



RICHARD MILBURN ACADEMY

Federal and State Grants Management Procedures

2026-2027

Legal Disclaimer

This manual is intended solely to provide general information and guidance to the school. The content in this manual reflects In School's current understanding of statute and applicable federal guidance. The content of this manual is subject to change because of future guidance and/or other updates provided by state and federal agencies with regulatory oversight of these programs. This manual does not constitute legal advice, and entities are, therefore, advised to seek legal counsel regarding the information and guidance provided in this manual before acting upon the information provided.



2026-27 Approval of the **Richard Milburn Academy's** Federal Procedure Manual

07/01/26

Date Procedures Effective

07/01/26

Date Approved

Armard Anderson

Superintendent's Printed Name

A handwritten signature in blue ink that reads "Armard Anderson".

Superintendent's Signature

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Section 1: Introduction and General Principles

- 1.1. Purpose:** This manual provides guidelines and procedures for budgeting and expending federal and state grant funds. It is a compilation of state and federal laws and local policies and procedures that are to be used for processing all financial and budget-related items. These procedures are intended to allow for the efficient management and administration of grant-related responsibilities and ensure proper administration of all grant awards.
- 1.2. Adoption and Review of These Procedures:** These procedures were initially reviewed and approved by the Board of Directors. The **Superintendent** shall approve this State and Federal Grants Manual on an annual basis, or as appropriate, if federal, state, or local changes in regulations or policy warrant immediate changes, without additional Board review or approval. Additionally, the **Superintendent** has the authority to approve updates and revisions to these procedures, as necessary for the efficient management and operations of **Richard Milburn Academy**, without additional Board review or approval.
- 1.3. Federal Funding Guidelines:** Federal funds are supplemental resources allocated for the specific purpose of providing a high-quality education that will enable all children to meet the state student performance standards. Allocations of funds are based on the number of students enrolled who meet the criteria for each funding source and/or percentages of students enrolled who meet requirements for funding. **Richard Milburn Academy** is obligated to ensure fiscal integrity with all allocated funds.
- 1.4. Governing Regulations:** EDGAR regulations were incorporated into the Uniform Grant Guidance in 2014 and applied to federal grant awards made on or after December 26, 2014. In 2020, the Office of Management and Budget (OMB) issued revisions and additional guidance, which went into full effect on August 13, 2020. Subsequent updates were issued by the OMB in April 2024 and apply to awards issued on or after October 1, 2024. TEA has indicated that the April 2024 OMB updates must be fully implemented by July 1, 2025.

Most recently, changes to the definitions in the Code of Federal Regulations took effect October 1, 2025, revising the definitions of thresholds for procurement due to adjustments for inflation (48 CFR Part 2, Subpart 2.1). The current version of this manual reflects applicable revisions through the October 1, 2025 updates and applies to awards issued on or after that date.

For state-administered federal grants, TEA shall notify **Richard Milburn Academy** on the Notice of Grant Award (NOGA) of the applicable administrative regulations. The date of the award to **Richard Milburn Academy** (or to the pass-through entity such as TEA) shall determine the appropriate regulations. Aside from EDGAR, other state and local laws, regulations, and policies may apply. Failure to abide by operable regulations may result in the denial of **Richard Milburn Academy** reimbursement requests or requests for **Richard Milburn Academy** to return some or all the grant funds.

- 1.4.1. Deference to State and Federal Regulations:** When **Richard Milburn Academy** local policies and/or procedures conflict with state and federal regulations, **Richard Milburn Academy** shall comply with the more restrictive regulations.
- 1.4.2. EDGAR Terminology Applies:** To ensure consistency with the EDGAR, **Richard Milburn Academy** shall utilize the acronyms and definitions included in the EDGAR (2 CFR 200.1) for general terms related to the management of federal grant funds.
- 1.5. List of Grant Awards:** A list of all federal grant awards, including all EDGAR required data, is attached to these procedures as Exhibit A. The list includes the following data:
 - 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.

1.6 Generative Artificial Intelligence (AI): Grantees shall not allow generative AI to make decisions or judgments in performance of the grant award.

Section 2: Administrative Responsibilities

2.1. **Overview of the Grants Management Department:** The **Director of Special Projects** shall perform multiple roles; however, **Richard Milburn Academy** will always ensure adequate separation of duties. The **Director of Special Projects** or assigned staff will comply with **Richard Milburn Academy** Fiscal Code of Ethics and Conflict of Interest policy. The **Director of Special Projects** and select staff function includes, but is not limited to:

- Providing assistance to project managers for the preparation of grant applications;
- Exercising budgetary control of grant funds;
- Providing overall financial support and monitoring;
- Establishing, communicating and promoting policies and procedures consistent with federal, state, and local regulations and maintaining an adequate internal control structure to ensure compliance with those regulations;
- Coordinating formal agency audits or interim reviews of grants by federal or state agencies, external/internal auditor(s);
- Providing support and guidance to campuses and Central Office departments for the effective administration and financial management of grants;
- Working cooperatively with the campus and cluster administrative staff to ensure that all grant activities are collaboratively planned and appropriate to each campus;
- Providing supporting documentation for budgeted grant funds and submitting grant amendments to facilitate budget amendments;
- Assisting the Payroll Department with determining the payroll distribution code(s) for all grant-funded staff;
- Preparing all grant-related programmatic (evaluation) reports in a timely manner;
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures;
- Receiving and monitoring the time and effort reports, as appropriate, and submitting adjustments, if any, into the accounting system;
- Monitoring the spending thresholds throughout the grant period to ensure that the grant activities are being conducted systematically throughout the grant period;
- Reviewing and approving all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles;
- Retaining all grant records for the required length of time (7 years) for audit purposes;
- Providing information to the Payroll Department regarding the number and type of grant-funded positions approved in the grant application by the granting authority;
- Verifying with the HR department that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate (and, all state certification requirements);
- Verifying with the HR department that all grant-funded staff has a job description with the grant-related duties and funding. (And, that all grant-funded staff sign a job description on an annual basis);
- Assisting the HR department with determining the position title, Role ID, and other salary information for use in completing the grant application.

2.2. Director of Special Projects Responsibilities: The **Director of Special Projects** manages the Grants Management Department, reports to the Board, and works closely with the **Finance Department** to ensure adequate compliance with grant terms and the implementation of acceptable accounting practices. The duties of the **Director of Special Projects** include, but are not limited to, the following:

- Training all Grants Management staff in these procedures and in the applicable rules and regulations governing grant funds;
- Coordinating/preparing the annual grant budget in coordination with the **Finance Department** at the start of each fiscal year;
- Negotiating the grant budget with the TEA Program Manager;
- Approving grant amendments, final amounts, and allocations;
- Distributing all necessary copies of grant-related documents, including the original Request for Application, to grant personnel, the finance office, and the grant program area;
- Coordinating with local decision-making committees and other appropriate state and federal offices to maximize the effectiveness of the grant;
- Identifying additional resources that may facilitate grant project activities;
- Determining reasonable opportunities for teachers, parents, and other interested parties to participate in the planning and operation of the grant project;
- Acquiring information regarding promising educational practices developed through prior grant projects and disseminating this information to participating teachers and administrators;
- Reviewing the contents of the grant packet as soon as it is received;
- Ensuring that appropriate personnel review the approved grant application and verifying any necessary modifications to the application or award that may have taken place before, during, or after negotiation with TEA personnel;
- Ensuring that funds are expended only as approved in the grant application and award packet;
- Ensuring that all expenditures and activities are properly documented;
- Ensuring that the project program office's books are reconciled with the Business Office accounting records on a regular basis;
- Ensuring that all the proposed activities are planned, implemented, and completed as approved in the application;
- Submitting the Substitute System School System Certification every year to the TEA.
- Filing necessary amendments;
- Filing Progress Activity Reports, Replication Manuals, and Evaluation Reports (also known as Final Reports), as applicable and in coordination with the Business Office as needed

2.3 Business Office and Director of Special Projects Joint Responsibilities: Together, the **Director of Special Projects** and Business Office ensure that requested grant expenditures adhere to the fiscal requirements set forth in the grant application, budget, and local, state, and/or federal guidelines. The **Director of Special Projects** and Business Office also review all expenditure requests to ensure that they are recorded and classified pursuant to the Financial Accountability System Resource Guide ("FASRG") and generally accepted accounting principles. The joint responsibilities of the **Director of Special Projects** and Business Office also include, but are not limited to:

- Maintaining fiduciary and financial responsibility for all grant activities;
- Coordinating the preparation of the grant budget with the program manager. This will ensure the budgeted line items are classified correctly according to the FASRG;
- Ensuring that funds are expended as approved in the grant application;
- Processing and approving grant purchases for compliance & budgetary purposes.
- Maintaining accounting data for retrieval on all grant projects;
- Ensuring that all expenditures and activities are properly documented;
- Including the details of all grant transactions in the accounting records, from the approval of the proposed grant to final action by the Grantee and Grantor;
- Requesting funds through the automated payment request system and billing invoices;
- Preparing and filing Mid-Project Expenditure Reports, Compliance Reports, Final Expenditure Reports, and Revised Final Expenditure Reports, as applicable and in coordination with the program manager as needed;
- Certifying that all expenses are true and correct.

2.4 Grant Accountant Responsibilities: The **Grant Accountant** is responsible for maintaining financial records related to grant funds and for monitoring receipt and disbursement of funds. The **Grant Accountant** also performs the following duties:

2.4.1. Maintaining Grant Binders: On an annual basis, the **Grant Accountant** shall ensure that the following items are maintained in each grant binder:

- Grant Application
- Notice of Grant Award
- Contracts (if any)
- Reports submitted under the grant (comparability, compliance, etc.)
- Important correspondences regarding the grant
- End of Year (EOY): Last Amendment (if any)
- EOY: Time and Effort Sheets
- EOY: Budget working sheet
- EOY: List of payroll positions
- EOY: Final expenditure report, detailed general ledger.
- EOY: CIP Budgets etc.

Note: Grant binders will be in digital format stored in Microsoft TEAMS.

2.4.2. Beginning-of-Year Procedures: Beginning-of-year procedures include:

- Coordinating and preparing grant application along with the **Superintendent**;
- Saving electronic copies of all grant applications, amendments, and notices of grant awards;

- Approving the pre-award cost application;
- Preparing finance software (code creation, caps/thresholds, budget upload, payroll status for grant-funded employees).

2.4.3. Ongoing Procedures: On an ongoing basis, the **Grant Accountant** shall:

- Amending grant budgets to account for carry-over, reaching maximum entitlement, or a reallocation of funds;
- Amending grant budgets in conjunction with TEA if expenditures exceed the budget for a major object code by 25%;
- Reviewing vendor transactions, expenditure coding, and coordinating reclassifications when necessary;
- Reviewing purchase orders as necessary;
- Reviewing actuals monthly and amending the budget (in draft) as needed;
- Coordinating bidding/procurement with Purchasing Department as necessary;
- Updating the budget tracking sheet, determining “to-do” items, and marking as “done” by the end of the period;
- Sending brief reports to campus personnel as needed.

2.4.4. End-of-Year Procedures: At the end of each fiscal year, the **Budget Accountant** shall receive the final budget and upload it to Finance Software (indicating any carry-over amounts, whether the max entitlement has been reached or exceeded, etc).

2.5. Director of Special Projects and Budget Accountant Responsibilities: The **Director of Special Projects** and **Budget Accountant** is responsible for preparing and maintaining all grant budgets and uploading those budgets to **Richard Milburn Academy** accounting software. The **Director of Special Projects** will also approve all journal entries related to payroll adjustments and review the payroll status of all grant-funded employees prior to each monthly payroll. The **Director of Special Projects** will also review the draft expenditure report for each budget and finalize the draw-down of all grant funds.

2.6. School System Finance Manager Responsibilities: The following guidelines apply to School System **Finance Managers** with regards to grants:

- Maintain, but do not create, any purchase orders, and inform the Grants Department if there is a major update to a purchase order;
- Obtain the signature of the authorized Grants Department personnel for reclassifications involving grants (*e.g.*, JE Authorization Form);
- Use “credit memo and bill pay” for grant-related reclassifications so that the expenditures show up on the vendor reports;
- Communicate with the Grants Department before contacting grant program coordinators directly;
- Be aware of expected grant receivables (due from the previous year) and code them correctly in the accounting software;
- Obtain the approval of the Grants Department before performing year-end adjustments (*e.g.*, accounting for revenue due from the state);

- Recognize the revenues drawn down by the Grants Department and code to the right account in the accounting software;
- In coordination with the grants department, calculate the revenue due from TEA or the federal government and post the amount to the ledgers accordingly;

2.7. Charter Accountant Responsibilities: The following guidelines apply to Accountants with regards to grants:

- Code all grant-related invoices to a grant department approved purchase order (as indicated by the purchase order's signature page);
- Maintain, but do not create, any purchase orders, and inform the Grants Department if there is a major update to a purchase order;
- Watch for grant-allowable expenditures and notify the **Director of Special Projects** if a proper purchase order was not created;
- Direct all grant-related issues to the **Director of Special Projects**;
- Ensure that all services indicated by an invoice have been received (*i.e.*, that the invoice contains a stamp and two signatures)
- Ensure there is a grant-department approved purchase order for each invoice.
- Maintain knowledge of each grant and inform campus administrators of any changes the grants as they arise.

Section 3: General Provisions Regarding Federal Grants

3.1 General Compliance: **Richard Milburn Academy** shall comply with all General Provisions of EDGAR, (2 CFR 200 (Subpart B)). Specific areas of compliance are noted below.

3.1.1. Conflicts of Interest: **Richard Milburn Academy** 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. (2 CFR 200.112) **Richard Milburn Academy** shall also comply with all additional conflict of interest requirements required by the federal granting agency and/or the pass-through entity (TEA). The form for reporting conflicts of interest can be accessed on the TEA [Smartsheet WorkApp](#) site.

3.1.2. Reporting Violations of Law: **Richard Milburn Academy** shall promptly disclose in writing to the Federal agency, the agency's Office of Inspector General, and the pass-through entity any violations of federal criminal law including fraud, conflict of interest, bribery or gratuity violations affecting a federal grant award. (2 CFR 200.113). Upon detection of any fraud, abuse or waste with federal grant funds, **Richard Milburn Academy** shall promptly notify the proper legal authorities and pursue appropriate criminal and/or civil actions. In addition, **Richard Milburn Academy** shall report to the granting agency and pass-through entity, the extent of the fraud or violations. The "Mandatory Disclosure Violation of Federal Criminal Law" form is available at the following website: <https://tea.texas.gov/finance-and-grants/grants/grants-administration/forms-for-prior-approval-disclosure-and-justification>.

In addition, **Richard Milburn Academy** shall reclassify fraudulent expenditures made with federal grant awards to local school system funds, *i.e.*, the General Fund. The **Superintendent** shall be responsible for overseeing, reporting, and documenting any fraud, abuse or waste of federal grant funds.

If the total value of **Richard Milburn Academy** currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time, **Richard Milburn Academy** must report to the System for Award Management (SAM) certain information about civil, criminal, or administrative proceedings in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the federal government that reached final disposition during the most recent five-year period. (2 CFR 113 and Appendix XII). Specifically, **Richard Milburn Academy** must report:

- 1) criminal proceedings that resulted in a conviction (including a plea of nolo contendere), civil proceedings that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more,
- 2) administrative proceedings that resulted in a finding of fault and liability and a payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000 or
- 3) any other criminal, civil, or administrative proceeding if
 - a) it could have led to an outcome described in 1), 2), or 3) above;
 - b) it had a different disposition arrived at by consent or compromise (e.g., a settlement agreement),
 - c) the disposition included an acknowledgment of fault by **Richard Milburn Academy**, and
 - d) disclosing information about this proceeding does not conflict with any

applicable laws or regulations.

- 3.1.3. **Limitations on Gifts or Tokens:** All **Richard Milburn Academy** employees, officers, agents, or board members are prohibited from soliciting gifts, tokens, or anything of monetary value from vendors or other parties who are affected by (or have an interest in) a federal grant award. (2 CFR 200.318). In addition, all **Richard Milburn Academy** employees, officers, agents, or board members 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 exceeds \$50. Under no circumstances shall a **Richard Milburn Academy** employee, officer, agent, or board member accept illegal items or items prohibited at **Richard Milburn Academy** elementary and secondary schools, such as firearms, drugs, or tobacco or alcohol products. **Richard Milburn Academy** employees, officers, agents, or board members who violate this administrative directive shall be subject to disciplinary action, up to and including termination of employment with **Richard Milburn Academy**. Violations that exceed the conflict of interest thresholds shall be reported to the federal granting agency and/or pass-through entity by the **Superintendent**.

- 3.2. **Pre-Federal Award Requirements:** Because the federal awarding agency and pass-through agencies are required to evaluate **Richard Milburn Academy** risk with respect to financial stability, management system quality, history of grant performance, audit reports, and ability to effectively implement the grant program.

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

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

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

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

The effects of the school system's risk level determined by TEA may impact the school systems in the following ways:

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

The **Director of Special Projects** shall obtain the school system's risk assessment level by accessing the

TEA [Smartsheet WorkApp](#) site on an annual basis.

Richard Milburn Academy shall implement strategies to ensure that its risk level for federal grants management is determined to be “low.” These strategies include:

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

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

- 3.2.1. **Pre-Award Expenses:** No pre-award expenses shall be made by **Richard Milburn Academy** prior to the approval of the federal granting agency or the pass-through entity. Non-authorized pre-award expenses, if any, shall be paid from non-grant funds (*e.g.*, the General Fund). Further, no federal grant funds shall be budgeted, encumbered, or spent until either of the following has occurred: (1) the grant has been approved by the granting agency and a Notice of Grant Award (NOGA) has been issued to **Richard Milburn Academy**; or (2) the entitlement grant funds have been received by **Richard Milburn Academy** and the grant application has been submitted to TEA.

3.3 Single Audit: In compliance with 2 CFR 200, Subpart F – Audit Requirements, the school system shall engage an independent audit firm to conduct a Single Audit of federal awards, as applicable, based on the total federal awards in a fiscal year.

Should Richard Milburn Academy expend \$1,000,000 or more in Federal awards during its fiscal year, Richard Milburn Academy must have a single or program-specific audit conducted for that year in accordance with the provisions of this part. If the charter school system expends less than \$1,000,000 in federal awards during its fiscal year, it is exempt from federal audit requirements for that year; however, the records of the charter school system must be available for review or audit by appropriate officials of the federal agency, pass-through entity, and the Government Accountability Office (GAO). [2 CFR 200.501] If required, the single audit cannot be paid with federal funds.

The scope of the Single Audit shall require the following:

- The audit must be conducted in accordance with GAGAS and cover the entire operations of the school system during the audit period,
- Determination if the financial statements are presented fairly in all material aspects in accordance with generally accepted accounting practices,
- Evaluate the internal controls over federal programs including testing to determine the risk level,

- Determination if the school system has complied with federal statutes, regulations, and terms and conditions of the federal awards,
- Follow up on prior audit findings, and
- Submit the Data Collection Form.

Upon receipt of the Single Audit, the Finance Department and Director of Special Projects shall determine if the audit contains any Corrective Actions of Questioned Costs.

If there are any Corrective Actions, an Action Plan to remedy the deficiencies shall be developed and implemented by the Director of Special Projects.

If there are any Questioned Costs, an Action Plan to reclassify the un-allowed expenses shall be developed and implemented by the Finance Department.

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

3.4 Whistleblower Protection: Any paid employee or appointed officer of Richard Milburn Academy, excluding independent contractors, may report in good faith any violations of any state or federal statute, local ordinance, or rule adopted under such laws.

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Academy prohibits retaliation against employees who, in good faith, report legal violations by the school or its employees to an appropriate law enforcement authority. (Gov't Code 554.002)

See also the Richard Milburn Academy Employee Handbook.

Section 4: Grant Application Process

- 4.1 Overview:** **Richard Milburn Academy** may be eligible to apply for “entitlement” or “competitive” federal grant funds.
- 4.1.1. Entitlement Grants:** Federal entitlement grant funds include, but are not limited to, Every Student Succeeds Act (ESSA), Individuals with Disabilities Education Act (IDEA), and Carl D. Perkins. The “maximum” and/or “final” entitlement awards for **Richard Milburn Academy** are posted on the TEA Grants Management webpage at: <https://tea.texas.gov/data-reports/grants/grants-administration/grant-allocations-and-award-balances>. The **Director of Special Projects** shall obtain the annual entitlement amounts and begin the grant development process with the appropriate departments and administrators.
- 4.1.2. Competitive Grants:** A list of competitive grants administered by the TEA are also posted on the TEA Grants Management webpage. The **Director of Special Projects** shall obtain the competitive grant information to determine whether the grant is appropriate for **Richard Milburn Academy**. Some competitive grants may have matching-funds and/or in-kind payment requirements that may place a burden on **Richard Milburn Academy** available financial resources. TEA’s Grant Opportunities webpage provides 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 a grant application, amendments, and grant reporting.
- All staff involved in the management of federal grant awards shall be aware of these resources.
- 4.2. Grant Application Development and Approval:** The **Director of Special Projects** originates all grant applications, and all grant-applications that will support student instruction will be developed in collaboration with the respective campus principals, stakeholder committees, and **Superintendent**. Specific grant activities to support the academic program at a campus/School system will be reflected in the Campus Improvement Plan or School system Improvement Plan. The **Superintendent** has final approval authority for each grant application.
- 4.3. Collaboration with the Finance Department:** The **Director of Special Projects** shall work collaboratively with the **Finance Department** to ensure that all grant budget schedules are completed using the correct account code structure (as appropriate); **Richard Milburn Academy** purchasing, travel and other procedures; and are adequately documented if prior approval is required by the granting agency or pass-through entity.

Section 5: General Provisions and Assurances Regarding TEA-Administered Grants

- 5.1. **In General**: This section applies to all grants administered by TEA. Additional provisions and assurances may apply to specific grants. The Grants Management Department shall inform all staff involved in the expenditure of grant funds of the provisions and assurances for each grant program, as appropriate.

Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion: **Richard Milburn Academy** 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. (2 CFR 200 Appendix II, Section (h)) Therefore, the **Purchasing Department** and/or **Finance Department** shall verify the eligibility of each vendor with this certification requirement by requesting that the vendor execute a Certification Form before awarding a contract. A copy of the Certification Form shall be maintained with the contract for audit purposes.

The **Director of Special Projects** with the Operations department shall also monitor ongoing contracts to verify the contractor's compliance with the debarment, suspension, ineligibility, and voluntary exclusion provisions. If a vendor is suspended or debarred during a contract, **Richard Milburn Academy** 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.

- 5.2. **Lobbying Certification**: **Richard Milburn Academy** shall not use any grant funds for lobbying purposes.

Section 6: Cost Principles

6.1. Guiding 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 **Richard Milburn Academy** policies and procedures. In addition, the costs must be reasonable (*i.e.*, of such a nature and amount that 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) and necessary to carry out the grant activities. Moreover, the costs must:

- 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 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 (*e.g.*, the 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; and
- Be adequately documented.

6.1.1. Allowable Costs: All expenditures with federal grant funds, whether direct or indirect, shall meet the minimum requirements for allowable costs as specified in 2 CFR 200.403. In addition, the expenditures must meet the general provisions for selected items of cost (2 CFR 200.420). Specific items not listed in these procedures shall be evaluated by the **Director of Special Projects** and **Finance Department** on a case-by-case basis. The general rules regarding specific allowable expenditures listed within these procedures shall apply to all federal grant funds unless a particular federal grant award contains more restrictive measures. **Richard Milburn Academy** shall adhere to the more restrictive rules for allowable costs when a conflict arises between the general expenditure rules, the program-specific expenditure rules, and **Richard Milburn Academy** expenditure rules.

Process for determining Allowable Cost: The **Director of Special Projects** will ensure that each purchase is considered an allowable cost. Based on training and experience the **Director of Special Projects** will ensure each purchase made will be in compliance with what is considered allowable per the grant. Further, the **Director of Special Projects** has a contract with a consulting firm to ensure all questions about allowability are resolved.

6.1.2. Allocable Costs: A cost is allocable to a grant if (1) it is incurred solely to benefit the grant program, (2) it benefits both the grant program and other work of the institution in proportions that can be approximated through the use of reasonable methods, or (3) it is necessary to the overall operation of the institution and, in light of the principles provided in the grant’s rules and

regulations, is deemed to be assignable in part to sponsored projects. If a cost is not allocable to a particular grant, **Richard Milburn Academy** shall not use grant funds to make obligation/expenditure. (2 CFR 200.405)

6.2. Direct and Indirect Costs: All allowable direct and indirect costs allocated to the grant, minus any applicable credits, constitute the total costs.

6.2.1 Direct Costs: Direct costs are any costs that can be specifically identified with an item of expense, such as those identified in the Financial Accounting and Reporting (FAR) Expenditures/Expense Control Accounts. (2 CFR 200.413) Examples of direct costs include:

- Administrative and Clerical Staff Salaries should normally be indirect costs, but can be direct only if all the following conditions are met: 1) the services are integral to the award, 2) individuals involved can be specifically identified with the award, and 3) the costs are not also recovered as indirect costs;
- Costs for contracted services associated with the administration of the program;
- Costs for supplies and materials requested for administrative use;
- Other operating costs requested for administrative purposes; and
- Equipment requested for administrative purposes.
- Costs for advertising and public relations are allowable for programmatic purposes including: recruitment, procurement of goods, disposal of materials, program outreach, public relations in limited circumstances.
- Costs of prizes or challenges are allowable if they have specific and direct programmatic purpose and are included in the federal award.
- Participant support costs are allowable. Participant support costs means direct costs that support participants and their involvement in a Federal award. The classification of items as participant support costs must be documented in the subrecipient's written policies and procedures and treated consistently across all federal awards. Examples include stipends, extra duty pay, pay for parent training/conference attendance, and travel reimbursements.
- *Participant* generally means an individual participating in or attending program activities under a Federal award, such as trainings or conferences, but who is not responsible for implementation of the Federal award. Individuals committing effort to the development or delivery of program activities under a Federal award (such as consultants, project personnel, or staff members of a recipient or subrecipient) are not participants. Examples of participants may include community members participating in a community outreach program, members of the public whose perspectives or input are sought as part of a program, students, or conference attendees.
- The policy of Richard Milburn Academy regarding participant support costs in grant awards is that the Superintendent may approve purchases after discussing with the Director of Special Projects. The procedure to approve the purchases would be to follow the usual PO approval process after determining the participant support costs are allowable, reasonable, and necessary. The Federal Grants Manager will verify with the finance contact that the participant support costs are coded correctly per the FASRG. Travel costs for approved participants will follow the same rates as employees. (2 CFR 200.456) Expenditures or expenses relating to travel for persons not employed by the grantee should be classified using object code 6419, Travel and Subsistence—Nonemployees. Expenditures or expenses classified in this account are excluded from the calculation of indirect cost.

6.2.2. Indirect Costs: Indirect Costs are costs incurred that are common by nature and benefit more than one grant program or project. (2 CFR 200.414) Indirect Costs include:

- Costs of operating and maintaining facilities;
- General administration and general expenses, such as budgeting, accounting, human resources, legal, and purchasing.
- Centralized services, such as motor pools and information systems; and
- Personnel and accounting administration.
- Proposal costs (the costs of preparing bids, proposals, or applications on potential Federal and non-Federal awards or projects, including the development of data necessary to support the non-Federal entity's bids or proposals).

Richard Milburn Academy will follow the TEA-approved restricted indirect cost rate where applicable and shall also annually complete the TEA's "Request for an Indirect Cost Rate for Charter Schools" to receive direct and indirect cost rates for the upcoming school year. Computation of indirect costs is subject to audit.

6.3. Total Cost: 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. **Richard Milburn Academy** shall ensure that all known credits have been posted to the general ledger prior to the drawdown on federal grant reimbursements. [Note: It is essential to post all credits to the general ledger on a timely basis to ensure that **Richard Milburn Academy** does not draw-down grant expenditures in excess of actual expenditures net of all credits. Otherwise, **Richard Milburn Academy** may be considered to have drawn-down funds under an advanced cash method.] The **Director of Special Projects** shall ensure that all applicable credits have been posted to the general ledger prior to preparing and submitting a federal grant draw-down request from the granting or pass-through entity.

6.4. Limitations on Administrative Costs: Grant rules may limit the number of funds that may be expended to administer the program for any given year. "Administrative funds" include both direct costs and indirect costs and must be requested in the grant application on the appropriate budget schedule. The following table compares direct and indirect administrative costs:

Administrative Cost	Definition	Typical Usage
Direct	A cost that can be identified specifically with a particular cost objective, such as a grant, project, service or other activity of an organization.	Costs for personnel who supervise the activities of program staff, or any direct costs for personnel who perform fiscal and reporting activities related to the grant; costs for contracted services associated with the administration of the program; costs for supplies and materials requested for administrative use; other operating costs requested for administrative purposes; and equipment requested for administrative purposes.

Indirect	A cost that has been incurred for common, joint or multiple objectives of an organization that cannot be readily identified with any one particular cost objective.	Costs of operating and maintaining facilities; general administration and general expenses, such as budgeting, accounting, human resources, legal, and purchasing. Centralized services, such as motor pools and information systems; and personnel and accounting administration.
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6.5. Unallowable Costs: An unallowable cost is any cost that cannot be charged to the grant regardless of whether the cost is treated as direct or indirect. Keep in mind that costs listed as allowable under general federal regulations may not actually be allowable under the terms and conditions of a grant program. Moreover, grant programs are intended for specific purposes. Costs may be allowable provided they are necessary and reasonable to the success of the grant program, but, although a cost may be identified as “allowable” in the cost principles, this does not guarantee that the granting agency will support the use of grant funds for a particular purpose. Therefore, certain costs that might ordinarily be allowable may be negotiated out of the application, and any cost deemed unallowable will be removed from the grant fund and allocated to the current fiscal year state fund budget. All **Richard Milburn Academy** employees dealing with grants are instructed to read the grant agreement thoroughly to verify allowable costs and to contact the **Director of Special Projects** or refer to 2 CFR Part 200 for additional assistance.

Costs of promotional items and memorabilia are not allowable. Costs of advertising solely to promote the recipient/subrecipient are not allowable. Entertainment and prizes are not allowable unless they have a specific and direct programmatic purpose and are specifically listed as allowable in the Federal award.

6.6. TEA’s Guidelines Related to Specific Costs: **Richard Milburn Academy** shall adhere to TEA’s Guidelines Related to Specific Costs as published on TEA’s 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 bookkeepers, 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 appropriate staff members.

6.7. Expending Grant Funds: Grant funds must be expended in accordance with the approved budget in the grant application and in accordance with the applicable cost principles. The **Director of Special Projects and/or Grants Manager** shall ensure that **Richard Milburn Academy** consults the appropriate rules and regulations (2 CFR Part 200) prior to expending funds to determine what costs are allowable.

6.7.1. Travel Costs. Allowable travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are traveling on **Richard Milburn Academy** official business. (2 CFR 200.475) **Richard Milburn Academy** will not reimburse for dependent care expenses. In determining the reimbursement amount for travel costs, **Richard Milburn Academy** will adhere to the guidelines set forth in **Richard Milburn Academy’s** Fiscal Manual, such that **Richard Milburn Academy** reimbursement policies with regards to federal funds and non-federal funds are consistent.

Exception: Travel policies and procedures may be changed in situations where disaster relief funding is used. The most recent guidance issued by the agency will be followed and may necessitate deviation from the usual procedures in this manual during the time of the disaster.

Out of State travel requires specific approval in the grant application. Out of state travel must be justified using the TEA form located at https://tea.texas.gov/sites/default/files/Allowable%20Costs%20Request_Travel.pdf

This form is retained locally and is subject to audit.

- 6.7.2. **Reasonableness of Costs:** Costs incurred by **Richard Milburn Academy** employees and officers for travel, including costs of lodging, subsistence, and other incidental expenses, will only be reimbursed with federal funds to the extent they are reasonable and otherwise allowable under **Richard Milburn Academy** travel reimbursement guidelines for non-federal funds. (2 CFR 200.475(b)).
- 6.7.3. **Documentation Required:** All travel expenses paid with federal grant funds shall meet EDGAR requirements such as: 1) all travel costs must be reasonable and necessary; 2) all travel costs must be consistent with the charter's travel policy; 3) all travel costs must be directly related to the grant award; and 4) all travel costs must meet the obligation of expenses rules. In addition, all federally-funded travel expenses must meet the Texas Education Agency's current travel and mileage reimbursement rates as published by the Texas Comptroller of Public Accounts. These rates apply to all federal and state grant funds administered by TEA. Refer to GSA rates for the current fiscal year at [Textravel - Current Rates \(texas.gov\)](#).
- 6.7.4. **Commercial Air Travel Specifics:** No **Richard Milburn Academy** officer or employee shall incur airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines except when such accommodations would: 1) require circuitous routing, 2) require travel during unreasonable hours; 3) excessively prolong travel; result in additional costs that would offset the transportation savings; or 5) offer accommodations not reasonably adequate for the traveler's documented medical needs. (2 CFR 200.475e1)
- 6.7.5. **Obligation of Funds:** All allowable grant expenditures shall be incurred during the grant period, *i.e.*, begin date and end date of the federal grant award as designated on the Notice of Grant Award ("NOGA"). The **Director of Special Projects** 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 grant period
 - No purchase obligation shall be made from federal grant funds except during the grant period
 - No payroll or non-payroll expenditures shall be made from federal grant funds except during the federal grant period.
- 6.7.6. **Credit Card/Debit/Gift Card/Procurement Card Purchases with Grant Funds:** **Richard Milburn Academy** will not use school system-issued (credit cards and debit cards) to make purchases with federal grant funds.
- The school system shall not reimburse any purchases made with a non-school system 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 may be subject to similar disciplinary action but shall require immediate (within 2 days from date of discovery) restitution to the school system. The fraudulent or accidental charges may not be charged to a federal grant fund, nor drawn-down as expenditures.
- 6.8 **Expenditure Timing:** Grant funds may not be obligated before the starting date of the grant. Formula grants begin to obligate when the application is approved or substantially approvable

(stamp-in date). Competitive grants begin to obligate upon final approval. An obligation occurs depending upon the nature of the expenditure, as follows:

Acquisition of real or personal property	On the date which the School System makes a binding written commitment to acquire the property
Personal services by an employee of the School System	When the services are performed
Personal services by a contractor who is not an employee of the School System	On the date on which the School System makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date on which the School System makes a binding written commitment to obtain the work
Public utility services	When the School System receives the services
Travel	When the travel is taken
Rental of real or personal property	The date of a binding written commitment, such as a rental or lease contract, or signed quote acceptance or a purchase order (for supplies and equipment)
A pre-agreement cost that was properly approved by Federal agency or pass-through entity under the cost principles in 2 CFR part 200, Subpart E—Cost Principles	On the first day of the grant performance period

6.81 Binding written agreement definition: A binding written agreement is a fully executed contract or a signed and accepted quote. A purchase order by itself is not a binding written agreement for contracted services or any other federal purchase, as POs can be canceled. An accepted quote can also be an agreement made by email. Binding written agreements should contain what service is being provided, the dates of service, the terms of service, and the agreed upon rate of pay. Verbal agreements are not binding and should always be followed up by a written agreement signed and dated by both parties. Contracts for contracted services are strongly preferred, and should include conditions for termination of the contract whenever possible.

6.9 Year-End Final Purchases: All grant entitlements must be spent in a timely manner so that students will benefit from them during the grant period. Therefore, it is preferable for campuses, school systems, or central office departments to spend or encumber all of the grant funds by the end of the first semester of the school year. To the extent possible, purchases over the summer break (*i.e.*, towards the end of the fiscal year) should be avoided.

6.10. Advance Payment of Funds: **Richard Milburn Academy** has determined that it will accept advanced payments for federal grant funds under the cash advance program guidelines (*i.e.*, prior to the delivery of the payment to the payee, but within three days of the disbursement)_only if absolutely necessary. Requests for advance payments will be limited to amounts needed to meet immediate cash needs only and supported by documentation, such as quotes, to back up what is being requested in the advancement.

Due to the federal requirements imposed on advanced payments, **Richard Milburn Academy** shall

ensure that the advanced funds are maintained and tracked separately, even if not in a separate bank account. **Richard Milburn Academy** shall ensure that the advanced grant funds are deposited in an insured and interest-bearing account unless the aggregate federal awards are less than \$120,000 or the bank account is not expected to earn more than \$500 interest in a year. (2 CFR 200.305(b)(8)). Interest earned on the advanced funds, if any, shall be recorded on the general ledger in the appropriate revenue code. If the interest revenue for any particular federal grant is less than or equal to \$500 per year, **Richard Milburn Academy** shall retain the interest revenue to offset administrative costs. (2 CFR 200.305(b)(9)). All interest revenue in excess of \$500 shall be returned to the federal granting agency. *Id.* Periodic expenditure reports shall be filed to request payment for expenditures already incurred by **Richard Milburn Academy** or expenditures that **Richard Milburn Academy** will incur within three working days of receiving payment from the TEA. The **Director of Special Projects** along with the **Finance Department** shall ensure that all bills, including payroll and related tax withholding, shall be paid by **Richard Milburn Academy** within three working days from when such funds are deposited in **Richard Milburn Academy** bank account.

6.11. Campus Improvement Plan (CIP) and School System Improvement Plan/School System Plan (DIP):

The **Director of Special Projects** shall ensure that Federal fund expenditures are aligned to the campus improvement plan and school system improvement plan. The Campus Principal shall conduct an annual comprehensive needs assessment that will inform the drafting of the CIP for funds with campus-level control; the **Director of Special Projects** shall conduct an annual comprehensive needs assessment that will inform the drafting of the DIP/School System Plan for funds maintained at the school system level. Each federal fund shall be planned collaboratively by a committee of appropriate stakeholders. Meetings for each fund will be documented by sign in attendance sheets, agendas, and meeting minutes or notes. Both CIP and DIP/School System Plan shall be aligned to the needs assessment and shall only address needs that can be met with current funding levels. New goals shall be added as new money is identified. Strategies to achieve goals set forth in the improvement plan should be evidence-based and supported by citations of high-quality research or evaluation findings that suggest the strategy is likely to significantly improve relevant outcomes. The terms District Improvement Plan, School System Plan, and School System Plan are used interchangeably, although School System Plan is the Federal term.

6.11.1 Monitoring the DIP/CIP: The DIP/CIP shall be monitored for implementation and outcomes based on data at a minimum of three times a year (beginning, middle, and end). Monitoring will inform necessary adjustments and changes throughout the project. Fiscal resources should be considered as part of the monitoring process to align support for intent and purpose of the funds. Quarterly reviews are best practice and are preferred. For schools in corrective action status, quarterly may be required depending on the reason for corrective status.

6.12. Program Income: **Richard Milburn Academy** will not generate any program income earned through a federal grant program. In the event a grant-funded program generates income, the program income must be deducted from the total allowable costs thus reducing the total amount of the federal award.

Section 7: Financial Management and Accounting

- 7.1 Overview:** **Richard Milburn Academy** financial management system will 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 **Richard Milburn Academy** written procedures such as cash management, accounts payable, purchasing, travel, allowable costs, capital asset tracking, contract management, and other procedures, as appropriate. **Richard Milburn Academy** understands that failure to establish and maintain a proper financial management system could result in the return of funds to the granting agency and/or the termination of the grant.
- 7.2 Accounting Standards:** **Richard Milburn Academy** 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), as well as all other laws, regulations, and policies.
- 7.3 Financial Management Responsibilities:** The major financial management responsibilities regarding grants include:
- maintaining accounting records;
 - allocating costs to projects;
 - documenting time and attendance (*i.e.*, Personnel Activity Report);
 - generating and maintaining financial reports;
 - making grant payments;
 - monitoring program income;
 - performing required audits;
 - effective control over and accountability for all funds, property, and assets;
 - comparison of expenditures with budget amounts;
 - written procedures to implement the requirements for payments; and
 - written procedures for determining allowability of costs.
- 7.4 Monitoring Requirements:** The **Director of Special Projects** shall review the status of each federal grant funds on a quarterly basis. The review shall include a comparison of budgeted funds to expenditures. The **Director of Special Projects** shall use the review to produce quarterly financial statements regarding each grant fund.
- 7.5 Required Documentation:** The **Director of Special Projects** shall maintain adequate documentation to support charges to all grant funds. Grant accounting shall include the details of all grant transactions from the approval of the proposed grant to any final action by the grantee and **Richard Milburn Academy**. **Richard Milburn Academy** shall follow the conditions of the grant (listed in 1.1.3 of FASRG) that includes, but is not limited to: (1) spending funds in accordance with the terms and approved budget of the grant, (2) returning unused balances of grant funds, even if only one cent of cash on hand remains unexpended; (3) establishing property records of grant-acquired property, if so indicated; and (4) providing reports at given intervals.
- 7.6 Accounting Standards:** **Richard Milburn Academy** will comply with the accounting requirements established in FASRG. Grant costs must be planned, controlled and reported in accordance with the grant agreement and with FASRG, and **Richard Milburn Academy** must be capable of providing the

financial information required by the grant agreement. The **Director of Special Projects** shall ensure that **Richard Milburn Academy** accounting system at all times complies with generally accepted accounting principles.

- 7.7 Internal Controls:** **Richard Milburn Academy** will establish, document, and maintain effective internal control over the Federal award. **Richard Milburn Academy** will provide reasonable assurance that it is managing the Federal award to comply with the Constitution, statutes, regulations, and the terms and conditions of the federal and grant award.

Richard Milburn Academy will take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information. Finance, grants management, and technology staff shall collaborate to establish and maintain appropriate cybersecurity measure to safeguard information. The charter's cybersecurity measures shall include, but are not limited to:

- Identification of authorized users of digital data
- Password security for authorized users
- Screen timeouts to mitigate unauthorized access to digital devices and data

Richard Milburn Academy shall institute the following internal controls as part of its obligation to continually self-assess its compliance with applicable regulations and guidelines. The **Director of Special Projects** shall periodically test the controls in place for efficiency and successfulness and correct any deficiencies that may be detected. The **Director of Special Projects** will review these internal control procedures on at least an annual basis and update them as necessary. If any weakness in internal control is detected, the internal control procedures shall be revised to eliminate the weakness(es) at either the annual review or as the need arises dependent upon the severity (materiality) of the weakness. (2 CFR 200.303)

- 7.8 Cash Management Requirements:** When **Richard Milburn Academy** uses the reimbursement method for expenditures, **Richard Milburn Academy** must pay the costs before requesting reimbursement from TEA. When TEA advances funds to **Richard Milburn Academy**, both TEA and **Richard Milburn Academy** must follow procedures to minimize the time elapsing between the transfer of funds from TEA and the disbursement of funds by **Richard Milburn Academy**. Requests for advances will be considered on a case-by-case basis. (2 CFR 200.302 (b)(6) and 2 CFR 200.305)

- 7.9 Supporting Documentation:** **Richard Milburn Academy** shall maintain supporting or source documents as necessary to support all transactions entered into **Richard Milburn Academy** record keeping system. Source documents that authorize the disbursement of grant funds consist of purchase orders, contracts, time and effort records, delivery receipts, vendor invoices, travel documentation, and payment documents, including check stubs.

- 7.10 Audit Trail:** **Richard Milburn Academy** will organize, summarize and maintain financial transactions in a manner that provides sufficient information to produce detailed financial statements. The audit trail should allow an auditor to trace financial statement balances through the general ledger and other summary journals to each detailed accounting transaction and supporting source documentation.

- 7.11 Records Retention:** **Richard Milburn Academy** shall retain all records pertaining to grants for a period of seven (7) years of grant start date. These records shall include, but may not be limited to, grant applications, budgets, budget amendments, purchases of goods and services, payroll records, journal entries reflecting adjustments and amendments, program and fiscal reports, and draw-down

requests.-All financial records for the current fiscal year and prior fiscal year shall be retained for audit purposes at the school system's administration building. Records older than the current and prior fiscal years may be transferred to and archived at the school system's records.

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

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

In accordance with federal regulations, the charter school system shall maintain the grant-related records in an open and machine-readable format. A machine-readable format is a format in a standard computer language (not English text) that can be read automatically by a computer system. Specifically, the school system shall use the following formats to store electronic data. [2 CFR 200.336]

- Microsoft products such as Word, Excel, TEAMS, etc.
- Financial Management Systems such as Finance, HR, Assets, Purchasing, etc. modules
- Digital PDFs of paper documents

The subrecipient (charter) may substitute electronic versions of original paper records through duplication or other forms of electronic conversion, provided that the procedures are subject to periodic quality control reviews. Quality control reviews must ensure that electronic conversion procedures provide safeguards against the alteration of records and assurance that records remain in a format that is readable by a computer system.

The Records Custodian for the financial records of the school system is responsible for making sure federal records remain readable in paper or electronic format for the required retention period. In addition, the records custodian documents which records are destroyed at the end of the 7 year period. The list of all records destroyed, or Destruction Schedule, is a permanent document. Records involved in any open or pending legal case or appeal, even if over 7 years, must not be destroyed and will be retained 3 years after the resolution of the dispute.

7.12 TEA Reporting: Although the business office records are the official grant fiscal accounting documents, the **Director of Special Projects** will ensure that the Grants Management Department coordinates with the business office to establish a financial accounting system to record expenditures and receive grant payments. This will ensure that budgeted line items are classified correctly according to the FASRG. Additionally, the **Director of Special Projects** will ensure that all reporting requirements for grant programs are met within the established timelines. The **Director of Special Projects** is ultimately responsible for filing all required reports, although several reports will require collaboration between the Grants Management Department, the Finance Department, Academic Department and the Human Resources Department.

7.13 Reconciliation and Reports: The **Director of Special Projects** and business office will ensure that all grant accounting records are compared and reconciled with the business office accounting records on a regular basis and that procedures for data collection and maintenance and expenditure, progress, and evaluation reporting are in place. The **Director of Special Projects**, in coordination with the business office, will also ensure that the following reports are filed as necessary: (1) Mid-Project Expenditure Reports; (2) Final Expenditure Report; and (3) Revised Final Expenditure Report.

7.14 Additional Reports: In addition to mid-project, final, and revised final reporting, cash flow is sustained

through monthly draw-downs of reimbursable expenditures. Statements of revenue and expenditures, as well as expanded general ledgers, should be used for reconciliation and backup documentation for reimbursement requests. The **Director of Special Projects** is responsible for ensuring accurate and timely requests for reimbursements. The procedure is handled both by hard copy (billings) and electronic methods (TEA ER access). The **Director of Special Projects** or his/her designee must approve any such requests before the actual draw-down occurs. Upon obtaining this approval, the Grant Administrator will submit the draw-down request.

7.15 Monitoring Requirements: TEA monitors **Richard Milburn Academy** grant-related expenditures and activities to ensure that **Richard Milburn Academy** is in compliance with all applicable laws, regulations, rules, and the grant application, and to verify that **Richard Milburn Academy** is on schedule regarding the project goals, objectives, and timelines established in the application. In preparation for these monitoring visits, the **Director of Special Projects** and other grant-affiliated employees should practice the following strategies:

- on an ongoing basis, monitor the grant program for potential amendments necessary to ensure the success of the project, file any necessary amendments, and consult regularly with the TEA program office regarding significant changes to the grant program;
- utilize the TEA monitoring instrument as a self-assessment checklist for the administration of the grant (available from TEA's Division of Grants Administration and from the Division of Grants Administration website);
- Keep all documents and records readily available and organized in advance of the monitoring team's arrival.

7.16 Monitoring Visit Production: Prior to any monitoring visit by TEA, **Richard Milburn Academy** will be notified and sent the monitoring instrument that may be used as a checklist in preparation for the visit. Examples of the types of documents that may be requested for review include:

- Local written policy documents;
- Payroll records, including Personnel Activity Report records, the payroll ledger, and payroll policies and procedures;
- Financial records, including purchase orders, expenditure reports, Web ER/IVR printouts, invoices, accounting journals, and purchased materials;
- Travel records, travel receipts, travel vouchers, and exact mileage log;
- Approved contracts and amendments;
- Planning documents, training logs, sign-in sheets, service activities, and meeting agendas;
- Program activities, campus improvement plans, and school system plans as applicable;
- Student enrollment data, participant data, and evaluation data as applicable; and
- Any other records, reports, data, etc. pertaining to the project.

7.17 Grant Budgets: The **Budget Accountant** is responsible for creating grant budgets at the beginning of each fiscal year. These budgets shall utilize the appropriate fund codes required by the FASRG or the "Budget Summary" included in most grant applications. These budgets shall also incorporate the Budget Schedules, which identify the specific line items requested and approved in a grant application. All grant expenditures must be made in accordance with the approved budget, and expenditures shall correspond with the budgeted account codes. Additionally, expenditures shall be tracked in enough detail to allow **Richard Milburn Academy**, any independent auditors, and TEA or

other grant monitor to compare the actual expenditures to budgeted expenditures. Formula Federal grant funds shall be budgeted and available for use after application is approved or substantially approvable (stamp-in date). Competitive grants begin to obligate upon final approval and should be available immediately after receipt of the NOGA. (EDGAR 76.708)

- 7.17.1 Budgeting Carry Over Funds:** As a local option, the school system may calculate the estimated carryover of federal grant funds after submission of the Final Expenditure Report and budget the estimated carryover with a goal of spending the prior year grant funds early in the next grant period. However, the school system shall reconcile the estimated carryover funds with TEA's subsequent official notification of carryover and amended NOGA. In the event that the school system overestimated the carryover funds, the school system shall reclassify the excess carryover to current year federal funds or non-federal funds as needed. In the event that the school system underestimated the carryover funds, the school system shall amend its budget to reflect the final carryover amount and again ensure they spend prior year grant funds first/prior to the end of the 27-month availability.

Richard Milburn Academy will estimate carry over and apply it to the grant funds prior to distribution/release of carry over funds by the funding agency.

- 7.18 Budget Amendments:** Richard Milburn Academy is permitted, in some cases, to re-budget within the approved direct cost budget categories (as established on the Budget Summary Schedule) to meet unanticipated requirements and to make certain changes to the approved budget without a written amendment. Amendments must be prepared and submitted to TEA in advance of incurring obligations/expenditures if: 1) a line item change exceeded 25 percent of the total grant budget, 2) the expenditure results in an increase or decrease in the number and composition of the positions funded, 3) the amendment is to a classification of an amount to a line item that was not previously budgeted, 4) the amendment results in an increase or decrease in the budgeted capital outlays. The **Director of Special Projects** shall monitor the need for amendments at least quarterly throughout the grant period. If an amendment is necessary for any of the reasons specified by the pass-through entity (TEA) or in federal regulations, the **Director of Special Projects** shall initiate the amendment process and collaborate with the **Budget Accountant** prior to submission of the grant amendment. The approval process for a grant amendment shall be the same as the grant application process.
- 7.19 Scope of Grant Still Applies:** Regardless of how **Richard Milburn Academy** distributes grant funds among class/object codes, **Richard Milburn Academy** is still responsible for carrying out the scope and objectives of the grant as described in the approved application.
- 7.20 Complying with Maximum/Minimum Expenditures:** Regardless of whether or not an amendment is required, **Richard Milburn Academy** must comply with any requirements for maximum and/or minimum expenditures for certain categories or activities. For example, if the grant requires that no more than 25% of the funds be used for a certain activity, such as planning, **Richard Milburn Academy** must comply with this 25% maximum requirement. Any **Richard Milburn Academy** employees involved in grants management shall consult the instructions and requirements of the applicable grant program to ensure that the appropriate conditions are followed.

Section 8: Drawing Down Grant Funds

8.1. Drawing Down Grant Expenditures: Grants Management Department staff shall perform the following procedures to draw down grant expenditures:

- On a monthly basis, the **Grant Accountant** will: (1) review all grant expenditures to ensure that the expenditures are allowed under the terms of the grant; (2) ensure that the ledger date on all corrections is the same as the actual date (whether JE or credit memo & bill pay); (3) save the year-to-date “general ledger” (both hard copy and soft copy); (4) update the local budget tracking (school system sheet draw-down amount) spreadsheet and inform the School System **Finance Managers** through email; (5) prepare the draft expenditure report in the TEAL account, and inform the **Budget Accountant**; and (6) coordinate with **Finance Managers** to correct possible coding mistakes (School System **Finance Managers** are in charge of accurately coding the grant revenues to the accounting system).
- On a monthly basis, the **Grants Management Department** will request reimbursement of grant expenditures from TEA or other federal awarding agency.
- On a monthly basis, the **Budget Accountant** will review the draft expenditure report (initial and date) and finalize the draw-down, ensuring that the draw-down complies with any grant-specific limitations on the draw-down amount. We will use Ascender to generate the expenditure report.
- At the end of each fiscal year, the **Grant Accountant** shall ensure that all revenues not drawn down during previous year (*i.e.*, receivables) are drawn down and coded correctly by the School System **Finance Managers** and shall also ensure and note that all expenditures are drawn down on the final expenditure report.
- The **Director of Special Projects** (or his/her designee) shall file periodic and final expenditure reports with the TEA using the Expenditure Report system through the TEA Secure Environment. The **Director of Special Projects** or designee shall determine the frequency for filing periodic reports. A final expenditure report shall be filed in accordance with the applicable schedule for the corresponding grant application.

At times, certain grants may not be drawn down monthly because they are being held for an end of year activity. In such case, documentation should be kept why draw downs are not being done monthly. The finance contact for the grant at TEA should be notified if this is the case. If grant funds are actively being spent, quarterly drawn downs at a minimum are required.

8.2. Certification of Draw-Downs: Federal regulations (2 CFR 200.415) require that **Richard Milburn Academy** certify the accuracy of the annual and fiscal reports or vouchers requesting payments be signed by the authorized individual(s). The **Director of Special Projects** or his designee shall certify every draw-down of funds, including the final expenditure report (draw-down of funds) as noted below:

I certify to the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am aware that the provision of false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative consequences including but not limited to violations of US Code Title 18, Sections 2, 1001, 1343 and Title 31, Sections 3729-3730 and 3801-3812.

If a final drawdown deadline is missed, the **Director of Special Projects** 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 **Director of Special Projects** and filed with TEA within 30 days of the final

expenditure report deadline.]

- 8.3. **Manual Approval of Draw-Down**: If the granting agency or pass-through entity requires manual approval of an electronic draw-down, **Richard Milburn Academy** shall comply with such requirements. For example, TEA sometimes requests supporting information related to a draw-down, such as a detailed general ledger, narrative justification, or summary of expenditures by object code. Upon receiving a request from the TEA, the **Director of Special Projects** shall respond in a timely manner to avoid a designation of “high risk” grantee.
- 8.4. **Maintenance of Grant Funds**: **Richard Milburn Academy** will not maintain grant funds in a separate bank account.

Section 9: Grant-Funded Payroll and Time & Effort Requirements

- 9.1. In General:** Grant funds may be used, if provided for in the grant agreement, to pay for all or part of the salaries and allowable fringe benefits of personnel who are directly working on the grant project. **Richard Milburn Academy** must maintain records to describe the duties and pay of each grant-funded position, as well as comply with all federal time and effort monitoring and reporting requirements. Grant-funded staff, their immediate supervisors, and the Grants Management, Human Resources, and Finance Department staff shall be aware of the federal guidelines regarding payroll with federal funds and time and effort documentation.

Exception: Grant funds received in response to a declared disaster or state of emergency may allow flexibility and reduced reporting requirements due to rapid disbursement and demanding timelines. Time and effort reporting may be changed for disaster relief funding with guidance established by TEA. In the event TEA communicates different reporting and documentation policies for disaster funding, **Richard Milburn Academy** will follow the guidance put forth by the agency, and an exception to the usual documentation process found in Section 9 may be waived.

- 9.2. Budget and Pre-Approval:** All employee costs directly charged to the grant must be budgeted and approved on the Payroll Costs Schedule of the grant application **Richard Milburn Academy** may charge the grant program only for the actual number of days worked and the actual percentage of time worked on the grant program based on time and effort documentation or a substitute system.
- 9.3. Compensation Costs:** All payroll expenditures from grant funds 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 conform to the established **Richard Milburn Academy** compensation and benefits plans for expenditures with all other funds (*i.e.*, local funds);
 - The employees have been employed in accordance with **Richard Milburn Academy** established hiring procedures;
 - The costs are supported by the appropriate time and effort certifications and other documentation required by the federal awarding agency, if applicable.
- 9.4. Benefits Costs:** **Richard Milburn Academy** costs for fringe benefits and employee health and welfare costs for federally-funded staff shall be allowable as noted below:
- All benefit costs shall be in accordance with **Richard Milburn Academy** written Summary of Employee Benefits;
 - All leave benefits shall be in accordance with **Richard Milburn Academy** policies on leaves and absences;
 - The benefit costs shall be distributed equitably at the same allocation rate (percentage) as the employee's base compensation;
 - The benefit costs were earned and paid during the grant period;
 - The benefit costs are allowable under the Internal Revenue Service's Fringe Benefits Guide. (200.431 and 200.437)

Note: Professional or personal liability insurance for individual employees is not an allowable cost.

- 9.5. Documentation of Compensation and Benefit Costs:** In addition to the time and effort reporting

requirements outlined below, **Richard Milburn Academy** shall maintain the following documentation to support all compensation and benefits costs paid with federal grant funds (2 CFR 200.303 and 200.430 (g) (1)):

- Employment agreements, contracts, or reasonable assurances, as appropriate;
- Job description signed by the employee with language identifying the funding source and noting that the position is intended to further grant purposes (*e.g.*, “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);
- Job description or pay notice identifying any additional or supplemental duties performed by the employee;
- Absence records.

9.6. Grant-Funded Payments Dependent on Scope of Work: Grant employees may spend 100% of their time on conducting grant program activities. In this case, these employees may be paid 100% from grant funds. Other grant employees may spend only part of their time conducting grant activities, in which case these employees may be paid partially from grant funds, according to the time actually spent on grant activities.

9.6.1. Employees Funded through Multiple Federal Grant Programs or Working on Multiple Cost Objectives: Under prevailing federal regulations, all charges to payroll for grant-funded personnel must be based on one of the following: (1) certification; (2) time and effort records; or (3) a substitute system. **Richard Milburn Academy** has elected to use the substitute system of time and effort reporting authorized by the Department of Education in 2012. Under that system, **Richard Milburn Academy** is required to submit an annual management certification form to TEA, after which all **Richard Milburn Academy** employees may document their time semi-annually rather than monthly. Refer to the TEA website for the annual deadlines for submitting the management certification form. The Management Certification form can be accessed by authorized school system users in the EDGAR Forms [Smartsheet Workapp](#), and must be submitted annually to be eligible.

9.6.2. Employee Requirements for Participation in the Substitute System: In order to participate in the substitute system, an employee (1) must work on a set schedule, (2) must work on multiple activities or cost objectives, and (3) may not work on multiple activities or cost objectives at the exact same time. Moreover, participating employees must complete the employee schedule and certification form issued by TEA. The following guidelines apply to the certification forms:

- Employees must account for not only the actual work performed (*i.e.*, with after-the-fact determination) but also should account for their total activity;
- Forms must be signed by the employee and by the responsible supervisor/official having firsthand knowledge of the activities performed;
- Forms must be submitted each semester of the school year.

USDE requires participating employees to complete an [employee schedule and certification form](#) (also in accessible PDF format). This form was developed by TEA. It includes all elements that TEA auditors will check. Refer to this [sample schedule and certification](#) to see how the form should be completed.

9.6.3. Employees Funded through a Single Federal Grant Program or Working on a Single Cost Objective: Employees who work under a single grant program or cost objective are not required to maintain time and effort records. However, each employee must certify in writing, at least semi-annually, that he or she worked solely on that program or cost objective for the period covered

by the certification. Every **Richard Milburn Academy** employee must use the same certification form, which must contain the following elements: (1) the employee's name and position, (2) the name of the federal program or cost objective under which the employee was 100% funded, (3) the reporting period, not to exceed six months in length, (4) a statement that the employee worked solely on that program for the period covered by the certification, and (5) the dated signature of the employee or by the supervisor having first-hand knowledge of the work performed. Charges to the grant must be supported by these semi-annual certifications.

- The employee's activity must bear a relationship to fund source and job description; the activity must be required in order to fulfill the employee's obligations to the organization;
- If an employee is paid from two or more fund sources, the supervisor must ensure that the employee is paid in proportion to the actual activity reported by the employee.

9.7. Time and Effort Sheets for Federally Funded Personnel: At least once a semester, the **Director of Special Projects**, in conjunction with program/school administrators, shall determine the personnel who will be funded from grant funds. (2 CFR 200.430 (g)) The **Director of Special Projects** will then perform the following checklist of items for each employee:

- Collect signed and dated job descriptions detailing the work performed by the employee;
- Determine the timeline for submitting time and effort documentation to **Richard Milburn Academy** and keep school administrators informed of impending deadlines;
- Send a summary report of time and effort completion rates to each campus after the end of the **Richard Milburn Academy** review period;
- Coordinate the submission of sheets from schools, reviews them and provide feedback;
- Compare non-exempt employees' time and effort sheets and standard time sheets for compliance;
- Conduct quarterly reconciliations and perform payroll adjustments (if more than 10%).
- Generate journal entries related to payroll adjustments, which are then approved by the **Budget Accountant**;
- Inform the **Budget Accountant** whenever a budget adjustment is needed based on time and effort documentation;
- Keep the time and effort files of grant-funded personnel current.

9.8. Grant-Funded Employee Roster: The **Director of Special Projects** 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 **Director of Special Projects** shall collaborate with campus administrators and the Human Resources Department to ensure that the roster accurately reflects that data maintained in their respective areas of responsibility (e.g., pay amounts, job responsibilities, funding sources, etc.). Discrepancies shall be brought to the attention of the Grants Management Department.

9.8.1. Timing of Roster Review: The **Director of Special Projects** shall review the roster from time to time throughout the school year to ensure that it is both accurate and up-to-date. **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.

9.8.2. Time and Effort Sheets of a grant employee whose position and/or campus changed: A grant employee whose position and/or campus has changed shall fill out the Time and Effort Sheet (TES) for the days s/he performed grant activities during her previous position. The grant term on TES will bear the beginning and ending date of the previous position and s/he will receive her/his payoff

amount from the previous position and/or location according to Payroll Policies Procedures (currently sections 4.4 and 4.5).

Grant percentage will be calculated based on the grant activities performed in the new position and grant employee shall fill out TES displaying new grant fund code along with percentage.

Section 10: Purchasing Procedures:

10.1 Generally: In general, the purchasing procedures outlined in **Richard Milburn Academy-Fiscal Manual** apply to all purchases made with federal funds. This means that any campus, school system, or Central Office department requesting an expenditure from federal grant funds must follow the typical purchase order process applicable to any **Richard Milburn Academy** purchase. See ***Richard Milburn Academy Fiscal Manual***.

10.2 Compliance: The **Director of Special Projects** shall ensure that **Richard Milburn Academy** employees, officers, and agents comply with all federal, state and local procurement requirements and that **Richard Milburn Academy** maintains an up-to-date procurement history to include, but not limited to, the information below when they are applicable:

List of all procurements:

- a. Advertisement date(s) of the procurement
- b. Release date of the procurement specifications
- c. Selection criteria for vendors
- d. Opening date of the procurement
- e. List of vendors submitting a proposal/bid
- f. Selection of Vendor
- g. Date of contract award
- h. Begin date of the contract
- i. End date of the contract

Any violations of these requirements or any applicable laws or regulations may lead to disciplinary consequences, including termination of employment or loss of employment position.

10.3 Purchase Order Guidelines: In general, requests for purchases using federal funds commence in the same way as any other request: with the requestor creating a purchase order with a correct account code and total amount requested. Federal purchase orders should be aligned with a need in the Comprehensive Needs Assessment or a goal in the School System Plan (DIP/CIP). For brand new charters, purchases will be aligned with the Start Up (CSP) plan. After the purchase order clears the approval process outlined in **Richard Milburn Academy** Purchasing Procedures, it requires approval by the **Director of Special Projects** before it can be finally processed. Accountants are thereafter responsible for coding the subsequent invoice against the purchase order, which is maintained by the Operations Team. The Operations Team will update the **Director of Special Projects** if there is a need to make a major update to a purchase order (including deleting it). The Grants Department will perform a comprehensive review of all invoices coded to federal funds in the first month of every fiscal year and will perform a monthly review of 20% of all invoices coded to the federal funds using a random sampling method before processing P.O.'s.

10.4 Full and Open Competition: The **Director of Special Projects** shall apply **Richard Milburn Academy** purchasing procedures to ensure that all procurement transactions using federal funds are conducted in a manner that provides open and free competition. Specifically, the **Director of Special Projects** shall not establish requirements, such as excessive experience or bonding, brand name products or geographic preferences that would unduly restrict competition among qualified vendors and shall not apply arbitrary restrictions that are not essential to the bid/proposal specifications. Contractors who develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals shall be excluded from competing for such

procurements pursuant to 2 CFR 200.319.

10.5 Methods of Procurement: For any of the procurement methods, **Richard Milburn Academy** will maintain and use documented procurement procedures consistent with the standards in 2 CFR 200.317, 200.318 and 200.319. The procurement method shall be determined based on the type of goods or services to be purchased with federal grant funds. The **Director of Special Projects** shall be responsible for selecting the appropriate procurement method for each procurement.

The school system shall adhere to the *most restrictive* federal regulations, state laws, local policies and/or procedures when the guidance documents are in conflict. [2 CFR 200.403(c)]

10.5.1 Micro-purchase Procurement Method:

Micro-purchases may be awarded without soliciting competitive price or rate quotations if recipient or subrecipient considers the price to be reasonable based on research, experience, purchase history or other information and maintains documents to support its conclusion.

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

The **Director of Special Projects** or designee shall conduct an evaluation on an **annual basis** of the school system's internal controls, TEA-assigned risk level and documented procurement procedures to determine the appropriate micro-purchase threshold. The Self-Certification of Micro-Purchase Threshold form shall be submitted to the **Superintendent** at least 30 days prior to the start of each fiscal year for review and consideration if the school system elects to self-certify a threshold up to \$49,999 with notification in the EDGAR Connect system or \$99,999 (allowed only after 10/1/25) with documentation in the EDGAR Connect system. The approved threshold shall be documented in the State and Federal Grants Manual to ensure that all stakeholders are aware of the approved micro-purchase threshold.

Micro-Purchase Procedures – Up to \$49,999: **Richard Milburn Academy** 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), **Richard Milburn Academy** exceeds federal or state law thresholds (2 CFR 200.320 (a)), or **Richard Milburn Academy'** threshold.

The **Finance/Purchasing Department** shall distribute micro-purchases equitably among qualified vendors to the maximum extent possible and shall ensure that the price is reasonable.

2 CFR 200.320(a)(1)(iv) *Subrecipient increase to the micro-purchase threshold up to \$50,000.* Subrecipient may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section.

The subrecipient may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with §200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

A qualification as a low-risk auditee, in accordance with the criteria in §200.520 for the most recent audit;

An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,
For public institutions, a higher threshold consistent with State law.

If **Richard Milburn Academy** chooses to self-certify a higher micro-purchase threshold, the **Director of Special Projects** must notify TEA annually by submitting the *School System Self-Certification of Micro-Purchase Threshold* online form through the EDGAR Forms [Smartsheet Workapp](#).

Richard Milburn Academy has elected to self-certify a threshold up to \$49,999 in accordance with Texas law (TEC 44.031). A copy of the form is included in the Exhibit section.

10.5.1.1 Micro-Purchases Threshold:

The threshold shall be determined by expenditures for “like-items” in the aggregate over a fiscal year (July 1 to June 30). The **Finance Director** shall review expenditures from all school system funds (local, state and federal) by “like-item” on at least a monthly basis to monitor that the school system does not exceed any “like-item” categories. The school system has elected to use a coding system for “like-items” that is similar to the State of Texas Procurement Commodity Codes, plus locally defined codes that may not exist on the Commodity Codes. A copy of the school system’s Like-Item Categories are in the Exhibit Section. In addition, vendors in the finance system shall be coded to a primary vendor category.

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

10.5.2 Simplified Acquisition Procedures - \$50,000 - \$250,000

The Procurement by Simplified acquisition Procedures shall be used by the school system when the purchase of goods or services do not exceed \$250,000, the Simplified Acquisition Threshold (**2 CFR 200.1**). The purchasing department shall require written, emailed, or faxed quotations from at least two qualified vendors for all simplified acquisitions, i.e. purchases that do not exceed \$250,000.

Note. The quotes can be from two separate vendors within a qualified purchasing cooperative or different purchasing cooperatives to meet both the EDGAR and state law requirements for competitive procurement.

The school system shall use a Simplified acquisition Quotation Form to document the quotations from vendors. A copy of the Simplified acquisition Quotation Form shall be filed with the appropriate purchase order. The Simplified acquisition Quotations shall be tabulated by the **Director of Special Projects** on a Quotes Tabulation Form.

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

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

The school system is currently participating in the following cooperative purchasing programs:

- TASB Buy Board

- ESC 4 - TCPN
- ESC 20 Purchasing Co-Op
- ESC 2, Goodbuy Co-Op
- ESC 8 – Interlocal Purchasing System (TIPS)
- Texas Employees Benefit Co-Op (TEBC)
- US Communities Government Purchasing Alliance
- National Joint Powers Alliance (NJPA)
- State of Texas Co-Op Purchasing Program (TxSmartBuy)

* The simplified acquisition amounts can range from \$50,000 to \$350,000 as of October 1, 2025, depending on Board policy for formal procurement methods in Section 10.5.3. The micropurchase threshold is the lower end and the Board policy for formal procurement establishes the upper end of the simplified acquisition range. The Board for Richard Milburn Academy has established \$250,000 as the limit a Superintendent may approve without prior approval of the Board.

10.5.3 Purchases Above \$250,000 Threshold:

Sealed Bid Procedures – Over \$250,000*

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

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

Competitive Proposal Procedures – Over \$250,000

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

- Requests for Proposals (RFP) must be publicly advertised
- The RFP shall identify the evaluation factors and their weight in awarding the proposal
- Proposals shall be solicited from an adequate number of bidders, but no less than two (2) qualified vendors
- Proposals shall be evaluated, ranked, and a recommendation for award made to the School Board at a regularly scheduled board meeting [2 CFR 200.320(b)(2)(ii)]
 - The school system shall utilize the Competitive Sealed Proposal Process Checklist
 - The school system shall develop an instrument to evaluate each proposal and rank the proposals based on the evaluation scores
 - The school system shall evaluate each proposal by committee or no less than two (2) school system 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 school system” shall be notified of the potential award
 - The school system may negotiate with the vendor only as it relates to potential cost savings
 - If the school system and vendor cease to negotiate, the school system shall notify the vendor in writing before starting to negotiate with the second highest ranked vendor.
- The school system shall notify the successful proposer and process the contract documents and/or purchase orders, as appropriate
- The school system shall notify all of the unsuccessful proposers to ensure that qualified bidders are encouraged to submit bids during future bid opportunities

10.5.4 Sole-Source/Non-Competitive Purchases:

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

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

- The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold [2 CFR 200.320 (c)(1)]
- The goods or services are only available from a single source [2 CFR 200.320 (c)(2)]
 - The school system 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’s [Smartsheet WorkApp](#) shall be utilized to request prior approval of a non-competitive, sole source proposal.
 - The school system’s Sole Source Justification Form shall be completed and submitted with the single source proposal.

- A public exigency or emergency will not permit a delay resulting from the competitive solicitation process [2 CFR 200.320 (c)(3)]
 - The school system shall declare a public exigency or emergency prior to making such as purchase of goods or services under this method
- The granting agency or pass-through entity authorized the use of a non-competitive proposal method [2 CFR 200.320 (c)(4)]
 - The school system 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 [2 CFR 200.320 (c)(5)]
 - The school system shall determine that competition is inadequate if after two (2) solicitations of bids and/or proposal, only one vendor is responsive to the solicitations

Note. TEA has approved Education Service Centers in the non-competitive proposal category; however, TEA approval is still required in Smartsheets for Federal grants. It is not required for State grants.

10.6 Purchasing Efficiency Strategies: All purchases with federal grant purchases shall be in accordance with the federal regulations, specifically (2 CFR 200.318 (b)). 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. **Richard Milburn Academy** shall strive to avoid acquisition of unnecessary or duplicative items. **Richard Milburn Academy** shall implement the following strategies to maximize federal grant funds:

- Consolidation of purchases to obtain volume pricing, as appropriate
- 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 a tracking system of all informal and formal procurements
- Monitor vendor performance 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

10.7 Other Procurement Guidelines: In addition to the above guidelines, **Richard Milburn Academy** shall also implement the following guidelines for purchases or contracts involving the expenditure of federal funds:

- **Richard Milburn Academy** will avoid purchasing unnecessary items, and will assess the cost/benefit of leasing in lieu of purchasing, where appropriate;
- **Richard Milburn Academy** solicitation of bids or offers will provide a clear and accurate description of the requirements to be fulfilled by the bidder, technical requirements to be performed, including the minimum acceptable standards, specific features of brand name or equivalent products that bidders are required to meet, and the acceptance of products and services measured using the metrics system;
- **Richard Milburn Academy** shall state a preference, where economically feasible, for products that conserve natural resources, protect the environment and are energy efficient;

- **Richard Milburn Academy** shall make positive efforts to utilize small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms whenever possible;
- **Richard Milburn Academy** shall ensure that the type of procurement instruments used (e.g. purchase orders) are appropriate for the particular procurement;
- **Richard Milburn Academy** shall contract only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement;
- **Richard Milburn Academy** shall, upon request, make procurement documents available to appropriate government officials when (1) procurement procedures fail to comply with the standards in this section, (2) the procurement is expected to exceed the simplified acquisition threshold (currently \$250,000) and is to be awarded without a competitive bidding process or there is only one bid received in response to a solicitation, (3) the procurement which is expected to exceed the simplified acquisition threshold, specifies a brand name product; (4) the proposed award over the simplified acquisition threshold is to be awarded to a bidder under a sealed bid procurement; or (5) a proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the simplified acquisition threshold.
- For all purchases that exceed the Simplified Acquisition Threshold of \$250,000, **Richard Milburn Academy** shall perform a cost or price analysis with every procurement. (2 CFR 200.324)
- Secondly, all purchases for construction or facility improvement contracts that exceed this threshold shall comply with the federal bonding requirements set forth in (2 CFR 200.326):
 - Bid guarantee from each bidder of five percent (5%) of the contract price
 - Performance bond on the part of the contractor for 100% of the contract price
 - Payment bond on the part of the contractor for 100% of the contract price.
- **Richard Milburn Academy** shall comply with the TEA's Guidance and Best Practices for Professional Services Contracts.
- Purchases involving intergovernmental agreements and/or purchasing cooperatives must follow the same procurement guidelines when using federal grant funds. **Richard Milburn Academy** must ensure that government agency or purchasing cooperative is the best value and must obtain in writing that the government agency or purchasing cooperative abides by EDGAR guidelines.

10.8 Record Documentation: The **Director of Special Projects** shall ensure there is a cost or price analysis made and documented with every procurement action. He/she shall also ensure the evaluation of the contractor performance and document whether the contractor has met the terms, conditions, and specifications of the contract. Procurement records for purchases over the simplified acquisition threshold shall also contain (1) the basis for contractor selection; (2) the justification for lack of competition when competitive bids or offers are not obtained; and (3) the basis for award cost or price. (2 CFR 200.319 (c) (2))

10.9 Conflicts of Interest: No employee, officer, agent, or board member of **Richard Milburn Academy** shall 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. Such a conflict of interest would arise when the employee, officer, or 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. Further, no employee, officer, agent, or board member of **Richard Milburn Academy** shall

solicit or accept gratuities, favors, or anything of more than nominal value from contractors or parties to subcontracts. **Richard Milburn Academy** Employees, officers, or agents who violate these standards shall be appropriately disciplined, up to and including possible termination of employment.

10.10 Vendor Eligibility: Aside from ensuring that a potential vendor provides all documentation required by **Richard Milburn Academy** procurement policies, the **Director of Special Projects** (and/or the Purchasing Department) shall review and approve all service agreements for compliance with the federal regulations described in (2 CFR 200.459). Specifically, the **Director of Special Projects** (and/or the Purchasing Department) shall confirm that:

- The vendor/consultant/contractor has not been suspended or debarred from participating in contracts paid for by grant funds;
- The contract and/or funds have been approved in the grant application, if specific approval is required from the granting agency, and otherwise comply with applicable cost principles;
- The contract's nature and scope of services is directly related to the federal grant award activities;
- The proposed contracted services cannot be performed more economically by direct employment;
- The proposed vendor has the capacity and ability to perform the required services;
- The qualifications of the contracting firm or individual and the customary fees charged by the proposed vendor are acceptable;
- The contract contains all language required by other federal and state regulations (e.g., the Davis-Bacon Act).

10.11 Vendor Restrictions: In accordance with **2 CFR 200.216** that prohibits certain telecommunications and video surveillance services or equipment, the **Director of Special Projects** and the **Finance Director** shall review and approve all telecommunication contracts for goods and services with federal grant funds to include the following:

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

of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

10.12 Vendor Preferences: In accordance with state purchasing laws, the school system shall comply with the Texas Education Code (TEC Chapter 44) if the procurement guidelines are stricter under state law than federal regulations. Regardless of the procurement method, the school system shall encourage small, minority, woman-owned, veteran-owned, and labor surplus area firms to compete with other qualified vendors by implementing strategies to encourage their participation (2 CFR 200.321).

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

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

10.13 Bonds: If the granting agency requires that **Richard Milburn Academy** obtain bonding and/or insurance for a specific project, **Richard Milburn Academy** 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 Superintendent shall be responsible for obtaining insurance and/or bonding, as appropriate.

10.14 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, **Richard Milburn Academy** shall pay all invoices within 30 days of receipt of the goods/services and the invoice, whichever is later.

10.15 Procurement Procedure Review: **Richard Milburn Academy** 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 **Director of Special Projects** shall oversee the completion of the self-certification. The results of the certification shall be distributed to all Grants Management staff. If deficiencies are noted, the **Director of Special Projects** shall develop a Corrective Action Plan to remedy the deficiencies, as appropriate. The **Director of Special Projects** shall provide these reports to the TEA in accordance with (2 CFR 200.324(c)(2)).

Section 11: Property Standards

11.1 In General: Richard Milburn Academy 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 **Superintendent** shall oversee the acquisition of insurance for all federally funded property.

Exception: Inventory purchased with disaster relief funding will follow guidance issued for the emergency situation. The usual inventory tracking will be followed unless the disaster grant guidance is altered by the issuing agency during the time of the event.

11.2 Real Property: Richard Milburn Academy has used federal grant funds to purchase or improve real property. In accordance with Title 2 of the Code of Federal Regulations (CFR) Part 200.330 Reporting on Real Property, the Texas Education Agency (TEA) is required to collect data on the status of real property purchased with federal funds. Previously this survey was collected every four years but will now be collected annually due to an update in 2 CFR 200.330.

Real property means land, including land improvements, structures, and appurtenances thereto, and legal interests in land, including fee interest, licenses, rights of way, and easements. Real property excludes moveable machinery and equipment.

To dispose of real property purchased by a federal award, the school system must obtain disposition instructions from TEA. TEA will instruct the school system on which of the following disposition methods to follow:

- Retain title after compensating the Federal agency
- Sell the property and compensate the Federal agency
- Transfer the title to the Federal agency or an approved third party

11.3 Equipment and Supplies: Richard Milburn Academy may use federal grant funds to purchase equipment and supplies. The federally-funded equipment shall be used only for the authorized purposes and shall be disposed of, at the end of the useful life or end of the grant period, in accordance with the grant award guidelines. The federally-funded supplies shall be used only for authorized purposes. Any residual (unused) supplies, in excess of \$10,000 unit cost 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 **Richard Milburn Academy** or sold but must reimburse the granting agency for **Richard Milburn Academy** use or sale of the supplies. **Richard Milburn Academy** 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.

11.4 Capitalization Policy and Definitions: The school system shall utilize the same capitalization policy for non-grant and grant-funded asset purchases. Although federal regulations allow a capitalization level up to \$10,000, Richard Milburn Academy has elected to set a more restrictive local policy for capitalization of assets at \$5,000 per unit cost. The school system has adopted the EDGAR (CFR 200.1) definitions of property as noted below:

- *Capital assets* means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. (2 CFR 200.1).
- *Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the

lesser of the capitalization level established by recipient or subrecipient for financial statement purposes, or \$10,000. (2 CFR 200.1)

- *Computing devices* means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. (2 CFR 200.1)
- *General purpose equipment* means equipment which is not limited to research, medical, scientific or other technical activities.
 - Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.
- *Information technology systems* means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. (2 CFR 200.1)
- *Special purpose equipment* means equipment which is used only for research, medical, scientific, or other technical activities.
 - Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.
- *Supplies* means all tangible personal property other than those described in §200.1 Equipment. A computing device is a supply if the acquisition cost is below the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes or \$10,000, regardless of the length of its useful life. (2 CFR 200.1)

11.5 Acquisition Cost: Richard Milburn Academy has also adopted the EDGAR definition of Acquisition cost: 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 include those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices. (CFR 200.1)

11.6 Inventory Items: All capital assets purchased with grant funds will be tracked on inventory if at or above the capital outlay limit. **Richard Milburn Academy** has also defined other “inventory items” with a unit cost between \$1,000 and \$4,999 (furniture for example). 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 if over \$1,000. The Operations Department shall track these items and shall conduct an annual inventory of these items to the extent possible. (2 CFR 200.313 (d) (1))

11.6.1 Consumable Supplies: Consumable supplies shall include 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
- Computers with a cost under \$1,000

Consumable supplies, including the walkable and personal items with a unit cost less than \$1,000, shall be made from object code 6399 accounts. The consumable supplies shall be tracked by the campus or department making the purchase. The school must keep records when these devices are

issued to employees or students and returned.

11.7 Identifying and Tracking Federally-Funded Assets: The Controller shall be responsible for maintaining the fixed asset database of all **Richard Milburn Academy** assets, including all federally-funded assets. The recipient and subrecipient are responsible for maintaining and updating property records when there is a change in the status of the property. Title to federally funded equipment and supply purchases shall be retained by **Richard Milburn Academy** unless otherwise notified by the granting agency. As **Richard Milburn Academy** property, **Richard Milburn Academy** shall affix a tag, inventory, and dispose of all assets (non-grant and grant-funded) according to **Richard Milburn Academy** fixed asset and inventory procedures. **Richard Milburn Academy** procedures shall include the recording of all assets on a database with the following information:

- **Richard Milburn Academy**-issued tag (or identification number)
- Date of acquisition
- Description of asset
- Use of the asset
- Serial number, or another identifying number
- Funding source, i.e. fund code (including FAIN)
- Federal use of the asset (percentage)
- Cost of the asset (acquisition cost)
- Condition of the asset (New, Used, etc.)
- Location of asset (building and room number)
- Owner of asset title (title holder), typically **Richard Milburn Academy**
- Ultimate disposition date including sales price

11.8 Maintaining Asset Inventory & Records: All federally-funded assets shall be maintained in an operable state. If repairs are necessary, **Richard Milburn Academy** may pay for the repairs of the federally-funded assets with federal grant funds, unless expressly restricted by the granting agency. **Richard Milburn Academy** fixed asset procedures shall include a physical inventory of the property, and the results must be reconciled with the property records at least once every two years. 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. (2 CFR 200.318 (i)). The recipient or subrecipient must notify the Federal agency or pass-through entity of any loss, damage, or theft of equipment that will have an impact on the program.

11.9 Tracking of Inventory: In addition, **Richard Milburn Academy** 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.

11.10 Disposition of Equipment: Disposition approval is required when equipment purchased with federal grant funds is no longer needed for the original project, programs currently funded by other USDE grants, or projects previously supported by USDE grants. The request to dispose is submitted to TEA online using the [Smartsheets WorkApp](#). When equipment is no longer needed for the original project or program, the equipment may be used in other activities in the following order of priority:

- Other USDE programs
- Other Federal programs
- Use for non-federally-funded projects only when the use will not interfere with the purpose

for which it was originally acquired.

11.10.1 Unit Cost of Less than \$10,000

Equipment with a current per-unit fair market value of under \$10,000 may be retained, sold, or otherwise disposed of with no further obligation to TEA or the federal government. The school system will attest on the workapp listed above using the "Inventory Disposition" form that the equipment has a value under \$10,000, complete the certification section, and submit the form to TEA.

When there is a residual inventory of unused supplies exceeding \$10,000 in aggregate value at the end of the period of performance, and the supplies are not needed for any other Federal award, the recipient or subrecipient may retain or sell the supplies that are in new condition, not having been used or opened before. The aggregate value of unused supplies consists of all supply types, not just like-item supplies.

Note the difference between the definitions of equipment versus supplies under EDGAR. Only equipment requires TEA approval to dispose whether value is over or under \$10,000. Supplies do not require TEA disposition forms in **Smartsheets** unless over \$10,000 in value, and then only if new or unused.

11.10.2 Unit Cost of \$10,000 or more: Items with a current per-unit fair market value of \$10,000 or more may be retained or sold with approval of TEA using the online "Inventory Disposition" form. However, prior to retaining or selling the property, a campus principal, or Central Office department head shall contact the **Superintendent** and request written authorization from the TEA or other grantor agency. The **Superintendent** will prepare and issue to the TEA or other grantor agency written correspondence requesting disposition instructions including the **Richard Milburn Academy** employee's proposal to retain or sell the property.

If **Richard Milburn Academy** selects to retain the equipment, it shall purchase the equipment for use in nonfederal programmatic activities and make an operating transfer to the appropriate federal program fund for revenues, expenditures, other revenues and/or other uses, as appropriate, in the amount of the fair market value of the equipment. Market value may be determined by an independent appraiser. If **Richard Milburn Academy** selects to sell the equipment, the equipment may be sold according to **Richard Milburn Academy** policies for disposing of surplus property and 34 CFR 80.32. In either case, the proceeds from the purchase/sale must be credited to the appropriate federal program fund and be used to expand the program(s) at **Richard Milburn Academy**. If **Richard Milburn Academy** does not wish to use the proceeds in that program, the proceeds will be refunded to TEA. In any event, **Richard Milburn Academy** employees must obtain written permission from the **Superintendent** before disposing of the equipment.

If sold, the funds will be returned to TEA to return to the federal government. If retained, the item can be transferred to another campus that is implementing the same federal program or transfer the item to a similar federal program. The same form should be used to report items that were lost or stolen (police report required). If retained in a non-federal program, the school system must make an operating transfer from non-federal funds, and return the federal funding to TEA. Market value may be determined by an independent appraiser. When sold, the subrecipient (school system) may retain \$1,000 of the proceeds of the sale to cover expenses associated with the selling and handling of the equipment/supplies.

11.11 Intangible Property: **Richard Milburn Academy** may use federal grant funds to purchase the intangible property. If **Richard Milburn Academy** uses federal grant funds to purchase intangible

property, **Richard Milburn Academy** must use the intangible property for the originally authorized purpose and must not encumber the property without approval of the federal awarding agency. When no longer needed for the originally authorized purpose, disposition of the intangible property must occur in accordance with the provisions in 2 CFR 200.313(e). If purchasing intangible property with federal grant funds, the following requirements will also apply:

- 11.11.1 Copyrights:** **Richard Milburn Academy** may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under a federal award. The Federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work for federal purposes, and to authorize others to do so.
- 11.11.2 Patents:** **Richard Milburn Academy** is subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the Department of Commerce at 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements."
- 11.11.3 Data:** The federal government has the right to (1) Obtain, reproduce, publish, or otherwise use the data produced under a federal award; and (2) Authorize others to receive, reproduce, publish, or otherwise use such data for federal purposes.
- 11.12 Freedom of Information Act (FOIA):** In response to a Freedom of Information Act (FOIA) request for research data (as defined by 2 CFR 200.315) relating to published research findings (as defined by 2 CFR 200.315) produced under a federal grant award that were used by the federal government in developing an agency action that has the force and effect of law, the federal awarding agency must request, and **Richard Milburn Academy** must provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA. If the federal awarding agency obtains the research data solely in response to a FOIA request, the federal awarding agency may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect costs incurred by the federal agency and **Richard Milburn Academy**. This fee is in addition to any fees the federal awarding agency may assess under the FOIA [5 USC 552 (f) (5)].

Section 12: Grant Monitoring and Accountability

- 12.1 Generally:** Aside from the monitoring requirements established elsewhere in these procedures, the following monitoring requirements apply. The Grants Management Department shall consistently monitor grant funds throughout the grant period. The Department shall ensure, among other things, the following:
- Compliance with federal requirements such as cost principles and reporting requirements;
 - All grant expenditures are allowable and properly documented;
 - **Richard Milburn Academy** is establishing, documenting, and maintaining effective internal control over the federal award and complying with audit findings;
 - **Richard Milburn Academy** is implementing strategies to deter, mitigate and eliminate waste and fraud in the expenditure of grant funds.
- 12.1.1 Director of Special Projects Monitoring Responsibilities:** The **Director of Special Projects** shall be responsible for the programmatic, evaluation, and financial compliance. The **Director of Special Projects** shall monitor the timing of grant activities throughout the grant period, especially as they relate to the desired outcomes. The **Finance Department** shall monitor the timing of grant expenditures, especially as they relate to the period of availability of grant funds. If either the grant activities or grant expenditures reflect that **Richard Milburn Academy** will not accomplish the grant activities during the grant period, the Director of Special Projects and **Finance Department** shall work collaboratively to develop an action plan to ensure that the federal grant goals are met.
- 12.2 Providing Documentation:** **Richard Milburn Academy** shall maintain documentation to support all grant expenditures and provide the documentation upon request to **Richard Milburn Academy** external auditors, granting agency or other oversight agency, as appropriate.
- 12.3 Audit Findings:** Auditing findings or deficiencies shall be addressed in a timely manner upon receipt of the notification. **The Grants Management and Finance Department staff** shall work collaboratively to develop and implement a Corrective Action Plan to resolve the findings or deficiencies. The **Superintendent** or his/her designee shall approve the Corrective Action Plan and monitor the timely implementation of corrective strategies.
- 12.4 Disclosure and Remediation of Fraud:** **Richard Milburn Academy** shall disclose to the granting agency if any federal grant funds have been the subject of fraud by **Richard Milburn Academy** employees, officers, or agents and/or contractors (vendors). 2 CFR 200.113 & 200.516 Corrective actions, as appropriate, shall be implemented to remedy the loss of grant funds due to fraud. 2 CFR 200.508(c).
- 12.5 Remedies for Non-Compliance:** **Richard Milburn Academy** may be subject to consequences due to non-compliance with federal regulations. **Richard Milburn Academy** 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).
- Temporarily withhold payments until corrective action taken
 - Disallow costs associated with noncompliance
 - Suspend or terminate the award
 - Initiate suspension and debarment
 - Withhold further federal funds for the program
 - Pursue other legally available remedies

12.6 Grant Closeout Procedures: **Richard Milburn Academy** 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 is accurate (Certification)
- Refund any excess grant funds, interest, or other payables to the granting agency or pass-through agency
- Account for any real and/or personal property on hand at the end of the grant period

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

Under 2 CFR 200.344(h), if the non-Federal entity does not submit all reports in accordance with this section and the terms and conditions of the Federal Award, the Federal awarding agency must proceed to close out with the information available within one year of the period of performance end date.

12.6.1 Grant Closeout Costs: Administrative closeout costs may be allowed to be charged to the grant being closed out for grants awarded after 7/1/25. Closeout costs may be incurred after the grant end date, but until the due date of the final report. Closeout costs must be liquidated prior to the due date of the final report and charged to the final budget period of the award. Examples include cost of storage of federal records, costs to dispose of federal supplies and equipment, and pay for administrators to work off contract time to close out grants. Consideration should be given to end of school system fiscal year and implications according to when final report date for the federal grant falls.

Section 13: Miscellaneous Provisions

13.1 Comparability of Services: Comparability of services is a fiscal accountability requirement that applies to local educational agencies (school systems) that receive funds under Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by Every Student Succeeds Act of 2015 (ESSA). The intent of the comparability of services requirement is to ensure that a school system does not discriminate (either intentionally or unintentionally) against its Title I schools when distributing resources funded from state and local sources simply because these schools receive federal funds. [TEA Title I, Part Comparability of Services Guidance Handbook, 2017]

13.2 Test for Comparability: The Grants Management Department, in collaboration with the **Finance Department**, shall conduct the comparability test on an annual basis and complete the Title I Part A Comparability Assurance Document (CAD). NOTE: If **Richard Milburn Academy** determines that it is exempt from the comparability requirements, the Grants Management Department shall note the exemption on the CAD and submit it to TEA. If **Richard Milburn Academy** is not exempt, the **Finance Department** shall complete and submit the Comparability Computation Form (CCF) to TEA by the mid-November annual deadline. In completing the CAD and CCF, the Grants Management Department shall follow the process outlined below:

- Determine if **Richard Milburn Academy** is exempt from the comparability requirement. If so, complete and submit CAD and stop here.
- If not exempt, the comparability testing process should continue as noted below:
- List all campuses in the CCF comparability testing
- Identify all campuses on the CCF as Title I Part A, skipped, or non-Title I Part A
- Determine whether to include dedicated EE and/or PK campuses in the comparability testing
- Select test method 1, 2, or 3 and use it consistently to all campuses being tested
- Complete the CAD for review by the grant management department. After review and approval by the grant's management department, the CAD and CCF should be forwarded to the **Superintendent** for signature.
- Submit the CAD and CCF to TEA by the mid-November deadline
- If TEA determines that **Richard Milburn Academy** is non-compliant, the **Grants Management** and **Finance Department** shall work collaboratively to address the non-compliance. In addition, **Richard Milburn Academy** shall adjust the budgets as appropriate to until **Richard Milburn Academy** is in compliance with the comparability requirement.

13.3 Maintenance of Effort: **Richard Milburn Academy** shall comply with the Every Student Succeeds Act (ESSA) and the Individuals with Disabilities Act (IDEA) maintenance of effort requirements.

13.3.1 ESSA Maintenance of Effort: Federal statute requires that local education agencies (school systems) receiving Title I, Part A funds must continue to maintain fiscal effort with state and local funds. A school system 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 Presidentially declared disaster, as well as any expenditures from funds provided by the federal government. [[TEA ESSA MOE Handbook](#)].

The **Finance Department** shall compute the MOE using the TEA [ESSA School System MOE Calculation Tool](#) during the budget adoption process and at the end of the fiscal year. Non-compliance with ESSA MOE will result in a reduction of ESSA funds in the exact proportion by which **Richard Milburn Academy** fails to meet the MOE requirement; therefore, the finance department shall plan for the reduction of grant funds at the local level. If the ESSA MOE falls below the required level, the **Finance and Grant Management Departments** shall collaborate to develop a plan to bring **Richard Milburn Academy** into compliance with the MOE requirements.

- 13.3.2 IDEA-B MOE:** A school system that accepts IDEA-B funds is required under IDEA-B to expand, 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. [[IDEA-B School System MOE Guidance Handbook](#)]

The **Finance Department** shall compute the MOE using the [TEA IDEA-B School System MOE Calculation Tool for Charter Schools](#) during the budget adoption 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 **Richard Milburn Academy** fails to meet the MOE requirement; therefore, the Finance Department shall plan for the reduction of grant funds at the local level. If the IDEA-B MOE falls below the required level, the **Director of Special Projects** and **Finance Department** shall collaborate to develop a plan to bring **Richard Milburn Academy** into compliance with the MOE requirements.

NOTE: The **Finance Department** shall code all special education expenditures that qualify as exceptions to a specific sub-object for tracking purposes. For example, if **Richard Milburn Academy** makes a long-term purchase of equipment for a special education student, **Richard Milburn Academy** 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 **Director of Special Projects** will need to know the prior year Special Education expenditures and the next fiscal year budgeted Special Education Expenditures. The **Finance Department** shall provide these amounts to the **Director of Special Projects** not later than the day before the application deadline to ensure that the most accurate amounts are reflected in the grant application.

- 13.4 Response to a Declared State of Disaster or Emergency Situation** The policies and procedures in this manual are for usual and customary handling of federal and state grant funds. In the event funding is received in response to a declared state of disaster or emergency event, **Richard Milburn Academy** will follow the guidance issued by TEA. Guidance may be revised, relaxed, or waived to accommodate rapidly changing disaster events. The school system will follow guidance issued at the time of the event as directed by the agency and within the declared timelines of the event.

Exhibit A List of Current Grants

The following is a list of grants under which Richard Milburn Academy currently receives funding and the stated goals of each grant:

Grant Name and Brief Goal/Description of Grant Purpose		Federal Award Identification Number and Grant Start and End dates	Name of the Federal/State Agency Awarding Grant
1	ESSA Consolidated Federal Application/Title I, II, IV T1PA Improving Basic Programs T2PA Supporting Effective Instruction T4PA Student Support and Academic Enrichment	T1 FAIN 010A260043 84.010A T2 FAIN S367A260041 84.367A T4 FAIN S424A260045 84.424A 07/01/26 to 09/30/27	TEA
2	Special Education Consolidated (IDEA B) Special education services	FAIN H027A260008 84.027A 07/01/26 to 09/30/27	TEA
3	LASO Cycle 4 Virtual & Hybrid Pro Accltr Design and launch virtual and hybrid programs	FAR 5829 03/01/26 to 04/30/28	TEA

Exhibit B Title I, Part A Supplement, Not Supplant Methodology

Every Student Succeeds Act (ESSA) Title I A, Program Title I, Part A Supplement, Not Supplant (SNS)

Compliance Requirement

Under ESSA Title I, Part A, the LEA must either demonstrate a valid SNS Methodology that is used to allocate State and Local funds to campuses or have a Statement of Exemption.

Title I Part A 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.

TEA Guidance on Exemptions

Based on guidance from the US Department of Education, LEAs that meet one of the situations described in the Statement of Exemption section, below, will not be required to demonstrate a methodology for allocating its State and local funds to its campuses in order to comply with the SNS Methodology requirement for Title I, Part A. The situations described below result in Title I neutral situations with regard to campus allocations. Therefore, the SNS requirement at the campus level is met for Title I, Part A purposes, as long as the LEA provides enough State and local resources to its campus(es) to provide a free, public education in the absence of Title I, Part A funds. Title I, Part A funds that are reserved at the LEA level must be used only for Title I, Part A purposes, as indicated in the LEA's approved ESSA Consolidated Federal Grant Application.

Statement of Exemption

The LEA, named above, will not be required to demonstrate a methodology for allocating its State and local funds for the reason indicated, below:

- ☐ The LEA has only one campus.
- ☒ All the campuses in the LEA are Title I campuses.
- ☐ The LEA has only one campus in each campus category [Elementary, Middle, High School] All campus categories are exempt, either because all campuses in the category are Title I campuses; all are non-Title I; or the category has only one campus.

Campus Name	Campus #	Grades	Title I Served [Y/N]
RICHARD MILBURN ACADEMY KILLEEN	001	9 – 12	Y
RICHARD MILBURN ACADEMY ODESSA	002	9 – 12	Y
RICHARD MILBURN ACADEMY LUBBOCK	004	9 – 12	Y
RICHARD MILBURN ACADEMY HOUSTON	005	9 – 12	Y
RICHARD MILBURN ACADEMY FORT WORTH	006	9 – 12	Y
RICHARD MILBURN ACADEMY CORPUS CHRISTI	007	9 – 12	Y
RICHARD MILBURN ACADEMY AMARILLO	008	9 – 12	Y
RICHARD MILBURN ACADEMY PASADENA	009	9 – 12	Y
RICHARD MILBURN ACADEMY MIDLAND	010	9 – 12	Y

Exhibit C Procedures for Public Notification and Opportunities for Public Comment

All federal grants include provisions and assurances that a grant recipient agrees to comply with when accepting a grant award. The documents describing the provisions and assurances associated with a federal grant monitored by the Texas Education Agency are linked to each eGrant application listed on the TEA Grant Opportunities page. All school districts and charters who apply for and receive funds through the Every Student Succeeds Act (ESSA) grants annually indicate their assurance they will comply with the grant provisions and assurances. ESSA assurances include the following commitment: That “before the application was submitted, the applicant afforded a reasonable opportunity for public comment on the application and has considered such comment.” ([ESSA Provisions and Assurances \(state.tx.us\)](https://state.tx.us) p.43, I).

Specific federal grants such as the ARP ESSER III also include provisions and assurances as described in the Program-Specific Provisions and Assurances. The ARP ESSER III grant includes the expectation that the LEA “engaged in meaningful consultation with stakeholders and gave the public an opportunity to provide input in the development of its plan for the uses of ARP ESSER III funds.” ([ESSER III Program Specific Assurances \(state.tx.us\)](https://state.tx.us), p.5, R-U) Further, the Provisions and Assurances describe the specific groups who must be included in the outreach for comment.

This document outlines the manner in which Richard Milburn Academy will meet these requirements.

In accordance with the Richard Milburn Academy current procedures the notice of intent to participate in a federal grant is provided to the school community on a posted agenda and during the open portion of the scheduled school board meeting. Members of the public are invited to make comment to the board as outlined in Federal and State Grants Management Procedures.

Additionally, Richard Milburn Academy may solicit additional public comment using methods such as website postings and announcements, surveys sent out to stakeholders, student surveys, campus-based meetings, focus-group meetings, community group meetings or small group meetings.

The Richard Milburn Academy leadership may use additional methods to provide public notice of grant participation and solicit and receive public comment as grant guidance and time constraints require.

Exhibit D Commodity Codes

210 Contracted Prof tutoring
214 Contracted Prof Services
324 Subscriptions/Magazines
391 Instructional Materials-Other
392 Instructional Materials-Reading
393 Instructional Materials-Math
394 Instructional Materials-Science
395 Instructional Materials-Social Studies
396 Instructional Tech Supplies
399 Supplies software Site Licenses
493 Advertisement
639 Equipment over 5K
640 Equipment under 5K
660 Library Books

Exhibit E Self-Certification of Micro-Purchase Threshold



Self-Certification of Higher Micro-Purchase Threshold

2 CFR §200.320 officially sets the micro-purchase threshold at \$15,000 in the aggregate across all federal grant programs for the fiscal or grant year. It also allows the LEA to annually self-certify a higher micro-purchase threshold of up to \$99,999 if the LEA:

- is a low-risk auditee for their most recent federal audit (not TEA's risk assessment); or
- conducts an annual internal risk assessment to identify, mitigate, and manage financial risk.

The LEA must determine the local threshold based on internal controls, risk, and documented procedures. Note: Due to state Financial Accountability System Resource Guide (FASRG) rules and SB 1173 (89th Regular Session), the LEA may only self-certify a threshold up to \$99,999.99.

The self-certified threshold process will be as follows:

- Self-certified thresholds from \$15,001 to \$49,999 will continue to only require notification to TEA through the EDGAR Connect system.
- Self-certified thresholds of \$50,000 to \$99,999 will require the following documentation to be uploaded with the notification through the EDGAR Connect system.
 - Proof of eligibility,
 - Low-risk grantee as stated in the most recent federal audit (this is written by the external auditor and is not TEA's annual risk assessment status), or
 - internal organizational risk assessment that identifies, mitigates, and manages financial risk (the assessment must address all three areas of identification, mitigation, and management of risk).

LEAs may certify by grant year (July 1-June 30) or by the LEA's fiscal year. The self-certification must be submitted to TEA through the online system by October 1 to be retroactive back to the start of the grant/fiscal year. Self-certifications submitted to TEA after October 1 of the current grant/fiscal year will not go into effect until the date it is submitted to TEA and any procurements started prior to the submission date must adhere to the standard \$15,000.00 micro-purchase threshold.

Contact and Form Submission Information

ID	Date Submitted
EDGAR-MICRO-1811	07/13/26 4:16 PM
School Year	Other School Year (if applicable)
2026-2027	



LEA Name and CDN	
RICHARD MILBURN ALTER HIGH SCHOOL (KILLEEN) 014801	
Name of Federal Grant	
Name of Older Grant (if applicable)	
Name of Individual Completing Form	Email of Individual Completing Form
Jim Pollok	jpollok@rma-tx.org

Audit Documentation Required

If the LEA chooses to self-certify a higher micro-purchase threshold, the LEA must notify TEA annually by submitting this online form and maintain the following information for auditors or monitors:

- Current self-certification of an increased micro-purchase threshold, including a justification and clear identification of the new threshold, documented in local board approved policy;
- Written procurement policies updated to reflect the increased micro-purchase threshold, and;
- Proof of eligibility, documented annually, of
 - a. Low risk level from the LEA's most recent federal audit, OR
 - b. Annual internal risk assessment conducted by the LEA to identify, mitigate and manage financial risks.

Note: The annual risk assessment conducted by TEA's Compliance Officer cannot be used to meet the *"Low Risk level from LEA's most recent federal audit"* as this refers to a federal single audit.

Please enter the higher threshold amount:

\$49,999.00

Please select the fiscal/grant year covered by the self-certification:

2026-2027

Other Year (if applicable)



Certification and Incorporation

Name and Title of Authorized Official

Jim Pollok, Director Federal Programs, Assessment & Accountability

By entering my name below and submitting this electronic form, I hereby certify that:

- ☒ 1) The information and data contained in this form is, to the best of my knowledge and belief, true, complete, and correct.
- ☒ 2) The organization named above has authorized me, as its representative, to complete and submit this information and data, for and on behalf of the organization, and otherwise to act as the organization's authorized representative in submitting this information and data; and
- ☒ 3) Any ensuing program and activity will be conducted in accordance and compliance with all applicable federal and state laws and regulations.

TEA Decision and Comment

TEA Decision

Acknowledge

TEA Comment (as applicable)

Signature of Chief Grants Officer:


Cory Green, Associate Commissioner

Date of TEA Decision: 07/15/26