Raymondville ISD

STATE AND FEDERAL GRANT MANAGEMENT GUIDELINES

RAYMONDVILLE INDEPENDENT SCHOOL DISTRICT

FINANCE MANUAL

SECTION VI

STATE AND FEDERAL GRANT MANAGEMENT GUIDELINES

IV. GRANT COMPLIANCE AREAS

I. State and Federal Grant Management

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

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

Compliance with all federal 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.

At the District level, managing State and Federal Grants shall be a collaborative process between the Finance Department (Accounting, Purchasing, Payroll, etc.), the Personnel Department and Program Directors in charge of specific grants. Each respective department and program director 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.

A. Finance Department

- Assisting the Program Directors with budgeting grant funds. Preparing and posting the initial budget and all amendments to the general ledger.
- Assisting the Personnel Department with determining the payroll distribution code(s) for all grant-funded staff.
- Preparing all grant-related financial reports (monthly, quarterly and/or annual).
- Preparing all financial records for the annual financial audit and single audit, as appropriate.
- Ensuring compliance with the Financial Accountability System Resource Guide (FASRG) in coding all payroll and non-payroll expenditures.
- Adjusting the general ledger, as appropriate, after the Program Director's reconciliation of the time and effort reports, as appropriate if adjustments are necessary.
- Managing the day-to-day cash needs for grant expenditures and drawing-down cash reimbursements, as appropriate.
- Managing all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles.
- Retaining all financial records for the required length of time (5 years) for audit purposes.
- Managing all fixed assets and ensuring compliance with the inventory and disposition federal guidelines.

B. Personnel Department

- Assisting the Program Directors with the recruitment and hiring of all grant-funded staff.

- Ensuring that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate. (And, all state certification requirements)
- 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)
- Preparing the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate.
- Maintaining audit-ready Personnel employee files for financial audit or single audit purposes, as appropriate.
- Developing and maintaining all salary schedules to ensure consistency between local and non-local pay rates. (Includes base salaries, stipends and extra-duty rates of pay)
- Assisting the Program Directors with determining the position title, role identification and other salary information for use in completing the grant application.
- Retaining all personnel records for the required length of time (5 years) for audit purposes.

C. Program Directors

- Working cooperatively with the campus administrative staff to ensure that all grant activities are collaboratively planned and appropriate to each campus.
- Providing supporting documentation for budgeted grants funds. And, submitting all grant amendments to the Finance Department to facilitate budget amendments.
- Assisting the Personnel Department with determining the payroll distribution code(s) for all grant-funded staff.
- Preparing all grant-related programmatic (evaluation) reports (monthly, quarterly and/or annual).
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
- Receiving and monitoring the time and effort reports, as appropriate, and submitting adjustments, if any, to the Finance Department.
- Monitoring the spending thresholds throughout the grant period to ensure that the grant activities are being conducted systematically throughout the grant period
- Reviewing and approving all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles
- Retaining all grant records for the required length of time (5 years) for audit purposes
- Providing information to the Personnel Department regarding the number and type of grant-funded positions approved in the grant application by the granting authority
- Verifying with the Personnel Department that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate (And, all state certification requirements)
- Verifying with the Personnel 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 description on an annual basis)
- Verifying with the Personnel Department that the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate
- Assisting the Personnel Department with determining the position title, role identification 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.

II. State Programs – Allotments

A. State Programs Overview

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

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

• Special Education	52%	PIC 23 & 33
• Career & Technical Education	58%	PIC 22
• Gifted & Talented Education	55%	PIC 21
• State Compensatory Education (SCE)	52%	PIC 24-30 (except 25& 27)
• Bilingual/ESL Education	52%	PIC 25

During the budget process, the estimated state allotment shall be calculated by the CFO based on prior year special program enrollment and average daily attendance (ADA). The estimated state allotment by special program shall be provided to the Program Directors or Coordinators as noted below. These Program Directors and Coordinators shall be responsible for the programmatic compliance in their respective program(s). Programmatic compliance shall include, but not limited to: program eligibility, program design, instructional delivery, entry/exit procedures, professional development, and certification.

- Career & Technical Education……………………………Benjamin Clinton
- Gifted & Talented Education……………………………...Andrea Mungia
- State Compensatory Education (SCE)…………………..Benjamin Clinton
- Bilingual/ESL Education…………………………………...Andrea Mungia

The Finance Department, specifically the, CFO shall be responsible for the financial compliance in each of these special programs. Financial compliance shall include, but not limited to: budgeting development & monitoring, approval of expenditures, financial reporting to TEA, and financial audit requirements.

As part of the budget adoption process, the CFO shall verify that the proposed budget includes appropriations in each of the special programs of no less than the percentages stated above as required direct expenditures for each special program.

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

The mandated program intent codes (as defined in the FASRG) are classified as basic or enhanced. The PICs in these classifications for regular and special program allotments are noted below:

Basic Services – PIC 1X

- PIC 11 Basic Educational Services

Enhanced Services – PIC 2X – 3X

- PIC 21 Gifted & Talented
- PIC 22 Career & Technical Education
- PIC 23 Special Education
- PIC 24 Accelerated Education (State Compensatory Education)
- PIC 25 Bilingual and ESL Education
- PIC 26 Non-Disciplinary Alternative Education Program
- PIC 28 Disciplinary Alternative Education Program – Basic
- PIC 29 Disciplinary Alternative Education Program – SCE Supplemental
- PIC 30 Title I, Part A School wide Activities related to SCE (Campuses with 40% or more educationally disadvantaged students)
- PIC 31 High School Allotment

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

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

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

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

Each school year, the corresponding Program Directors shall prepare a Staff Full-Time Equivalent (FTEs) report. The Staff FTE report shall reflect the names of all staff, the position, and the assignment(s) by fund and should indicate the corresponding PIC code. For example, a teacher with 4 special education classes and 4 career and technical education courses, should have .5 FTEs in PIC 23 and .5 FTEs in PIC 22. The population served codes and program intent codes are correlated below:

- Population Served Code 04 PIC 21 Gifted & Talented

- Population Served Code 05 PIC 22 Career & Technical Education
- Population Served Code 06 PIC 23 Special Education
- Population Served Code 03 PIC 24 Accelerated Education (State Compensatory Education)
- Population Served Code 02 PIC 25 Bilingual Education
- Population Served Code 07 PIC 25 ESL Education
- Population Served Code 03 PIC 26 Non-Disciplinary Alternative Education Program
- Population Served Code 03 PIC 28 Disciplinary Alternative Education Program – Basic
- Population Served Code 03 PIC 29 Disciplinary Alternative Education Program – SCE Supplemental
- Population Served Code 03 PIC 30 Title I, Part A Schoolwide Activities related to SCE (Campuses with 40% or more educationally disadvantaged students)

All staff assigned to support all students, not specifically served in a special program, shall be coded as basic population served (01) and the basic program intent code (11).

The Staff FTEs reports shall be submitted to the Personnel/Payroll Department at the beginning of each fiscal year. The Personnel/Payroll Department shall verify the Staff FTEs and ensure that funds are budgeted in the appropriate payroll account codes. Budget changes and/or amendments, if any, shall be prepared by the Finance Department.

Campus Principals and Special Program Administrators shall be responsible to ensure that any changes to staff assignments are submitted. The prior process of verifying the FTEs/account codes, approval of the FTE report, and submission of the reports to the payroll department shall occur upon the receipt of assignment changes.

B. Gifted and Talented

The Gifted and Talented program must adhere to state law, Texas Education Code (TEC) 29.121 and TEC 42.156. Chapter 29 addresses the programmatic guidelines related to eligibility, identification, and program services. Chapter 42 addresses the funding weight(s) and allowable costs.

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

The Program Director with oversight responsibility to certify the Gifted & Talented special program data prior to submission to TEA shall be the District Gifted and Talented Specialist.

C. Career and Technical Education (CATE)

The Career and Technical Education program must adhere to state law, Texas Education Code (TEC) 29.181 and TEC 42.154. Chapter 29 addresses the programmatic guidelines related to eligibility, identification, and program services. Chapter 42 addresses the funding weight(s) and allowable costs.

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

The Program Director with oversight responsibility to certify the CTE special program data prior to submission to TEA shall be the Coordinator of Career and Technology.

D. Special Education

The Special Education program must adhere to state law, Texas Education Code (TEC) 29.003 and TEC 42.151. Chapter 29 addresses the programmatic guidelines related to eligibility, identification, and program services. Chapter 42 addresses the funding weight(s) and allowable costs.

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

Program data submission to TEA shall be assisted by the Special Education Cooperative.

E. Compensatory Education (SCE)

The Compensatory Education program must adhere to state law, Texas Education Code (TEC) 29.081 and TEC 42152. Chapter 29 addresses the programmatic guidelines related to eligibility, "at risk" identification, and program services. Chapter 42 addresses the funding formula and allowable costs. The SCE program is funded based on the highest six (6) months of free and reduced lunch eligibility students in the prior school year. The Director for Child Nutrition Services shall provide the monthly counts of free and reduced lunch eligibility to the Finance Department, CFO, on a monthly basis for the purposes of estimating SCE funds in the next fiscal year.

Specifically, each school district shall identify students eligible for the Compensatory Education program and serve the students in an appropriate manner to obtain state funds. There are thirteen (13) at risk indicators in state law. The PEIMS Clerk at each campus shall be responsible for identification of all at risk students. The at-risk student enrollment shall be reported to TEA through the PEIMS Fall Submission.

The SCE program compliance is unlike the other special programs in that it requires specific documentation as outlined in the Financial Accounting System Resource Guide (FASRG) Module 9. The District Improvement Plan (DIP) and Campus Improvement Plans (CIP) are the primary source of documentation for the expenditure of SCE funds. According to TEA, annually within 150 days after the last day permissible to send data for the PEIMS data FINAL Mid-year re-submission 2 (typically late July), the District shall electronically submit a PDF version of the DIP and at least two (2) CIPs through the TEASE system. The determination regarding which CIPs to submit to TEA shall be based on the TEA guidelines in the FASRG, Module 9.1.2 Summary of Filing Requirements. The District's submission dates shall be as noted below to ensure compliance with this critical requirement.

- Campus Principals shall submit their CIPs to the Director for Curriculum and Instruction.
- The Director with assistance from the Technology Department shall submit the DIP and CIPs through TEASE at least by 150 days after the PEIMS Mid-year submission deadline.

Financial guidelines related to supplement not supplant, targeted-assistance versus school-wide campus expenditures, staffing formulas, job descriptions, time and effort, student case counts, local identification criteria and allowable costs are described in Module 9 State Compensatory Education.

F. Bilingual and ESL

The Bilingual and ESL program must adhere to state law, Texas Education Code (TEC) 29.053 and TEC 42.153. Chapter 29 addresses the programmatic guidelines related to eligibility, identification, and program services. Chapter 42 addresses the funding weight(s) and allowable costs.

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

The Program Director with oversight responsibility to certify the Bilingual and ESL special program data prior to submission to TEA shall be Director of Bilingual / ESL.

G. High School Allotment

The use of the High School Allotment must adhere to state law, Texas Education Code (TEC) 39.234 and TEC 42.160. Chapter 39 addresses the programmatic guidelines related to program services. Chapter 42 addresses the funding weight(s) and allowable costs. Funding amounts are based on $275 per student in average daily attendance in grades 9 through 12.

District may use funds for campus-level or district-wide initiatives for students in grades 6-12. Allowable uses include:

- Professional development for teachers providing instruction in advanced academic courses such as Advanced Placement (AP).
- Hiring of additional teachers to allow for smaller class sizes in critical content areas.

- Fees for students taking dual credit classes and ACT/SAT tests.
- Academic support, such as AVID and AP strategies, to support at-risk students in challenging courses.
- Credit recovery programs.
- Activities supporting college readiness and awareness, including transportation for college visits.

Please see Commissioner's Rules Concerning High School Allotment for detailed allowable uses of these funds. The High School Allotment Guide is also an excellent resource and shall be made available to all campus principals as a guide during the budget development process.

The Program Director with oversight responsibility of the High School Allotment program shall determine the allocation per campus and provide guidance to each secondary campus regarding the use of the HSA funds.

III. Federal Grants

A. Federal Regulations for Grant Awards

All federal grant funds are subject to the compliance with Administrative (EDGAR) and Programmatic (NSLP, IDEA, etc.) regulations for each federal grant award. 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 December 26, 2014, EDGAR Parts 74 and 80 still apply. For awards made on or after December 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 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 shall be adhered to in all aspects of federal and state grants management.

Overview of the Education Department General Administrative Regulations (EDGAR). The EDGAR, as amended on December 26, 2014, includes 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:

http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html.

To ensure consistency with the EDGAR, the district shall utilize the acronyms and definitions included in the EDGAR for general terms related to the management of federal grant funds. We have included the CFR Part 200 list of acronyms as an attachment to this manual.

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

B. 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":

- Timely submission of all required programmatic and financial reports.
- Complying with the federal grant award fiscal guidelines and allowable cost principles.
- Ensuring that all grant-related staff are properly trained in their respective grants management role on at least an annual basis.
- 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.

C. 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, No Child Left Behind (NCLB), 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. The corresponding Program Director 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. The corresponding Program Director shall obtain the competitive grant information to determine whether the grant(s) is appropriate for the district. Some competitive grants may have matching-funds and/or in-kind payment requirements which may place a burden on the district's available financial resources.

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

- 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.

TEA publishes a Request for Application (RFA) for each grant (formula and discretionary) and posts all grants on the TEA Grant Opportunities page. Some grants are available only in eGrants, while others are available only in paper. Applicants for eGrants must be approved for access to TEA Secure Applications (TEASE) before applying for an eGrant. Each District staff member who wishes to access the application must ensure they are approved for access to eGrants in sufficient time to allow timely access to the electronic application.

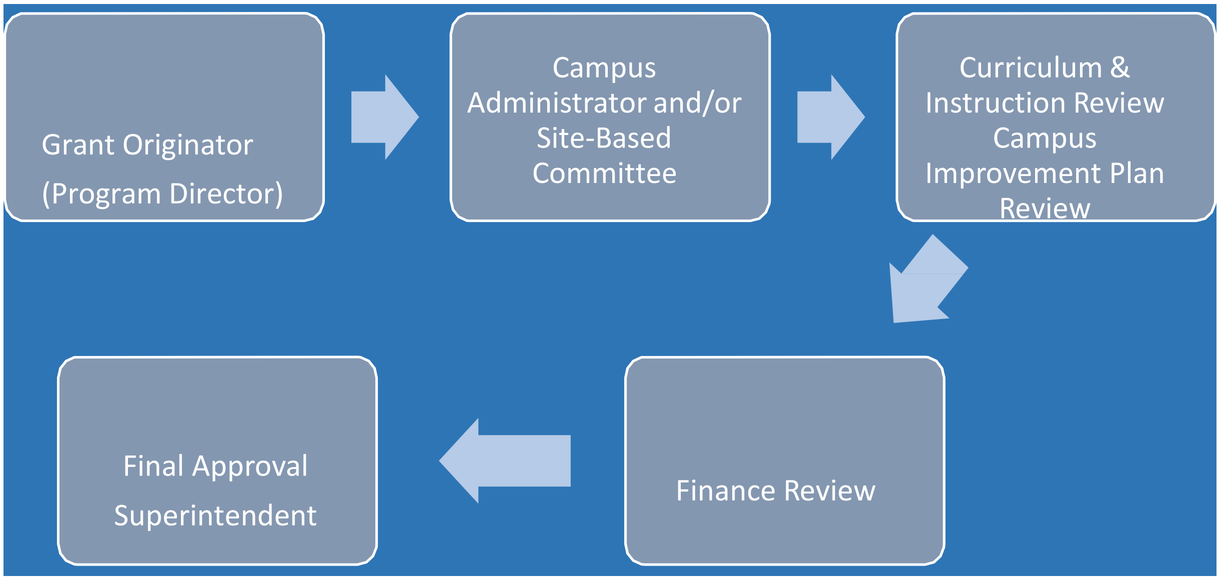
Each RFA published by TEA includes the General and Fiscal Guidelines that apply to all federal and state grants, the Program Guidelines (that apply to a specific grant program), and the General Provisions and Assurances that apply to all grants administered by TEA. District employees who manage the program or fiscal aspects of any TEA grant should consult the General and Fiscal Guidelines regularly and frequently, as they may change or be updated periodically.

All employees who deal with federal grants must also carefully review and be familiar with all Provisions and Assurances, as applicable:

- General Provisions and Assurances: Required for every TEA grant agreement,
- Debarment and Suspension: Required for all federal grants, regardless of dollar amount,
- Lobbying Certification: Required for all federal grants greater than $100,000,
- No Child Left Behind Act of 2001: Required for all programs funded under the Elementary and Secondary Education Act of 1965, as amended by Public Law 107-110, No Child Left Behind Act of 2001.

The RFA also includes the grant application (i.e., Standard Application System, or SAS) and the instructions for completing the SAS schedules (i.e., forms). Program Directors preparing grant applications should carefully review all contents of the RFA package prior to planning and developing a grant application to ensure all requirements are met and the application is completed correctly. Some applications require advance coordination among district staff and/or among other entities.

The 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 corresponding Program Directors and program staff. 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 person signing/certifying the application must be an authorized official of the District who will represent the District in the event of a legal dispute. The Superintendent or corresponding Director in his or her absence, is the authorized official for this District. By signing/certifying the application, the authorized official is certifying that he or she will comply with the terms and conditions of the grant, all applicable provisions and assurances, and the approved application. The signed/certified application submitted to TEA, and the NOGA issued by TEA, together constitute a legally binding contractual agreement between the District and TEA. Campus principals do not have the authority to submit a grant application.

District program staff, fiscal staff, and management are responsible for knowing all requirements and for complying with them. It is the policy of the District that the grant program described in the application is carried out in compliance with applicable statutes, regulations, rules, and guidelines, and in accordance with the approved application to achieve maximum efficiency and effectiveness with the goal of providing an integrated, coordinated delivery of services for students. Grant funds will be obligated, expended, and accounted for in an environment based on ethical principles and sound business practices.

The District program director assigned to the grant program is responsible and held accountable for knowing the program requirements, fiscal requirements, and reporting requirements. In addition to the policies and procedures outlined in this manual, the program director may be required to develop additional policies and procedures in order to comply with the specific requirements that may apply to a particular grant program. Any such additional policies and procedures must be used in conjunction with the policies and procedures outlined in this manual.

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

- Student field trips
- Hosting conferences

- Out-of-state travel

Grants that require matching or in-kind district contributions 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:

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

The Finance Department shall notify the corresponding Program Director when the funds have been budgeted and are ready for expenditure by the appropriate campus or department.

D. 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 grants management department shall inform all staff involved in the expenditure of grant funds of the provisions and assurances for each grant program, as appropriate.

E. 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).

FFATA Reporting

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

- The following data about sub-awards greater than $25,000:

  a) Name of entity receiving award
  b) Amount of award
  c) Funding agency
  d) NAICS code for contracts / CFDA program number for grants
  e) Program source
  f) Award title descriptive of the purpose of the funding action
  g) Location of the entity (including congressional district)
  h) Place of performance (including congressional district)
  i) Unique identifier of the entity and its parent; and
  j) Total compensation and names of top five executives (same thresholds as for primes)

- The Total Compensation and Names of the top five executives if:

a) More than 80% of annual gross revenues from the federal government, and those revenues are greater than $25M annually and,
b) Compensation information is not already available through reporting to the SEC.

F. 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:

- The CFDA title and number*,
- Federal award identification number and year*,
- Name of the Federal agency*, and
- Name of the pass-through entity*, if any.
- Grant manager for each grant
- Sub-grants, if any
- TEA-assigned risk level for each grant, as appropriate

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

G. Cash Management

The District cash management procedures comply with the cash management requirements found in 2 CFR § 200.305 and in EDGAR.

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

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 draw-down of expended funds shall be net of all rebates, refunds, contract settlements, audit recoveries and interest earned, as appropriate. The CFO shall be responsible for preparing the draw-down of federal grant funds. All draw-downs shall be recorded on the general ledger as a receivable when the draw-down process is complete and posted to the cash account upon receipt of the receivable.

H. Cost sharing or matching funds

The Program Director 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 Program Director and the CFO 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 as described in CFR Part 200.306.

I. Program Income

The district will not generate any program income as part of a federal grant award.

J. 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 corresponding Program Director shall notify the appropriate departments, such as Purchasing, Personnel, Finance, Payroll, etc. of the grant periods for each federal grant award to ensure compliance as noted below:

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

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

The corresponding Program Directors 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 4 months of the grant start date 33%
- Within 8 months of the grant start date 66%
- Within 12 months of the grant start date 100%

K. Cost Principles

In order to determine allowability of expenditures, 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 Subpart E, state that:

- Costs must be reasonable and necessary,
    1) 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.
    2) Necessary is defined as costs needed to carry out the grant activities.
- Be allocable to Federal awards. A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefits received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. 2 CFR § 200.405. For example, if 50% of a supplementary teacher's salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program. Additionally, if equipment or supplies purchased with grant funds benefits more than one grant program, the purchase must be "split-funded" among the grant programs receiving benefit. The District must be able to demonstrate how a particular cost benefits the specific population being served in the grant. This is an area of frequent audit exceptions.
- Be authorized or not prohibited under State or local laws or regulations.
- Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Conform to any limitations or exclusions set forth as cost principles in 2 CFR Part 200, Subpart E, or in the terms and conditions of the federal award.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Except as otherwise provided for in EDGAR Subpart E, be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- Be the net of all applicable credits. The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges, such as credits. To the extent that such credits accruing to or received by the District relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. 2 CFR § 200.406. Treatment of miles, points, or awards accrued for travel: Any miles, points, credits, or awards accrued or earned for employee travel using a district-issued credit card (where the credit card bill is paid directly by the District) are the property of the District and will be used for employees

traveling on behalf of the District to reduce the overall cost to the District. Any such miles, points, credits, or awards accrued will not be used for personal travel.

- Be adequately documented. All expenditures must be properly documented with original source documentation that is clearly written and maintained on file (either electronically or on paper) with accounting records. Documentation includes purchase orders/requisitions, invoices, receipts, verification of receipt of goods and services, travel authorizations and vouchers, contracts, time-and-effort records, copies of checks, bank statements, etc. Expenditures that are not supported by source documentation cannot be charged to the grant.

Reasonable Costs: 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 to incur the cost was made. ”Reasonable” means that sound business practices were followed, and purchases were comparable to current market prices.

A cost can be reasonable if it meets all of the following conditions:

- Prudence was used in making the decision to incur the cost, considering the person’s responsibilities to the District, its employees, the public, and the federal government.
- It is necessary to carry out the objectives of the grant program or is recognized as an ordinary cost to operate the organization.
- The District applied sound business practices; arm’s-length bargaining (i.e., the transaction was with an unrelated third party); federal, state, and other laws and regulations; and the terms and conditions of the award in making the decision.
- The price is comparable to that of the current fair market value for equivalent goods or services.

There were no significant deviations from the established practices of the organization which may unjustifiably increase the cost. 2 CFR § 200.404

Necessary Costs: While 2 CFR § 200.404 does not provide specific descriptions of what satisfies the “necessary” element beyond its inclusion in the reasonableness analysis above, necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. It means it is vital or required in order to meet the objectives of the grant or for the grant to be successful. Necessary does not mean “nice to have,” which means it is not necessary to accomplish the objectives of the program in that it is not vital or required for the success of the program.

A key aspect in determining whether a cost is necessary is whether the district can demonstrate that the cost addresses an existing need and can prove it. For example, the district may deem a language skills software program necessary for a limited English proficiency program.

When determining whether a cost is necessary, the District considers:

- Whether the cost is needed for the proper and efficient performance of the grant program;
- Whether the cost is identified in the approved budget or application;
- Whether there is an educational benefit associated with the cost;
- Whether the cost aligns with identified needs based on results and findings from a needs assessment; and
- Whether the cost addresses program goals and objectives and is based on program data.

2 CFR Part 200's cost guidelines must be considered when federal grant funds are expended. Federal rules require state- and District-level requirements and policies regarding expenditures to be followed as well. For example, state and/or local policies relating to travel or equipment may be narrower or more restrictive than the federal rules. In this case, the stricter State and/or District policies must be followed.

The District shall verify that all proposed obligations and expenditures meet the Cost Principles. If 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. It is essential to post all credits to the general ledger on a timely basis to ensure that the district does not draw-down grant expenditures in excess of actual expenditures net of all credits. Otherwise, the District may be considered to have drawn-down funds under an advanced cash method. The CFO shall ensure that all applicable credits have been posted to the general ledger prior to preparing and submitting a federal grant draw-down request from the granting or pass-through entity.

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 TEA Secure Environment. The certificate must be signed on behalf of the district by the CFO or the Superintendent.

All district costs with federal grant funds, whether direct or indirect, shall meet the minimum requirements of allowability as specified in the 2 CFR 200.403. In addition, the costs must meet the general provisions for selected items of cost (2 CFR 200.420). Specific items not listed within these procedures shall be evaluated by the corresponding Program Director 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 allowability rules when a conflict arises between the general allowability rules, the program-specific allowability rules and the district's allowability rules.

L. Selected Items of Costs

2 CFR Part 200, Subpart E, examines the allowability of 55 specific cost items (commonly referred to as *Selected Items of Cost*) at 2 CFR §§ 200.420 -.475. These cost items are listed in the chart below along with the citation where it is discussed. Please do not assume that an item is allowable because it is specifically listed, as it may be *unallowable* despite its inclusion in the selected items of cost section, or it may be allowable only under certain conditions, including prior written approval.

The expenditure may be *unallowable* for a number of reasons, including: the express language of the regulation states the item is unallowable; the terms and conditions of the grant deem the item unallowable; or State/local restrictions dictate that the item is unallowable or allowable only under certain conditions or circumstances. The item may also be unallowable because it does not meet one of the factors affecting allowability of costs, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, the District does not use federal funds to purchase it.

The selected items of cost addressed in *2 CFR Part 200, Subpart E* include the following (in alphabetical order):

Item of Cost	**Citation of Allowability Rule**
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455

Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458
Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs (*TEA restricts to actual costs, not per diem*)	2 CFR § 200.474
Trustees	2 CFR § 200.475

Likewise, it is possible for the State and/or District to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable. Accordingly, employees consult federal, State and District requirements when spending federal funds. For example, the travel rules for grants administered by TEA are more restrictive than the federal cost principles allow, which means TEA's policies must be followed.

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.

District personnel responsible for spending federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost section. District employees are required to follow these rules when charging these specific expenditures to a federal grant. In addition to checking the selected items of cost in Part 200, District staff must check costs against TEA's Guidelines Related to Specific Costs, the Request for Application (RFA), local district policy, and any grant program restrictions to ensure the cost is allowable.

M. 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 Program Director.

The corresponding Program Director review shall consist of the following:

- The expenditure is reasonable and necessary (as defined in federal grant guidelines).
- The expenditure is not required by state law or local policy.

- The expenditure has been approved in the grant application, if specific approval is required from the granting agency
- The expenditure meets the allowable costs principles.
- The expenditure is allowable and approved in the grant application and is consistent with the grant purpose
- The expenditure is supplemental and not supplanting a local expenditure (NOTE: Refer to compliance issues related to supplement and supplant for additional guidance)
- The expenditure has been competitively procured as required by law, as appropriate.
- The expenditure has been approved by the governing body, as appropriate [Note. School Board Policy CH Local has established the threshold of contract approval by the School Board at $25,000.]

In addition to the normal approval path of District expenditures, all grant expenditures shall be approved by the corresponding Program Director under the following circumstances:

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

Some costs discussed in the following sections and in the instructions to completing the grant application require prior written approval from the awarding agency. For TEA grants, prior written approval must be requested in accordance with TEA's process. The District must submit the request in writing to the TEA Chief Grants Administrator. The Chief Grants Administrator may request additional information, as applicable, and may meet or consult with applicable TEA staff prior to responding to the District in writing.

In addition, for certain costs that it may be difficult to determine reasonableness or allocability, the District may seek prior written approval for "special or unusual costs" not identified in the regulations in advance of the incurrence of such costs. This may prevent future disallowance or dispute based on "unreasonableness" or "non-allocability". Prior written approval should include the timeframe or scope of the agreement. 2 CFR § 200.407.

N. Costs That Require Special Attention

In addition to the aforementioned, certain types of costs may be allowable under federal law but may not be allowable under state law or guidelines, or may only be allowable under certain circumstances and conditions. TEA's Guidelines Related to Specific Costs (under Allowable Cost Guidance) outlines several other types of costs that require special attention due to the fact some costs frequently cause audit exceptions or monitoring findings. Included in that guidance are descriptions of allowable awards and incentives; cell phones; employer contributions to voluntary retirement plans; field trips; printing costs; food costs, including for hosting meetings and conferences; fundraising; gifts; promotional items; social events; and training on grant writing.

The District makes every effort to comply with these guidelines in the expenditure of federal grant funds to avoid audit exceptions. District employees engaged in federally-funded activities are required to consult this document regularly and be familiar with its contents.

O. Credit Card Purchases with Grant Funds

The District shall not permit the use of district-issued credit cards to make purchases with federal grant funds.

The District shall (shall not) reimburse any purchases made with a non-district credit card, except for travel-related expenditures, as appropriate. Fraudulent credit cards purchases made with federal grant funds shall be grounds for disciplinary action, up to and including termination of employment. 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. The fraudulent or accidental charges may not be charged to a federal grant fund, nor drawn-down as expenditures.

P. Petty Cash Purchases with Grant Funds

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

Q. Draw-Down of Grant Funds

The district shall on at least a monthly basis, or as allowed or required by the grant guidelines, draw-down grant funds that have been spent in accordance with the grant guidelines. The draw-down shall be for all expenditures to date, less grant funds received to date, as verified by a financial general ledger. The expenditures shall be net of all refunds, rebates, discounts, credits, and other adjustments, if any.

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

- The expenditure has been made as evidenced by distribution of a paycheck to a grant funded staff member or mailing, e-paying, or delivering a payment to a vendor.

At no time shall the district draw-down any “advanced” cash payments, unless specifically allowed by the granting agency.

The draw-down 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 draw-down funds, i.e. if the granting agency owes the District any funds. If the District has funds available for draw-down, a detailed general ledger should be generated and forwarded to the corresponding Program Director 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 corresponding Program Director's review shall consist of the following:

- A review of the detailed general ledger for any unusual charges or reclassification of expenditures
- A test sampling of either unusual or large expenditures to ensure that the expenditures were reviewed and approved by all designated staff
- Monitor the percentage of expenditures-to-date to ensure that the grant funds are expended on a timely basis throughout the grant period.
- Document the authorization given to the finance department to draw-down the available grant funds.

Upon approval from the corresponding Program Director, the Finance Department shall prepare the paper or electronic draw-down 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 corresponding Program Director, and other supporting documentation shall be filed for audit purposes. The Finance Department shall prepare the journal ledger entry and shall post to the finance general ledger.

If manual approval of an electronic draw-down 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 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 draw down amount, or percentage.

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

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 corresponding Program Director and Finance Department shall jointly certify every draw-down 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 reports is true, complete and accurate, and the expenditures, disbursements and cash receipts are the purposes and objectives set forth in the terms and conditions of the federal award. 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 draw down deadline is missed, the Finance Department, shall contact the granting agency to determine if a process exists to request a filing deadline extension. TEA has developed procedures to request an extension for filing expenditure reports. The request form must be completed, signed by the Superintendent and filed with TEA within 30 days of the final expenditure report deadline.

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 draw-down shall be adhered to. The revenues realized and the expenditures should be equal at the time of the final draw down of grant funds.

R. Receipt of Grant Funds

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

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 Finance Department 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 Finance Department shall prepare the adjusting journal ledger entry and shall post the entry to the finance general ledger.

The District has elected to draw down federal grant funds under the cash reimbursement program guidelines, i.e. after the delivery of the payment to the payee. No interest shall be earned, recorded, nor returned to the granting agency as a result of the cash reimbursement program.

S. Tracking and Recording Receivables

On at least a monthly basis, the finance department, CFO 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 CFO shall prepare the journal ledger entry and post the entry to the finance general ledger.

IV. 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.

A. 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 corresponding Program Directors and Purchasing Department. Both departments shall receive training and be aware of the supplement not supplant provisions.

The corresponding Program Directors shall review and approve all purchase orders (and non-purchase order payments). The corresponding Program Directors review shall include a determination if the planned purchase and/or expenditure meet one of the following guidelines:

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

B. 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 No Child Left Behind Act of 2001 (NCLB).

The intent of the comparability of services requirement is to ensure that a District 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 finance department, CFO, shall conduct the comparability test on an annual basis and complete the Title I Part A, Comparability Assurance Document (CAD). 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 Finance Department, CFO, shall follow the process outlined below

- Determine if the District is exempt from the comparability requirement. If so, complete and submit CAD and stop here.
- 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 corresponding Program Directors, 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 finance and the corresponding Program Directors shall work collaboratively to address the non-compliance. In addition, the District shall adjust the budgets as appropriate to until the District is in compliance with the comparability requirement.

C. Indirect Cost

Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. 2 CFR § 200.413(a).

Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. 2 CFR § 200.56. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct costs or indirect costs. 2 CFR § 200.413(a). Indirect costs usually support areas that benefit all activities of the District, such as Accounting, Budget, Personnel, Purchasing, etc.

Cost Objective: A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit. A cost objective may be a major function of the District, a particular service or project, a federal award, or an indirect cost activity.

Identification with the federal award, rather than the nature of the goods and services involved, is the determining factor in distinguishing direct from indirect costs of federal awards. Typical costs charged directly to a federal award are the compensation of employees who conduct program activities for that award, their related benefit costs, and the costs of materials and other items of expense incurred to carry out the objectives of the federal award. 2 CFR § 200.413(b).

The salaries of administrative and clerical staff should normally be treated as indirect costs. 2 CFR § 200.413(c). Direct charging of these costs may be appropriate only if all of the following conditions are met:

- Administrative or clerical services are integral to a project or activity.
- Individuals involved can be specifically identified with the project or activity.
- Such costs are explicitly included in the budget or have the prior written approval of TEA or other awarding agency.
- The costs are not also recovered as indirect costs.

Pursuant to 34 CFR §§ 75.561 and 76.561, TEA, as the cognizant agency, approves federal indirect cost rates for school districts, ESCs, and open-enrollment charter schools in Texas. The rates are calculated using costs specified in the District's indirect cost plan/proposal submitted to TEA and is effective July 1 through June 30 of each year.

Two indirect cost rates are approved by TEA and are used by the District. The restricted rate is used for federal grants containing the supplement, not supplant requirement (34 CFR §§ 76.563 and .564). The unrestricted rate may be used for federal grants that do not contain the supplement, not supplant requirement.

District 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 District'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 4 year period, covering from July 1, 2015 to June 30, 2019. 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 CFO shall complete and submit an Indirect Cost Rate Proposal by the established deadline as specified by the pass-through entity (TEA) on the Indirect Cost webpage. The Indirect Cost Rate Proposal shall be approved by the Superintendent.

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 Finance Department, CFO shall prepare a general ledger entry for the indirect costs and post the entry to the finance general ledger.

To calculate indirect costs, the percentage is multiplied against the actual direct costs (excluding distorting items specified by TEA or other awarding agency, such as the portion of each contract in excess of $25,000, subgrants, capital outlay, debt service, etc.) incurred under a particular grant to produce the dollar amount of indirect costs allowable to that award. 34 CFR § 75.564; 34 CFR § 76.569. Once the District applies the approved rate, the funds that may be claimed for indirect costs have no federal accountability and may be used as if they were non-federal funds. For Direct Grants, reimbursement of indirect costs is subject to the availability of funds and statutory or administrative restrictions. 34 CFR § 75.564.

Indirect costs are part of administrative costs (vs. program costs). Where a federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap must include all direct administrative charges as well as any recovered indirect charges. If administrative costs are limited to 5%, for example, the total direct administrative costs plus indirect costs claimed for the grant cannot exceed 5%.

Indirect costs are budgeted in the grant application in the corresponding line item. Although the maximum allowable indirect costs may be budgeted in the application, indirect costs can only be charged to the grant based on actual expenditures of direct costs. Therefore, if the District does not expend all of its funds during the grant period, the maximum amount of indirect costs budgeted based on the total grant award cannot be charged to the grant. Prior to finalizing expenditures for the grant and submitting the final expenditure report to TEA or other awarding agency, the District adjusts the final amount charged to indirect costs based on the actual expenditures.

D. Maintenance of Effort

The district shall comply with the No Child Left Behind (NCLB) and Individuals with Disabilities Act (IDEA) maintenance of effort requirements.

1. NCLB Maintenance of Effort

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. A District 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. For detail information on the calculation of the NCLB Maintenance of Effort Calculation please refer to the TEA's NCLB Maintenance of Effort Handbook.

The Finance Department, CFO, shall compute the maintenance of effort using the TEA's NCLB LEA Maintenance of Effort Determination Calculation Tool during the budget adopted process and at the end of the fiscal year. Non-compliance with NCLB Maintenance of Effort will result in a reduction of NCLB funds in the exact proportion by which the district fails to meet the maintenance of effort requirement; therefore, the finance department shall plan for the reduction of grant funds at the local level. If the NCLB maintenance of effort falls below the required level, the Finance Department and the corresponding Program Directors shall collaborate to develop a plan to bring the district into compliance with the maintenance of effort requirements.

E. Reporting Requirements

The District shall ensure that all reporting requirements for grant programs are met within the established timelines. A master list of all activity, progress, evaluation, and expenditure reports shall be created to include the grant program, report 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:

- Programmatic reports such as activity, progress and evaluations – Corresponding Program Directors
- Expenditure reports such as interim, draw down and final expenditure reports – Finance department, CFO.
- Compliance reports such as Comparability, Maintenance of Effort, Indirect Cost, etc. – Finance Department, CFO
- Highly Qualified Staff reports – Personnel Department and corresponding Program Directors.

The corresponding Program Directors shall monitor the overall master list to ensure that all reporting requirements have been completed by the appropriate campus and/or department.

The General Provisions and Assurances that accompany every grant application funded by or through TEA contains an assurance that grantees agree to comply with expenditure reporting requirements. The District will submit expenditure reports in the time and manner requested by TEA.

TEA requires that districts and other grantees use a standard format for reporting expenditures for grants funded through TEA. Reports are submitted electronically through the automated Expenditure Reporting (ER) system by class/object code. The Program Guidelines for each RFA published by TEA and/or the Critical Events calendar provided on the TEA Grant Opportunities page for a specific program identify the required expenditure reporting dates.

Final expenditure reports are generally due 30 days after the ending date of the grant. If the grant program has a cost share or matching funds requirement, the District must also report the total cost share or matching funds in ER.

Each District employee who reports and/or certifies expenditures in ER is required to have a TEASE (TEA Secure Environment) username and password to access ER. (As of the writing of this template, TEA was in the process of migrating to a new secure environment, TEA Login (TEAL), which replaces the older TEASE. ER and eGrants will eventually be transferred to TEAL.) The District reports cumulative expenditures to date in ER, and the system automatically calculates the amount already paid to the District and the amount owed and generates a payment to the District.

When filing interim reports, the District will only report actual expenditures, and any expenditures that will be paid out within three business days once payment is received by the District. In addition, the District will comply with the cash management procedures described in the cash management policies and procedures as outlined in this manual.

The CFO shall submit the reports in ER. Each report is certified by the corresponding program director, who attests that expenditures are true and correct. Effective July 1, 2015, the fiscal reports requesting payment will include a certification signed/certified by an official who is authorized to legally bind the District. 2 CFR § 200.415. The certification reads as follows:

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

The ER system automatically rejects expenditure reports if:

- The District is claiming expenditures in a class/object code not budgeted in the application.
- The total amount reported exceeds the total amount awarded.

TEA (or other agency administering the grant on behalf of TEA) reserves the right to require supporting documentation (such as an accounting ledger) that lists the individual expenditures by object code, as well as invoices, receipts, travel vouchers, and other expenditure documents for expenditures at any time during or after the grant period for as long as the records are retained according to requirements for record retention. The District will be required to reimburse all expenditures that are unsupported by appropriate documentation or found to be unallowable under the grant. Depending upon the severity of noncompliance with allowable cost principles, additional sanctions may be imposed, up to and including termination of the grant and refund of all unallowable costs.

In addition, failure to submit the expenditure reports according to the required reporting dates could cause the grantee to be identified as high risk and could result in additional sanctions.

F. Grant Monitoring and Accountability

The District is responsible for oversight of the operations of the federal award-supported activities. The District is responsible for monitoring its activities under federal awards to assure compliance with applicable federal requirements and to ensure performance expectations are being achieved. This process is known as self-monitoring. Monitoring by the District must cover each program, function, or activity. 2 CFR § 200.328. Additionally, the District must directly administer or supervise the administration of each project. 34 CFR § 76.701

Ongoing monitoring occurs in the course of operations. It includes regular management and supervisory activities and other actions personnel take in performing their duties. The scope and frequency of self-monitoring depends primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures.

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

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

The corresponding Program Director for each federal grant shall be responsible for the programmatic and evaluation compliance and the CFO shall be responsible for the financial compliance. The use of “Program Director” throughout this document shall refer to the specific Grant Manager / Director / Coordinator by federal grant.

The corresponding Program Directors 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, corresponding Program Directors 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:

- Cost overruns or high unit costs
- Construction projects – certification of project completeness (as evidenced by the AIA)
- 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, Personnel and the corresponding Program Directors 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.

G. Excess Cost

In accordance with the federal requirements under the Individuals with Disabilities Education Act, Part B (IDEA-B), the district must comply with the concept of excess cost. Excess cost applies to any District that receives IDEA-B funds, and states you must spend those funds only on the excess costs of providing special education and related services to eligible students. Excess costs are those costs over and above what a District spends on average for students enrolled at the elementary or the secondary level, including special education students. The purpose of excess cost is to prevent a District from using IDEA-B funds to pay for all costs to educate a student with a disability.

To ensure compliance with the excess costs requirement in a given year the District must perform both a preliminary and final calculation. District must certify compliance with the provision in the Special Education Consolidated Grant application. District is to complete a preliminary calculation as soon as the submission of the annual final expenditure report for the prior year is made, using financial information available from its unaudited general ledger. As a final check for compliance, the District must complete the excess cost final calculation after their annual audit is finalized. The District should maintain supporting documentation, including the data and calculations for audit and monitoring purposes.

To determine excess costs the District will calculate the annual average expenditures for the education of elementary and secondary students. The District must spend the minimum average amount per student by the end of the fiscal year to meet compliance. Using previous year expenditure data determine the total expenditures from all sources including local, state, and federal and reduce capital outlay and debt service expenditures, this will give you the total adjusted expenditures. To the total adjusted expenditures reduce expenditures for IDEA, Part B, ESEA Title I, Part A, ESEA Title III, Parts A & B, State and local funds for students with disabilities, State and local funds for programs under ESEA Title I, Part A, and ESEA Title III, Parts A & B, this will net you the final adjusted expenditures. Divide the final adjusted expenditures by the previous year number of enrolled students from PEIMS October snapshot, this will yield the previous year annual average per pupil expenditure. Finally, using the previous year annual average per pupil expenditure multiply it by the current number of students with disabilities. The current year is the school year to which the excess costs apply. Statute requires the District to compute the excess costs calculation separately for elementary and secondary levels.

The District will identify campus level expenditures by the organization codes assigned to the elementary and secondary campuses. District expenditures for organization codes which cannot be attributed directly to a school level, will be allocated using a proration of expenditures for district level general operations based on the ratio of elementary students and secondary student to the overall student population.

H. Remedies for Non-Compliance

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

I. 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:

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

Goal:

Raymondville Independent School District has established the internal control system for grants outlined in this manual to help,

1) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
2) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
3) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.
4) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
5) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

Understanding the Internal Control System

While there are different ways to present internal control, this manual approaches internal control through a hierarchical structure of five components. The hierarchy includes requirements for establishing an effective internal control system. The five components of internal control used are as follows:

• Control Environment - The foundation for an internal control system. It provides the discipline and structure to help the District achieve its objectives.

• Risk Assessment - Assesses the risks facing the District as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

• Control Activities - The actions District Administration establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the District’s information system.

• Information and Communication - The quality information District Administration and personnel communicate and use to support the overall internal control system.

• Monitoring - Activities District Administration establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

For the purpose of this manual “Program Director” refers to the specific program director in charge of the corresponding federal grant. (Ex. Director of Special Education for Special Education Grants, or Director of Career and Technology for Career and Technology Grants)

Internal Control System for Grants

Control Environment

- RISD personnel will be required to follow established budget procedures which are part of the Finance Manual to ensure reasonable budgets are created and no incentive exists to miscode expenditures.
- The CFO shall coordinate the budgets received from grant administrators and or campus principals to ensure compliance with grant award documents.
- The corresponding Program Directors shall prepare the grant budget in accordance with the grant requirements and forward it to the CFO for review and approval. Once approved it will be posted to the General Ledger.
- All Grant Awards, including notice of grant awards (NOGA), shall be maintained by the corresponding Program Directors, as appropriate.
- All grant applications shall be prepared by the corresponding Program Directors and will be submitted by the Superintendent. A Copy of all grant applications shall be forwarded to the CFO for accounting and budgeting purposes.
- The requests for reimbursement and cash drawdowns will be made by the CFO and shall be approved by both the CFO and the corresponding Program Directors.
- The corresponding Program Directors will coordinate the preparation of maintenance of effort documentation in accordance with the guidelines outlined in the RISD Finance Manual.
- RISD employees will be required to comply with the codes of conduct and the policies outlined in the Finance Manual with regards to acceptable practices, conflicts-of-interest, and the expected ethical and moral behavior for making procurements from grant funds.
- The Coordinator of Purchasing will inform contractors and subcontractors of all applicable requirements of Federal Grants.
- The Inventory Clerk will keep track of all equipment purchased or acquired by source, specifically identifying property acquired with federal awards.

Risk Assessment

- The corresponding Program Directors shall maintain an annual schedule of training on program changes and updates that incorporates all personnel involved with the operation of the grant.
- The corresponding Program Directors shall enroll to receive e-mail notifications from the Texas Education Agency, Education Service Centers, or corresponding specific oversight agency, to improve awareness of any program requirement / compliance changes.
- In order to ensure compliance, in the absence of the corresponding Program Directors, expenditures will be approved by the corresponding Assistant Superintendent.
- All program staff will be trained and or communicated annually on the proper use and intent of program equipment.
- All program staff and individuals responsible for procurement, will be required to complete annually a conflict-of-interest form to mitigate the risk of any related party transaction between our program staff, purchasing staff and the program.

- The corresponding Program Directors shall review all financial reports prepared by the Finance Department, to mitigate the risks of faulty reporting caused by items such as lack of current knowledge, inconsistency with the application, carelessness or disregard for standards and reporting requirement of grants.

Control Activities

- All program personnel and directors are required to review and comply with the guidelines of the Finance Manual and their corresponding separate procedures manuals. All manuals will be made available on-line at the District's Website.
- Finance Manual is to be established and reviewed annually. The manual will outline the policies and procedures of the different functions of the Finance Department including the guidelines for grant management.
- Finance Manual shall include a policy that provides procedures for requesting reimbursement only after costs have been incurred, monitoring cash management activities, and repaying excess amounts collected.
- Finance Manual shall include policies and procedures that provide direction for making and documenting eligibility determinations and calculating eligibility amounts in consistency with program requirements.
- Finance Manual shall outline policies and procedures for grant equipment recordkeeping, tracking and authorities for disposition.
- The corresponding Program Directors shall prepare and maintain a list of all allowable and unallowable expenditures that will reviewed against expenditures and related supporting documentation seeking approval. This list should be communicated to all personnel involved in requesting, approving and processing expenditures for the specific grant.
- The corresponding Program Directors shall review all program procurement and contracting decisions for compliance with federal and state, and local grant procurement policies.
- The corresponding Program Directors shall direct Finance Department to adjust any unallowable cost made where appropriate and follow-up action to determine the cause of this occurrence.
- The corresponding Program Directors shall coordinate a physical inventory of equipment to ensure equipment is being maintained and utilized in accordance with grant requirements. The physical inventory of grant equipment shall be performed at a minimum on an annual basis.
- The corresponding Program Directors shall establish a tracking system that reminds staff when program reports are due.

Information and Communication

- The corresponding Program Directors shall maintain open channels of communication with all program personnel, including personnel on campuses, with regards to compliance with all requirements of the grant. Communication shall be made in the form of scheduled formal and informal training programs, interaction with staff, e-mails, memos, phone calls and meetings.
- The corresponding Program Directors shall provide for all program personnel copies of available referenced program laws, regulations, handbooks, policies and procedures

developed. A copy of all policies and procedures manuals and handbooks should be made available on the District website for ongoing access to the grant requirements.

- The corresponding Program Directors shall inform Finance Department staff of any changes in program requirements to ensure compliance with all financial reporting, asset management, procurement, budgets and grant periods.
- The corresponding Program Directors shall contact the corresponding granting agency with any issues that arise which involve but are not limited to questions of allowability of costs and activities, cash management, eligibility, equipment management, matching, level of effort, period of availability of funds, procurement, suspension, debarment, and reporting.

Monitoring

- The corresponding Program Directors will be the final approval on all expenditures being paid from their corresponding program and will review the expenditure for compliance with program regulations, including but not limited to cost and activity allowability, budget restrictions, eligibility, period of availability, and procurement requirements.
- The corresponding Program Directors shall coordinate periodic audits to their corresponding program to ensure program is in compliance with program requirements. The audit scope shall include all financial and compliance data and should involve all levels of personnel used for the program.
- The corresponding Program Directors in coordination with the Finance Department shall perform periodic evaluations of budget and actual results, periodic analytical reviews of eligibility determinations, supervisory review of matching and level of effort activities, review of expenditures before and after grant cut-off dates, independent reviews of procurement and contracting activities, review of results of periodic inventories, and periodic comparison of reports to supporting records.