintaining the fixed asset database of all District assets, including all federally funded assets.

COST PRINCIPLES FOR FEDERAL GRANTS

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

The District shall adhere to the Cost Principles for federal grants [EDGAR Subpart E] and any additional grant-specific cost principles. The general principles of EDGAR state that:

1. Costs must be reasonable and necessary
 - a. 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.
 - b. Necessary is defined as costs needed to carry out the grant activities.
2. Be allocable to Federal awards.
3. Be authorized or not prohibited under State or local laws or regulations.
4. 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.
5. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

6. 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.
7. Except as otherwise provided for in EDGAR, be determined in accordance with generally accepted accounting principles.
8. 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.
9. Be the net of all applicable credits.
10. Be adequately documented.

The District shall 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.

The total cost of a federal award is the sum of allowable direct and allocable indirect costs less any applicable credits. All refunds, rebates, discounts or other credits to grant expenditures 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 Chief Financial Officer shall ensure that all applicable credits have been posted to the general ledger prior to preparing and submitting a federal grant drawdown request from the granting or pass-through entity.

A cost allocation plan or an indirect (F&A) cost rate, whether submitted to a Federal cognizant agency for indirect costs or maintained on file by the district, must be certified by the District using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs. The Superintendent must sign the certificate on behalf of the district.

All District costs with federal grant funds, whether direct or indirect, shall meet the minimum requirements of allowability as specified (2 CFR 200.403). In addition, the costs must meet the general provisions for selected items of cost (2 CFR 200.420). Specific items not listed within these procedures shall be evaluated by the Grant Manager and Finance Department on case-by

case basis for allowability. The general cost allowability rules for specific items of cost listed within these procedures shall apply to all federal grant funds, unless more restrictive allowability rules are required by a particular federal grant award. The District shall adhere to the more restrictive allow ability rules when a conflict arises between the general allow ability rules, the program-specific allow ability rules and the district's allow ability rules.

Categories of Cost for Federal Programs

District costs generally fall under two major categories:

1. Compensation/benefits; and
2. Non-compensation (supplies, services, travel or equipment). The District has elected to use federal grant funds for both compensation/benefits and non compensation expenditures.

Compensation & Benefits – Employee (Payroll Expenditures)

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

Compensation Costs

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. In addition, 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.
- The employees have been employed in accordance with the District's established hiring procedures.
- The costs are supported by the appropriate timekeeping, absence tracking, time & effort certifications or other documentation, as appropriate.
- 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.
- Incentive compensation, such as stipends, awards, early resignation incentive, attendance incentive, etc. in accordance with the district's written plans for each of these incentives.
- Stipend compensation for other non-federal grant award duties shall be supported by a Supplemental Duties Job Description/Pay Notice. The additional duties shall not conflict with the federally-funded activities with the District.

Benefit Costs

District costs for fringe benefits for federally funded staff shall be allowable as noted below:

1. All benefit costs shall be in accordance with the District's written Summary of Employee Benefits.
2. All leave benefits shall be in accordance with the District's written Leaves and Absences Policy (DEC Local).
3. The benefit costs shall be distributed equitably at the same allocation rate (percentage) as the base compensation.
4. The benefit costs were earned and paid during the grant period.
5. All benefit costs shall be allowable under the Internal Revenue Service, Fringe Benefits Guide (as subjected to taxes, as required by federal).

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

1. Severance or settlement agreement payouts to current and/or previous federally-funded grant staff.
2. Optional pension plans (other than the mandatory Teacher Retirement System of Texas contributions).
3. Automobile costs or allowance.

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:

1. Exempt staff
 - a. Employment agreement, contract, or reasonable assurance, as appropriate
 - b. 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.
 - c. Supplemental duties, if any, shall be supported by a Supplemental Duties Job Description/Pay Notice
 - d. Absence records, if any

- e. Time and Effort documentation, as appropriate (Semi-Annual Certification, Periodic Time and Effort)
2. Non-Exempt staff
- a. Employment agreement, contract, or reasonable assurance, as appropriate
 - b. 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.
 - c. Absence records, if any
 - d. Time and Effort documentation, as appropriate (Semi-Annual Certification, Periodic Time and Effort, or the Substitute System for Time and Effort
 - e. Timekeeping records (actual work hours per workweek) in accordance with the FLSA and the district's Timekeeping Procedures.

The Director of Human Resources shall ensure that the role ID and object codes reflected on the grant application (Payroll Summary) are consistent with the human resources, payroll, finance and PEIMS records.

Hiring Staff for Federal Programs

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

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

The Teacher Hiring and Midpoint Pay Scale approved by the School Board 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 workday, 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.

New Positions

New grant-funded positions shall be created only when a job description has been developed and approved by the Human Resources and the 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 finance and payroll departments shall be notified to ensure that the position is budgeted on the general ledger and the position is paid using the correct payroll account distribution codes.

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. A Personnel Requisition shall be used to start the process.

The Grant 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 Finance department shall review the request to ensure that adequate funds exist in the appropriate account code(s). If funds do not exist, the Finance Department 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 Finance department, the Human Resources department shall advertise the position.

The screening and selection process shall include a review of the recommended applicant to ensure that he/she meets the highly qualified requirements under the Every Student Succeeds Act (ESSA), as appropriate, or any other grant-specific credentials. A Personnel Recommendation shall be used to start the process.

Upon employment, the new hire shall receive and sign a copy of his/her respective job description to include the grant-funding source. 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.

Transfer of Personnel

When staff in a position funded with grant funds is recommended for transfer to another campus, department, or assignment, the grants management, human resources, and Finance

departments 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 at a campus. The grants management, Human Resources and Finance departments must evaluate the requested transfer to ensure that the staff allocations, highly qualified staff requirements, and funding source changes are in compliance with grant requirements.

For example, if an elementary principal requests to transfer a Title I Reading teacher to a Pre-Kindergarten regular classroom teacher, the following considerations should be evaluated by the respective departments:

1. HR department ensures that a vacancy exists in a Pre-K teacher position and that the teacher recommended for transfer is certified to teach Pre-K;
2. Grant management ensures 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. Finance department ensures that funds exist for the additional Pre-K teacher position and changes the payroll account distribution code(s) from Title I to Pre-K as of the effective date of the transfer.

Substitute Teachers

Salary expenditures for substitute teachers are allowable for approved teacher positions. The Finance and Payroll departments shall ensure that the expenditures for substitute teacher costs are budgeted and expensed from the appropriate account code(s).

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.

The Finance department 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.

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, human resources, and Finance departments shall be aware of the federal guidelines related to time and effort documentation. On at least an annual basis, all impacted staff shall be trained by the grants management department 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.

Job Description for All Grant Funded Staff

The District 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 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, Human Resources and Finance departments shall work collaboratively to ensure that the roster accurately reflects that data maintained in their respective area of responsibility. Discrepancies, if any, in the roster shall be brought to the attention of the Grants Management department.

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

1. Campus or department – ensure that the grant-funded staff are assigned in the position title as noted on the roster. The master schedule or assignment of instructional staff must support the position title and funding source.
2. Human Resources – ensure that the position title and salary are correct as noted on the roster. In addition, the HR department shall ensure that each grant funded staff member has a signed job description on file for the position title noted on the roster. And, the HR department shall ensure that all grant funded staff meet the state's Certification or are Highly Qualified, as appropriate.
3. Finance – ensure that the funding source(s) and salary are correct as noted on

the roster. In addition, the Finance department shall ensure that the payroll distribution account code(s) are in accordance with the FASRG.

4. Grant Manager – ensure that the positions are authorized on the grant application and that the PEIMS Staff Data submitted to TEA is consistent with the position title, role ID and object code.

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

Budgeting of Grant Funded Staff – Time & Effort

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 Finance department to create and enter the salary portion of the grant budget. The percentages shall also be utilized by the payroll department to enter the payroll distribution account code(s).

In addition, the Finance department shall ensure that the Grant Personnel Schedule of the grant application matches the budget and payroll account code(s).

The Grant Management, Human Resources and Finance departments 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 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.

The timeline for semi-annual certifications shall be once per academic semester to coincide with the teaching assignment each semester. The immediate supervisor shall submit all signed semi-annual certifications to the Grant Management department as noted below:

1. First Certification – due 1 week after the start of the 1st semester in August.
2. Second Certification – due 1 week after the start of the 2nd semester in January.

The Grant Manager review shall consist of the following:

1. A review of the certification forms to ensure that every staff member and supervisor has certified that their schedule is 100% grant related.
2. A test sampling of staff assignments, i.e. master schedule, duty schedule, etc. to verify the schedule is 100% grant related.

The Grant Manager shall collect and review all Semi-Annual Certification Forms. Any certifications that reflect a percentage other than 100% shall be forwarded to the Finance department for adjustment of the grant payroll expenditures for the certification period. The Grant Manager shall file the certifications for audit purposes.

The Finance Department shall prepare a journal ledger entry to correct the account distribution code(s) as appropriate. The Federal Programs Accountant 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 maintain a time and effort worksheet or to account for their time under a substitute system. Employees must prepare time and effort reports at least monthly to coincide with the District pay periods. Such reports must reflect an after the fact distribution of 100 percent of the actual time spent on each activity and must be signed by the employee and their immediate supervisor. Charges to payroll must be adjusted to coincide with preparation and submission of the interim expenditure report required for TEA discretionary grants.

Grant funded staff under this category shall complete a time and effort worksheet to include the date, grant source, percentage worked in the grant source per day and the summary for the month (or pay cycle). The staff member and his/her immediate supervisor shall sign the time and effort report.

The immediate supervisor shall submit all signed time and effort reports to the Grant Manager. The Grant Manager review shall consist of the following:

1. A review of the time and effort reports to compare the summary percentage of grant-related work per funding source to the budgeted percentage utilized to charge the monthly (or semi- monthly) payroll charges.
2. A test sampling of staff assignments, i.e. master schedule, duty schedule, etc. to verify the percentage of grant-related work per funding source.
3. If the time and effort report reflects the same percentage, the report may be filed for audit purposes.
4. If the time and effort report reflects a different percentage, the report shall be reconciled to reflect the correct payroll charges by grant funding source and forward the reconciliation to the Finance department for adjustment of the payroll charges on the general ledger.

The Finance department shall prepare a journal entry to reclassify the expenditures as noted on the reconciliation of the time and effort report(s). According to federal regulations, the final amount charged to each grant award must be accurate, allowable and properly allocated. The Finance department shall post all variances to the general ledger.

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 Expenditures (Including Travel)

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

Approval of Grant Purchases and Expenditures

The District shall adhere to the normal approval path for purchase orders with non-grant funds.

In addition, all purchase orders with grant funds shall be reviewed and approved by the appropriate Grant Manager.

The Grant Manager review 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).
7. The expenditure has been competitively procured as required by law, as appropriate.
8. The expenditure has been approved by the governing body, as appropriate. (School Board Policy CH Local has established the threshold of contract approval by the School Board at \$25,000).

In an effort to meet all obligation and liquidation requirements of grant funds, please refer to the purchase order deadlines provided by the purchasing manual and they shall be adhered to by all purchase order originators.

In addition to the normal approval path of district expenditures, all grant expenditures shall be approved by the Grant Manager under the following circumstances:

1. Travel expenditures, if not encumbered through the purchase order system.
2. Non-purchase order payment such as petty cash, credit card, direct invoice, reimbursement, etc.
3. Reclassification of a prior expenditure from one account code to another.

All Finance department staff (accounts payable staff) 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.

Credit Card Purchases with Grant Funds

The District shall 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. The Grant Manager administrative review 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 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.

Petty Cash Purchases with Grant Funds

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

PREPARING EXPENDITURE REPORTS AND DRAW DOWN OF FUNDS

Financial Reporting and Cash Management for Federal Grants

The District shall on at least a monthly basis, or as allowed or required by the grant guidelines, drawdown grant funds that have been spent in accordance with the grant guidelines. The drawdown shall be for all 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. In addition, the District may not draw down more cash than necessary.

At no time shall the District drawdown any advanced cash payments, unless specifically allowed by the granting agency.

The drawdown of grant funds from the granting agency shall be initiated by the Finance department. A detailed summary general ledger of each grant fund should be generated to

determine if the District is entitled to drawdown funds, i.e. if the granting agency owes the District any funds. If the District has funds available for drawdown, a detailed general ledger should be generated and forwarded to the Grant Manager for their review and approval.

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.

The Grant Manager 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.

Upon approval from the Grant Manager, the Federal Programs Accountant shall prepare the paper or electronic drawdown request. The amount of the receivable shall be recorded on the general ledger and a copy of all supporting documentation such as the detailed general ledger, approval from the Grant Management department, and other supporting documentation shall be filed for audit purposes. The Federal Programs Accountant shall prepare the journal ledger entry and the bookkeeper shall post the to the finance general ledger.

If manual approval of an electronic drawdown is required by the granting agency, the Finance department shall comply with the manual requirements. For example, TEA 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 Finance department in collaboration with the Grant Manager shall respond to the request within the allotted time to avoid designation as a high risk grantee.

The Finance department shall be responsible to ensure that the requested draw down amount does not exceed a grant-specific drawdown amount, or percentage

The final drawdown of grant funds from the granting agency shall be made within the allowable time frame. 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 drawdown 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 drawdown request. The final drawdown shall be reviewed and approved in the same manner as a periodic drawdown.

Federal regulations (CFR 200.415) requires that the District certify the accuracy of the annual

and fiscal reports or vouchers requesting payments be signed by the authorized individual(s). The Grant Manager and Finance Department shall jointly certify every drawdown of funds, including the final expenditure report (draw-down of funds) as noted below:

By signing this report, we certify to the best of our knowledge and belief that the report 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. We are aware that any false, fictitious, or fraudulent information or omission of any material fact, may subject us to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise.

If a final drawdown deadline is missed, the Chief Financial Officer shall contact the granting agency to determine if a process exists to request a filing deadline extension.

The receivable from the granting agency shall be recorded in the general ledger. The same process for preparation and posting of the general ledger entry as a periodic drawdown shall be adhered to.

GRANT COMPLIANCE AREAS

All District staff, especially those assigned with federal grant duties, shall adhere to the cash management procedures. Specifically, all cash received by the District shall be deposited, recorded and reconciled by multiple individuals to ensure segregation of duties.

The District shall record all grant fund receivables upon receipt from the granting agency. The receipt of grant funds shall be posted to the general ledger to the appropriate receivable account code. In the event that the grant funds received do not match the recorded receivable, the Chief Financial Officer, 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 Federal Programs Accountant shall prepare the adjusting journal ledger entry and the bookkeeper shall post the entry to the finance general ledger.

Tracking and Recording Receivables

On at least a monthly basis, the Federal Programs Accountant shall review all pending receivables. Aged receivables, defined as greater than 60 days from the date of recording, shall be investigated and resolved by contacting the granting agency.

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 Federal Programs Accountant shall prepare the journal ledger entry and the bookkeeper shall 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. The District process to ensure that all grant funded activities are supplemental shall be a collaborative effort between the Grant Management and Finance (Purchasing) departments. Both departments shall receive training and be aware of the supplement not supplant provisions.

The Grant Manager shall review and approve all purchase orders (and non-purchase order payments). The Grant Manager review 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.
2. The grant funds will be used for specific grant activities included in 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 funds 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 Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by 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.

The General Compliance Accountant shall conduct the comparability test on an annual basis and complete the Title I Part A Comparability Assurance Document (CAD).

NOTE: If the district determines that it is exempt from the comparability requirements, the Finance department shall note the exemption on the CAD and submit it to TEA. If the District is not exempt, the Finance department shall complete and submit the Comparability Computation Form (CCF) to TEA by the mid-November annual deadline.

In completing the CAD and CCF, the General Compliance Accountant, 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 Business Office and the Federal Programs department 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.

The District has applied for an Indirect Cost Rate extension through the pass-through entity (TEA) for a 2- year period, from 2016 to 2018. After the extension period, the District shall apply for an indirect cost rate through the federal granting agency or pass-through entity (TEA) in accordance with the current regulations. The Chief Financial Officer 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 Rates website at: [Indirect Cost Rates](#).

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. The Federal Programs Accountant shall prepare a general ledger entry for the indirect costs. The bookkeeper shall post the entry to the finance general ledger.

Maintenance of Effort

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

Every Student Succeeds Act (ESSA)

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.

The General Compliance Accountant 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.

Individuals with Disabilities Education Act, Part B (IDEA-B)

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.

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

As part of the IDEA-B grant application process, the Grant Manager will need to know the prior year Special Education expenditures and the next fiscal year budgeted Special Education Expenditures. The Finance department shall provide these amounts to the Grants Manager not later than May 31st to ensure that the most accurate amounts are reflected in the grant application.

REPORTING REQUIREMENTS (aligned with EDGAR)

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 due, responsible person(s), and due date. Completion of the reports may require the collaboration of several departments; however, the ultimate responsibility for the reporting requirement shall be as noted below:

1. Programmatic reports such as activity, progress and evaluations - Federal Programs Director.
2. Expenditure reports such as interim, draw down and final expenditure reports - Federal Programs Accountant.
3. Compliance reports such as Comparability, Maintenance of Effort, Indirect Cost, etc. - General Compliance Accountant and Chief Financial Officer.
4. Highly Qualified Staff reports - Director of Human Resources.

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.

Grant Monitoring and Accountability

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

1. Compliance with federal requirements such as cost principles, audit, reporting

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

The Grant Manager for each federal grant shall be responsible for the programmatic and evaluation compliance and the Director of Federal Programs in collaboration with the Federal Programs Accountant shall be responsible for the financial compliance.

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

1. Cost overruns or high unit costs.
2. Construction projects – certification of project completeness (as evidenced by the AIA).
3. Significant developments that may result in an inability to complete the grant activities.

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. Auditing findings or deficiencies shall be addressed in a timely manner upon receipt of the notification. The Finance, Human Resources and Grant Management staff shall work collaboratively to develop and implement a Corrective Action Plan to resolve the findings or deficiencies. The Superintendent, or designee, shall approve the Corrective Action Plan 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). Corrective actions, as appropriate, shall be implemented to remedy the loss of grant funds due to fraud.

GRANT CLOSEOUT PROCEDURES

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

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

GRANT AWARDS

List of Grant¹ Awards are listed on the South San Antonio ISD [Federal Programs website](#).

¹Revised on 6/27/24