



**State & Federal
Grants/Programs
Administrative
Procedures
Manual**

2021-2022

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General Information

The District has established fiscal procedures that apply to all financial transactions regardless of the funding source. **Procedures that relate directly and/or indirectly to federal and state grant compliance are indicated with a (†).** A separate section in this Business Services Operations Manual will include specific procedures related to acquiring, expending, and managing grant funds.

In accordance with School Board Policy, BP Local, the Superintendent and administrative staff shall be responsible for developing and enforcing procedures for the operation of the District. These procedures shall constitute the administrative regulations of the District and shall consist of guidelines, handbooks, manuals, forms, and any other documents defining standard operating procedures. The Chief Financial Officer shall approve this Federal and State Grants Manual on an annual basis, or as appropriate, if federal, state or local changes in regulations or policy warrant immediate changes. **Administrative regulations [procedures] are subject to Board review but shall not be adopted by the Board.**

Business Services Division Mission

Mission Statement

DISTRICT: Our purpose, in partnership with families and community, is to develop each child intellectually, artistically, emotionally, physically, and socially so that all students are life---long learners, complex thinkers, responsible global citizens and effective communicators.

Business Services: The mission of Business Services is to support student learning through efficient delivery of quality financial services and to ensure sound fiscal management.

Business Services Department Staff

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

All Business Services Department staff are expected to comply with the:

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

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

Organizational Chart

- [Financial Services Organizational Chart](#)

General Ledger Maintenance (†)

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

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

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

Journal Entries (†)

All general ledger entries shall be in balance (debits shall equal credits). Support for journal entries are scanned in to the Financial Software system (Skyward) to document all entries. All journal entries shall be numbered for tracking purposes. An automated numbering system shall be utilized by the District. Accountants shall be authorized to create journal entries and Director of Business Services shall be authorized to post journal entries to the general ledger.

All payroll general journals shall be interfaced to the finance system by the payroll department. The Director of Business Services shall verify that the payroll general journals and the finance payroll general journals are in balance and posted accurately to the general ledger.

All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable. At times, prior to closing the month, additional reconciling journal entries may be posted in accordance with the creation and approval guidelines.

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

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

- Summary General Ledger

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

Data Entry and Validation (†)

All data entry shall be from the appropriate source document(s). All data entry shall be validated (verified) with the source documents. A system of checks and balance shall be in place to ensure that all postings to the general ledger result in the desired outcome. For example, a cash receipt journal shall be validated to ensure that the total amount deposited matches the posted cash receipt journal.

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

General Ledger Transaction (Minimum Data Required) (†)

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

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

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

- **Check date** – the system---generated general ledger transaction should reflect the check date as part of the journal entry number
- **Account code(s)** – the account codes charged for all payroll disbursements, including liability accounts, should exist in the general ledger prior to posting the system---generated journal entries.

End of Month Process

Within 60 days after the end of the month, all end-of-month reports should be printed and verified and the end-of-month process completed. There are two (2) steps in completing the End-of-Month process as listed below:

- Reconciliation of all bank accounts
- EOM Activities (Report Generation & Verification)

End of Fiscal Year Process

All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable. Within 90 days after the fiscal year, all end-of-fiscal year reports should be printed and verified for audit purposes.

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

- **Reconcile all cash and investment accounts** – all cash and investment accounts shall match the corresponding bank or investment general ledger balances as of August 31st, as reflected on the respective monthly statement.
- **Reconcile all revenue accounts with amounts received and/or earned as of August 31st**, – All measurable revenue should be posted to the general ledger. For example, all state aid earned as of the most recent Summary of Finance report from TEA shall be posted to the appropriate state revenue accounts.
- **Reconcile all Grant/Program revenue and expenditures** – the revenue and expenditures in every Grant/Program (state and federal) should equal. The excess revenue if any should be reclassified to a payable to the Grant/Program agency, unless the excess revenue is an advance payment (deferred revenue). If expenditures exceed revenue, the amount due from the Grant/Program agency should be posted to the revenue account and accounts receivable accounts.
- **Reconcile the final amended budget** – verify that all budget amendments (at the functional level) have been posted to the general ledger. The sum of the original budget, plus all budget amendments during the fiscal year shall equal the final amended budget.
- **Reconcile and post all accounts receivables** – all funds due from other sources, as of August 31st, shall be posted to the general ledger. The receivables shall be measurable and expected to be received within 60 days after the end of the fiscal year in accordance with the District's accounting standards.
- **Reconcile and post all accounts payables** – all payables due to others (vendors especially), as of August 31st, shall be posted to the general ledger. The amounts due for all goods and/or services received as of August 31st are classified as accounts payable and paid during the next fiscal year. The District has established an August 15th cut-off for prior year accounts payables, unless the

accounts payable expense is material and is known prior to the end of the audit field work. [Note. The accounts payable account (2110) in the prior fiscal year and the next fiscal year must be in balance.]

- **Reconcile all accrued wages and benefits as of August 31st** – All accrued wages and benefits shall be posted to the general ledger, especially for all wages earned in August but scheduled to be paid in the next fiscal year (after September 1st).
- **Reconcile all prepaid expenses as of August 31st**– All prepaid expenses shall be posted to the general ledger to object code 141X. A prepaid expense is typically one that represents a disbursement of funds (payment) for goods or services that will be received or utilized in the next fiscal year. For example, a maintenance agreement that has a term of January 1st through December 31st, would have an expense for 6 months in the current fiscal and a prepaid expense of 6 months at the end of the fiscal year. [Note. The prepaid expenses should be cleared in the next fiscal year by posting the expense to the appropriate expense account code(s).]
- **Reconcile the fixed assets ledger with all fixed asset additions, deletions, or changes** – All assets acquired during the fiscal year shall be added to the fixed asset ledger (in Skyward). All assets disposed of (sold or lost) shall be removed from the fixed asset ledger. Changes, if any, to the location, value, or category of assets shall be posted to the fixed asset ledger in Fund Code 901.
- **Reconcile the fund balance as of August 31st** – All changes, reductions, additions, and/or designations [restricted, committed, assigned, etc.] of fund balance accounts shall be posted to the general ledger. All budgetary fund balance accounts (object code 3700) shall be posted to the appropriate fund balance account (object code 3600). [Note: Changes to the budgeted and committed fund balances should be supported by minutes of School Board approval. The School Board Finance Committee, or the Superintendent and Chief Financial Officer are authorized by the School Board to assign fund balances per [School Board Policy CE \(Local\)](#).]

Segregation of Duties (†)

At a minimum, the Business Services Department staff shall operate under a segregation of duties, including but not limited to, the following:

- **Endorsement of checks** – The same staff member shall not prepare **and** endorse accounts payable or payroll checks.
- **Bank reconciliations** – The same staff member shall not prepare cash disbursements, cash deposits, or other cash transactions **and** reconcile the District's bank accounts.
- **Maintain non---cash accounting records** – The same staff member shall not prepare non---cash general ledger transactions **and** post the transactions to the general ledger.
- **Purchasing and Receiving functions** – The same staff member shall not serve as the final approver of a purchase order **and** verify receipt of the goods.
- **Contract Management** – The same staff member shall not approve a contract for goods or services **and** have sole approval authority to disburse the payment for the contracted goods or services.

- **Accounts Payable** --- No staff member shall make changes to the vendor file.

Retention of Records (†)

All financial records for the current fiscal year shall be retained for audit purposes in accordance with the District's Local Records Retention Schedule. Destruction of records, at the expiration of the records, shall also be in accordance with the District's Local Records Retention Schedule. Note: The Destruction Schedule [list of all records destroyed] is a permanent document. Unless a record that has been destroyed is specifically listed on a Destruction Schedule, it is presumed to still exist.

The District shall maintain Grant/Program---related records in a combination of paper and/or electronic formats.

In accordance with federal regulations, the District shall maintain the Grant/Program---related records in an open and machine readable format.

The Business Services Department is responsible for the financial records from within the department. All questions related to the retention, destruction, and/or addition of new record series shall be directed to the District's Records Management Specialist.

Data System Security & Access to Records (†)

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

All Business Services Department staff shall sign an Employee Handbook on an annual basis, and the handbook covers confidentiality. Among the most critical information is documentation related to employee's Personally---Identifiable Information (PII) such as health, benefits, financial, family members, or other personal information. Violators will be subject to discipline, employment termination, and/or may be reported to the appropriate legal authorities. Violations of some protected information, such as health or medical information, is also protected by federal laws, such as HIPPA.

Unless notified otherwise by the federal Grant/Program agency, the District shall retain all financial and program records related to the Grant/Program award in accordance with the federal Grant/Program. Upon request from the federal Grant/Program agency, the District shall transfer the records to the requesting federal agency.

The Business Services Department staff shall be authorized to access the District's financial and/or payroll

system(s) for job-related purposes only. Use of the systems for personal reasons or benefit will result in disciplinary action, up to and including employment termination.

Each staff member shall take appropriate steps to ensure that their respective computer system is managed in a control environment to prevent unauthorized access. At no time (including lunch breaks) shall a computer system be logged on to a financial data system while unattended by the respective staff member. Any staff member with access to financial data system must lock their computer or log out of the financial system when they leave their desk.

Assignment of Access and Passwords (†)

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

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

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

Revoking Access (†)

Access to data systems are subject to change and/or revocation when changes occur to a staff member’s position, duties or responsibilities. Access to data systems are also subject to revocation when a staff member violations the Acceptable Use Policy. Each staff member shall sign an Acceptable Use Policy every fiscal year.

Business Service Staff Training (†)

Staff members will have an opportunity to attend at least one training and/or conference opportunity per year.

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

- **Account coding**
- **Payroll and Human Resources Compliance Issues**
- **PEIMS Data Reporting and Quality**
- **GASB**
- **Audit requirements**
- **Legal changes, such as Purchasing**
- **State and Federal Grant/Programs Management**
- **Data system (software)**
- **Travel Guidelines**
- **FASRG**

Staff members that have attained TASBO certification status will be afforded an opportunity to attend at least 20 hours per year (for a total of 60 every 3 years) through TASBO or a TASBO---approved CEU provider. Training opportunities for other certification or licensing programs, such as a CPA, CFE, and Investment Officer shall be provided in a manner that seeks to meet the continuing education requirements for that specific certification or license.

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

In an effort to support compliance of fiscal policies and procedures, the Business Office shall conduct annual training for campus and department administrative and support staff, as appropriate. Critical training areas shall include, but not be limited to:

- **Activity Account Management**
- **Budget Development Process**
- **Cash Management**
- **State and Federal Grant/Programs Management**
- **Purchasing**
- **Payroll**

State and Federal Grant/Program Management (†)

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

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

Compliance with all federal and state grant/program requirements is essential to ensure that all grant/program funds remain with the District. Failure to comply with grant requirements may result in denial of reimbursement requests and/or requests from the grant/program agency to return a portion or in some cases all grant/program funds.

Federal Regulations for Federal Grant/Program Awards

All federal grant/program funds are subject to the compliance with Administrative (EDGAR) and Programmatic (NSLP, IDEA, etc.) regulations for each federal grant/program award. For state-administered federal grants, TEA shall notify the District on the Notice of Grant Award (NOGA) of the applicable administrative regulations. The date of the award to the District (or pass-through entity such as TEA) shall determine the appropriate regulations. When the District's local policies and/or procedures conflict with the federal regulations, the District shall comply with the more restrictive regulations in all aspects of federal and state grant/program management.

Overview of the Education Department General Administrative Regulations (EDGAR)

The EDGAR, as amended on December 26, 2014, includes five (5) subparts under 2 CFR Part 200 of EDGAR as noted below:

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C – Pre-award Requirements
- Subpart D – Post-award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements
- Appendices – I through XI

The EDGAR in its entirety can be accessed at:

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

To ensure consistency with the EDGAR, the District shall utilize the acronyms and definitions included in the

EDGAR for general terms related to the management of federal grant funds. The [EDGAR Acronyms and Definitions](#) can be found in CFR 200.0 through 200.99.

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

Business Services Department

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

Human Resources (HR) Department

- Assisting the program administrator with the recruitment and hiring of all grant/program funded staff
- Ensuring that all grant/program funded staff meet all state certification requirements
- Ensuring that all grant/program funded staff have a job description with the grant/program-related duties and funding. Grant/program funded staff will sign a job description on an annual basis
- Preparing the PR 1500 & Equity Data Survey/Report for ESSA Consolidated grant
- Maintaining audit-ready HR employee files for financial audit or single audit purposes, as

appropriate

- Developing and maintaining all salary schedules to ensure consistency between local and non-local pay rates (Includes base salaries, stipends, and extra-duty rates of pay)
- Assisting the grant/program administrator with determining the position title, position code, and other salary information for use in completing the grant/program application
- Maintain copies of job descriptions for positions with financial & grant/program management responsibilities
- Retaining all personnel records for the required length of time (5 years) for audit purposes

Grant/Program Management Departments

- Working cooperatively with the campus administrative staff to ensure that all grant/program activities are collaboratively planned and appropriate to each campus
- Providing supporting documentation for budgeted grant/program funds
- Submitting all grant/program amendments to the Business Services department to facilitate budget amendments.
- Assisting the Human Resources department with determining the payroll distribution code(s) for all grant/program funded staff
- Preparing all grant/program related programmatic (evaluation) reports (monthly, quarterly and/or annual)
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures
- Receiving and monitoring the time and effort reports, as appropriate, and submitting adjustments, if any, to the Financial Services department
- Monitoring the spending thresholds throughout the grant/program period to ensure that the grant/program activities are being conducted systematically throughout the grant/program period
- Reviewing and approving all purchasing and contractual commitments in compliance with the grant/program periods and allowable cost principles
- Retaining all grant/program records for the required length of time (7 years) for audit purposes
- Providing information to the Human Resources department regarding the number and type of grant/program funded positions approved in the grant/program application by the grant/program authority
- Verifying with the HR department that all grant/program funded staff meet the state certification requirements
- Verifying with the HR department that all grant/program funded staff have a job description with the grant/program related duties and funding and it is signed on an annual basis
- Verifying that all applications, compliance reports, and accompanying documents are submitted to TEA, as appropriate
- Assisting the HR department with determining the position title, role ID, and other salary information for use in completing the grant/program application

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

State Programs – Allotments (†)

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

A percentage of each state allotment must be spent on “direct” expenditures for the given special program. During the budget process, the estimated state allotment shall be calculated based on prior year special program enrollment and average daily attendance (ADA). The estimated state allotment by special program shall be provided to the special program administrators. The special program administrators shall be responsible for the programmatic compliance in their respective program(s). Programmatic compliance shall include, but not limited to: program eligibility, program design, instructional delivery, entry/exit procedures, professional development, and certification.

- **Special Education** **55%** **PIC 23 & 33**
 - **Director of Special Education**
- **CCMR Outcomes Bonus** **55%** **PIC 38**
 - **Director of Business Services, Chief Financial Officer, & CTE Coordinator**
- **PreKindergarten** **PIC 32 & 35**
 - **Director of Business Services, Chief Financial Officer, Director of Curriculum & Accountability, & Chief Academic Officer**
- **Early Childhood Allotment** **100%** **PIC 36**
 - **Director of Business Services, Chief Financial Officer, Director of Curriculum & Accountability, & Chief Academic Officer**
- **Dyslexia** **100%** **PIC 37 & 43**
 - **Director of Business Services, Chief Financial Officer, Director of Curriculum & Accountability, & Chief Academic Officer**
- **Career & Technical Education** **55%** **PIC 22**
 - **CTE Coordinator**
- **Gifted & Talented Education** **52%** **PIC 21**
 - **Director of Business Services, Chief Financial Officer, & Advanced Academic Coordinator**
- **State Compensatory Education (SCE)** **55%** **PIC 24, 28, 30 & 34**

- PIC 35 PK – Bilingual/ESL
- PIC 36 Early Education Allotment
- PIC 37 Dyslexia
- PIC 38 College, Career, Military (CCMR Outcome Bonus)
- PIC 43 Special Education Dyslexia

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

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

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

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

By October 1st of each school year, Waller ISD will review all payroll codes for employees with campus principals and special program directors. Campus principals will bring master schedules and personnel activity documents to the meeting. Human Resources creates a spreadsheet for all payroll codes and updates in the meeting. The payroll codes are correlated below:

Population Served Code 04	PIC 21	Gifted & Talented
Population Served Code 05	PIC 22	Career & Technical Education
Population Served Code 06	PIC 23	Special Education
Population Served Code 03	PIC 24	Accelerated Education (SCE)
Population Served Code 02	PIC 25	Bilingual Education
Population Served Code 07	PIC 25	ESL Education
Population Served Code 03	PIC 28	DAEP – Basic
Population Served Code 03	PIC 30	Title I, Part A Campuswide (over 40% educationally disadvantaged)
Population Served Code 01	PIC 32	PK – Basic
Population Served Code 06	PIC 33	PK – SPED
Population Served Code 03	PIC 34	PK – Supplemental
Population Served Code 02	PIC 35	PK – Bilingual

Population Served Code 07	PIC 35	PK – ESL
Population Served Code	PIC 36	Early Education Allotment
Population Served Code	PIC 37	Dyslexia
Population Served Code	PIC 38	CCMR Outcomes Bonus
Population Served Code	PIC 43	Special Education Dyslexia

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

Campus principals and special program administrators shall be responsible to ensure that any changes to staff assignments are submitted to the Human Resources Department within five (5) days of the assignment change. The prior process of verifying the FTEs/account codes, approval of the FTE report, and submission of the reports to the payroll department shall occur upon the receipt of assignment changes.

Gifted and Talented (GT)

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

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

Career and Technical Education (CTE)

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

Specifically, each school district shall identify students eligible for the CTE program and serve the students in an appropriate manner to obtain state funds. The Master Schedule and 4 year graduation plan shall serve as the official document to support that each student was enrolled in a CTE course. All student identification and enrollment shall meet the special program guidelines in the Student Attendance Accounting Handbook (SAAH). Student enrollment data shall be submitted to TEA through the PEIMS Fall Submission as of the snapshot date. The attendance and/or contact hour data for funding purposes shall be submitted to TEA through the PEIMS Summer Submission.

The special program administrator with oversight responsibility to certify the CTE special program data prior to submission to TEA shall be the CTE Coordinator.

Special Education

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

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

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

Compensatory Education (SCE)

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

Specifically, each school district shall identify students eligible for the Compensatory Education program and serve the students in an appropriate manner to obtain state funds. There are fourteen (14) at risk indicators in state law. The At-Risk designee at each campus shall be responsible for identification of all at risk students. The at-risk student enrollment shall be reported to TEA through the PEIMS Fall Submission.

The SCE program compliance is unlike the other special programs in that it requires specific documentation as outlined in the Financial Accounting System Resource Guide (FASRG) Module 9. The District Improvement Plan (DIP) and Campus Improvement Plans (CIP) are the primary source of documentation for the expenditure of SCE funds. According to TEA, annually within 150 days after the last day permissible to send data for the PEIMS data FINAL Midyear resubmission 2 (typically late July), the District shall electronically submit a PDF version of the DIP and at least two (2) CIPs through the TEASE system. The determination

regarding which CIPs to submit to TEA shall be based on the TEA guidelines in the FASRG, Module 9.1.2 Summary of Filing Requirements. The District’s submission dates shall be as noted below to ensure compliance with this critical requirement.

- Campus Principals shall submit their CIPs to the Chief of Schools (Elementary & Secondary) in Plan 4 Learning by the last instructional day in October
- Superintendent or designee shall submit the DIP to the Board of Trustees at the November/December regularly scheduled Board Meeting
- Superintendent or designee shall submit the DIP and CIPs through TEAL by the 150th day after the final PEIMS midyear resubmission date

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

Bilingual and ESL

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

Specifically, each school district shall identify students eligible for the Bilingual or ESL program and serve the students in an appropriate manner to obtain state funds. All student identification and enrollment shall meet the special program guidelines in the Student Attendance Accounting Handbook (SAAH).

Student enrollment data shall be submitted to TEA through the PEIMS Fall Submission as of the snapshot date. The attendance and/or contact hour data for funding purposes shall be submitted to TEA through the PEIMS Summer Submission.

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

Federal Grants/Programs (†)

Acronyms and definitions related to federal grant management are listed in the EDGAR, Subpart A, 200.1 through 200.99 and may be accessed at:

<http://www.ecfr.gov/cgi-bin/text-idx?SID=bce3e6e14adb00a7863cc39935f3e35e&node=sg2.1.200.a.sg0&rgn=div7>

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

General Provisions:

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

1. The District has established a conflict of interest policy for all federal grant awards and shall disclose in writing any potential conflict of interest to the granting agency. Conflicts of interest, if any are reported, shall be posted on the District's website and reported to the granting agency. The Business Services Department shall be responsible for overseeing and collecting the conflict of interest questionnaires.
2. The District shall comply with all additional conflict of interest requirements required by the federal granting agency and/or the pass-through entity (TEA).
3. The District shall disclose in writing to the granting agency and/or pass-through entities any violations of federal criminal law including fraud, bribery or gratuity violations affecting a federal grant award. Upon detection of any fraud, abuse, or waste with federal grant funds, the District shall promptly notify the proper legal authorities and pursue appropriate criminal and/or civil actions. In addition, the District shall report to the granting agency and pass-through entity, the extent of the fraud or violations. In addition, the District shall reclassify fraudulent expenditures made with federal grant awards to local district funds, i.e. the General Fund. The Chief Financial Officer shall be responsible for overseeing, reporting, and documenting any fraud, abuse, or waste of federal grant funds.

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

In addition, all District employees are prohibited from accepting unsolicited gifts or tokens from vendors or other parties who are affected by (or have an interest in) a federal grant/program award that exceed a nominal (individual) value of \$50 or less. The unsolicited gifts or tokens may not include items prohibited at a public elementary and secondary schools such as drugs, tobacco or alcohol products.

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

Pre-Federal Award Requirements:

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

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

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

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

No pre-award expenses shall be made by the District prior to the approval of the federal granting agency or pass-through entity. Non-authorized pre-award expenses, if any, shall be paid from local District funds, i.e. the General Fund.

Grant Application Process

The District may be eligible to apply for “entitlement” or “competitive” federal grant/program funds.

Federal entitlement grant funds include, but are not limited to, Every Student Succeeds Act (ESSA), Individuals with Disabilities Education Act (IDEA), and Carl D. Perkins. The “maximum” and/or “final” entitlement awards for the District are posted on the TEA Grants Management webpage at: <http://tea.texas.gov/index4.aspx?id=5040>. The appropriate program administrator shall obtain the annual entitlement amounts and begin the grant/program development process with the appropriate stakeholders.

A list of competitive grants administered by TEA are also posted on the TEA Grants Management webpage at: <http://tea.texas.gov/index2.aspx?id=2147487872>. The appropriate grant/program administrator shall obtain the competitive grant information to determine whether the grant(s) is appropriate for the District. Some competitive grants/programs may have matching-funds and/or in-kind payment requirements which may place a burden on the District’s available financial resources.

TEA’s Grant Opportunities webpage

(<http://tea4avoswald.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx>) provides a wealth of information related to available grants such as:

- **General and Fiscal Guidelines**
- **Program Guidelines**
- **Program-Specific Provisions and Assurances**
- **General Provisions and Assurances**
- **Debarment and Suspension Certification**
- **Lobbying Certification**
- **Sample Application**

- **Deadlines and Due Dates for: Grant/program application, amendments, and grant/program reporting.**

All district staff involved in the management of federal grant/program awards shall be aware of these resources. The final approval of a grant application shall be the Superintendent or designee.

The program administrator shall work collaboratively with the Business Services Department to ensure that all grant budget schedules are completed using the correct account code structure (as appropriate), complies with the District's purchasing, travel and other procedures, and are adequately documented if prior approval is required by the granting agency or pass-through entity (TEA).

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

- Student field trips
- Hosting conferences
- Out-of-state travel
- Sole Source Vendors

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

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

- Grant/program has been approved by the granting agency and a Notice of Grant Award (NOGA) has been issued to the District; or
- the entitlement allotment amount has been received by the District and the grant/program application has been submitted to TEA

The Business Services Department shall notify the program administrator when the funds have been budgeted and are ready for expenditure by the appropriate campus or department.

General Provisions and Assurances

General Provisions and Assurances apply to all grants administered by TEA. Additional provisions and assurances may apply to specific grants. The Special Programs 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

The District must not award a contract to a vendor which is debarred or suspended or is otherwise excluded

from or ineligible for participation in federal grant award programs.

The Purchasing 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 and/or issuing a purchase order. A copy of the Certification Form shall be maintained with the contract and/or purchase order for audit purposes.

The Purchasing Department shall monitor ongoing contracts to verify the contractor's compliance with the debarment, suspension, ineligibility and voluntary exclusion provisions. In the event that a vendor is suspended or debarred during a contract, the District shall continue the contract in force until the contract lapses. The contract term shall not include any extensions to the original term of the contract.

Lobbying Certification

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

Budgeting Grant/Program Funds

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

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

Federal grant funds shall be budgeted and available for use no later than 30 business days after receipt of the NOGA. Budget amendments, if any, shall be approved by the Chief Financial Officer, to ensure that the reclassification of funds is allowable under the grant management guidelines related to budget amendments. Some grants allow a transfer of funds, up to 25% of the grant award, but only within the same object class and if the new object code does not require specific approval from the granting agency.

The TEA Grants Division has developed guidance related to "When to Amend" grants administered by the TEA. The guidance document is posted on the TEA website at:

http://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx.

In addition to TEA's guidelines, federal regulations require that the District amend the grant application

when there is a deviation from the original scope or grant objectives.

The program administrator shall monitor the need for amendments at least quarterly throughout the grant period and at least one (1) month prior to the grant amendment deadline, if applicable. If an amendment is necessary for any of the reasons specified by the pass-through entity (TEA) or in federal regulations, the special programs administrator shall initiate the amendment process and collaborate with the Business Services Department prior to submission of the grant amendment.

The Director of Business Services shall be responsible for ensuring that the finance system budget corresponds to the most recent grant NOGA.

Standards for Financial and Program Management

The District must comply with all requirements of federal grant awards including the provisions of the Federal Funding Accountability and Transparency Act (FFATA) and the Financial Assistance Use of Universal Identifier and Central Contractor Registration (CCR).

FFATA Reporting

TEA is the prime awardee for most of the federal grant/programs awards received by the District. Because these federal grants are considered pass-through funds, TEA collects and maintains the required data and is responsible for reporting on the District's behalf. For any federal grant/program awards not received through TEA, the District shall report the following, as appropriate. The special programs administrator shall be responsible for collecting and reporting the information.

1. The following data about sub-awards greater than \$25,000
 - a. Name of entity receiving award [entity = district]
 - b. Amount of award
 - c. Funding agency
 - d. NAICS code for contracts / CFDA program number for grants
 - e. Program source
 - f. Award title descriptive of the purpose of the funding action
 - g. Location of the entity (including congressional district)
 - h. Place of performance (including congressional district)
 - i. Unique identifier of the entity and its parent; and
 - j. Total compensation and names of top five executives (same thresholds as for primes)

2. The Total Compensation and Names of the top five executives if:
 - a. More than 80% of annual gross revenues from the federal government, and those revenues are greater than \$25M annually and
 - b. Compensation information is not already available through reporting to the SEC.

Financial Management

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

The financial management system must contain information pertaining to all federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. All expenditures of federal grant funds shall be in accordance with the District's written procedures such as cash management, accounts payable, purchasing, travel, allowable costs, capital asset tracking, contract management, and other procedures, as appropriate.

Records Retention

The financial management system shall be utilized to store, maintain, and report all required federal grant information. Consequently, the District shall ensure that access to the data is restricted to authorized individuals. In addition, the District shall retain all federal grant records for a period of seven (7) years after the fiscal year in which the grant ends in accordance with the District's Local Records Retention Plan. The District's Records Management Specialist shall be responsible to ensure that all records are retained, stored, and accessible, as appropriate.

List of Federal Grant Awards

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

- The CFDA title and number*,
- Federal award identification number and year*,
- Name of the Federal agency*, and
- Name of the pass-through entity*, if any
- Assigned Grant Manager
- Beginning and End Dates
- Subgrants, if any

Bonds

If the granting agency requires that the District obtain bonding and/or insurance for a specific project, the District shall ensure that the bonds are obtained from a company that holds a certificate of authority as specific in 31 CFR Part 223, Surety Companies Doing Business with the United States. The Chief Financial Officer and the purchasing department shall be responsible for obtaining insurance and/or bonding, as appropriate.

Payment

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

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

The District shall seek reimbursement for federal grant expenditures, rather than using an advanced payment method. Consequently, the District shall prepare and submit a “drawdown” of federal grant funds only after the payments have been made and distributed to the vendor via mail, e-payables or other delivery method. The drawdown of expended funds shall be net of all rebates, refunds, contract settlements, audit recoveries and interest earned, as appropriate. The program administrator shall be responsible for preparing the drawdown of federal grant funds. All drawdowns shall be recorded on the general ledger as a receivable when the drawdown process is complete and posted to the cash account upon receipt of the receivable.

Cost Sharing or Matching Funds

The program administrator over each federal grant/program award shall ensure that requirements for cost sharing and/or matching funds are approved through the grant/program approval process prior to the submission of the grant/program.

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

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

Program Income

With the exception of Child Nutrition, the district will not generate any program income as part of a federal grant/program award.

Period of Performance (Obligations)

All allowable grant/program expenditures shall be incurred during the grant/program period, i.e. begin date and end date, of the federal grant/program award as designated on the Notice of Grant Award (NOGA).

The program administrator shall notify the appropriate departments of the grant/program periods for each federal grant/program award to ensure compliance as noted below:

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

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

The program administrator and Director of Business Services shall monitor the expenditures during the grant/program period to ensure that the funds are spent in a systematic and timely manner to accomplish the grant/program purpose and activities. The following timeline shall be used as a general guide for spending thresholds for a grant period of 15 months. The optimal spending thresholds noted below may be adjusted based on programmatic needs. For example, if the federal grant/program will be used for summer activities such as summer school, a larger percentage of the grant may need to be withheld for those specific activities.

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

Procurement Standards/Expenditure of Grant/Program Funds

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

General Procurement Standards

The District shall comply with the general procurement requirement of the EDGAR (2 CFR 200).

The District shall utilize a purchase order and encumbrance system to manage the expenditure of all federal grant/program funds unless other methods such as procurement cards, direct payments, etc. are authorized in the District's operating procedures. All purchases shall be in accordance with the District's School Board Policies (CH Legal and Local) and the District's Purchasing Policies. **The District purchasing procedures shall comply with all federal, state and local procurement requirements.**

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

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

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

Purchasing Efficiency Strategies

All federal grant/program purchases shall be in accordance with the federal regulations, specifically CFR 200.318. All purchases shall be purchased from a variety of qualified vendors with the ability to perform successfully under the terms and conditions of a proposed procurement. The District shall strive to avoid acquisition of unnecessary or duplicative items. The District shall implement the following strategies to maximize federal grant/program funds:

- Consolidation of purchases to obtain volume pricing, as appropriate
- Evaluate the cost efficiencies of leases versus purchases of equipment
- Utilize cooperative purchasing agreements, as appropriate, to obtain volume pricing
- Utilize federal or state excess/surplus property supplies or equipment in lieu of purchasing new supplies or equipment, as appropriate
- Develop vendor selection criteria to select the best vendor
- 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

Conflict of Interest

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

The program administrator, Director of Business Services, and Chief Financial Officer shall each execute a Conflict of Interest Form to disclose a conflict of interest, as appropriate, related to the awarding of a contract or substantial expenditures with federal grant funds. Substantial expenditures shall be defined as a purchase in excess of the strictest appropriate threshold. **No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. In addition, no employee, officer or agent of the District may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontractors. All employees shall comply with the Educators' Code of Ethics (DH Legal). Violators of the Code of Ethics shall be subject to disciplinary action, including but not limited to, termination of employment with the District.**

Vendor Competition

The Business Services Department shall be responsible for selecting and awarding contracts to vendors that are qualified to provide the goods and/or services to be purchased with federal grant/program funds. The vendor selection process shall ensure that the District does not restrict competition among qualified vendors.

Vendor Selection Criteria

The District follows School Board Policies (CH Legal and Local) and the District's Purchasing Policies. **The District purchasing procedures shall comply with all federal, state and local procurement requirements.**

The District shall consider the following factors when awarding a contract for goods and non-construction related services:

- Purchase price
- The reputation of the vendor and of the vendor's goods and services
- The quality of the vendor's goods or services
- The extent to which the goods or services meet the District's needs
- The vendor's past relationship with the District
- The impact on the ability of the District to comply with laws relating to historically underutilized businesses
- The total long-term cost to the District to acquire the goods or services
- For a contract that is not for goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company or majority owner has its principal place of business in this

- state or employs at least 500 persons in this state
- Any other relevant factor specifically listed in the request for bids or proposals.

The District shall not restrict vendor competition by requiring any of the following as selection criteria:

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

A vendor database shall be maintained by the Business Services Department. The District's **Vendor Registration** procedures shall be adhered to for all purchases. Vendor selection shall include the following criteria:

- Has not been debarred or suspended from contracting under federal grants
- Has provided a valid W-9 and Conflict of Interest Questionnaire
- Has additionally provided a Felony Conviction Notice and Certification of Criminal History if the vendor will provide an on-site service
- Be awarded on a contract for the services/materials being purchased

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

- Vendor registration (new vendors)
- W-9 Form
- Conflict of Interest Questionnaire
- EDGAR Certifications
- Felony Conviction Notice
- Fingerprinting (If working directly with students)

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

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

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

Procurement Methods

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

Micro-Purchase Procedures

The **Procurement by Micro-purchase** may be the most frequently used method due to the frequent purchase of goods or services that are under \$50,000 over the aggregate throughout a fiscal year, as defined in CFR 200.320(a). The District shall purchase goods and services under this method from among qualified vendors, but will not competitively procure the micro-purchases, unless in the aggregate in a 12-month period (fiscal year), the District exceeds the state law thresholds, or the District's threshold in Board Policy CH Legal or Local. The Purchasing department shall ensure that micro-purchases are equitably distributed among qualified vendors.

Per 2 CFR200.320(a)(1)(iv)(C), Waller ISD self-certified their micro-purchase threshold to \$50,000 annually effective June 1, 2021. Waller ISD must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with 2 CFR 200.334.

Small Purchase Procedures

The **Procurement by Small Purchase Procedures** shall be used by the District when the purchase of goods or services do not exceed \$250,000, the Simplified Acquisition Threshold (CFR 200.320(b). The Business Services Department shall require written, emailed or faxed quotations from at least three (3) qualified vendors for all small purchases, i.e. purchases that do not exceed \$250,000. The District shall strive to obtain small purchases from qualified vendors under a Cooperative Purchasing Program.

The District is currently participating in the following cooperative purchasing programs:

- **TASB - BuyBoard Purchasing Cooperative**
- **Central Texas Purchasing Alliance (CTPA)**
- **Choice Partners (HCDE)**
- **Houston-Galveston Area Council (HGAC)**
- **PACE Cooperative**
- **Texas Department of Information Resources (DIR)**

- **The Cooperative Purchasing Network (TCPN)**
- **The Interlocal Purchasing System (TIPS/TAPS)**
- **US Communities**
- **TXMAS**
- **OMNIA (Region 4)**
- **EPIC 6 (Region 6)**

Interlocal Agreements

To increase efficiency and effectiveness, the District may contract or agree with other local governments and with state agencies, including the comptroller, to perform some of its purchasing functions.

An interlocal contract must be authorized by the School Board and the governing body of each contracting party; must state the purpose, terms, rights, and duties of the contracting parties; and must specify that each party paying for the performance of governmental functions and services shall make those payments from current revenues available to the paying party.

An interlocal contractual payment must be in an amount that fairly compensates the performing party for the services or functions performed under the contract. The contract may be renewed and may have a specified term of years.

The District may agree with another local government, including a nonprofit corporation that is created and operated to provide one or more governmental functions and services, or with the state or a state agency, including the comptroller, to purchase goods and services reasonably required for the installation, operations, or maintenance of goods. Such agreement may not, however, apply to services provided by firefighters, police officers, or emergency medical personnel.

A District that purchases goods and services by agreement with another local government or with the state or state agency satisfies the requirement to seek competitive bids for the purchase of goods and services.

The District may not enter into a contract to purchase construction related goods or services through a purchasing cooperative in an amount greater than \$50,000 unless a person designated by the District certifies in writing that:

- The project for the construction related goods and services are being procured does not require the preparation of plans and specifications under Chapter 1001 and 1051, Occupations Codes; or
- The plans and specifications required under Chapters 1001 and 1051, Occupations Code, have been prepared

“Purchasing cooperative” means a group purchasing organization that governmental entities join as a members and the managing entity of which receives fees from members or vendors.

Sealed Bid Procedures

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

- Bids must be solicited from an adequate number of bidders, but no less than two (2) bidders
- Bids must be publicly advertised and bidders shall be provided an adequate amount of time to prepare and submit their bid.
 - The District shall publicly advertise all bids in accordance with state law, i.e. at least two (2) times in two separate weeks
 - The District 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 District is seeking to purchase
- Bids must specify the time, date and district location where bids will be opened publicly
- Bids must be awarded based on a fixed price contract to the lowest responsive and responsible bidder. The District shall consider discounts, transportation costs and life cycle costs only if these factors were included in the bid specifications.
- Bids will be evaluated, ranked and an award made.
 - If required, the recommendation for award will be presented to the School Board at a regularly scheduled board meeting.
 - If no bidder is recommended, the District shall reject all bids and evaluate whether to modify the bid specifications to initiate a new bid process
- The District shall notify the successful bidder and process the contract documents and/or purchase orders, as appropriate
- The District shall notify all of the unsuccessful bidders to ensure that qualified bidders are encouraged to submit bids during future bid opportunities

Competitive Proposal Procedures

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

- Requests for Proposals (RPF) must be publicly advertised
- The RFP shall identify the evaluation factors and their weight in awarding the proposal

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

Noncompetitive Proposal Procedures

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

- The goods or services are only available from a single source (Sole Source)
 - The District shall acquire and maintain a signed sole source affidavit from the vendor which specifies the statutory or other reason for its sole source status
 - The District shall acquire approval from TEA before adding a sole source vendor.
- A public exigency or emergency will not permit a delay resulting from the competitive solicitation process
 - The District shall declare a public exigency or emergency prior to making such as purchase of goods or services under this method
- The granting agency or pass-through entity authorized the use of a non-competitive proposal method
 - The District shall obtain written approval/authorization from the granting/program agency or pass-through entity.
- After solicitation of a number of sources, competition is determined to be inadequate
 - The District shall determine that competition is inadequate if after two (2) solicitations of bids and/or proposal, only one vendor is responsive to the solicitations

Other Procurement Guidelines

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

The District shall comply with the federal regulations related to the procurement of recovered materials (CFR 200.322) and the Solid Waste Disposal Act.

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

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

The Business Services Department shall be responsible to ensure that all purchases above this threshold are guaranteed with the appropriate bid guarantee, performance bond and payment bond.

All contracts for services and/or goods purchased with federal grant funds shall be subjected to the same review and approval process as all other district contracts. The Contract Procedures and Checklist are applicable to all federally funded contracts.

The District shall retain all records related to the procurement of goods and services in accordance with federal, state and local requirements. In addition, all procurement records shall be available for inspection and/or audit during the life of the records. The District shall maintain all procurement records for five (5) years in accordance with the District's Local Records Retention Schedule.

Property Standards

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

Real Property

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

Equipment and Supplies

The District shall use federal grant/program funds to purchase equipment and supplies. The District shall not use federal grant/program funds to purchase intangible property. The federally-funded equipment shall

be used only for the authorized purposes and shall be disposed of, at the end of the useful life or end of the grant period, in accordance with the grant award guidelines. The District shall not use the federally-funded/program equipment to generate program income. The federally-funded/program supplies shall be used only for the authorized purposes. Any residual (unused) supplies, in excess of \$5,000 in total aggregate value, at the end of the grant/program or project may be used for any other federal grant/program. Otherwise, the supplies shall be retained by the District or sold, but must reimburse the granting agency for the District use or sell of the supplies. The District shall implement purchasing deadlines for the purchase of federally-funded/program supplies to ensure that residual supplies are not available at the end of the grant/program period or project.

Capitalization Policy and Definitions

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

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

Acquisition Cost

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

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

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

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

Computing Devices include, but are not limited to, the following items:

- I-Pads / Tablets/Chromebooks
- Device cart
- Kindle/Nook
- Computers with a cost under \$1,000
- Printers
- Document cameras
- Interactive display boards
- Scanners

Identifying and Tracking Federally-Funded Assets

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

- 1) District-issued tag (or identification number)
- 2) Date of acquisition
- 3) Description of asset

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

Maintaining Asset Inventory & Records

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

The District fixed asset procedures shall include an annual inventory (or more frequently if required by a granting agency) of all assets and reconciliation of the inventory reports. The District's annual inventory of assets shall be conducted by the Fixed Assets Specialist each fiscal year. Lost, damaged, or stolen assets shall be recorded on the fixed assets database with the date of the loss. The disposition records such as the loss report (police report for thefts) shall be maintained with the asset records.

In addition, the District shall track all grant/program funded asset purchases by grant/program, or fund code, as appropriate. The disposal of grant/program 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/program assets shall be recorded in the fixed assets database.

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

The Technology Department shall be responsible for maintaining the fixed asset database of all district assets, including all federally-funded/program assets.

Cost Principles

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

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

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

The **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/program expenditures shall be posted to the finance general ledger as soon as the credit is known. The District shall ensure that all known credits have been posted to the general ledger prior to the drawdown on federal grant/program reimbursements. The program administrator 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.

All District costs with federal grant/program funds, whether direct or indirect, shall meet the minimum requirements of allowability as specified in the 2 CFR 200.403. In addition, the costs must meet the general provisions for selected items of cost (2 CFR 200.420). The general cost allowability rules for specific items of cost listed within these procedures shall apply to all federal grant/program funds, unless more restrictive allowability rules are required by a particular federal grant award. **The District shall adhere to the more restrictive allowability rules when a conflict arises between the general allowability rules, the program-specific allowability rules and the District's allowability rules.**

Selected Items of Costs

District costs generally fall under two major categories: 1) compensation/benefits; and 2) non-compensation (supplies, services, travel or equipment). The District has elected to use federal grant funds for both compensation/benefits and non-compensation expenditures.

Compensation & Benefits – Employee (Payroll Expenditures)

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

Compensation Costs

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

- The costs are reasonable for the services rendered and conforms to the established district compensation and benefit plans for expenditures with all other funds, i.e. local funds,
- The employees have been employed in accordance with the District’s established Hiring Procedures, and
- The costs are supported by the appropriate timekeeping, absence tracking, time or other documentation, as appropriate,

Benefit Costs

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

- All benefit costs shall be in accordance with the District’s written Benefits options
- All leave benefits shall be in accordance with the District’s written Leaves and Absences Policy (DEC Local)
- The benefit costs shall be distributed equitably at the same allocation rate (percentage) as the base compensation
- The benefit costs were earned and paid during the grant period
- All benefit costs shall be allowable under the Internal Revenue Service, Fringe Benefits Guide (as subjected to taxes, as required by federal statute)

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

- Severance or settlement agreement payouts to current and/or previous federally-funded grant staff

- Optional pension plans (other than the mandatory Teacher Retirement System of Texas contributions)
- Automobile costs or allowance

Documentation of Compensation and Benefit Costs

In addition to the time and effort reporting requirements, the District shall support all compensation and benefit costs paid with federal grant/program funds by the following documentation:

- **Exempt staff**
 - Employment agreement, contract, or reasonable assurance, as appropriate
 - Job description signed by the employee with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet state standards.*
 - Supplemental duties, if any, shall be supported by monthly time sheet
 - Absence records
 - Time and effort documentation, as appropriate (Semi-annual certification or TEA Substitute System for Time and Effort)
- **Non-Exempt staff**
 - Employment agreement, contract, or reasonable assurance, as appropriate
 - Job description signed by the employee with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet state standards.*
 - Absence records
 - Timekeeping records (actual work hours per workweek) in accordance with the FLSA and the District's Timekeeping Procedures:
 - Time and effort documentation, as appropriate (Semi-annual certification or TEA Substitute System for Time and Effort)

Selection of Grant-Funded/Program Staff

The Chief Human Resources Officer and the Human Resources Director shall work collaboratively with the appropriate stakeholders (campuses and departments) to identify all staff needed to accomplish the grant activities. The Chief Human Resources Officer and the Human Resources Director shall work collaboratively with the Business Services Department to obtain estimated salaries for proposed grant/program funded staff prior to the completion of the grant/program application.

The process of approving payroll expenditures from grant/program funds shall be a collaborative process between the campus or department, Human Resources, program, and business departments. Each campus and/or department plays an essential role in ensuring that all federal grant requirements are met.

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

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

New Positions

New grant/program funded positions shall be created only when a job description has been developed and approved by the Human Resources department and the program administrator. The program administrator shall ensure that the position is approved on the grant/program application and that adequate funds exist to fill the position. The business services department shall be notified to ensure that the position is budgeted on the general ledger and the position is paid using the correct payroll account distribution codes.

New Hires

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

The program administrator shall review the request to ensure that the position is still authorized and necessary. Changes to the job description, if any, shall be made at this time. The business department shall review the request to ensure that adequate funds exist in the appropriate account code(s). If funds do not exist, the business department shall notify the program administrator to determine if funds will be re-appropriated to the account code(s). After approval from the program administrator and business services department, the Human Resources Department shall advertise/post the position.

The screening and selection process shall include a review of the recommended applicant to ensure that he/she meets the state certification requirements under the Every Student Succeeds Act (ESSA), as appropriate, or any other grant/program specific credentials.

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

Substitute Teachers

Salary expenditures for substitute teacher are allowable for approved teacher positions. The business services department shall ensure that the expenditures for substitute teacher costs are budgeted and expensed from the appropriate account code(s). The School-Board approved substitute pay scale shall be used to compensate all substitute teachers whether paid from local, state or federal grant/program funds.

Stipends and Travel Allowances

Stipends and monthly travel allowances are allowable if approved in the grant/program application. The business services department shall ensure that the expenditures for stipends and travel allowances are budgeted and expensed from the appropriate account code(s). The stipend and travel allowance rates shall be the same as the rates used for similar locally funded activities.

Extra Duty Pay

Extra duty pay expenditures are allowable for authorized and approved activities. A timesheet and supporting documentation (as applicable) shall be maintained to substantiate the extra duty pay. The School-Board approved Extra Duty Pay Rate Schedule shall be used for compensation whether paid from local, state or federal grant/program funds.

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

Time and Effort Documentation

District staff funded wholly or partially with federal grant/program funds shall comply with federal guidelines related to time and effort. The grant/program funded staff, their immediate supervisors, grant/program administrators, human resources, and the business services departments shall be aware of the federal guidelines related to time and effort documentation. On at least an annual basis, all impacted staff shall be trained by the grant/program administrator and/or attend appropriate training from an outside source.

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

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

Job description for all grant/program funded staff

The District program administrator shall develop and distribute a job description to all District staff what is wholly of partially funded with grant/program funds. The job description shall include the funding source and the job duties as they relate to the grant/program position. The grant/program funded staff shall sign the job description at employment, when the funding source, job title, or other change occurs in the employment or assignment of the staff member.

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

Roster of all grant/program funded staff

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

The home campus or department, program administrator, human resources, and business services departments shall work collaboratively to ensure that the roster accurately reflects that data maintained in their respective area of responsibility. Discrepancies, if any, in the roster shall be brought to the attention of the program administrator.

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

- Campus or department – ensure the grant/program funded staff are assigned in the position title as notes on the roster. The master schedule or assignment of instructional staff must support the position title and funding course.
- Human Resources – ensure that the position title and salary are correct as noted on the roster. In addition, the HR department shall ensure that each grant/program funded staff member has a signed job description on file for the position title noted on the roster. And, the HR department shall ensure that all grant/program funded staff meet the state certification or highly quality requirements, as appropriate. The HR department will also ensure that the positions authorized on the grant/program application and that the PEIMS Staff Data submitted to TEA is consistent with the position title, role ID, and object code.
- Business Services – ensure that the funding sources(s) and salary are correct as noted on the roster. In addition, the business services department shall ensure that the payroll distribution account code(s) are in accordance with the FASRG
- Program Administrator – ensure that the positions are authorized on the grant/program application and that the PEIMS Staff Data submitted to TEA is consistent with the position title, role ID, and object code.

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

Budgeting of Grant/Program Funded Staff

A roster of grant/program funded staff shall be the basis for budgeting of grant/program funded staff. The percentage of time in each funding source shall be utilized by the business services department to create and enter the salary portion of the grant/program budget. The percentages shall also be utilized by the business services department to enter the payroll distribution account code(s).

The program administrator, Human Resources, and business services departments shall work collaboratively to adjust the budget and payroll account code distributions of grant/program funded staff if the time and effort documentation consistently reflects that the percentage(s) across the funding source(s) is not a true reflection of the normal work schedule.

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

The staff funded 100% from one grant/program source do not have to maintain periodic time and effort records. However, all employees must certify in writing, as least semi-annually, that they worked solely on the program for the period covered by the certification. The employee and his/her immediate supervisor must sign the Semi-Annual Certification Form. The HR department creates each semi-annual certification form based on the Fund/PIC review with campus principals and departments.

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

- 1st Certification – due by the end of January
- 2nd Certification – due the last day of the spring semester
- Summer Certification – due by the end of August

The program administrator review shall consist of the following:

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

The program administrator shall collect and review all Semi-Annual Certification Forms. The program administrator shall file the certifications with the HR department for audit purposes.

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

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

- Do not work 100% of their time in a single grant/program
- Work under multiple grant/programs
- Work under multiple cost objectives

The District will apply with TEA each summer to be authorized to use the TEA Substitute System of Time and Effort. These employees are required to maintain a Time and Effort worksheet or account for their time under the TEA Substitute System of Time and Effort Certificate and Schedule. Such reports must reflect an after the fact distribution of 100% of the actual time spent on each activity and must be signed by the employee and their immediate supervisory. The HR department creates each TEA Substitute System of Time of Effort Certificate and Schedule form based on the Fund/PIC review with campus principals and departments. Charges to payroll must be adjusted to coincide with the preparation and submittal of the interim expenditure report required for TEA discretionary grant/programs.

Grant/program funded staff under this category shall complete the TEA Substitute System of Time and Effort Certificate and Schedule, which includes the date, grant/program source, minutes and percentage worked in the grant/program source per day. The staff member and his/her immediate supervisor shall sign the Substitute System of Time and Effort Certificate and Schedule. The immediate supervisor shall submit all signed documents to the program administrator as noted below:

- 1st Certification – due by the end of January
- 2nd Certification – due the last day of the spring semester
- Summer Certification – due by the end of August

The program administrator review shall consist of the following:

- A review of the time and effort reports to compare the summary percentage of grant/program related work per funding source to the budgeted percentage utilized to change the monthly/semi-monthly payroll charges
- A test sampling of staff assignments, i.e. master schedules, duty schedules, etc. to verify the percentage of grant/program related work per funding source
- If the time and effort report reflects the same percentage, the report may be filed for audit purposes
- If the time and effort report reflects a different percentage (outside the 10% variance for the quarter), the report shall be reconciled to reflect the correct payroll changes by grant/program funding source and forward the reconciliation to the business services department for adjustment of the payroll charges on the general ledger

The program administrator shall file the TEA Substitute System of Time and Effort Certificate and Schedule with the HR department for audit purposes.

Non-Payroll Expenditures

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

TEA Guidelines Related to Specific Costs

The District shall adhere to TEA's Guidelines Related to Specific Costs as published on the TEA website. A copy of the guidelines shall be made available to all staff with authority to initiate and/or authorize a purchase or expenditure with federal grant/program funds. The guidelines shall be incorporated in the annual training for all of these staff members.

Selected Items of Cost – Professional Services

Contracts and Professional Services with Grant/Program Funds

The District's purchasing policies shall be adhered to in procuring, evaluating, selecting and awarding contracts. All contracts and professional services agreements shall be reviewed and approved in accordance with the District guidelines and federal regulations.

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

The program administrator and business services department review shall consist of the following:

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

- 10) A contract subject to Davis Bacon has the appropriate contract language
- 11) The contract and/or consultant agreement fee for services do not exceed any federal grant or local limits

The business services department shall review and approve all contracts.

The date the District executes (signs) a contract for professional services shall be defined as the “obligation date”. Since the District cannot obligate federal grant/program funds, except during the grant/program period, the District shall not execute a contract prior to, or after, a grant/program period; otherwise, the costs of the professional services shall be unallowable under the federal cost principles.

The District will execute a Letter of Intent with a third party prior to the issuance of a Notice of Grant/Program Award (NOGA), as deemed appropriate.

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

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

Approval of Grant/Program Purchases and Expenditures

The District shall adhere to the normal approval workflow for purchase orders with non-grant funds/programs. In addition, all purchase orders with grant/program funds shall be reviewed and approved by the appropriate program administrator.

The program administrator review shall consist of the following:

- 1) The expenditure is *reasonable* and *necessary* (as defined in federal grant/program guidelines).
- 2) The expenditure is not required by state law or local policy.
- 3) The expenditure has been approved in the grant/program application, if specific approval is required from the grant/program agency
- 4) The expenditure meets the allowable costs principles.
- 5) The expenditure is allowable and approved in the grant/program application and is consistent with the grant/program purpose.
- 6) The expenditure is supplemental and not supplanting a local expenditure.
- 7) The expenditure has been competitively procured as required by law, as appropriate.
- 8) The expenditure has been approved by the governing body, as appropriate.

In addition to the normal approval workflow of district expenditures, all grant/program expenditures shall be approved by the program administrator under the following circumstances:

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

All business services staff shall adhere to the best practices for all check disbursements. Specifically, all checks issued by the District shall be verified, recorded, approved, issued, and reconciled by multiple individuals to ensure segregation of duties.

Credit Card Purchases with Grant Funds

The District shall not use district-issued credit cards to make purchases with federal grant/program funds.

The District shall not reimburse any purchases made with a non-District credit card, except for travel related expenditures, as appropriate and approved in advance.

Fraudulent credit cards purchases made with federal grant/program 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.

Petty Cash Purchases with Grant/Program Funds

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

Travel Expenditures with Grant/Program Funds (Students & Staff)

The District may use federal grant/program funds for travel costs. All travel-related expenditures from grant/program funds shall comply with the allowable federal cost principles, the State Tex-Travel Guidelines, School Board Policy and the District's travel guidelines. The allowable rates of reimbursement shall be the lesser of the federal rates or local rates. For example, the current federal rate of reimbursement for mileage is .575 cents but the local rate established in Waller ISD is .545 cents; therefore, the maximum rate of reimbursement for mileage with federal funds shall be the local rate of .545 cents.

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

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

The program administrator shall review and approve all travel-related expenditures paid with federal grant/program funds.

The program administrator review shall consist of the following:

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

Preparing Expenditure Reports & Draw Down of Funds

Drawdown of Grant/Program Funds

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

The District has opted to operate under the cash reimbursement program guidelines, and shall submit a draw-down of federal grant/program funds only after the expenditures have been made as evidenced by distribution of a paycheck to a grant/program funded staff member or mailing, e-paying, or delivering a payment to a vendor.

The draw-down of grant/program funds from the grant/program agency shall be initiated by the program administrator. A detailed general ledger, balance sheet, and summary drawdown report for each grant/program fund should be generated and forwarded to the Director of Business Services for their review and approval.

The amount of the receivable shall be recorded on the general ledger and a copy of all supporting documentation such as the detailed general ledger, approval from the grant/program management department, and other supporting documentation shall be filed for audit purposes. The Director of Business Services shall prepare the journal ledger entry and post it to the finance general ledger.

If manual approval of an electronic draw-down is required by the grant/program agency, the program administrator shall comply with the manual requirements. For example, TEA at times requests supportive information related to a drawn down such as a detailed general ledger, narrative justification, or summary of expenditures by object code.

The Director of Business Services shall be responsible to ensure that the requested draw-down amount does not exceed a grant-specific draw-down amount, or percentage.

The final draw-down of grant/program funds from the grant/program agency shall be made within the allowable timeframe. The grant/program liquidation guidelines shall be adhered to in making final payment for all goods and services received and *placed into service* before the end of the grant/program period. The draw-down process shall be the same as a monthly or periodic draw down, except that all refunds, rebates, credits, discounts or other adjustments to the general ledger must be recorded in the general ledger prior to submitting the final draw-down request. The final draw-down shall be reviewed and approved in the same manner as a periodic draw-down.

Federal regulations (CFR 200.415) requires that the District certify the accuracy of the annual and fiscal reports or vouchers requesting payments to be signed by the authorized individual(s). The program administrator shall certify every draw-down of funds, including the final expenditure report (draw-down of funds) as noted below:

By signing this report, we certify to the best of our knowledge and belief that the reports is true, complete and accurate, and the expenditures, disbursements and cash receipts are the purposes and objectives set forth in the terms and conditions of the federal award. We are aware that any false, fictitious, or fraudulent information or omission of any material fact, may subject us to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise.

If a final draw-down deadline is missed, the grant/program department shall contact the granting agency to determine if a process exists to request a filing deadline extension.

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

Receipt of Grant Funds

All cash received by the District shall be deposited, recorded reconciled by multiple individuals to ensure segregation of duties.

The District shall record all grant/program fund receivables upon receipt from the grant/program agency. The receipt of grant/program funds shall be posted to the general ledger to the appropriate receivable account code. In the event that the grant/program funds received do not match the recorded receivable, the Director of Business Services shall contact the granting agency to determine the discrepancy. If the grant/program agency has reduced and/or increased the grant funds paid to the District, a general ledger adjustment shall be posted to the appropriate revenue and receivable accounts. The Director of Business Services shall prepare the adjusting journal ledger entry and the Director of Business Services shall post the entry to the finance general ledger.

The District will not maintain grant/program funds in a separate bank account.

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

Tracking and Recording Receivables

On at least a monthly basis, the District shall review all pending receivables. Aged receivables, defined as

greater than 60 days from the date of recording, shall be investigated and resolved by contacting the grant/agency.

At the end of the fiscal year, all known and measurable receivables shall be recorded to the general ledger to the appropriate grant code. The Director of Business Services shall prepare the journal ledger entry and post the entry to the finance general ledger.

Grant/Program Compliance Areas

The District shall ensure that it is in compliance with all provisions and assurances of all grant programs. In addition, the District shall comply with grant requirements such as *supplement not supplant*, comparability, indirect cost, and maintenance of effort spending levels.

Supplement, Not Supplant

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

Although the definition may change from statute to statute, supplement not supplant provisions basically require that grantees use state or local funds for all services required by state law, State Board of Education (SBOE) rule, or local policy and prohibit those funds from being diverted for other purposes when federal funds are available. Federal funds/programs must supplement—add to, enhance, expand, increase, extend—the programs and services offered with state and local funds. Federal funds/programs are not permitted to be used to supplant—take the place of, replace—the state and local funds used to offer those programs and services. [[TEA Supplement, Not Supplant Handbook, 2016](#)]

The District process to ensure that all grant/program funded activities are supplemental shall be a collaborative effort between the grant/program management and business services departments. Both departments shall receive training and be aware of the supplement not supplant provisions.

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

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

- 3) The grant/program funds will be used to supplemental grant/program activities as noted on the DIP or a CIP.

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

Supplement, Not Supplant Methodology

Currently, all campuses in Waller ISD are Title I, Part A Schoolwide campuses. Based on guidance from the US Department of Education, LEAs that meet one of the situations described in the Statement of Exemption will not be required to demonstrate 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. Waller ISD meets this requirement based on this following exemption: All of the campuses in the LEA are Title I campuses. The program administrator completes the Statement of Exemption and Campus List and files it with the ESSA documents for the year.

Comparability

Comparability of services is a fiscal accountability requirement that applies to local educational agencies (LEAs) that receive funds under Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by the ESSA. The intent of the comparability of services requirement is to ensure that an LEA does not discriminate (either intentionally or unintentionally) against its Title I schools when distributing resources funded from state and local sources simply because these schools receive federal/program funds. (TEA Title I, Part A Comparability of Services Handbook, 2014)

The Business Services Department shall conduct the comparability test on an annual basis and complete the Title I Part A Comparability Assurance Document (CAD). If the District determines that it is exempt from the comparability requirements, the program administrator for ESSA shall note the exemption on the CAD and submit it to TEA. If the District is not exempt, the program administrator for ESSA will work with the business services department to complete and submit the Comparability Computation Form (CCF) to TEA by the mid-November annual deadline.

In completing the CAD and CCF, the Business Services Department shall follow the process outlined below:

- 1) Determine if the District is exempt from the comparability requirement. If so, complete and submit CAD and stop here.
- 2) If not exempt, the comparability testing process should continue as noted below:
 - a. List all campuses in the CCF comparability testing
 - b. Identify all campuses on the CCF as Title I Part A, skipped, or non-Title I Part A
 - c. Determine whether to include dedicated EE and/or PK campuses in the comparability testing

- d. Select test method 1, 2, or 3 and use it consistently to all campuses being tested
- e. Complete the CAD for review by the program administrator for ESSA. After review and approval by the program administrator for ESSA, the CAD and CCF should be forwarded to the Superintendent for signature.
- f. The Chief Academic Officer will submit the completed and signed CAD online to TEA by the mid- November deadline
- g. The Director of Business Services will submit the CCR to TEA in GFFC by the mid-November deadline.

If TEA determines that the District is non-compliant, the business services department and the special programs department shall work collaboratively to address the non-compliance. In addition, the District shall adjust the budgets as appropriate until the District is in compliance with the comparability requirement.

Indirect Cost

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

The District shall apply for an indirect cost rate through the federal granting agency or pass-through entity (TEA) in accordance with the current regulations. The Grant Accountant shall complete and submit an Indirect Cost Rate Proposal by the established deadline as specified by the pass-through entity (TEA) on the Indirect Cost webpage at: <http://tea.texas.gov/index4.aspx?id=3842>.

The District's Indirect Cost Rate or the maximum allowable rate, whichever is less, shall be used to post Indirect Costs for federal funds to the General Fund. The Indirect Cost Rate may not be applied to all federal grants. If outlined in the grant application, the Grant Accountant shall prepare a general ledger entry for the indirect costs. The Accounting Supervisor shall post the entry to the finance general ledger.

Maintenance of Effort

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

ESSA MOE

Federal statute requires that local education agencies (LEAs) receiving Title I, Part A funds must continue to maintain fiscal effort with state and local funds. An LEA may receive its full Title I, Part A entitlement if either the combined fiscal effort per student or the aggregate expenditures for the preceding fiscal year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal

year. Maintenance of Effort (MOE) is determined using state and local operating expenditures by function, excluding expenditures for community services, capital outlay, debt service, and supplementary expenses as a result of a Presidential declared disaster, as well as any expenditures from funds provided by the federal government. [[TEA ESSA MOE Handbook](#)]

The Business Services Department shall compute the MOE using the TEA [ESSA LEA MOE Determination Calculation Tool](#) during the budget adopted process and at the end of the fiscal year. Non-compliance with ESSA MOE will result in a reduction of ESSA funds in the exact proportion by which the District fails to meet the MOE requirement; therefore, the Business Services Department shall plan for the reduction of grant funds at the local level. If the ESSA MOE falls below the required level, the Business Services and Special Program departments shall collaborate to develop a plan to bring the District into compliance with the MOE requirements.

IDEA-B MOE

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

The Business Services Department shall compute the MOE using the [TEA IDEA-B LEA MOE Calculation Tool](#) 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 the District fails to meet the MOE requirement; therefore, the Financial Services Department shall plan for the reduction of grant funds at the local level. If the IDEA-B MOE falls below the required level, the Financial Services and Special Education departments shall collaborate to develop a plan to bring the District into compliance with the MOE requirements.

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

As part of the IDEA-B grant application process, the Director of Special Education will need to know the prior year Special Education expenditures and the next fiscal year budgeted Special Education Expenditures. The Business Services Department shall provide these amounts to the Director of Special Education. Changes to these amounts, as they are known by the Business Services Department, shall be submitted to the Director of Special Education, as appropriate.

Reporting Requirements

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

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

- 1) Programmatic reports such as activity, progress and evaluations—Grant/Program administrators
- 2) Compliance reports such as Comparability, Maintenance of Effort – Business Services Dept.
- 3) Expenditure reports such as interim, draw-down and final expenditure reports – Business Services Department
- 4) Indirect Cost Rate Proposal – Business Services Department
- 5) State Certifications, Equity Report & PR1500 – Human Resources Department
- 6) Semi-Annual & Substitute Time & Effort Documents – Human Resources & Special Programs administrators
- 7) Supplement/Not Supplant Methodology – Exemption – ESSA program administrator

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

Grant/Program Monitoring and Accountability

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

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

The program administrator for each federal grant/program shall be responsible for the programmatic and evaluation compliance and the Director of Business Services shall be responsible for the financial compliance.

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

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

The District shall maintain documentation to support all grant/program expenditures and provide the documentation upon request to the District’s external auditors, grant/program agency or other oversight agency, as appropriate.

Auditing findings or deficiencies shall be addressed in a timely manner upon receipt of the notification. The Business Services, Human Resources and grant/program administrator staff shall work collaboratively to develop and implement a Corrective Action Plan to resolve the findings or deficiencies. The Superintendent, or designee, shall approve the Corrective Action Plan and monitor the timely implementation of corrective strategies.

The District shall disclose to the grant/program agency if any federal grant funds have been subject to fraud by district staff and/or contractors (vendors). Corrective actions, as appropriate, shall be implemented to remedy the loss of grant/program funds due to fraud.

Remedies for Non-Compliance

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

Grant Closeout Procedures

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

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