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# Alief Independent School District

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## Federal Programs & Grants Policies and Procedures Manual

Pursuant to Requirements in 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Education Department General Administrative Regulations (EDGAR)

Procedures have been modified pursuant to EDGAR. The new grant regulation changes are generally effective with new USDE Grant Awards to the state on or after November 12, 2020, such as the ESSER II and ESSER III awards, and July 1 awards of other federal grants. Alief ISD will fully implement for July 1 awards by July 1, 2021. \*Policies and procedures are maintained in accordance with local health authorities and guidance.\*

These federal grant policies and procedures are evaluated annually to incorporate any changes or developments in the law or within the District and are applicable to all federal grants awarded to the District. All employees who deal with federal grants must be familiar with them and must fully comply with all requirements contained herein. Extenuating circumstances such as acts of God may alter certain policies and procedures aspects including but not limited to methodology, timing, and forms of documentation.

# Table of Contents

Table of Contents .....	2
General Information .....	6
Purpose .....	6
Mission .....	6
Staff .....	6
Continuous Improvement Planning .....	7
Performance Metrics (§200.328 and §200.329) .....	7
Staff Training .....	7
Education Department General Administrative Regulations (EDGAR) .....	8
Grant Entitlement/Awards/Application .....	9
Entitlement Programs .....	10
ESSA .....	10
Title I .....	10
IDEA .....	10
Carl Perkins Act .....	10
ESSER I, II, III .....	11
State Compensatory Education (SCE) .....	11
Grant Application Process .....	11
Pre-Federal Award Requirements .....	14
General Provisions and Assurances .....	14
EDGAR General Provisions .....	14
Policy Guide/Grantee Responsibilities (EDGAR §200.400) .....	15
Award Termination (§200.340) .....	16
Public Notice .....	16
Written Translation .....	16
Financial Management System .....	16
General Ledger Transaction .....	16
Budgeting Grant Funds .....	17
Amendments .....	17
Standards for Financial and Program Management .....	18

Payment .....	19
Cost sharing or matching funds .....	19
Program Income.....	19
Period of performance (Obligations) .....	19
Audits (2 CFR Part 200, Subpart F).....	20
Accounting .....	20
Accounting Procedures .....	20
Account Codes .....	20
Fiscal/Accounting Records .....	20
Cash Management Requirements .....	20
Check Requisitions .....	20
Credit Card Purchases with Grant Funds .....	21
Petty Cash Purchases with Grant Funds .....	21
Travel.....	21
Cost Principles.....	22
TEA Budgeting Costs Guidance Handbook.....	23
Local Guidelines Related to Unallowable Costs.....	23
Supplement, Not Supplant.....	23
Title I Schoolwide Campuses & Supplement, Not Supplant .....	24
Approval of Grant Purchases and Expenditures .....	24
Expenditure Reporting .....	26
Draw-down of Grant Funds.....	26
Receipt of Grant Funds .....	27
Tracking and Recording Receivables.....	28
Refund(s) to Federal Agencies (§200.305).....	28
Non-Compliance .....	28
Remedies for Non-Compliance .....	28
Grant Closeout Procedures.....	28
Comparability.....	29
Indirect Cost.....	29
Maintenance of Effort (MOE) .....	30
ESSA MOE.....	30

IDEA-B MOE .....	30
Procurement .....	31
Procurement Standards .....	31
Procurement Procedures (§200.317 to §200.327) .....	31
General Procurement Standards (§200.318) .....	31
Proposals Costs (§200.460) .....	31
Methods of Procurement to be Followed (§200.320) .....	31
Debarment and Suspension (§200.214) .....	31
Lobbying Certification .....	32
Expenditure of Grant Funds .....	32
Purchase Orders (POs) .....	32
Federal Purchases .....	32
Corporate accounts and/or revolving lines of credit .....	33
Warehouse Purchases .....	33
Property Standards .....	33
Real Property .....	33
Equipment and Supplies (§200.313 and §200.314) .....	33
Acquisition Cost .....	33
Identifying and Tracking Federally-Funded Assets .....	34
Maintaining Asset Inventory and Records .....	34
Equipment Insurance .....	35
Capitalization Policy and Definitions .....	35
Title .....	36
Disposition of Supplies, Materials, and Equipment .....	36
Contracts and Professional Services with Grant Funds .....	38
Allowability .....	38
Contract Process .....	39
Independent Contractors .....	39
Federally Funded Contracts .....	40
Contract Review .....	40
Obligation Date .....	41
Letter of Intent .....	41

Human Resources .....	41
Compensation and Benefits – Employee (Payroll Expenditures and Fringe Benefits) .....	41
Special Revenue Hiring Procedures .....	42
Retirees .....	42
Time and Effort (§200.430) .....	42
Why is time and effort documentation required? .....	42
When is time and effort documentation required? .....	43
What type of documentation is required? .....	43
Which type of documentation pertains to my position? .....	45
When is documentation due? .....	45
Who is responsible? .....	46
What are the repercussions if employees do not document their time and effort? .....	46
Does this just pertain to Title I programming? .....	46
Time and Effort Substitute System .....	46
Substitutes .....	46
Supplemental Pay .....	46
Procedures for supplemental pay .....	47
Retention of Records .....	47
Grant Records Retention (§200.334) .....	47
Records Retention After Equipment Disposition .....	47
Data System Security and Access to Records .....	48
Monitoring and Compliance .....	48
Reporting Requirements .....	48
Monitoring and Accountability .....	48
Private Non-Profit .....	49
Extenuating Circumstances .....	49

# General Information

Refer to the Federal Programs and Grants Department for additional information on general District procedures as well as procedures listed in this section ([Federal Programs and Grants web page](#)).

## Purpose

The Federal Programs and Grants Department (Department) in the Alief Independent School District (District) has established policies and procedures to apply consistency, increase efficiency, and strengthen oversight of special revenue funds to ultimately reduce risks of waste, fraud, and abuse.

The policies and procedures included in this manual are structured primarily to meet the fiscal and programmatic requirements of the District's largest special revenue sources, the U.S. Department of Education (USDE) and the Texas Education Agency (TEA). In most instances, however, the procedures also apply to all special revenue funded programs. Special revenue programs are formula or competitive grant programs and activities funded through federal, state, local, and private funding sources. All fiscal and programmatic aspects related to federal, state, and local grants in the District are dependent upon the availability of funds. Additionally, where applicable, these policies and procedures follow the new Education Department General Administrative Regulations (EDGAR) as well as the Financial Accountability System Resource Guide (FASRG). While procedures are essentially the same, calendar dates, allowable/unallowable expenses may vary by funding source. *Contact the Grants Specialist for information on competitive grants.*

This manual serves as an adjunct to other District department procedure manuals which will be referenced when applicable. District policies and procedures serve as the foundation on which the procedures in this manual are structured. If the District's local policies and/or procedures conflict with any federal, state, or program-specific regulations, the District shall comply with the more restrictive regulations and shall adhere to them in all aspects of special revenue grants management.

In accordance with our District and board policies, central office administrative staff within the Instruction and/or Business Departments (Central Office), as appropriate, shall be responsible for developing and enforcing procedures for the operation of the District. District board policies state that administrative regulations (including policies and procedures) shall not be adopted by the Board. *See Alief ISD Board Policy Manual, BP (Local), Administrative Regulations.*

## Mission

The mission of the Department is to ensure that each District activity supported through special revenue meets the intent of the funding source and is in full compliance with all applicable policies and regulations while also supportive of the instructional goals and objectives of the District. The Department also assists District employees to successfully seek, obtain, and administer competitive grants for the benefit of staff and students.

## Staff

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

<b>Federal Programs and Grants Staff</b>		
Dr. Leticia Guzman	Director	281-498-8110 ext. 29166
Angie Baker	Compliance Coordinator	281-498-8110 ext. 29169
Samantha Tung	Compliance Coordinator	281-498-8110 ext. 29168
Jenay Matthews	Special Revenue Accountant	281-498-8110 ext. 29170
Zack Ward	Grants Specialist	281-498-8110 ext. 29171
Monica Paniagua	Federal Programs Assistant	281-498-8110 ext. 29167
Inez Pinon	Special Revenue Assistant	281-498-8110 ext. 29193

*Note: For approval, certification, and/or grant activity/requirement purposes, the Superintendent has designated the Director as his Designee.*

**Continuous Improvement Planning**

The District follows a Continuous Improvement Planning (CIP) calendar and process. The process is based on a Comprehensive Needs Assessment (CNA), during which key data is analyzed, and from which priorities and strategies are developed, implemented, and evaluated. The CIP process involves staff at both the campus and district levels and ultimately results in Campus Improvement Plans (CIPs) and the District Improvement Plan (DIP). These planning documents serve as the guide for budgeting and expenditures for special revenue funded programs. The CIPs and the DIP are continuously revised to reflect changing needs. Prior year CIPs and the DIP are utilized until current year CIPs and the DIP are complete.

**Performance Metrics (\$200.328 and \$200.329)**

All grant programs will be evaluated in accordance with their respective program requirements.

***Performance Monitoring***

The Department regularly conducts performance monitoring throughout the year of the CIP process including review of the CNAs, CIPs, and the DIP.

***Program Evaluation***

The District shall establish a system to monitor campus and district evaluation of strategies.

**Staff Training**

The Department shall conduct standard annual campus and district staff training sessions and additional sessions as the need arises. Training requests may be submitted to the Department.

Topics may include but are not limited to the following areas:

- Title I Budgets
- Title I Compliance
- Purchase Orders
- Contracts
- Field Trips
- Audit requirements
- Legal changes
- State and Federal Grants Management

## Education Department General Administrative Regulations (EDGAR)

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 200.1.

The USDE adopts the Uniform Grant Guidance in 2 CFR Part 200 as its regulations in 2 CFR Part 3474, which gives regulatory effect to the Office of Management and Budget (OMB) guidance in 2 CFR Part 200. Therefore, as of December 26, 2014, EDGAR now consists of:

EDGAR	Applicability
<a href="#">34 CFR Part 75 – Direct Grant Programs</a>	Applies to grants awarded directly to the District by the USDE or by another federal awarding agency; also applies to subgrants awarded by TEA for a competitive grant that TEA applied for and received
<a href="#">34 CFR Part 76 – State-Administered Programs</a>	Applies to all formula grants administered by TEA and to all grants allocated to TEA based on a formula
<a href="#">34 CFR Part 77– Definitions that Apply to Department Regulations</a>	Applies to all federal education grants
<a href="#">34 CFR Part 81 – General Education Provisions Act (GEPA) – Enforcement</a>	Applies to all federal education grants
<a href="#">34 CFR Part 82 – New Restrictions on Lobbying</a>	All federal grants (government-wide)
<a href="#">34 CFR Part 84 – Government-wide Requirements for Drug-Free Workplace</a>	Applies to all entities that receive grants directly from the USDE or from any other federal awarding agency. It does not apply to LEAs that only receive funds through TEA or another pass-through agency.
<a href="#">34 CFR Part 86 – Drug and Alcohol Abuse Prevention</a>	Applies to IHEs (i.e., colleges and universities) receiving federal funds directly from the USDE or any other federal awarding agency
<a href="#">34 CFR Part 97 – Protection of Human Subjects</a>	Applies to all research involving human subjects conducted, supported, or otherwise subject to regulation by the USDE or any other federal department or agency that makes it applicable. There are exemptions for certain educational activities.
<a href="#">34 CFR Part 98 – Student Rights in Research, Experimental Programs, and Testing</a>	Applies to all federal education grants unless specifically exempted in the regulations

<a href="#">34 CFR Part 99 – Family Educational Rights and Privacy</a>	Applies to all entities receiving federal education funds
<a href="#">2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</a>	Applies to all new federal grants awarded as of December 26, 2014
<a href="#">2 CFR Part 3474 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (adopts 2 CFR Part 200 in its entirety with two minor exceptions)</a>	Applies to all federal education grants awarded as of December 26, 2014
<a href="#">2 CFR Part 3485 – Nonprocurement Debarment and Suspension</a>	Applies to all entities that receive federal grants, subgrants, and subcontracts (government-wide)

34 CFR Part 74, which previously applied to IHEs and non-profit organizations, was removed from EDGAR. 34 CFR Part 80, which previously applied to state and local governments (including school districts, open-enrollment charter schools, and ESCs), was also removed in the new EDGAR but is reserved for future use. The uniform grant requirements that were previously in 34 CFR Parts 74 and 80 are now outlined in 2 CFR Part 200.

For grants that were awarded prior to December 26, 2014, the regulations in [34 CFR Parts 74 and 80](#) still apply. Grantees must maintain access to those parts as long as those grants are in effect and for five (5) years after the ending date of the grant.

The following table provides the regulations that were in effect *prior to* December 26, 2014, and the regulations that are in effect *on or after* December 26, 2014.

<b>Applicable to Grants Awarded <u>Prior to</u> December 26, 2014</b>	<b>Applicable to Grants Awarded <u>On or After</u> December 26, 2014</b>
34 CFR Part 74 (OMB Circular A-110) and 34 CFR Part 80 (OMB Circular A-102)	2 CFR Part 200, Subparts B, C, and D
OMB Circulars A-21, A-87, and A-122 (Federal cost principles)	2 CFR Part 200, Subpart E
OMB Circular A-133, Audits	2 CFR Part 200, Subpart F
34 CFR Parts 75 - 99	34 CFR Parts 75-79 and 81-99

## Grant Entitlement/Awards/Application

Refer to the Federal Programs and Grants Department ([Federal Programs and Grants web page](#)) and the Purchasing Department Policies and Procedures ([Purchasing Manual](#)) for additional information on general District procedures as well as procedures listed in this section.

## **Entitlement Programs**

The District receives federal entitlement program funding through the Every Student Succeeds Act (ESSA), the Individuals with Disabilities Education Act (IDEA), and the Carl D. Perkins Career and Technical Education (Carl Perkins) Act. Planning and budgeting for each of these programs follows the CIP cycle. The Department monitors federal funding authorization levels and information from TEA. In determining appropriate expenditure of funds, the Department also takes into consideration federal regulations, including the needs of private nonprofit schools, state requirements, and local policy and procedure.

### **ESSA**

Programs funded under ESSA are developed collaboratively and may include program staff from a variety of departments including the Department, Special Education Department (Special Education), Career and Technology Education (CTE), and Second Language Instruction. Based on needs identified during the CNA phase of the CIP cycle, staff develop budgets and receive approval from the Instructional Leadership Team. Consultation also occurs with the District Educational Improvement Council (EIC) and opportunities for participation are provided to private nonprofit schools, parents, and the community. Staff complete and submit state applications for funding.

### **Title I**

The Title I program has specific requirements concerning the allocation of funds and, therefore, deserves special mention. The Department monitors federal funding authorization levels and information from TEA. Based on this information, staff develop a tentative budget which includes the set-asides required by federal law and estimated campus allocations. Once tentative allocations are received from TEA, allocations are finalized based on guidance from the USDE and TEA. Campuses are then provided the following:

- Alief ISD Title I Schoolwide Campus Application, including tentative campus allocations
- Salary spreadsheets

Campuses complete the application based on their CNA. This document is then reviewed, revised if necessary, and used by the Department to establish campus Title I budgets.

Refer to the [Federal Programs and Grants Department](#) for additional program guidance on Title I.

### **IDEA**

Programs funded under IDEA are developed to ensure that all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment, and independent living. Allocation of funds is based on the result of the CNA process. Special Education establishes the budget and prepares and submits the application.

### **Carl Perkins Act**

Programs funded under the Perkins Act are made available to help provide vocational-technical education programs and services to youth and adults. Allocation of funds is based on the result of the CNA process. The Department, in collaboration with the CTE Department, establishes the budget and prepares and submits the application.

### **ESSER I, II, III**

ESSER I (Coronavirus Aid, Relief, and Economic Security (CARES) Act), ESSER II (Coronavirus Response and Relief Supplemental Appropriations (CRRSA)), and ESSER III (American Rescue Plan Act (ARP)) are designed to address the results of and to provide resources due to the coronavirus pandemic.

Section 18005 of the CARES Act requires the District, in receiving ESSER I funds, to provide equitable services to students and teachers in private non-profit schools in the same manner as provided under section 1117 of the ESEA, as determined in consultation with representatives of the private non-profit schools.

### **State Compensatory Education (SCE)**

Refer to the Federal Programs & Grants Department [webpage](#) for additional information on District procedures.

The Compensatory Education program must adhere to state law, Texas Education Code (TEC) 29.081, TEC 29.089, and TEC 42.152. 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.

Specifically, each school district shall identify students eligible for the Compensatory Education program and serve the students in an appropriate manner to obtain state funds. There are thirteen (13) at risk indicators in state law. Each campus and the Management Information Services Department 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 FASRG Module 9. The DIP and the CIPs are the primary sources 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 on an annual basis in accordance with the Accountability Department Policies and Procedures.
- Superintendent or Designee shall submit the DIP to the AISD Board of Trustees for approval each school year.
- The District shall submit the DIP and CIPs through TEASE by the annual deadline as promulgated by TEA.

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.

### **Grant Application Process**

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

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 Department shall obtain the annual entitlement amounts and begin the grant development process with the appropriate stakeholders.

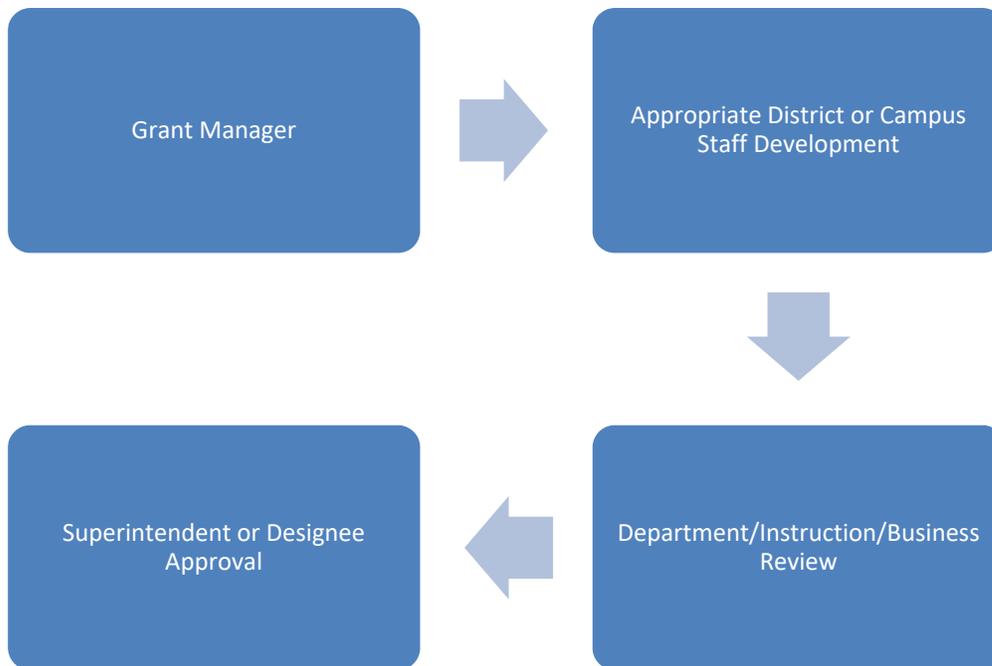
A list of grants administered by the TEA are also posted on the TEA Grants Opportunities webpage at: <http://tea4avoswald.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx>. The Department shall obtain the competitive grant information to determine whether the grant(s) is appropriate for the District. Some competitive grants may have matching-funds and/or in-kind payment requirements which may place a burden on the District’s available financial resources. Valuable information related to each grant is available on this webpage such as:

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

In addition, TEA’s Applying for a Grants webpage at <http://tea.texas.gov/grants/> provides general information regarding grants.

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

The District’s grant application process for federal grants is illustrated below on a flowchart. As noted on the flowchart, all grant applications may be reviewed by various departments including, but not limited to, the Department, Accounting, and the Curriculum and Instruction Department. In addition, all grant applications that will support student instruction at one or more campuses must be developed in collaboration with the respective campus principal(s). Specific grant activities to support the academic program at a campus should be reflected in the CIP.



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

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

The Grant Manager shall submit appropriate documentation and/or obtain pre-approval for the following, or other activities which have been identified by the granting agency or pass-through entity (TEA):

- Field trips
- Out-of-state travel
- Hosting conferences
- Participant support costs

(Additional information can be found under the *Approval of Grant Purchases and Expenditures* section.)

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

Unless otherwise authorized, no federal grant funds shall be budgeted, encumbered, or spent until either of the following has occurred:

- The grant has been approved by the granting agency and a Notice of Grant Award (NOGA) has been issued to the District.
- or

- The entitlement has been received by the District and the grant application has been submitted to TEA.

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

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

All applications shall be made available to the public electronically or per request.

Refer to the [Federal Programs and Grants Department](#) for additional information regarding competitive grants.

## **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
4. Implementing grants 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.

## **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 Department shall inform all staff involved in the expenditure of grant funds of the provisions and assurances for each grant program, as appropriate. The District shall ensure that it is in compliance with all provisions and assurances of all grant programs.

### **EDGAR 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 further described in the *Purchasing Manual* for the District and all federal grant awards. The District shall disclose in writing any potential conflict of interest to the granting agency.
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. The Department shall be responsible for overseeing, reporting and documenting any fraud, abuse, or waste of federal grant funds.

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

In addition, all District employees are prohibited from accepting unsolicited gifts or tokens from vendors or other parties who are affected by (or have an interest in) a federal grant award that exceed a nominal (individual) aggregate annual value of \$100 (see DBD Legal). The unsolicited gifts or tokens may not include the following:

- 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 granting agency and/or pass-through entity by the Department.

### **Policy Guide/Grantee Responsibilities (EDGAR §200.400)**

1. Grantee is responsible for efficient and effective administration through sound management practices.
2. Grantee is responsible for administering federal funds consistent with agreements, program objectives, and terms and conditions of grant award.
3. Grantee is responsible for employing sound organization and management techniques to assure proper and efficient administration.
4. Grantee is responsible for its accounting practices being consistent with federal cost principles and provide for adequate documentation to support costs charged to federal funds.
5. Grantee is responsible for applying cost accounting principles on a consistent basis.
6. Grantee that educates and engages students in research is responsible for recognizing dual role of students as both trainees and employees contributing to the completion of Federal awards for research in the application of cost accounting principles.
7. Grantee may not earn or keep any profit resulting from federal funds; unless explicitly authorized in the terms and conditions of the grant award.

## Award Termination (§200.340)

Federal awards may be terminated in whole or in part in accordance with (§200.340). Effective 08-13-2020, cause of termination may also include when an award no longer effectuates the program goals or agency priorities.

## Public Notice

CBB (LEGAL) addresses the requirement for a district to hold a public meeting to seek public comment if a school district receives more than \$5,000 in block grant funds. The policy indicates that the Board may hold this meeting or hearing in conjunction with another board meeting or hearing if the meeting or hearing to consider block grant funds is clearly noted in an announcement of the other meeting or hearing. CB (LOCAL) authorizes the Superintendent to apply, on behalf of the Board, for all grants as well as meet all grant requirements. The Superintendent grants this same authorization to the Director of Federal Programs and Grants thereby authorizing the Director of Federal Programs and Grants to hold public notice and comment meetings and/or hearings.

The District meets the public notice and comment meeting requirement through one of the following methods: public meetings held by district staff, surveys – web-based or otherwise - of various community and district members, or website postings providing opportunities for comment.

## Written Translation

To the extent practicable, the District will provide resources for written translation from English to Spanish, and may offer additional language services as requested by families.

## Financial Management System

Refer to the Federal Programs and Grants Department ([Federal Programs and Grants web page](#)), the Accounting Department Policies and Procedures ([Accounting web page](#)), and the Purchasing Department Policies and Procedures ([Purchasing Manual](#)) for additional information on general District procedures as well as procedures listed in this section.

## General Ledger Transaction

All general ledger financial transactions are in BPlus (system of record for the District). All transactions contain the following data elements:

- **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 assigned in a sequential order. A log of the journal numbers utilized each fiscal year should be available in a manual 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 provide an explanation 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.

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

- **Check date** – the system-generated general ledger transaction should reflect the check date.
- **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.

## **Budgeting Grant Funds**

The Department shall budget grant funds in the appropriate fund code as authorized by the FASRG, or the granting agency, as appropriate. In addition, the object expenditure codes noted on the grant application shall be consistent with the budgeted account codes.

### **Amendments**

The Department regularly monitors program activities and budgets for compliance with the approved NOGA. Amendments to approved grant applications are the result of programmatic or budgetary changes at the campus or district levels. Amendments are submitted in accordance with the individual grant guidelines, and are submitted in advance of the implementation of the change. Amendments to grants may be necessary due to:

- Changes in the number of positions
- Budgetary transfers in excess of the allowable amount
- Changes to the scope/grant objectives of the grant or the types of activities
- Requests for capital outlay not previously approved
- Changes in the designated Grant Manager
- Disengaging from grant activities for more than three (3) months
- 25% reduction in the time devoted by a grant manager

### ***Budget Amendments***

Budget amendments, if any, shall be approved and submitted by the Department to ensure that the reclassification of funds is allowable under the grants 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.

### ***When to Amend***

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](http://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx).

### ***Monitoring Amendments***

The Department shall monitor the need for amendments throughout the grant period and amend as necessary prior to the grant amendment deadline. If an amendment is necessary for any of the reasons specified by the pass-through entity (TEA) or in federal regulations, the

Department shall initiate the amendment process and collaborate with other departments, as necessary, prior to submission of the grant amendment.

The Department 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***

Generally, the District does not award federal funds to sub-grantees. If sub-awards do occur, the District shall adhere to the FFATA Reporting provisions.

#### ***Fiscal and Programmatic Reporting***

Deadlines for fiscal and programmatic reporting are provided to the District within the NOGA documents received from TEA or other funding agency. Reporting deadlines are calendared to ensure that deadlines are met.

Fiscal Reporting – WEB ER claims for TEA grants are made monthly or as needed. Claims are based on summary general ledger reports for each grant. After each WEB ER claim is made, grant identification information is logged on “Outstanding Receivables” and Accounting is notified of the total claim amount. When payment is received from TEA, journal entries are prepared to book the claims.

Programmatic Reporting – Programmatic reporting is conducted as required under the terms of each grant. The office responsible for the grant ensures that data is collected throughout the term of the grant. When the report becomes available in TEASE, the Department enters the data, and certifies and submits the report.

#### ***Financial Management District Program***

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

The financial management system must contain information pertaining to all federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. All expenditures of federal grant funds shall be in accordance with the District’s written procedures.

#### ***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 awarding agency\*

- Name of the pass-through entity\*, if any
- Grant manager for each grant
- Subgrants, if any

On at least a quarterly basis, the Department shall review the status of each federal grant fund. The review shall include a comparison of budget to expenditures. *Contact the Department for a current list of Grant Awards.*

### **Payment**

The District has determined that it will not accept advance payments for federal grant funds. The District shall seek reimbursement for federal grant expenditures, rather than using an advanced payment method. Consequently, the District shall prepare and submit a “draw-down” of federal grant funds only after the payments have been made and distributed to the vendor via mail, e-payables, or other delivery method. The draw-down of expended funds shall be net of all rebates, refunds, contract settlements, audit recoveries, and interest earned, as appropriate. The Department shall be responsible for preparing the draw-down of federal grant funds.

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 adhere to the *Accounting Department Policies and Procedures* for additional information regarding payments.

### **Cost sharing or matching funds**

The Department shall ensure that cost sharing and/or matching funds requirements for each federal grant award are approved through the grant approval process prior to the submission of the grant. At a minimum, the Director and the District Deputy Superintendent must approve the commitment of all cost sharing and matching grant funds.

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

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

### **Program Income**

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

### **Period of performance (Obligations)**

All allowable grant expenditures (obligations) shall be incurred during the grant period, i.e., begin date and end date of the federal grant award as designated on the NOGA. Obligations that occur before or after the grant period are not allowable costs. The obligations must be liquidated in accordance with the grant deadlines, especially as they relate to the final draw-down of federal grant funds. Guidance regarding the obligation of federal grant funds can be found in [TEA’s General and Fiscal Guidelines](#). The Department shall notify other departments, as appropriate, of the grant periods for each federal grant award to ensure compliance.

The Department shall monitor the expenditures during the grant period to ensure that the funds are spent in a systematic and timely manner to accomplish the grant purpose and activities. Due to varying programmatic requirements and activities, grants may not follow a systematic timeline for expenditures. A larger percentage of a grant may need to be withheld for specific activities.

### **Audits (2 CFR Part 200, Subpart F)**

The District shall adhere to the following link for additional information regarding audits: [Audit Requirements](#).

## **Accounting**

Refer to the Federal Programs and Grants Department ([Federal Programs and Grants web page](#)) and the Accounting Department ([Accounting web page](#)) for additional information on general District procedures as well as procedures listed in this section.

### **Accounting Procedures**

#### **Account Codes**

The primary resource on accounting and business operations for Texas public school systems is the ***Texas Education Agency Financial Accounting System Resource Guide*** (FASRG). The District follows the FASRG for the account code structure for all budgets. See the [Alief ISD Budget and Account Code Manual](#) for a detailed explanation of the account code structure, valid codes, and account code rules.

#### **Fiscal/Accounting Records**

All fiscal/accounting records are to be maintained 5 years beyond the final expenditure report date and should include at a minimum a general ledger of all expenditures, time and effort records for employees, charges made to payroll as documented in payroll ledgers, purchase orders, invoices, receipts, travel vouchers showing expenses reimbursed to employees, cancelled checks, bank statements, and any other documentation that supports the financial transaction.

#### **Cash Management Requirements**

The District operates on a reimbursement basis for expenditures incurred for all federal and state programs. All expenditures are paid before requesting reimbursement from the funding source. Records for requesting reimbursement of funds are maintained with the expenditure report justifying the request for reimbursement.

#### **Check Requisitions**

While purchase orders should be used for the purpose of purchasing tangible goods, occasionally check requisitions are used for reimbursement, registration, travel expenses, or services contracted with individuals. All expenses that are reimbursed or paid from special revenue funds must follow the allowable cost guidelines for the funding source. Special revenue funds cannot be used to reimburse petty cash or campus activity funds.

### **Credit Card Purchases with Grant Funds**

The District shall follow *Accounting Department Policies and Procedures (Compliance – Credit and Procurement Cards)* for all information regarding credit card and procurement card purchases (including purchases made with federal grant funds) and expense reimbursements. The District prohibits debit cards and gift cards to be used for federal purchases. Federal funds also cannot be used to purchase gift cards.

### **Petty Cash Purchases with Grant Funds**

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

The District shall follow *Accounting Department Policies and Procedures* for additional information regarding reimbursement on purchases made with personal cash funds.

### **Travel**

#### ***Travel – Obligation of Funds***

The District maintains procedures to ensure that federally funded travel expenditures are not obligated until the travel occurs.

#### ***Travel – Professional Development Proof of Attendance***

The District maintains procedures to ensure that employee proof of attendance is documented for all federally funded professional development.

#### ***Travel and Registration***

Every employee given authorization to travel assumes a responsibility to the taxpayers of the District to keep the cost of travel to a minimum. Employees shall be reimbursed for reasonable and allowable travel expenditures in accordance with Board policy, the *District Travel Policy* located in the *Accounting Department Policies and Procedures*, and/or federal cost principles.

Travel expenses will be reimbursed at the lesser of the published U.S. General Services Administration (GSA) rates or at the rates set-out in the *District Travel Policy*. Check rates at <http://www.gsa.gov/perdiem> or contact the Department for current rates.

Except in extraordinary circumstances, all travel using special revenue funds must be approved, in advance, by the Department.

Membership dues to an organization cannot, however, be paid from federal funds, even when a savings to the District and/or campus would result.

#### ***Travel Expenditures with Grant Funds (Students and Staff)***

The District may use federal grant funds for travel costs. All travel-related expenditures from grant funds shall comply with the allowable federal cost principles, the State Tex-Travel Guidelines, School Board Policy, and the District's travel guidelines (see [Travel Documents](#) on Accounting webpage). The allowable rates of reimbursement shall be the lesser of the federal rates or local rates.

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

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

- Prior approval from the Department for federally funded travel
- Complete the appropriate travel documentation.
- Campus principal approval of documentation (e.g., short leave forms) serve as justification that the travel is necessary.
- Registration fees – registration fees shall be allowable if the event is related to grant activities. Recreational or social events subject to an additional fee, above and beyond the registration fee, shall not be allowed with grant funds.
- Tips – tips shall not be allowed with grant funds.
- Travel-related expenditures shall adhere to District per diem rates.

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

The Department shall review and approve all travel-related expenditures paid with federal grant funds for allowability.

The District shall adhere to the *Accounting Department Policies and Procedures* for additional information regarding travel.

## **Cost Principles**

All grant expenditures must be allowable under the Federal Cost Principles (§200.403), the grant application program assurances, the granting agency’s policies, and the District’s policies and procedures.

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

- Be reasonable and necessary.
  - A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
  - Necessary is defined as costs needed to carry out the grant activities.
- Be allocable to federal awards.
- Be authorized or not prohibited under State or local laws or regulations.
- Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Except as otherwise provided for in EDGAR, be determined in accordance with Generally Accepted Accounting Principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- Be the net of all applicable credits.
- Be adequately documented.
- Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to (§200.308).
- Align with appropriate CIP or DIP strategies.

The **total cost** of a federal award is the sum of allowable direct and allocable indirect costs less any applicable credits. All refunds, rebates, discounts or other credits to grant expenditures shall be posted to the finance general ledger as soon as the credit is known. The District shall ensure that all known credits have been posted to the general ledger prior to the drawdown on federal grant reimbursements.

### **TEA Budgeting Costs Guidance Handbook**

The District shall adhere to TEA’s Budgeting Costs Guidance Handbook as published to the TEA website. A copy of the handbook shall be made available to all staff with authority to initiate and/or authorize a purchase or expenditure with federal grant funds. The guidelines shall be incorporated in the annual training for all of these staff members. These guidelines shall be posted on the District’s website as a resource when expending federal grant funds.

The District shall adhere to the *Federal Programs and Grants Department* for additional information regarding specific costs.

### **Local Guidelines Related to Unallowable Costs**

The District has developed local guidelines related to unallowable costs with federal grant funds. Although some of these costs may be allowable under the federal or state regulations, the District has determined that certain expenditures shall be unallowable with federal grant funds. (See *Accounting Department Policies and Procedures*.)

### **Supplement, Not Supplant**

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

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

local funds used to offer those programs and services. [[TEA Supplement, Not Supplant Handbook, 2016](#) available on TEA's [Administering a Grant](#) webpage.]

The District process to ensure that all grant funded activities are supplemental shall be a collaborative effort between the Department and the requesting campus or department.

The Department shall review and approve all purchase orders and non-purchase order payments and shall take the following into consideration in determining whether or not a purchase is supplemental.

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

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

### **Title I Schoolwide Campuses & Supplement, Not Supplant**

The U.S. Department of Education issued guidance in 2016 that provides Title I schoolwide campuses with more flexibility regarding expenditures than were available in the past. Alief ISD's intent is that federal funds not provide for basic expenditures that should be the responsibility of the campus or district. Federal funds should never be used to meet requirements in State law or Board policy. In many instances, allowability is determined on a case-by-cases basis. Supplement not supplant questions should be directed to the Federal Programs and Grants Department.

### **Approval of Grant Purchases and Expenditures**

The District shall adhere to the normal approval path for purchase orders with non-grant funds. In addition, all purchase orders with grant funds shall be reviewed and approved by the Department.

The Department review shall consist of the following:

- 1) The expenditure is *reasonable* and *necessary* (as defined in federal grant guidelines). (NOTE: A test of whether an expense is necessary may include the verification that the expenditure is to perform a strategy or activity in the District or Campus Improvement Plans).
- 2) The expenditure is not required by state law or local policy.
- 3) The expenditure has been approved in the grant application, if specific approval is required from the granting agency.
- 4) The expenditure meets the allowable costs principles.
- 5) The expenditure is allowable and approved in the grant application and is consistent with the grant purpose.
- 6) The expenditure is supplemental and not supplanting a local expenditure.

In an effort to meet all obligation and liquidation requirements of grant funds, purchases shall adhere to the purchase order deadlines provided by Accounting.

Certain federally funded activities may also require specific TEA approval in addition to District approval. All federally funded activities must adhere to District policy before occurrence.

### ***Field Trips***

Effective with the 2017-2018 school year, federally funded field trips no longer require documentation submission to TEA. However, field trips cannot occur until the Department has received and approved all necessary documentation. Documentation includes the following completed form(s):

- [Request for Field Trips & Lesson Plan Form](#) (District form)

### ***Out-of-State Travel***

Effective with the 2017-2018 school year, federally funded out-of-state travel no longer requires documentation submission to TEA. However, out-of-state travel cannot occur until the Department has received and approved all necessary documentation. Documentation includes the following completed form(s):

- [Request for Out-of-State-Travel Form](#) (District form)

### ***Hosting Conferences***

Hosting federally funded conferences require prior approval from TEA. Therefore, costs associated with hosting federally funded conferences cannot be funded until all necessary documentation has been submitted to and approved by TEA. "Hosting conferences" refers to hosting a conference intended for audiences outside of the District. Conferences intended for District employees or parents and families of students within the District do not fall under the "hosting conferences" category. Documentation may include the following completed form(s):

- [Request for Specific Expenditure Approval: Hosting or Sponsoring of Conference](#) (TEA form)

### ***Participant Support Costs***

Federally funded participant support costs require prior approval from TEA. Therefore, participant support costs cannot be funded until all necessary documentation has been submitted to and approved by TEA. Examples of participant support costs include federally funding parents to attend parent involvement conferences or federally funding PNP equitable services. Documentation may include the following completed form(s) available on the TEA [Request for Prior Approval, Disclosure, and Justification Forms](#) webpage:

- [Request for Approval of Participant Support Costs](#) (TEA form)
- [Parent Involvement Approval Form](#) (TEA form)
- [PNP Equitable Services Approval Form](#) (TEA form)

## Expenditure Reporting

### Draw-down of Grant Funds

The District shall regularly or as required by the grant guidelines, draw-down grant funds that have been spent in accordance with the grant guidelines. The draw-down shall be for all expenditures to date, less grant funds received to date, as verified by a financial general ledger. NOTE: The expenditures shall be net of all refunds, rebates or allowances, purchase discounts, credits (includes credit cards and p-cards), recoveries or indemnities on losses, insurance refunds or rebates, and other adjustments, if any (§200.406).

If the District has funds available for draw-down, a summary general ledger of each grant fund is generated to determine the amount of the claim. If the Department staff has real-time access to a detailed general ledger, they should be notified to generate and review the report. If a grant has a matching requirement, the District shall draw-down only the allowable amount after verifying compliance with the level of matching expenditures.

The Department review shall consist of the following:

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

The Department shall prepare the paper or electronic draw-down request and a copy of all supporting documentation shall be filed for audit purposes.

If manual approval of an electronic draw-down is required by the granting agency, the Department shall comply with the manual requirements. For example, TEA at times requests supportive information related to a draw down such as a detailed general ledger, narrative justification, or summary of expenditures by object code. Upon a request from the TEA, the Department and other departments, as appropriate, shall respond to the request within the allotted time to avoid designation as a “high risk” grantee.

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

The final draw-down of grant funds from the granting agency shall be made within the allowable timeframe. The grant liquidation guidelines shall be adhered to in making final payment for all goods and services received and *placed into service* before the end of the grant period. The draw down process shall be the same as a monthly or periodic draw down, except that all refunds, rebates, credits, discounts or other adjustments to the general ledger must be recorded in the general ledger prior to submitting the final draw down request. [NOTE: There shall be no outstanding purchase orders or pending liquidations at the time of the final draw down of grant funds.] The final draw-down shall be reviewed and approved in the same manner as a periodic draw-down.

If a final draw down deadline is missed, the Department shall contact the granting agency to determine if a process exists to request a filing deadline extension. [NOTE: TEA has developed procedures to request an extension for filing expenditure reports. The request form must be completed, signed by the Superintendent or Designee and filed with TEA within 30 days of the final expenditure report deadline.]

Receivables from the granting agency shall be recorded in the general ledger at fiscal year-end. [NOTE: The revenues realized and the expenditures should be equal at the time of the final draw down of grant funds.]

### ***Certification***

Federal regulations (CFR 200.415) requires that the District certify the accuracy of the annual and fiscal reports or vouchers requesting payments be signed by the authorized individual(s). The Department 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 report is true, complete and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. 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.*

### **Receipt of Grant Funds**

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

To minimize the time that elapses between the receipt of funds from the granting agency and the disbursement of funds by the District, the District shall follow cash management procedures in a timely manner including recording all grant fund receivables upon receipt from the granting agency. The receipt of grant funds shall be posted to the general ledger to the appropriate revenue or account code. In the event that the grant funds received do not match the recorded receivable, the Department shall contact the granting agency to determine the discrepancy. If the granting agency has reduced and/or increased the grant funds paid to the District, a general ledger adjustment shall be posted to the appropriate revenue receivable accounts. The Special Revenue Accountant shall prepare the adjusting journal ledger entry and Accounting shall post the entry to the finance general ledger.

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

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

### **Tracking and Recording Receivables**

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

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

### **Refund(s) to Federal Agencies (§200.305)**

If the federal awarding agency determines that a refund is due from the District, the District shall have 30 days to comply. If not compliant, an enforcement action to withhold future payments could be implemented by the federal awarding agency (§200.339). All enforcement actions afford opportunities for hearings.

### **Non-Compliance**

#### ***Audit Findings***

Auditing findings or deficiencies shall be addressed in a timely manner upon receipt of the notification. The District departments, as appropriate, 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.

#### ***Fraud***

The District shall disclose to the granting 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 funds due to fraud.

### **Remedies for Non-Compliance**

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

### **Grant Closeout Procedures**

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

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

- Account for any real and/or personal property on hand at the end of the grant period.

## Comparability

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

The Department shall conduct the comparability test on an annual basis and complete the Title I Part A Comparability Assurance Document (CAD). If the District is not exempt, the Department shall complete and submit the Comparability Computation Form (CCF) to TEA by the annual deadline.

In completing the CAD and CCF, the Department shall follow the process outlined by TEA.

If TEA determines that the District is non-compliant, the District departments shall work collaboratively to address the non-compliance. In addition, the District shall make adjustments as appropriate until the District is in compliance with the comparability requirement.

## Indirect Cost

All District costs with federal grant funds, whether direct or indirect, shall meet the minimum requirements of allowability as specified in the 2 CFR 200.403. In addition, the costs must meet the general provisions for selected items of cost (2 CFR 200.420). Specific items not listed within these procedures shall be evaluated by the Department on a case-by-case basis for allowability. The general cost allowability rules for specific items of cost listed within these procedures shall apply to all federal grant funds, unless more restrictive allowability rules are required by a particular federal grant award.

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 Rate Proposal Instruction Manual for School Districts, 2015]

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. Accounting 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/Finance\\_and\\_Grants/Grants/Federal\\_Fiscal\\_Compliance\\_and\\_Reporting/Indirect\\_Cost\\_Rates/Indirect\\_Cost\\_Rates/](http://tea.texas.gov/Finance_and_Grants/Grants/Federal_Fiscal_Compliance_and_Reporting/Indirect_Cost_Rates/Indirect_Cost_Rates/)

The District's Indirect Cost Rate, or the maximum allowable rate, whichever is less shall be used to post Indirect Costs for federal funds to the General Fund. The Department shall prepare a general ledger entry for the indirect costs. The Department shall post the entry to the finance general ledger.

The District shall adhere to the *Accounting Department Policies and Procedures* for additional information regarding indirect costs.

## **Maintenance of Effort (MOE)**

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

The District shall adhere to the *Accounting Department Policies and Procedures* for additional information regarding MOE.

### **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 NCLB LEA Maintenance of Effort \(MOE\) Handbook, 2013](#)]

Accounting shall compute the MOE using the [TEA NCLB LEA MOE Calculation Tool](#) during the budget adoption process and at the end of the fiscal year. Non-compliance with MOE will result in a reduction of ESSA funds in the exact proportion by which the District fails to meet the MOE requirement; therefore, Accounting shall plan for the reduction of grant funds at the local level. If the MOE falls below the required level, the Department and Accounting 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](#)]

Accounting 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, Accounting shall plan for the reduction of grant funds at the local level. If the IDEA-B MOE falls below the required level, the Department and Accounting shall collaborate to develop a plan to bring the District into compliance with the MOE requirements.

NOTE: Accounting 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 Department will need to know the prior year Special Education expenditures and the next fiscal year budgeted Special Education Expenditures. Accounting shall provide these amounts to Special Education prior to their grant application submission to ensure that the most accurate amounts are reflected in the grant application.

Changes to these amounts, as they are known, by Accounting shall be submitted to Special Education, as appropriate.

## Procurement

Refer to the Purchasing Department Policies and Procedures ([Purchasing Manual](#)), the Accounting Department Policies and Procedures ([Accounting web page](#)), and the Standards List ([Desktop and Network Services web page](#)) for additional information on general District procedures as well as procedures listed in this section.

### Procurement Standards

The District shall comply with the general procurement requirements of EDGAR including but not limited to the below unless the District imposes stricter requirements, in which case, it shall then follow the stricter Purchasing and/or Accounting processes to ensure full federal compliance. Procedures regarding these sections can be found in the Purchasing Manual.

#### **Procurement Procedures (§200.317 to §200.327)**

#### **General Procurement Standards (§200.318)**

#### **Proposals Costs (§200.460)**

#### **Methods of Procurement to be Followed (§200.320)**

#### **Debarment and Suspension (§200.214)**

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.

EDGAR FAQ Version 7 (last revised 06/01/2017) §7.19 states the following:

The non-federal entity must not award any federal funds to any vendor who is suspended or debarred. In addition, if the award exceeds \$25,000 the non-federal entity must verify and document that the vendor is in good standing by one of the following methods.

1. Checking SAM.gov on the day the contract is to be signed to ensure the vendor is not included in the suspended or debarred list and then printing the search results as documentation the vendor is not suspended or debarred.
2. Requiring a certification signed by the vendor that they are not suspended or debarred.
3. Including a clause in the contract whereby the vendor assures they are not suspended or debarred.

The District employs the second and third methods to verify and document good standing for vendors.

#### ***Contracts and Purchase Orders***

Purchasing shall verify the eligibility of each vendor with this certification requirement by requesting that the vendor execute a Debarment and Suspension 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. Purchasing shall include a clause in the contract and on all purchase orders whereby the vendor assures via acceptance of the contract and/or purchase order they are not suspended or debarred. Purchasing shall verify that new vendors are in compliance with the debarment, suspension,

ineligibility and voluntary exclusion provisions. In the unexpected event that a vendor is debarred or suspended 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. Any ineligible purchases made with the debarred or suspended vendor will also be reclassified to District local funds.

### ***Check Requisitions***

The Department shall verify good standing of vendors on check requisitions by checking SAM.gov as the check requisitions are processed through the Department.

### **Lobbying Certification**

When required by the federal awarding agency, the District shall certify on the grant application that no federal grant funds are expended for the purpose of lobbying. The Department shall execute a Lobbying Certification Form [Standard Form – LLL: Disclosure of Lobbying Activities], as applicable, if the District used funds other than federal grant funds for lobbying activities.

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

## **Expenditure of Grant Funds**

Purchases must be aligned with the appropriate CIP or DIP and must follow the OMB cost principles and 2 CFR 200, Subpart E as well as applicable grant requirements in determining reasonableness and allowability. Except in extraordinary circumstances, purchases must be approved in advance by the appropriate grant manager as part of the process. Funds must be expended for reasonable and necessary costs in conducting grant activities.

## **Purchase Orders (POs)**

The District must make its purchases following relevant statutes and policies with the objective of purchasing the best products, materials, and services at the lowest practical prices. Funds are encumbered at the time purchase orders are entered into the District electronic system.

Purchases using special revenue funds must match the approved grant application from the funding agency and comply with all program guidelines and assurances. These purchase requests are routed online through the Department and other District departments, as appropriate, for approval.

### **Federal Purchases**

The District does not utilize the micro-purchase threshold. All federally funded purchase orders must be reviewed and approved by the Department and Purchasing prior to purchase to ensure the appropriate competitive process, listed in the Purchasing Manual, has been followed. District policy requires three (3) quotes for all federally funded purchases with no minimum dollar amount and unless the threshold dollar amount requires that a stricter competitive process outlined in the Purchasing Manual be followed. The District allows for few exceptions, such as food, to these competitive procedures. However, there may be extenuating circumstances where the District reserves the right to make exceptions to deem two (2) quotes as sufficient. Stricter threshold requirements such as Cost and Price Analysis procedures can be found in the Purchasing Manual.

These processes, including the evaluation of competitive proposals, will follow the EDGAR Procurement Procedures (§200.317 to §200.327) listed above.

Purchase orders are verified and finalized by Purchasing and other appropriate departments prior to the purchase orders being generated.

### **Corporate accounts and/or revolving lines of credit**

The District shall adhere to the *Accounting Department Policies and Procedures* for expenditure of grant funds through corporate accounts and/or revolving lines of credit.

### **Warehouse Purchases**

Federally funded warehouse purchases shall meet federal guidelines in addition to adhering to the *Accounting Department Policies and Procedures*. This includes ensuring purchases are instructionally related, identified as a district or campus need, and identified in the District Improvement Plan or Campus Action Plan. Refer to the *Purchasing Department Policies and Procedures* for additional information regarding warehouse purchases.

## **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. Purchasing shall oversee the acquisition of insurance for all federally funded property.

### **Real Property**

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

### **Equipment and Supplies (§200.313 and §200.314)**

The District shall use federal grant funds to purchase equipment and supplies. The federally-funded equipment shall be used only for authorized purposes and shall be disposed of, at the end of the useful life or end of the grant period, in accordance with the grant award guidelines. The District shall not use the federally-funded equipment to generate program income. The federally-funded supplies shall be used only for authorized purposes. The District shall implement purchasing deadlines for the purchase of federally-funded supplies to help ensure that residual supplies are not available at the end of the grant period or project.

Federally funded equipment, services, or systems must also comply with the Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment guidance in §200.216 and the Telecommunication Costs and Video Surveillance Costs guidance in §200.471 (effective as of 08-13-2020).

### **Acquisition Cost**

The District has 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 200.1)

### ***“Walkable” Items***

The District has defined technology-related “walkable” items with a unit cost of less than \$500 as items not limited to, but such as the following:

- I-Pads
- Netbooks
- Laptops with a cost under \$500
- Tablets
- iPod
- Kindle/Nook
- Computers with a cost under \$500

### ***Campus Procedures for Tracking Federal Technology Purchases Under \$500***

- All federal campus technology purchases must be tracked through a library management system and be inventoried annually. This includes items purchased by the campus as well as items purchased by the District for campuses.
- Campus staff may have individually assigned roles to track items.
- Refer to individual Campus Procedures for Tracking Federally Funded Purchases for additional information.

### **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.

### **Maintaining Asset Inventory and Records**

All federally-funded assets shall be maintained in an operable state. If repairs are necessary, the District may pay for the repairs of the federally-funded assets with federal grant funds, unless expressly restricted by the granting agency. If the equipment/supplies is no longer needed for the original grant, and its use has been transferred to another federal grant as appropriate, repairs may be purchased with funds from the receiving grant.

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 Accounting each fiscal year. Lost, damaged, or stolen assets shall be reported to Accounting and the Department and shall be recorded in the fixed assets

database with the date of the loss. The disposition records such as the loss report (police report for thefts) shall be maintained with the asset records.

In addition, the District shall track all grant-funded asset purchases by grant, or fund code, as appropriate.

Accounting shall be responsible for maintaining the fixed asset database of all District assets, including all federally-funded assets with the exception of “walkable” items costing under \$500.

### **Equipment Insurance**

The costs to insure and maintain (repair) assets purchased with federal grant funds are generally allowable costs, unless specifically prohibited by a granting agency.

The District insures equipment acquired or improved with federal funds at the same levels and in accordance with the same policies as provided to equipment purchased with state or local funds unless required to be insured by terms and conditions of the federal grant.

### **Capitalization Policy and Definitions**

The District shall utilize the same capitalization policy for non-grant and grant-funded asset purchases. The District’s capitalization threshold for assets is \$5,000 per unit cost. The District has adopted the EDGAR (CFR 200.1) definitions of property as noted below:

- *Capital assets* means tangible or intangible assets used in operations having a useful life of more than one (1) year which are capitalized in accordance with GAAP.
- *Equipment* means tangible personal property (including information technology systems) having a useful life of more than one (1) 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.
- *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.
- *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.
- *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 the EDGAR definitions. 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.

### ***Purchasing Capital Outlay***

When special revenue funds are used to purchase capital outlay items, prior approval from the funding organization is usually required. Capital outlay items include those that have an estimated useful life of more than one (1) year and a unit cost of \$5,000 or more, are not consumed as a result of use, and can be reasonably accounted for through a physical inventory system. The *Alief ISD Budget and Account Code Manual* and the *Purchasing Department Policies and Procedures* should be consulted when determining whether a purchase is capital outlay or a controlled asset.

For Title I expenditures, answers to the following six questions will be required before capital outlay is approved.

1. How is the expenditure reasonable and necessary to carry out the intent and purpose of the program?
2. How does the expenditure address a need previously identified in the comprehensive needs assessment?
3. How is the program activity or strategy to be funded described in the CIP before the decision is made of whether to pay the expenditure from Title I funds?
4. How will the expenditure be evaluated to measure a positive impact on student achievement?
5. How will the expenditure upgrade the entire educational program on the campus?
6. How is the expenditure supplemental to other nonfederal programs?

### **Title**

Pursuant to federal regulations, the District holds a *conditional title* for equipment purchased with federal funds unless a statute specifically authorizes a federal agency to vest title in the District without further obligation to the federal government. Title will vest in the District as long as:

- the District uses the equipment for the authorized purposes of the project until funding for the project ceases, or until the property is no longer needed for the purposes of the project
- the District does not encumber the property without approval of TEA or other awarding agency, and
- the District uses and disposes of the property in accordance with federal rules.

### **Disposition of Supplies, Materials, and Equipment**

It is the District's practice to use fixed assets to the expected useful life and beyond. The disposal of grant-funded assets shall be in accordance with federal guidelines and grant-specific guidelines, if any. The Department will contact TEA or other awarding agency for disposition instructions, if any. At a minimum, the disposition date, reason, and sale price of all federally-funded assets shall be recorded in the fixed assets database. Records must be retained for no less than three (3) years after disposition of equipment (§200.334), or until grant records under which the equipment was purchased are no longer required, whichever is later.

Any supplies, materials, and equipment:

1. Must be used in the program for which it was purchased as long as needed (regardless if the program is still federally funded or not).
2. Can also be used in other federally-funded programs as long as it does not interfere with the bullet above.
3. When no longer needed in the program for which it was purchased, may be used in another federally-funded program.

Order of Preference When No Longer Needed for Original Purpose:

- a. Programs or projects funded by USDE
- b. Programs or projects funded under federal awards from other federal awarding agencies
- c. Programs or projects funded locally

Reasons for Removal (may include):

- No longer operable
- Destroyed
- No longer needed
- Theft – If stolen, the theft must be reported within 24 hours of discovery to the District Police Department. As part of its investigation, the Police Department will complete a report and provide a case number. Documentation of the case number must be maintained for five (5) years.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition.

Equipment, when no longer needed at all (capital outlay):

- An item that has a current FMV of \$5,000 or less, may be retained, sold, or otherwise disposed of with no further obligation to TEA or other federal awarding agency. However, TEA must still pre-approve the disposition in accordance with specified procedures.
- If an item has a current FMV of more than \$5,000, TEA or other federal awarding agency is entitled to the federal share of the current market value or sales proceeds. Pursuant to the provisions in 2 CFR §200.313, the District uses procedures to ensure the highest possible return. TEA must pre-approve the disposition in accordance with specified procedures.
- If acquiring replacement equipment, the District may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

Supplies, when no longer needed at all (noncapital outlay):

If there is a residual inventory of unused noncapital outlay of \$5,000 or less in total *aggregate* value per sale, the items may be retained, sold, or otherwise disposed of with no further obligation to TEA or other federal awarding agency. However, TEA must still pre-approve the disposition in accordance with specified procedures.

If there is a residual inventory of unused noncapital outlay exceeding \$5,000 in total *aggregate* value per sale upon termination or completion of the project or program, and the noncapital outlays are not needed for any other federal award, the District will compensate the federal government for its fair share in accordance with procedures established by TEA. The District will contact TEA or other awarding agency for disposition instructions.

Auctions:

District's Warehouse conducts auctions at various times throughout each year. The Department reviews District's Transfer and Disposition Forms and submits to TEA in advance via the Inventory Disposition Request, if applicable, based on previous auction results or internet searches. Warehouse reviews the Settlement Report to check for items sold in excess of \$5,000 and locates the fixed asset tag number for the specific item before notifying Accounting. Accounting pulls the record online to check the funding source and notifies the Department, if federally funded.

It is rare that any item would be sold for an amount exceeding \$5,000.

Fixed Asset Tags:

Items funded by federal grants are assigned an alpha/numeric bar code label beginning with the letter "F" and featuring a yellow border.

There are three (3) *separate* sections for auctions:

1. General – Warehouse, maintenance, transportation, etc. (no items with fixed asset tags that begin with the letter "F" in this section).
2. Food Service Program – Food service items (no items with fixed asset tags that begin with the letter "F" in this section). All proceeds are recorded as Misc. Local Revenues in the Food Service Fund.
3. Federal – Only items with fixed asset tags that begin with the letter "F" in this section.

Auctioneers should never mix items from sections one and two with those items whose fixed asset tags begin with the letter "F". No items from the third section may be sent to auction without review from the Department.

## **Contracts and Professional Services with Grant Funds**

The cost of professional and consultant services rendered by persons or entities who are members of a particular profession, or who possess a special skill, and who are not officers or employees of the District, are allowable in most cases.

**Allowability**

To determine allowability of consultant contracts in a particular case, the following factors are considered:

- The nature and scope of the service rendered in relation to the service required

- The necessity of contracting for the service, considering the District’s capability in the particular area
- Whether the service can be performed more economically by direct employment rather than contracting
- The demonstrated competence, qualifications, experience and the reasonableness of the proposed fee of the individual or agency (company) rendering the service
- Consideration must be given to contractor integrity, compliance with public policy, past performance, and financial and technical resources
- Adequacy of the contractual agreement for the service estimate of time required, rate of compensation, and termination provisions
- The impact of federal awards on the District’s business (i.e., what new problems have arisen)

### **Contract Process**

Federally funded contracts adhere to the procedures below:

- If it is determined that contracted services are appropriate, an *Alief ISD Independent Contractor Agreement* is required when special revenue funds are expended for a consultant not employed by the District. (See [Purchasing Department](#) webpage for forms.)
- The District prohibits consultants and/or contractors to be involved in the development of specifications, bid documents, contract selection process, and contracts.
- Special revenue funded contracts that do not use the District’s contract must include the [Addendum Contract Provisions for Contracts Under Federal Awards](#). (See Purchasing Department webpage for Addendum.)
- With very few exceptions, special revenue funds may not pre-pay services to consultants/contractors. Payment will be made only after the service is performed.
- Except in extraordinary circumstances, contracts funded with special revenue funding must be approved in advance by the Department of the services being provided; otherwise, local funds will be required to pay for the services.
- In addition, the Department shall review and approve all consultant services agreements for compliance with federal regulations regarding professional service costs (2 CFR 200.459).
- Approved contracts are evaluated for progress and program effectiveness by requesting party through various factors such as quality, feedback, data, and/or cost.

### **Independent Contractors**

Independent Contractors are typically employed by another company but are working at a campus or department. Examples would be student activities during the day led by outside consultants or professional development services through outside consultants. Independent Contractors are paid through purchase orders, not through the payroll department and cannot contract for a position currently in existence.

## **Federally Funded Contracts**

All District contracts for professional services to be funded through a federal grant award requires prior approval from the Department and shall include and comply with the following contract provisions as recommended in the *Texas Education Agency's Guidance and Best Practices for Professional Services Contracts* (available on the TEA's [EDGAR webpage](#)).

- The contract is only effective upon receipt by the subgrantee of the NOGA from the awarding agency.
- All contracts are dependent upon availability of funding.
- The contract period is aligned to the grant period of availability as stated on the NOGA from the awarding agency.
- All services will be completed during the effective dates of the contract.
- Except in rare circumstances, all services will be invoiced 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 §§200.317-327 are followed in issuing the contract.
- All professional services provided under the contract will follow the provisions of 2 CFR 200.459 Professional Service costs.
- The contract identifies the funding sources that will be charged for the services provided, including the specific amount and/or percentage of the total contract amount to be charged to each funding source.
- The contract identifies and lists only reasonable, necessary, and allocable services to be provided during the period of availability of the funding sources listed in the contract.
- The administrative costs charged to the grant in the contract must comply with any limitations for administrative costs for funding sources (if applicable).

Additional District contract provisions may include:

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

## **Contract Review**

District contract reviews shall consist of the following:

- 1) Consultant and/or contractor has not been suspended or debarred (contracts greater than \$25,000).
- 2) The contract and/or funds have been approved in the grant application, if specific approval is required from the granting agency.
- 3) The contract's nature and scope of service is directly related to the federal grant award activities.
- 4) The past pattern of costs, particularly in the years prior to federal awards.

- 5) The contract does not contain any proposal costs (not allowable under federal regulations).
- 6) Whether the proposed contracted services can be performed more economically by direct employment rather than contracting.
- 7) Capability of the proposed vendor to perform the required services.
- 8) The qualifications and/or references 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 cost 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.

### **Obligation Date**

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

### **Letter of Intent**

The District may execute a Letter of Intent with a third party prior to the issuance of a NOGA, as deemed appropriate.

The District shall adhere to the *Purchasing Department Policies and Procedures* for additional information regarding contracts.

## **Human Resources**

Refer to the Human Resources Department ([Human Resources web page](#)) and the Payroll Department ([Payroll web page](#)) for additional information on general District procedures as well as procedures listed in this section.

### **Compensation and Benefits – Employee (Payroll Expenditures and Fringe Benefits)**

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

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

- The costs are reasonable for the services rendered and conform to the established District compensation and benefit plans for expenditures with all other funds, i.e., local funds.
- The employees have been employed in accordance with the District’s established Hiring Procedures.
- The costs are supported by the appropriate timekeeping, absence tracking, time and effort certifications or other documentation, as appropriate.
- Incentive compensation, such as stipends, awards, early resignation incentive, attendance incentive, etc. in accordance with the District’s written plans for each of these incentives.

- Stipend and extra-duty pay compensation for other federal and non-federal grant award duties shall be supported by appropriate documentation in accordance with Human Resources. The additional duties shall not conflict with the federally-funded activities with the District.
- Non-employee stipends will receive prior approval by the appropriate cognizant agency.

District costs for fringe benefits for federally-funded staff shall adhere to standard District practice.

### **Special Revenue Hiring Procedures**

Employees paid through special revenue funds, whether full-time, part-time, or part-time/temporary, must be pre-approved. If the employee is not listed on the Campus Consolidated Application submitted to the Department at the beginning of the school year, the campus/department must complete and submit a Special Revenue Personnel Request form (see [Federal Programs and Grants](#) webpage for form). The Department will review the form and determine if the budget has sufficient funds for the salary requirements and is allowable under the terms of the grant before sending the form to the Human Resources Department (Human Resources) for approval. Once the position is approved, the campus/department will receive an e-mail notification along with the budget code.

The campus/department will then contact Human Resources to post the position. A job description for the position will be required. Applicants will complete the application and interview process through Human Resources. Once the employee has accepted the position and is cleared for work, Human Resources will give the employee an Effective Start Date letter. No one may begin working until approval from Human Resources has been received and Human Resources has cleared the employee to begin work.

Any time a new employee will be paid from a special revenue account, or an existing employee transfers into or out of a position paid from a special revenue account, a copy of the Human Resources Form (HRF) must be forwarded to the Department.

Campuses/departments who hire part-time/temporary employees are responsible for “tracking” the payroll expenditures to ensure that the budget has sufficient funds for the time worked.

### **Retirees**

Employees retiring before September 2005 are eligible to be hired as part-time/temporary employees. Employees retiring after that date may be eligible for hire. Check with the Payroll Supervisor before offering a position to ensure employability.

## **Time and Effort (§200.430)**

### **Why is time and effort documentation required?**

Federal law requires all employees, including teachers, paraprofessionals, and other staff who are paid with federal funds to document the time and effort they spend working within that program. The portion of the federally paid salary should be reflective of the time and effort the individual has put forth for that federal program. For instance, if a Title I teacher spends 100% of his/her time working with Title I students and on Title I responsibilities, then 100% of his/her salary should be paid with Title I funds. On the other hand, if an individual is working as a principal 50% of the time and the other 50% of the time as the coordinator for the Title I program, only 50% of his/her salary should be paid from Title I. The remaining 50% would be

paid from district funding. The purpose of documenting time and effort is to ensure that a district does not use federal funds to compensate an employee for time spent on any other program.

### **When is time and effort documentation required?**

All District employees being paid with federal funds, including staff funded through non-federal grant funds as part of a cost sharing or matching requirement, must document their time and effort, no matter the percentage of time they are paid. An employee dedicating 5% of his/her time to a federal program must document time and effort just as an individual employed 100% to a federal program must document their time and effort. Independent contractors do not need to document their time and effort.

The state of Texas is under the authority of the Education Flexibility Partnership Act (Ed-Flex). As an Ed-Flex state, Texas has the authority to waive certain statutory and regulatory requirements related to federal program documentation. Most of the Title grants (ESSA programs) fall under this waiver. This means that employees funded with certain federal programs may not be required to maintain time and effort on a daily basis, even if they are split funded.

In general:

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

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

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

### **What type of documentation is required?**

- *Job Description* – A signed job description is required for any employee who is paid, in part or in full, with federal funds. The job description shall include the funding source and the job duties as they relate to the grant position. The grant-funded staff shall sign the job description at employment and on an annual basis, or at a minimum, when the funding source, job title, or other change occurs in the employment or assignment of the staff member.
- *Roster of All Grant Funded Staff* – The Department shall maintain an up-to-date roster of all grant funded staff approved in their respective grant applications to include the position title, annual salary, and funding source(s) by percentage. The roster of grant funded staff shall include all staff paid with non-federal grant funds whose compensation/benefits are paid as part of a matching or cost sharing requirement of a federal grant fund.
  - The Department, Human Resources, and the home campus or department 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 Department.

- The review of the roster shall include, but not be limited to the following:
  - 1) Campus or department – Ensure that the grant funded staff are assigned in the position title as noted on the roster. The master schedule or assignment of instructional staff must support the position title and funding source.
  - 2) Human Resources – Ensure that the position title and salary are correct, that the positions are authorized on the grant application, and that the PEIMS Staff Data submitted to TEA is consistent with the position title, Role ID, and object code. In addition, Human Resources shall ensure that each grant funded staff member has a signed job description on file for the position title noted on the roster. And, Human Resources shall ensure that all grant-funded teachers meet the state’s certification criteria, as appropriate for the position, and that all paraprofessionals are highly qualified.
  - 3) Department – Ensure that the funding source(s) and salary are correct as noted on the roster. In addition, Accounting shall ensure that the payroll distribution account code(s) are in accordance with the FASRG.

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

- *Semi-Annual Certification* – A signed semi-annual certification is required for any employee who is paid, in part or in full, with federal funds. This certification is required twice a year (at the end of the first semester and at the end of the employee contract) and must be signed by the employee and their supervisor.
  - *Reconciliation* - The Department shall collect and review all Semi-Annual Certification Forms. For any certifications that reflect a percentage other than 100%, an adjustment will be made to the grant payroll expenditures for the certification period. (NOTE: Steps should also be taken to ensure that the staff member’s work schedule is adjusted to 100% grant related, or is changed from the semi-annual certification method to time and effort reporting). The Department shall file the certifications for audit purposes.
- *Time & Effort* – An employee who is not funded 100% from a single fund or an employee who is funded from non Ed-Flex funds will be required to document their time and effort. There are two methods for tracking time and effort.
  - *Daily Class Schedule* – A daily class schedule may be used for teachers or individuals who are being paid with federal funds and hold a fixed schedule every day of the week. For instance, a Title I teacher’s schedule could document that he/she is being paid 100% with federal funds and 100% of his/her day is dedicated to Title I programming. A teacher who is 50% Title I and 50% Title II Bridge can also use this method if his/her schedule is consistent, day after day, since both programs are covered under Ed-Flex.

- Time and Effort Log – Employees who are split funded with a non Ed-Flex program and/or whose schedule changes from day to day will be required to log time spent working in the federal program each day. For instance, an individual who is paid 50% from Title I and 50% from a non Ed-Flex program will keep a daily log of the time spent on Title I programs versus other duties. Daily logs must be signed by the employee and their supervisor. The [Time and Effort Log](#) is available on the Federal Programs & Grants web page.
- Reconciliation - If the time and effort report reflects a different percentage, the report shall be reconciled to reflect the correct payroll charges by grant funding source and the final amount charged shall be accurate, allowable, and properly allocated. The payroll charges shall be adjusted by the Department.

The District shall comply with all federal time and effort documentation guidelines. The District ensures that all time and effort documentation records meet the following:

- Supported by a system of internal controls which provides reasonable assurance that charges are accurate, allowable, and properly allocated
- Incorporated into official records
- Reasonably reflect total activity for which employee is compensated
- Encompass all federal and non-federal activities
- Comply with established accounting policies and practices
- Support distribution among specific activities or cost objectives

**Which type of documentation pertains to my position?**

The type of documentation for which you will be responsible depends on the funding source. The chart below provides examples of positions and the required documentation. Required documentation is determined by reviewing each position and its funding source.

Position	Job Description	Semi-Annual Certification	Daily Class Schedule	Time & Effort (Daily Log)
Teacher (fixed schedule) -100% Title I funded	✓	✓		
Teacher (fixed schedule) - split funded with Ed-Flex funds	✓	✓		
Teacher (fixed schedule) - split funded with Title I and non-Ed-Flex	✓	✓	✓	
Program Manager - split funded with non-Ed-Flex	✓	✓		✓
Instructional Specialist - split funded with Ed-Flex	✓	✓		

**When is documentation due?**

Signed job descriptions are due at the beginning of the year. Semi-annual certifications are due twice each year. The two certifications should cover the employee’s contract period. Time and

effort documents (daily class schedules or daily logs) are due monthly. All documentation should be sent directly to the Department.

### **Who is responsible?**

The District is ultimately responsible for ensuring that staff maintains their time and effort documentation; however, documentation records should be signed by the employee and their supervisor evidencing first-hand knowledge of the work performed under the federal program.

### **What are the repercussions if employees do not document their time and effort?**

During the District's annual audit, we will be asked to submit documentation for federally funded employees showing their time and effort. If no documentation or inadequate information is provided, the District will be cited as being out of compliance. During recent USDE monitoring of states and school districts, more extreme action has been taken. The USDE and state auditors have required districts across the nation to reimburse the federal government the cost of salaries paid without adequate time and effort justification.

### **Does this just pertain to Title I programming?**

This requirement pertains to all federal programs, not just Title I. The District receives other federal funds, such as Title II, Title III, Title IV, Perkins (CATE), IDEA-B (Special Ed), etc. Under these programs, employees must also document their time and effort.

### **Time and Effort Substitute System**

The US Department of Education (USDE) and TEA have authorized the use of a substitute system for time and effort.

In the event that the District determines that it is in its best interest to use the Time and Effort Substitute System, the Management Certification shall be completed, signed by the Superintendent or Designee and filed with TEA in accordance with the established deadlines. Extensive training of staff shall occur at the time the system is implemented to ensure that all grant-funded staff, the Department, and Accounting are aware of the requirements of this system.

## **Substitutes**

Salary expenditures for substitute teacher are allowable for approved teacher positions.

Generally, substitutes are paid from the local campus budget. However, substitutes should follow their teacher funding source. Therefore, if a substitute is needed for a teacher attending a professional development session using special revenue funds, the substitute should be paid from special revenue funds. In order to pay the substitute from special revenue funds, the campus must have a substitute account code set up in their special revenue funds budget. A copy of the [Federal Programs Substitute Charges Form](#) (*Federal Programs & Grants web page*) must be completed and submitted to the Department.

## **Supplemental Pay**

Supplemental pay from special revenue funds may be expended in a number of ways:

- **Extra Duty Pay** may be paid to a full-time professional or paraprofessional for work completed beyond the regular work day, work week, or contract year. Examples would

include teachers providing tutoring after school, paraprofessionals working during the summer school program, or teachers working during Saturday school. Extra duty pay is paid from a local or grant budget code through the employee's regular pay check. Depending upon the circumstance, extra duty pay can be paid through stipends or hourly rates.

- **Part-time/Temporary Employee Pay** applies to individuals hired to work part-time for one (1) year or less in the District. Examples include part-time tutors, special education teachers hired for a specific job assignment, or after-school program employees. Prior to hiring a part-time/temporary employee, the Special Revenue Personnel Request Form must be approved by the Department and Human Resources must clear the person and provide an Effective Start Date letter. Part-time/temporary employees also may not work more than 40 hours per week. Part-time/temporary employees are paid through the payroll department.

### **Procedures for supplemental pay**

Employees who receive supplemental pay are paid according to the District's published pay dates (and cut off dates). The campus or department is responsible for collecting time sheets, checking dates and signatures, verifying teacher identification numbers, sorting time sheets by budget code, and completing the payroll spreadsheet template. In order for employees to receive payment, an **electronic** copy of the completed spreadsheet and a **hard** copy must be submitted. Detailed procedures (including the Pay Dates and Cut-Off Dates) for submitting supplemental pay are included under **Forms and Resources** located on the [Federal Programs and Grants web page](#).

## **Retention of Records**

*Refer to the Federal Programs and Grants Department ([Federal Programs and Grants web page](#)), the Purchasing Department Policies and Procedures ([Purchasing Manual](#)), and the Accounting Department Policies and Procedures ([Accounting web page](#)) for additional information on general District procedures as well as procedures listed in this section.*

All financial records for the current fiscal year shall be retained for audit purposes in accordance with the Texas State Library and Archives Commission Local Schedule SD. 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.

### **Grant Records Retention (§200.334)**

Financial and program records, supporting documents, statistical records, and all other records pertinent to program regulations on the grant award must be retained for **five (5) years from submission of the Final Expenditure Report**. With a pending audit, all records must be retained until the audit is settled. It is the responsibility of the participating campus(es) or the specific Grant Manager to maintain all program and evaluation records. The Department retains the current and the immediate preceding year at the Administration Building. Prior year records are housed at the Harris County Department of Education. [Note: The District's retention period of five years meets or exceeds the retention period required in the EDGAR.]

### **Records Retention After Equipment Disposition**

Records must be retained for no less than three (3) years after disposition of equipment.

## **Data System Security and Access to Records**

The Department adheres to standard District practice regarding all aspects of data system security and access to records.

## **Monitoring and Compliance**

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

Special revenue programs are monitored annually for fiscal and program compliance. Internal (District) monitoring occurs through a variety of avenues, including but not limited to:

- Daily monitoring for allowability of all expenditures through the purchase approval process
- Semi-annual monitoring of fiscal accountability through Campus Financial Activity Reports
- Regular monitoring of Title I Schoolwide requirements under ESSA

External monitoring is conducted by other organizations and agencies and may include various departments within the USDE, TEA, and other funding sources.

- Annual audits by the District's external auditor
- Annual reports from TEA through the Performance Based Monitoring and Analysis System (PBMAS)
- Annual Federal Fiscal Risk Assessment from TEA
- Monitoring reports through the Texas Accountability Intervention System (TAIS)
- Annual reports to the funding agency

## **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. The Department shall ensure that all reporting requirements have been completed by the appropriate campus and/or department.

## **Monitoring and Accountability**

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

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

The Grant Manager for each federal grant shall be responsible for the programmatic and evaluation compliance and, with the Department, shall be responsible for the financial compliance.

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

## **Private Non-Profit**

The District ensures appropriate and eligible private non-profit schools are provided the opportunity to participate in federal funds. The District holds regular consultations with eligible private non-profit schools to address the administration of Title and CARES funding. The District also utilizes a third party contractor to assist and facilitate in this annual process.

Participating eligible private non-profit schools are required to adhere to the same District policies and procedures (affecting compliance, noncompliance, inventory control, as applicable, etc.) in relation to all federally funded purchases and/or services, including federally funded technology items and use of such items.

## **Extenuating Circumstances**

During periods affected by extenuating circumstances such as acts of God (including but not limited to the COVID pandemic), certain policies and procedures may be altered to ensure the District continues to operate in the most efficient manner possible to continue to support the success of its students and staff. Necessary alterations may also occur to maintain specific costs and payroll to allow the District to continue regular operations. These policies and procedures include but are not limited to the methodology, timing, and forms of documentation such as utilizing electronic options in place of paper and/or in-person options. Extenuating circumstances may also affect other district operations including but not limited to professional development, field trips, and/or travel.