Salado ISD

Administrative Procedures Manual

PREFACE

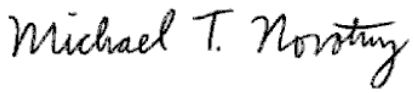
In accordance with School Board Policy, BP Local, the Superintendent and administrative staff shall be responsible for developing and enforcing procedures for the operation of the District. These procedures shall constitute the administrative regulations of the District and shall consist of guidelines, handbooks, manuals, forms, and any other documents defining standard operating procedures. The Administrative Procedures Manual is intended to be a "living" document, which will be revised and updated as the requirements of the District change.

The Superintendent shall approve this Administrative Procedures Manual as appropriate, if district, federal, state or local changes in regulations or policy warrant immediate changes. **Administrative regulations [procedures] are subject to Board review but shall not be adopted by the Board.**

There is an underlying assumption that the individuals for whom it was written will have a general understanding of the financial process in a school system. The major purpose is to provide consistency and standardization in administering and documenting school business activities throughout SISD.

These business procedures are published in an effort to ensure the District's compliance with Board policy and GAAP (generally accepted accounting procedures). If a conflict exists between Board policy and this manual, Board policy will prevail.

Administrative Procedures Manual: Update 5 Approved on 12/5/2025 by:



Dr. Michael Novotny, Superintendent

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General Information

The district has established fiscal procedures that apply to all financial transactions regardless of the funding source. This Administrative Procedures Manual provides general information about Salado ISD business functions. Additional information may be available within the district's Board Policies or other resources. In addition, any procedures that relate directly and/or indirectly to federal and state grant compliance are indicated with a **(†).** A separate section in this Administrative Procedures Manual will include specific procedures related to acquiring, expending, and managing grant funds.

Business Office Mission

The Mission of the Salado Independent School District Business Office is to provide support to all District students, staff, parents, and the community and to ensure that all business operations are supportive of the instructional goals and objectives of the district.

The Business Office's primary goal is to protect the assets of the district and to ensure that all financial transactions are performed in accordance with generally accepted accounting practices.

Business Office Staff

The Business Office staff shall perform multiple roles; however, adequate controls of separation of duties shall be maintained at all times. The staff consists of:

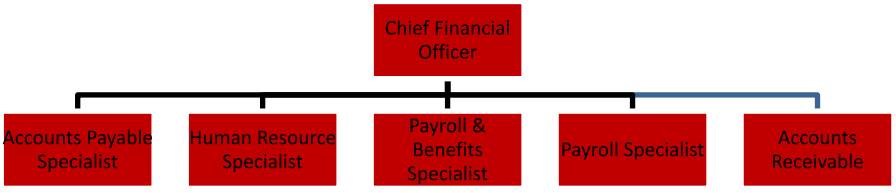
Kelli Rhiddlehoover	Chief Financial Officer	Extension 7010
Brittani Broussard	Payroll Specialist	Extension 7015
Lindy Robinson	Accounts Payable Specialist	Extension 7011
Saundra Jackson	Payroll & Benefits Specialist	Extension 7016
Becky Zeller	Human Resource Specialist	Extension 7030
June Badon	Accounts Payable Specialist	Extension 7017

All Business Office staff is expected to comply with the:

- Code of Ethics and Standard Practices for Texas Educators [Board Policy DH (Exhibit),
- School Board Policy CAA Local regarding fraud,
- Salado ISD Code of Conduct (Employee Handbook),
- Confidentiality Agreement, and
- Salado ISD Acceptable Use Guidelines.

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

Organizational Chart



The Chief Financial Officer (CFO) is an exempt position under the FLSA. The Payroll Specialist, Payroll & Benefits Specialist, Human Resources Specialist, Accounts Receivable and Accounts Payable Specialist positions are non-exempt positions under the FLSA.

Business Staff Training (†)

Every staff member will be scheduled to attend at least one training and/or conference opportunity per year.

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

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

Staff members that have attained TASBO certification status will be afforded an opportunity to attend at least six hours per year (for a total of 18 hours every 3 years) through TASBO or a TASBO-approved CEU provider. Training opportunities for other certification or licensing programs, such as a CPA, shall be provided in a manner that seeks to meet the continuing education requirements for that specific certification or license.

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

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

- Activity Account Management
- Budget Development Process
- Cash Management
- State and Federal Grants Management
- Payroll Documentation
- Other area(s) requested by the Superintendent or Campus Principal or Department Administrator

800 – Fiscal Procedures

801 Account Code Structure

The Financial Accounting & Reporting Module of the Financial Accountability System Resource Guide (FASRG) contains the required accounting code structure. The appropriate fund, function, object, organization, fiscal year, and program intent code must be used for all financial transactions. Local use codes, such as the sub-object, shall be in accordance with district procedures. Use of the appropriate accounting code structure is mandatory. The code structure is available on the TEA website in the Financial Accounting and Reporting (FAR) Appendices.

The account code used for all financial transactions must match the intended expenditure. If funds do not exist in the appropriate account code, a budget amendment and/or transfer shall be submitted to the business office to appropriate the necessary funds in the appropriate account.

Failure to adhere to the required account code structure may result in data quality errors in PEIMS reporting and the district's financial statements. Additional consequences may be the loss of funds due to non-compliance with audit or grant requirements. Account Code Quick Reference is included in the FAR appendices.

802 Activity Funds - Overview

Activity funds are managed using a centralized system. All deposits and expenditures under the centralized system shall be made through the district business office. Activity funds shall be collected, receipted, and deposited to the district's business office on a weekly basis. All monies collected should be receipted in a receipt book [bound] and have a Deposit Recap form.

Checks for activity fund disbursements shall follow the procedures in section **824 Purchase Requisition and Order Forms** for purchases of goods or services. Checks shall be generated once a week. All supporting documentation shall be submitted at least two business days prior to the check processing day. Requests for emergency checks shall be kept to a minimum and shall be subject to approval only for extenuating circumstances.

Generating activity funds shall not in any way compete with the district's National School Lunch Program [NSLP]. Activity funds generation shall be a passive activity and shall not detract from the district's overall primary educational purpose. The generation and expenditure of activity funds shall be held to the same standard and scrutiny as that of appropriated funds. Activity funds shall be audited and must adhere to accepted business practices.

The district has a single Activity fund account, which is in the district's depository bank. Balances of individual clubs will be kept by the business office and reconciled to depository bank statements monthly. All monies received by activity funds must be deposited into this account and all disbursements must be made via a properly authorized check drawn on this account. The Superintendent and Chief Financial Officer will sign all Activity checks. The Activity fund bank account is an interest-bearing checking account. Interest will be used to offset cost to operate and maintain student activity programs.

Two tax-free sales per district, campus, and bona fide clubs or organizations shall be allowed each *calendar* year. The tax free days must occur on a single day (defined as a 24-hour period) or over a period of time as pre-sales with a single delivery date. A fundraising calendar should be maintained to ensure compliance with the limitation of two sales per calendar year. Sales or fundraisers held outside of the tax free days are

subject to sales tax. Each campus shall collect sales tax on all taxable sales. This may done in one of two ways:

- the total price of the item(s) sold may be adjusted to include sales tax, or
- sales tax may be added to the purchase price of the item(s).

In either case, the campus shall report the total taxable sales for each month to the Business Office no later than the 10th of the following month. The district will calculate the applicable sales tax, generate a check charging the appropriate amount to each school, complete the sales tax report, and remit the payment to the taxing authorities.

802.1 Campus or Department

Campus activity funds (fund 461) shall be primarily used to benefit students and the District in accordance with School Board Policy CFD Local. Typical uses include field trip fees, awards, incentives, etc. These funds shall not be used for "gifts" to staff. Budgeted funds shall not be used to generate activity funds, nor shall staff (administrative or support) earn wages while generating activity funds. Giving of staff time to generate activity funds shall be voluntary.

The District or Campuses may spend campus activity funds on light refreshments or meals if integrated as part of a staff development or district meeting (including a meeting involving the community), so long as the refreshments or meals are provided during the meeting and are made available or served in order to more efficiently conduct the meeting. The meeting agenda will need to be maintained with the purchase order for the meal and retained in accordance with our record retention policy.

Maximum price-per-participant for meals is $12.00 and must be part of a working meal that allows participants to remain at the training, rather than being allowed to leave for a meal break. The agenda for the meeting should indicate the time of the meeting and a notation of the "working lunch" or "working breakfast."

A maximum of three meals per school year may be provided for faculty appreciation (does not have to be served as a part of a meeting or training) as long as it does not exceed the established district maximum price-per-participant of $12.00. Luncheons funded from hospitality accounts or donated funds (donor must specify in writing) designated for this purpose are permissible expenditures.
Tokens of appreciation for employees are allowable with campus activity funds if $25 or less. Examples include:

- One Teacher/Staff spirit or faculty shirt per school year ($25 or less) if teachers/staff are required to wear these items during certain activities (Meet the Teacher, Curriculum Night, or Friday Spirit Days);
- Teacher/Staff items for the classroom such as paper clip holders, tote bags, end of day note holders or clipboards; and
- De Minimis (defined by IRS as value of $25 or less) tokens of service recognition or special awards, such as service pins, recognition plaques, etc

Token of appreciation expenditures that are not allowable include:

- Door prizes at staff development that are funded by public funds (i.e., gift card to Starbucks);
- Gift cards; and
- Hospital/funeral flowers and new baby gifts (HOWEVER, these items may be purchased from a hospitality account whose funds are generated solely from donations from staff because these funds are considered "agency funds" and not campus activity funds).

Incentives to students when associated with an educational purpose or need are permissible. All gifts and prizes for students should generally be something for which all students have the opportunity to qualify. Examples of expenditures of campus activity funds that are allowable:

- Economically disadvantaged student summer school scholarships;
- Student incentive items for PBIS/STAAR;
- Building modifications (library/kindergarten reading lofts);
- Door prizes for students in activities to encourage student attendance;
- Student incentives for recognition of achievement; and
- School Supplies Fund for economically disadvantaged and at-risk students.
- Gift cards to local vendors not to exceed $5.

Campuses may establish a faculty account (such as Hospitality or Sunshine) with voluntary donations from staff. These funds are not district funds and may be used in any manner. Purchases with these funds are subject to sales taxes as they represent personal purchases and not district purchases. Purchases typically include flowers for ill staff members, employee recognition awards, etc. These funds shall be deposited and expended from an Agency Fund.

802.2 Student Organizations

A Student Activity account (fund 865) shall be defined as a trust account for a bona fide student group as evidenced by a Constitution, By-Laws and elected officers. These documents should be on file with the campus office and include at least a current list of officers and the sponsor(s)'s name.

The group should have a **plan that outlines its activities** for the year. Service projects, major fund-raisers, and other activities should be spelled out in the plan. This plan must be approved by campus administration.

Student activity funds shall be used exclusively for the benefit of students. Typical uses include travel, awards, banquets, supplies, etc. These funds shall be used at the discretion of the student organization through designation of one or more of its officers.

The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Annual training should be scheduled to assist the organization sponsors in managing their respective student activity account(s). All purchases shall be supported by club meeting minutes indicating approval of the expenditure.

Since Student Activity Accounts are trust funds that the campus manages on behalf of the students, accountability for these funds is extremely high. All Activity Account records must be maintained for a period of 5 years. This includes merchandise logs, receipt logs/books, profit/loss statements, etc. At the end of every school year, the Principal or designee, as part of the closeout procedures, shall collect all club records for storage on the campus for two years, then sent to the Administration building for archiving and then placed in the Records Center for the rest of the archival period of time.

803 Audits

Audits may be conducted throughout the fiscal year by business office staff and/or regulatory agencies. Audits may include the annual financial audit, the Single Audit (federal grant funds), activity accounts, payroll, attendance accounting, PEIMS, drop-out, state compensatory education, or other audits as deemed appropriate. The two most comprehensive audits are noted below:

803.1 Annual Financial Audit
An annual financial audit must be conducted by an independent CPA firm selected by the Board of Trustees and reviewed by the TEA Division of Financial Audits. The annual financial audit must be submitted to the TEA Division of Financial Audits by the established deadline of 150 days after the end of the fiscal year, specifically for the district's fiscal year ending June 30th, the report shall be filed by November 27th. In addition, the audit report should be filed with the following: Dun & Bradstreet, Municipal Advisory Council, bond debt issuers, and depository Bank. The C-3 schedule shall also be published in the local newspaper.

The role of the CPA firm is to conduct a district-wide audit of the district's financial statements, internal control procedures, and to test transactions to determine compliance with local, state and federal regulations. All financial transactions shall be in accordance with local, state and federal audit guidelines. The Financial Accountability System Resource Guide (FASRG) posted on the TEA website shall be utilized to ensure awareness of audit compliance areas. In addition, the OMB Circular A-133 shall be utilized to ensure awareness of audit compliance areas for all state and federal grant funds.

The Chief Financial Officer is responsible for coordinating and overseeing the annual financial audit.

803.2 Single Audit
The Single Audit Act and OMB Circular A-133 require school districts that expend total federal financial assistance (FFA) equal to or in excess of $500,000 in a fiscal year to have an audit performed in accordance with the Act. School districts expending less than $500,000 in federal financial assistance in a fiscal year are not required to have either an audit under the Single Audit Act and OMB Circular A-133 or a *program audit,* however, they must maintain records to support federal financial assistance programs and must have a financial audit performed under generally accepted auditing standards (GAAS) and *Government Auditing Standards* (GAS), also referred to as the Yellow Book. The single audit must be conducted in accordance with the United States Office of Management and Budget, OMB Circular A-133 and the OMB A-133 Compliance Supplement.

The Chief Financial Officer is responsible for coordinating and overseeing the single audit.

804 Budget Adoption
The district must adopt a budget not later than June 30th of each year. The Board of Trustees shall publish a notice and conduct a public hearing regarding the budget prior to adoption of the budget. The district must also publish a notice regarding the proposed budget on the district website.

At a minimum, the Board of Trustees shall adopt a budget that includes the General Fund, Food Service Fund and Debt Service. The budget shall be adopted at the function code level; therefore, any changes to the budget at the functional level, shall be approved by the Board of Trustees prior to exceeding a functional expenditure category.

The adopted budget shall be reported to TEA on an annual basis through the fall PEIMS submission. The CFO shall be responsible to coordinate the development and adoption of the district budget.

Every campus and department shall be responsible for monitoring and amending their respective budget to ensure that it meets the identified needs of the campus or department. The adopted budget shall correlate directly and/or indirectly to the District Improvement Plan and Campus Improvement Plans.

804.1 Budget Amendments
A budget amendment is defined as a transfer of funds across different functions. For example: a budget amendment would result if instructional funds (function 11) were requested to be transferred to the library (function 12). Budget amendments must be stated in whole dollars and be approved by the Board of Trustees. School Board approval is required prior to exceeding the budget in any functional level. Requests should be submitted to the business office in accordance with agenda deadlines posted by the Superintendent. Remember that if a purchase order is pending the outcome of a budget amendment, the purchase order will not be processed until after the School Board has approved the request.

The CFO will manually post the board approved budget amendments to the General Ledger.

804.2 Budget Transfers
A budget transfer is defined as a transfer of funds which is not across different functions. Budget transfer line items must be stated in whole dollars. This is submitted in our operating system, Ascender, under Finance>Budget Amendment.

To keep budget transfers to a minimum, each budget manager should review his/her budget on at least a monthly basis to determine if any budget transfers are necessary. An excessive amount of transfers may substantially change the budget document that was presented to the Board of Trustees during the budget adoption process.

The CFO, or designee, will post the budget transfers to the General Ledger.

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

The CFO or designee shall be responsible for monitoring the general ledger maintenance on a monthly basis. The general ledger shall be reviewed for accuracy in areas such as, but not limited to the following:

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

805.1 General Ledger Transaction (Minimum Data Required) – (†)
All general ledger financial transactions shall require the following minimum data:

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

- **Signature or initials, as appropriate**
    - Signature or initials of the appropriate approval(s)
    - Signature or initials of the individual posting the transaction.

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

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

805.2 Journal Entries (†)
All general ledger entries shall be in balance (debits shall equal credits). A Journal Entry form shall be used to document all entries. All journal entries shall be numbered for tracking purposes. An automated numbering system shall be utilized by the district. The CFO shall be authorized to create journal entries and the CFOr and/or Accounts Payable Specialists will post journal entries to the general ledger.

All payroll general journals shall be interfaced to the finance system by the payroll department. The Payroll Specialist shall verify that the pre-post payroll general journals and the finance payroll general journals are in balance and posted accurately to the general ledger. All payroll general journals must be posted to the finance general ledger no later than the actual pay date.
All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable. At times, prior to closing the month, additional reconciling journal entries may be posted in accordance with the creation and approval guidelines.

School Board Reports and a detailed Check Payments report for the previous month should be generated by the business office and forwarded to the CFO and Superintendent for board review. The financial reports and check payment list shall not be approved by the Board of Trustees.

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

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

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

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

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

806 End of Month Process

Within 20 days after the end of the month, all end-of-month reports should be printed and verified and the end-of-month process completed. There are four steps in completing the End-of-Month process as listed below:

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

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

807 End of Fiscal Year Process

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

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

- **Reconcile all cash and investment accounts –** all cash and investment accounts shall match the corresponding bank or investment general ledger balances as of June 30th, as reflected on the respective monthly statement.
- **Reconcile all revenue accounts with amounts received and/or earned as of June 30th –** All measurable revenue should be posted to the general ledger. For example, all state aid earned as of the most recent Summary of Finance report from TEA shall be posted to the appropriate state revenue accounts.
- **Reconcile all grant revenue and expenditures –** the revenue and expenditures in every grant program (state and federal) should equal. The excess revenue if any should be reclassified to a payable to the granting agency, unless the excess revenue is an advance payment (deferred revenue). If expenditures exceed revenue, the amount due from the granting agency should be posted to the revenue account and accounts receivable accounts.

- **Reconcile the final amended budget –** verify that all budget amendments (at the functional level) have been posted to the general ledger. The sum of the original budget, plus all budget amendments during the fiscal year shall equal the final amended budget.
- **Reconcile and post all accounts receivables –** all funds due from other sources, as of June 30th, shall be posted to the general ledger. The receivables shall be measurable and expected to be received within 60 days after the end of the fiscal year in accordance with the district's accounting standards.
- **Reconcile and post all accounts payables –** all payables due to others (vendors especially), as of June 30th, shall be posted to the general ledger. The amounts due for all goods and/or services received as of June 30th are classified as accounts payable and paid during the next fiscal year. The district has established a July 31st cut-off for prior year accounts payables, unless the accounts payable expense exceeds $10,000 and is known prior to the end of the audit field work. [Note: The accounts payable account (2110) in the prior fiscal year and the next fiscal year must be in balance.]
- **Reconcile all accrued wages and benefits as of June 30th –** All accrued wages and benefits shall be posted to the general ledger, especially for all wages earned during the school year but scheduled to be paid in the next fiscal year (after June 30th).
- **Reconcile all prepaid expenses as of June 30th –** All prepaid expenses shall be posted to the general ledger to object code 1410. A prepaid expense is typically one that represents a disbursement of funds (payment) for goods or services that will be received or utilized in the next fiscal year. For example, a maintenance agreement that has a term of January 1st through December 31st, would have an expense for six (6) months in the current fiscal and a prepaid expense of 6 months at the end of the fiscal year. [Note: The prepaid expenses should be cleared in the next fiscal year by posting the expense to the appropriate expense account code(s).
- **Reconcile the fixed assets ledger with all fixed asset additions, deletions, or changes –** All assets (as defined in the Fixed Asset Procedures) acquired during the fiscal year shall be added to the fixed asset ledger (database and/or Excel spreadsheet). All assets disposed of (sold or lost) shall be removed from the fixed asset ledger.
- **Reconcile the fund balance as of June 30th –** All changes, reductions, additions, and/or designations [restricted, committed, assigned, etc.] of fund balance accounts shall be posted to the general ledger. All budgetary fund balance accounts (object code 3700) shall be posted to the appropriate fund balance account (typically object code 3600). [Note: Changes to the budgeted and committed fund balances should be supported by minutes of Board approval. The Superintendent is authorized by the School Board to assign fund balances.]

808 Fiscal Year

The fiscal year begins on July 1st and ends on June 30th. All goods and/or services received and invoiced during these dates must be paid from current fiscal year funds.

809 Cash/Check Handling

All cash and checks shall be deposited to the business office on a weekly basis. No post-dated checks will be accepted. Funds should not be kept in classrooms, personal wallets, purses or backpacks, vehicles or at home for extended periods of time. No cash purchases should be made – *every* dollar collected should be

turned into the Accounts Receivable Specialist to be receipted and deposited. All district funds shall be deposited to the appropriate district and/or campus account at the district's depository bank, Horizon Bank, SSB.

Personal payment sharing accounts are not allowed to be used to collect money (i.e. Cash App, Google Pay, PayPal, Venmo, Zelle, etc.). The district's website contract provides an online store that is utilized for credit cards and electronic payments.

The Accounts Receivable Specialist shall receipt [in a bound receipt book] as monies are received in the business office on a daily basis, or securely locked overnight in the district safe if the deposit cannot be prepared the same day. A Deposit Recap form should be included with all deposits.

Athletic event gate receipts (admission fees) shall be recorded on an Athletic Game Report (sample in Exhibit Section) submitted by the Ticket Taker to the campus secretary or Athletic Director. The campus secretary or Athletic Director will be responsible for delivering the athletic event gate receipts to the business office. Funds shall be deposited to the appropriate athletic events revenue account.

Personal employee checks shall not be cashed from monies collected at the campus or district level to ensure an adequate audit trail of all funds collected by the district.

All district and activity account bank statements shall be reconciled within twenty days after the end of each month. The individual responsible for reconciling a bank account shall not receive and open the bank statement. The Accounts Payable Specialist will open the mail to include bank statements. In the event another business office employee reconciles the bank statements for cross training purposes, the CFO will be responsible for reviewing and approving bank reconciliation prior to reconciling in Ascender. TEA strongly recommends separation of duties as they relate to the initial review and reconciliation of bank statements. Fraud, if any, shall be reported immediately to any supervisor, the Superintendent or designee, the Board President, or local law enforcement, per **School Board Policy** CAA Local. Adjustments to the general ledger, if any, shall be posted as soon as possible, but not later than thirty days after the end of each month.

810 Check Processing

Business Office checks will be printed, endorsed, and released on a weekly basis. Generally, checks will be generated on Tuesdays. At times checks may be processed earlier or later, due to holidays, staff work schedules or unforeseen events. All check requests, including supporting documentation, such as travel advances/reimbursements, petty cash, construction, etc. shall be approved by the appropriate Campus Principal or Department Administrator and submitted to the Accounts Payable Specialist at least two business days prior to the weekly check run. Requests received after this time will be processed the following week. Check requests without all of the supporting documentation will not be accepted, nor processed. The Business Office shall determine the date that vendors will be paid, so employees should not make prior commitments to vendors about check disbursements.

The appropriate form shall be used for travel mileage reimbursement, if applicable. (Please refer to Section 831: Travel for more details.) All other disbursements and/or reimbursements shall be submitted as an online requisition/purchase order. State law generally requires that the district pay all invoices within thirty days to avoid penalty and interest charges, so all invoices should be submitted to the Accounts Payable Specialist on a timely basis for payment. Specifically, the Government Code (Section 2251.021] states:

TIME FOR PAYMENT BY GOVERNMENTAL ENTITY. (a) Except as provided by Subsection (b), a payment by a governmental entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of:

(1) the date the governmental entity receives the goods under the contract;

(2) the date the performance of the service under the contract is completed; or

(3) the date the governmental entity receives an invoice for the goods or service.

(b) A payment under a contract executed on or after September 1, 1993, owed by a political subdivision whose governing body meets only once a month or less frequently is overdue on the 46th day after the later event described by Subsections (a)(1) through (3).

Checks not cashed by the expiration date twelve months from date of issue will be voided. A new check will be reissued if the payee is located and requests a reissue. Otherwise, the funds will be distributed in accordance with the State of Texas Unclaimed Property Guidelines.

811 Consultants or Contracted Services

Consultants and contracted vendors are non-employees who are contracted to perform a personal or professional service such as staff development, medical services, repairs, etc. that cannot be performed by a school district employee. Other examples include cheer, drill team and color guard sponsors. The Superintendent, CFO or designee is the only individual authorized to sign contracts on behalf of the district. **No other employee is authorized to sign a contract or agreement on behalf of the district.** An employee who signs a contract or agreement, without proper authorization, will be personally liable for the terms of the contract or agreement.

Contracts that exceed $50,000 in accordance with School Board Policy CH Local shall be approved by the Superintendent and the Board of Trustees.

The selection criteria of a consultant or contracted vendor may include the following:

- Vendor credentials, including license, education level, or specialized skills
- Vendor reputation, as evidenced by references from past clients
- Past experience with the school district
- Cost of service(s)
- Other criteria selected by the district

Consultants and contracted vendors shall be selected through a competitive procurement process in accordance with the state purchasing laws and School Board Policy. [Refer to School Board Policy CH Legal and Local] According to School Board Policy CH Legal, the purchasing requirements of Education Code 44.031 do not apply to a contract for professional services rendered, including the services of an architect, attorney, certified public accountant, engineer, or fiscal agent. There shall be a separation of the solicitation and evaluation functions from the contract award function. The Superintendent or designee shall be responsible for oversight of the solicitation and evaluation of all competitive bids and/or proposals. The Superintendent or designee shall be responsible for approval or award of contracts.

Consultants and contracted vendors will be required to comply with House Bill 1295 filings for any contract approved by the Board of Trustees.

Please follow these procedures when submitting a contract or similar document:

- Submit a contract or similar document to the CFO for review. The CFO shall forward the contract to the Superintendent or designee for final approval.
- Obtain the following documents from the consultant or contracted vendor:

- A completed W-9 form
- Conflict of Interest Questionnaire
- A Felony Conviction Form
- If the consultant will work directly with students, a Criminal Check Authorization form and State Board of Educator Certification fingerprinting documentation.
- House Bill 89 Verification

Contracted services include services such as repairs, maintenance, technical support, and related services. Documentation of insurance, such as general liability, workers compensation, and auto liability, shall be submitted to the business office with the purchase order. The Certificate of Insurance shall name "Salado ISD" as additional insured. No work shall be performed by the consultant or contracted vendor until *all* required documents, especially proof of insurance, are received by the business office.

Payments to consultants and contracted service vendors will not be made until the person responsible for monitoring and/or accepting contract performance has approved a detailed invoice. The detailed invoice must include the date(s) of service, service(s) performed, and the negotiated rate of pay.

812 Copiers

The district owns several copiers that are strategically placed in different campuses or departments. The copiers are for district business use only. All district staff shall comply with the acceptable use guidelines related to the use of district copiers, especially as it relates to the avoidance of copyright infringement. Personal copies, if any, will be charged at 10 cents for black/white and 20 cents for color copies. Prior approval should be obtained from the appropriate Campus Principal or Department Administrator to use a district copier for personal printing. Payment for personal copies shall be made immediately to the business office.

813 Data System Security & Access to Records (†)

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

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

Unless notified otherwise by the federal granting agency, the district shall retain all financial and program records related to the grant award in accordance with the federal grant. Upon request from the federal granting agency, the district shall transfer the records to the requesting federal agency.
The administrative/business office staff shall be authorized to access the district's financial and/or payroll system(s) for job-related purposes only. Use of the systems for personal reasons or benefit will result in disciplinary action, up to and including employment termination.

Each staff member shall take appropriate steps to ensure that their respective computer system is managed in a control environment to prevent unauthorized access. At no time (including lunch breaks)

shall a computer system be logged on to a financial data system while unattended by the respective staff member. All computer systems shall revert to a screen lock after 20 minutes (or less) of nonuse.

813.1 Assignment of Access and Passwords (†)
Access to data systems shall be based on the specific job duties and responsibilities of each staff member. Except for limited exceptions, staff will not be given unilateral access to all modules in the financial and payroll system. For example, a payroll staff member will not have access to the human resources system unless the access is limited in scope and "read-only". These restrictions to unilateral access are designed to prevent complete autonomy which could lead to fraud.

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

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

813.2 Revoking Access (†)
Access to data systems are subject to change and/or revocation when changes occur to a staff member's position, duties or responsibilities. Access to data systems are also subject to revocation when a staff member violations the Responsible Use Guidelines. All employees shall sign a Responsible Use Guidelines every fiscal year to be processed by the HR Specialist.

814 Donations and Gifts

Donations or gifts of cash or cash equivalents (gift cards), equipment, or materials to individual schools or to the district by individuals or organizations shall become property of the district. The Donation Form shall be completed by the donor. District employees are prohibited by law from intentionally or knowingly offering, conferring, agreeing to confer on another, soliciting, accepting, or agreeing to accept a personal gift or benefit.

Cash donations shall be deposited to the appropriate account in accordance with the cash/check handling procedures. Gift card donations from external sources shall be maintained in the business office safe until utilized by the appropriate individual(s).

Donated equipment shall have an inventory tag affixed to it if the unit value is greater than $5,000 per School Board Policy CFB Local. In addition, the equipment shall be added to the district inventory.
All donations per School Board Policy CDC Local shall be approved by the Superintendent, or designee. All donations for technology equipment shall be approved by the CFO prior to the Superintendent's approval.

815 Field Trips, Co-Curricular and Extra-Curricular Travel

All field trips shall be approved by the Campus Principal prior to a field trip. An online requisition/purchase order shall be submitted for admission fees, meals, etc., if any. In addition, sack lunch requests shall be communicated prior to the field trip to the Child Nutrition Supervisor.

Overnight and out-of-state student trips shall be subject to approvals from the Parents, Campus Principal, and Superintendent or designee prior to the student trip.

A transportation request form to reserve a district-owned vehicle or school bus must be requested online at (TripFinder). Your username will be your First name dot Last name unless otherwise specified. All transportation requests for vehicle and/or buses are submitted for approval by the Campus Principal or Department Administrator and then forwarded to the Transportation department. Requests must be submitted at least five days prior to the trip. Student travel requests must include the number of students attending, departure and return times. If the requestor will be driving a district-owned vehicle, he/she must be listed on the Authorized Driver List. If the requestor will not be driving, the designated driver needs to be noted in the Vehicle Driver Information box so that verification can be made that they are on the Authorized Driver List.

Educational field trips funded with state or federal grants shall obtain pre-approval for the following activities which have been identified by the granting agency or pass-through entity (TEA). Specifically, the following documentation must be submitted to support the expenditures with grant funds:

- Student field trips TEA Division of Grants Administration form
- Destination of each field trip
- Costs associated with each field trip
- Objectives to be accomplished from conducting the field trip
- Teacher's lesson plan and follow-up activities

State or federal grant funds will not be utilized for field trips that are for social, entertainment, or recreational purposes or are not properly documented in accordance with the guidelines.

816 Fixed Assets & Inventory

Fixed assets are defined as equipment with a unit value over $5000 per School Board Policy CFB Local. These assets are tracked and recorded on the district's financial general ledger. Fixed assets that are stolen, obsolete, damaged beyond repair, etc. should be reported to the CFO for removal from the district's financial records. All fixed assets must be purchased through the use of an Object Code 663X. Fixed assets are subject to audit on an annual basis. Documentation shall be maintained to support all additions, deletions, or changes to the fixed asset balances.

Inventory items are defined as equipment with a unit value over $500, but less than $5000. Other items with a unit value under $500 are also tracked and tagged such as:

- TVs
- VCRs
- digital cameras
- camcorders
- e-Readers
- I-Pads
- ChromeBooks
- Other items that may have a personal use.

Inventory items are tracked and recorded on the district's inventory tracking system. Inventory items that are stolen, obsolete, damaged beyond repair, etc. should be reported to the CTO and CFO for removal from the district's inventory tracking system. Inventory items are also tracked for insurance purposes.

817 Fraudulent or Other Dishonest Acts

All Board of Trustees, employees, vendors, contractors, consultants, volunteers and other parties involved with the district shall act with integrity and diligence in duties involving the District's financial resources. Fraud and other dishonest acts will not be tolerated by the district. Violators shall be disciplined, may be terminated and may be reported to the appropriate authorities.

Any and all concerns about potential fraudulent activities should be reported to any supervisor, the Superintendent or designee, the Board President, or local law enforcement, per School Board Policy CAA Local. Neither the Board, nor any district employee, shall unlawfully retaliate against a person who in good faith perceived fraud or financial impropriety.

Fraudulent acts may include, but are not limited to the following:

- Forgery or unauthorized alteration of any document or account belonging to the district.
- Forgery or unauthorized alteration of a check, bank draft, or other financial document.
- Misappropriation of funds, securities, supplies, or other district assets, including employee work time.
- Impropriety in the handling of money or reporting of district financial transactions.
- Profiteering as a result of insider knowledge of district information to outside parties.
- Unauthorized disclosure of confidential or proprietary information.
- Unauthorized disclosure of investment activities engaged in or contemplated by the district.
- Accepting or seeking anything material value from contractors, vendors, or other persons providing services or materials to the district, except as otherwise permitted by law or district policy.
- Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
- Failure to provide financial records required by state or local entities.
- Failure to disclose conflicts of interest as required by law or district policy.
- Any other dishonest act regarding the finances of the district.

The Superintendent, Board President, or designee shall be responsible for conducting all fraud investigations. If an investigation substantiates fraud, the report shall be provided to the Superintendent and the Board of Trustees. The report shall include the findings, action(s) taken and/or recommendation(s) for action. If any employee is found to have committed fraud, they shall be subject to disciplinary action, up to and including termination of employment and referral to law enforcement or regulatory agencies, as appropriate.

818 Fundraising Activities

Fundraising activities by student groups and/or for school-sponsored projects shall be allowed, with prior administration approval and under the supervision of the project sponsor, for students in all grades. All fund-raising projects shall be subject to the approval of the Campus Principal. The Fund Raising, Sale of Equipment form shall be completed by the Coach or Sponsor and submitted to the Campus Principal or designee and Superintendent for approval. The CFO needs to be notified of all approved fundraising activities.

Student participation in approved fund-raising activities shall not interfere with the regular instructional program. Merchandise ordered for resale should be distributed to students on a written distribution log. The written distribution log should reconcile with the corresponding invoice and/or packing list. All

fundraising documentation shall be subject to audit and must be kept on file for five years from the date of the fundraising event.

Money raised by student clubs shall be used to benefit the group as a whole rather than being credited to student individual accounts. According to the IRS Publication 557, if individual accounts are used to accumulate fundraising profits for individuals, then:

a) the money becomes taxable to the student; and
b) the people who donate in good faith are not allowed to deduct their contributions.

For example, if students are raising money for their club to pay for an out-of-town trip, the entire amount collected should be divided by the students participating in the trip regardless of the amount that each individual student raised through fundraising activities.

Two tax-free sales per district, campus, and bona fide clubs or organizations shall be allowed each *calendar* year. The tax free days must occur on a single day (defined as a 24-hour period) or over a period of time as pre-sales with a single delivery date. A fundraising calendar should be maintained to ensure compliance with the limitation of two sales per calendar year. Sales or fundraisers held outside of the tax free days are subject to sales tax. Each campus shall collect sales tax on all taxable sales. This may do this in one of two ways:

- the total price of the item(s) sold may be adjusted to include sales tax, or
- sales tax may be added to the purchase price of the item(s).

In either case, the campus shall report the total taxable sales for each month to the Business Office no later than the 10th of the following month. The district will calculate the applicable sales tax, generate a check charging the appropriate amount to each school, complete the sales tax report, and remit the payment to the taxing authorities.

819 Gift Cards

District funds shall not be used to purchase gift cards regardless of the funding source. According to the Internal Revenue Service (IRS), gift cards in any amount are taxable to the employee and must be reported as taxable wages. Gift cards, if any, issued to employees should be processed through the employee's paycheck.

According to IRS regulations, gift cards donated to the district by outside sources are also taxable to the employee if awarded to the employee by the district. Gift cards shall not be issued to staff without prior approval from the Superintendent or CFO.

Gift cards for merchandise received from an outside source must be tracked on a Gift Card Register form. All receipts for purchases with the gift card should be attached to the form. The purchases must be for the benefit of the district or a campus/department.

820 Invoices

Vendors are required to submit all invoices to the business office, yet occasionally an invoice will be mailed directly to a campus or department. If any invoices are received at the campus or department, they should be signed (if the goods/services were received), and forwarded to the business office.

Texas law requires that all invoices be paid to vendors within 30 days of receipt of the goods/services. If the district fails to pay promptly, the vendor can assess penalty interest charges. If a staff member neglects to submit an invoice on a timely basis, he/she may be held personally liable for the penalty interest charges.

Requests for reimbursement from other entities shall be processed through a district invoice. Campuses and departments shall submit their reimbursement documentation to the business office for preparation of the district invoice. The Business office issues invoices for reimbursement requests from outside entities as needed. The invoices are tracked so that funds are collected on a timely basis. The Business Office is responsible for preparing district invoices.

821 Long Distance Calls

Personal long distance calls are not allowed unless it is a true "emergency".

2822 Administrator Cell Phone

Administrators have the option to participate in the benefit of a district paid cell phone plan under FirstNet. Charges for out-of-country travel ($10 per day) if applicable, will be paid out of the district admin activity account if the cell phone is used for work each day while traveling (employee is expected to answer phone calls, text messages, emails, etc. that are related to SISD official business).

823 Payroll Procedures

Every non-exempt employee shall record *all* of *their own* work hours through Frontline Time & Attendance. Failure to clock-in or out may result in non-payment of unverified work time and disciplinary action. Falsification of payroll records such as reporting excessive work hours or participating in a practice of clocking in/out for other employees constitutes fraud. Violators will be subject to disciplinary action, up to and including termination of employment.

All exempt employees that are TRS retirees, full-time and part-time, are required to record actual hours worked using the current time keeping system. Teacher Retirement System requires districts to track "clock" hours worked for all rehired TRS retirees.

It is the responsibility of all non-exempt employees to review and submit their weekly Time Sheet via Frontline Time & Attendance. The Campus Principal or Department Administrator is required to approve. All corrections to "punch times" in the timekeeping system should be submitted via an email to the Payroll Specialist.

All non-exempt employees shall comply with the work schedule assigned. All overtime shall be pre-approved by the Campus Principal or Department Administrator. Overtime for child nutrition, custodial, grounds, maintenance and transportation will be paid overtime earnings monthly. All other non-exempt staff will be compensated for overtime by accruing compensatory time, unless prior approval has been obtained from the Campus Principal or Department Administrator and CFO. An employee who repeatedly works in excess of his/her assigned work schedule, without authorization, will be subject to disciplinary action, up to and including termination.

Compensatory time accrued will be monitored on a monthly basis by the Campus Principal(s), Department Administrator(s), CFO and Payroll Specialist and should be taken during the same school year as it is earned.

All employees shall report absences in Frontline Absence Management and are subject to approval by their Campus Principal or Department Administrator.

Paid leave must be used in one-half day increments. If the employee is taking intermittent FMLA leave, leave shall be recorded in one-hour increments. For employees that work 226 days, non-duty days must be taken first. The district will specify a period for which some of the non-duty days must be taken. Any remaining non-duty days must be entered into Frontline Absence Management. In addition, earned comp time must be used before any available paid state and local leave. Use of comp time should also be entered into Frontline Absence Management if taken in half or full day increments. Unless an employee requests a different order, available paid state and local leave will be used in the following order:

- Local sick leave
- State sick leave accumulated before the 1995-96 school year
- State personal leave

In addition, if the absence requires a substitute, substitutes are required to record *all* of *their own* work hours through Frontline Time & Attendance. Failure to clock-in or out may result in non-payment of unverified work time. Recorded time records will be used to reconcile all employee absences. For non-exempt staff, absences will be reconciled with their monthly time sheets.

Supplemental work hours for tutorials, after-school, summer school and non-exempt game workers are recorded through Frontline Time & Attendance. Exempt game workers will need to record on an Athletic Game Worker Record (sample in Exhibit Section) generated by the respective employee, approved by the Athletic Director and submitted to the business office by the 10th of the month following the end of the athletic season. All supplemental payments will be processed for the next pay period. Supplemental payments should include the following: employee name, reason for pay, date(s) worked, and be supported by sign-in sheets (if applicable).

All payroll disbursements shall be coded to the appropriate account code in compliance with the Financial Accountability System Resource Guide (FASRG). Disbursements from state or federal grant funds shall also comply with Edgar 2 CFR §200.430. Please refer to section 902.7 Cost Principles for more detailed information regarding payroll disbursements and record keeping for state and federal grants.

824 Purchase Requisition and Order Forms

A purchase order form is used to purchase supplies, equipment, or services from an external vendor. Requisition forms should be created using the Purchasing application in our operating system, ASCENDER by the requesting campus or department and submitted to the Campus Principal or Department Administrator for approval of a purchase order. Final approval for all purchase orders will be given by the CFO. The electronic system allows users to enter purchase requests electronically, verify account balances, select commodity codes and select pre-approved vendors, etc. at the point of data entry. Budget codes must be noted on all requisitions. Supporting documentation such as order forms, graphics, etc. shall be submitted to the business office.

After the requisitions pass all electronic approvals, an automated email will be generated and sent to the requester with the purchase order number. Each purchase order is uniquely numbered for audit tracking purposes. The purchase order then must be printed by the requestor and kept until the order has been completely fulfilled. Upon completion of the order or services, the requestor will sign the purchase order as "Received" and send it to the business office for payment. All purchase orders sent to the business office must have supporting documentation attached (packing slips, order summaries, registration forms, students attending, etc.). No employee shall order or receive goods without an approved purchase order. A requisition cannot be used to place an order. All purchase orders should be mailed, emailed or faxed to vendors by the requestor unless assistance is needed from the business office. Exceptions if any should be approved by the CFO.

For budget and activity accounts, all purchase orders, supporting documentation and questions should be sent to Accounts Payable/Receivable Specialists. For activity accounts, all purchase orders, supporting documentation and questions should be sent to Accounts Payable/Receivable Specialists. For commodity code questions, please refer to the district's Commodity Code google sheet or direct questions to Accounts Payable/Receivable Specialists.

According to School Board Policy CH (Local), employees who violate the district purchasing procedures shall be held personally liable for the debt incurred. [Note: District employees shall not be permitted to make purchases for personal use through the District as per Board Policy CH Local.]

Please refer to section 902.53 Procurement Methods for purchases of goods or services from state or federal grant funds.

824.1 Purchasing Laws

The Texas Education Code (TEC) addresses the requirement to competitively bid purchases that exceed $50,000, in the aggregate, over a 12-month period. Since non-compliance may result in criminal penalties, this requirement will be strictly enforced.

The district has implemented an administrative procedure to solicit quotes for purchases, which exceed $10000, in the aggregate, over a 12-month period. Salado ISD has established purchasing levels and requirements as included in Illustration #1.

Anticipated purchases, which may exceed $25,000 or more, should be brought to the attention of the business office well in advance of the need for the goods or services. The bidding process may take approximately 2 to 3 months, from bid specification development to School Board approval.

According to School Board Policy CH (Legal), a board member, employee, or agent shall not, with criminal negligence, make or authorize separate, sequential, or component purchases to avoid the purchasing requirements set out in Education Code 44.031. An officer or employee shall not knowingly violate Education Code 44.031 in any other manner. "Component purchases" means purchases of the component parts of an item that in normal purchasing practices would be made in one purchase. "Separate purchases" means purchases, made separately, of items that in normal purchasing practices would be made in one purchase. "Sequential purchases" means purchases, over a period, of items that in normal purchasing practices would be made in one purchase. Violation of this provision is a Class B misdemeanor and an offense involving moral turpitude, conviction of which shall result in removal from office or dismissal from employment.

Illustration #1 – Salado ISD Purchasing Levels and Requirements

SALADO ISD PURCHASING LEVELS AND REQUIREMENTS					
Purchase Commitment Amount	**Support Required**	**Additional Forms**	**RFP/RFQ**	**Board Approval**	**Advertising**
Purchases with State and Local Funds					
For purchases **less than $10,000.00**	**1 QUOTE**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED** *Is required in the aggregate of $50K	**NOT REQUIRED**
For purchases of **$10,000.00 to $49,999.99**	**3 QUOTES**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED** *Is required in the aggregate of $50K	**NOT REQUIRED**
For purchases over **$50,000.00**	**FORMAL BIDS (Education Code 44.031)**	**BID OR PROPOSAL TABULATION OR SCORE CARD**	**REQUIRED**	**AGENDA ITEM REQUIRED**	**REQUIRED** *two (2) consecutive weeks
Sole Source Purchase $50,000.00 and over	**1 QUOTE**	**SOLE SOURCE AFFIDAVIT**	**NOT REQUIRED**	**AGENDA ITEM REQUIRED**	**NOT REQUIRED**
Purchasing Cooperative	**1 QUOTE**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED**
Purchases with Federal Grant Funds					
For purchases **less than $10,000.00 (Micro-purchase/Fed Funds)**	**1 QUOTE**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED** *Is required in the aggregate of $50K	**NOT REQUIRED**
For purchases of **$10,000.00 to $49,999.99 (Small purchase/Fed Funds)**	**3 QUOTES (This includes Co-Op/ Catalog Purchases)**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED** *Is required in the aggregate of $50K	**NOT REQUIRED**
For purchases over **$50,000.00 (Small purchase/Fed Funds) Competitive Procurement/Texas**	**FORMAL BIDS (Education Code 44.031)**	**BID OR PROPOSAL TABULATION OR SCORE CARD**	**REQUIRED**	**AGENDA ITEM REQUIRED**	**REQUIRED** *two (2) consecutive weeks
Sole Source Purchase $50,000.00 and over	**1 QUOTE**	**SOLE SOURCE AFFIDAVIT**	**NOT REQUIRED**	**AGENDA ITEM REQUIRED**	**NOT REQUIRED**

Small Purchase Procedures

The **Procurement by Small Purchase Procedures** shall be used by the district when the purchases of goods or services do not exceed $50,000. The purchasing department shall require written, emailed or faxed quotations from at least three (3) qualified vendors for all small purchases (i.e. for purchases of $10,000 to $49,999.99). The district shall strive to obtain small purchases from qualified vendors under a Cooperative Purchasing Program. The district is currently participating in the following cooperative purchasing programs:

- **TASB Buy Board**
- **TCPN**
- **ESC VII**
- **Choice Partners**
- **PACE – ESC XX**
- **TIPS – ESC VIII**

Sealed Bid Procedures

The **Procurement by Sealed Bids** method shall be used by the district when the purchase of goods or services exceeds $50,000 if the acquisition of the goods or services lends itself to a fixed price contract and the selection of the successful bidder can be made principally on the basis of price. The district shall comply with the sealed bid requirements, as defined by the EDGAR, as noted below:

- Bids must be solicited from an adequate number of bidders, but no less than two (2) bidders

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

Competitive Proposal Procedures

The Procurement by Competitive Proposal method shall be used by the district when the acquisition of the goods or services exceeds $50,000 and does not lend itself to a fixed price contract. The district shall comply with the sealed bid requirements, as defined by the EDGAR, as noted below:

- Requests for Proposals (RFP) must be publicly advertised
- The RFP shall identify the evaluation factors and their weight in awarding the proposal
- Proposals shall be solicited from an adequate number of bidders, but no less than two qualified vendors
- Proposals shall be evaluated, ranked and a recommendation for award made to the Board of Trustees at a regularly scheduled board meeting
    - The district shall develop an instrument to evaluate each proposal and rank the proposals based on the evaluation scores
    - The district shall evaluate each proposal by committee or no less than two district staff with knowledge of the RFP specifications
    - In accordance with state law, the vendor who is ranked highest as providing the " proposal most advantageous to the district" shall be notified of the potential award
        - The district may negotiate with the vendor only as it relates to potential cost savings
        - If the district and vendor ceases to negotiate, the district shall notify the vendor in writing before starting to negotiate with the 2nd highest ranked vendor.

Noncompetitive Proposal Procedures

The **Procurement by Noncompetitive Proposal** method shall be used by the district when the purchase of goods or services is from a "sole source vendor". A sole source vendor is defined as a vendor that meets the following requirements:

- The goods or services are only available from a single source

    - The district shall acquire and maintain a copy of a vendor's sole source letter which specifies the statutory or other reason for its sole source status
    - The TEA Division of Grants Administration Request for Noncompetitive Procurement (Sole Source) Approval Form shall be utilized to request prior approval of a non-competitive, sole source proposal.
- A public exigency or emergency will not permit a delay resulting from the competitive solicitation process
    - The district shall declare a public exigency or emergency prior to making such as purchase of goods or services under this method
- The granting agency or pass-through entity authorized the use of a non-competitive proposal method
    - The district shall obtain written approval/authorization from the granting agency or pass-through entity.
- After solicitation of a number of sources, competition is determined to be inadequate
    - The district shall determine that competition is inadequate if after two (2) solicitations of bids and/or proposal, only one vendor is responsive to the solicitations

824.2 Purchasing Deadlines

In an effort to maximize the use of budgeted funds during the current fiscal year, the purchasing deadline to enter a purchase requisition for **supplies and equipment** shall be April 30th. Summer needs for staff development and summer school should be anticipated and ordered prior to the deadline. Purchasing documents for **services and travel** should be submitted by June 15th. At times, the purchasing deadlines for state or federal grants may be earlier than the deadlines stated above due to grant ending dates. The specific purchasing deadlines for state and federal grants will be distributed on an annual basis by the CFO.

824.3 Credit Cards

The district utilizes credit cards for purchasing of food, supplies, and travel. All credit card purchases must be pre-approved on a purchase order. Currently, the credit cards in use by the district include CitiBank, Hobby Lobby, Home Depot, Lowe's, and Wal-Mart. The credit cards shall be maintained and issued by the business office upon approval of a purchase order.

Only district administrators may be entrusted with the safe-keeping of their CitiBank district credit card and shall properly secure the card when not in use. All transactions made with CitiBank district credit cards are subject to the same procedures as any other credit card purchase.

All credit receipts (detailed/itemized) shall be submitted to the business office within five days of purchase to ensure prompt payment to the vendor. If credit card receipts are not submitted on a timely basis, these charges will be temporarily posted to the campus' activity account until receipt of the supporting documentation or subject to immediate reimbursement by the employee. District credit card usage may be suspended and/or revoked if receipts are not submitted on a timely basis.

All district employees that have been authorized to utilize a credit card for purchases shall sign a Credit Card User Agreement annually. Violations of the Credit Card User Agreement may result in disciplinary action, up to and including employment termination. All authorized credit card users shall be responsible for the security of their assigned credit card(s).

The district shall use district-issued credit cards to make purchases with federal grant funds. Specifically, all credit card purchases shall be recorded on the general ledger in detail to include the date of the transaction, the merchant, goods/services purchased, cost, and the purchaser. Grant administrator or other approvals required under the regular purchasing procedures of the school district shall be adhered to regardless of the method of payment.
Failure to comply with these procedures may result in revocation of charging privileges, personal liability for inappropriate expenditures, and disciplinary action including termination of employment. **[Note: The district will only reimburse any purchases made with a non-district credit card up to $400 yearly aggregate, except for travel-related expenditures, as appropriate.]**

824.4 Purchasing Card – State of Texas Procurement and Travel Card Program
The district is a participant of the State of Texas Procurement and Travel Card Program. The purchasing card is a credit card issued through CitiBank's Commercial Card Program. P-Cards are subject to purchase order approval and employees shall sign a Credit Card User Agreement annually. Violations of the Credit Card User Agreement may result in disciplinary action, up to and including employment termination. The P-Card may be used to purchase supplies or travel.

A purchase order payable to CitiBank MasterCard must be submitted and approved before the business office will issue a P-Card. The business office needs at least two days to get the P-Card loaded. If a P-Card is requested for travel, the requester must submit an itemized list of the amount requested to be loaded on the card as well as any supporting documentation (registration forms, itinerary, list of students, hotel estimate, etc.). Please refer to the Travel section of this Administrative Procedures Manual for specific procedures related to travel and P-Cards.

The purchaser must submit a Sales Tax Exemption and/or Hotel Occupancy Tax Exemption form to the merchant to avoid Texas sales and state occupancy taxes on transactions. If the purchaser fails to submit these forms, the purchaser shall promptly reimburse the Texas sales or state occupancy taxes to the district. A copy of the receipt for reimbursement of paid taxes shall be attached to the purchase order for audit purposes.

All P-Cards and credit receipts (detailed, itemized) shall be submitted to the business office within five (5) days of the purchase/transaction date to ensure prompt payment to the vendor. If receipts and credit card receipts are not submitted on a timely basis, these charges will be posted to the campus' activity account until receipt of the supporting documentation or subject to immediate reimbursement by the employee. If a receipt is not received from the purchaser, the purchaser may be held liable for reimbursement of the entire purchase. District P-card usage may be suspended and/or revoked if receipts are not submitted on a timely basis.

The district does allow the use of P-Cards for purchases from federal grants. Expenditure of federal funds with a P-Card shall be allowable under the grant program. The Campus Principals may be required to approve questionable credit card expenditures. If a P-Card expense does not meet the requirements of a state or federal grant, the expenditure shall be reclassified to local funds (Fund 199 or 461).

Inactive P-Cards shall be properly secured in the district locked safe. After the intended use, all P-Cards should be returned within five days of the purchase/transaction date to the business office. These P-Cards will be securely kept until the card has been shredded by the business office. Annual training related to credit cards shall include:

- allowable purchases;
- submission of detailed receipts;
- transaction limits;

- security of the credit card; and
- return of the credit card upon completion of the approved purchase and/or separations of employment with the district, as appropriate.

Failure to comply with these procedures may result in revocation of charging privileges, personal liability for inappropriate expenditures, and disciplinary action including termination of employment.

824.5 Purchase of Food and Non-Food Items
Food and non-food items (such as paper plates, cups, silverware, etc.) shall be for instructional purposes (Food Science & Nutrition, science projects, etc.), for meetings/training sessions, or other approved functions. These food and non-food items may not be consumed or used for personal use. Excess prepared food items may be consumed or disposed of as appropriate. Food purchases for the Child Nutrition Program shall be subject to the U.S. Department of Agriculture guidelines.

Generally, snacks, food, and non-food supplies for staff development purposes shall be charged to a staff development account code (function 13). Use of district funds for food or snacks shall be allowed only during a "working lunch". Documentation to support the "working lunch" shall include a meeting agenda with the inclusion of a "working lunch".

When food and non-food items are utilized for faculty, site-based meetings, etc., the expense shall be code to the Campus Activity Account (fund 461). All other uses should be coded to the appropriate account code.

Meals [breakfast and lunch] may be allowable on a limited basis if the meal meets the "working lunch" or "light lunch" exceptions as described in TEA's Guidelines Related to Specific Costs (located at https://tea.texas.gov/). All federally-funded meals must be reasonable and necessary and shall not exceed $20 per meal per person.

824.6 On-Line Purchasing
Since external vendor on-line purchasing generally does not have internal controls which include verification of available budgeted funds, use of on-line purchasing will be limited to specific vendors and authorized users. The district will utilize on-line purchasing through the following vendors: Advanced Office Products, Amazon, EBay, Perry's, Quill, Sam's Club, Staples, and Wal-Mart. On-line purchases will be subject to e-approvals through the same approval paths for requisitions. Training for this type of purchasing will occur on an as-needed basis.

A requisition must be entered for all on-line purchases **before** submitting the on-line order. On-line orders will not be released by the final approver, CFO or designee, until the requisition is approved and a purchase order issued for the total amount of the on-line purchase.

824.7 Receiving of Goods
The district utilizes a decentralized receiving system – all goods are delivered to the originating campus/department as appropriate. The originating campus/department should keep the original purchase order copy until receipt of all goods. Upon receipt of the goods, all items that require an inventory or fixed asset tag will be tagged annually by RCI during the annual Fixed Asset Update. Upon completion of the order or services, the requestor will sign the purchase order as "Received" and send it to the business office for payment. All purchase orders sent to the business office must have supporting documentation attached (packing slips, order summaries, registration forms, students attending, etc.).

Shortages, damaged goods, or other receiving deficiencies shall be reported immediately to the vendor. The employee shall contact the appropriate vendor to address the deficiencies. The completed signed purchase order should not be forwarded to the business office for payment until merchandise has been returned for a full refund or replacement merchandise has been received. Failure to comply with this procedure may result in overpayments to the vendor.

825 Retention of Records (†)

All financial records for the current fiscal year shall be retained for audit purposes in accordance with the district Local Records Retention Schedule. All financial records including grant related documents will be retained at a minimum of fiscal year end plus five years (2 CFR §200.333). Destruction of records, at the expiration of the records, shall also be in accordance with the district's Local Records Retention Schedule. **[Note: The Destruction Schedule [list of all records destroyed] is a permanent document.]** Unless a record that has been destroyed is specifically listed on a Destruction Schedule, it is presumed to still exist.

The district shall maintain grant-related records in a combination of paper and electronic formats. The following records shall be maintained in paper format (2 CFR §200.335):

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

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

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

All financial records including grant related documents will be retained in the business office for a minimum of two years before sending them to the Assistant Superintendent's Secretary for archiving and placement at the Records Center for the rest of the archival period of time.

The Records Custodian for the financial records of the district is Assistant Superintendent's Secretary. All questions related to the retention, destruction, and/or addition of new record series shall be directed to the District's Records Management Officer (RMO), Superintendent.

826 Rental of Facilities

The Administration Office shall coordinate the rental of district facilities. This individual shall approve the rental agreements and coordinate with all related campuses and departments, especially as it relates to the availability of specialized facilities, electrical, cooling/heating, etc. A Facility Request Form is required for all rentals of facilities. All contracts shall include a cleaning fee unless waived by the Assistant Superintendent or Superintendent. In addition, all direct expenses for district staff such as custodial, food service or police shall be included in the agreement. All cleaning fees and direct expenses shall be paid to the district and deposited to the appropriate revenue account. At no time shall an outside entity pay a school district employee directly for work performed within the scope of their employment with the district.

District-related events/groups requiring an entry fee or having food with an event will be charged a facility usage fee to cover custodial expenses. Otherwise, no facility usage fee will be accessed to district-related events/groups. Other fees, if any, will be negotiated with the lessee at the time that the rental agreement is executed.

No credits or refunds will be given for facility rentals if canceled for any reason, including inclement weather unless the event is canceled by Salado ISD Administration. Refunds (if applicable) shall be processed for payment through the district's on-line requisition system to the appropriate vendor.

827 Returned Checks

All makers of returned checks will be charged a fee if the district's depository bank charges a service fee. The fee is subject to increase based on the district's depository bank service fee schedule for returned checks. The district shall reserve the right to reject future checks from makers of returned checks.

828 Sale of Personal Property – Surplus

All supplies and equipment which are deemed to be surplus and valued $2,500 and under [not of any use to the district], will be recommended to the Superintendent per School Board Policy CI Local for sale via a Surplus Sale. Surplus supplies and equipment valued greater than $2,500 shall be recommended to the Board of Trustees for sale. At least one surplus sale may be scheduled per year.

Surplus sales shall be advertised in a local newspaper and/or the district's website or via government surplus auction services. Items shall be sold through marked pricing, sealed bids, auction, or other acceptable method that results in the best return for the district.

Neither district supplies, nor equipment, shall be sold or conveyed other than through a surplus sale, unless authorized by the Superintendent or the Board of Trustees, as appropriate. Any sales tax collected should be remitted to the State Comptroller.

829 Sales Tax Exemption Form

The Sales Tax Exemption form shall be used for school-related purchases only. Misuse of the exemption form for personal purchases constitutes a misdemeanor.

Copies of the exemption form may be obtained from the business office or from the Texas Comptroller for Public Accounts website. Texas Sales Tax, which should have been exempt, will not be authorized for reimbursement. It is the purchaser's responsibility to present the exemption form to the vendor at the time of the purchase.

Purchase of personal items for staff or students are not eligible for the sales tax exemption.

830 Segregation of Duties (†)

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

- **Endorsement of checks –** The CFO must approve the Pre-Post Payroll Earnings Register and Pre-Post Accounts Payable Check listing **before** a staff member can print payroll or accounts payable checks.
- **Bank reconciliations –** The same staff member shall not prepare cash disbursements, cash deposits, or other cash transactions **and** reconcile the district's bank accounts without the CFO reviewing and approving the bank reconciliations.
- **Purchasing and Receiving functions –** The same staff member shall not serve as the final approver of a purchase order **and** verify receipt of the goods.
- **Contract Management –** The same staff member shall not approve a contract for goods or services **and** have sole approval authority to disburse the payment for the contracted goods or services.

831 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. The Texas Education agency acts as the pass-thru entity for many of the United States Department of Education (USDE) federal grants.

Federal Regulations for Federal 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.

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

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

Generally, 2 CFR Part 200 applies to all programs under the Elementary & Secondary Education Act (ESEA) and may apply to other US Department of Education grants.

The EDGAR in its entirety can be accessed at: https://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. The EDGAR Acronyms and Definitions can be found in CFR 200.0 through 200.99.

At the District level, managing State and Federal Grants shall be a collaborative process between the Business Office (Accounting, Budgeting, Purchasing, Payroll, etc.), Human Resource Coordinator, Grant Consultant and Campus Principals. Each respective department shall be responsible for their duties and responsibilities as they relate to the management of state and/or federal grants. The duties of each

department are listed below in general terms. Additional, specific duties and responsibilities may be listed within an area of compliance within this Manual.

Business Office

- Assisting the Grant Manager with budgeting grant funds. Preparing and posting the initial budget and all amendments to the general ledger.
- Ensuring the correct payroll distribution code(s) for all grant-funded staff.
- Preparing all grant-related financial reports (monthly, quarterly and annually).
- Preparing all financial records for the annual financial audit and single audit, as appropriate.
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
- Adjusting the general ledger, as appropriate, after reconciliation of the time and effort reports, and process adjustments if 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.
- Ensuring that all grant-funded staff have a signed annual job description with the grant-related duties and funding.
- 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 Grant Consultant with determining the position title, Role ID and other salary information for use in completing the grant application.
- Determine the payroll distribution code(s) for all grant-funded staff.
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
- Reviewing and approving all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles.
- Monitoring the spending thresholds throughout the grant period to ensure that the grant activities are being conducted systematically throughout the grant period.
- Ensuring that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate (And, all state certification requirements).
- Assisting the Grant Consulting in preparing the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate.
- Maintaining audit-ready HR employee files for financial audit or single audit purposes, as appropriate.
- Retaining all personnel records for the required length of time (5 years) for audit purposes.

Grant Consultant

- Working cooperatively with the Campus Principals to ensure that all grant activities are collaboratively planned and appropriate to each campus.
- Preparing all grant-related programmatic (evaluation) reports (monthly, quarterly and annually).
- Retaining all grant records for the required length of time (5 years) for audit purposes.
- Providing information to the Business Office regarding the number and type of grant-funded positions approved in the grant application by the granting authority.
- Verifying with the Business Office that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate (And, all state certification requirements).

- Verifying with the Business Office that all grant-funded staff have a job description with the grant-related duties and funding. (Moreover, all grant-funded staff must sign a job description on an annual basis.)
- Verifying with the Business Office that the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate.

Campus Principals

- Providing supporting documentation for budgeted grants funds. In addition, submitting all grant amendments to the Business Office to facilitate budget amendments.
- Monitoring the time and effort reports, as appropriate and submitting adjustments, if any, to the Business Office.
- Assisting the Business Office with determining the position title, Role ID and other salary information for use in completing the grant application.

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

832 Travel

All travel requests shall be submitted as a requisition for approval by the immediate supervisor and CFO.

For hotels, parking and registration (if applicable), a purchase order should be made payable to CitiBank MasterCard for a P-Card or CitiBank for a district credit card. Once the purchase order has been approved and assigned a purchase order number, the purchase order must be submitted to the business office with supporting documentation. The business office needs at least two days to get the P-Card loaded. Upon return, All P-Cards and credit receipts (detailed, itemized) shall be submitted to the business office within five days of the return date to ensure prompt payment to the vendor. If receipts are not submitted on a timely basis, these charges will be posted to the campus' activity account until receipt of the supporting documentation or subject to immediate reimbursement by the employee. If a receipt is not received from the purchaser, the purchaser may be held liable for reimbursement of the entire purchase.

The maximum per diem rates for hotels shall be limited to the rates as listed [by city/zip code] on the General Services Administration (GSA) website. Hotel accommodations are not allowable unless the employee is departing from Salado prior to 5:00 am or will be arriving back in Salado after 12:00 am. The employee must submit a Sales Tax Exemption and/or Hotel Occupancy Tax Exemption form to the merchant during travel to avoid Texas sales and state hotel occupancy taxes on transactions. If the purchaser fails to submit the Sales Tax Exemption and/or Hotel Occupancy Tax Exemption form, the purchaser shall promptly reimburse the sales or state occupancy taxes to the district. A copy of the receipt for reimbursement of paid taxes shall be attached to the purchase order for audit purposes.

Note: employees must present the Texas Sales Tax Exemption form to avoid Texas sales tax being charged for parking or room service meals.

Travel incidentals are only allowable if campus/student activity funds are available for use. Otherwise, travel incidentals will be the personal responsibility of the employee.

Meal allotments should be requested as a purchase order made payable to the employee. Meal allotments for an employee is $8 for breakfast, $12 for lunch, and $17 for dinner. The district will not pay for meals unless traveling overnight or traveling with students. The meal per diems shall be adjusted in accordance with IRS regulations regarding the day of departure/return and meals provided without cost as part of the registration fee.

For meals when traveling with students, there are three options:

- Submit a purchase order payable to CitiBank MasterCard for a P-Card,
- Submit a purchase order if the restaurant will invoice the district for the meals, or
- Submit a purchase order payable to the employee for the meal allotments.

Meal allotments for students are $7 for breakfast, $8 for lunch, and $10 for dinner. Once the purchase order has been approved and assigned a purchase order number, the purchase order must be submitted to the business office with supporting documentation and a list of students attending. The business office needs at least two (2) days to get a P-Card loaded or five (5) days to get a check processed. Upon return, all credit receipts (detailed, itemized) shall be submitted to the business office within five days of the return date (if using a P-Card). If receipts are not submitted on a timely basis, a campus or student activity account will be charged for reimbursement until receipt of the supporting documentation or subject to immediate reimbursement by the employee. If a receipt is not received from the purchaser, the purchaser may be held liable for reimbursement of the entire purchase. If the meal allotment cash is handed directly to the students, then a list of students with their signatures must be submitted to the business office in place of receipts. Any unused meal money must be returned to the business office within two days of the return date. All meal money advancements not settled within the calendar year shall receive a 1099 form or become taxable to the employee.

If the restaurant will invoice the district, then the employee will just submit the signed PO as "Received" with a copy of the receipt to the business office upon return.

When traveling, it is also allowable to seek reimbursement after the trip under special circumstances (credit card or P-Card does not work) as long as the immediate supervisor has approved the trip. An approved purchase order with supporting documentation (registration or itinerary to support the trip) and itemized receipts will be required for reimbursement. Failure to submit required documentation will result in non-reimbursement. The business office will not reimburse for Texas sales or hotel occupancy tax.

Mileage rates are subject to the Texas Comptroller of Public Accounts reimbursement rates published by TEA. Mileage reimbursement is only allowed if there is no district owned vehicle available for use and must be pre-approved by the Campus Principals or immediate Supervisor and CFO prior to the travel dates.

Please refer to section **902.77 Travel Expenditures with Grant Funds** (Students & Staff) for travel with state or federal grant funds.

832.1 Hotel Occupancy Tax Exemption Form

The Hotel Occupancy Tax Exemption form shall be used for in-state school-related travel to conferences, workshops, etc. Copies may be obtained from the business office or via the web at the Texas Comptroller of Public Accounts website. Lodging taxes, which should have been exempt, will be unauthorized for reimbursement if the traveler fails to present the certificate to the hotel. The traveler will be held responsible for such charges, if any.

This form is not applicable to out-of-state travel.

833 Vendors

Purchases from vendors that operate on a cash basis (do not accept purchase orders) or cash on delivery (COD) will not be allowed. The district participates in several cooperative purchasing programs. A list of

these programs is available from the business office. Priority should be given to these vendors since the goods and/or services have been subjected to the rigor of a competitive bid process.

Requests to add new vendors shall be accompanied with a New Vendor Packet. The packet shall include the following. Other documents may be required based on the services to be performed by the vendor.

- W-9 form,
- Conflict of Interest Questionnaire (CIQ), and
- Felony Conviction Notice
- Other documents may include a Criminal History check and fingerprinting if the vendor will work directly with students, and/or a Certificate of Insurance if the vendor will perform services on district property. The Certificate of Insurance shall include the minimum level of insurance in the areas of auto liability, general liability, and workers compensation.

The W-9 Form is essential to add the business or contractor to the vendor database. The name of the vendor, as stated on the W-9 Form, shall be entered on the vendor database. Payments will not be issued without a W-9 Form on file.

As a matter of law, all existing and new vendors shall be required to complete and file a CIQ. The governing body (School Board) and the Superintendent shall complete and file Local Government Officer Conflicts Disclosure Statement (CIS) with the business office.

The Felony Conviction Notice shall be collected from all vendors that enter into a contract with the school district. The Texas Education Code, Section 44.034(a) states that a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of the felony. Furthermore, Section 44.034(b) states that a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract.

Lastly, Section 44.034 (c) states that this section does not apply to a publicly held corporation. In addition to the felony conviction verification, the district shall obtain a criminal history background check and/or fingerprinting verification for all vendors that will work directly with students.

900 – State and Federal Programs/Grants(†)

901 State Programs – Allotments

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

The FSP has two main components, **operations funding** and **facilities funding**. Each component is tied to the tax efforts of school districts. These components provide funding for school district operations and school facilities. This overview briefly describes the main components of the FSP.

1. **The operations funding component of the FSP assists school districts in financing their maintenance and operations (M&O) through the following two formulas:**
    - Tier One of the FSP provides school districts (and open-enrollment charter schools) with a basic level of funding through several allotments, including those for regular basic education, special education (SPED), dyslexia, compensatory education, bilingual education (including dual language programs), career and technology education (CTE), public education grants, early education, college, career, or military readiness, fast growth, small and mid-sized districts, teacher incentives, transportation, and new instructional facilities.
    - Tier Two of the FSP is intended to supplement the basic funding provided by Tier One. Tier Two guarantees a specific level of funding per student in weighted average daily attendance, or WADA, (to be discussed later) for each penny of tax effort above a school district's maximum Tier One tax rate (also referred to as the state maximum compressed tax rate, or MCR). The funding provided by this additional tax effort is also referred to as enrichment.

2. **The facilities funding component of the FSP provides school districts (excluding open-enrollment charter schools) with assistance for debt service related to funding school facilities through the following two programs:**
    - The Instructional Facilities Allotment (IFA) program provides funding to school districts for debt service payments on debt associated with the purchase, construction, renovation, and expansion of instructional facilities. Districts use this funding to make annual debt service payments on qualifying bonds and lease-purchase agreements.
    - The Existing Debt Allotment (EDA) program provides funding to school districts for debt service payments on eligible bonded debt.

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** **55%** **PIC 23, 33 Pre-K**
- **Career & Technical Education** **55%** **PIC 22**
- **Gifted & Talented Education** **100%** **PIC 21***
- **State Compensatory Education (SCE)** **55%** **PIC 24-30 (except 25 & 27)**
- **Bilingual/ESL Education** **55%** **PIC 25**

- **Dyslexia** **100%** **PIC 37, 43**
- **Early Education** **100%** **PIC 36**
- **CCMR Outcomes Bonus** **55%** **PIC 38**

901.1 Budgeting Special Program Allotments

The per-pupil expenditures of federal, state, and local funds, including actual personal expenditures and actual non-personnel expenditures must be in compliance with federal regulations [ESSA and 34 CFR]. As a best practice, the district shall ensure that the appropriate program intent code (PIC) and campus/department organization codes are used during the budget and expenditure processes. 831

Expenditures coded to PIC 99 (undistributed) and Organization Code 999 will be distributed by TEA using a methodology that may include: student enrollment by campus, staff FTEs, square footage of buildings (for functions such as 34, 35, 51, etc.), or other methodology as may be determined by TEA.

During the budget process, the estimated state allotment shall be calculated by the 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 Campus Principals, Special Programs Director and Assistant Superintendent. Campus Principals and Special Programs Director shall be responsible for the programmatic compliance in their respective program(s)/campus. The Special Programs Director and Assistant Superintendent has global oversight of all state special programs. Programmatic compliance shall include, but not limited to: program eligibility, program design, instructional delivery, entry/exit procedures, professional development, and certification.

The Business Office, specifically the CFO with assistance from the Special Programs Director, shall be responsible for the financial compliance in each of these special programs. Financial compliance shall include, but not limited to: budgeting development & monitoring, approval of expenditures, financial reporting to TEA, financial audit, calculating per-pupil expenditures by program; budget allocations for compensatory, intensive, and accelerated instruction; student-teacher ratios; and purchasing with state allotment funds.

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. [Note: If the District does not budget to compliance, it may not spend to compliance.]

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, Special Programs Director, Assistant Superintendent and Campus Principals 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 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 33 Prekindergarten, Special Education*
- PIC 36 Early Education Allotment (New in 2019-2020)
- PIC 37 Dyslexia (New in 2019-2020)
- PIC 38 College, Career and Military Readiness (CCMR) – (New in 2019-2020)
- PIC 43 Dyslexia, Special Education (New in 2020-2021)*

*PIC codes used in Special Education mandated spending requirement
**PIC codes used in State Compensatory Education mandated spending requirement
***PIC codes used in Bilingual/ESL mandated spending requirement

If the "intent" of a particular course or program is one of the Enhanced Services, the appropriate PIC shall be used for the expenditures even if an incidental student(s) 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.

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

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

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

Submission	Report #	Report Name
Fall	PDM1-120-002	LEP/BL/ESL and Parental Denial Students
	PDM1-120-003	Student Program Roster
	PDM1-120-005	Student Data Review
	PDM1-120-008	Student Success Initiative Student Roster
	PDM1-120-009	Disaggregation of PEIMS Student Data
	PDM1-120-013	PK Student Roster
	PDM1-120-020	Student Census Block Group Roster
Summer	PDM3-130-001	Superintendent's Report of Student Attendance
	PDM3-120-004	Disaggregation of PEIMS Summer Attendance Data
	PDM3-120-013	Special Programs Attendance Data
	PDM3-120-015	Previous Year Average Daily Attendance Data
	PDM3-120-017	PK Student Roster
	PDM3-120-018	Student Dyslexia or Related Services Roster
Extended Yr	PDM4-120-001	Extended School Year (ESY) Services Roster
	PDM4-120-004	Bilingual/ESL Summer School Roster

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

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

- What will the employee do? Determines the function code
- What is the FLSA status of an employee? Determines the object code [Exempt staff – 6119 and Non-exempt staff – 6129]
- Where will the employee work? Determines the organization code (may be split)
- Who will benefit? Determines the population served or PIC (may be split)

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

Best Practice to ensure accuracy of Staff FTEs by Special Program:

By September 10th, each school year, the Campus Principals and Human Resource Specialists shall jointly prepare a Staff FTEs report that is based on the campus Master Schedule. The Staff FTE report shall reflect the names of all staff, the position, and the assignment(s) by PIC code. For example, a teacher that teaches 4 special education classes and 4 career and technical education courses, should have .5 FTEs in PIC 23 and .5 FTEs in PIC 22. [Note: The master schedule shall reflect the teaching assignment for all teachers and every course section shall reflect the "intent", or population served code.] The population served codes (**PEIMS Population Served Code Table 030 in Exhibit Section**) 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 29 Disciplinary Alternative Education Program – SCE

- Population Served Code 03 PIC 30 Supplemental Title I, Part A School wide 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).

Campus Principals shall also submit a Staff FTE report for non-campus administrative staff by September 10th of each fiscal year. The PIC codes for the non-campus staff shall reflect what they do, where they are assigned to work, and the special program(s) that they support.

The Staff FTEs reports shall be submitted to the CFO no later than the deadline of September 10th at the beginning of each fiscal year. The CFO 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 CFO. [Note: The minimum spend percentages shall be verified again to ensure that the budgeted amount by PIC still meets or exceeds the minimum spend percentage by special program.]

After approval of the Staff FTEs reports, the CFO shall work with the Human Resource Specialist for the purpose of updating the payroll distribution record(s) of each district employee.

Campus Principals shall be responsible to ensure that any changes to staff assignments are submitted to the CFO within five (5) days of the assignment change. 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.
The staff FTEs by special program shall be reported to TEA through the PEIMS data submissions. PEIMS personnel shall be responsible for developing procedures to ensure that all staff, especially instructional staff, has the correct populated served code in the campus master schedule. The procedures shall comply with the district's Attendance Accounting Procedures Handbook, TEA's *Student Attendance Accounting Handbook (SAAH)* and the *Texas Student Data Standards (TSDS).*
The Student Information System, ASCENDER, shall be used to create the district/campus master schedule, instructor records, and course/section records. Specifically, every course record shall reflect the correct Service ID (as noted on TEDS Code Table C022 Service-ID); and every section course record shall reflect the correct Population Served Code (as noted on TEDS Code Table C030 Population-Served-Code).

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

Submission	Report #	Report Name
Fall	PDM1-110-004	Staff FTE Summary
	PDM1-110-005	Student and Staff Counts by Service ID
	PDM1-110-006	Staff FTE by ROLE ID
	PDM1-110-007	Payroll Information by Program Intent Code 21 thru 43
	PDM1-111-001	Individual Staff Profiles (PIC Code and Pop Served should match)

901.4 State Allotment Program Expenditures Compliance

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, Special Programs Director, Assistant Superintendent and Campus Principals shall ensure that the deficit amount is budgeted in the following fiscal year. The deficit amounts, if any, shall be provided by the CFO to the Special Programs Director, Assistant Superintendent and Campus Principals no later than September 1st for planning and budgeting purposes. The Special Programs Director, Assistant Superintendent and Campus Principals shall submit the proposed budget to the CFO no later than October 1st of the following fiscal year.

The TEA Special Allotments Monitoring Program (SAMP) methodology and expenditure rate calculation worksheet shall be used by the Business Office, specifically the CFO, to ensure compliance with required spend percentages. The SAMP shall include the supplemental state allotment programs: Special Education, Compensatory Education, Bilingual Education, Career and Technology Education, Dyslexia, Early Education, and CCMR. The Gifted and Talented expenditures (PIC 21) will also be monitored by the TEA.

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

901.5 State Allotment Program Legal Requirements (TEC excerpts)
State laws, specifically Chapter 29 and Chapter 48 include requirements related to program eligibility and allowable funds. Excerpts from each state allotment program fund requirements are noted in the following sections.
Beginning with fiscal year-end (FYE) 2021, LEA auditors are strongly encouraged to answer the new set of compliance questions that are aligned with the requirements to the Texas Education Code, §48.104, Compensatory Education Allotment, and §48.105, Bilingual Education Allotment, as amended by House Bill 3 of the 86th Texas Legislature, 2019. The compliance questions can be found in the Financial Accountability System Resource Guide, Module 4: Auditing, section 4.6.5 Compliance with Laws and Regulations. Starting in FYE 2022, both the new J-4 schedule and the compliance questions will be required. They will be used to determine if the program funds were not used in compliance with the statutes. This determination may involve the LEA's average use of funds for the three preceding school years. Schedule J-4 contains two sections of four questions.

The questions are related to Compensatory Education Program and Bilingual Education Program expenditures.

Data Codes	Section A: Compensatory Education Programs	Column 1 Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes / No
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes / No
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	$_____
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	$_____
Data Codes	**Section B: Bilingual Education Programs**	**Column 1 Responses**
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes / No
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes / No
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	$_____
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	$_____

901.6 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.

TEC Sec. 29.121 defines a "gifted and talented student" as a child or youth who performs at or shows the potential for performing at a remarkably high level of accomplishment when compared to others of the same age, experience, or environment and who:

1. exhibits high performance capability in an intellectual, creative, or artistic area;
2. possesses an unusual capacity for leadership; or
3. excels in a specific academic field.

Using criteria established in TAC 89.1-89.5, the school district shall identify and serve gifted and talented students in the district or through a shared services arrangement (SSA). In accordance with School Board Policy EHBB Legal and Local**,** the district has established the process to identify and serve gifted and talented students as defined in the GT Policies and Regulations handbook.

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.

Note. The GT allotment was funded as part of the 87th Legislature at a weight of .07 and limited to 5% of ADA. Districts should continue to report expenditures to the GT PIC code (21) through PEIMS reporting.

Each school district must annually certify to the commissioner that the district has established a program for gifted and talented students as required by Chapter 29 and that the program is consistent with the state plan developed under Section 29.123. Failure to comply with this requirement may result in the commissioner reducing the district's total state funding in accordance with TEC 29.124.

The Special Program Administrator with oversight responsibility to certify the Gifted & Talented special program data prior to submission to TEA shall be the Special Programs Director & GT District Coordinators.

901.7 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 48 addresses the funding weight(s) and allowable costs.

The district is eligible to receive weighted funding for eligible full-time equivalent (FTE) students in approved Career and Technology Education (CTE) programs. In addition to this weighted funding, the district is also eligible to receive $50 for each FTE student enrolled in two or more advanced CTE courses for three or more credits. Additionally, students enrolled in a designated P-TECH or a 9-12 New Tech campus (identified by having an active agreement with the New Tech Network) are eligible for $50 per student. These two funding elements determine the district's total CTE allotment. The CTE allotment applies to students in grades 7-12 who take an approved career and technical education (CTE) course designated with an "H" in the CTE course column of the Texas Education Data Standards, Section 4, Service-ID (CO22) code table.

The CFO will work collectively with the High School Campus Principal to utilize the TEA Estimating a District's FSP CTE Allotment, the CTE Courses for Academic Credit, and the CTE Advanced Course List to estimate the CTE Allotment as part of the annual budget development process.

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 Special Program Administrator with oversight responsibility to certify the CTE special program data prior to submission to TEA shall be the secondary Campus Principals.

901.8 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 48 addresses the funding weight(s) and allowable costs.

Per TEC 48.102, for each student in average daily attendance in a special education program under Subchapter A, Chapter 29, in a mainstream instructional arrangement, the district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by 1.15. For each full-time equivalent student in average daily attendance in a special education program under Subchapter A, Chapter 29, in an instructional arrangement other than a mainstream instructional arrangement, the district is entitled to an annual allotment equal to the basic allotment, or, if applicable, the sum of the basic allotment and the allotment under Section 48.101 to which the district is entitled, multiplied by a weight determined according to instructional arrangement as follows:

- Homebound 5.0
- Hospital class 3.0
- Speech therapy 5.0
- Resource room 3.0
- Self-contained, mild and moderate, regular campus 3.0
- Self-contained, severe, regular campus 3.0
- Off home campus 2.7
- Nonpublic day school 1.7
- Vocational adjustment class 2.3

Additional weights for students served in residential treatment facilities, extended year program, and students with dyslexia or a related disorder are addressed in TEC 49.102.

The district is required under IDEA B regulations (34 CFR 300.201 and 301.149) to develop and implement policies, procedures and practices related to the provision of special education services to eligible students. The district's written policies and procedures are hyperlinked below:

- Salado Special Education Policies and Procedures

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.

The Special Program Administrator with oversight responsibility to certify the Special Education program data prior to submission to TEA shall be the Special Programs Director.

901.9 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 48 addresses the funding formula and allowable costs. The SCE program is funded based on the fall PEIMS snapshot count of enrolled students who are reported as economically disadvantaged and the census-based weight associated with each identified student's home address. The weights assigned to the five tiers of the index established under Subsection (c) are, from least to most severe economic disadvantage, 0.225, 0.2375, 0.25, 0.2625, and 0.275. If insufficient data is available for any school year to evaluate the level of economic disadvantage in a census block group, a school district is entitled to an annual allotment equal to the basic allotment multiplied by 0.225 for each student who is educationally disadvantaged and resides in that census block group.

The District PEIMs Coordinator shall be responsible for ensuring that all students are identified and reported in their census block group. The census block data shall be submitted with the TSDS/PEIMS Data.

The district shall use the CTE allotment for *supplemental* programs and services as authorized in TEC 48.104 such as:

- funding supplemental programs and services designed to eliminate any disparity in performance on assessment instruments administered under Subchapter B, Chapter 39, or disparity in the rates of high school completion between:
    - students who are educationally disadvantaged and students who are not educationally disadvantaged; and
    - students at risk of dropping out of school, as defined by Section 29.081, and all other students; or
- (2) support a program eligible under Title I of the Elementary and Secondary Education Act of 1965
- Student that does not have a disability and resides in a residential facility
- Student who is in a remedial and support program because the student is pregnant

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 Campus Registrar and the Child Nutrition Supervisor shall be responsible for the collection, maintenance and verification of student home address and free/reduced lunch eligibility respectively.

In addition, the Components of the SCE Planning cycle should be documented by the Campus Principals and Counselors.

The components should include:

- Identification of the students based on statutes, rules, and other reliable data sources
- Comprehensive assessment of each student's needs so that the appropriate compensatory, intensive, and or accelerated instruction services, and or dropout prevention services are provided
- Design appropriate SCE services for students that enable them to be performing at grade level at the conclusion of the next regular school year and provide services to prevent at-risk students from dropping out of school
- Adoption of a budget to support SCE programs

- Delivery of services to students
- Evaluation and documenting (Assessing) the effectiveness of accelerated instruction programs and any disparity in performance on assessment instruments administered under TEC, Chapter 39, Subchapter B, or the disparity of high school completion between students at-risk of dropping out of school and all other students in the school district.
- Holding a public hearing to discuss the results of the SCE program evaluation 8. Improve program based upon evaluation results and stakeholder input

Identification of Students

The Campus Principals (or designees) shall use the student performance data from state assessments to design and implement appropriate compensatory, intensive or accelerated instructional services for students that enable them to perform at grade level at the conclusion of the next regular school term.

In addition, Campus Principals (or designees) shall provide accelerated instruction to a student enrolled in the district who has taken an end-of-course assessment and has not performed satisfactorily on the assessment instrument or who is at risk of dropping out of school. The campus shall offer before the next scheduled administration of the assessment instrument, without cost to the student, accelerated instruction to each student in any subject in which the student failed to perform satisfactorily on an end-of-course assessment instrument required for graduation. The CFO shall budget separately for costs related to the end-of-course accelerated instruction.

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 (14) at risk indicators in state law. The Counselors 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.

At-Risk Criteria – State Law (TEC 29.081)

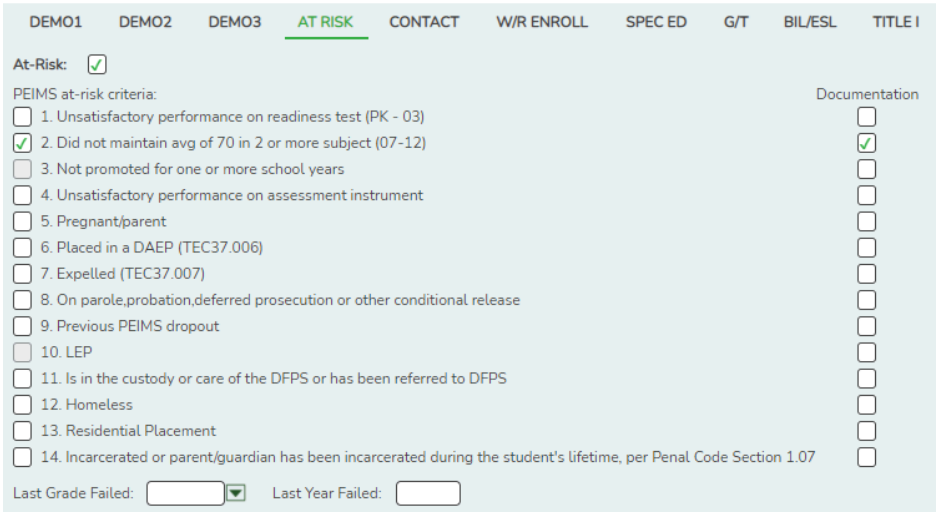
For the purposes of TEC 29.081, a student at risk of dropping out of school includes a student who is under 26 years of age and who:

1. was not advanced from one grade level to the next for one or more school years;
2. if the student is in grade 7, 8, 9, 10, 11, or 12, did not maintain an average equivalent to 70 on a scale of 100 in two or more subjects in the foundation curriculum during a semester in the preceding or current school year or is not maintaining such an average in two or more subjects in the foundation curriculum in the current semester;
3. did not perform satisfactorily on an assessment instrument administered to the student under Subchapter B, Chapter 39, and who has not in the previous or current school year subsequently performed on that instrument or another appropriate instrument at a level equal to at least 110 percent of the level of satisfactory performance on that instrument;
4. if the student is in prekindergarten, kindergarten, or grade 1, 2, or 3, did not perform satisfactorily on a readiness test or assessment instrument administered during the current school year;
5. is pregnant or is a parent;
6. has been placed in an alternative education program in accordance with Section 37.006 during the preceding or current school year;
7. has been expelled in accordance with Section 37.007 during the preceding or current school year;
8. is currently on parole, probation, deferred prosecution, or other conditional release;
9. was previously reported through the Public Education Information Management System (PEIMS) to have dropped out of school;
10. is a student of limited English proficiency, as defined by Section 29.052;

11. is in the custody or care of the Department of Family and Protective Services or has, during the current school year, been referred to the department by a school official, officer of the juvenile court, or law enforcement official;
12. is homeless, as defined by 42 U.S.C. Section 11302, and its subsequent amendments;
13. resided in the preceding school year or resides in the current school year in a residential placement facility in the district, including a detention facility, substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, cottage home operation, specialized child-care home, or general residential operation; or
14. has been incarcerated or has a parent or guardian who has been incarcerated, within the lifetime of the student, in a penal institution as defined by Section 1.07, Penal Code.

The methodology for calculating the 110% satisfactory performance on all assessments shall be a list generated from Eduphoria.

The Counselors shall be responsible for identifying students that meet one or more of the at-risk indicators listed above. The student's at-risk status shall be indicated on the Student Information System, ASCENDER. Documentation must be maintained on file to support the identification and noted on the Student Information System as illustrated below:



Local At-Risk Criteria – School Board Approved

The district may use SCE funding to serve students who are identified as at risk using local eligibility criteria. The district's School Board **has** adopted local eligibility criteria for at-risk. The criteria is listed in School Board Policy EHBC Local.

The PEIMs District Coordinator shall ensure that students identified with local eligibility criteria are documented in the Student Information System and shall calculate the percentage of students meeting local criteria to ensure that the state maximum of 10% is not exceeded at any point of the school year.

Student Entry and Exit into SCE Program

The effective date and reason for student entry and exit into the SCE Program shall be documented by the Campus Principal (or designee). All changes in student eligibility to be served in the SCE Program shall be entered in the Student Information System, ASCENDER.

The entry and exit procedures can be found in School Board Policy EHBC Legal.

District & Campus Improvement Plans

The SCE program compliance is unlike the other special programs in that it requires specific procedures and documentation as outlined in the Financial Accounting System Resource Guide (FASRG) Module 6. **The District Improvement Plan (DIP) and Campus Improvement Plans (CIP) are the primary source of documentation for the expenditure of SCE funds**. The DIP and CIPs shall include the SCE goals, strategies, activities and resources (Staff FTEs and budgeted funds).

According to TEA, annually within 150 days after the last day permissible to send data for the PEIMS data FINAL Midyear resubmission 2 (typically late July), the District shall electronically submit a PDF version of the DIP and at least two (2) CIPs through the TEAL 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 CFO by June 15th.
- Assistant Superintendent or designee shall submit the DIP to the CFO by June 15th.

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.

All school districts and open-enrollment charter schools, whose SCE allotment is **$750,000** or more for the previous fiscal year, are required to submit district and campus improvement plans (DIP and CIPs) and an annual local SCE program evaluation to the TEA to evaluate SCE program compliance. For LEAs whose SCE allotment is less than **$750,000**, the TEA will request selected plans as needed to determine program compliance.

The district **is not required** to submit the DIP and CIPs in accordance with the TEA's Electronic Submission guidelines. (When the District is required to electronically submit the DIP and CIPs, a PDF version of the DIP and at least two (2) CIPs through the TEAL system on an annual basis within 150 days after the last day permissible to send data for the PEIMS data FINAL Midyear resubmission 2 (typically late July). The determination regarding which CIPs to submit to TEA shall be based on the TEA guidelines in the FASRG, Module 6.2.3 Electronic Report Submission Requirements). The District's preparation and submission dates shall be as noted below to ensure compliance with this critical requirement.

- Campus Principals shall submit their CIPs to the Assistant Superintendent for C&I **by October 1st for review.**
- Campus Principals shall include the SCE goals, strategies, activities and resources (Staff FTEs and budgeted funds) in their Campus Improvement Plan (CIP).
- Superintendent or designee shall submit the CIP & DIP for review and approval to the School Board for the October board meeting.

SCE Program Services

Consistent with the Goals and Strategies identified in the DIP and CIPs, the Campus Principal shall ensure that each eligible student receives services based on their needs. The Campus Principal shall encourage parental participation in the planning of educational services for their child and shall be informed on available services such as extended year program, tutoring and/or summer school. The SCE program services shall also be in accordance with School Board Policy EHBC Legal and Local.

SCE Program Evaluation

The district is required to annually evaluate and document the effectiveness of their designated SCE program in:

1. reducing any disparity in the performance on assessment instruments administered under TEC, Chapter 39, Subchapter B;
2. reducing any disparity in the rates of high school completion between students at risk of dropping out of school and all other district students;
3. reducing any disparity in the rates of high school completion between educationally disadvantaged students and all other district students; and
4. annually hold a public hearing to discuss the results of the LEAs evaluation of the accelerated instruction programs and services; and
5. include the results of this evaluation in the school district's DIP and CIP or the charter school instructional plan.

The specifics of the SCE Program evaluation are outlined on the table as attachment. Each year as evaluation results are reviewed, evaluation measures will be modified/enhanced to ensure that the district receives information that accurately assesses the effectiveness of the services provided to identified students and to assess professional development provided to teachers and principals, ensuring that they have the capacities to address the students' needs effectively and in a timely manner.

After the evaluation is completed, the Superintendent, or designee shall schedule, advertise and conduct an annual public hearing to discuss the evaluation results and the effectiveness of the SCE Program.

Supplement and Supplant Compliance

Financial guidelines related to supplement, not supplant, targeted-assistance versus school-wide campus expenditures, staffing formulas, job descriptions, time and effort, student case counts, local identification criteria and allowable costs are described in Module 6 State Compensatory Education shall be used to determine the district's compliance with supplement and supplant provisions.

The CFO shall calculate the cost of the regular education program in relation to budget allocations for compensatory, intensive and/or accelerated instruction and student: teacher ratios at least twice per fiscal year (recommended at budget preparation/adoption and end-of-fiscal year). The documentation of the calculation shall be maintained for audit purposes.

Note. All SCE Expenditures must be documented and supported in accordance with the FASRG, Module 6.

901.10 Bilingual and ESL

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

The Bilingual Education Allotment Weights are illustrated below:

Bilingual Education Allotment Weights ***Identified English learners whose parents have denied program services do not generate any funding***	
0.1	**English Learners** in average daily attendance in a standard or alternative bilingual education or an ESL program.
0.15	**English Learners** in average daily attendance in a dual language immersion one-way or two-way program model.
0.05	**English proficient and Reclassified English Learners** in average daily attendance in a dual language immersion two-way program model.

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 district offers a Bilingual or English as a Second Language (ESL) program. The Special Programs Director and Campus Principals shall be responsible for the Bilingual/ESL Program compliance monitoring in the following areas:

Establishment of LPAC Committee

- Selection of Bilingual or ESL Educator
- Campus Administrator
- Parent Representative
- ARD Committee Representative (optional)
- LPAC Confidentiality Statements

Identification of students

- Collection and Review of Home Language Surveys
- Cumulative Folder Documentation Checklist

LPAC Process

- Initial Review
- LPAC Meeting Minutes
- LPAC Monitoring of Reclassified Student
- LPAC Annual Review

Placement

- Parent notification of Initial Identification and Approval of Placement
- Parent approval or denial of services
- Parent notification of Reclassification and Approval of Program Exit
- Parent notification of student progress

Program Description
The district currently offers **ESL – standard or alternative education.**

Program Entry and Exit Procedures:
The entry procedures shall include:

- If the Home Language Survey indicates language used at home as both English and another language or only another language, the student will be assessed for English proficiency.
- After the state-approved English language proficiency test is administered, the LPAC committee meets to determine classification.
- If a student is classified as emergent bilingual, parents can approve or deny placement in the ESL program.

The exit procedures shall include:

- Student must meet the following exit criteria for the LPAC committee to determine student is ready for reclassification:
    - Achieve Advanced High in all areas of the TELPAS exam
    - Meet state standards for STAAR/EOC
    - Score at or above the 40% on an ELAR section of IOWA Form F test
    - Teacher recommendation
- Student reviews occur only at the end of the school year.
- All reclassified students are monitored for 2 academic years to ensure meeting state performance standards on STAAR and maintaining passing grades in all subjects/courses

  After 2 years of meeting monitoring standards, the student is determined to be English Proficient

The CFO shall ensure that the appropriate program intent codes (PIC) are used to record Bilingual/ESL Program expenditures. The PIC 25 Costs are noted below:

PIC 25 Costs to Include		
Provision of a Bilingual program	Instruction in primary language	Program and student evaluation
Provision of ESL instruction	Supplemental staff expenses	Salary supplements for teachers
Services intended to make students proficient in English	Staff development	Increase cognitive academic language proficiencies
Bilingual services to immigrant students	Instructional materials and equipment	Supplies required for quality instruction and smaller class size

PIC 25 Costs to Exclude (with correct PIC)		
Foreign language courses (PIC 11)	All Disciplinary Alternative Education Program (DAEP) (PIC 28)	Salary of bilingual/ESL instructors (PIC 11)

Texas public school districts direct cost expenditure requirement on Bilingual Education Allotment = 55% (Minimum)
TEA monitors compliance on BEA funds by looking at the percent the school district spends on direct costs (Sum of PIC 25 + PIC 35)

The Special Program Administrator with oversight responsibility to certify the Bilingual and ESL special program data prior to submission to TEA shall be the Special Programs Director and ESL District Coordinators.

New Allotments created by HB 3, 86th Legislative Session

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

901.11 Early Education Allotment

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

For each student in average daily attendance in kindergarten through third grade, a school district is entitled to an annual allotment equal to the basic allotment multiplied by 0.1 if the student is:

1. educationally disadvantaged; or
2. a student of limited English proficiency, as defined by Section 29.052, and is in a bilingual education or special language program under Subchapter B, Chapter 29.

The Elementary Campus Principal shall have oversight responsibility to certify the Early Education Allotment program data prior to submission to TEA shall be as noted on the Annual List of Program Coordinators (Exhibit Section].

The CFO and the Elementary Campus Principal shall collaborate to establish the Early Education Allotment budget. At least 100 percent of the early education allotment must be used in accordance with TEC 48.108.

901.12 Dyslexia Allotment

The use of the dyslexia allotment must be in accordance with TEC 48.103 and can be used only for a student who is receiving services in accordance with an IEP under Section 29.005 or a plan developed under Section 504, is receiving instruction that meets dyslexia criteria established by the State Board of Education and is provided by a person with specific training in providing that instruction, or that is

permitted to use modifications in the classroom or accommodations in the administration of assessment instruments on the basis of having dyslexia or a related disorder.

For each student that a school district serves who has been identified as having dyslexia or a related disorder, the district is entitled to an annual allotment equal to the basic allotment multiplied by 0.1 or a greater amount provided by appropriation. School districts are prohibited from using more than 20 percent of the dyslexia allotment to contract with a private provider to provide supplemental academic services recommended in the student's IEP or 504 plan.

Students may not be excused from school to receive these supplemental services. At least 100 percent of the dyslexia allotment must be used in accordance with TEC 48.103.

901.13 College, Career and Military Readiness (CCMR) Allotment

For each annual graduate in a cohort described by Subsection (b) who demonstrates college, career, or military readiness as described by Subsection (f) in excess of the minimum number of students determined for the applicable district cohort under Subsection (c), a school district is entitled to an annual outcomes bonus of:

1. if the annual graduate is educationally disadvantaged, $5,000;
2. if the annual graduate is not educationally disadvantaged, $3,000; and
3. if the annual graduate is enrolled in a special education program under Subchapter A, Chapter 29, $2,000, regardless of whether the annual graduate is educationally disadvantaged.

A school district is entitled to an outcomes bonus under each subdivision of Subsection (d) for which an annual graduate qualifies.

The Secondary Campus Principal and Counselor(s) shall have oversight responsibility to certify the CCMR program data prior to submission to TEA shall be as noted on the Annual List of Program Coordinators (Exhibit Section].

The CFO and the Secondary Campus Principal shall collaborate to establish the CCMR allotment budget. At least 55 percent of the college, career and military readiness outcomes bonus must be used in accordance with TEC 48.110 in grades 8 through 12 to improve college, career and military readiness outcomes.

902 Federal Grants

Acronyms and definitions related to federal grant management are listed in the EDGAR, Subpart A, 200.1 through 200.99.

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

General Provisions:

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

1. The District has established a conflict of interest policy for all federal grant awards and shall disclose in writing any potential conflict of interest to the granting agency. The same conflict of interest questionnaire that is used for other district functions shall be utilized for compliance with this provision. The Local Government Officer Conflicts Disclosure Statement shall be completed by all district staff involved in federal grant awards: Superintendent, Assistant Superintendent,

Business Office, and Campus Principals. Conflicts of interest, if any are reported, shall be posted on the district's website and reported to the granting agency. The CFO shall be responsible for overseeing and collecting the conflict of interest questionnaires.

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

Conflict of Interest Forms:

- Conflict of Interest Disclosure (CIS) – Texas Ethics Commission
- Conflict of Interest Disclosure Form - TEA Division of Grants Administration
- Mandatory Disclosure Form - TEA Division of Grants Administration

All district employees are prohibited from soliciting gifts or tokens from vendors or other parties who are affected by (or have an interest in) a federal grant award.
In addition, all district employees are prohibited from accepting unsolicited gifts or tokens from vendors or other parties who are affected by (or have an interest in) a federal grant award that exceed an nominal (individual) value of $25 [IRS business gift limit] and an aggregate value of $100 [or current Conflict of Interest limit, whichever is less] in a fiscal year. The unsolicited gifts or tokens may not include items prohibited at a public elementary and secondary schools such as drugs, tobacco or alcohol products (2 CFR §200.318(c)(1)).

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

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

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

1. Timely submission of all required programmatic and financial reports
2. Complying with the federal grant award fiscal guidelines and allowable cost principles

3. Ensuring that all grant-related staff are properly trained in their respective grants management role on at least an annual basis.
4. Developing and implementing district policies and procedures for all critical business functions
5. Developing and 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.

902.1 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 grant consultant 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 is also posted on the TEA Grants Management webpage. The appropriate Campus Principal 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.

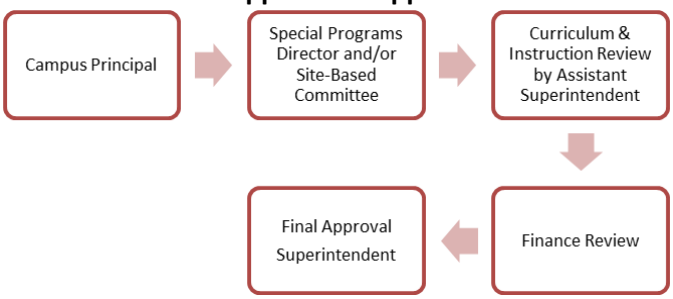
TEA's Grant Opportunities web page provides a wealth of information related to available grants such as:

- **General and Fiscal Guidelines**
- **Program Guidelines**
- **Program-Specific Provisions and Assurances**
- **General Provisions and Assurances**
- **Debarment and Suspension Certification**
- **Lobbying Certification**
- **Sample Application**
- **Deadlines and Due Dates for: grant application, amendments and grant reporting.**

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

The school district's grant application process for federal grants is illustrated below on a flowchart (Illustration 1). As noted on the flowchart, all grant applications must be reviewed by the Assistant Superintendent, CFO, Grant Consultant and applicable Campus Principals. In addition, if grant applications that will support student instruction at one or more campuses, it must be developed in collaboration with the respective Campus Principal(s). Specific grant activities to support the academic program at a campus should be reflected in the Campus Improvement Plan.

Illustration 2: Grant Application Approval Flowchart



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

The Grant Consultant shall work collaboratively with the Business Office 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 Grants Consultant and/or CFO shall obtain pre-approval for the following activities which have been identified by the granting agency or pass-through entity (TEA);

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

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

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

The CFO shall notify the Campus Principals when the funds have been budgeted and are ready for expenditure by the appropriate campus or department.

902.2 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 Grant Consultant and CFO shall inform all staff involved in the expenditure of grant funds of the provisions and assurances for each grant program, as appropriate. Numerous resources are available on TEA's Provisions and Assurances webpage.

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

The district must not award a contract to a vendor which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal grant award programs.

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

The Business Office [purchasing] shall monitor ongoing contracts to verify the contractor's compliance with the debarment, suspension, ineligibility and voluntary exclusion provisions. In the event that a vendor is suspended or debarred during a contract, the district shall continue the contract in force until the contract lapses. The contract term shall not include any extensions to the original term of the contract. The website www.sam.gov should be used to verify that vendors are not on the State of Texas or Federal debarred lists.

902.22 Lobbying Certification

For all federal grants in excess of $100,000, the district shall certify on the grant application that no federal grant funds are expended for the purpose of lobbying. The Business Office and applicable Campus Principals shall jointly execute a Lobbying Certification Form [Standard Form – LLL: Disclosure of Lobbying Activities], as applicable, if the district used funds other than federal grant funds for lobbying activities.

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

902.3 Budgeting Grant Funds

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

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

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

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

The TEA Grants Division has developed guidance related to "When to Amend" grants administered by the TEA. The guidance document is posted on the TEA website at:
http://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx.
The guidance document contains the following guidance:

1. Use Table 1 for federally funded grants and for grants funded from both federal and state sources.

2. Use Table 2 for state-funded grants. Refer to the "Select Grantees" column if the NOGA is for over $1 million.

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

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

The Business Office, CFO, shall be responsible for ensuring that the finance system budget corresponds to the most recent grant NOGA.

902.4 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 CFOr shall be responsible for collecting and reporting the information.

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

902.41 Financial Management

The District's financial management system, ASCENDER, shall be utilized to expend and track all federal grant expenditures. The financial management system shall be maintained in a manner that provides adequate internal controls over the data integrity, security and accuracy of the financial data.

The financial management system must contain information pertaining to all federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be

supported by source documentation. All expenditures of federal grant funds shall be in accordance with the district's written procedures such as cash management, accounts payable, purchasing, travel, allowable costs, capital asset tracking, contract management, and other procedures, as appropriate.

Records Retention

The financial management system shall be utilized to store, maintain, and report all required federal grant information. Consequently, the district shall ensure that access to the data is restricted to authorized individuals in accordance with the district's Data Security and Access policies. In addition, the district shall retain all federal grant records for a period of five years in accordance with the district's Local Records Retention Plan (2 CFR §200.333). [Note: The district's retention period exceeds the three year retention period required in the EDGAR.] The district's Record Management Officer (RMO), Superintendent or designee, shall be responsible to ensure that all records are retained, stored and accessible, as appropriate.

List of Federal Grant Awards

A list of all federal grant awards shall be maintained to include all EDGAR required data (denoted with an *) and district-required information listed below:

- The CFDA title and number*,
- Federal award identification number and year*,
- Name of the Federal agency*, and
- Name of the pass-through entity*, if any.
- Grant period (state and end of the grant award),
- Grant Award (dollar amount of award),
- Subgrants, if any,
- TEA-assigned risk level for each grant, as appropriate.

The district shall maintain grant-related records in a combination of paper and electronic formats. The previous listed records shall be maintained in paper and/or PDF format (2 CFR §200.335).

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

902.42 Internal Controls

The district's Internal Control Procedures over financial management, developed in accordance with the Internal Control Integrated Framework (COSO), shall be made available to all staff involved in the management of federal grant funds. The internal control procedures shall be reviewed on at least an annual basis and updated as appropriate. If any weakness in an internal control is detected, the internal control procedures shall be revised to incorporate the weakness(es) at either the annual review or as the need arises dependent upon the severity (materiality) of the weakness.

The CFO shall be responsible for the annual review and update of the Internal Control Procedures.

902.43 Bonds

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

The CFO shall be responsible for obtaining insurance and/or bonding, as appropriate.

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

The district has determined that it will not accept advanced payments for federal grant funds. Acceptance of advanced payments require depositing of the funds in an interest bearing bank account, tracking of interest earnings, and return of all investment earnings in excess of $500 per year to the granting agency.

The district shall seek reimbursement for federal grant expenditures, rather than using an advanced payment method (2 CFR §200.305). 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 and certifying the drawdown of federal grant funds. All draw-downs shall be recorded on the general ledger as a receivable when the draw-down process is complete and posted to the cash account upon receipt of the receivable.

To ensure that the district does not draw down any advanced funds, the drawdown shall occur after the 10th of the following month to ensure that all payroll-related liabilities, such as federal taxes and Texas Teacher Retirement System deposits, have been disbursed from the district's bank accounts. The draw-down of payroll expenditures shall be net of all accrued wages and payroll liabilities.

902.45 Cost sharing or matching funds
The Grant Consultant and CFO 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 CFO and Campus Principal must approve the commitment of all cost sharing and matching grant funds.

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

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

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

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

In the event that the district opts to generate program income as part of a federal grant award in the future, all recommendations for program income activities, shall be reviewed and approved by the CFO and Program Coordinator (if applicable).

If program income activities are approved, the Program Coordinator over the activities shall ensure that the costs of generating the program income are not federal grant funds, are nominal in cost, are offset from the

program income and meet all of the federal requirements. The TEA Division of Grant Administration Request to Add Program Income to Federal or State Grant Award and Expansion Delivery of Programmatic Services Form shall be used to request authorization to use any program income to support a state or federal grant.

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

902.47 Period of performance (Obligations)

All allowable grant expenditures shall be incurred during the grant period, i.e. begin date and end date of the federal grant award as designated on the Notice of Grant Award (NOGA). The Grant Consultant shall notify the appropriate departments, such as Purchasing, Human Resources, Finance, Payroll, etc. of the grant periods for each federal grant award to ensure compliance as noted below:

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

The district's Purchasing Deadlines have been established to facilitate the purchase of all goods and services within the fiscal year and/or grant period. The purchasing deadline for non-federally funded purchases is April 30th of each fiscal year. The purchasing deadline for federally funded purchases will follow this same deadline, unless the deadline is adjusted to fall within the grant's period of performance. At a minimum, the purchasing deadlines for federally-funded purchases shall end approximately two months prior to the end of the grant period to ensure receipt and use of the goods or services for the intended grant activities.

All obligations with federal grant funds must occur during the grant period. Obligations that occur before or after the grant period are not allowable costs. The obligations must be liquidated in accordance with the grant deadlines, especially as they relate to the final draw-down of federal grant funds.

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

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

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

The CFO shall monitor the expenditures during the grant period to ensure that the funds are spent in a systematic and timely manner to accomplish the grant purpose and activities. The following timeline shall

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

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

902.5 Procurement Standards/Expenditure of Grant Funds

Expenditures of grant funds shall be through the purchasing, finance or payroll department processes in place for non-grant funds, but shall have additional requirements as noted below to ensure full compliance with federal cost principles.

902.51 General Procurement Standards

The district elected to implement the 1-year grace period (till July 1, 2017) for implementing the procurement rules of EDGAR (2 CFR §200.110).

The district shall utilize a purchase order and encumbrance system to manage the expenditure of all federal grant funds unless other methods such as credit cards or direct payments, etc. are authorized in the district's operating procedures. All purchases shall be in accordance with the district's School Board Policies (CH Legal and Local) and the district's Purchasing Procedures.

The district purchasing procedures shall comply with all federal, state and local procurement requirements.

The CFO shall be responsible for ensuring compliance with all federal, state and local procurement requirements and for ensuring that the district maintains an up-to-date procurement history to include, but not limited to, the information below:

- List of all procurements by type
- Advertisement date(s) of the procurement
- Release date of the procurement specifications
- Selection criteria for vendors
- Opening date of the procurement
- List of vendors submitting a proposal/bid
- Selection of Vendor
- Date of contract award
- Begin date of contract
- End date of contract

The procurement history records and other procurement records shall be retained in accordance with the federal, state and/or local retention periods, whichever is greater. The procurement records shall be made available to the federal granting agency, pass-through entity (TEA), and auditors, as appropriate.

Purchasing Efficiency Strategies

All purchases with federal grant purchases shall be in accordance with the federal regulations, specifically 2 CFR §200.318. All purchases shall be purchased from a variety of qualified vendors with the ability to perform successfully under the terms and conditions of a proposed procurement. The district shall strive to

avoid acquisition of unnecessary or duplicative items. The district shall implement the following strategies to maximize federal grant funds:

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

The district shall complete a review of the procurement system on at least an annual basis to self-certify that the procurement system is efficient and effective. The CFO shall oversee the completion of the self-certification. The results of the certification shall be distributed to all grant management staff. If deficiencies are noted, the CFO shall develop a Corrective Action Plan to remedy the deficiencies, as appropriate.

Conflict of Interest

The Superintendent shall execute an Organizational Conflict of Interest document to disclose if any conflicts exist in the application, receipt of, or expenditure of federal grant funds.

The Assistant Superintendent, CFO, Campus Principals, Special Programs Director and Operational Directors [Child Nutrition, Grounds, Maintenance, Transportation and Technology Directors] shall each execute a Conflict of Interest Form to disclose a conflict of interest, as appropriate, related to the awarding of a contract or substantial expenditures with federal grant funds. Substantial expenditures shall be defined as a purchase in excess of $5,000.

A conflict of interest would arise when an employee, officer, agent, any member of his or her immediate family, his or her partner, or an organization, which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. In addition, no employee, officer or agent of the district may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontractors. All employees shall comply with the Educators' Code of Ethics (DH Exhibit). Violators of the Code of Ethics shall be subject to disciplinary action, including but not limited to, termination of employment with the district (2 CFR §200.318(c)(1)).

902.52 Vendor Competition

The finance/purchasing department shall be responsible for selecting and awarding contracts to vendors that are qualified to provide the goods and/or services to be purchased with federal grant funds. The

vendor selection process shall ensure that the district does not restrict competition among qualified vendors.

Vendor Selection Criteria

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

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

The district shall not restrict vendor competition by requiring any of the following as selection criteria (2 CFR §200.319(c)(1)**):**

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

A vendor database shall be maintained by the Business Office, **Accounts Payable/ Accounts Receivable Specialists**. The district's Adding/Renewing Vendors Procedures shall be adhered to for all purchases. Vendor selection shall include the following criteria:

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

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

- **Vendor application file (new vendors)**
- **Form W-9 – Internal Revenue Service**
- **Conflict of Interest Questionnaire (CIQ) – Texas Ethics Commission**
- **Felony Conviction Notice**
- **Fingerprinting (If working directly with students)**

The district shall develop written bid/proposal specifications that are provided to every qualified vendor to ensure consistency in the procurement process. At no time shall the district allow a specific vendor to develop the bid/proposal specifications as this may provide a barrier to open competition among the qualified vendors. The bid/proposal documents must include guidance to vendors regarding the following:

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

The CFO shall oversee all bid/proposal documents before release to the vendor to ensure the documents comply with the federal requirements.

902.53 Procurement Methods

The district shall use one of the procurement methods allowed by federal regulations to procure goods and services with federal grant funds. In addition, the district shall comply with state purchasing laws and local Board Policy, CH Legal and Local. The procurement method shall be determined based on the type of goods or services to be purchased with federal grant funds. The CFO shall be responsible for selecting the appropriate procurement method for each procurement.

The district shall adhere to the *most restrictive* federal regulations, state laws, local policies and/or procedures when the guidance documents are in conflict (2 CFR §200.320). The district has developed and implemented a Purchasing Levels and Requirements Chart for non-federal and federally-funded purchases.

Illustration #1 – Salado ISD Purchasing Levels and Requirements

SALADO ISD PURCHASING LEVELS AND REQUIREMENTS					
Purchase Commitment Amount	**Support Required**	**Additional Forms**	**RFP/RFQ**	**Board Approval**	**Advertising**
Purchases with State and Local Funds					
For purchases **less than $10,000.00**	**1 QUOTE**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED** *Is required in the aggregate of $50K	**NOT REQUIRED**
For purchases of **$10,000.00 to $49,999.99**	**3 QUOTES**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED** *Is required in the aggregate of $50K	**NOT REQUIRED**
For purchases over **$50,000.00**	**FORMAL BIDS (Education Code 44.031)**	**BID OR PROPOSAL TABULATION OR SCORE CARD**	**REQUIRED**	**AGENDA ITEM REQUIRED**	**REQUIRED** *two (2) consecutive weeks
Sole Source Purchase $50,000.00 and over	**1 QUOTE**	**SOLE SOURCE AFFIDAVIT**	**NOT REQUIRED**	**AGENDA ITEM REQUIRED**	**NOT REQUIRED**
Purchasing Cooperative	**1 QUOTE**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED**
Purchases with Federal Grant Funds					
For purchases **less than $10,000.00 (Micro-purchase/Fed Funds)**	**1 QUOTE**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED** *Is required in the aggregate of $50K	**NOT REQUIRED**
For purchases of **$10,000.00 to $49,999.99 (Small purchase/Fed Funds)**	**3 QUOTES (This includes Co-Op/ Catalog Purchases)**	**NOT REQUIRED**	**NOT REQUIRED**	**NOT REQUIRED** *Is required in the aggregate of $50K	**NOT REQUIRED**
For purchases over **$50,000.00 (Small purchase/Fed Funds) Competitive Procurement/Texas**	**FORMAL BIDS (Education Code 44.031)**	**BID OR PROPOSAL TABULATION OR SCORE CARD**	**REQUIRED**	**AGENDA ITEM REQUIRED**	**REQUIRED** *two (2) consecutive weeks
Sole Source Purchase $50,000.00 and over	**1 QUOTE**	**SOLE SOURCE AFFIDAVIT**	**NOT REQUIRED**	**AGENDA ITEM REQUIRED**	**NOT REQUIRED**

Micro-Purchase Procedures

The **Procurement by Micro-purchase** may be the most frequently used method due to the frequent purchase of goods or services that are less than $10,000, as defined in 2 CFR §200.67 effective July 1, 2018. The district shall purchase goods and services under this method from among qualified vendors, but will not competitively procure the micro-purchases, unless in the aggregate in a 12-month period (fiscal year), the district exceeds the state law thresholds, or the district's threshold in Board Policy CH Legal or Local.

[Note: For child nutrition purchase, the micro-purchase threshold becomes effective January 1, 2019 for procurements conducted on or after January 1, 2019]

The finance/purchasing department shall distribute micro-purchases equitably among qualified vendors.

Small Purchase Procedures

The **Procurement by Small Purchase Procedures** shall be used by the district when the purchases of goods or services do not exceed $150,000, the Simplified Acquisition Threshold (2 CFR §200.88). The purchasing department shall require written, emailed or faxed quotations from at least three (3) qualified vendors for all small purchases, i.e. purchases that do not exceed $50,000. The district shall strive to obtain small purchases from qualified vendors under a Cooperative Purchasing Program. The district is currently participating in the following cooperative purchasing programs:

- **1GPA**
- **TASB Buy Board**
- **TCPN**
- **ESC VII**
- **Choice Partners**
- **PACE – ESC XX**
- **TIPS – ESC VIII**

Sealed Bid Procedures

The **Procurement by Sealed Bids** method shall be used by the district when the purchase of goods or services exceeds $150,000 if the acquisition of the goods or services lends itself to a fixed price contract and the selection of the successful bidder can be made principally on the basis of price. The district shall comply with the sealed bid requirements, as defined by the EDGAR, as noted below:

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

Competitive Proposal Procedures

The Procurement by Competitive Proposal method shall be used by the district when the acquisition of the goods or services exceeds $150,000 and does not lend itself to a fixed price contract. The district shall comply with the sealed bid requirements, as defined by the EDGAR, as noted below:

- Requests for Proposals (RPF) must be publicly advertised
- The RFP shall identify the evaluation factors and their weight in awarding the proposal
- Proposals shall be solicited from an adequate number of bidders, but no less than two (2) qualified vendors
- Proposals shall be evaluated, ranked and a recommendation for award made to the Board of Trustees at a regularly scheduled board meeting
    - The district shall develop an instrument to evaluate each proposal and rank the proposals based on the evaluation scores
    - The district shall evaluate each proposal by committee or no less than two district staff with knowledge of the RFP specifications
    - In accordance with state law, the vendor who is ranked highest as providing the "proposal most advantageous to the district" shall be notified of the potential award
        - The district may negotiate with the vendor only as it relates to potential cost savings
        - If the district and vendor ceases to negotiate, the district shall notify the vendor in writing before starting to negotiate with the 2nd highest ranked vendor.

Noncompetitive Proposal Procedures

The **Procurement by Noncompetitive Proposal** method shall be used by the district when the purchase of goods or services is from a "sole source vendor". A sole source vendor is defined as a vendor that meets the following requirements:

- The goods or services are only available from a single source
    - The district shall acquire and maintain a copy of a vendor's sole source letter which specifies the statutory or other reason for its sole source status
    - The TEA Division of Grants Administration Request for Noncompetitive Procurement (Sole Source) Approval Form shall be utilized to request prior approval of a non-competitive, sole source proposal.
- A public exigency or emergency will not permit a delay resulting from the competitive solicitation process
    - The district shall declare a public exigency or emergency prior to making such as purchase of goods or services under this method
- The granting agency or pass-through entity authorized the use of a non-competitive proposal method
    - The district shall obtain written approval/authorization from the granting agency or pass-through entity.
- After solicitation of a number of sources, competition is determined to be inadequate
    - The district shall determine that competition is inadequate if after two solicitations of bids and/or proposal, only one vendor is responsive to the solicitations

Other Procurement Guidelines

Regardless of the procurement method, the district shall encourage small, minority, woman-owned and labor surplus area firms to compete with other qualified vendors by implementing strategies to encourage their participation.

The district shall comply with the federal regulations related to the procurement of recovered materials

(2 CFR §200.322) and the Solid Waste Disposal Act.

For all purchases that exceed the Simplified Acquisition Threshold of $150,000, the district shall perform a cost or price analysis with every procurement. Secondly, all purchases that exceed this threshold shall comply with federal bonding requirements such as:

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

The CFO shall be responsible to ensure that all purchases above this threshold are guaranteed with the appropriate bid guarantee, performance bond and payment bond.
All contracts for services and/or goods purchased with federal grant funds shall be subjected to the same review and approval process as all other district contracts. The Contract Procedures are applicable to all federally funded contracts.

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

902.6 Property Standards

The district shall safeguard all property (assets and inventory) purchased with federal grant funds under the same guidelines as property purchased with local funds. Additional insurance for property purchased with federal grant funds shall be acquired if specifically required by a federal grant award.

The CFO shall oversee the acquisition of insurance for all federally funded property.

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

Capital Assets (Equipment) and Supplies
The district shall use federal grant funds to purchase capital assets (equipment) and supplies. The district shall not use federal grant funds to purchase intangible property.

The federally-funded capital assets shall be used only for the authorized purposes and shall be disposed of, at the end of the useful life or end of the grant period, in accordance with the grant award guidelines. The district shall not use the federally-funded equipment to generate program income.

The federally-funded supplies shall be used only for the authorized purposes. Any residual (unused) supplies, in excess of $5,000 in total aggregate value, at the end of the grant program or project may be used for any other federal grant program. Otherwise, the supplies shall be retained by the district or sold, but must reimburse the granting agency for the district use or sale of the supplies. The district shall implement purchasing deadlines for the purchase of federally-funded supplies to ensure that residual supplies are not available at the end of the grant period or project.

Capitalization Policy and Definitions
The district shall utilize the same capitalization policy for non-grant and grant-funded asset purchases. The district's capitalization threshold for assets is $5,000 per unit cost. The district has adopted the EDGAR (2 CFR §200.12) definitions of property as noted below:

- *Capital assets* means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. (2 CFR §200.12).
- *Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000. (2 CFR §200.33)
- *Computing devices* means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. (2 CFR §200.20)
- *General purpose equipment* means equipment which is not limited to research, medical, scientific or other technical activities.
    - Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.
- *Information technology systems* means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. (2 CFR §200.58)
- *Special purpose equipment* means equipment which is used only for research, medical, scientific, or other technical activities.
    - Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.
- *Supplies* means all tangible personal property other than those described in 2 CFR §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or $5,000, regardless of the length of its useful life. (2 CFR §200.94)

Acquisition Cost

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

- *Acquisition cost* means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices.(2 CFR §200.2)

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

The district has also defined "inventory items" as items with a unit cost between $1,000 and $4,999. These items shall have a tag affixed to the item for inventory tracking and insurance purposes only. Inventory items shall include computing devices within these costs. The district shall track these items for insurance purposes and shall conduct an annual inventory of these items to the extent possible.

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

- I-Pads
- Kindle/Nook
- Chrome books
- Computers with a cost under $1,000

902.61 Identifying and Tracking Federally-Funded Assets

Title to federally funded equipment and supply purchases shall be retained by the district, unless otherwise notified by the granting agency. As district property, the district shall affix a tag, inventory, and dispose of all assets (non-grant and grant-funded) according to the district's fixed asset procedures. The district procedures shall include the recording of all assets on a database with the following information:

1) District-issued tag (or identification number)
2) Date of acquisition
3) Description of asset
4) Serial number, or other identifying number
5) Funding source, i.e. fund code
6) Federal use of asset (percentage)
7) Cost of asset (acquisition cost)
8) Use and condition of the asset (New, Used, etc.)
9) Life of asset
10) Location of asset (building and room number)
11) Depreciation of asset
12) Owner of asset title, typically the district

Maintaining Asset Inventory & Records

All federally-funded assets shall be maintained in an operable state. If repairs are necessary, the district may pay for the repairs of the federally-funded assets with federal grant funds, unless expressly restricted by the granting agency.

The district fixed asset procedures shall include an annual inventory (or more frequently if required by a granting agency) of all assets and reconciliation of the inventory reports. [Note: Federal requirements 2 CFR §200.313 requires an inventory at least once every 2 years.]

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

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

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

The Chief Technology Officer shall be responsible for maintaining the fixed asset database of all district assets, including all federally funded assets.

902.7 Cost Principles

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

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

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

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

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

The **total cost** of a federal award is the sum of allowable direct and allocable indirect costs less any applicable credits. All refunds, rebates, discounts or other credits to grant expenditures shall be posted to the finance general ledger as soon as the credit is known. The district shall ensure that all known credits have been posted to the general ledger prior to the drawdown on federal grant reimbursements. The district shall post all credits [discounts, rebates, refunds, etc.] to the general ledger on a timely basis to ensure that the district does not draw-down grant expenditures in excess of actual expenditures net of all credits. Otherwise, the district may be considered to have drawn-down funds under an advanced cash

method. The CFO shall ensure that all applicable credits have been posted to the general ledger prior to preparing and submitting a federal grant drawdown request from the granting or pass-through entity.

All direct district costs with federal grant funds, shall meet the minimum requirements of allowability as specified in the 2 CFR §200.302 and 2 CFR §200.403. In addition, the costs must meet the general provisions for selected items of cost (2 CFR §200.420). Specific items not listed within these procedures shall be evaluated by the Grant Manager and Business Office on a 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.**

Selected Items of Costs
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.

902.71 Compensation & Benefits – Employee (Payroll Expenditures)
Compensation and benefits (payroll expenditures) are allowable costs for personal services rendered by district employees during the period of performance under the federal grants.

Compensation Costs
All payroll expenditures shall be paid in accordance with the federal cost principles. First and foremost, the payroll expenditures must be authorized on the grant application and the duties assigned must be directly related to grant activities. In addition, compensation costs shall be allowable if:

- The costs are reasonable for the services rendered and conforms to the established district compensation and benefit plans for expenditures with all other funds, i.e. local funds,
- The costs are supported by the appropriate timekeeping, absence tracking, time & effort certifications or other documentation, as appropriate,
- Federally-funded employees shall report all outside employment or professional services rendered to other entities. The external employment and/or professional services shall not conflict with the federally-funded activities with the district,
- Incentive compensation, such as stipends, awards, early resignation incentive, attendance incentive, etc. in accordance with the district's written plans for each of these incentives.

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

- All benefit costs shall be in accordance with the district's written Summary of Employee Benefits
    - All leave benefits shall be in accordance with the district's written Leaves and Absences Policy (DEC Local)
    - The benefit costs shall be distributed equitably at the same allocation rate (percentage) as the base compensation
    - The benefit costs were earned and paid during the grant period

- All benefit costs shall be allowable under the Internal Revenue Service, Fringe Benefits Guide (as subjected to taxes, as required by federal statute)

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

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

Documentation of Compensation and Benefit Costs

- **In addition, to the time and effort reporting requirements, the district shall support all compensation and benefit costs paid with federal grant funds shall be supported by the following documentation:**
- **Exempt staff**
    - Employment agreement, contract, or reasonable assurance, as appropriate
    - Job description signed by the employee with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet state standards.*
    - Absence records, if any
    - Time and Effort documentation, as appropriate (Semi-Annual Certification, Periodic Time and Effort, or the Substitute System for Time and Effort)
- **Non-Exempt staff**
    - Employment agreement, contract, or reasonable assurance, as appropriate
    - Job description signed by the employee with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet state standards.*
    - Absence records, if any
    - Time and Effort documentation, as appropriate (Semi-Annual Certification, Periodic Time and Effort, or the Substitute System for Time and Effort)
    - Timekeeping records (actual work hours per workweek) in accordance with the FLSA and the district's Timekeeping Procedures.

The Grant Consultant, CFO, HR Specialist, and District PEIMs Coordinator shall ensure that the Role ID and object codes reflected on the grant application (Payroll Summary) are consistent with the HR, payroll, finance and PEIMS records.

902.72 Selection of Grant-Funded Staff

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

The process of approving payroll expenditures from grant funds shall be a collaborative process between the campus or department, Grants Management, and Business Office [Human Resources, Purchasing, Budgeting, Accounting and Payroll] departments. Each campus and/or department plays an essential role in ensuring that all federal grant requirements are met.

The School Board approved Compensation Guide shall be used to compensate all district staff whether paid from local, state or federal grant funds. In addition, the district shall provide the same employer-provided benefits for all district staff whether paid from local, state or federal grant funds.

The compensation for grant-funded staff shall be allocated to the respective grant program (fund) based on the single and/or multiple cost objectives performed by the grant-funded staff. If a grant-funded staff member performs non-grant activities during the day or beyond the normal work day, the compensation for the non-grant activities shall be paid from non-grant funds. Grant-funded staff with more than one cost objective shall comply with the Time and Effort documentation requirements.

New Positions

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

The Business Office [Human Resources, Budgeting, Accounting and Payroll] shall be notified to ensure that the position is budgeted on the general ledger and the position is paid using the correct payroll account distribution codes.

New Hires

New staff hired for work in positions that are wholly or partially funded with federal grant funds, shall be hired when a position and funding are both available. Upon separation of an employee, the home campus or department of the position shall initiate a request to replace the position.

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

The screening and selection process shall include a review of the recommended applicant to ensure that he/she meets the highly qualified requirements under the No Child Left Behind Act (NCLB), as appropriate, or any other grant-specific credentials. [Note: A Personnel Recommendation or similar form may be used to start the process.]

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

Transfer of Personnel

When staff in a position funded with grant funds is recommended for transfer to another campus, department, or assignment, the grants management, and Business Office shall work collaboratively to ensure that the appropriate staff allocations and funding changes are made at the time of the transfer. The home campus or department shall initiate the request for the transfer by completing a Personnel Change

Assignment Form. The Grant Consultant and Business Office must evaluate the requested transfer to ensure that the staff allocations, highly qualified staff requirements, and funding source changes are in compliance with grant requirements.

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

1. Campus Principal and Grants Consultant – ensure that the grant strategies and activities can be accomplished in a timely manner after filling the vacancy that would be created by the transfer;
2. Business Office – ensure that a vacancy exists in a PK teacher position and that the teacher recommended for transfer is certified to teach PK. Ensure that funds exist for the additional PK teacher slot and change the payroll account distribution code(s) from Title I to PK as of the effective date of the transfer.

Substitute Teachers

Salary expenditures for substitute teachers are allowable for approved teacher positions. The finance and payroll departments shall ensure that the expenditures for substitute teacher costs are budgeted and expensed from the appropriate account code(s).The School-Board approved Substitute Compensation Guide shall be used to compensate all substitute teachers whether paid from local, state or federal grant funds.

Stipends and Extra Duty Pay

Stipend and extra duty pay expenditures are allowable for authorized and approved activities. A schedule or work log shall be maintained to substantiate the stipend and/or extra duty pay. [Note: It is recommended by the TEA that a job description for each stipend role include the duties related to the grant purpose and the grant funding source.] The School Board approved Stipend and Extra Duty Compensation Guide shall be used to compensate all employees whether paid from local, state or federal grant funds.

The Business Office shall ensure that the expenditures for stipend and extra duty pay are budgeted and expensed from the appropriate account code(s). The stipend and extra duty pay rates shall be the same as the rates used for similar locally funded activities.

902.73 Time and Effort Documentation

District staff funded wholly or partially with federal grant funds shall comply with federal guidelines related to time and effort. The grant funded staff, their immediate supervisors, grants management, and Business Office shall be aware of the federal guidelines related to time and effort documentation.

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

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

Job description for all grant funded staff

The district shall develop and distribute a job description to all district staff that is wholly or partially funded with grant funds. The job description shall include the funding source and the job duties as they relate to the grant position. The grant-funded staff shall sign the job description at employment and on an

annual basis, or at a minimum, when the funding source, job title or other change occurs in the employment or assignment of the staff member.

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

Roster of all grant funded staff

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

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

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

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

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

[Note: It is critical that at least one of the reviews coincide with the submission of the Fall PEIMS Staff

Data to ensure that accurate data is submitted as of the October snapshot date.

Budgeting of grant funded staff

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

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

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

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

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

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

1) 1st Certification – due 1 week after the end of the 1st semester
2) 2nd Certification –due 1 week after the end of the 2nd semester*

*The 2nd semester certification for 10-month employees shall be due on the last working day of the school year. Submission of the required certification shall be part of a campus staff member's check out procedures.

The CFO or designee review shall consist of the following:

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

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

The CFO shall prepare and post a journal ledger entry to correct the account distribution code(s) as appropriate.

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

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

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

These employees are required to maintain a Time and Effort Worksheet or account for their time under a substitute system. The district has not applied for, nor been approved by the Texas Education Agency to use the Substitute Time and Effort System; therefore, employees must prepare Time and Effort Worksheet at least monthly to coincide with the district pay periods. Such reports must reflect an *after-the-fact* distribution of 100 percent of the *actual* time spent on each activity and must be signed by the employee

and their immediate supervisor. Charges to payroll must be adjusted to coincide with preparation and submittal of the interim expenditure report required for TEA discretionary grants.
Grant-funded staff under this category shall complete a Time and Effort Worksheet to include the date, grant source, percentage worked in the grant source per day and the summary for the month (or pay cycle). The staff member and his/her immediate supervisor shall sign the time and effort report. The timeline for time and effort reports shall be once per month to coincide with the monthly payroll cycles [22th of the month] – Time & Effort reports are due by the 10th of the month for the prior month.

The immediate supervisor shall submit all signed time and effort reports to the CFO.

The CFO or designee review shall consist of the following:

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

The Business Office shall prepare a journal entry to reclassify the expenditures as noted on the reconciliation of the time and effort report(s). According to federal regulations, the final amount charged to each grant award must be accurate, allowable and properly allocated. The Business Office shall post all variances greater than 10% to the general ledger; otherwise, the variances shall be posted prior to the final expenditure report.

Note: The Business Office should use caution to avoid excess drawdown of grant funds due to unallowable payroll costs if timely adjustments to the general ledger as not posted prior to the drawdown of funds.

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

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

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

TEA Guidelines Related to Specific Costs
The district shall adhere to TEA's Guidelines Related to Specific Costs as published to the TEA website. A copy of the guidelines shall be made available to all staff with authority to initiate and/or authorize a purchase or expenditure with federal grant funds. In addition, all staff with authority to initiate and/or authorize a purchase or expenditure, such as campus bookkeepers, campus and department

administrators, business office staff, and grant department staff shall receive a copy of the latest guidelines. The guidelines shall be incorporated in the annual training for all of these staff members.

Local Guidelines Related to Unallowable Costs

The district has developed local guidelines related to unallowable costs with federal grant funds. Although some of these costs may be allowable under the federal or state regulations, the district has determined that expenditures shall be unallowable with federal grant funds. The unallowable costs are noted below:

- Snacks that do not meet the Smart Snack federal and/or state guidelines
- Printing in color, unless deemed necessary for grant activities
- Meals (during a Working Lunch or Professional Development) that exceed $20 per person
- Educational field trips to an amusement park
- Consultant fees in excess of $1,000 per day, unless specifically approved as an exception by the Superintendent
- Incentives & Awards

902.75 Contracts and Professional Services with Grant Funds

All contracts and professional services agreements shall be reviewed and approved in accordance with the district guidelines for all non-grant funds. For example, if School Board Policy requires that all contracts that exceed $50,000 be approved by the Board of Trustees, all federal grant contracts that exceed $50,000 shall also be approved by the Board of Trustees. The district's Contract Management Procedures shall be adhered to in procuring, evaluating, selecting and awarding contracts. The vendor shall complete at a minimum, the following documents:

- W-9 Form for vendor identification and tax purposes
- Conflict of Interest Questionnaire
- Felony Conviction Notice
- Criminal Background and Fingerprinting (if working directly or indirectly with students)
- Certificate of Insurance (with the District as additional insured) if services will be rendered on district property

In addition, the Grant Consultant shall review and approve all consultant services agreements for compliance with federal regulations regarding professional service costs (2 CFR §200.459).

The Grant Consultant and CFO review shall consist of the following:

1) Consultant and/or contractor has not been suspended or debarred (contracts greater than $25,000)
2) The contract and/or funds have been approved in the grant application, if specific approval is required from the granting agency
3) The contract's nature and scope of service is directly related to the federal grant award activities
4) The past pattern of costs, particularly in the years prior to federal awards
5) The contract does not contain any proposal costs [not allowable under federal regulations]
6) Whether the proposed contracted services can be performed more economically by direct employment rather than contracting
7) Capability of the proposed vendor to perform the required services
8) The qualifications of the contracting firm or individual and the customary fees charged by the proposed vendor [A Resume, Vita or Statement of Qualifications shall be required for all contracts with Independent Contractors.]

9) The contract and/or consultant agreement meets the allowable costs principles.
10) A contract subject to Davis Bacon has the appropriate contract language
The contract and/or consultant agreement fee for services do not exceed any federal grant or local limits

The CFO shall review and approve all contracts. The review shall consist of the district's Contract Review Checklist and any other requirements specific to the contract and/or federal grants.

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

The date the district executes (signs) a contract for professional services shall be defined as the "obligation date". Since the district cannot obligate federal grant funds, except during the grant period, the district shall not execute a contract prior to, or after, a grant period; otherwise, the costs of the professional services shall be unallowable under the federal cost principles.
The district will execute a Letter of Intent to Contract with a third party prior to the issuance of a Notice of Grant Award (NOGA), as deemed appropriate.

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

- The contract is only effective upon receipt by the district of the NOGA from the awarding agency.
- The contract period is aligned to the grant period of availability as stated on the NOGA from the awarding agency (period of availability).
- All services will be completed during the effective dates of the contract.
- All services will be invoiced monthly after services are received (rather than paid lump sum at the beginning of the period of availability before services are rendered) and paid upon verification of receipt of services.
- The regulations for procurement in 2 CFR §200.318-323 are followed in issuing the contract.
- All professional services provided under the contract will follow the provisions of 2 CFR §200.459 Professional service costs.
- The contract identifies the funding sources that will be charged for the services provided, including the specific amount and/or percentage of the total contract amount to be charged to each funding source.
- The contract identifies and lists only reasonable, necessary, and allocable services to be provided during the period of availability of the funding sources listed in the contract.
- The administrative costs charged to the grant in the contract must comply with any limitations for administrative costs for funding sources (if applicable).
- The contract specifies that the invoice provided by the contractor will include the list of services provided, dates of services, and location(s) where services were provided during the billing period.

Additional district contract provisions shall include:

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

902.76 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 Campus Principal.

The Campus Principal review shall consist of the following:

1) The expenditure is *reasonable* and *necessary* (as defined in federal grant guidelines). [Note: A test of whether an expense is necessary may include the verification that the expenditure is to perform a strategy or activity in the District or Campus Improvement Plans.]
2) The expenditure is not required by state law or local policy.
3) The expenditure has been approved in the grant application, if specific approval is required from the granting agency
4) The expenditure meets the allowable costs principles.
5) The expenditure is allowable and approved in the grant application and is consistent with the grant purpose
6) The expenditure is supplemental and not supplanting a local expenditure [Note: Refer to compliance issues related to supplement and supplant for additional guidance.]
7) The expenditure has been competitively procured as required by law, as appropriate.
8) The expenditure has been approved by the governing body, as appropriate [Note: School Board Policy CH Local has established the threshold of contract approval by the Board of Trustees at $50,000.]

In an effort to meet all obligation and liquidation requirements of grant funds, the district has established Purchasing Deadlines that shall be adhered to by all purchase order originators.

In addition to the normal approval path of district expenditures, all grant expenditures shall be approved by the Campus Principal and CFO under the following circumstances:

1) Invoice amount exceeds the purchase order by 20%
2) Payment of an invoice will be paid by an account code(s) other than the original account code(s) that were used to encumber the purchase order
3) Travel expenditures, if not encumbered through the purchase order system
4) Non-purchase order payment such as credit card, direct invoice, reimbursement, etc.
5) Reclassification of a prior expenditure from one account code(s) to another

All Business Office staff (accounts payable) shall adhere to the Accounts Payable Procedures for all check disbursements. Specifically, all checks issued by the district shall be verified**,** recorded, approved, issued and reconciled by multiple individuals to ensure segregation of duties.

Credit Card Purchases with Grant Funds

The district shall use district-issued credit cards to make purchases with federal grant funds.

An original, detailed receipt shall be required for all credit card purchases with federal funds. If the purchaser does not submit an original, detailed receipt for audit purposes, the expenditure and/or reimbursement may not be charged to a federal fund. At no time shall district credit cards be used to withdraw cash.

The accounts payable review of credit card transactions shall consist of the following:

1) Original, detailed receipt includes an itemized list of what was purchased

2) The purchaser has documented a valid reason for the purchase which is consistent with the grant guidelines
3) The credit card purchase meets the allowable costs principles.

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

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

Petty Cash Purchases with Grant Funds

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

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

902.77 Travel Expenditures with Grant Funds (Students & Staff)

The district may use federal grant funds for travel costs. All travel-related expenditures from grant funds shall comply with the allowable federal cost principles, the State Texas-Travel Guidelines, School Board Policy and the district's **Travel Guidelines** (2 CFR §474). The allowable rates of reimbursement shall be the lesser of the federal rates, state or local rates.

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

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

- A purchase order approved by the Campus Principal or Immediate Supervisor and CFO
- Registration fees – registration fees shall be allowable if the event is related to grant activities. Registration fees may be paid from the current grant period for an event during the next grant period **only if** there is an absolute deadline to register for the event. Early registration deadlines shall not apply. Recreational or social events subject to an additional fee, above and beyond the registration fee, shall not be allowed with grant funds.
- Meals – meal expenses for overnight travel (in accordance with local travel guidelines) shall be allowed for district employees and students. Non-overnight travel meals expenses shall not be allowed. The meal per diem shall be adjusted in accordance with IRS regulations regarding the day of departure/return and meals provided without cost as part of the registration fee.
- Lodging – lodging expenses for overnight travel (in accordance with local travel guidelines) shall be allowed. The district shall pay for lodging expenses up to the GSA limits. Receipts shall be required for all lodging expenses. Recreational or personal services such as gyms, spas, etc. shall not be allowed with grant funds.
- Transportation – transportation expenses shall be allowed for *reasonable* expenses such as flight, rental car, taxi, shuttle, mileage reimbursement, etc. (in accordance with local travel guidelines).

Receipts shall be required for all transportation expenses to the extent that a receipt is available. Transportation expenses shall be reasonable and limited to the guidance in the cost principles.

No grant funds shall be used for travel expenditures of non-district staff such as spouses. The district shall not allow any "family-friendly" travel expenditures, such as dependent care travel costs, with federal grant funds.

The Campus Principal and CFO shall review and approve all travel-related expenditures paid with federal grant funds.

The travel-related expenditure review shall consist of the following:

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

902.78 Preparing Expenditure Reports & Draw Down of Funds

The district shall on a quarterly 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. Note: The expenditures shall be net of all refunds, rebates, discounts, credits, and other adjustments, if any.

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

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

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

The electronic drawdown of grant funds from the granting agency shall be initiated by the CFO. 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 drawdown, the CFO shall review the following:

1. The detailed general ledger for any unusual charges or reclassification of expenditures
2. A review of A test sampling of either unusual or large expenditures to ensure that the expenditures were reviewed and approved by all designated staff

3. Monitor the percentage of expenditures-to-date to ensure that the grant funds are expended on a timely basis throughout the grant period. [Note: TEA may disallow grant fund expenditures that appear to be made outside of the grant period or so late in the grant period that the district and its student did not benefit from the delayed expenditure.]

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 amount of the receivable shall be recorded on the general ledger and a copy of all supporting documentation such as the detailed general ledger and other supporting documentation shall be filed for audit purposes. The CFO shall prepare and post the journal ledger entry to the finance general ledger. If manual approval of an electronic draw-down is required by the granting agency, the Business Office 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 CFO shall respond to the request within the allotted time to avoid designation as a "high risk" grantee.

The CFO shall be responsible to ensure that the requested draw down amount does not exceed a grant-specific drawdown amount, or percentage. [Note: The NCLB drawdown percentage is 20% per month and aggregates each month.]

The final draw-down of grant funds from the granting agency shall be made within the allowable time frame. The grant liquidation guidelines shall be adhered to in making final payment for all goods and services received and *placed into service* before the end of the grant period. The drawdown process shall be the same as the periodic draw down, except that all refunds, rebates, credits, discounts or other adjustments to the general ledger must be recorded in the general ledger prior to submitting the final drawdown request. [Note: 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 (2 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 CFO shall certify every drawdown of funds, including the final expenditure report (drawdown 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 drawdown deadline is missed, the CFO shall contact the granting agency to determine if a process exists to request a filing deadline extension.

Note: TEA has developed procedures to request an extension for filing expenditure reports. The request form must be completed, signed by the Superintendent and filed with TEA within 30 days of the final expenditure report deadline.

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.

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

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

The district shall record all grant fund receivables upon receipt from the granting agency. The receipt of grant funds shall be posted to the general ledger to the appropriate receivable account code. In the event that the grant funds received do not match the recorded receivable, the CFO 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 CFO or designee shall prepare and post the adjusting journal ledger entry to the finance general ledger.

The district will not maintain grant funds in a separate bank account.

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.

Tracking and Recording Receivables
On at least a monthly basis, the CFO or designee 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 or designee shall prepare and post the journal ledger entry to the finance general ledger.

902.8 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.

902.81 Supplement, Not Supplant

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

Although the definition may change from statute to statute, supplement not supplant provisions basically require that grantees use state or local funds for all services required by state law, State Board of Education (SBOE) rule, or local policy and prohibit those funds from being diverted for other purposes when federal funds are available. Federal funds must supplement—add to, enhance, expand, increase, extend—the programs and services offered with state and local funds. Federal funds are not permitted to be used to supplant—take the place of, replace—the state and local funds used to offer those programs and services. [TEA Supplement, Not Supplant Handbook, 2013]

The district has chosen to use federal program consolidation through the use of transferability (Title I, Title II, and Title IV). To ensure that all grant funded activities are supplemental, there shall be a collaborative effort between the Campus Principal, Grants Consultant and the CFO. All shall receive training and be aware of the supplement not supplant provisions.

For payroll related expenditures, federal funds may only be used to fund supplementary staff positions based on program needs that are not "teacher of record" for Title I, Part A school wide campuses. Therefore, all "teacher of record" positions shall be funded with state and local funds.

For non-payroll related expenditures, the Campus Principal shall review and approve all purchase orders (and non-purchase order payments). The Campus Principal's review shall include a determination if the planned purchase and/or expenditure meet one of the following guidelines:

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

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

Under ESSA Title I, Part A, the district must demonstrate a Supplement/Not Supplant Methodology that is used to allocate State and Local funds to campuses and that the allocation process is equitable.

Title I Part Statute:
Section 1118 (b)(1)
All LEA shall use Federal funds received under this part only to supplement the funds that would, in the absence of such Federal funds, be made available from State and local sources for the education of students participating in programs assisted under this part, and not to supplant such funds.

Based on TEA guidance, districts who have 1 campus per grade span with no duplication of grades, will not be required to demonstrate a methodology for Supplement/Not Supplant.

Salado ISD will not be required to demonstrate a methodology for Supplement/Not Supplant because the district has 3 campuses with no duplication of grade spans.

- **Salado High School Grades 9-12**
- **Salado Middle School Grades 6-8**
- **Thomas Arnold Elementary Grades PK-5**

902.82 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 an LEA does not discriminate (either intentionally or unintentionally) against its Title I schools when distributing resources funded from state and local sources simply because these schools receive federal funds. [TEA Title I, Part Comparability of Services Guidance Handbook, 2013]

The Business Office and Grant Consultant shall conduct the comparability test on an annual basis and complete the Title I Part A Comparability Assurance Document (CAD). [Note: If the district determines that it is exempt from the comparability requirements, the Business Office shall note the exemption on the CAD and submit it to TEA.] If the district is not exempt, the Business Office shall complete and submit the Comparability Computation Form (CCF) to TEA by the mid-November annual deadline.

In completing the CAD and CCF, the Business Office and Grant Consultant, shall follow the process outlined below [and illustrated on the workflow]

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

If TEA determines that the district is non-compliant, the CFO, Grant Consultant and Campus Principals shall work collaboratively to address the non-compliance. In addition, the district shall adjust the budgets as appropriate until the district is in compliance with the comparability requirement.

902.83 Indirect Cost

Grantees must have a current, approved federal indirect cost rate to charge indirect costs to the grant. The indirect cost rate is calculated using costs specified in the grantee's indirect cost plan. Those specified costs may not be charged as direct costs to the grant under any circumstances. [TEA Indirect Cost Handbook, 2014]

The district applied for an Indirect Cost Rate extension through the pass-through entity (TEA) for a 4-year period, from FY 2015 to FY 2018. After the extension period, the district shall apply for an indirect cost rate through the federal granting agency or pass-through entity (TEA) in accordance with the current regulations. The 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 at: http://tea.texas.gov/index4.aspx?id=3842

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 (if funds are not fully expensed at year-end). The CFO shall prepare a general ledger entry for the indirect costs and post the entry to the finance general ledger.

902.84 Maintenance of Effort

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

NCLB MOE

Federal statute requires that local education agencies (LEAs) receiving Title I, Part A funds must continue to maintain fiscal effort with state and local funds. An LEA may receive its full Title I, Part A entitlement if

either the combined fiscal effort per student or the aggregate expenditures for the preceding fiscal year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year. Maintenance of Effort (MOE) is determined using state and local operating expenditures by function, excluding expenditures for community services, capital outlay, debt service, and supplementary expenses as a result of a Presidential declared disaster, as well as any expenditures from funds provided by the federal government. [TEA NCLB MOE Handbook]

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

IDEA-B MOE

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

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

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

As part of the IDEA-B grant application process, the Grant Manager will need to know the prior year Special Education expenditures and the next fiscal year budgeted Special Education Expenditures. The CFO shall work collaboratively with the Special Programs Director not later than June 30th to ensure that the most accurate amounts are reflected in the grant application. Changes to these amounts, as they are known, by the CFO shall be submitted to the Special Programs Director, as appropriate.

902.85 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:

1) Programmatic reports such as activity, progress and evaluations – Campus Principals
2) Expenditure reports such as interim, draw down and final expenditure reports – CFO
3) Compliance reports such as Comparability, Maintenance of Effort, Indirect Cost, etc. – CFO

4) Highly Qualified Staff reports – Superintendent Secretary

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

902.86 Grant Monitoring and Accountability

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

- 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 Campus Principal or Special Programs 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 Campus Principal or Special Programs Director shall monitor the timing of grant activities throughout the grant period, especially as they relate to the desired outcomes. The CFO shall monitor the timing of grant expenditures, especially as they relate to the period of availability of grant funds. If either the grant activities or grant expenditures reflect that the district will not accomplish the grant activities during the grant period, the Campus Principal, Special Programs Director and CFO 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 Business Office, Campus Principals, Special Programs Director and grant consultant 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.

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).

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

902.9 Grant Awards

List of Grant Awards (including Grant Manager, grant funding source, grant period, and grant amount)

Grant Title/#	Award Date	CFDA #	Grant Period	Amount	Grant Manager
Title I, Part A			07/01/2025 09/30/2026		Maegan Loya Beth Aycock Melanie Kasper
Title II, Part A			07/01/2025 09/30/2026		Maegan Loya Beth Aycock Melanie Kasper
Title IV, Part A Subpart 1			07/01/2025 09/30/2026		Maegan Loya Beth Aycock Melanie Kasper
IDEA-B Formula			09/03/2025 09/30/2026		Melanie Kasper Beth Aycock
IDEA-B Preschool			09/03/2025 09/30/2026		Melanie Kasper Beth Aycock
Safe Cycle 2			05/07/2024 04/30/2027		Beth Aycock
24-25 Strong Foundations Implementation			02/20/2025 08/31/2026		Beth Aycock

TEA Grant Opportunities: [The following resources are available online for each grant program]

General and Fiscal Guidelines
Program Guidelines
Program-Specific Provisions and Assurances