Policies and Procedures Manual for Federal Grants*

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

Revised October, 2016

These federal grant policies and procedures are applicable to all federal grants awarded to the District, and to the extent required, state and local funds. All employees who deal with federal, state or private grants must be familiar with them and must fully comply with all requirements contained herein.
# Federal Grant 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)**

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Introduction

Purpose

This manual sets forth the policies and procedures used by Grand Prairie Independent School District to administer federal funds pursuant to Title 2 of the Code of Federal Regulations (2 CFR) Part 200, which took effect for non-federal entities on December 26, 2014. It also includes requirements and references from the federal regulations in EDGR (Education Department General Administrative Regulations) as well as certain policies and laws pertaining specifically to Texas school districts.

The manual contains the internal controls and grant management standards used by the District to ensure that all federal funds are lawfully expended. It describes in detail or references the District’s financial management system, including cash management procedures; procurement policies; inventory management protocols; procedures for determining the allowability of federal expenditures; time-and-effort reporting; record retention; and monitoring responsibilities. All employees of the District who deal with federal funds in any capacity are expected to review this manual to gain familiarity and understanding of the District’s rules and practices and to comply with all requirements.

Effective Date

For awards made prior to December 26, 2014, the uniform requirements found in 34 CFR Parts 74 and 80 of EDGR still apply. For awards made on or after December 26, 2014, the uniform grant guidance in 2 CFR Part 200 applies. Much of the substance found in the previous 34 CFR Parts 74 and 80 is now found in 2 CFR Part 200.

Therefore, for formula grants administered by the Texas Education Agency (TEA), the policies and procedures in this document are in effect beginning July 1, 2015, in conjunction with the formula grant period that begins July 1, 2015. These policies and procedures will also be in effect for any new discretionary grants administered by TEA that begin on or after July 1, 2015.

For existing multi-year discretionary grants administered by TEA or by another awarding agency where the initial grant period began before July 1, 2015, the policies and procedures that were previously in effect remain in effect for the duration of that multi-year project period unless significant changes are made to the program. In that case, the policies and procedures in this document are in effect beginning with the year that significant changes were in effect.

In all cases, the Notice of Grant Award (NOGA) from TEA or the Grant Award Notification (GAN) from another awarding agency will specify which set of rules is in effect for that particular
grant. If the grant award specifies that grantees must comply with 2 CFR Part 200 or with the requirements in EDGAR, then the policies and procedures contained in this manual must be followed.

<table>
<thead>
<tr>
<th>Type of Grant</th>
<th>Effective Date of These Policies and Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula grants administered by TEA that begin on or after July 1, 2015</td>
<td>July 1, 2015</td>
</tr>
<tr>
<td>Discretionary grants administered by TEA that begin on or after July 1, 2015</td>
<td>July 1, 2015</td>
</tr>
<tr>
<td>Multi-year discretionary grants that began prior to July 1, 2015</td>
<td>Follow the policies and procedures that were in effect prior to these unless there are significant changes to the discretionary grant, at which time the policies and procedures in this document will take effect.</td>
</tr>
</tbody>
</table>

**Special Note:** The District must maintain all policies and procedures that previously applied to federal grants for five years after the ending date of those grants for audit and monitoring purposes. The previously-used policies and procedures are in effect for any grants that were awarded prior to December 26, 2014.

**Scope**

The policies and procedures contained within this manual apply to all federal grants received by the District and to all employees of the District.

**Monitoring for Compliance and Consequences for Non-compliance**

The District is responsible for complying with all requirements of each federal award (2 CFR 200.300[b]). Compliance with these policies and procedures is monitored by the District. Failure of a district employee to comply with any of these requirements may result in disciplinary action, up to and including termination.

**Definitions**

Definitions as they pertain to federal grants appear in two places: 34 CFR Part 77 - Definitions That Apply to Department Regulations, and 2 CFR Part 200, Subpart A, which relate to the policies and procedures in this document. District employees who deal with federal grants must be familiar with the definitions in both.
Two terms used frequently in 2 CFR Part 200 are “state-administered grants” and “direct grants.” “State-administered grants” are those grants that pass through a state agency (i.e., a pass-through agency) such as TEA. The majority of grants the District receives are state-administered grants. Both TEA and the sub grantees must comply with the requirements in 34 CFR Part 76 in addition to the requirements in 2 CFR Part 200.

“Direct grants” are those grants that do not pass through another agency such as TEA and are awarded directly by the federal awarding agency to the grantee organization. These are usually discretionary grants that are awarded by the U.S. Department of Education (USDE) or by another federal awarding agency. In many instances, TEA may apply for a direct grant from the USDE on a competitive basis and then award sub grants. In other instances the District may apply directly from the USDE for a competitive grant. In either case, these grants are “direct grants,” and the District must comply with the requirements in 34 CFR Part 75 in addition to the requirements in 2 CFR Part 200.

All of the requirements outlined in these policies and procedures apply to both direct grants and state-administered grants.

The federal provisions contained and referenced in this document apply to all non-federal entities receiving and expending federal funds. A “non-federal entity” as defined in 2 CFR Part 200 means “a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a federal award as a recipient or sub recipient.” Thus, for the purposes of these federal grant policies and procedures, a “non-federal entity” means a school district, open-enrollment charter school, or regional education service center (ESC).

**Education Department General Administrative Regulations (EDGAR)**

The USDE adopts the uniform grant guidance in 2 CFR Part 200 as its regulations in 2 CFR Part 3474 (with two minor exceptions), 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:

<table>
<thead>
<tr>
<th>EDGAR</th>
<th>Applicability</th>
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<tr>
<td>34 CFR Part 75 – Direct Grant Programs</td>
<td>Applies to grants awarded directly to the District by the USDE or by another federal awarding agency; also applies to sub grants awarded by TEA for a competitive grant that TEA applied for and received</td>
</tr>
<tr>
<td>34 CFR Part 76 – State-Administered Programs</td>
<td>Applies to all formula grants administered by TEA and to all grants allocated to TEA based on a formula</td>
</tr>
<tr>
<td>34 CFR Part 77 – Definitions that Apply to Department Regulations</td>
<td>Applies to all federal education grants</td>
</tr>
<tr>
<td>34 CFR Part 81 – General Education Provisions Act (GEPA) – Enforcement</td>
<td>Applies to all federal education grants</td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
</tr>
<tr>
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</tr>
<tr>
<td>34 CFR Part 82 – New Restrictions on Lobbying</td>
<td>All federal grants (government-wide)</td>
</tr>
<tr>
<td>34 CFR Part 84 – Government-wide Requirements for Drug-Free Workplace</td>
<td>Applies to IHEs (i.e., colleges and universities) receiving federal funds directly from the USD or any other federal agency</td>
</tr>
<tr>
<td>34 CFR Part 86 – Drug and Alcohol Abuse Prevention</td>
<td>Applies to all research involving human subjects conducted, supported, or otherwise subject to regulation by the USD or any other federal department or agency that makes it applicable.</td>
</tr>
<tr>
<td>34 CFR Part 97 – Protection of Human Subjects</td>
<td>Applies to all federal education grants unless specifically exempted in the regulations</td>
</tr>
<tr>
<td>34 CFR Part 98 – Student Rights in Research, Experimental Programs, and Testing</td>
<td>Applies to all entities receiving federal education funds</td>
</tr>
<tr>
<td>34 CFR Part 99 – Family Educational Rights and Privacy</td>
<td>Applies to all new federal grants awarded as of December 26, 2014</td>
</tr>
<tr>
<td>2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</td>
<td>Applies to all new federal grants awarded as of December 26, 2014</td>
</tr>
<tr>
<td>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)</td>
<td>Applies to all new federal grants awarded as of December 26, 2014</td>
</tr>
<tr>
<td>2 CFR Part 3485 – Nonprocurement Debarment and Suspension</td>
<td>Applies to all new federal grants awarded as of December 26, 2014</td>
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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 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.

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

Attachment 1 is the current organizational chart for Grand Prairie Independent School District (GPISD).

GPISD is organized to focus on the Community as the primary customer and an invaluable source of information for a continuous process of needs assessment and improvements. The Board of Education and the General Superintendent then share information for planning and implementing effective programming.

The first line of responsibility for federal or state grants begins with the Business Operations Division in conjunction with the School Improvement Division. These Divisions are responsible for new grant applications and continuing federal and state grant programs, as well as preliminary budgeting. Further program development and implementation of supplemental grant programs then includes the Teaching and Learning Division and School Accountability Division to ensure effective strategies and proper implementation of grant-funded programs.

I. Federal Grant Application Process

TEA Grants

The majority of federal grants the District applies for and receives are formula grants administered by TEA (i.e., state-administered grants). The District may also apply for and receive discretionary grants from TEA or directly from the USDE or another federal awarding agency. The policies and procedures outlined in this document apply to all federal formula and discretionary grants, regardless of the awarding agency. Federal agencies that award direct grants may impose requirements or conditions that are not addressed herein and that may result in the need to create additional policies and/or procedures to comply with those requirements.

Refer to TEA’s Grant Process for a description of their process for administering state and federal formula and discretionary grants. Also refer to TEA’s description of Applying for a Grant for information on allocations, notices of grant funding opportunities, and the competitive review process.

Request for Application (RFA)

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

The process an applicant must follow to apply for funds is different for eGrants than for paper applications. Applicants can find detailed information about individual grants by selecting a grant from the Application Name dropdown list on the TEA Grants Opportunities page. For each individual grant available, the following information is displayed:

- **Program Information:** Briefly describes the program purpose and lists eligible applicants and eligibility criteria
- **Eligibility:** Describes organizations that are eligible to apply for the grant
- **Statutory Authority:** Cites the legislation that authorizes the grant
- **Funding Information:** Provides the start and ending date of the grant, whether it is state or federal, and the total amount that will be awarded
- **Application and Support Information:** Lists links to components of the Request for Application (RFA) such as the General and Fiscal Guidelines, Program Guidelines, Application, and any other pertinent grant materials, such as the announcement letter and any issued errata notices
- **Critical Events:** Lists all deadlines associated with the grant, including the application due date, amendment due date, and fiscal and programmatic reporting due dates
- **Contact Information:** Lists the TEA program and fiscal contacts. The TEA Program Contact can provide information about eligibility, program purpose or description, or allowable uses of funds. The TEA Funding Contact can answer questions about the grant application, including allocation and amendment questions.

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

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

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

The RFA also includes the grant application (i.e., Standard Application System, or SAS) and the instructions for completing the SAS schedules (i.e., forms). Program managers preparing grant
applications should carefully review all contents of the RFA package *prior to planning and developing a grant application* to ensure all requirements are met and the application is completed correctly. Some applications require advance coordination among district staff and/or among other entities such as local businesses, community organizations, or institutions of higher education (IHEs) (i.e., colleges and universities).

*Submitting Complete Applications on Time*

It is equally important that federal grant applications be prepared and submitted *on time*. For formula grants administered by TEA that usually begin July 1, the District cannot obligate funds and begin grant activities until the District submits the application to TEA in *substantially approvable form*. In order to prevent unnecessary delays in program implementation and the provision of services to students, it is the policy of the District that all formula grant applications will be submitted as soon as possible but no later than July 1 unless a later grant beginning date is published by TEA.

For *competitive discretionary grants*, it is the policy of the District that those applications be submitted in sufficient time for TEA to *receive* the application by the established deadline date and time specified in the competitive RFA. Failure for TEA to *receive* the application by the specified deadline date and time will render the application ineligible for consideration for review and scoring and for funding. In addition, all required forms must be completed in accordance with the instructions in the RFA in order to be eligible for consideration for funding. The program manager assigned to the grant is responsible for ensuring the application is completed accurately and submitted on time to TEA.

*Authorized Official*

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

District program staff, fiscal staff, and management are responsible for knowing all requirements and for complying with them. It is the policy of the District that the grant program described in the application is carried out in compliance with applicable statutes, regulations, rules, and guidelines, and in accordance with the approved application to achieve maximum efficiency and effectiveness with the goal of providing an integrated, coordinated delivery of services for students. Grant funds will be obligated, expended, and accounted for in an environment based on ethical principles and sound business practices.
The District program manager assigned to the grant program is responsible and held accountable for knowing the program requirements, fiscal requirements, and reporting requirements. In addition to the policies and procedures outlined in this manual, the program manager may be required to develop additional policies and procedures in order to comply with the specific requirements that may apply to a particular grant program. Any such additional policies and procedures must be used in conjunction with the policies and procedures outlined in this manual.

TEA monitors federal grants for compliance with fiscal and program requirements. In addition, the District’s independent auditor is required to determine compliance with certain requirements during the annual independent audit. Failure to comply with applicable statutes, regulations, rules, and guidelines or to implement the grant program in accordance with the approved application could result in the District being identified as a high-risk grantee and having corrective actions or additional sanctions imposed by TEA or other awarding agency; the repayment of federal dollars as a result of monitoring or audit findings; or termination of the grant. Refer to TEA’s Corrective Actions Related to Federal Grants for more information related to potential actions for noncompliance.

**Other Federal Grants**

The assigned program manager is responsible for monitoring grant opportunities that may be available from agencies other than TEA. Approval from the Assistant Superintendent for School Improvement to pursue the grant opportunity must be obtained in advance of completing and submitting the application. An authorized official of the District (as previously described) must sign/certify the application prior to submittal.

Opportunities for other federal grants passed through other state agencies might be published in the Texas Register in the “IN ADDITION” section. Opportunities for federal grants available directly from the USDE or from another federal awarding agency are published in www.grants.gov.

## II. Financial Management System

**Overview:** Federal regulations require grantees to use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for federal funds (34 CFR 76.702 and 2 CFR 200.302). Implementing and maintaining a proper accounting system is a fiduciary responsibility associated with receiving a federal award. The acceptance of an award creates a legal duty on the part of the District to use the funds or property made available under the award in accordance with the terms and conditions of the grant. The approved grant application itself constitutes an accounting document in that it establishes the purpose and amount of the awarding agency’s obligation to the grantee. In turn, it establishes a commitment by the District to perform
and expend funds in accordance with the approved grant agreement and the applicable laws, regulations, rules, and guidelines. 2 CFR § 200.300(b)

The District maintains a proper financial management system in order to receive both direct and state-administered grants and to expend funds associated with a grant award. Certain fiscal controls and procedures are in place to ensure that all federal financial management system requirements are met. Failure by the District to meet a requirement may result in return of funds or termination of the award.

Financial management requirements for Texas school districts are established through a pyramid consisting of

- Federal regulations
- Texas Education Code (TEC)
- Texas Administrative Code (TAC), Title 19
- TEA’s Financial Accountability System Resource Guide (FASRG)

**Texas Law and Rule**

TEC, Section 44.007 requires the State Board of Education (SBOE) to establish a mandatory fiscal accounting system with which all school districts, ESCs, and open-enrollment charter schools in Texas must comply. TEC further requires each school district and open-enrollment charter school to adopt and install a standard accounting system that conforms to generally accepted accounting principles (GAAP) and that meets the minimum requirements prescribed by the commissioner of education. It also requires these entities to maintain records of all revenues and expenditures.

Title 19 of the Texas Administrative Code (19 TAC), Chapter 109, establishes the SBOE rule for school district budgeting, accounting, and financial reporting. The detailed requirements of the financial accounting system adopted by the SBOE are published in TEA’s FASRG, adopted and incorporated by reference as TEA’s official rule.

FASRG currently consists of the following 11 modules:

- Module 1 – Financial Accounting & Reporting (FAR)
- Module 2 – Budgeting
- Module 3 – Purchasing
- Module 4 – Auditing
- Module 5 – Site-Based Decision Making
- Module 6 – Accountability
- Module 7 – Data Collection & Reporting
• Module 8 – Management
• Module 9 – State Compensatory Education
• Module 10 – Special Supplement – Charter Schools
• Module 11 – Special Supplement – Non-profit Charter School Chart of Accounts

A. Financial Management Standards

The federal standards for financial management systems are found at 2 CFR § 200.302. The mandatory accounting requirements established by TEA in the Financial Accountability System Resource Guide (FASRG) conform to these federal financial management standards. In accordance with federal regulations, the District’s financial management system, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the award, is sufficient to permit:

• the preparation of reports required by general and program-specific terms and conditions; and
• the tracing of funds to a level of expenditures adequate to establish that funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.

The District complies with the required federal standards for financial management systems by complying with the minimum budgeting, accounting, auditing, and reporting requirements established in TEA’s Financial Accounting and Reporting (FAR) Module 1 of the FASRG. Based on generally accepted accounting principles, FAR details a mandatory account code structure which all school districts, ESCs, and open-enrollment charter schools must use in accounting for all funds received and expended, including state and local funds and federal grant funds.

FAR establishes uniformity in governmental accounting and specifies a mandatory account code structure consisting of a minimum of 15 digits, plus 5 digits used at local option (for a total of 20 possible digits). For each accounting transaction, the minimum 15-digit account code structure consists of a fund code, function code, object code, organization code, fiscal year code, and program intent code, each serving a different purpose in designating the use of funds, campus served, and student population served.

The mandatory account code structure begins with a 3-digit fund code, which designates the funding source, e.g., the general fund, food service fund, a specific grant (referred to as a special revenue code), etc. A different 3-digit fund code is provided for fiscal agents of a shared services arrangement (SSA).
Each accounting transaction recorded in the general ledger must begin with the 3-digit fund code (net asset code for nonprofit open-enrollment charter schools). For example, the 3-digit fund code for Title I, Part A is 211. The budget and all revenues and expenditures for Title I, Part A must be recorded in the accounting records using this specific fund code.

See the Business Operations Handbook.

Additionally, 2 CFR § 76.760(b) authorizes grantees to use more than one program to support an activity if the grantee has an accounting system that permits the identification of costs paid for under each program. The fund accounting system in FAR accommodates this requirement.

Identification of All Federal Awards

The District identifies, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification includes, as applicable, the Catalog of Federal Domestic Assistance (CFDA) title and number, federal award identification number and year, name of the federal agency, and, if applicable, name of the pass-through entity. Upon receipt of each grant award, the District obtains the required information from TEA’s Notice of Grant Award (NOGA) or other awarding agency’s Grant Award Notification (GAN) and enters the information in the general ledger using the assigned 3-digit fund code.

The Finance Department is responsible for ensuring that the required information on all federal awards is entered into the federal ledger via the Skyward Financial Data System once the Notice of Grant Award (NOGA) is received. Periodic reports are generated throughout the year to ensure data accuracy.

Financial Reporting

Accountability is the paramount objective of financial reporting. Accurate, current, and complete disclosure of the financial results of each federal award or program is made in accordance with the financial reporting requirements set forth in 2 CFR § 200.327 - .328 and in EDGAR. The District collects and reports financial information with the frequency required in the terms and conditions of the award and monitors its activities under federal awards to assure compliance with applicable federal requirements.

The Finance Department uses the Skyward Financial Data System to monitor grant award activities for anomalies, inconsistencies or other possible errors in accordance with specified grant intervals, or more often as may be deemed necessary due to activity on the grant award. Final and revised reports require review by three individuals.

Accounting Records
The District maintains records which adequately identify the source and application (i.e., use) of funds provided for federally assisted activities. In accordance with federal regulations, these records contain information pertaining to grant or sub grant awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest. All transactions are supported by source documentation (purchase orders/requisitions, invoices, receipts, travel vouchers, time-and-effort documentation and employee salary records, copies of checks, etc.).

The accounting system mandated in FAR conforms to generally accepted accounting principles (GAAP). The accounting structure is organized and operated on a fund basis and is organization-wide covering all funds. The use of funds is identified by including the required function code, object code, organization code, program intent code, and fiscal year code specified in FAR.

The District uses the minimum 15-digit account code structure mandated in FAR to record all revenues, encumbrances, and expenditures. The Finance Department is responsible for ensuring that the District uses the minimum 15-digit account code structure to record all accounting transactions. Once a requisition is entered into the Skyward System, the 15-digit account code must be used. An approval process is built into the system and each approval verifies the 15-digit account code for accuracy.

**Internal Controls**

Effective control and accountability must be established and maintained for all funds, real property (i.e., land and buildings), personal property, and other assets. The District must adequately safeguard all such property and must ensure that it is used solely for authorized purposes.

In accordance with 2 CFR § 200.61, “internal controls” means a process implemented by the District to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (a) Effectiveness and efficiency of operations
- (b) Reliability of reporting for internal and external use, and
- (c) Compliance with applicable laws and regulations.

“Internal control over compliance requirements for federal awards” means a process implemented by the District designed to provide reasonable assurance regarding the achievement of the following objectives for federal awards:

- Transactions are properly recorded and accounted for in order to
  - permit the preparation of reliable financial statements and federal reports
  - maintain accountability over assets
  - demonstrate compliance with statutes, regulations, and the terms and conditions of the award
- Transactions are executed in compliance with
o laws, regulations, and the terms and conditions of the award that could have a direct and material effect on a federal program
o any other statutes and regulations that are identified in the Audit Compliance Supplement

- Funds, property, and other assets are safeguarded against loss and from unauthorized use or disposition.

Internal controls are tools (i.e., policies, procedures, best practices, and activities) to help program and financial managers achieve results and safeguard the integrity of their program. The District’s internal controls are in compliance with guidance in the Standards for Internal Control in the Federal Government (the Green Book) issued by the Comptroller General of the United States and the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and are designed to provide effective and efficient operations and reasonable assurance that the following objectives are achieved.

To accomplish these objectives, the District:

- develops and maintains policies, procedures, and effective practices to ensure federal funds are properly administered and spent and federal property is safeguarded against loss and from unauthorized use or disposition. The District also ensures that all employees who deal with federal funds are aware of the policies and procedures and are properly trained in the use of them.
- Attachment 2: Grants Management Manual Section 3, Internal Controls
- ensures that employees comply by regularly and frequently evaluating and monitoring their compliance with the policies and procedures, statutes, regulations, and the terms and conditions of the award.
- takes prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings, and takes the appropriate disciplinary action for employees who do not comply, and
- takes reasonable measures to safeguard protected personally identifiable information and other information designated as sensitive consistent with applicable federal, state, and local laws regarding privacy and obligations of confidentiality.

The District uses the following, at least in part, to determine if internal controls are effective:

- Only valid or authorized transactions are processed.
- Transactions occurred during the grant period and were processed in a timely manner.
- No proper transactions were omitted from the accounting records.
- Transactions are calculated using an appropriate methodology.
• Transactions appear reasonable relative to other data.
• Property (including supplies and equipment) is tracked and used only for authorized purposes.
• Property is properly disposed of.

Internal controls are reviewed throughout the year for effectiveness. Finance Department meetings and departmental review are scheduled annually.

**Budget Control**

The budget for each federal award is recorded in the general ledger in accordance with FAR using the designated 3-digit fund code. Obligations/encumbrances and expenditures are also recorded in the general ledger for each federal award. On a regular basis, the District compares actual expenditures or outlays with budgeted amounts for each federal award.

For entitlement grants, once the application is submitted the budget(s) are uploaded/imported into the general ledger via the Skyward Financial Data System by the Finance Department. Budget forms are sent to the appropriate program/grants manager(s) to be completed and sent back to the Finance Department. The budget forms are then reviewed for accuracy, compliance and alignment with the grant application. Encumbrances/obligations and expenditures are entered into the general ledger by the end user as requisitions and purchase orders are processed, approved and received into the Skyward System. The Finance Department runs comparisons of the budget to expenditures every time a drawdown or request for reimbursement is submitted to the grantor agency. Other grant budgets are uploaded once the NOGA or foundation check is received and the procedures noted for entitlement grants then become the same.

**Cash Management**

The District maintains written procedures to implement the cash management requirements found in 2 CFR § 200.305 and in EDGAR.

Please see **II. Financial Management System, H. Federal Cash Management Policy/Procedures** of this document for these written cash management procedures.

**Allowable Costs**

The District maintains written procedures for determining allowability of costs in accordance with 2 CFR § 200.302(b)(7) and EDGAR.

Please see **II. Financial Management System, F. Expending Grant Funds** of this document for the written procedures for determining allowability of costs.
B. Budgeting Grant Funds

Budgeting - The Planning Phase: Meetings and Discussions

Before Developing the Grant Budget and Submitting the Application: The grant/program manager will base the grant budget on the proposed activities planned and described in the grant application. Prior to developing the budget, the grant/program manager will review the intent of the federal program and the activities that are allowable to be conducted with grant funds. The grant/program manager will coordinate with other District staff to conduct a needs assessment using the appropriate data to determine the goals and objectives for the program and the activities that will be implemented to accomplish the goals and objectives. Once the goals, objectives, strategies, and activities are outlined, then the budget to carry out the identified strategies and activities will be developed and entered onto a budget form provided from the Finance department.

Prior to completing the application, the grant/program manager will develop a detailed budget in a document (Budget Forms; an Excel spreadsheet) separate from the application. The grant/program manager will coordinate with the Finance Department in preparing the budget to ensure that budgeted items are categorized according to the proper class/object code. This detailed budget, which serves as the guide for expenditures and becomes part of the “working papers” maintained by the grant/program manager, will be used to complete the application. In most instances, particularly for formula grants, the budget entered into the grant application will not be as detailed. The detailed budget is to be modified or revised as necessary to accommodate changes, which may result in an amendment to the application prior to incurring certain expenditures.

If the grant program will be implemented on a Title I schoolwide campus, the planned activities and expenditures must be identified in the schoolwide plan. Conducting activities and expending funds that are not included in the schoolwide plan could result in an audit exception or monitoring finding for the District. Therefore, the grant/program manager is responsible for coordinating with the campus administration and for ensuring that the activities and anticipated expenditures are described in the schoolwide plan.

GPISD and all campuses complete an annual Comprehensive Needs Assessment, as required by Title I federal funds. The annual District Improvement Plan and all Campus Improvement Plans are then developed from these identified needs. Federal grant programs, as well as any State or private grant programs that may be acquired are tied back to this needs assessment. This planning process also addresses utilization of existing materials and equipment. The District Improvement Plan (DIP) and all Campus Improvement Plans (CIPs) address the need to coordinate grants and general operating funds to maximize the services for students.

Purchases of goods of services are addressed as Strategies and related costs within the DIP and all CIPs. These strategies are tied to the purpose of the grant and require a DIP or CIP justification link on all purchase orders.
**Reviewing and Approving the Budget Prior to Submitting the Application:**

After the final review of the application and before submission to the grantor agency, the grant/program manager reviews the items in the proposed budget to ensure budgeted items are listed in the correct class/object code according to FAR and the GPISD classification chart and to ensure the items are allowable. The budget is also reviewed to ensure that any costs requiring specific or prior approval are specifically identified and listed. See II. Financial Management System, E Expending Grant Funds, for a discussion performing allowability determinations. If the grant/program manager determines that a cost is not allowable, then it is removed from the application and the budget forms.

Once the grant/program manager determines that all budgeted items are allowable and are budgeted in the proper class/object code according to FAR, the budget is sent to the Director of Finance for final review and approval. The assigned program manager then enters the final approved budget into the appropriate budget schedules of the grant application.

**Negotiating the Submitted Application**

Once the grant application is submitted to the awarding agency, the designated program contact, usually the Program or Project Director assigned to the grant program, is available via phone and/or e-mail in the event that the awarding agency needs to contact the District to negotiate the application or to ask questions or seek clarification related to the proposed program and/or budget. The assigned Program/Project Director will seek guidance, if needed, from appropriate District personnel and will respond to any inquiries from the awarding agency within 24 hours. A delay in contacting the awarding agency delays final approval of the grant application, which delays grant program implementation and providing services to intended beneficiaries of the grant.

**After Receiving the Approved Application and NOGA/GAN**

Within 5 days of receiving the approved application and NOGA/GAN from the awarding agency, a complete copy of the application and NOGA/GAN will be provided to the responsible Program Manager/Director and to the Finance Office. The Program Manager/Director is responsible for copying all participants.

All grant budgets are entered into the accounts of the District in the general ledger as approved in the application, via the Skyward System by the Finance Department.

The grant/program manager coordinates with the appropriate district staff before a grant is submitted to ensure that the District is prepared to implement the grant on the beginning date of the
grant to maximize the effectiveness of the grant. Some of the steps/practices are: Establishing the roles and responsibilities of key staff members; ensuring that systems and processes are established and in place to accommodate the various activities that must occur simultaneously; ensuring quality personnel are hired and trained to implement the grant program; ensuring that practices and procedures are in place for program managers and business office personnel to regularly and frequently report to management; coordinating with other federal and state grant programs to maximize effectiveness and efficiency of grant services and expenditures; ordering supplies and equipment needed to implement the grant; monitoring program activities often to ensure that they are being conducted in accordance with the approved application and requirements; monitoring the approved budget closely to determine when and if an amendment is required; preparing and submitting the required program reports and expenditure reports.

**Amending the Application**

The District consults and complies with the guidelines and procedures provided by TEA or other awarding agency regarding when and how to submit an amendment to an approved application. TEA publishes its requirements for [when to amend the application](#) online. Specific deadlines for submitting amendments are published in the corresponding RFA and/or in the Critical Events calendar on the [TEA Grant Opportunities Page](#) for the specific grant program. Procedures are in place to ensure that the District does not exceed any maximum allowable variation in the budget.

*Monitoring and Amending the Budget:* The budgets and expenditures are monitored by the grant/program manager and the Finance Department on a regular basis to determine when and if an amendment is required. The maximum allowable budget variation is also reviewed to ensure that it is not exceeded. The budgets and expenditures are reviewed by the Finance Department before every reimbursement is requested. The amended budget is provided from the Finance Department and given to the grant/program manager to submit to the grantor agency.

*Monitoring and Amending the Program Description:* The grant/program manager monitors the program activities against the approved application during the period of the grant. If changes are required, the grant/program manager coordinates these changes with the grantor. Programmatic changes may also require updates to the District Improvement Plan or Campus Improvement Plans.

**C. Timely Obligation of Funds**

**When Obligations are Made**

“Obligations” are defined as *orders placed for property and services, contracts and sub awards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.* (This does not mean obligations for which goods and
services will be delivered in a future grant period.) Essentially, an obligation is a commitment to pay.

All obligations for all goods and services must occur during the grant period (i.e., between the beginning and ending dates as stated on the NOGA), and those goods and services must be delivered during the grant period in sufficient time to provide substantial benefit to the grant to be considered necessary to carry out the objectives of the grant. 34 CFR § 200.71

Per TEA’s General and Fiscal Guidelines, in some instances, goods or services delivered near the end of the grant period may be viewed by TEA as not necessary to accomplish the objectives of the current grant program. TEA will evaluate such expenditures on a case-by-case basis. Please note that a TEA monitor or an auditor may disallow those expenditures if the grantee is unable to (1) document the need for the expenditures, (2) demonstrate that program beneficiaries receive benefit from the late expenditures, or (3) negate the appearance of “stockpiling” supplies or equipment.

The following table illustrates when funds are determined to be obligated under federal regulations:

<table>
<thead>
<tr>
<th>If the obligation is for:</th>
<th>The obligation is made:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of property</td>
<td>On the date which the District makes a binding written commitment to acquire the property</td>
</tr>
<tr>
<td>Personal services by an employee of the District</td>
<td>When the services are performed</td>
</tr>
<tr>
<td>Personal services by a contractor who is not an employee of the District</td>
<td>On the date which the District makes a binding written commitment to obtain the services</td>
</tr>
<tr>
<td>Public utility services</td>
<td>When the District receives the services</td>
</tr>
<tr>
<td>Travel</td>
<td>When the travel is taken</td>
</tr>
<tr>
<td>Rental of property</td>
<td>When the District uses the property</td>
</tr>
<tr>
<td>A pre-agreement cost that was properly approved by TEA prior to the obligation</td>
<td>On the first day of the grant project period.</td>
</tr>
</tbody>
</table>

34 CFR § 75.707; 34 CFR § 76.707.

In addition, TEA’s FAR requires encumbrance accounting. The amount committed (or obligated) must also be known to avoid over-expense of budgeted funds. An encumbrance accounting system is a method of ascertaining the availability of funds and then reserving funds to cover outstanding obligations.

Encumbrances represent commitments (i.e., obligations) related to contracts not yet performed (executory contracts), and are used to control expenditures for the year and to enhance cash management. A school district often issues purchase orders or signs contracts for the purchase of goods and services to be received during the grant period. At the time these commitments or obligations are made, which in its simplest form means that when a purchase order is prepared, the appropriate account is checked for available funds. If an adequate balance exists, the amount of the order is immediately charged to the account to reduce the available balance for control purposes. The encumbrance account does not represent an expenditure for the period, only a commitment to expend resources.
Period of Availability of Federal Funds

All obligations must occur on or between the beginning and ending dates of the grant project. 34 CFR § 76.707. This period of time is known as the *period of availability*. The *period of availability*, or the period between the beginning and ending dates of the grant, is dictated by statute and will be indicated on TEA’s NOGA or other awarding agency’s GAN. Further, certain grants have specific requirements for carryover funds that must be adhered to.

**TEA Grants**: As a general rule, federal funds administered by TEA are available for obligation within the fiscal year for which Congress appropriated the funds. However, given the unique nature of educational institutions, for many formula education grants, pursuant to provisions in the *General Education Provisions Act* (GEPA), the *period of availability* is 27 months. This consists of an initial grant period of 15 months (i.e., July 1 – September 30 of the following year), plus a 12-month carryover period authorized by the “Tydings Amendment.” 34 CFR § 76.709. For example, funds awarded on July 1, 2015, would remain available for obligation by TEA through September 30, 2017.

<table>
<thead>
<tr>
<th>Period</th>
<th>Availability Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>July – September (Forward Funding)</td>
<td>3 months</td>
</tr>
<tr>
<td>October – September (Federal fiscal year)</td>
<td>12 months</td>
</tr>
<tr>
<td>October – September (carryover period; Tydings Amendment)</td>
<td>12 months, 27 months</td>
</tr>
</tbody>
</table>

Federal education formula grant funds are typically awarded on July 1 of each year. While funds not obligated during the initial 15-month grant period remain available as carryover in the subsequent 12-month period, the District will always plan to spend to the best of its ability all current grant funds within the year for which the funds were initially appropriated. Per TEA, excess carryover and lapsing of funds may be an indicator in TEA’s risk assessment process. TEA calculates and manages the carryover process each year after final expenditure reports from the prior year are processed. Any carryover funds from the prior year are added to the application and NOGA for the subsequent year.

**Direct Grants**: In general, the *period of availability* for funds authorized under *direct* grants is identified in the GAN.

Liquidation of Obligations

The District must *liquidate* (i.e., make the final payment because the goods or services were received during the grant period, or *cancel* the obligation because the goods or services were *not* received during the grant period) all obligations incurred under the award in accordance with the requirements of TEA or other awarding agency. For TEA formula grants, this is usually within 30 calendar days after the ending date of the formula grant to coincide with submittal of the final
expenditure report to TEA. For *direct* grants from the Department of Education, this may be not later than 90 days after the end of the funding period unless an extension is authorized. 2 CFR § 200.343(b).

Any funds not obligated within the period of availability or not liquidated within the appropriate timeframe are said to *lapse* and must not be requested for reimbursement or be returned to the awarding agency. 2 CFR § 200.343(d). Lapsing of funds is usually considered by TEA to be an indicator of poor planning and may cause the District to be identified as high risk. Consequently, the District closely monitors grant spending throughout the grant cycle.

The finance department monitors each grant expenditures and reviews the general ledger of each grant before the final expenditure report is submitted. The finance department will coordinate with the applicable grants manager to close or liquidate any and all obligations. Once all obligations are cleared, the final expenditure is then submitted. The finance department along with each program manager periodically monitors the obligations and unobligated balances in the general ledger throughout the grant period to ensure excessive amounts of funds do not lapse.

**Carryover**

*TEA Grants:* As previously described, the Tydings Amendment typically extends the period of availability for formula grants for an additional 12 months. Accordingly, the District may have multiple years of grant funds available under the same program at the same time.

Usually, TEA *discretionary* grants do not have a carryover period, as any unobligated and unexpended funds are carried over at the *state* level and are used to issue NOGAs for the subsequent funding period. TEA discretionary grantees must request to extend the ending date of the project/NOGA directly from TEA if such an extension is allowable pursuant to the guidelines related to a particular grant.

*Direct Grants:* Grantees receiving direct grants are not covered by the 12-month Tydings period. However, under 2 CFR § 200.308, direct grantees enjoy unique authority to expand the period of availability of federal funds. The District is authorized to extend a direct grant automatically for one 12-month period. Prior approval is not required in these circumstances; however, in order to obtain this extension, the District must provide written notice to the federal awarding agency at least 10 calendar days before the end of the period of performance specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

The District will seek written prior approval from the federal agency when the extension will not be contrary to federal statute, regulation or grant conditions and when:

- The terms and conditions of the Federal award prohibit the extension;  
- The extension requires additional Federal funds; or
• The extension involves any change in the approved objectives or scope of the project. 2 CFR § 200.308(d)(2)

The finance department and program/grant manager will work together to make the determination that an extension of a direct grant is necessary with the program/grant manager making the final approval. The program/grant manager will write the notice and will include the reasons for the extension as well as the revised period of performance. The written notice must be completed and sent a minimum of 10 business days before the grant period ends.

D. Accounting Records

The Business Office is responsible for maintaining the official accounting records of the District. All grant budgets are entered into the accounts of the District in the general ledger. Funds are accounted for and records are kept in accordance with the requirements in TEA’s FAR. The chart of accounts provided in FAR provides the framework for the accounting system, and the District uses the accounting terminology specified in FAR and generally accepted accounting principles (GAAP).

The finance department enters all one-time and recurring journal entries. To ensure proper control, the individual entering the journal entry will not approve their own. Another authorized individual in the finance department will review and approve other journal entries for accuracy and appropriate classification.

The Business Office maintains (on paper or electronically) original source documentation to support all expenditures recorded in the general ledger. Source documentation may include but is not limited to purchase orders/requisitions, invoices, itemized receipts, travel authorizations and travel vouchers, contracts, proof of delivery, copies of checks, bank statements, etc.

Each transaction is approved on multiple levels with the original source documentation filed/stored by the originator in their department and electronically in the Skyward finance system. If no original source documentation is not available or available but illegible, the electronic source will serve as backup.

If electronic source documentation is maintained, the District ensures the documentation is easily retrievable and is readable in accordance with the requirements in 2 CFR § 200.335. Refer to Section VII. Record Keeping of this manual for more information about these requirements.

The finance department will ensure electronic documentation is readable after it is scanned in the Skyward system. If available, paper documentation will be stored in the Accounts Payables filing cabinet or applicable container to ensure the documentation is readable and immediately retrievable.
Documentation Associated With Using District Credit Cards/Pro-Cards

(GPISD does not currently use Credit Cards or Procurement Cards. The following language notes compliant processes for use of such cards. Should GPISD opt to use these types of cards, a specific written policy will be developed at that time.)

Purchases made with credit cards or procurement cards must be closely controlled and monitored to prevent fraud, waste, and abuse. The appropriate and corresponding entries must be made in the general ledger as with any other individual purchase.

Employees who receive and use district-issued credit cards must submit to the Accounting Office the original itemized receipt that identifies each item purchased (and not just the credit card receipt). The itemized receipt constitutes the required original source documentation and must be legible and must clearly identify the date of the transaction and each item that was purchased. The employee must provide documentation, either on the receipt itself, or in a separate file cross-referencing that particular transaction, how each item was used to benefit the grant program. If the employee does not provide an original, itemized receipt, the expenditure will not be charged to a federal grant.

The District must also maintain all other appropriate internal accounting records, such as travel vouchers, expense reimbursement vouchers, purchase orders, etc., related to the credit card purchase.

The classification of costs by funding source and expense type and the maintenance of adequate original source documentation are necessary for reporting purposes to TEA or other awarding agency. It is also necessary to demonstrate compliance with state and federal cost principles, standards of financial management systems, and conformance with GAAP. Lastly, it is a requirement of the Internal Revenue Code applicable to all business entities.

The District’s general ledger will reflect each individual charge on each credit card statement with each of the following:

- The individual vendor name (not just the credit card company name)
- The grant funding source/fund code
- The expense category (supplies, instructional materials, equipment, travel, etc.)
- The actual date of the charge (as opposed to the billing statement or the date the credit card bill was paid)

Rebates on Purchase Cards: Per TEA, any rebates on a district-issued purchase card will be credited to the original funding source(s) for which the card is used to make purchases. The District may prorate rebates based on a percentage of the total amount of funds used from each funding source.
E. Expending Grant Funds

All costs charged to a federal grant are classified as either direct or indirect. While developing and reviewing the grant budget and when expending grant funds, program and fiscal staff should keep in mind the difference between direct costs and indirect costs as defined in the federal cost principles. All costs must be properly and consistently identified as either direct or indirect in the accounting system.

Direct and Indirect Costs

Determining Whether a Cost is Direct or Indirect

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

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

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

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

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

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

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

Two indirect cost rates are approved by TEA and are used by the District. The restricted rate is used for federal grants containing the supplement, not supplant requirement (34 CFR §§ 76.563 and .564). The unrestricted rate may be used for federal grants that do not contain the supplement, not supplant requirement. The finance department is responsible for extracting the required information to be included in the indirect cost rate/proposal and submits it to TEA. TEA approved the district’s indirect cost rate for a period of 12 months to coincide with our fiscal year.

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

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

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

The finance department calculates the indirect costs based on the actual expenditures of each grant prior to the final expenditure report and includes this amount in the request. TEA also has a built-in indirect costs calculator that determines to maximum amount of indirect cost that can be charged.
to its flow-through grants based on actual expenditures and will not allow additional amounts to be charged to the grant.

**Determining Allowability of Costs**

Grantees are required to have written procedures for determining the allowability of costs charged to federal grants. 2 CFR § 200.302(b)(7). All costs must be allow able under the federal cost principles in 2 CFR Part 200, Subpart E, and under the terms and conditions of the specific federal award.

Expenditures must be aligned with budgeted items in the approved grant application. Certain changes or variations from the approved budget and grant application need prior approval from TEA or other awarding agency. Refer to TEA’s guidelines on [When to Submit an Amendment](#) (under Amendment Submission Guidance) to determine when an amendment to the budget is required for TEA grants.

When determining how the District will spend grant funds, the originator of the purchase order, the program/grant manager in coordination with the finance department will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed goods or services. All expenditures made with federal education funds must meet the standards outlined in EDGAR, 2 CFR Part 3474, and 2 CFR Part 200. The assigned program manager and fiscal staff, including the originator and any approvers of the purchase order must consider the following factors when making an allowability determination.

**Factors Affecting Allowability of Costs**

In general, District staff must consider the following elements when determining the allowability of a cost. In accordance with the federal cost principles, all costs budgeted and charged to a federal grant must be:

* **Necessary and Reasonable for the performance of the federal award.**
  
  *Reasonable Costs:* A cost is *reasonable* if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. “Reasonable” means that sound business practices were followed, and purchases were comparable to current market prices.

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

  § Prudence was used in making the decision to incur the cost, considering the person’s responsibilities to the District, its employees, the public, and the federal government.
§ It is necessary to carry out the objectives of the grant program or is recognized as an ordinary cost to operate the organization.

§ The District applied sound business practices; arm’s-length bargaining (i.e., the transaction was with an unrelated third party); federal, state, and other laws and regulations; and the terms and conditions of the award in making the decision.

§ The price is comparable to that of the current fair market value for equivalent goods or services.

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

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

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

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

§ Whether the cost is needed for the proper and efficient performance of the grant program;

§ Whether the cost is identified in the approved budget or application;

§ Whether there is an educational benefit associated with the cost;

§ Whether the cost aligns with identified needs based on results and findings from a needs assessment; and

§ Whether the cost addresses program goals and objectives and is based on program data.

*Allocable to the federal award.* A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefits received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. 2 CFR § 200.405. For example, if 50% of a supplementary teacher’s salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program. Additionally, if equipment or supplies purchased with grant funds benefits more than one grant program, the purchase must be
“split-funded” among the grant programs receiving benefit. The District must be able to demonstrate how a particular cost benefits the specific population being served in the grant. This is an area of frequent audit exceptions.

**Consistent with policies and procedures** that apply uniformly to both federally financed and other activities of the District. For example, personnel whose travel is paid with federal funds is reimbursed at the same rates as personnel whose travel is paid with state or local funds and the grant is charged accordingly.

**Conform to any limitations or exclusions set forth as cost principles** in 2 CFR Part 200, Subpart E, or in the terms and conditions of the federal award.

**Consistent treatment.** A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.

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

**Determined in accordance with generally accepted accounting principles (GAAP), unless provided otherwise in 2 CFR Part 200.**

**Not included as a match or cost-share of another federal program,** unless the specific federal program authorizes federal costs to be treated as such. Some federal program statutes require the grantee to contribute a certain amount of non-federal resources to be eligible for the federal program.

**The net of all applicable credits.** The term “applicable credits” refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges, such as credits. To the extent that such credits accruing to or received by the District relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. 2 CFR § 200.406.
Treatment of miles, points, or awards accrued for travel: Any miles, points, credits, or awards accrued or earned for employee travel using a district-issued credit card where the credit card bill is paid directly by the District are the property of the District and will be used for employees travelling on behalf of the District to reduce the overall cost to the District. Any such miles, points, credits, or awards accrued will not be used for personal travel.

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

Requesting Prior Written Approval

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

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

The Program Manager and the Director of Finance will determine if and when the District should seek prior written approval for a certain cost prior to incurring the cost. Federal grant funds will not be expended for any costs that require prior written approval in accordance with 2 CFR 200, Subpart E, or the grant application instructions, if such prior written approval was not properly secured.

Selected Items of Cost – 2 CFR Part 200, Subpart E

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

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

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

<table>
<thead>
<tr>
<th>Item of Cost</th>
<th>Citation of Allowability Rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and public relations costs</td>
<td>2 CFR § 200.421</td>
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<td>Advisory councils</td>
<td>2 CFR § 200.422</td>
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<td>Alcoholic beverages</td>
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<td>Alumni/ae activities</td>
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<td>Audit services</td>
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<td>Bad debts</td>
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<td>Bonding costs</td>
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<td>Collection of improper payments</td>
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<td>Commencement and convocation costs</td>
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<tr>
<td>Compensation – personal services</td>
<td>2 CFR § 200.430</td>
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<tr>
<td>Compensation – fringe benefits</td>
<td>2 CFR § 200.431</td>
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<tr>
<td>Conferences</td>
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<td>Contingency provisions</td>
<td>2 CFR § 200.433</td>
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<td>Contributions and donations</td>
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<td>Defense and prosecution of criminal and civil proceedings, claims, appeals</td>
<td>2 CFR § 200.435</td>
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<td>and patent infringements</td>
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<td>Depreciation</td>
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<td>Employee health and welfare costs</td>
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<td>Entertainment costs</td>
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<td>Equipment and other capital expenditures</td>
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<td>Exchange rates</td>
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<td>Fines, penalties, damages and other settlements</td>
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<tr>
<td>Fund raising and investment management costs</td>
<td>2 CFR § 200.442</td>
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<td>Gains and losses on disposition of depreciable assets</td>
<td>2 CFR § 200.443</td>
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<tr>
<td>General costs of government</td>
<td>2 CFR § 200.444</td>
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<tr>
<td>Cost Category</td>
<td>CFR Section</td>
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<tr>
<td>-------------------------------------------------------------------------------</td>
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<tr>
<td>Goods and services for personal use</td>
<td>2 CFR § 200.445</td>
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<tr>
<td>Idle facilities and idle capacity</td>
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<td>Insurance and indemnification</td>
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<td>Intellectual property</td>
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<td>Losses on other awards or contracts</td>
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<td>Maintenance and repair costs</td>
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<td>Materials and supplies costs, including costs of computing devices</td>
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<td>Memberships, subscriptions, and professional activity costs</td>
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<td>Organization costs</td>
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<td>Participant support costs</td>
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<td>Professional services costs</td>
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<td>Proposal costs</td>
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<td>Publication and printing costs</td>
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<td>Rearrangement and reconversion costs</td>
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<td>Recruiting costs</td>
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<tr>
<td>Relocation costs of employees</td>
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<tr>
<td>Rental costs of real property and equipment</td>
<td>2 CFR § 200.465</td>
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<tr>
<td>Scholarships and student aid costs</td>
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<tr>
<td>Selling and marketing costs</td>
<td>2 CFR § 200.467</td>
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<tr>
<td>Specialized service facilities</td>
<td>2 CFR § 200.468</td>
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<tr>
<td>Student activity costs</td>
<td>2 CFR § 200.469</td>
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<tr>
<td>Taxes (including Value Added Tax)</td>
<td>2 CFR § 200.470</td>
</tr>
<tr>
<td>Termination costs</td>
<td>2 CFR § 200.471</td>
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<tr>
<td>Training and education costs</td>
<td>2 CFR § 200.472</td>
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<td>Transportation costs</td>
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<tr>
<td>Travel costs (TEA restricts to actual costs, not per diem)</td>
<td>2 CFR § 200.474</td>
</tr>
<tr>
<td>Trustees</td>
<td>2 CFR § 200.475</td>
</tr>
</tbody>
</table>

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

**Other Considerations for Allowability**
In order for a cost to be allowable, the expenditure must also be allowable under the applicable federal program statute (e.g., Title I of the Elementary and Secondary Education Act [ESEA], or the Carl D. Perkins Career and Technical Education Act [Perkins]), along with accompanying program regulations, non-regulatory guidance, and grant award notifications.

Most federal programs also contain the supplement, not supplant requirements. In general, this means that the District cannot use federal grant funds to pay for a cost or activity that is usually supported by state or local funds. See Section X. Programmatic Fiscal Requirements, B. Supplement, Not Supplant, of this manual for more information about this requirement.

In summary, for a cost to be allowable under a federal grant program, the District ensures that it meets all of the following conditions. A cost that does not meet all of these conditions could be questioned during an audit or monitoring visit and could require repayment to the awarding agency. The cost must be:

- reasonable in cost (as described above)
- necessary to accomplish the objectives of the grant program (as described above)
- based on an identified need, concern, or area of weakness within the grant program
- appropriate under the authorizing program statute
- consistent with the underlying needs of the program in that it benefits the intended population of students or teachers for which the funds are appropriated
- allocable to the grant based on the relative benefits received (as described above)
- authorized or not prohibited under state or local laws or regulations
- consistent with policies, regulations, and procedures that apply to all activities, including other grants and state and local activities
- treated consistently as either a direct cost or as an indirect cost
- determined in accordance with GAAP
- not used to meet cost sharing or matching requirements of another federal grant (unless specifically permitted in the other program statute or regulations)
- consistent with the terms and conditions of the grant award
- budgeted in the approved grant application
- adequately documented with appropriate supporting original source documentation
- the net of any applicable credits such as rebates or discounts
- allowable under the federal cost principles
- in most cases, supplemental to the core foundation program of the school and to other activities normally conducted by the school (i.e., supplement, not supplant)
if the school is a Title I schoolwide program, the grant program’s activities and applicable costs must be included in the schoolwide plan, the school must have conducted a comprehensive needs assessment, and the plan must contain the required components specified in statute (see Title I, Part A, §1114[b]).

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

With each purchase order/requisition, we have a built-in multiple approval process in the Skyward financial system that includes the program/grant manager and fiscal staff. Each approval level views the request for reasonable, necessary, allowable (in accordance with the above list), and allocable before approval is granted.

**Costs That Require Special Attention**

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

The District makes every effort to comply with these guidelines in the expenditure of federal grant funds to avoid audit exceptions. District employees engaged in federally-funded activities are required to consult this document regularly and be familiar with its contents. When applicable, the program/grant manager will coordinate with the finance department before any expenses requiring special attention is expensed and will together consult the guideline related to specific costs.

The state and/or District rules related to some specific cost items are discussed below. District employees must be aware of these State and District rules and ensure they are complying with these requirements.

**Travel**
Travel costs are the expenses for transportation, lodging, subsistence, meals and related items incurred by employees who are in travel status on official business of the District, **travel cost for dependents are unallowable.**

TEA’s policy for reimbursing travel is more restrictive than the federal cost principles allow. In an effort to keep travel costs reasonable, TEA restricts reimbursement for travel paid from federal and state grants to rates that are specified in the State of Texas *General Appropriations Bill, Article IX, General Provisions, Travel Regulations*, in effect for the particular grant period. TEA regularly publishes information and guidance about allowable travel costs and rates on the [Administering a Grant](#) page (scroll down under Handbooks and Other Guidance).

The federal cost principles allow for reimbursement for meals on a *per diem* basis, whether or not the employee actually spends the entire per diem. TEA, however, in following the travel restrictions specified in the Appropriations Bill for state employees, allows for reimbursement of meals at actual costs, not to exceed the federal rate for the locale, or local policy, *whichever is less*. Travel allowances by which the employee is reimbursed the per diem rather than actual costs whether or not the employee actually spends all of the maximum allowable per diem are not allowable charges to state and federal grants in Texas. The State of Texas defines reimbursement of the difference between the maximum per diem and the actual amount spent on meals as a “gift of public funds”, which is unallowable per the Texas Constitution. Therefore, the District ensures that its travel policy and reimbursement practices reflect this requirement.

Additionally, if local District policy provides for reimbursement for travel expenses at an amount that exceeds the rates allowed by TEA, the District pays the difference from state or local funds. District policy does not provide for reimbursement of travel expenses at a higher rate as specified in the District’s written travel policies. Any extenuating circumstances must have prior written approval from the Grant Manager with written documentation attached to requisition.

In general, reimbursement from state or federal grants for employees on travel is limited to the following:

- the *actual* cost of meals incurred by the employee per day, not to exceed the maximum allowable federal per diem rate
- the *actual* cost of lodging, not to exceed the current federal rate in the locale to which the employee is travelling
- the actual cost of coach airfare
- actual mileage in a personal vehicle
- the cost of a rental car and gasoline.
Additionally, costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be deemed by the District to be *reasonable* and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations as the result of its written travel policy. Pursuant to the requirements in 2 CFR § 200.474(b), documentation must be maintained that *justifies* that (1) participation of the particular *individual* is necessary to the federal award; and (2) the costs are *reasonable* and *consistent* with the District’s established policy.

Refer to the District’s *written travel reimbursement policy*, which complies with TEA’s guidelines related to travel, for specific provisions related to travel. 2 CFR § 200.474(a).

*Travel Authorization Form*

Employees who plan to travel must complete a *Travel Authorization Form prior* to travel, detailing the dates of the proposed travel, purpose of the travel, how it will benefit the grant program, and *estimated* travel expenses. The *Travel Authorization Form* must be approved by the employee’s supervisor and by the Program Manager. The supervisor will verify that the travel by the particular *individual* is necessary to accomplish the objectives of the grant program.

The Program Manager will verify that costs are reasonable and consistent with the District’s travel policies. The Program Manager will also ensure that sufficient funds are budgeted and available for travel in the appropriate grant program prior to the employee incurring any travel expenditures.

The *Travel Authorization Form* must include the following at a minimum:

- Name of the individual claiming travel expenses
- Destination and purpose of the trip, including how it was necessary for this particular individual to travel on this particular trip in order to accomplish the objectives of the grant program
- Dates of travel
- Actual mileage (not to exceed reimbursement at the maximum allowable rate). Travelers are required to calculate mileage by
  - Electronic mapping source [www.Mapquest.com](http://www.Mapquest.com). The traveler must print out the driving directions provided by the site and attach them to the Travel Authorization Form. Travelers are required to select the shortest and most economical route but may justify the selection of another route if it was chosen for safety reasons and specific justification of the selection is given.

- *Actual amount* expended on lodging per day, with a confirmation attached (may not exceed the federal rate for the locale)
- *Estimated amount* expended on meals per day (must not exceed the federal rate; tips and gratuities are not reimbursable). Receipts for meals are required per local policy.
• Actual amount of airfare (receipt must be attached; a printed copy of an online receipt is acceptable)
• Estimated amount expended on public transportation, such as taxis and shuttles (receipt required per local policy)
• Actual amount expended on a rental car, with receipt attached and justification for why a rental car was necessary and how it was more cost effective than alternate transportation; receipts for any gasoline purchased for the rental car must be submitted (*mileage is not reimbursed for a rental car – only the actual cost for gasoline is reimbursed*)
• Estimated cost of gasoline for a rental car (receipts must be submitted)
• Estimated cost of parking (receipt must be submitted)
• Actual amount expended on incidentals, such as hotel taxes, copying of materials
• Total amount to be reimbursed to the employee
• The signature and date of the employee
• The signature and date of the supervisor or other manager

Travel costs that are not supported by proper documentation as described above are not allowable to be charged to the grant and are subject to disallowance by state and federal auditors and monitors.

Advertising and Public Relations Costs

Pursuant to the requirements in 2 CFR § 200.421, the costs of advertising are allowable only for the recruitment of grant personnel; the procurement of goods and services for the award; disposal of scrap or surplus materials acquired under the award; and program outreach. Allowable public relations costs are those necessary to communicate with the public and press pertaining to specific activities or accomplishments or as necessary to keep the public informed on matters of public concern. All advertising and public relations costs must be necessary for the performance of the particular award, and must not be for the purpose of advertising or relating to the public with regard to the district in general.

Hosting Meetings and Conferences

2 CFR § 200.432 discusses the allowability of conference costs paid by the district as a sponsor or host of the conference. A conference is defined as “a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-federal entity (i.e., the conference is for non-employees) and is necessary and reasonable for successful performance under the award. These federal guidelines state that costs may include rental of facilities, cost of meals and refreshments, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the federal award. Per the guidance, conference hosts/sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary, and managed in a manner that minimizes the costs to the federal award.
However, the USDE issued more restrictive guidance related to the use of funds for conferences and meetings (under Allowable Cost Guidance), particularly with regard to food costs such as meals, snacks, and refreshments.

Per guidance from the USDE:

“Generally, there is a very high burden of proof to show that paying for food and beverages with Federal funds is necessary to meet the goals and objectives of a Federal grant. When a grantee is hosting a meeting, the grantee should structure the agenda for the meeting so that there is time for participants to purchase their own food, beverages, and snacks. In addition, when planning a meeting, grantees may want to consider a location in which participants have easy access to food and beverages.

While these determinations will be made on a case-by-case basis, and there may be some circumstances where the cost would be permissible, it is likely that those circumstances will be rare. Grantees, therefore, will have to make a compelling case that the unique circumstances they have identified would justify these costs as reasonable and necessary.”

Additionally, the USDE guidance states that grantees should consider whether a face-to-face meeting or conference is the most effective or efficient way to achieve the desired result and whether there are alternatives, such as webinars or video conferences, that would be equally or similarly effective and more efficient in terms of time and costs than a face-to-face meeting. The USDE guidance also states that grantees should consider how the meeting or conference will be perceived by the public; for example, will the meeting or conference be perceived as a good use of taxpayer dollars?

These and more specific guidelines are also discussed in TEA’s Guidelines Related to Specific Costs (under Allowable Cost Guidance) in the Food and Beverage Costs section.

District staff will adhere to these guidelines if and when hosting a meeting or conference for non-Employees. Prior to planning a meeting or conference, approval will be obtained from the grant Program Manager and the appropriate Assistant Superintendent. If necessary or required, the Proposed meeting or conference will be budgeted in the approved application. For approval of a Meeting or conference hosted by GPISD to include non-employees a formal written request must be submitted to the grant Program Manager a minimum of six months prior to the proposed date.

The request for hosting a meeting of conference must include: Campus or Department proposed host, Lead person(s) responsible, purpose statement, proposed audience and attendees, proposed date and location, intended outcomes and projected budget for the meeting or conference.

The Grant Program Manager must review the request for compliance with grant funds and the GPISD Comprehensive Needs Assessment and District Goals. Formal approval may then be recommended to the general superintendent. The general superintendent must formally approve the meeting or conference.
Entertainment Costs and Field Trips

Pursuant to 2 CFR § 200.438, costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose. TEA interprets this section to include some field trips, depending on the nature and purpose of the field trip. All field trips require the prior written approval of TEA.

TEA’s Guidance Related to Specific Costs (under Allowable Cost Guidance) includes information about allowable and unallowable field trips. District staff will consult these guidelines and secure prior written approval from TEA prior to planning and scheduling any field trips.

Use of Federal Funds for Religion Prohibited

Without exception, federal funds will not be used to pay for any of the following:

- religious worship, instruction, or proselytization
- equipment or supplies to be used for any of those activities

34 CFR §§ 75.532 and 76.532

Use of Federal Funds for Construction or Major Remodeling and Renovation

Federal funds will not be used to purchase real property or for construction unless the costs are specifically permitted by the authorizing program statute or implementing regulations for the program, and the costs are properly budgeted and approved in the applicable federal grant application. 34 CFR § 76.533.

Remodeling and Renovation: Major remodeling and renovation is defined as construction. Therefore, all of the federal requirements apply to any major remodeling or renovation paid with federal funds.

The term construction does not include minor remodeling and renovation. Minor remodeling as defined in 34 CFR Part 77 means

“minor alterations (that do not affect structural supports) in a previously completed building. The term also includes the extension of utility lines, such as water and electricity, from points beyond the confines of the space in which the minor remodeling is undertaken but within the confines of the previously completed building. The term does not include building construction, structural alterations to buildings, building maintenance, or repairs.”
The purchase of a portable building is a capital purchase (i.e., equipment) and may be allowable under certain federal programs if necessary to carry out the objectives of the grant program, if appropriate for the circumstances, and if approved in the applicable grant application. However, preparing the site for the installation of the portable building, including ground leveling, electrical wiring, plumbing, and constructing a sidewalk and steps, is considered construction and is not allowable from a federal grant unless the authorizing federal program statute specifically permits construction and it is approved in the grant application.

If construction and/or major remodeling and renovation are allowable and approved under a particular federal program, there are numerous laws and regulations with which the District must comply. The District will comply with all applicable state and federal laws, regulations, and guidelines for construction and/or major remodeling and renovation, including those found in 34 CFR 76.600 and in 34 CFR §§ 75.600 - .617, as well as those found in 2 CFR §§ 200.317 - .326 related to procurement. In addition, the District will comply with requirements under the Department of Labor’s Davis-Bacon and related Acts, as well as bonding requirements specified in 2 CFR § 200.325. Failure to comply with these requirements could result in the repayment of funds.

Use of Federal Funds Benefitting Students and Teachers in Private Schools

Many federal programs contain the requirement that equitable services be provided to students and teachers in private nonprofit schools located within the District’s boundaries if the officials of the nonprofit school desire that their children and teachers receive the benefits of those federal programs. In the event that private nonprofit schools wish to participate, there are restrictions with regard to the use and control of funds which benefit those students and teachers. 34 CFR §§ 76.658 - .662.

The expenditure of all federal funds for the benefit of participating private school students and teachers is directly related to the specific federal program under which private school students and teachers are receiving benefit. The following provisions will be adhered to in the use of federal funds for the benefit of private school students and teachers.

- The District shall maintain continuing administrative direction and control over funds and property that benefit private school teachers and students. No funds will ever be paid to a private school. All goods and services are purchased by the District on behalf of and for use by the participating private school.
• The District will monitor participating private schools to verify compliance with these requirements.

• The District shall not use funds to finance the existing level of instruction in a private school or to otherwise benefit the private school.

• The District shall use funds to meet the specific program needs of students enrolled in private schools, rather than the needs of a private school or the general needs of the students enrolled in a private school.

• The District may use funds to make District personnel available in other than District facilities to the extent necessary to provide equitable program benefits designed for students enrolled in a private school and if those benefits are not normally provided by the school.

• The District may use funds to pay for the services of a private school employee if the employee performs the services outside of his or her regular hours of duty and the employee performs the services under the supervision and control of the District or other public entity.

• Equipment and Supplies
  o The District must keep title to and exercise continuing administrative control of all equipment and supplies that the District acquires with federal funds. The District will only place equipment and supplies in a private school for the period of time needed for the federal grant project. (The equipment and supplies are “on loan” to the private school for the duration of the grant project.)
  o The District will monitor to ensure that the equipment or supplies placed in a private school are used only for the purposes of the project and can be recovered from the private school without remodeling the private school facilities.
  o The District will remove the equipment or supplies from a private school if the equipment or supplies are no longer needed for the purposes of the project or if removal is necessary to avoid use of the equipment or supplies for other than project purposes.

• The District will ensure that federal funds are not used for the construction of private school facilities.

GPISD partners with the Region 10 Education Service Center to work with participating private nonprofit schools for the planning process and implementation of services. Region 10 ESC staff monitor use of materials and equipment and provide quarterly reports to the grant Program Manager.

For additional information pertaining to the requirements for participation by students enrolled in private nonprofit schools, see section XI. Programmatic Requirements, A. Private Nonprofit School Participation in this manual.
F. Reporting Expenditures

TEA Grants

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

TEA requires that districts and other grantees use a standard format for reporting expenditures for grants funded through TEA. Reports are submitted electronically through the automated Expenditure Reporting (ER) system by class/object code. The Program Guidelines for each RFA published by TEA and/or the Critical Events calendar provided on the TEA Grant Opportunities page for a specific program identify the required expenditure reporting dates. However, even though dates for submitting interim expenditure reports may not be specified, the District will submit expenditure reports more frequently, such as monthly, to indicate that grant activities and expenditures are occurring as planned and there are no major delays in the project.

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

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

When filing interim reports, the District will only report actual expenditures, and any expenditures that will be paid out within three business days once payment is received by the District. In addition, the District will comply with the cash management procedures described in II. Financial Management System, H. Federal Cash Management Policy/Procedures of this manual.

Currently, the Director of Finance or other assigned individuals in the District’s finance department submits the reports in ER. Each report is certified by the Chief Finance Officer, an authorized official who attests that expenditures are true and correct and will be paid out within three business days. Effective July 1, 2015, the fiscal reports requesting payment may include a certification signed/certified by an official who is authorized to legally bind the District. 2 CFR § 200.415. The certification reads as follows:
“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, or false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”

See II. Financial Management System, H. Federal Cash Management Policy/Procedures in this manual for more information on requesting grant payments and the “three-day rule.”

The ER system automatically rejects expenditure reports if:

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

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

In addition, failure to submit the expenditure reports according to the required reporting dates could cause the grantee to be identified as high risk and could result in additional sanctions. (See Part VIII. Monitoring, B. TEA Monitoring, Identification as a High-Risk Grantee in this manual.)

**Refunds Due to TEA**

If the final expenditure report indicates that a refund is due to TEA, within 30 days of notification that a refund is due the District will submit a refund check to the following address:

Texas Education Agency—MSC
P.O. Box 13717
Austin TX 78711-3717
The District will write the name of the grant program and the NOGA ID number on the refund check and note the reason for the refund, such as due to an internal audit or an annual audit.

Failure to comply with the requirements for submitting a refund within 30 days will result in an enforcement action by TEA to withhold future payments. 2 CFR § 200.338

**Grants from Other Awarding Agencies**

The District will submit expenditure reports to other awarding agencies in the time and manner requested by the agency. The District will comply with the cash management procedures described in the following section.

**G. Federal Cash Management Policy/Procedures**

Generally, grantees receiving state and federal grants from TEA receive payment from TEA by reporting cumulative expenditures (by class/object code) and requesting payment in TEA’s electronic Expenditure Reporting (ER) system. Specific expenditure reporting requirements are provided in TEA’s [General and Fiscal Guidelines](#) that accompany each *Request for Application* (RFA) from TEA. These guidelines are updated regularly and must be consulted on a regular basis.

Payments through ER are deposited into the District’s depository bank by the state comptroller’s office within six to seven business days of the payment request (provided TEA receives any supporting documentation requested in a timely manner and there are no other complications with the automated system).

Two methods of payment are provided in federal regulations: *advance* and *reimbursement*. The District uses the reimbursement method for requesting grant payments from TEA and other awarding agencies.

**Reimbursement Method**

Under the reimbursement method, the District initially charges federal grant expenditures to nonfederal funds and makes appropriate journal entries to charge the federal grant once payment is received. All reimbursements are based on actual disbursements (i.e., payments already made), not on obligations.

The District finance department will request reimbursement for actual expenditures incurred under the federal grants as determined by the finance department or as specified by TEA or other awarding agency through TEA’s ER System (described above) or through other awarding agency’s system, such as the Department of Education’s G5 system, for direct grants. When using this method, the District will only request *reimbursement* for funds actually paid out.
Reimbursements of *actual expenditures* do not require interest calculations as detailed in the *Advance Method* section.

**Noncompliance with Cash Management Requirements**

Pursuant to the provisions of 2 CFR § 200.338, grantees that fail to comply with cash management requirements, including the repayment of interest earned, may be subject to the following special conditions or enforcement actions:

- Identification as a high-risk grantee, pursuant to the provisions of 2 CFR § 3474.10 and 2 CFR § 200.207, which may involve the imposition of special conditions and being placed on reimbursement basis only (grantee would not be able to draw down its own funds in the ER system without first submitting supporting documentation for expenditures)
- Temporarily withholding cash payments pending correction of the deficiency
- Disallowing all or part of a cost not in compliance
- Suspension or termination of the award
- Withholding further awards for future grants from TEA
- Debarment or suspension from receiving any future federal funds from any entity
- Other remedies that may be legally available

**H. Program Income**

**Definition**

*Program income* means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the federal award during the grant’s period of performance. 2 CFR § 200.80.

*Program income* includes, but is not limited to:

- Income from fees for services performed
- The use or rental of real or personal property acquired under federal awards
- The sale of commodities or items fabricated under a federal award (costs to purchase or fabricate items must be allowable under the grant and the activities must be appropriate for the grant program)
- License fees and royalties on patents and copyrights
- Principal and interest on loans made with federal award funds.

Interest earned on advances of federal funds is *not* program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income
does *not* include rebates, credits, discounts, and interest earned on any of these. 2 CFR § 200.80. Additionally, taxes, special assessments, levies, fines, and other such revenues raised by a grantee are *not* program income unless the revenues are specifically identified in the federal award or federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment, or supplies are *not* program income. 2 CFR § 200.307

The District will describe in the applicable grant application any program income it wishes to earn, including a description of the activity(ies) that will be conducted to earn program income and how the activity(ies) will further the objectives of the grant program. The program/grant manager will make the final determination if the activity that is proposed to generate program income is suitable for the program and whether it is permissible to proceed with requesting it in the application.

**Use of Program Income**

Per federal regulations, the default method for the use of program income for the District is the *deduction* method. 2 CFR § 200.307(e). Under the *deduction* method, program income is deducted from total allowable costs to determine the net allowable costs. Thus, prior to submitting the expenditure report, the amount of program income must be deducted from total expenditures. Program income will only be used for current costs unless the District is otherwise directed by TEA or other awarding agency. 2 CFR § 200.307(e)(1).

The District may also request written prior approval from the TEA Chief Grants Administrator (or other awarding agency) to use the *addition* method. Under the *addition* method, program income may be *added* to the Federal award. The program income must then be used for the purposes and under the conditions of the Federal award. 2 CFR § 200.307(e)(2).

While the *deduction* method is the default method, the District always refers to the NOGA/GAN prior to determining the appropriate use of program income. If the NOGA/GAN does not address the use of program income or does not authorize districts to use the *addition* method, the District must determine if it needs to request authorization from TEA or other awarding agency to apply the *addition* method if it is in the best interest of the District.

If applicable, before program income is generated, the program/grant manager in coordination with the program/grant manager will request in writing, approval to use the addition method and will determine the amount of program income by way of addition of additional funds generated above the grant amount. Special revenue accounting codes in way of utilizing the sub-object or local option codes will be used to track any said program income.

**Reporting Program Income**

If the District earns any program income, all program income will be reported on the expenditure report, even when the District has been given permission in the application to retain the program income and add it to the grant funds.
Earning Program Income after the Grant Period

There are no federal requirements governing the disposition of program income earned after the end of the grant period, unless the terms of the agreement or the program-specific federal regulations provide otherwise. After the ending date of the grant, the District is no longer required to report any program income generated for the grant. For multi-year discretionary grant projects, this means at the end of the multi-year grant project.

III. Procurement System

Module 3 of TEA’s FASRG outlines requirements and best practices related to the purchasing function. Reflecting state (and some federal) requirements for purchasing, Module 3 is based on statutes containing requirements for districts for competitive purchasing/contracting processes found in the Texas Education Code, Local Government Code, Texas Government Code, Texas Revised Civil Statutes, Texas Attorney General Opinions, federal regulations and other sources. The Handbook on Purchasing for Texas Public Schools, Junior Colleges and Community Colleges (Appendix 1 of Module 3) was written to provide information about purchasing and also be a ready reference regarding:

- Purchasing ethics
- Questions and answers on bidding and purchasing topics
- Example purchasing documents
- Purchasing laws
- Texas Attorney General Opinions
- Definitions of purchasing terms.

According to Section 271.003(9), Local Government Code, "school district" means an independent school district, common school district, community college district, junior college district or regional college district organized under the laws of this state. Therefore, the District is required to comply with all requirements outlined in Module 3 and in state law.

In accordance with TEA’s purchasing policy established in Module 3, the District’s objective is to purchase the best products, materials, and services at the lowest practical prices within relevant statutes and policies. It is important to acquire goods and services for the best price through fair and open competition to protect the interest of the local, state, and federal government while still maintaining the desired quality and minimizing exposure to misuse of funds.

Also in accordance with Module 3, the District’s administrative procedures pertaining to purchasing goods and services shall reflect quality assurance and quality control, including an analysis of products provided through the procurement process, a review of services provided, and
a review of vendor performance. Additionally, the District’s purchasing practices and procedures must comply with federal procurement standards, some of which are already incorporated into Module 3. It should be noted that some state requirements for purchasing are more restrictive than the federal requirements. Key state requirements that are more restrictive are noted in this section. The GPISD Purchasing Manual is linked below.


A. Conflict of Interest Requirements

Substantial state and federal requirements exist pertaining to standards of conduct and conflict of interest. It is the intent of the District for all employees, officers, or agents to conduct all activities associated with procurements in compliance with the highest ethical standards, including the avoidance of any real or perceived conflict of interest. It is also the intent of the District to impose appropriate sanctions or disciplinary actions, including but not limited to termination and/or prosecution, for any employees or officers who violate any of these requirements.

Standards of Conduct

State Requirements

According to The Handbook on Purchasing for Texas Public Schools, Junior Colleges and Community Colleges (Module 3 of FASRG, Appendix 1), it is a serious breach of the public trust to subvert the public purchasing process by directing purchases to certain favored vendors, or to tamper with the purchasing process, whether it is done for kickbacks, friendship or any other reason. State law relating to violation of purchasing requirements imposes upon violators certain criminal penalties, which are found in Section 44.032, Texas Education Code, and Chapter 271.029, Local Government Code.

The following common standards of ethics shall govern the conduct of District employees involved in the purchasing function:

1. It is a breach of ethics to attempt to realize personal gain through public employment with a school district by any conduct inconsistent with the proper discharge of the employee's duties.

2. It is a breach of ethics to attempt to influence any public employee of a school district to breach the standards of ethical conduct set forth in this code.

3. It is a breach of ethics for any employee of a school district to participate directly or indirectly in a procurement when the employee knows that:
4. Gratuities: It is a breach of ethics to offer, give or agree to give any employee or former employee of a school district, or for any employee or former employee of a school district to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before this government. Acceptance of gratuities may be construed as a criminal offense. In addition, Texas law makes a gift (an item valued at $50 or more, cash of any amount, or a negotiable instrument of any value) to a public employee a Class A misdemeanor if the employee is someone who exercises some influence in the purchasing process of the governmental body. *(Texas Penal Code, 36.09[d] and [h]).*

5. Kickbacks: It is a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract of a school district, or any person associated therewith, as an inducement for the award of a subcontract or order.

6. Contract Clause: The prohibition against gratuities and kickbacks prescribed above should be conspicuously set forth in every contract and solicitation therefore.

7. It is a breach of ethics for any employee or former employee of a school district knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person. Refer to GPISD Board Policy CFA (Legal) and CHE (Legal).

*Local Government Code, Chapter 176* provides information regarding conflict of interest statements to be filed by vendors and certain school district employees. Refer to the [Texas Ethics Commission website](http://www.ethics.state.tx.us) for additional information and sample forms.
Federal Requirements

In addition to the state requirements pertaining to standards of conduct and avoiding conflict of interest, in accordance with 2 C.F.R. § 200.18(c)(1), the District’s standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of federal contracts include the following federal standards.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value. (See state requirements above pertaining to defining “nominal value.”)

Organizational Conflicts

Does not apply to GPISD.

Disciplinary Actions

The District will impose appropriate sanctions or disciplinary actions, including but not limited to termination and/or prosecution, for any employee or officer who violates any of these requirements related to standards of conduct and conflict of interest. 2 CFR § 200.318(c) (1)

Mandatory Disclosure

Upon discovery of any potential conflict, the District will disclose in writing the potential conflict to TEA or other federal awarding agency in accordance with applicable TEA or other federal awarding agency policy. 2 CFR § 200.112.

In addition, the District will disclose, in a timely manner, in writing to TEA or other federal awarding agency, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. 2 CFR § 200.113. Failure to make required disclosures can result in any of the remedies described in 2 CFR § 200.338, Remedies for Noncompliance, including Debarment and Suspension. Refer to GPISD Board Policy BBFA (Legal) and BBFA Exhibit.

B. Full and Open Competition
All procurement transactions paid with federal funds are conducted in a manner providing *full and open competition* consistent with 2 C.F.R § 200.319. In an environment of full and open competition, no proposer or bidder has a competitive advantage over another. All potential proposers and bidders must be provided the same information and have the same opportunity to submit a bid or proposal. Providing a competitive advantage to one or more potential proposers or bidders over another can open up the potential for disputes and lawsuits that can be costly and can significantly delay the completion of projects.

In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors who develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals (RFPs) are excluded from competing for such procurements. The District does not engage in the following situations that may restrict *full and open competition*, including but not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process. 2 CFR § 200.319(a).

Refer to GPISD Board Policy CH (Local) and CH(Legal).

The District also complies with the following requirements in 2 CFR 200 to ensure full and open competition when purchasing with federal funds.

**Geographical Preferences Prohibited**

The District conducts federal procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. 2 CFR § 200.319(b). Accordingly, the District does not give preference to a contractor/vendor which is located in Texas or the local or surrounding community simply due to the location. Nothing in this section preempts state licensing laws.

When contracting for *architectural and engineering (A/E) services*, geographic location may be a selection criterion provided an appropriate number of qualified firms, given the nature and size of the project, are left to compete for the contract.

Refer to GPISD Board Policy CV (Legal).
Contracting with Small and Minority Businesses

The District takes all necessary affirmative steps to assure that historically underutilized businesses (HUBs), including minority businesses and women’s business enterprises, and labor surplus area firms are used when possible. 2 CFR § 200.321. To accomplish this, the District uses the following required affirmative steps:

- Placing qualified small and minority businesses and women’s business enterprises on solicitation lists
- Ensuring that small and minority business, and women’s business enterprises are solicited whenever they are potential sources
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women’s business enterprises
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women’s business enterprises
- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce, and
- Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

Refer to GPISD Board Policy CV (Legal).

Prequalified Lists

The District ensures that all prequalified lists of persons, firms, or products that are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. 2 CFR § 200.319(d). The District accomplishes this by conducting internet searches, including using vendor searches available through the Texas Comptroller of Public Accounts, and by using other less technologically advanced tools to locate and identify potential contractors. GPISD consults Buyboard, TCPN, TIPS/TAPS, EPCNT and others to determine and adequate number of qualified vendors. Also, the District will not preclude potential bidders from qualifying during the solicitation period. The Facilities Director or designee is responsible for reviewing prequalified lists and determining if they include an adequate number of qualified sources.

Solicitation Language

All solicitations will incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description will not, in competitive procurements, contain features which unduly restrict competition. The description will include a
statement of the qualitative nature of the material, product or service to be procured and, when
necessary, will set forth those minimum essential characteristics and standards to which it must
conform if it is to satisfy its intended use. Detailed product specifications will be avoided if at all
possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical
requirements, a “brand name or equivalent” description may be used as a means to define the
performance or other salient requirements of procurement. The specific features of the named
brand that must be met by offers will be clearly stated and all requirements must be identified
that the offerors must fulfill and all other factors to be used in evaluating bids or proposals. 2
CFR § 200.319(c)

Refer to GPISD Board Policy CVH (Legal), CVB(Legal, CH(Legal) and CH(Local).

C. Federal Procurement System Standards

In addition to avoiding conflicts of interest and ensuring full and open competition as described
above, the District’s written procurement procedures for purchases made with federal funds
reflect applicable state and local laws and regulations and conform to the following federal
standards for procuring goods and services with federal funds. 2 CFR § 200.318

Avoiding Acquisition of Unnecessary or Duplicative Items

The District avoids the acquisition of unnecessary or duplicative items. Additionally, the District
considers consolidating or breaking out procurements to obtain a more economical purchase and,
where appropriate, the District makes an analysis of leases versus purchase alternatives, and
other appropriate analyses to determine the most economical approach. 2 CFR § 200.318(d)

These considerations are given as part of the process to determine the allowability of each purchase
made with federal funds. See II. Financial Management Standards, F. Expend Grant Funds,
Determining Allowability of Costs, for written procedures on determining allowability.

Use of Intergovernmental Agreements

To foster greater economy and efficiency, the District enters into state and local
intergovernmental agreements where appropriate for procurement or use of common or shared
goods and services. 2 CFR § 200.318(e). This includes cooperative purchasing agreements as
well as shared services arrangements (SSAs) where practical and beneficial. Cooperative
purchasing is described in section 3.5 of Module 3. SSAs as they pertain to a particular grant
program are described in section 1.3.1 of Module 1 (FAR).

Refer to GPISD Board Policy CH (Local) and CH(Legal).
Use of Federal Excess and Surplus Property and Procurement of Recovered Materials

The District considers the use of federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. 2 CFR § 200.318(f).

Procurement of Recovered Materials: In addition, the District complies with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. 2 CFR § 200.322. The requirements of section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The requirements apply to state and local governments, including school districts, and include the purchase of everyday items such as paper products, non-paper office products, office furniture, floor mats, and awards and plaques, as well as many other items, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired by the preceding fiscal year exceeded $10,000. Requirements also include the following:

- procuring solid waste management services in a manner that maximizes energy and resource recovery and
- establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Pursuant to section 6002, the decision not to procure recovered materials must be based on a determination that such procurement items—

A. are not reasonably available within a reasonable period of time;
B. fail to meet the performance standards set forth in the applicable specifications or fail to meet the reasonable performance standards of the District; or
C. are available only at an unreasonable price. Any determination under subparagraph (B) shall be made on the basis of the guidelines of the Bureau of Standards in any case in which the material is covered by the guidelines.

Awarding Contracts to Responsible Contractors

The District awards contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. The District considers such matters as contractor integrity and business ethics, compliance with public policy, ability to complete the project on time and in accordance with specifications, record of past performance, and the contractor’s financial and technical resources. 2 CFR § 200.318(h)

The District will check references where possible and engage in practical activities such as checking with the local Better Business Bureau and the Texas Attorney General’s office to ensure that there are no outstanding complaints against the contractor.
The District will award a contract to a contractor who has the appropriate experience, expertise, qualifications, and any required certifications, necessary to perform the work. Contractors should also have the financial resources to sustain the project while the initial work is being completed and during each service period until he or she submits invoices for payment to the District as work is completed (for example, at the end of each month). Contractors should have the proper equipment or the capability to subcontract for the proper equipment necessary to complete the contracted work. For example, if the contractor is to develop curriculum guidelines on a computer, the contractor should already have his or her own computer with the appropriate software.

*Debarment and Suspension:* The District will not subcontract with or award sub grants to any person or company who is debarred or suspended from receiving federal funds. Purchasing Director or designee is required to check for excluded parties at the System for Award Management (SAM) website before any procurement transaction paid with federal funds. This list is located at: [http://www.sam.gov/](http://www.sam.gov/) [2 CFR Part 180](http://www.sam.gov/) and [2 CFR Part 3485](http://www.sam.gov/).

*State Rules for Selecting Vendors*

In addition to federal standards for making awards only to responsible contractors, TEC § 44.031 establishes nine criteria that school districts must use in determining contract awards to vendors, whether using state, local, or federal funds. All nine criteria must be considered *unless federal law prohibits it or is more restrictive as noted below*. These criteria are as follows:

1. the purchase price
2. the reputation of the vendor and of the vendor's goods or services
3. the quality of the vendor's goods or services
4. the extent to which the goods or services meet the district's needs
5. the vendor's past relationship with the district
6. the impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses
7. the total long-term cost to the district to acquire the vendor's goods or services
8. for a contract for goods and services, other than goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company or majority owner:
   (A) has its principal place of business in this state; or
   (B) employs at least 500 persons in this state
(Note: Federal requirements prohibit geographic preference when purchasing with federal funds. Therefore, this requirement cannot be used to select a contractor when the purchase is made with federal funds.)

(9) any other relevant factor specifically listed in the request for bids or proposals. Factors that a school district may consider under this criteria would include vendor response time and compatibility of goods/products purchased with those already in use in the district.

Contract Provisions

In all federally funded contracts, the District includes the applicable provisions described in Appendix II to 2 CFR Part 200 – Contract Provisions for non-Federal Entity Contracts under Federal Awards, 2 CFR § 200.326. Provisions include the following:

1. All contracts paid from grants administered by TEA must retain copyright for the Texas Education Agency (TEA) and for the federal government unless otherwise negotiated in writing with TEA. Pursuant to the provisions in 2 CFR § 200.315, title to intangible property is vested in the District as long as such property is used for authorized purposes. However, TEA and the federal awarding agency reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for federal purposes, and to authorize others to do so.
2. All contracts greater than $150,000 must address administrative, contractual, or legal remedies.
3. All contracts greater than $10,000 must address termination for cause and for convenience.
4. All construction contracts must include the Equal Employment Opportunity clause.
5. All prime construction contracts in excess of $2,000 must include a provision for compliance with the Davis-Bacon Act and its implementing regulations.
6. All contracts in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with the Contract Work Hours and Safety Standards Act and its implementing regulations.
7. All contracts that meet the definition of “funding agreement” and where the District wishes to enter into a contract with a small business firm or nonprofit organization must include a provision for compliance with the Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements.
8. All contracts and sub-grants greater than $150,000 must contain a provision for compliance with the Clean Air Act and the Federal Water Pollution Control Act and their implementing regulations.
9. All contracts must include compliance with the Energy Policy and Conservation Act pertaining to mandatory standards and policies relating to energy efficiency contained in the state energy conservation plan.

10. A contract or subcontract must not be made to any party that is debarred or suspended from receiving federal funds.

11. Lobbying Certification and Disclosure of Lobbying (Byrd Anti-Lobbying Amendment) – All contractors who apply or bid for an award of $100,000 or more must file the required Lobbying Certification to verify that it has not and will not use any federal funds to lobby. If non-federal funds are used to lobby, the contractor must complete the Disclosure of Lobbying and forward the disclosure to the next tier, which must forward it through each tier to the federal awarding agency.

12. All contracts greater than $10,000 must include compliance with section 6002 of the Solid Waste Disposal Act and its implementing regulations. 2 CFR § 200.322

The District also adheres to the best practices recommended by TEA as it pertains to professional services contracts paid from federal grants. See III. Procurement System, G. Contract Administration.

**Maintenance of Procurement Records**

Per Module 3 of FASRG,

“accurate record-keeping and documentation should be a fundamental element of the procurement process. Precise and systematic record-keeping and records management withstands the constant scrutiny of various interest groups including vendors, the general public, and outside agencies as well as internal groups which are the users or customers of the purchasing system. This records management function should support the school district's overall information management plan described in the Data Collection and Reporting module and generally provide for:

- Both the flow and retention of forms including requisitions, purchase orders, petty cash and cash reimbursement receipts.

- Full documentation of all competitive procurements with comprehensive competitive procurement files containing specifications, competitive procurement advertisement, pre-competitive procurement conference minutes (as appropriate), competitive procurements submitted, competitive procurement tabulation, board minutes indicating competitive procurement awards (or a similar award notice) and related records.
• **Full documentation of procurement procedures** utilized to obtain goods and services through competitive sealed proposals, design/build contracts and other procurement options.

• **Documentation of price quotations** obtained when purchasing with federal funds. The records management function may rely on electronic formats including automated systems, diskettes, CD-ROM, imaging and microfiche. Alternatively, it may use hard copy or a combination of methods. Therefore, the District will select the methods best suited to its needs.

In addition, in accordance with federal standards, the District maintains records sufficient to detail the history of all procurements, including but not necessarily limited to, the following:

• the method of procurement and the rationale for choosing that method (i.e., the reason the District chose procurement by micro-purchase, small purchase procedures, sealed bid, competitive proposals, or noncompetitive proposals)
• the type of contractual agreement or instrument used and rationale for using that type
• the process used to either select the contractor or to reject the contractor (what was the process and what were the factors considered in selecting or rejecting the contractor)
• the basis used for determining the price of the contract (including a cost or price analysis), and
• verification that the contractor is not suspended or debarred. 2 CFR § 200.318(i)

Please see section VII. Record Keeping for more information on the District’s records management policies. All detailed records are maintained and retained in the GPISD Purchasing Office. The Purchasing Director or designee is responsible for the records until they become the property of the Records Management Director.

**Time and Materials Contracts**

Time and materials contracts are a hybrid of fixed-price and cost-reimbursement contracts. They present the highest risk to the government and the lowest risk to the contractor. Therefore, they are the least desirable for the federal or state government and are rarely awarded. 2 CFR § 200.318(j)

Time and materials type contract means a contract whose cost to the District is the sum of: the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. In other words, the contractor is saying it will work until the task is completed, but it has no idea how long it will take, nor how much money it will cost. This obviously can be very cost prohibitive and can encourage fraudulent behavior by some unscrupulous contractors. Therefore, federal regulations
permit the use of a time and materials contract only after a determination is made that no other contract is suitable and only if the contract includes a ceiling price that the contractor exceeds at its own risk. Further, the District must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

The District may use a time and materials type contract paid with federal funds in accordance with the above and only (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk.

**Settlements of Issues Arising Out of Procurements**

The District alone is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements made with federal funds. 2 CFR § 200.318(k). These issues include, but are not limited to, source evaluation (i.e., analyzing information sources in order to assess their credibility), protests, disputes, and claims. These standards do not relieve the District of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction. The Director of Purchasing or designee in the District is the primary office responsible for handling and coordinating the settlement of any contractual and administrative issues arising out of procurements.

**Protest Procedures to Resolve Disputes**

The District maintains protest procedures to handle and resolve disputes relating to procurements made with federal funds and, in all instances, discloses information regarding the protest to TEA or other awarding agency. 2 CFR § 200.318(k). The protestor must exhaust all administrative remedies with the District before pursuing a protest with a federal agency. The Director of Purchasing or designee in the District is the primary officer responsible for handling and coordinating any disputes relating to procurements.

All vendor protests will be handled via written documentation. The protest documentation must be submitted to the Chief Financial Officer within 10 days from the date of Board award. A committee, if needed, will be chosen to review the protest and the vendor will be notified in writing within 15 days of the initial request.

**D. Responsibility for Purchasing**

The Director of Purchasing is responsible for overseeing all procurements of the District. This includes development and revision of the policies and procedures related to the purchasing function, training staff in how to use and implement the policies and procedures, and monitoring for employee compliance with policies and procedures. It also includes reporting any potential or
realized conflicts of interest to TEA and implementing the appropriate sanctions or disciplinary actions for employees who fail to comply with the policies and procedures.

The GPISD Board delegates to the General Superintendent or designee the authority to make budgeted purchases for goods and services. The Purchasing Department is responsible for processing purchase orders and is subject to the final authority of the Chief Financial Officer.

E. Purchase Methods When Using Federal Funds

In some situations, the federal requirements pertaining to purchasing methods are more restrictive than the requirements of the State of Texas. In other situations, the state requirements are more restrictive than the federal requirements. Therefore, when determining the method that must be used in a particular purchasing situation, the more restrictive method or requirement must be used in each case.

State Requirements Related to Purchasing Methods

Unless otherwise more restrictive in federal law for procurement with federal funds, the District complies with the purchasing methods prescribed in TEA’s FASRG and in state law for all purchases regardless of the funding source (i.e., state, local, or federal).

Texas Education Code § 44.031 (a) states that all school district contracts for the purchase of goods and services valued at **$50,000 or more** in the aggregate for each 12-month period are to be made by the method that provides the best value to the district. This does not apply to contracts for the purchase of produce or vehicle fuel.

The law enumerates several options for competitive procurement that are available to school districts. One of these options must be used for contracts expected to equal or exceed $50,000 regardless of the funding source (i.e., state, local, or federal):

(1) competitive bidding
(2) competitive sealed proposals
(3) request for proposals, for services other than construction services
(4) interlocal contracts
(5) design-build contracts
(6) contract to construct, rehabilitate, alter, or repair facilities that involve using a construction manager
(7) a job order contract for the minor construction, repair, rehabilitation, or alteration of a facility
(8) reverse auction procedure as defined by Section 2155.062(d), Government Code; or
(9) the formation of a political subdivision corporation under Section 304.001, Local Government Code."

Professional and Consulting Services

Several exceptions to following one of these competitive procurement methods are identified in TEC § 44.031. This section does not apply to a contract for professional services rendered, including services of an architect, attorney, certified public accountant, or engineer (which must be selected in accordance with Chapter 2254 of the Government Code.) A school district may, at its option, contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Section 2254.003, Government Code, in lieu of the methods provided by this section.

The federal cost principles (specifically in 2 CFR § 200.459) broadly define professional and consultant services as those services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the District.

Professional services are further defined in the Handbook on Purchasing as “infrequent, technical, and/or unique functions performed by independent contractors whose occupation is the rendering of such services.” Finally, professional services as described in Attorney General Opinion DM-418, referenced in the Handbook, include not only the services of lawyers, physicians, or theologians, “but also those members of disciplines requiring special knowledge or attainment and a high order of learning, skill, and intelligence including guest speakers, consultants, writers, and artists.” A professional is only one who "'is a member of [a] discipline with widely accepted standards of required study or specified attainments in special knowledge as distinguished from mere skill.'" Id. (quoting Wooddell, 230 S.E.2d at 470).

Certain professional services, specifically those covered under Chapter 2254, Subchapter A of the Texas Government Code, (e.g. architects, CPAs, registered engineers, optometrists, physicians, surgeons, land surveyors, landscape architects, registered nurses and state certified or state licensed real estate appraisers) are not selected based on competitive bidding. Rather, they must be selected based on demonstrated competence and qualifications obtained through a Request for Qualifications or similar document. After the District makes its selection based on demonstrated competence and qualifications, a fair and reasonable price for the services is then negotiated and agreed upon.

Consulting services: According to FAR (Module 1 of TEA’s FASRG), consulting services “refer to the practice of helping districts to improve performance through analysis of existing problems and development of future plans. Consulting may involve the identification and sharing of best practices, analytical techniques, change management and coaching skills, technology implementations, strategy development, or operational improvement. Consultants often rely on their outsider’s perspective to provide unbiased recommendations. They generally bring formal frameworks or methodologies to identify
problems or suggest more effective or efficient ways of performing tasks. Consulting services cover all functional areas such as instruction, curriculum, and administration.

Consulting does not include a routine service/activity that is necessary to the functioning of a school district’s programs, such as hiring additional people on contract to supplement present staff. It also does not apply to services provided to conduct organized activities (such as training or other similar educational activities.)”

The District shall use a consultant only if the services of the consultant are necessary to accomplish the objectives of the particular program/project, the fees are reasonable in cost, and the District cannot meet the needs by using an employee. 34 CFR 75.515. For example, an employee may have the knowledge, skills, and capability to provide the consulting services, but the employee may not have the time in an already-busy schedule to provide the consulting services in the time required.

Under IRS rules, a person cannot work part of the time as an employee and part of the time as a contractor/consultant. If an employee provides additional services above and beyond his or her regular contracted hours and regular job responsibilities, the employee is paid extra-duty pay in accordance with the District’s employee compensation policy, rather than a fee based on a contract.

**Allowable Professional Service Costs**

Professional and consultant services are allowable to be purchased with federal funds when reasonable and when the District considers the following factors:

- 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;
- The past pattern of such costs, particularly in the years prior to federal awards;
- The impact of federal awards on the District’s business (e.g. what new problems have arisen);
- Whether the proportion of federal work to the District’s total business is such as to influence the District in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under federal awards;
- Whether the service can be performed more economically by direct employment rather than contracting;
- The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities; and
- The adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).
Purchasing Goods or Services with Federal Funds

In accordance with 2 CFR Part 200, Subpart E, Cost Principles, all purchases made with federal funds, regardless of the method of purchase, must be determined to be:

- reasonable in cost (comparable to current fair market value)
- necessary to carry out the objectives of the federal program
- allowable under the federal cost principles and the terms and conditions of the award
- allocable (chargeable or assignable) to the grant program based on the relative benefits received

Prior to each purchase and for each proposed purchase, on each purchase order, purchase requisition, contract, invoice, receipt, travel voucher, or other documentation for obligations, encumbrances, or expenditures, the District documents that these criteria are met in the following manner regardless of the purchase method used:

The Business Office verifies the proposed purchase is reasonable in cost (i.e., comparable to current fair market value). Refer to GPISD Purchasing Operating Procedures http://www.gpisd.org/Domain/106

The program manager assigned to the grant verifies that the proposed purchase is necessary to accomplish the objectives of the grant program and that the expenditure is vital or required for the grant program to be successful.

Five Methods for Procuring with Federal Funds

2 CFR § 200.320 provides for five methods that must be used when making purchases with federal funds. In some cases, these federal methods are less restrictive than state requirements; in other cases, the state requirements are more restrictive than these federal methods. Additionally, if local requirements are more restrictive than either state or federal, then local requirements must be followed. In all cases, the more restrictive requirements or methods must be followed when making purchases with federal funds.

The type of purchase method and procedures required depends on the cost (and type, in some cases) of the item(s) or services being purchased.

- Micro-purchase
- Small purchase procedures
- Sealed bids
- Competitive proposals
- Noncompetitive proposals (sole source)

Refer to GPISD Purchasing Operating Procedures http://www.gpisd.org/Domain/106
Micro-Purchases (Purchases up to $3,000)

Federal methods provide for procurement by micro-purchase. Micro-purchase is defined in 2 CFR § 200.320(a) as a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed $3,000. The micro-purchase method is used in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost.

In accordance with federal requirements, micro-purchases may be awarded without soliciting competitive quotations if the District considers the price to be reasonable. Also, when using federal funds, to the extent practicable, the District must distribute micro-purchases equitably among qualified suppliers. The Purchasing Department makes the determination of the equitable distribution of micro-purchases among qualified suppliers. Reports are run every quarter to determine the usage for these purchases.

Small Purchase Procedures (Purchases between $3,001 and $49,999 in the Aggregate)

The federal threshold for small purchase procedures is $150,000. 2 CFR § 200.320(b). However, with some exceptions noted in TEC § 44.031, the state threshold for all school district contracts that do not require competitive bidding is less than $50,000 in the aggregate. Therefore, the more restrictive state threshold of less than $50,000 must be followed.

Small purchase procedures (as defined in 2 CFR § 200.320[b]) may be used in those relatively simple and informal procurement methods for securing nonprofessional services, supplies, or other property that do not cost more than $50,000.

For purchases funded from state or local funds, to obtain the most competitive price, a district may at its option, obtain price quotes for items costing less than $50,000. Per Module 3, the district’s purchasing procedures should clearly define the lower figure for which quotes are required and obtain and retain written verification of the prices quoted. Unlike the mandatory competitive procurement described for purchases over $50,000, if an item to be paid from state or local funds costs less than $50,000, a district may utilize price quotations to stimulate competition and to attempt to receive the most favorable pricing.

However, if using federal funds to purchase goods or services, price or rate quotations must be obtained from an adequate number of qualified sources for all purchases between $3,001 and $49,999. Such price or rate quotations must be documented in writing, and the District must demonstrate that price or rate quotations were obtained from an adequate number of qualified sources.
Purchases $50,000 or More in the Aggregate

According to Texas law, one of the following competitive methods must be used for purchases of $50,000 or more in the aggregate:

(1) competitive bidding
(2) competitive sealed proposals
(3) request for proposals, for services other than construction services
(4) interlocal contracts
(5) design-build contracts
(6) contract to construct, rehabilitate, alter, or repair facilities that involves using a construction manager
(7) a job order contract for the minor construction, repair, rehabilitation, or alteration of a facility
(8) reverse auction procedure as defined by Section 2155.062(d), Government Code; or
(9) the formation of a political subdivision corporation under Section 304.001, Local Government Code.

Each of these competitive methods is described more thoroughly in Module 3 of FASRG.

In addition, one of the three following methods must be used, depending on the circumstance described below, when purchasing with federal funds: sealed bids (formal advertising); competitive proposals; or noncompetitive proposals (sole source).

Sealed Bids (Formal Advertising)

Bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the following conditions apply:

- A complete, adequate, and realistic specification or purchase description is available;
- Two or more responsible bidders are willing and able to compete effectively for the business; and
- The procurement lends itself to a firm fixed-price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids. The invitation for bids must be publicly advertised.
• The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond.
• All bids will be opened at the time and place prescribed in the invitation for bids. The bids must be opened publicly.
• A firm fixed-price contract award must be made in writing to the lowest responsive and responsible bidder.

Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason.

**Competitive Proposals**

A competitive proposal is normally used with more than one source submitting an offer, and either a fixed price or a cost-reimbursement contract is awarded. (A cost-reimbursement contract reimburses the contractor for actual costs incurred to carry out the contract.) Competitive proposals are generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

• Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
• Proposals must be solicited from an adequate number of qualified sources.
• The District must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.
• Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

When using federal funds, the District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

**Noncompetitive Proposals (Sole Sourcing)**
Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used when using federal funds only when one or more of the following circumstances apply:

- The item is available only from a single source. This must be documented.
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
- TEA (or other federal awarding agency) expressly authorizes noncompetitive proposals in response to a written request from the District.
- After solicitation of a number of sources, competition is determined inadequate.

Additionally, state requirements related to sole source purchasing are, in some ways, more restrictive. In addition to the federal requirements above, sole source purchases must meet established criteria:

- Identification and confirmation that competition in providing the item or product to be purchased is precluded by the existence of a patent, copyright, secret process or monopoly;
- A film, manuscript, or book;
- A utility service, including electricity, gas, or water; and
- A captive replacement part or component for equipment.

According to state requirements, sole source does not apply to mainframe data-processing equipment and peripheral attachments with a single item purchase price in excess of $15,000.

In all cases, the District will obtain and retain documentation from the vendor which clearly delineates the reasons which qualify the purchase to be made on a sole source basis.

**Cost/Price Analysis for Federal Procurements in Excess of $150,000**

In accordance with the requirements in 2 CFR § 200.323, the District will make independent estimates of the goods or services being procured before receiving bids or proposals to get an estimate of how much the goods and services are valued in the current market.

To accomplish this, after bids and proposals are received, but before awarding a contract, the District conducts either a price analysis or a cost analysis, depending on the type of contract, in connection with every procurement with federal funds in excess of $150,000. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the District will come to an independent estimate prior to receiving bids or proposals. 2 CFR § 200.323(a). The cost analysis or price analysis, as appropriate for the particular situation, will be documented in the procurement files.
Accordingly, the District performs a cost or price analysis in connection with every federal procurement action in excess of $150,000, including contract modifications, as follows:

Cost Analysis  Non-competitive Contracts: A cost analysis involves a review of proposed costs by expense category, and the federal cost principles apply, which includes an analysis of whether the costs are allowable, allocable, reasonable, and necessary to carry out the contracted services. In general,

- A cost analysis must be used for all non-competitive contracts, including sole source contracts.
- The federal cost principles apply.
- All non-competitive contracts must also be awarded and paid on a cost-reimbursement basis, and not on a fixed-price basis.
- In a cost-reimbursement contract, the contractor is reimbursed for reasonable actual costs incurred to carry out the contract.
- Profit must be negotiated as a separate element of the price in all cases where there is no competition.

When performing a cost analysis, the Facilities Department negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor’s investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. 2 CFR § 200.323(b).

Price Analysis  Competitive Contracts: A price analysis determines if the lump sum price is fair and reasonable based on current market value for comparable products or services. In general,

- A price analysis can only be used with competitive contracts and is usually used with fixed-price contracts. It cannot be used with non-competitive contracts.
- Compliance with the federal cost principles is not required for fixed-price contracts, but total costs must be reasonable in comparison to current market value for comparable products or services.
- A competitive contract may be awarded on a fixed-price basis or on a cost-reimbursement basis. If awarded on a cost-reimbursement basis, the federal cost principles apply and costs are approved by expense category, and not a lump sum.

Costs or prices based on estimated costs for contracts are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable costs under the federal cost principles.
F. Purchase Cards (District-Issued Credit Cards/Pro Cards)

GPISD does not use District-Issued Credit Cards/Pro Cards. This information retained for use should the district implement this practice at any time.

The use of district issued credit cards or procurement cards is carefully controlled and monitored to prevent fraud, waste, and abuse. Section 3.3.3.3 in Module 3 of the FASRG addresses the use of credit/pro cards. The District superintendent, business manager, human resources director, and procurement director work together to set and enforce policies and procedures. Misuse and abuse will not be tolerated.

In accordance with suggested procedures in Module 3 of FASRG, the District:

- Holds reviewers of credit card purchases to the same standards as cardholders.
- Applies the same set of rules to all card users, although spending limits may vary.
- Restricts card usage by spending limits, unauthorized merchant category codes, and time of use to business hours.
- Issues cards to employees only after they have completed training on the purchasing card program.

Segregation of Duties

- Identifies certain employees to be cardholders and others within the same department to be reviewers of the cardholders’ purchases.
- Does not allow the same employee to buy, receive, approve, and reconcile card purchases.
- Have different employees set up cardholders and reviewers in the P-card system and the banking system.

Cardholders

- Requires cardholders to turn in detailed receipts in accordance with policies and documenting the business reason. Restaurant receipts must include line-by-line detail of the order.
- Requires cardholders to complete training prior to receiving a card and acknowledge in writing receipt of the policy and procedure manual.

Reviewers

- Revokes a department’s card privileges if a departmental reviewer does not review and approve transactions according to policy.
- Requires the reviewers to call the employee immediately upon noticing a questionable transaction rather than waiting for the due date of receipts.
- Requires the reviewers to complete training prior to reviewing transactions and acknowledging in writing receipt of the policy and procedure manual.
- Reviewers are responsible for 4 to 10 cardholders at most in order to be effective.

Monitoring and Oversight
• Is selective when issuing cards—focus on repetitive, small-dollar purchases.
• Keeps limits as low as possible to accommodate normal business needs. If there is a need to allow for emergency purchases, certain employees can have a higher limit.
• Card reviewers must follow the same high standards applied to cardholders.
• The business office staff reviews the work of the card reviewers, and the list of P-card users is reviewed annually.
• Uses the software to review the average spent by cardholder, purchases from unauthorized suppliers, purchases shipped to the cardholder’s home, and purchase amounts slightly below purchase limits.
• Reviews reports provided by the p-card programs such as declined authorizations report, disputes report, and lost/stolen card report which can reveal employees in need of additional training or attempting to misuse the card.
• Reviews district wide activity periodically to identify frequently used vendors or products to consider negotiating volume discounts in order to obtain best prices for the district.
• Encourages staff to contact the hotline used to report any fraud.

Each credit card transaction must be properly accounted for. Refer to II. Financial Management System, E. Accounting Records, Documentation Associated with Using District Credit/Pro Cards, for specific information related to the proper accounting of credit card purchases.

(This information is contained with strike through for reference should GPISD ever elect to use credit or procurement cards.)

G. Contract Administration

The District maintains the following oversights to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. 2 CFR § 200.318(b). The end user ensures that contractors perform in accordance with the terms, conditions, and specifications of the contract or purchase order.

The District complies with the following best practices recommended by TEA for all professional services contracts paid with federal funds:

1. The effective dates (i.e., beginning and ending dates) of the contract are within the effective dates of the federal award as stated on TEA’s NOGA. A contract may be negotiated prior to the effective date of the award, but it may not be signed or be effective until on or after the effective date stated on the NOGA.
2. The District may sign a letter of intent with the potential contractor prior to the issuance of the NOGA. The letter of intent must contain a provision that the pending contract is contingent upon receipt of the specific NOGA.
3. To ensure the potential contract is approved by TEA, the contract shall not be signed until after the NOGA is received by the District.
4. The contract will contain the following provisions (in addition to the Contract Provisions required and identified in III. Procurement System, C. Federal Procurement System Standards, Contract Provisions.)
   a. All services will be completed during the effective dates of the contract.
   b. All services will be paid only upon receipt of a proper invoice that coincides with the contract upon verification that the services were satisfactorily performed in accordance with the description in the contract. For ongoing services, payment may be made at the end of every month upon receipt of the invoice. Contractors will not be paid in advance.
   c. The contract specifies that the invoice provided by the contractor will include the list of services provided, dates of services, and location(s) where services were provided during the billing period.
   d. The District complies with the regulations pertaining to procurement in 2 CFR § 200.318 - .323.
   e. The District complies with the provisions in 2 CFR § 200.459 pertaining to allowable professional service costs.
   f. The contract identifies the funding source(s) 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.
   g. The contract identifies and lists only reasonable, necessary, and allocable services to be provided in accordance with the funding sources that will be charged.
   h. The administrative costs charged to the grant in the contract must be reasonable and must comply with any statutory limitations for administrative costs specified in the federal program funding source.

**Documentation for Contracts**

The District maintains the following written documentation, at a minimum, for each contract paid with federal funds: The grant Program Manager is responsible for maintaining the written documentation for each contract paid with federal funds.

1. A copy of the written, signed contract/agreement for services to be performed
2. The rationale or procedure for selecting a particular contractor
3. Evidence the contract was made only to a contractor or consultant possessing the ability to perform successfully under the terms and conditions of the contract or procurement
4. Records on the services performed – date of service, purpose of service – ensuring that services are consistent and satisfactorily performed as described in the signed contract or purchase order
5. Documentation that the contractor was *not paid before services were performed.*
6. Records of all payments made (such as a spreadsheet or report generated from the general ledger), including the total amount paid to the contractor.

**Payment Only After Services Are Performed**
For both state and federally funded contracts, it is not permissible under Texas law to pay a contractor or consultant in *advance* of performing services. Advance payment to contractors is considered “lending credit” to the contractor and is prohibited under the *Texas Constitution*, Article 3, §§ 40 and 52. For ongoing services that occur monthly, payment can be made at the end of every month (based on a proper invoice submitted by the contractor and verification of work performed) for services performed during the month, or some other similar arrangement.

Consultants and contractors will not be paid without having a properly signed and dated contract or other written agreement in place which clearly defines the scope of work to be performed, the beginning and ending dates of the contract, and the agreed-upon price. The contract should also include a description of the payment procedures.

Upon performance of services (monthly or upon completion of services), the contractor is required to submit an *invoice* to the District that contains at a minimum the following:

- a clear identification of the contractor/consultant, including name and mailing address
- a corresponding contract (or written agreement) number, if applicable
- the dates (beginning and ending date) during which the services were performed (i.e., billing period)
- a description of the services/activities completed during the billing period
- the total amount due to the contractor for the billing period

By submitting a properly prepared invoice, the contractor is certifying that it is true and correct.

**Verification of Receipt of Goods and Services Provided by Contractors**

If the purpose of the contract or purchase order is to deliver goods, the end user will verify that the quantity and quality of goods were received as specified in the contract/purchase order. The receiving report and procedures used in all other state/local purchases will be used for all federal purchases. The end user is responsible for the receipt of goods in accordance with the contract or purchase order. If required, a signed proof of delivery must be obtained in order to verify the receipt of goods.

If the purpose of the contract is to purchase services, the end user will verify that the quality and scope of services were received as specified in the contract. The end user is responsible for the receipt of services in accordance with the contract or purchase order. If required, a signed proof of delivery must be obtained in order to verify the receipt of services.

**Prompt Payment to Vendors/Contractors**

The District pays all vendors/contractors within 30 days of receipt of a proper invoice and the receipt of the goods or services in accordance with the *Texas Prompt Payment Act*. Government
H. Submission of Procurement System

In accordance with 2 CFR § 200.324(b), the District will make available upon request from TEA all procurement documents for pre-procurement review, such as requests for proposals or invitations for bids, or independent cost estimates.

In addition, the District may request (in accordance with the process established by TEA) that its procurement system be reviewed by TEA to determine whether the system meets federal standards in order for the system to be certified. The District may also self-certify its procurement system in accordance with the provisions in 2 CFR § 200.324(c), which does not preclude TEA’s right to survey the system.

IV. Property Management Systems

A. Property Classifications

The following property classifications are found in federal law. The District should include all relevant property definitions and revise to ensure that property classifications are also in accordance with state and local law. For example, school districts, open-enrollment charter schools, and ESCs are authorized to alter the definition of equipment as long as the revised definition includes all of the property included within the federal definition.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the District for financial statement purposes, or $5,000. 2 CFR § 200.33. The District’s capitalization level is $5,000.00.

Supplies means all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the District for financial statement purposes or $5,000, regardless of the length of its useful life. 2 CFR § 200.94.

See Business Operations Handbook-Fixed Assets/Inventory Exhibit A
http://www.gpisd.org/Page/4376
Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. 2 CFR § 200.20.

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance). 2 CFR § 200.12.

B. Inventory Procedure

Inventory is received by the department or campus requesting the items. The department or campus secretary inspects the property to ensure good condition upon receipt and to match the delivery items with the purchase order and invoice. The department or campus secretary enters the receiving information into the Skyward system Fixed Assets/Inventory Worksheet. For procedures and to access the Fixed Assets/Inventory Worksheet see the

All property is tagged by the department or campus secretary. Technology Support and Food Services tag technology or food service items prior to delivery to departments or campuses. The tracking of tagged property is implemented by the department or campus secretary and Technology Support and Food Services. Technology Support is responsible for configuring and installing equipment such as computing devices including highly desirable devices such as laptops, smart phones and tablets.

C. Inventory Records

For each equipment and computing device purchased with federal funds, the following information is maintained:

- Serial number or other identification number
- Source of funding for the property
- Who holds title*
- Acquisition date and cost of the property
• Percentage of federal participation in the project costs for the federal award under which the property was acquired
• Location, use, and condition of the property, and
• Ultimate disposition data including the date of disposal and sale price of the property.

Records are updated as needed with a physical count at year end. Systems maintained are as follows and are maintained by the positions listed.

Fixed Assets - Skyward System by Staff Accountant/Accounting staff
Inventory Food Service - Skyward System Inventory by Associate Food Service Directory
Inventory Maintenance & Operations - Skyward System Inventory by Warehouse Lead
Campus/Department Inventory - Excel Spreadsheet by Department/Campus secretary
Hayes TIPWEB Tech Inventory System - Coordinator of Inventory Control
Dossier Transportation Inventory - Shop Forman

*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.

The process to adjust the inventory records in the event of the property is sold, lost or stolen, or cannot be repaired can be found in the Business Operations Handbook Business Operations Handbook http://www.gpisd.org/Page/4376

D. Physical Inventory

A physical inventory of the property is taken by departments and campuses and the results reconciled with the property records every year.

The person responsible for maintaining the system at each department/campus runs the Fixed Assets/Inventory Spreadsheet on or before May 31 each year. Request tags in advance from Staff Accountant for Fixed Assets/Inventory for any items found with no tags. Affix new tags to
inventory and update the spreadsheet. Each inventory item is verified by the person maintaining the system by checking off in the last column of the spreadsheet as well as dating and initialing. Once the count is complete, run a report to determine the location or status of the unit of inventory.

Throughout the year as an item becomes obsolete, broken, not working, stolen, transferred or disposed of, the person maintaining the system fills out the proper forms and send the items to the warehouse for determination of disposal or auction. All items purchased with federal funds with a value of over $5,000 slated for disposal or auction must be approved by the Director of Finance.

Final reports are sent to the Staff Accountant for Fixed Assets/Inventory and must consist of starting inventory count and the completed inventory count and all inventory transferred out of the department or campus. The report also includes all inventory from federal funds sent for disposal or auction. Business Operations Handbook http://www.gpisd.org/Page/4376

E. Equipment Insurance and Maintenance of Equipment

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. 2 CFR § 200.310.

In accordance with 2 CFR § 200.313(d) (4), the District maintains adequate maintenance procedures to ensure that property is kept in good condition.

F. Lost or Stolen Items

The District maintains a control system that ensures that adequate safeguards are in place to prevent loss, damage, or theft of the property. Any loss, damage, or theft is investigated in accordance with the following procedures. 2 CFR § 200.313(d) (3)

Equipment insurance is maintained by the Risk Management Coordinator and is updated each year. Each department/campus is responsible for ensuring that property is maintained and in good condition. Restrictions are placed on the use of equipment and/or computing devices by management as a whole and by each department/campus administrator. If an item appears to be broken or not working, the department/campus secretary is contacted to do a work order for regular items to maintenance and operations or to contact the Help Desk for technology items or issues.
Maintenance and Operations staff, as well as Technology staff, will access the equipment to determine the necessary repairs. All repairs that can be done in-house are done by those departments. A requisition process is required to send an item out for repair. If it is not repairable, a transfer form is completed for proper disposal of the property per the Business Operations Handbook.

G. Use of Equipment

Equipment will be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award. The District will not encumber the property without prior approval of TEA and the federal awarding agency.

When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, in the following order of priority: (1) activities under a federal award from the federal awarding agency which funded the original program or project; then (2) activities under federal awards from other federal awarding agencies. Business Operations Handbook Exhibit A http://www.gpisd.org/Page/4376

During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the federal awarding agency that financed the equipment. Second preference is given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally funded programs or projects is also permissible. However, the original purchase of any equipment to be used in other programs will be properly allocated (i.e., prorated) among the applicable funding sources.
H. Disposal of Equipment and Supplies

Equipment

In accordance with 2 CFR §200.313(e), when it is determined that original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the Director of Finance will contact the TEA Chief Grants Administrator or other awarding agency for disposition instructions.

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

- 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 approve 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(d) (5), the District uses procedures to ensure the highest possible return. TEA must approve the disposition.

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.

Disposition of equipment will be properly recorded in the fixed asset inventory. Business Operations Handbook Transfer Form Exhibit B http://www.gpisd.org/Page/4376

Additionally, TEA’s General Provisions and Assurances for all grants (state and federal) administered by TEA contain the following provision:

V. Capital Outlay: If the Contractor purchases capital outlay (furniture and/or equipment) to accomplish the objective(s) of the project, title will remain with the Contractor for the period of the Contract. The Agency reserves the right to transfer capital outlay items for Contract noncompliance during the Contract period or as needed after the ending date of the Contract. This provision applies to any and all furniture and/or equipment regardless of unit price and how the item is classified in the Contractor's accounting record.

Supplies

Supplies are all tangible property other than equipment. This includes computing devices. If there is a residual inventory of unused supplies exceeding $5,000 in total aggregate value upon termination or completion of the project or program, and the supplies 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 Director of Finance will contact the TEA Chief Grants Administrator or other awarding agency for disposition instructions of supplies. 2 CFR § 200.314

V. Written Compensation Policies

GPISD Board of Education Policy, section D, serves as compliant written compensation policies.

DEA: Compensation and Benefits – Compensation Plan
DEAA: Compensation Plan – Incentives and Stipends
DEAB: Compensation Plan – Wage and Hour Laws
DEB: Compensation and Benefits – Fringe Benefits
DEC: Compensation and Benefits – Leaves and Absences
DECA: Leaves and Absences – Family and Medical Leave
DECB: Leaves and Absences – Military Leave
DEE: Compensation and Benefits – Expense Reimbursement
Allowable Compensation

Compensation for employees paid from federal funds will be in accordance with the established written policy for compensation for all employees, and the written policy will be consistently applied among all employees, whether paid from state, local, or federal funds. Compensation includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits.

Costs of compensation are allowable to be charged to a federal award to the extent that they satisfy the following requirements as specified in 2 CFR § 200.430 and that the total compensation for individuals:

1. Is reasonable for the services rendered and conforms to the established written policy of the District consistently applied to both federal and non-federal activities;
2. Follows an appointment made in accordance with the District’s rules or written policies and meets the requirements of federal statute; and
3. Is determined and supported by documentation that meets the federal Standards for Documentation of Personnel Expenses.

Reasonable Compensation

Compensation for employees engaged in work on federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the District. In cases where the kinds of employees required for the federal awards are not found in the other activities of the District, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the District competes for the kind of employees involved.

Professional Activities Outside the District

Unless an arrangement is specifically authorized by TEA or other awarding agency, the District must follow its written policies and practices concerning the permissible extent to which District employees may provide professional services outside the District for non-District compensation. If a policy does not exist or does not adequately define the permissible extent of consulting or other non-District activities undertaken by an employee for extra outside pay, the federal government may require that the effort of professional staff working on federal awards be allocated between:

1. District activities and
2. Non-district professional activities.

If TEA or other awarding agency considers the extent of non-District professional effort excessive or inconsistent with the conflicts-of-interest terms and conditions of the federal award, appropriate arrangements governing compensation will be negotiated on a case-by-case basis.

Therefore, the District’s policy which governs employees obtaining payment for performing professional services outside the District is incorporated into the District’s written employee compensation policy. Any employee wishing to perform professional services outside the District and receive payment for such services by another entity must complete, sign and submit the Conflict of Interest form prior to agreeing to perform professional services outside the District. The purpose of the Conflict of Interest form is to disclose the nature of the professional services to be performed outside the district to ensure a conflict of interest does not exist for the District. The completed, signed form will be submitted first to the appropriate department head and then to the Human Resources department for review and determination of whether a potential conflict of interest exists. GPISD Board Policy DBD Legal, Local and Exhibit address Conflict of Interest guidelines and reference www.ethics.state.tx.us links to proper documents. Basic points include:

During working hours, employees are expected to devote their full time and attention to the business and the affairs of the District.

If an employee wishes to engage in employment or business activity outside his or her employment with the District, the employee must first disclose to the District the nature and extent of the proposed employment or business activity and obtain the District’s written approval. Approval will only be withheld if the District reasonably determines that the employee’s proposed outside employment or business activity could conflict or compete with the interests of the District or could negatively affect the employee's job performance or attendance.

By signing this policy, I acknowledge understanding of the above policy and acceptance of the policy guidelines and constraints.

Employee Signature and Date]

Any employee who fails to comply with this requirement is subject to disciplinary action up to and including termination.

The District complies with other requirements pertaining to allowable and unallowable costs as specified in 2 CFR § 200.430(d), (e), and (f), including:
1. Compensation for certain employees of cost-reimbursement contracts covered under 10 USC 2324(e) (1)(P); 41 USC 1127; and 41 USC 4304(a)(16);
2. Changes in compensation resulting in a substantial increase in the District’s employees’ level of compensation; and
3. Incentive compensation based on cost reduction, efficient performance, suggestion awards, safety awards, etc.

Where practical, the District also adheres to the *Suggested Areas for Consideration of Internal Control Structure* for areas of employee compensation that could require internal control procedures. TEA’s *Module 1 – FAR, 1.5.4.7* of FASRG

**Job Descriptions**

Each employee must have a current job description on file. The immediate supervisor or manager is responsible for developing a complete and accurate job description for each employee under his or her supervision. The job description must describe the employee’s job responsibilities as well as delineate all programs or cost objectives under which the employee works.

Job descriptions must be updated as new assignments are made. The supervisor must review the job description with the employee upon hiring and as the job description is updated. The employee must sign and date that he or she has read and understands the job description and the programs under which he or she is working.

The job description must be immediately available upon request by an auditor or monitor.

Specific procedure for ensuring each employee, especially who is paid in whole or in part with federal funds, has a updated job description that has been signed by the employee include notification to all Principals and department heads of this requirement for all employees. Human Resources completes a job description notification process annually that requests feedback from employees if a change or error correction is necessary. The process informs the employee to print and sign the job description and keep it in a personal file. The September payroll information for all grant funded positions is reviewed annually. Additional notice is given to Principals and department heads to ensure that grant funded employees are correct on the payroll and that each of these employees has a signed job description for that year.

**A. Documentation of Personnel Expenses**

**Standards for Documentation of Personnel Expenses**

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In accordance with 2 CFR § 200.430, these records must:
• Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated
• Be incorporated into official records
• Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities
• Encompass both federally assisted and all other activities compensated by the District on an integrated basis
• Comply with the established accounting policies and practices of the District, and
• Support the distribution of the employee’s salary or wages among specific activities or costs objectives if the employee works on:
  o More than one federal award
  o A federal award and a non-federal award
  o An indirect cost activity and a direct cost activity
  o Two or more indirect activities which are allocated using different allocation bases, or
  o An unallowable activity and a direct or indirect cost activity.

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spend on grant activities. This includes an employee whose salary is paid with state or local funds but is used to meet a required match or cost share for a federal program.

These documents, known as time-and-effort records, are maintained in order to charge personnel costs to federal grants. In addition, current and up-to-date job descriptions for each employee are maintained.

**Time and Effort Procedures**

All District employees who are paid in whole or in part with federal funds will maintain documentation in accordance with the following requirements.

All charges to payroll for personnel who work on one or more federal programs or cost objectives must be based on one of the following, depending on the circumstances:

• **Semi-annual certification** (for employees who work 100% of the time on a single program and/or cost objective (except for programs covered under Ed-Flex [as long as Texas remains an Ed-Flex state], in which case a signed and dated job description must be in the employee’s personnel file); also see exception for schoolwide programs below)

• **Time-and-effort records** (for employees working on more than one program and/or multiple cost objectives)
• **Substitute system** - GPISD uses the Semi-annual certification and time and effort monthly Periodic Activity Report (PAR) as noted above.

Additional summary information pertaining to each of these is provided below. Refer to the section “Compensation for personal services” in 2 CFR § 200.430 for more detailed information pertaining to charges to payroll.

**Semi-Annual Certification**

Semi-annual certification applies to employees who do one of the following:

- Work 100% of their time on a single grant program and/or single *cost objective*
- Work 100% of their time in administering programs that are part of consolidated administrative funds (such as a Federal Programs Director who administers only these programs)
- Work 100% of their time under a single cost objective funded from eligible multiple funding sources. A Title I, Part A, schoolwide program is a single cost objective. Refer to TEA’s page on [Schoolwide Programs](#) for further guidance.

*“Cost objective” means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. A cost objective may be a major function of the District, a particular service or product, a federal award, or an indirect cost activity.*

These employees are not required to maintain time-and-effort records. However, each employee must certify in writing, at least semi-annually, that he or she worked solely on the program or single cost objective for the period covered by the certification. The certification must be signed by the employee or by the supervisor having first-hand knowledge of the work performed and should reference the employee’s signed and dated job description maintained in their personnel file. Charges to the grant must be supported by these semi-annual certifications. The semi-annual certifications are maintained by the Payroll Department of the District.

*Job Descriptions:* These employees are also required to maintain on file a signed and dated job description which clearly shows that the employee is assigned 100% to the program or single cost objective. The job description must be updated annually or when a function or activity is added to or deleted from an existing job description, must clearly identify the function and activities performed by the employee for the applicable fund source(s) or cost objective, and must be maintained in the employee’s personnel file.

The semi-annual certification must
• be executed after the work has been completed, and not before
• state that the employee worked solely (i.e., 100% of the time) on activities related to one particular grant program or single cost objective
• identify the grant program or cost objective
• specify the 6-month reporting period
• be signed and dated by the employee or a supervisor with first-hand knowledge of the work performed

Charges to the grant must be supported by these semi-annual certifications. All certifications must be retained for audit and monitoring purposes. It is recommended that the certifications be retained in a central location to facilitate an audit.

Other examples:

Because all funds consolidated on a Title I schoolwide campus benefit only that campus and no other cost objective, a Title I schoolwide program is a single cost objective. However, depending on the funding sources consolidated, personnel may or may not be required to complete a certification. See more information below about consolidating funds on a Title I schoolwide program.

A statutory set-aside within a program is a cost objective. For example, Title I, Part A requires that districts receiving $500,000 or more in Title I, Part A reserve not less than 1% of their Title I, Part A allocation (at the LEA level, not at the campus level) to carry out parental involvement activities. In order to track the 1% expended for this activity, this parental involvement activity must be identified as a separate activity or cost objective for time and effort purposes.

**Special Note on Single Cost Objectives:** Per TEA, some districts have received an audit finding for identifying the following or something similar as a single cost objective. Auditors do not view these and similar as single cost objectives because there are multiple set-asides and cost objectives within each of these areas.

- Federal programs
- Title I, Part A
- Title II, Part A
- NCLB
- Working on initiatives and programs that benefit Title I students
- Director of Federal Programs
- Title I Program Director

In January to document the completion of first semester work, GPISD sends a Semi-Annual Certification Form electronically to both the employee and the direct supervisor, Principal or department head.
Special Note for Schoolwide Programs: A Title I, Part A, schoolwide program is considered a “single cost objective.” This has different implications depending on the types of funding consolidated on the schoolwide program.

Full Consolidation: If federal, state, and local funds are consolidated on the schoolwide program, neither the semi-annual certification nor time and effort is required. There is no distinction between staff paid with federal funds and staff paid with state or local funds.

Federal Consolidation: If only federal funds are consolidated, for the employees funded from the consolidated pool, normally the semi-annual certification would be required. However, if all federal funds included in the consolidation are Ed-Flex programs, then the semi-annual certification for school districts is automatically waived. Note: Not all NCLB programs are Ed-Flex programs.

If one or more of the programs included in the consolidation is not an Ed-Flex program, then the semi-annual certification must be completed for those programs. Note: Not all NCLB programs are Ed-Flex programs. See below for a list of Ed-Flex programs in Texas.

Title I, Part A (no consolidation): If only Title I, Part A funds are used on a schoolwide basis to serve all of the children on campus, normally the semi-annual certification would be required. However, because Title I, Part A is an Ed-Flex program in Texas, the semi-annual certification is automatically waived for employees paid with Title I, Part A.

If an employee works part of the time on a schoolwide program, and part of the time on a separate federal program or other cost objective, then the employee must maintain time and effort because the employee is working on multiple cost objectives.

Ed-Flex Programs in Texas

Ed-Flex is a provision that allows the U.S. Secretary of Education to delegate to states the authority to waive certain federal education requirements that may impede local efforts to reform and improve education. It is designed to help districts and schools carry out educational reforms and raise the achievement levels of all children by providing increased flexibility in the implementation
of federal education programs in exchange for enhanced accountability for the performance of students.

Authorized under the Education Flexibility Partnership Act of 1999 and amended on April 13, 2006, the Ed-Flex waivers approved for Texas provide relief to grantees from certain administrative requirements, as well as from certain programmatic requirements. Refer to the Ed-Flex Waivers page on TEA’s website for information on Texas’ Ed-Flex waivers. Also refer to the NCLB Program Appendix on Ed-Flex.

**For example,** Texas provides an Ed-Flex statewide administrative waiver for the applicable programs from the requirement to complete the semi-annual certification for employees who work 100% of their time on a single grant program or single cost objective. This is allowable for these applicable programs as long as the employee’s job description clearly states that the employee is assigned 100% to the program or cost objective.

The following programs are Ed-Flex programs in Texas (until reauthorization of the ESEA):

- No Child Left Behind Act of 2001
  - Title I, Part A (except sections 1111 and 1116, school improvement grants)
  - Title I, Part C (Migrant Education)
  - Title I, Part D (Neglected and Delinquent)
  - Title I, Part F (Comprehensive School Reform – no longer funded)
  - Title II, Part A, Subparts 2 and 3 (Teacher and Principal Training and Recruiting)
  - Title II, Part D, Subpart 1 (Educational Technology)
  - Title III, Part B, Subpart 4 (Emergency Immigrant Education)
  - Title IV, Part A, Subpart 1 (Safe and Drug-Free Schools – no longer funded)
  - Title V, Part A (Innovative Programs – no longer funded)

**Ed-Flex waivers are NOT available for all NCLB programs.** Therefore, relief from the requirement to complete the semi-annual certification for employees who work 100% of their time on a single grant program is NOT available for programs not covered under Ed-Flex. Those employees must maintain time and effort in accordance with the requirements specified below.
Employees paid with non-Ed-Flex program funds who work 100% of their time on non Ed-Flex program activities must complete the certification every six months and submit it to the Payroll Department.

Employees paid with non-Ed-Flex program funds who work only a portion of their time on non-Ed-flex program activities must complete time-and-effort records and submit them to the Payroll Department at least monthly to coincide with the pay period.

Implementing any of the Ed-Flex waivers for a non-Ed-Flex program will result in findings during an audit or monitoring visit and potentially the repayment of funds.

Time and Effort (i.e., Personnel Activity Reports)

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

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

These employees are required to maintain time-and-effort records or to account for their time under a substitute system (see below). Employees must prepare time-and-effort summary reports at least monthly (or every other week, as applicable) to coincide with pay periods. Such reports must reflect an after-the-fact distribution of 100% of the actual time spent on each activity and must be signed by the employee. Monthly reports must be submitted to the Payroll Department and charges to payroll must be adjusted at least monthly to coincide with preparation and submittal of expenditure reports.

Examples of employees who work on multiple cost objectives:

- An employee who works partially on administering programs included in NCLB consolidated administrative funds pool, and partially on administering other programs (not included in NCLB consolidated administrative funds pool), must maintain time-and-effort records or account for his or her time under a substitute system. These are two different cost objectives.

- An employee who works partially on administrative activities (paid from administrative funds) and partially on program activities (paid from program funds) of the same program must maintain time-and-effort records or account for his or her time under a substitute system. These are two different cost objectives.
• An employee who works on regular Title I activities and Title I parent involvement activities must maintain time-and-effort records. (The LEA must document the 1% of its allocation expended on parent involvement activities if the LEA receives more than $500,000 in Title I, Part A.) These are two different cost objectives.

• An employee who works part of the time on direct cost activities and part of the time on indirect cost activities must maintain time-and-effort records or account for his or her time under a substitute system. These are two different cost objectives.

Sample forms for Periodic Activity Reports and both Fall and Spring Semi-Annual Certification documents are available from the grant program manager. Generated from the September payroll reports, grant funded employees and their supervisors are informed of their funding and the current job description for the position. Employees and supervisors are instructed to inform the grant Program Manager if the funding and job description is incorrect at that time. Necessary adjustments are made either in the job description or the funding at that time.

Employees are also informed at that time of the responsibility to keep either daily and monthly Periodic Activity Reports or the Semi-Annual Certification requirements for their position. The Program Manager receives monthly reports and generates the Semi-Annual Certification processes in January and in May of each schoolyear.

Substitute Systems in Lieu of Time-and-Effort Reports

In accordance with 2 CFR § 200.430(i) (5), substitute systems for allocating salaries and wages may be used in place of time-and-effort reports. Substitute systems may include, but are not limited to, random-moment sampling, “rolling time studies,” case counts, or other quantifiable measures of work performed. Substitute systems that use sampling methods must meet acceptable statistical sampling standards. Refer to 2 CFR § 200.430(i) (5) for detailed requirements. The substitute system must be approved by TEA.

Documentation of rationale and calculations for allocating salaries and wages based on a substitute system must be maintained for audit purposes.

TEA Substitute System of Federal Time-and-Effort Reporting for Employees Supported by Multiple Cost Objectives

TEA issued guidance in a letter dated December 12, 2012, pertaining to Substitute System of Federal Time-and-Effort Reporting for Employees Supported by Multiple Cost Objectives. Pursuant to this guidance, employees who work on multiple cost objectives (i.e., more than one federal grant award or more than one cost objective) and who meet certain conditions may
complete a schedule at the beginning of the reporting period and a certificate (similar to the semi-annual certification) at the end of the reporting period in lieu of traditional time-and-effort records.

To qualify for this substitute system in lieu of traditional time-and-effort reports, the employee must work on multiple activities or cost objectives (i.e., more than one federal grant award) based on a predetermined, set schedule, which is most likely applicable to classroom teachers or instructional aides. The employee must also normally be required to complete traditional monthly time-and-effort reports. In order for any employees to use this system, the LEA must also submit a Management Certification form to TEA by the specified deadline date each year.

**Daily Class Schedules**

Daily class schedules for classroom teachers and instructional aides may be used in lieu of time-and-effort reports for these personnel. Daily class schedules may qualify as a suitable “substitute system” because they provide a “quantifiable measure of employee effort.” However, to avoid an audit exception, daily class schedules should be documented as a substitute system in accordance with the procedures described above for TEA’s substitute system.

**Reconciliation and Closeout Procedures**

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. Grantees may initially charge payroll costs based on budget estimates. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

If using budget estimates, the District will periodically, at least quarterly, reconcile payroll charges to the actual time and effort reflected in the employees’ time-and-effort records. If the quarterly (or more frequent) reconciled difference between the actual and budgeted amounts is 10% or greater, two things will occur:

- The District will adjust its accounting records to reflect the costs based on the actual time and effort reported.
- To minimize future differences, the District will revise the budget estimates for the following quarter to reflect the actual distribution, if necessary.

If the reconciled difference is less than 10%, the District will adjust the accounting records annually. But in all cases, the accounting records will be adjusted to reflect actual time-and-effort records. Please note that the 10% variance only governs how often the reconciliation will occur. It does not govern whether or not the reconciliation will occur.
At the end of each fiscal year, grant Program Managers and the Director of Finance collaborate on close-our procedures. The time and effort records are reviewed and signed by each grant Program Manager. Any discrepancies are reported to the Director of Finance for the appropriate corrective action, if necessary.

Employee Exits

Employees leaving GPISD must submit a final certification of time and effort report to the Supervisor, Department Head or Principal. The Supervisor is responsible for submitting this documentation to the grant Program Manager. The Exit Interview with Human Resources must include a check to ensure this documentation has been submitted to the grant Program Manager.

Employees changing positions within GPISD must follow these same steps. Human Resources must verify with the grant Program Manager either releasing or receiving a grant funded employee to ensure proper documentation of certification or time and effort reporting.

VI. Human Resources Policies

The allowability of various types of personnel compensation costs is dependent on whether they are spent in accordance with written policies and procedures. For example, the cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as annual leave, sick leave, or holidays, is allowable if, among other criteria, the costs are provided under established written leave policies.

GPISD has human resource policies which cover (1) how employees are hired (2 CFR § 200.430[a][2]); (2) the extent to which employees may provide professional services outside the District (2 CFR § 200.430[c]); (3) the provision of fringe benefits and costing policy, including leave and insurance, (2 CFR § 200.431[b]-[e]); (4) pension plan costs (2 CFR § 200.431[g]); post-retirement health benefits (2 CFR § 200.431[h]); severance pay (2 CFR § 200.431[i]); (4) the use of recruiting expenses to attract personnel (2 CFR § 200.463(b)); and (5) reimbursement for relocations costs. 2 CFR § 200.464.

All employees, including those paid with federal funds and those not, will adhere to the District’s written leave policy.

If the District institutes any mass or abnormal severance pay, the District will request prior written approval from TEA in accordance with 2 CFR § 200.431(i)(2)(ii).
VII. Record Keeping

A. Record Retention

The District maintains all records that fully show (1) the amount of funds under the grant or subgrant; (2) how the subgrantee uses those funds; (3) the total cost of each project; (4) the share of the total cost of each project provided from other sources; (5) other records to facilitate an effective audit; and (6) other records to show compliance with federal program requirements. 34 C.F.R. §§ 76.730-.731 and §§ 75.730-.731. The District also maintains records of significant project experiences and results. 34 C.F.R. § 75.732. These records and accounts must be retained and made available for programmatic or financial audit.

The U.S. Department of Education is authorized to recover any federal funds misspent within 5 years before the receipt of a program determination letter. 34 C.F.R. § 81.31(c). Consequently, the District retain records for a minimum of five (5) years from the date on which the final Financial Status Report is submitted, unless otherwise notified in writing to extend the retention period by the awarding agency, cognizant agency for audit, oversight agency for audit, or cognizant agency for indirect costs. However, if any litigation, claim, or audit is started before the expiration of the record retention period, the records will be trained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. 2 C.F.R. § 200.333.

https://www.tsl.texas.gov/slrn/recordspubs/sd.html

B. Collection and Transmission of Records

Records and documentation for federal and other grant funds are required to be kept on file for seven years. Program managers and campus administrators are instructed to keep paper copies for at least three years. These and older required forms may be scanned and stored electronically at any time. Beginning in the 2015-2016 school year, federal grant fund documentation will be filed in a web-based software system as well. This system will ensure that records are maintained in a uniform manner and not subject to loss with administrative changes or campus/department changes. Transmission of records can then be done electronically as allowed.

C. Access to Records

The District provides the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives the right of access to any documents, papers, or other records of the District which are pertinent to the Federal
award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the District's personnel for the purpose of interview and discussion related to such documents.

D. Privacy

Board Policy GBA (Legal) addresses the Public Information Act requirements. Section I address Rights to Public Information. Section II addresses Confidential Information under the Public Information Act or Other Law. Section III addresses Exemptions of Disclosure included in Subchapter C of the Public Information Act. All requests are processed first through the GPISD Communications Department and forwarded to the appropriate staff for preparation of the information.

Board Policy FL (Legal) specifically addresses requests for student information. This policy defines educational and non-educational information requests. Annual training on the Family Educational Rights and Privacy Act are conducted annually. These requests require verification of the parent or family member as legally allowed to have the student information.

VIII. Monitoring

A. Self-Monitoring

GPISD self-monitoring includes the compliant development of annual budgets of federal and grant funds. Program managers review and approve all expenditures. Related strategies to justify expenditures must be included in the District Improvement Plan or Campus Improvement Plan. These strategies and expenditures are developed during the annual Comprehensive Needs Assessment process to coordinate grant funding with the overall campus or department plan.

B. TEA Monitoring

TEA monitoring includes the review and negotiations of completed grant applications for adherence to program guidelines and EDGAR regulations. Further monitoring includes pre-approval of large purchases and field experiences for students. Expenditure reports are submitted to TEA prior to funds being drawn down into GPISD accounts. TEA also periodically monitors District and Campus
Improvements for evidence and documentation of effective planning and implementation of grant program.

C. **Sub recipient Monitoring**

In the event that the District awards sub grants to other entities, it is responsible for monitoring those grant sub recipients to ensure compliance with federal, state, and local laws. Monitoring is the regular and systematic examination of all aspects associated with the administration and implementation of a program. Each program office that awards a sub grant must have its own monitoring policy. This policy must ensure that any monitoring findings are corrected.

### IX. Audits and Audit Resolution

A non-Federal entity that expends $750,000 or more during the non-Federal entity’s fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with EDGAR 200.501. Grand Prairie ISD falls within this requirement. Our audit is conducted annually in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatements. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation.

In accordance with Government Auditing Standards, our audit also issues a report on the consideration of the district’s internal control over financial reporting and tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of the testing of internal control over financial reporting and compliance and the results of the testing. The report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

### X. **Programmatic Fiscal Requirements**
A. Maintenance of Effort

As a condition for receiving its full allocation in any fiscal year, for covered programs under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001 (NCLB), a local education agency (LEA) must maintain its own state and local fiscal effort in accordance with Section 9521, ESEA. This requirement is known as maintenance of effort (MOE). The MOE requirement ensures that the LEA continues to expend its state and/or local funds at the same level from year to year, instead of limiting services to what can be provided using federal dollars. Grand Prairie performs NCLB MOE covered programs and Special Ed. MOE on an annual basis and verified its performance by our annual audit and is submitted to TEA on or before its annual deadline.

B. Supplement, Not Supplant

Federal grant and related grant programs are planned for supplemental activities are not allowed to supplant current funding. Our Maintenance of Effort report is one source of documentation for this requirement. In addition, during the Comprehensive Needs Assessment Process and the development of the District Improvement Plan and Campus Improvement Plans, this requirement is addressed. All requests for purchases are also reviewed by the Program Manager to ensure that the items or services are supplemental in nature.

XI. Programmatic Requirements

A. Private Nonprofit School Participation

GPISD partners with Region 10 Education Service Center to ensure Private Nonprofit School Participation in grant funded programs. Region 10 ESC assists with keeping current contact with eligible PNP campuses. Designees are included in the planning of services. Services and expenditures are monitored by the Region 10 designee, the GPISD Program Manager and the Director of Finance.

X. Legal Authorities and Helpful Resources

The following documents contain relevant grants management requirements. Staff should be familiar with these materials and consult them when making decisions related to the federal grant.
Education Department General Administrative Regulations (EDGAR)


Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 200)
  - http://www.ecfr.gov/cgi-bin/text-idx?SID=cccf77e01c9e6d4b3a377815f411704&node=pt2.1.200&rgn=div5
  -

USDE’s Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 3474)
  - http://www.ecfr.gov/cgi-bin/text-idx?SID=cccecf77e01c9e6d4b3a377815f411704&tpl=/ecfrbrowse/Title02/2 CFR3474_main_02.tpl

Federal program statutes, regulations, and guidance
  - http://www.ed.gov/
  - State regulations, rules, and policies
  - District regulations, rules, and policies
  - Organizational Chart
    - Under revision
Appendices

Appendix 1 – Organization Chart

Appendix 2 – Standards of Conduct (Policy)

Appendix 3 – Conflict of Interest Policy