

McLeod ISD

State & Federal Grants Manual

Approved:

Cathy May, Superintendent

Date

Contents

General Information	4
Business Department Mission	4
Business Department Staff	4
Organizational Chart	5
General Ledger Maintenance(†)	6
Journal Entries(†)	15
Data Entry and Validation(†)	16
General Ledger Transaction (Minimum Data Required) – (†)	16
End of Fiscal Year Process	17
Segregation of Duties(†)	18
Retention of Records(†)	19
Data System Security & Access(†)	25
Assignment of Access and Passwords(†)	26
Revoking Access(†)	26
Business Staff Training(†)	26
State and Federal Grant Management(†)	27
900 – State and Federal Programs/Grants(†)	31
901 State Programs – Allotments	31
901.1 Gifted and Talented	34
901.2 Career and Technology (CATE)	34
901.3 Special Education	34
901.4 Compensatory Education (SCE)	35
901.5 Bilingual and ESL	36
901.6 High School Allotment	36
902 Federal Grants	38

902.1	Grant Application Process	38
902.2	Budgeting Grant Funds	39
902.3	Expenditure of Grant Funds	40
902.4	Preparing Expenditure Reports & Draw Down of Funds	53
902.5	Time and Effort Documentation/Employee Certification	57
902.6	Grant Compliance Areas	61
903	Grant Awards	65

General Information

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

Business Department Mission

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

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

Business Department Staff

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

Brandi Parker, Business Manager
Trisha Martin, Assistant Business Manager

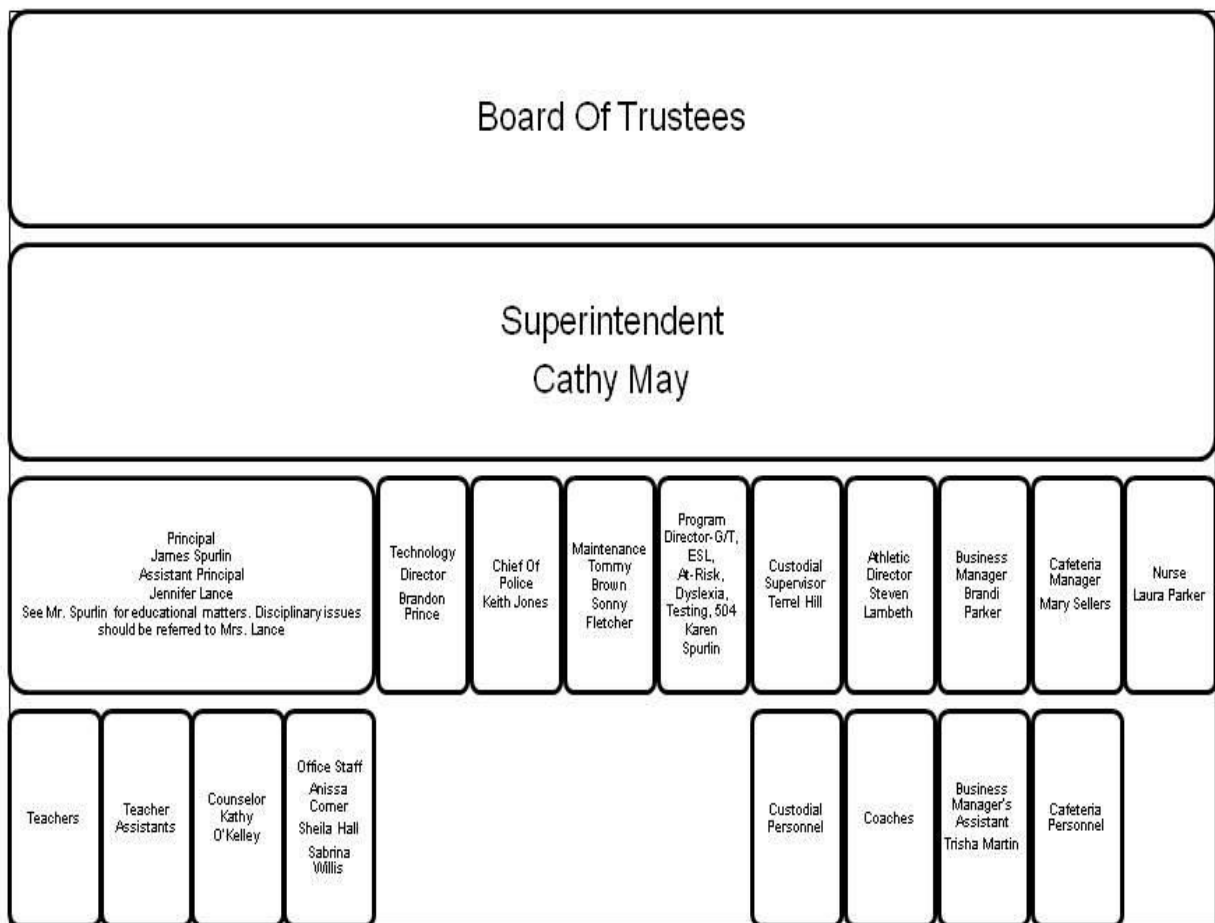
All Business Department staff are expected to comply with the Code of Ethics and Standard Practices for Texas Educators [Board Policy DH (Exhibit), the McLeod ISD Standards of Conduct (Employee Handbook), and the Employee User Agreement for District Network & Internet Resources. In addition, all business department staff shall comply with School Board Policy CAA Local regarding fraud.

Each staff member shall have a job description on file in the Human Resources department. In addition, each staff member should receive and sign a job description annually. Changes to job descriptions should be made when substantial changes occur in job duties or responsibilities.

Organizational Chart

McLeod ISD

Organizational Chart 2015-2016



Budget Preparation(†)

Each year the district is responsible for preparing and presenting a proposed budget for Board approval. The schedule for preparing the next year's budget begins early in the current school year. The district must adopt a budget not later than August 31st of each year. At a minimum, the Board of Trustees shall adopt a budget that includes the General Fund, Food Service Fund and Debt Service, if any. The budget shall be adopted at the function code level; therefore, any changes to the budget at the functional level, shall be approved by the Board of Trustees prior to exceeding a functional expenditure category. A budget transfer is defined as a transfer of funds which is not across different functions. The Business Manager shall approve all budget transfers.

Budget timeline

April – June: Enrollment projections are completed.

April – May: Working documents are submitted to those responsible for oversight of programs.

June: Business office compiles a preliminary budget to reflect next year payroll calculations along with proposals from program directors. State aid templates are used to calculate state aid. Estimated Certified values are used to budget local tax revenues. Tentative entitlements are used for budgeting federal grants. Information is presented in draft form for Superintendent review and input.

July – August: Budget work sessions are scheduled with the Board of Trustees for review and input.

August: The district must publish a notice of budget and tax rate, not less than 10 days or more than 30 days prior to budget adoption.

August 31 or prior: The district conducts a budget and tax hearing to set the district's tax rate.

August 31 or prior: The budget is adopted.

Before September 30 or by the 60th day after the district receives the certified appraisal roll, whichever is later: The tax rate is adopted.

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

The adopted budget shall be reported to TEA on an annual basis through the fall PEIMS submission.

Account Codes(†)

Fiscal control and accounting procedures will permit the tracing of funds to a level of expenditure adequate to establish that funds have been used in accordance with the approved grant application. Grant funds will be accounted for in the District's financial system using the fund, function, object, account, and program intent codes specified in the Texas Education Agency's (TEA) Financial Accounting Standards Resource Guide (FASRG). The FASRG can be found on the TEA's website. Account codes specified in the FASRG are the only approved account codes to be used for accounting for grant funds. Fund numbers specified in the FASRG for particular grants will be used for that grant in the event it is awarded to the District. For example, the FASRG specifies 211 to be used for ESEA, Title I, Part A. In the event that no fund number is specified for the grant, the District will use the appropriate locally defined special revenue fund from the FASRG. The FASRG allows the use of local option codes and these may be utilized if it is determined by the Business Manager and Grant Administrator that the transaction necessitates more description.

Explanation of Basic Code structure

Fund Code – is a 3 digit code used to identify the fund group and specific fund. The first digit refers to the fund group and the second and third digits specify the fund.

Fiscal Year Code – is a single digit code that identifies the fiscal year of the transaction or the project year of inception of a grant project.

Function Code – is a 2 digit code applied to expenditures/expenses that identifies the purpose of the transaction. The first digit identifies the major class and the second digit refers to the specific function within the area.

Object Code – is a 4 digit code identifying the nature and object of an account, a transaction or source. The first of the 4 digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classification.

Optional Codes 1 and 2 (Sub-objects) – a two digit code for optional use to provide special accountability at the local level.

Organization Code – is a 3 digit code identifying the organization.

Program Intent Code – is a 2 digit code used to designate the intent of a program provided to students. These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The intent (the student group toward which the

instructional or other service is directed) determines the program intent code, not the demographic makeup of the students served.

Financial Accountability System Fund Codes and Account Groups

General Operating Funds (1XXX) (state and locally funded)

199X General Fund

Special Revenue Funds (2XXX, 3XXX, 4XXX) (State, locally and federally funded)

211X ESEA – Title 1, Part A
224X IDEA-B Formula (AISD Flow Through)
225X IDEA-B Preschool (AISD Flow Through)
240X Food Service
255X Title II, Part A - Teacher & Principal Training & Recruiting (TPTR)
410X Instructional Materials Allotment
481X Admin Campus Activity Funds
482X Secondary Activity
483X Elementary Activity
484X Athletic Activity

Proprietary Fund Types (7XXX funded from various sources)

753 Workers Comp

Trust and Agency Funds (8XXX)

829X Alumni Fund
863X Payroll Clearing
864X Finance Clearing
865X Activity funds – These funds are held in a custodial capacity by a school district, and they consist of clearing accounts and funds that are the property of students or others.

General Fixed Assets & General Long-Term Debt Account Groups (9XXX)

901X General Fixed Assets

Financial Accountability System Function Codes

- 11 **Instruction** – for the purpose of directly instructing students including those enrolled in adult basic education programs.
- 12 **Instructional Resources & Media Services** – directly and exclusively for establishing and maintaining libraries and other major facilities dealing with instructional materials and media.
- 13 **Curriculum Development & Instructional Staff Development** – directly and exclusively for in-service training and other staff development involving instructional or instructional related personnel of the district.
- 21 **Instructional Leadership** – directly for managing, directing and supervising general and specific instructional programs.
- 23 **School Leadership** – for general administration of a school campus or similar type of organizational unit. In most cases, function code 23 costs are limited to operating a principal's office, and include all types of activities pertaining to the operation of that office.
- 31 **Guidance, Counseling and Evaluation Services** – directly and exclusively for assessing and testing students' abilities, aptitudes and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals.
- 32 **Social Work Services** – directly and exclusively for promoting and improving school attendance of students, including the promotion of positive student and parent attitudes toward attendance.
- 33 **Health Services** – directly and exclusively for providing health services to individuals.
- 34 **Student (pupil) Transportation** – for providing transportation to students to and from school.
- 35 **Food Services** – for food service operation expenditures, including the cost of food, labor, and other expenditures necessary for the preparation, transportation and storage of food.
- 36 **Extracurricular Activities** – for extracurricular and other purposes that are not essential in the delivery of services for function 11, function code 20 series, or other function code 30 series activities.

- 41 **General Administration** – for purposes of managing or governing the school district as an overall entity, and that cover multiple activities that are not directly and exclusively for costs application to specific functions.
- 51 **Facilities Maintenance & Operations** – for activities to keep the physical plant open, clean, comfortable, safe for use, and keeping the grounds in an effective working condition and state of repair.
- 52 **Security & Monitoring Services** – to be used for expenditures related to keeping student and staff surroundings safe.
- 53 **Data Processing Services** – for non-instructional data processing services, whether in-house or contracted.
- 61 **Community Services** – for activities other than regular public education and adult basic education programs. These types of expenditures are for services or activities, relating to the whole community or some segment of the community, including resources to non-public school, institutions of higher education, and any proprietary types of services incurred for outside entities in the community.
- 71 **Debt Services** – for expenditures that are for the retirement of services fees and for all debt interest.
- 81 **Facilities Acquisition & Construction** – for acquiring, equipping, and/or additions to real property.
- 99 **Other Governmental Charges**

Financial Accountability System Expenditure Object Codes

6100 Payroll Costs

- 6110 Teachers and Other Professional Personnel
 - 6112 Salaries or wages – substitutes for teachers and other professionals
 - 6118 Extra duty pay – teachers and other professional employees
 - 6119 Salaries or wages for teachers/other professionals
- 6120 Support Personal
 - 6121 Extra duty pay/overtime – support personnel
 - 6122 Salaries or wages – substitute support personnel
- 6130 Employee Allowances
 - 6139 Allowances
- 6140 Employee Benefits

- 6141 Social security/Medicare
- 6142 Group health and life insurance
- 6143 Workers' compensation
- 6145 Unemployment compensation
- 6146 Teacher retirement
- 6149 Other Employee Benefits

6200 Professional & Contracted Services

- 6210 Professional Services
 - 6211 Legal services
 - 6212 Audit services
 - 6213 Tax appraisal & collection
 - 6219 Other professional services
- 6220 Tuition Services
 - 6229 Student tuition
- 6230 Regional Education Service Center Services
 - 6239 Regional education service center services
- 6249 Contracted Maintenance & Repair Services
- 6250 Utilities
 - 6259 Other utilities – expenditures for all other utilities not detailed above
- 6260 Rentals – Operating leases
- 6269 All other rentals – expenditures for all other rentals not detailed above, including those for equipment, copiers, postage machines, etc.

6300 Supplies & Materials

- 6310 Supplies & materials for maintenance and/or operations
 - 6311 Gasoline & other fuels for vehicles, including buses
 - 6319 Other supplies for maintenance and/or operations
- 6320 Textbooks and Other Reading Materials
 - 6321 Textbooks
 - 6329 Other reading materials
 - 6330 Testing Materials
 - 6339 Testing materials
- 6340 Food Service
 - 6341 Food
 - 6342 Non-Food
 - 6344 USDA commodities
- 6390 Supplies & materials
 - 6399 General supplies

6400 Other Operating Expenditures

- 6410 Travel & subsistence & stipends

- 6411 Travel & Subsistence – employee only
- 6412 Travel & subsistence – students
- 6419 Travel & subsistence – non-employees
- 6429 Insurance & Bonding Expenses
- 6430 Election Expenses
 - 6439 Election expenses
- 6490 Miscellaneous Operating Expenses
 - 6495 Dues
 - 6499 Miscellaneous operating expenses

6500 Debt Service

- 6510 Debt Principal
 - 6511 Bond principal
 - 6512 Capital lease- purchase principal
- 6520 Interest
 - 6521 Interest on bonds
 - 6522 Capital lease – purchase interest
 - 6523 Interest on loans
- 6590 Other Debt Service Expense
 - 6599 Other debt fees

6600 Capital Outlay – Land, Building & Equipment

- 6610 Land Purchase and/or improvements
- 6620 Building purchase, construction or improvements
- 6630 Furniture & Equipment
 - 6631 Vehicles
 - 6649 Computer equipment, software, & audio/visual eqpt. < \$5000
 - 6639 Other equipment

District Organization Codes

- 001 High School**
- 041 Middle School**
- 101 Elementary School**
- 700 General Administration**
- 701 Superintendent’s Office**
- 702 School Board**

720 Direct Costs
750 Indirect Costs
998 Unallocated Local
999 Undistributed

Financial Accountability System Program Intent Codes

10 Basic Services

11 Basic Education Services

20 Enhanced Services

- 21 Gifted & talented education program
- 22 Career & technology
- 23 Services to students with disabilities (Special Education)
- 24 Accelerated education
- 25 Bilingual education & special language programs
- 26 Non-disciplinary alternative education programs AEP
Basic services
- 28 Disciplinary Alternative education program – DAEP
Basic services
- 30 Title I, Part A school wide activities related to state
Compensatory education costs on campuses with
40% or more educationally disadvantaged students
- 31 High School allotment program
- 32 Pre K
- 33 Pre K Special Ed
- 34 Pre K Comp Ed
- 35 Pre K Bilingual/ESL
- 91 Athletics and related activities
- 99 Undistributed

Encumbrance Accounting(†)

Budgets are the legal authority for expenditures. To exercise this authority, the administrator must have accurate up-to-date information on the status of the budget balances at all times. Knowing how much money has been spent to date is generally not sufficient. The amount *committed* must also be known to avoid over expenditure 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 related to contracts not yet performed, and are used to control expenditures for the year and to enhance cash management. The District will issue purchase orders for the purchase of goods and services to be received in the future. At the time these commitments 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 District's financial accounting software automates this process in the following manner:

1. Campus secretary, Athletic Dir. and Business Assistant, or Tech. Director, Business Assistant, input purchase requests in the form of a requisition into the TxEIS Purchasing System. At this time, the system checks the balance of the account and issues a warning if funds are not available. If fund are not available, Business Mgr. inputs a budget transfer, locates other funding sources or cancels the purchase.
2. Business Manager will approve or deny the requisition.
3. Once approved, a purchase order is created in the TxEIS Purchasing System from the requisition. Upon the creation of a purchase order, the funds will be encumbered or committed from the specified account.
4. Once an order arrives, the campus Secretary, Anissa Comer, will check in all orders in which she has been given a copy of the PO. All packing lists and invoices will then be given to the Business Office in order to process payment.

When the invoice arrives and is approved, the budgetary accounts are eliminated and the actual expenditure and related liability are recorded. Any difference between the encumbrance and the expenditure is reflected as an adjustment to the remaining encumbrance balance. The original encumbrance entry is based on the estimated costs of goods and services and may, as illustrated above, differ from the eventual cost of the item.

An encumbrance may be liquidated in whole or in part or canceled when any of the following situations occur:

- Satisfactory receipt or legal acceptance of a partial or complete shipment of goods or services
- Notice from or failure of the vendor to fulfill terms of the order or contract
- Cancellation of the order
- If funds are not available due to lack of funds

Since many purchase orders are based on catalog prices or quotes subject to changes, amounts of encumbrances may vary from the amounts of expenditures. In any case, the total encumbrance is liquidated at the same amount as originally booked.

For a more detailed description of the requisition and purchase order process, please refer to the McLeod ISD Business and Support Procedures Manual.

General Ledger Maintenance(†)

General ledger entries shall be made on an on-going basis as needed. End-of-the-month and end-of-the-year entries shall be made on a timely basis.

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

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

The detailed general ledger will include the following information for each recorded transaction: (1) a reference number; (2) transaction date; (3) vendor's name; (4) brief description; (5) account code; (6) amount encumbered; and (7) amount paid and/or unencumbered. Detail general ledgers may be accessed at any time in the TxEIS Finance software by the following path: Reports/Finance Reports/Journals Checks Detail Reports/Detail General Ledger.

Journal Entries(†)

All general ledger entries shall be in balance (debits shall equal credits). Source documentation shall be used to document all entries. All journal entries shall be numbered for tracking purposes. An automated numbering system shall be utilized by the district. The Business Manager and Assistant Business Manager shall be authorized to create journal entries and to post journal entries to the general ledger.

All payroll general journals shall be interfaced to the finance system by the Business Manager. All payroll general journals must be posted to the finance general ledger no later than the actual pay date.

All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable. At times, prior to closing the month, additional reconciling journal entries may be posted in accordance with the creation and approval guidelines. Prior to monthly board report preparation, all end-of-month reports should be printed and verified and the end-of-month process completed.

School Board Reports should be generated and forwarded to the Board for review. The financial reports shall be reviewed by the School Board.

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

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

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

Data Entry and Validation(†)

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

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

General Ledger Transaction (Minimum Data Required) – (†)

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

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

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

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

End of Month Process

After reconciling bank accounts, all end-of-month reports should be printed and verified and the end-of-month process completed. There are three (3) steps in completing the End-of-Month process as listed below:

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

End of Fiscal Year Process

All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable. Within 30 days after the fiscal year, all end-of-fiscal year reports should be printed and verified for audit purposes.

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

- **Reconcile all cash and investment accounts** – all cash and investment accounts shall match the corresponding bank or investment balances as of August 31st, as reflected on the respective monthly statement.
- **Reconcile all revenue accounts with amounts received and/or earned as of August 31st** – All measurable revenue should be posted to the general ledger. For example, all state aid earned as of the most recent Summary of Finance report from TEA shall be posted to the appropriate state revenue accounts.
- **Reconcile all grant revenue and expenditures** – the revenue and expenditures in every grant program (state and federal) should equal. The excess revenue if any should be reclassified to a deferred revenue account. If expenditures exceed revenue, the amount due from the granting agency should be posted to the revenue account and accounts receivable accounts.

- **Reconcile the final amended budget** – verify that all budget amendments (at the functional level) have been posted to the general ledger. The sum of the original budget, plus all budget amendments during the fiscal year shall equal the final amended budget.
- **Reconcile and post all accounts receivables** – all funds due from other sources, as of August 31st, shall be posted to the general ledger. The receivables shall be measurable and expected to be received within 30 days after the end of the fiscal year.
- **Reconcile and post all accounts payable** – all payables due to others (vendors especially), as of August 31st, shall be posted to the general ledger. The amounts due for all goods and/or services received as of August 31st are classified as accounts payable and paid during the next fiscal year. The district has established a mid-September cutoff for prior year accounts payables [Note. The accounts payable account (2110) in the prior fiscal year and the next fiscal year must be in balance.]
- **Reconcile all accrued wages and benefits as of August 31st** – All accrued wages and benefits shall be posted to the general ledger, especially for all wages earned in August but scheduled to be paid in the next fiscal year (after September 1st).
- **Reconcile all prepaid expenses as of August 31st** – All prepaid expenses shall be posted to the general ledger to object code 1410. A prepaid expense is typically one that represents a disbursement of funds (payment) for goods or services that will be received or utilized in the next fiscal year. [Note. The prepaid expenses should be cleared in the next fiscal year by posting the expense to the appropriate expense account code(s).]
- **Reconcile the fixed assets ledger with all fixed asset additions, deletions, or changes** – All assets (as defined in the Fixed Asset Procedures) acquired during the fiscal year shall be added to the fixed asset ledger. All assets disposed of (sold or lost) shall be removed from the fixed asset ledger. Changes, if any, to the location, value, or category of assets shall be posted to the fixed asset ledger in Fund Code 901.
- **Reconcile the fund balance as of August 31st** – All changes, reductions, additions, and/or designations [restricted, committed, assigned, etc.] of fund balance accounts shall be posted to the general ledger. All budgetary fund balance accounts (object code 3700) shall be posted to the appropriate fund balance account (typically object code 3600).

Segregation of Duties(†)

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

- **Bank reconciliations** – The same staff member shall not prepare cash disbursements, cash deposits, or other cash transactions **and** reconcile the district’s bank accounts.
- **Purchasing and Receiving functions** – The same staff member shall not serve as the final approver of a purchase order **and** verify receipt of the goods.

- **Contract Management** – The same staff member shall not approve a contract for goods or services **and** have sole approval authority to disburse the payment for the contracted goods or services.

Retention of Records [Policy CPC](†)

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

The Records Custodian for the financial records of the district is the Assistant Business Manager. All questions related to the retention, destruction, and/or addition of new record series shall be directed to the Assistant Business Manager.

Record retention ensures that critical records are identified and retained in accordance with State and Federal guidelines. The Local Government Records Act establishes the primary requirements for records retention policies and plans. These record retention guidelines are specified in the retention schedules and approved by the State Library and Archives Commission. The schedules that pertain to school districts include:

- **Local Schedule GR - Records Common to All Governments**
- **Local Schedule EL - Records of Elections and Voter Registration**
- **Local Schedule TX - Records of Property Taxation**
- **Local Schedule SD - Records for Public School Districts**

In addition, the Local Government Records Act requires the District to elect a Records Custodian to coordinate the District's records management activities. Contact the Records Custodian for a copy of the comprehensive Records Retention Schedule.

Since a detailed retention schedule is available, only a brief listing of some of the more common records is included. Information concerning any records not addressed here can be found at <http://www.tsl.state.tx.us/slr/recordspubs/localretention.html>.

Copies of the current State Library and Archives schedules can also be requested from the Records Management Officer.

1099 Forms	7 Years
Annual Financial Funds	Permanent
Application (Foundation Funds)	5 Years after Completion
Audit Reports	Permanent
Bank Statements & Canceled Checks	7 Years
Bond Administrative Records & Registers	Permanent
Budget Work Papers	2 Years
Budgets (Official)	Permanent
Canceled Bonds & Coupons	5 Years
Cash Receipt Books	5 Years
Check Register	7 Years
Construction Project Files	Permanent
Contracts, Architects & Engineers	5 Years after Project Completion
Contracts, Construction	Permanent
Contracts, Facilities Use	4 Year after Expiration
Contracts, Installation	10 Years after Project Completion
Contracts, Maintenance & Service	4 Years after Expiration
Contracts, Other	4 Years after Project Completion
Deeds	Permanent
Deposit Slips	7 Years

Easements	Permanent
Election Records	Permanent
Employee Roster	Permanent
Fixed Asset Records	7 Years
General Journal Entries	7 Years
General Ledger	7 Years
Grant Applications	7 Years
Internal Audit Work Papers	5 Years
Inventory Reports	7 Years
Investment Records	7 Years
Journals, All	7 Years
Legal Opinions	Permanent
Paid Bills, Invoices & Expense Statement	7 Years
Pledged Securities Records	7 Years
Purchase Orders (Payment Copy)	7 Years
Returned Checks	7 Years
Sales Tax Reports	4 Years
School Calendar	5 Years
Student Activity Accounting Records	5 Years
Telephone Logs and Activity Records	7 Years
Absence Form Duty Reports	3 Years
Deduction Authorizations	4 Years after Separation
Employee Time Cards/sheet	4 Years

Leave Status Cards	3 Years
Payroll Checks	5 Years
Payroll Registers	7 Years
Payroll Tax Reports	4 Years
W-4's	4 Years after Separation
Accident Reports - Personal Injury	5 Years
Accident Reports - Property Damage	3 Years
Employee Insurance Records	11 Years after Termination
Insurance Policies	4 Years after Expiration
Lost & Stolen Property Reports	3 Years
Hazardous Communication Act Material	Permanent
Blood Borne Pathogen Training Records	3 Years
Hazardous Material Training Records	5 Years
Health Reports of Employees Exposed to Toxic Agents	30 Years after Separation
Material Safety Data Sheets	Until Superseded or Obsolete
Safety Monitoring Reports Concerning Toxic Substances	30 Years
Work Place Chemical List	30 Years
Purchase Orders & Requisitions	7 Years
Successful Bids & RFPs	7 Years
Unsuccessful Bids	2 Years
Annual Reports to State Agencies	Permanent
Tax Correspondence	2 Years
Tax Rate Calculation Worksheets & Notices	3 Years

Tax Refund Applications	3 Years
Tax Rolls	Permanent
Tax Rolls, Real Property	20 Years
Tax Rolls, Personal Property	10 Years
Tax Statement	Until Outside Audit Is Completed
Minutes of School Board Meetings	Permanent
Policies & Administrative Regulations	Permanent or until Superseded
Principals' and Superintendents' Reports	10 Years - Period, 20 Years - Term
School Board Agenda	Permanent
Equipment Maintenance Records	Permanent until Equipment Is Disposed
Facilities Maintenance & Repair Records	3 Years
Fire Safety Inspection Reports	3 Years
Maintenance Work Orders	2 Years
Accident Reports	10 Years
Adult & Vocational Ed Records	7 Years
Attendance Records and Reports	5 Years
Enrollment Reports	7 Years
Fire Drill Records	3 Years
Food Service Records	5 Years
Health Inspection Reports	3 Years
Health Reports Submitted to Texas Department of Health	3 Years
Legal Transfer Records	7 Years
Pupil Accounting Cards	5 Years

Students Cumulative Records	K-8 withdrawal + 7 years 9-12 Permanent
Teacher Grade Books	1 Year, 5 for Voc Ed & Special Ed
Textbook Records	2 Years
UIL Records	2 Years
Annual Transportation Reports to TEA	3 Years
Drivers Records	3 Years
School Bus Purchase Requisitions	5 Years
Food Service Records	5 Years
Certificates, Licenses, or Permits	5 Years after Termination of Employee
Disciplinary & Adverse Action Records	2 Years
EEOC Records, Reports, and Case Files	3 Years
Employee Service Records	Permanent
Employees' Permanent Files	10 Years after Separation
Employment Ads or Announcements	2 Years
Employment Applications	2 Years
Employment Contract	4 Years
Fidelity Bonds	Life of Bond + 5 Years
Financial Disclosure Statements	2 Years
Fingerprint Cards	5 Years after Separation
Grievance Records	2 Years
Observation/Evaluation Forms	4 Years
Performance Appraisal Records	Permanent

Personnel Roster	3 Years
Personnel Studies & Surveys	3 Years
Professional Growth Plans	4 Years
Substitute Teaching Rosters	3 Years
Teacher Certificate Registers	Permanent
Unemployment Compensation Claim Files	5 Years
Workers' Compensation Claim Files	5 Years
Time Deposit Documents & Records	7 Years

Data System Security & Access(†)

Business department staff handles and/or processes a substantial amount of confidential information. All staff is strictly prohibited from revealing confidential information to an unauthorized individual. Among the most critical information is documentation related to employee's health, benefits, financial, family members, or other personal information. Violators will be subject to discipline, employment termination, and/or may be reported to the appropriate legal authorities. Violations of some protected information, such as health or medical information, is also protected by federal laws, such as HIPPA.

The business office staff shall be authorized to access the district's financial and/or payroll system(s) for job-related purposes only. Use of the systems for personal reasons or benefit will result in disciplinary action, up to and including employment termination.

Each staff member shall take appropriate steps to ensure that their respective computer system is managed in a control environment to prevent unauthorized access. At no time (including lunch breaks) shall a computer system be logged on to a financial data system while unattended by the respective staff member.

Assignment of Access and Passwords(†)

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

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

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

Revoking Access(†)

Access to data systems are subject to change and/or revocation when changes occur to a staff member’s position, duties or responsibilities.

Business Staff Training(†)

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

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

- **Account coding**
- **GASB**
- **Audit requirements**
- **Legal changes, such as Purchasing**
- **State and Federal Grants Management**
- **Data system (software)**
- **Travel Guidelines**
- **Payroll Laws**
- **Risk Management**

Staff members that have attained TASBO certification status will be afforded an opportunity to attend at least 20 hours per year (for a total of 60 every 3 years) through a TASBO-approved CEU provider.

Training opportunities for other certification or licensing programs, such as a CPA, shall be provided in a manner that seeks to meet the continuing education requirements for that specific certification or license.

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

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

- **Activity Account Management**
- **Purchasing & Travel**
- **State and Federal Grants Management**
- **Fraud**
- **Employee Benefits including Worker's Compensation**
- **Payroll Laws & Procedures**

State and Federal Grant Management(†)

Staff Directory

Name and Title	Email	Phone
Cathy May Superintendent	cmay@mcleodisd.net	903-796-7181
Brandi Parker Business Manager	bparker@mcleodisd.net	903-796-7181
Trish Martin Assistant Business Manager	tmartin@mcleodisd.net	903-796-7181
Shana Whitemore Special Programs Director	swhitemore@mcleodisd.net	903-796-7181

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

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

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

Procedures that relate directly and/or indirectly to federal and state grant compliance are indicated with a (†). A separate section (900) in this Business Operations Manual will include specific procedures related to acquiring, expending, and managing grant funds.

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

Finance Department

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

Human Resources Department

- Assisting the Grant Manager with the recruitment and hiring of all grant-funded staff
- Ensuring that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate and, all state certification requirements
- Ensuring that all grant-funded staff have a job description with the grant-related duties and funding and, that all grant-funded staff sign a job description on an annual basis
- Preparing the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate
- Maintaining audit-ready HR employee files for financial audit or single audit purposes, as appropriate
- Developing and maintaining all salary schedules to ensure consistency between local and non-local pay rates (Includes base salaries, stipends and extra-duty rates of pay)
- Assisting the Grant Manager with determining the position title, Role ID and other salary information for use in completing the grant application
- Retaining all personnel records for the required length of time (5 years) for audit purposes

Grant Management Department

- Working cooperatively with the campus administrative staff to ensure that all grant activities are collaboratively planned and appropriate to each campus.
- Providing supporting documentation for budgeted grants funds. And, submitting all grant amendments to the finance department to facilitate budget amendments.
- Preparing all grant-related programmatic (evaluation) reports (monthly, quarterly and/or annual).
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures
- Receiving and monitoring the time and effort reports, as appropriate, and submitting adjustments, if any, to the finance department
- Monitoring the spending thresholds throughout the grant period to ensure that the grant activities are being conducted systematically throughout the grant period
- Reviewing and approving all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles
- Retaining all grant records for the required length of time (5 years) for audit purposes
- Providing information to the Business department regarding the number and type of grant-funded positions approved in the grant application by the granting authority
- Verifying with the HR department that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate and, all state certification requirements

- Verifying with the HR department that all grant-funded staff have a job description with the grant-related duties and funding and, that all grant-funded staff sign a job description on an annual basis
- Verifying with the HR department that the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate
- Assisting the HR department with determining the position title, Role ID and other salary information for use in completing the grant application

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

900 – State and Federal Programs/Grants(†)

901 State Programs – Allotments

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

A percentage of each state allotment must be spent on “direct” expenditures for the given special program. The current percentages and program intent code (PIC) are noted below by program:

- | | | |
|---|------------|---------------------------------------|
| ▪ Special Education | 52% | PIC 23, 33 |
| ▪ Career & Technical Education | 58% | PIC 22 |
| ▪ Gifted & Talented Education | 55% | PIC 21 |
| ▪ State Compensatory Education (SCE) | 52% | PIC 24-30 (except 25 & 27) |
| ▪ Bilingual/ESL Education | 52% | PIC 25 |

During the budget process, the estimated state allotment shall be calculated by the Business Manager based on prior year special program enrollment and average daily attendance (ADA). The estimated state allotment by special program shall be provided to the Special Program Administrator(s) as noted below. These special program administrators shall be responsible for the programmatic compliance in their respective program(s). Programmatic compliance shall include, but not limited to: program eligibility, program design, instructional delivery, entry/exit procedures, professional development, and certification.

The finance department, specifically the, Business Manager, shall be responsible for the financial compliance in each of these special programs. Financial compliance shall include, but not limited to: budgeting development & monitoring, approval of expenditures, financial reporting to TEA, and financial audit.

As part of the budget adoption process, the Business Manager shall verify that the proposed budget includes appropriations in each of the special programs of *no less* than the percentages stated above.

Throughout the fiscal year and at the end of the fiscal year, the Business Manager shall calculate the periodic and final spend percentages for each special program. The allocated expenditures by program intent code (PIC) shall be used to determine compliance. In the event that direct expenditures fall below

the mandated percentages, the Business Manager, shall ensure that the deficit amount is budgeted in the following fiscal year.

The mandated program intent codes (as defined in the FASRG) are classified as Basic or Enhanced. The PICs in these classifications for regular and special program allotments are noted below:

Basic Services – PIC 1X

- PIC 11 Basic Educational Services

Enhanced Services – PIC 2X – 3X

- PIC 21 Gifted & Talented
- PIC 22 Career & Technical Education
- PIC 23 Special Education
- PIC 24 Accelerated Education (State Compensatory Education)
- PIC 25 Bilingual and ESL Education
- PIC 26 Non-Disciplinary Alternative Education Program
- PIC 28 Disciplinary Alternative Education Program – Basic
- PIC 29 Disciplinary Alternative Education Program – SCE Supplemental
- PIC 30 Title I, Part A Schoolwide Activities related to SCE (Campuses with 40% or more educationally disadvantaged students)
- PIC 31 High School Allotment
- PIC 32 Prekindergarten
- PIC 33 Prekindergarten-Special Education
- PIC 34 Prekindergarten-Compensatory Education
- PIC 35 Prekindergarten-Bilingual Education

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

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

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

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

By August, each school year, the Campus Principals shall prepare a personnel roster report that is based on the Master Schedule. The personnel roster report shall reflect the names of all staff, the position, and the assignment(s). For example, a teacher that teaches 4 special education classes and 4 career and technical education courses, should have .5 FTEs in PIC 23 and .5 FTEs in PIC 22. [Note. The master schedule shall reflect the teaching assignment for all teachers and every course section shall reflect the “intent”, or population served code. The population served codes (PEIMS Population Served Code Table 030) and program intent codes are correlated below:

- Population Served Code 04 PIC 21 Gifted & Talented
- Population Served Code 05 PIC 22 Career & Technical Education
- Population Served Code 06 PIC 23, 33 Special Education
- Population Served Code 03 PIC 24, 34 Accelerated Education (State Compensatory Education)
- Population Served Code 02 PIC 25, 35 Bilingual Education
- Population Served Code 07 PIC 25 ESL Education
- Population Served Code 03 PIC 26 Non-Disciplinary Alternative Education Program
- Population Served Code 03 PIC 28 Disciplinary Alternative Education Program – Basic
- Population Served Code 03 PIC 29 Disciplinary Alternative Education Program – SCE Supplemental
- Population Served Code 03 PIC 30 Title I, Part A Schoolwide Activities related to SCE (Campuses with 40% or more educationally disadvantaged students)

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

Special Program Administrators shall also submit a personnel roster report by August of the beginning of each fiscal year. The PIC codes for the staff shall reflect what they do, where they are assigned to work, and the special program(s) that they support.

The personnel roster reports shall be submitted to the Assistant Business Manager no later than the deadline of August of the beginning of each fiscal year. The Assistant Business Manager shall verify the Staff FTEs and ensure that funds are budgeted in the appropriate payroll account codes. Budget changes and/or amendments, if any, shall be prepared by the Assistant Business Manager. [Note. The minimum

spend percentages shall be verified again to ensure that the budgeted amount by PIC still meets or exceeds the minimum spend percentage by special program.]

After approval of the personnel roster reports, the Assistant Business Manager shall update the payroll distribution record(s) of each district employee.

Campus Principals shall be responsible to ensure that any changes to staff assignments are submitted to the Assistant Business Manager within 14 days of the assignment change. The prior process of verifying the FTEs/account codes, approval of the FTE report, and submission of the reports to the payroll department shall occur upon the receipt of assignment changes.

901.1 Gifted and Talented

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

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

The administrator with oversight responsibility to certify the Gifted & Talented special program data prior to submission to TEA shall be the Superintendent.

901.2 Career and Technical Education (CTE)

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

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

The administrator with oversight responsibility to certify the Gifted & Talented special program data prior to submission to TEA shall be the Superintendent.

901.3 Special Education

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

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

The administrator with oversight responsibility to certify the Special Education program data prior to submission to TEA shall be the Director of Cass County Shared Services Arrangement.

901.4 Compensatory Education (SCE)

The Compensatory Education program must adhere to state law, Texas Education Code (TEC) 29.081 and TEC 42152. Chapter 29 addresses the programmatic guidelines related to eligibility, "at risk" identification, and program services. Chapter 42 addresses the funding formula and allowable costs. The SCE program is funded based on the highest six (6) months of free and reduced lunch eligibility students in the prior school year. The Food Service Department shall provide the monthly counts of free and reduced lunch eligibility to the finance department, Business Manager, on a monthly basis for the purposes of estimating SCE funds in the next fiscal year.

Specifically, each school district shall identify students eligible for the Compensatory Education program and serve the students in an appropriate manner to obtain state funds. There are thirteen (13) at risk indicators in state law. The Principal at each campus shall be responsible for identification of all at risk students. At risk student enrollment shall be reported to TEA through the PEIMS Fall Submission.

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

the District shall electronically submit a PDF version of the DIP and at least two (2) CIPs through the TEASE system. The determination regarding which CIPs to submit to TEA shall be based on the TEA guidelines in the FASRG, Module 9.1.2 Summary of Filing Requirements. The District's submission dates shall be as noted below to ensure compliance with this critical requirement.

- **Campus Principals shall submit their CIPs to Special Programs Director by August**
- **Special Programs Director or designee shall submit the DIP to Superintendent by August**
- **The Special Programs Director shall submit the DIP and CIPs through TEASE by June**

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

901.5 Bilingual and ESL

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

Specifically, each school district shall identify students eligible for the Bilingual or ESL program and serve the students in an appropriate manner to obtain state funds. All student identification and enrollment shall meet the special program guidelines in the Student Attendance Accounting Handbook (SAAH). Student enrollment data shall be submitted to TEA through the PEIMS Fall Submission as of the snapshot date. The attendance and/or contact hour data for funding purposes shall be submitted to TEA through the PEIMS Summer Submission.

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

901.6 High School Allotment

The use of the High School Allotment must adhere to state law, Texas Education Code (TEC) 39.234 and TEC 42.160. Chapter 39 addresses the programmatic guidelines related to program services. Chapter 42 addresses the funding weight(s) and allowable costs. Funding amounts are based on \$275 per student in average daily attendance in grades 9 through 12.

Districts may use funds for campus-level or district-wide initiatives for students in grades 6-12.

Allowable uses include:

- professional development for teachers providing instruction in advanced academic courses such as Advanced Placement (AP)

- hiring of additional teachers to allow for smaller class sizes in critical content areas
- fees for students taking dual credit classes and ACT/SAT tests
- academic support, such as AVID and AP strategies, to support at-risk students in challenging courses
- credit recovery programs
- activities supporting college readiness and awareness, including transportation for college visits

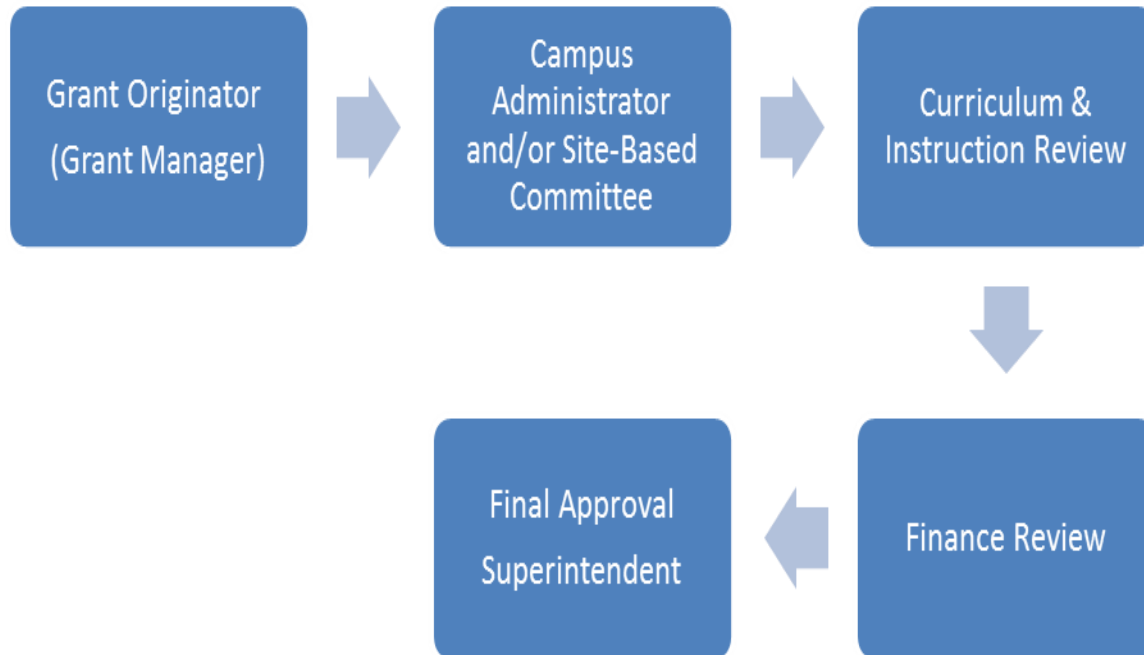
Please see [Commissioner's Rules Concerning High School Allotment](#) for detailed allowable uses of these funds. The [High School Allotment Guide](#) is also an excellent resource.

The Business Manager has oversight responsibility of the High School Allotment program and shall provide guidance to the secondary campus regarding the use of the HSA funds.

902 Federal Grants

902.1 Grant Application Process

The school district's grant application process for federal grants is illustrated below on a flowchart. As noted on the flowchart, all grant applications must be reviewed by the finance department, curriculum department and grants management department. In addition, all grant applications that will support student instruction at one or more campuses, must be developed in collaboration with the respective campus principal(s).



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

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

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

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

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

The finance department shall notify the grants management department when the funds have been budgeted and are ready for expenditure by the appropriate campus or department.

902.2 General Provisions and Assurances

This set of provisions and assurances apply to all grants administered by TEA. Additional provisions and assurances may apply to specific grants. The grants management department shall inform all staff involved in the expenditure of grant funds of the provisions and assurances for each grant program, as appropriate.

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

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

The finance department [purchasing] shall verify the eligibility of each vendor with this certification requirement by requesting that the vendor execute a Certification Form before awarding a contract and/or issuing a purchase order. A copy of the Certification Form shall be maintained for audit purposes.

902.22 Lobbying Certification

For all federal grants in excess of \$100,000, the district shall verify that no federal grant funds are expended for the purpose of lobbying.

902.3 Budgeting Grant Funds

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

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

Budget amendments, if any, shall be approved by administrator responsible for the particular grant, to ensure that the reclassification of funds is allowable under the grant management guidelines related to budget amendments. Some grants allow a transfer of funds, up to 25% of the grant award, but only

within the same object class and if the new object code does not require specific approval from the granting agency.

902.3 Expenditure of Grant Funds

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

The Grant Manager for each federal grant shall be responsible for the programmatic and evaluation compliance in conjunction with the Business Manager and shall be responsible for the financial compliance. A list of the Grant Manager by federal grant is included in the Exhibit section. The use of “Grant Manager” throughout this document shall refer to the specific Grant Manager by federal grant as listed on Exhibit A.

The district shall adhere to the Cost Principles for federal grants (OMB Uniform Guidance 2 CFR Part 200) and any additional grant-specific cost principles. The general principles of OMB 2 CFR Part 200 state that:

- Costs must be reasonable and necessary
 - A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost
 - Necessary is defined as costs needed to carry out the grant activities
- Be allocable to Federal awards under the provisions of OMB 2 CFR Part 200
- Be authorized or not prohibited under State or local laws or regulations
- Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Except as otherwise provided for in OMB 2 CFR Part 200, be determined in accordance with generally accepted accounting principles
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation
- Be the net of all applicable credits
- Be adequately documented

All refunds, rebates, discounts or other credits to grant expenditures shall be posted to the finance general ledger as soon as the credit is known. [Note: It is essential to post all credits to the general ledger on a timely basis to ensure that the district does not draw-down grant expenditures in excess of actual expenditures net of all credits.]

902.31 Payroll Expenditures

All payroll expenditures shall in accordance with federal cost principles. First and foremost, the payroll expenditures must be authorized on the grant application and the duties assigned must be directly related to grant activities. [Note: The District shall ensure that the Role ID and object codes reflected on the grant application (Payroll Summary) are consistent with the HR, payroll, finance and PEIMS records.] The process of approving payroll expenditures from grant funds shall be a collaborative process between the campus or department, Human Resources, Grants Management, and Finance departments. Each campus and/or department plays an essential role in ensuring that all federal grant requirements are met.

902.311 New Positions

New grant-funded positions shall be created only when a job description has been developed and approved by the Superintendent. The Business Manager shall ensure that the position is approved on the grant application and that adequate funds exist to fill the position. The finance and payroll departments shall be notified to ensure that the position is budgeted on the general ledger and the position is paid using the correct payroll account distribution codes.

902.312 New Hires

New staff hired for work in positions that are wholly or partially funded with federal grant funds, shall be hired when a position and funding are both available. Upon separation of an employee, the home campus or department of the position shall initiate a request to replace the position. [NOTE: A New Personnel Form or similar form will be used to start the process.]

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

The screening and selection process shall include a review of the recommended applicant to ensure that he/she meets the highly qualified requirements under the No Child Left Behind Act (NCLB), as appropriate, or any other grant-specific credentials.

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

902.313 Transfer of Personnel

When staff in a position funded with grant funds is recommended for transfer to another campus, department, or assignment, the grants management, human resources, and finance departments shall work collaboratively to ensure that the appropriate staff allocations and funding changes are made at the time of the transfer. The home campus or department shall initiate the request for the transfer, especially if it is a teaching assignment change at a campus. The grants management, human resources and finance departments must evaluate the requested transfer to ensure that the staff allocations, highly qualified staff requirements, and funding source changes are in compliance with grant requirement.

For example, if an elementary principal requests to transfer a Title I Reading teacher to a Pre-Kindergarten regular classroom teacher, the following considerations should be evaluated by the respective departments: 1) HR – ensure that a vacancy exists in a PK teacher position and that the teacher recommended for transfer is certified to teach PK; 2) Grants management – ensure that the grant strategies and activities can be accomplished in a timely manner after filling the vacancy that would be created by the transfer; and 3) Finance department – ensure that funds exist for the additional PK teacher slot and change the payroll account distribution code(s) from Title I to PK as of the effective date of the transfer.

902.314 Substitute Teachers

Salary expenditures for substitute teacher are allowable for approved teacher positions. The finance and payroll departments shall ensure that the expenditures for substitute teacher costs are budgeted and expensed from the appropriate account code(s).

902.315 Stipends and Extra Duty Pay

Stipend and extra duty pay expenditures are allowable for authorized and approved activities. A work log shall be maintained to substantiate the extra duty pay. NOTE: It is recommended by the TEA that a

job description for each stipend role include the duties related to the grant purpose and the grant funding source.

The finance department shall ensure that the expenditures for stipend and extra duty pay are budgeted and expensed from the appropriate account code(s). The stipend and extra duty pay rates shall be the same as the rates used for similar locally funded activities. For example, if a teacher stipend for attending a 1-day professional development activity funded through local funds during a non-scheduled work day is \$100 per day, the teacher stipend for attending a federally-funded 1-day professional development activity will be \$100 per day.

902.316 Time and Effort Documentation

All staff funded wholly or partially with federal grant funds shall comply with federal guidelines related to time and effort. The grant funded staff, their immediate supervisors, grants management, human resources, and finance departments shall be aware of the federal guidelines related to time and effort documentation. On a least an annual basis, all impacted staff shall be trained by the grants management department and/or attend appropriate training from an outside source.

The time and effort process is discussed in detail in another section of these procedures.

902.32 Non-Payroll Expenditures

The expenditure of federal grant funds shall adhere to the district's purchasing policies and procedures. In addition to the normal purchasing process, all grant funds must be approved by the Grants Manager for each respective grant program, as appropriate.

The Business Manager with final approval authority for each federal grant is listed in Exhibit A.

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

All grant expenditures must be allowable under the Office of Management & Budget (OMB), the grant application program assurances, the granting agency's policies, and any local policies and procedures.

902.31 Federal Cost Principles Side-by-Side

This side-by-side document provides guidance for numerous "items of cost" in an alphabetical order from accounting to utilities.

902.32 TEA Guidelines Related to Specific Costs

The district shall adhere to TEA's Guidelines Related to Specific Costs as published to the TEA website. A copy of the guidelines shall be made available to all staff with authority to initiate and/or authorize a purchase or expenditure with federal grant funds. In addition, all staff with authority to initiate and/or authorize a purchase or expenditure, such as campus bookkeepers, campus and department administrators, business office staff, and grant department staff shall receive a copy of the latest guidelines. The guidelines shall be incorporated in the annual training for all of these staff members.

902.33 Approval of Grant Purchases and Expenditures

The district shall utilize a purchase order and encumbrance system to manage the expenditure of all federal grant funds unless other methods such as credit cards, direct payments, etc. are authorized in the district's operating procedures. All purchases shall be in accordance with the district's Purchasing Procedures. To the extent possible, all purchases shall be purchased from a variety of qualified vendors. Large purchases, subject to the state's purchasing laws, shall be purchased in accordance with the competitive procurement guidelines.

The Business Manager shall monitor the expenditures during the grant period to ensure that the funds are spent in a systematic and timely manner to accomplish the grant purpose and activities. The following timeline shall be used as a general guide for spending thresholds for a grant period of 12 months. The optimal spending thresholds noted below may be adjusted based on programmatic needs. For example, if the federal grant will be used for summer activities such as summer school, a larger percentage of the grant may need to be withheld for those specific activities.

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

A vendor database shall be maintained by the finance department. The district's Adding/Renewing Vendors Procedures shall be adhered to for all purchases.

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

The Grant Manager's review shall consist of the following:

- 1) The expenditure is *reasonable* and *necessary* (as defined in federal grant guidelines.)

(NOTE: A test of whether an expense is necessary may include the verification that the expenditure is to perform a strategy or activity in the District or Campus Improvement Plans.)

- 2) The expenditure is not required by state law or local policy.
- 3) The expenditure has been approved in the grant application, if specific approval is required from the granting agency.
- 4) The expenditure meets the allowable costs principles.
- 5) The expenditure is allowable and approved in the grant application and is consistent with the grant purpose.
- 6) The expenditure is supplemental and not supplanting a local expenditure. (NOTE: Refer to compliance issues related to supplement and supplant for additional guidance.)
- 7) The expenditure has been competitively procured as required by law, as appropriate.
- 8) The expenditure has been approved by the governing body, as appropriate [Note: School Board Policy CH Local has established the threshold of contract approval by the School Board at \$50,000.]

In addition to the normal approval path of district expenditures, all grant expenditures shall be approved by the Business Manager under the following circumstances:

- 1) All purchase requisitions
- 2) Payment of an invoice will be paid by an account code(s) other than the original account code(s) that were used to encumber the purchase order
- 3) Travel expenditures
- 4) Reclassification of a prior expenditure from one account code(s) to another

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

902.35 Competitive Procurement for Grant Purchases

The district shall adhere to state law and federal guidelines related to competitive procurement of grant purchases. Specifically, the district shall comply with the Texas Education Code, Chapter 44 regarding the authorized competitive procurement options available to school districts. In addition, any competitive procurement requirements specific to a federal grant must also be adhered to for all grant purchases.

Additional compliance with federal guidelines may include specific approval for purchases from sole sources vendors, non-appropriate cancellation language in multi-year contracted purchases, vendor selection criteria and other guidelines specific to a federal grant.

Purchases from sole source vendors shall be properly documented with a letter from an authorized representative of the vendor certifying the sole source status.

902.35 Contracts and Consultant Services with Grant Funds

All contracts and consultant services agreements shall be reviewed and approved in accordance with the district guidelines for all non-grant funds. For example, if School Board Policy requires that all contracts that exceed \$25,000 be approved by the Board of Trustees, all federal grant contracts that exceed \$25,000 shall also. The vendor shall complete the Vendor Application Package to include, at a minimum, the following documents:

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

In addition, the Business Manager shall review and approve all consultant services agreements.

Prior to any award for contracted services, the Business Manager must first ensure that the services are allowable under the applicable statute, regulations or other requirements including ARRA. Qualified professionals and other contractors will be identified according to the competitive procurement procedures outlined below. Proposals will be solicited for contracts \$50,000 and above unless the service falls under the exception clause for services of attorneys, architects and fiscal agents. For contracts \$10,000 to \$50,000, at least two quotes must be obtained for the services. Vendors will be awarded based upon demonstrated competence, qualifications, experience, and reasonableness of costs. Consideration must be given to contractor integrity, compliance with public policy, past performance, and financial and technical resources. Signed contracts will be required for contractors hired for more than one month having a total contract of more than \$1,000.

The Grant Manager's review shall consist of the following:

- 1) Consultant and/or contractor has not been suspended or debarred (contracts greater than \$25,000)

- 2) The contract and/or funds have been approved in the grant application, if specific approval is required from the granting agency
- 3) The contract and/or consultant agreement meets the allowable costs principles
- 4) The contract (if subject to Davis Bacon) has the appropriate contract language
- 5) The contract and/or consultant agreement fee for services do not exceed any federal grant or local limits

In addition, purchases of contracted services may require the following depending upon dollar amount and the nature of the service.

- All contracts and sub grants for construction or repair shall include provision for compliance with the Copeland “Anti-Kickback” Act (18 USC 874) as supplemented in Department of Labor Regulations (29 CFR, Part 3). This Act provides that each contractor or sub grantee shall be prohibited from inducing, by any means, any person employed in the construction, completion or repair of public work, to give up any part of the compensation to which he is otherwise entitled.
- When required by the Federal grant program legislation, all construction contracts in excess of \$2,000 awarded by LEAs or sub grantees shall include a provision for compliance with the Davis-Bacon Act (40 USC 276a to a-7) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor for that location. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance and comparison of the wage determination. Contractors will be required to submit payroll certifications during the project.
- All contracts in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers shall include a provision for compliance with Section 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327-330) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under Section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of 40 hours per week shall be compensated at a rate of not less than 1 1/2 times the person’s basic rate of pay. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his or her health and safety as determined under construction, safety and health standards promulgated by the Secretary of Labor.

- All contracts shall include a provision to the effect that the District, the TEA, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract, for the purpose of making audit, examination, excerpts and transcriptions.
- Contracts of amounts in excess of \$100,000 shall contain a provision which requires compliance with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 USC 1857 (h)), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR, Part 15), which prohibit the use under non-exempt federal contracts, grants or loans of facilities. The provision shall require reporting of violations to TEA and to the USEPA Assistant Administrator for Enforcement (EN-329).
- Contracts shall recognize mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).
- The Buy American provision in the American Recovery and Reinvestment Act of 2009 (section 1605 of Title XVI), provides that, unless one of three listed exceptions applies (non-availability, unreasonable cost, and inconsistent with the public interest), and a waiver is granted, none of the funds appropriated or otherwise made available by the Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all the iron, steel, and manufactured goods used are produced in the United States.
- 2 CFR Part 200.67 indicates for Federal programs that a micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate of which does not exceed the current micro-purchase threshold of \$3,000 or \$2,000 if Davis-Bacon applies.

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

Upon completion of any contract, the Business Manager or designee must sign off and date the final invoice as assurance that the services were received or performed satisfactorily. The final invoice provided by the contractor should include detailed description of all work performed including but not limited to dates, hours, supply descriptions, etc.

902.36 Credit Card Purchases with Grant Funds

Credit Cards: The District has State of Texas Procurement Cards for travel expenses from grant funds.

Please refer to the MCLEOD ISD Credit Card Procedures in *Administrative Regulation: Business and Support Procedures* for guidelines.

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

Revolving Lines of Credit: In some instances, vendors will only allow purchases with a District approved purchase order if the District has an account with the vendor. Wal-Mart, Lowe's and Home Depot are the primary vendors which require an account. The following procedures apply when making purchases from these vendors:

1. All vendor accounts will be approved through the Business Manager first. For those vendors which maintain an approved purchaser list a list will be compiled, submitted and maintained by the Accounts Payable Specialist.
2. Authorizations: The campus/department must obtain approval from the principal/director before purchases are made.
3. The campus representative will be issued a card, if necessary for these purchases.
4. The purchaser will enter a requisition within one week of the purchase into the TxEIS Purchasing system.
5. The detailed invoice/receipt, plus the district copy of the purchase order and card, if applicable, will be delivered to the Accounts Payable Office or campus secretary.
6. The Accounts Payable office will reconcile the receipts with the vendor statement monthly.

Procedures for these types of purchases will be reviewed annually at the secretaries' training held prior to the beginning of school.

The Business Manager shall review and approve all card expenditures.

The Business Manager's administrative review shall consist of the following:

- 1) Original, detailed receipt includes an itemized list of what was purchased
- 2) The purchaser has documented a valid reason for the purchase which is consistent with the grant guidelines
- 3) The card purchase meets the allowable costs principles

NOTE: The district shall reimburse any purchases made with a non-district credit card, except for travel-related expenditures, as appropriate.

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

902.37 Petty Cash Purchases with Grant Funds

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

902.38 Travel Expenditures with Grant Funds (Students & Staff)

All travel-related expenditures from grant funds shall comply with the allowable federal cost principles, the State of Texas-Travel Guidelines, School Board Policy and the district's travel guidelines found in *Administrative Regulation: Business and Support Procedures*. The allowable rates of reimbursement shall be the lesser of the federal rates or local rates. For example, if the federal rate of reimbursement for mileage is 56 cents but the local rate established in Board Policy DEE Local is 50 cents, the maximum rate of reimbursement for mileage with federal funds shall be the local rate of 50 cents.

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

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

- Registration fees – registration fees shall be allowable if the event is related to grant activities. Registration fees may be paid from the current grant period for an event during the next grant period **only if** there is an absolute deadline to register for the event. Early registration deadlines shall not apply. Recreational or social events subject to an additional fee, above and beyond the registration fee, shall not be allowed with grant funds.
- Meals – meal expenses for overnight travel (in accordance with local travel guidelines) shall be allowed. Non-overnight travel meals expenses shall not be allowed. The district shall advance or reimburse meal expenses, subject to the GSA limits, on an *accountable per diem* basis only. The traveler shall submit a written certification that the entire meal per diem amount was expended for work-related meals, or shall return the unused meal funds to the district. The written certification (Travel Settlement) shall include actual receipts. The meal per diems shall be

adjusted in accordance with IRS regulations regarding the day of departure/return and meals provided without cost as part of the registration fee.

- Lodging – lodging expenses for overnight travel (in accordance with local travel guidelines) shall be allowed. The district shall pay for lodging expenses up to the GSA limits. Receipts shall be required for all lodging expenses. Recreational or personal services such as gyms, spas, etc. shall not be allowed by grant funds.
- Transportation – transportation expenses shall be allowed for *reasonable* expenses such as flight, rental car, taxi, shuttle, mileage reimbursement, etc. (in accordance with local travel guidelines). Receipts shall be required for all transportation expenses to the extent that a receipt is available. Transportation expenses shall be reasonable and limited to the guidance in the cost principles.

No grant funds shall be used for travel expenditures of non-district staff such as spouses. Contractors may be eligible for grant funded travel expenditures if the travel is deemed reasonable and necessary by the Grant Manager, and is required for the contractor’s professional licensure or certification.

All travel-related expenditures for federal and state grant funds must be accompanied by documentation such as a conference or meeting agenda or itinerary. This documentation must be attached to each travel-related expenditure such as registrations, meals, lodging, transportation, etc.

The Grant Director and Business Manager shall review and approve all travel-related expenditures paid with federal grant funds.

The Grant Director and Business Manager review shall consist of the following:

- 1) All original, detailed receipts include an itemized list of items purchased
- 2) The traveler has documented a valid reason for the travel which is consistent with the grant guidelines and purpose
- 3) The travel expenditures meet the allowable costs principles
- 4) The travel is not for the Superintendent or other non-employees such as family members, School Board, etc.
- 5) Contractors may be an exception if travel and/or training is necessary for serving students or training to carry out the goals of the grant (i.e., required by the contractor’s professional licensure or certification)
 - 1) The travel is for students during an educational field trip or other approved activity in accordance with grant guidelines and purpose
 - 2) The travel is not for a contractor or consultant for their professional development
 - 3) The travel was approved by the granting agency, if required

902.39 Purchase (& Disposal) of Assets with Grant Funds

The district shall utilize the same capitalization policy for non-grant and grant-funded asset purchases. The district's capitalization threshold for assets is \$5,000 per unit cost. The district has adopted the OMB 2 CFR Part 200 definition of equipment as noted below:

“Equipment” means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the following:

- *The capitalization level established by the grantee organization for financial statement purposes*
- *\$5,000*

The district has also defined technology-related “walkable” or “personal use” items with a unit cost greater than \$500 such as the following:

- Printers
- Computers
- Tablet computers (such as iPads)

These items shall also be inventoried by the Technology Department at least annually. These items shall have a tag affixed to the item for inventory tracking purposes only. Inventory items shall include computing devices within these costs. The district shall track these items for insurance purposes and shall conduct an annual inventory of these items to the extent possible.

The district shall tag, inventory, and dispose of all assets (non-grant and grant-funded) according to the district's fixed asset procedures. The district procedures shall include the recording of all assets on a database with the following information:

- 1) District-issued tag (or identification number)
- 2) Date of acquisition (actual date for capital assets only)
- 3) Description of asset
- 4) Serial number, or other identifying number
- 5) Value of asset
- 6) Cost of asset (capital assets only)
- 7) Life of asset (capital assets only)
- 8) Depreciation of asset (capital assets only)

The district procedures shall also include an annual inventory (or more frequently if required by a granting agency) of all assets and reconciliation of the inventory reports. The district's annual inventory of assets shall be conducted by February each fiscal year. Lost, damaged, or stolen assets shall be recorded on the fixed assets database.

In addition, the district shall track all grant-funded asset purchases by grant, or fund code, as appropriate. The disposal of grant-funded assets shall be in accordance with federal guidelines and grant-specific guidelines, if any.

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

902.4 Preparing Expenditure Reports & Draw Down of Funds

902.41 Draw-down of Grant Funds

The district shall on at least a quarterly basis, or as allowed or required by the grant guidelines, draw-down grant funds that have been spent in accordance with the grant guidelines. The draw-down shall be for all expenditures to date, less grant funds received to date, as verified by a financial general ledger. NOTE: The expenditures shall be net of all refunds, rebates, discounts, credits, and other adjustments, if any. In addition, the district may not draw down more cash than necessary to meet 3 days' cash needs.

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

The draw-down of grant funds from the granting agency shall be initiated by the Business Manager. A summary general ledger of each grant fund should be generated to determine if the district is entitled to draw-down funds, i.e. if the granting agency owes the district any funds.

If a grant has a matching requirement, the district shall draw-down only the allowable amount after verifying compliance with the level of matching expenditures.

The Business Manager shall prepare and submit the paper or electronic draw-down request. The indirect cost (if any) shall be posted to the general ledger. If at fiscal year end, the amount of the receivable shall be recorded on the general ledger and a copy of all supporting documentation such as the detailed general ledger, and other supporting documentation shall be filed for audit purposes. The Business Manager shall post the Indirect Cost, if any, and the receivable, to the general ledger. The Bookkeeper shall prepare the receipt documentation and post the cash receipt to the general ledger.

All data used to complete all federal expenditure reports shall be from the District's expenditure reports generated via its financial software system.

The path run the reports in the software is as follows:

TxEIS/Finance/Reports/Summary/Miscellaneous Reports/Summary General Ledger

Reports will be totaled by account code and fund

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

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

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

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

Reimbursements of grant funds will be direct deposited to the General Operating bank account at the District’s depository. The receivable from the granting agency shall be recorded in the general ledger at year-end. The same process for preparation and posting of the general ledger entry as a periodic draw-down shall be adhered to. [NOTE: The revenues realized and the expenditures should be equal at the time of the final draw down of grant funds.]

902.411 ARRA

Expenditures > \$25,000-ARRA

Formerly at http://www.tea.state.tx.us/index2.aspx?id=7860&menu_id=934&menu_id2=941

The most current OMB and USDE guidance states that the determination for whether a vendor should be reported separately is based on individual payments to vendors. In other words, if a vendor received three separate payments of \$10,000 in the quarter, the vendor does not have to be reported separately because no single payment was greater than \$25,000. A vendor report will be run quarterly which details the individual amounts paid to vendors from ARRA funds. This report will be used to enter data for vendors receiving >\$25,000 for the quarter.

Full Time Equivalentents (FTE'S)-ARRA

Formerly at http://www.tea.state.tx.us/index2.aspx?id=7860&menu_id=934&menu_id2=941

Recipients of Recovery funds subject to Section 1512 are required to submit estimates of jobs created/retained and funded for each project or activity in their recipient reports.

Definitions of jobs considered to be created or retained:

- 1.) A job created is a new position created and filled, or an existing unfilled position that is filled, that is funded by the Recovery Act;
- b. A job retained is an existing position that is now funded by the Recovery Act.

Using the definitions above, estimate the total number of jobs that were funded in the quarter by the Recovery Act. A funded job is defined as one in which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding.

The estimate of the number of jobs funded by the Recovery Act should be expressed as “full-time equivalentents” (FTE). In calculating an FTE, the number of actual hours worked in funded jobs is divided by the number of hours representing a full work schedule for the kind of job being estimated. These FTEs are then adjusted to count only the portion corresponding to the share of the job funded by Recovery Act funds. The payroll distribution journal for the quarter will be used to identify the jobs created or retained. A spreadsheet will be created each quarter that lists the employee and calculates the FTE based upon the hours worked in the quarter divided by the number of hours required for that job in the quarter multiplied by the share of the job funded by ARRA funds. The sum of the FTE’s will be entered on the 1512.

TEA has provided a number of relevant job titles in the ER system for recipients to use in identifying the types of jobs being reported (e.g., teacher, administrator, and counselor). Applicable job titles describing jobs will be checked. If none of the provided titles adequately describe a job being reported, enter job titles in a text box.

ARRA quarterly reporting date deadlines:

Final Day of Quarter LEA and SSA Quarterly Reporting Due Date

09/30/2009	10/05/2009
12/31/2009	01/05/2010
03/31/2010	04/05/2010
06/30/2010	07/05/2010
09/30/2010	10/05/2010
12/31/2010	01/05/2011
03/31/2011	04/05/2011
06/30/2011	07/05/2011
09/30/2011	10/05/2011

902.42 Receipt of Grant Funds

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

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

The district will not maintain grant funds in a separate bank account. The district shall ensure that any interest earned from excess cash is returned to the granting agency in accordance with grant requirements.

Interest, if any, earned by the district on grant funds shall be submitted to the granting agency if the total annual interest exceeds \$500. Amounts less than this threshold may be retained by the district for administrative expenses.

902.43 Tracking and Recording Receivables

On at least a quarterly basis, the Business Manager shall review all pending receivables. Aged receivables, defined as greater than 90 days from the date of recording, shall be investigated and resolved by contacting the granting agency.

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

902.5 Time and Effort Documentation/Employee Certification

The district shall comply with all federal time and effort documentation guidelines. The following requirements shall apply to all district staff funded wholly or partially from federal grant funds.

902.51 Job description for all grant funded staff

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

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

902.52 Roster of all grant funded staff

The grants management department shall maintain an up-to-date roster of all grant funded staff to include the position title, annual salary, and funding source(s) by percentage. The home campus or department, human resources, and finance departments shall work collaboratively to ensure that the roster accurately reflects that data maintained in their respective area of responsibility. Discrepancies, if any, in the roster shall be brought to the attention of the grants management department.

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

- 1) Campus or department – ensure that the grant funded staff are assigned in the position title as noted on the roster. The master schedule or assignment of instructional staff must support the position title and funding source.
- 2) Human Resources – ensure that the position title and salary are correct as noted on the roster. In addition, the HR department shall ensure that each grant funded staff member has a signed job description on file for the position title noted on the roster. And, the HR department shall ensure that all grant-funded staff meet the state’s certification requirement and/or are Highly Qualified, as appropriate.
- 3) Finance – ensure that the funding source(s) and salary are correct as noted on the roster. In addition, the finance department shall ensure that the payroll distribution account code(s) are in accordance with the FASRG.

- 4) Grant Manager – ensure that the positions are authorized on the grant application and that the PEIMS Staff Data submitted to TEA is consistent with the position title, Role ID and object code.

The review shall occur on at least a semi-annual basis throughout the school year to ensure that the roster of grant funded staff is accurate and up-to-date throughout the year. NOTE: It is critical that at least one of the reviews coincide with the submission of the Fall PEIMS Staff Data to ensure that accurate data is submitted as of the October snapshot date.

902.53 Budgeting of grant funded staff

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

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

The grants management, human resources and finance departments shall work collaboratively to adjust the budget and payroll account code distributions of grant funded staff if the time and effort documentation consistently reflects that the percentage(s) across the funding source(s) is not a true reflection of the normal work schedule.

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

Under OMB 2 CFR Part 200, the staff funded 100% from one grant source do not have to maintain time and effort records. However, all employees must certify in writing, at least semi-annually, that they worked solely on the program for the period covered by the certification. The employee and his/her immediate supervisor must sign the certification form.

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

- 1) 1st Certification – due 1 week after the start of the 1st semester
- 2) 2nd Certification –due 1 week after the start of the 2nd semester

The Assistant Business Manager review shall consist of the following:

- 1) A review of the certification forms to ensure that every staff member and supervisor has certified that their schedule is 100% grant related

The Assistant Business Manager shall file the certifications for audit purposes. Any certifications that reflect a percentage other than 100% shall be forwarded to the Business Manager for adjustment of the grant payroll expenditures for the certification period. NOTE: Steps should also be taken to ensure that the staff member's work schedule is adjusted to 100% grant related, or is changed from the semi-annual certification method to time and effort reporting.

The Business Manager shall prepare a journal ledger entry to correct the account distribution code(s) as appropriate. The Business Manager shall post the entry to the finance general ledger.

902.55 Time and effort requirements for staff split funded (funded from more than one funding source)

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

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

These employees are required to maintain time and effort records or to account for their time under a substitute system. Employees must prepare time and effort reports at least monthly to coincide with pay periods. Such reports must reflect an *after-the-fact* distribution of 100 percent of the *actual* time spent on each activity and must be signed by the employee and their immediate supervisor. Charges to payroll must be adjusted to coincide with preparation and submittal of the interim expenditure report required for TEA discretionary grants.

Grant-funded staff under this category shall complete a time and effort report to include the date, grant source, percentage worked in the grant source per day and the summary for the month (or pay cycle). The staff member and his/her immediate supervisor shall sign the time and effort report. The timeline for time and effort reports shall be once per month to coincide with the monthly payroll cycles as noted below:

- 1) Monthly payroll – Time & Effort reports are due by the 25th of the month for the prior month.

The immediate supervisor shall submit all signed time and effort reports to the Assistant Business Manager. The Assistant Business Manager shall review for the following:

- 1) A review of the time and effort reports to compare the summary percentage of grant-related work per funding source to the budgeted percentage utilized to charge the monthly payroll charges

- 2) A test sampling of staff assignments, i.e. master schedule, duty schedule, etc. to verify the percentage of grant-related work per funding source
- 3) If the time and effort report reflects the same percentage, the report may be filed for audit purposes
- 4) If the time and effort report reflects a different percentage, the report shall be reconciled to reflect the correct payroll charges by grant funding source and forward the reconciliation to the Business Manager for adjustment of the payroll charges on the general ledger.

The Business Manager shall prepare a journal entry to reclassify the expenditures as noted on the reconciliation of the time and effort report(s). NOTE: If the quarterly comparison between budgeted and actual costs shows a difference of less than 10%, adjustments to the general ledger may be posted on an annual basis. Otherwise, if the difference is greater than 10%, the adjustments to the general ledger shall be made at the time of the reconciliation.

902.56 Time and Effort Substitute System

The US Department of Education has authorized the use of a substitute system for time and effort. The district has opted to use this system at this time.

In the event that the district determines that it is in its best interest to use this system, the Management Certification shall be completed, signed by the Superintendent and filed with TEA in accordance with the established deadlines. Extensive training of staff shall occur at the time the system is implemented to ensure that all grant-funded staff and the grants management and finance departments are aware of the requirements of this system.

902.56 Leave

Personal leave

State law entitles all full-time employees to five days of paid personal leave per year. Personal leave is earned at a rate of one-half workday for each 18 days of employment. A day of earned personal leave is equivalent to the employee's assigned hours per day for their full time job. There is no limit on the accumulation of state personal leave, and it can be transferred to other Texas school districts and is generally transferable to education service centers. Accrued personal leave is not paid to the employee from grant funds upon separation.

Local leave

All professional employees shall earn an additional five equivalent workdays of local sick leave each school year, concurrently with state personal leave. Local sick leave time shall accumulate to a maximum of 40 equivalent workdays. Accrued local leave is not paid to the employee upon separation.

902.6 Grant Compliance Areas

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

902.61 Supplement, Not Supplant

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

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

The district process to ensure that all grant funded activities are supplemental shall be a collaborative effort between the grants management and finance departments. Both departments shall receive training and be aware of the supplement not supplant provisions.

The Business Manager shall review and approve all purchase orders (and non-purchase order payments). The Business Manager signature and date is his/her representation that the grantee complied with local policy and procedure and state and/or federal law, rules and/or grant requirement, as applicable. The Business Manager's review shall include a determination if the planned purchase and/or expenditure meet one of the following guidelines:

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

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

- 1.) Title I, Part A – School-wide Programs
 - a. Title I, Part A federal funds shall be used only to supplement the amount of funds available from non-federal sources for the campus including funds needed to provide services that are required by law for children with disabilities and children with limited English proficiency. A school-wide campus does not have to demonstrate that activities are supplemental. The school is not required to identify particular children or to provide supplemental services to identified children.
 - b. A review of the non-federal funds available to each campus (school-wide and non-participating) shall be conducted on an annual basis.
- 2.) Title II, Part A – Teacher/Principal Training and Recruitment
 - a. Using Title II, Part A funds to meet any state mandate or local board policy would be considered supplanting. For example, if an LEA decides to use Title II, Part A funds to hire additional teachers to reduce class size in Grade 2, the state mandate of 22:1 must be met with state and/or local funds before additional teachers may be hired with Title II, Part A funds.
 - b. Documentation may include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.

902.62 Comparability

Comparability of services is a fiscal accountability requirement that applies to local educational agencies (LEAs) that receive funds under Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by the No Child Left Behind Act of 2001 (NCLB). The intent of the comparability of services requirement is to ensure that an LEA does not discriminate (either intentionally or unintentionally) against its Title I schools when distributing resources funded from state and local sources simply because these schools receive federal funds. [TEA Title I, Part Comparability of Services Guidance Handbook, 2013]

The Special Programs Director shall conduct the comparability test on an annual basis and complete the Title I Part A Comparability Assurance Document (CAD). NOTE: If the district determines that it is exempt from the comparability requirements, the finance department shall note the exemption on the CAD and submit it to TEA. If the district is not exempt, the finance department shall complete and submit the Comparability Computation Form (CCF) to TEA by the mid-November annual deadline.

In completing the CAD and CCF, the Special Programs Director shall follow the process outlined below [and illustrated on the workflow]

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

If TEA determines that the district is non-compliant, the finance and grants management departments shall work collaboratively to address the non-compliance. In addition, the district shall adjust the budgets as appropriate to until the district is in compliance with the comparability requirement.

902.63 Indirect Cost

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

The Superintendent shall prepare and submit Indirect Cost Rate Proposal to receive their indirect cost rate. The TEA Maximum Indirect Cost Worksheet shall be utilized to ensure the actual expenditures as allowed by TEA as used in the calculation.

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

902.64 Maintenance of Effort

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

902.641 NCLB MOE

Federal statute requires that local education agencies (LEAs) receiving Title I, Part A funds must continue to maintain fiscal effort with state and local funds. An LEA may receive its full Title I, Part A entitlement if either the combined fiscal effort per student or the aggregate expenditures for the preceding fiscal year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year. Maintenance of Effort (MOE) is determined using state and local operating expenditures by function, excluding expenditures for community services, capital outlay, debt service, and supplementary expenses as a result of a Presidential declared disaster, as well as any expenditures from funds provided by the federal government. [[TEA NCLB MOE Handbook](#)]

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

902.642 IDEA-B MOE

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

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

As part of the IDEA-B grant application process, the Director of CCSSA will need to know the prior year Special Education expenditures and the next fiscal year budgeted Special Education Expenditures. The Business Manager shall provide these amounts to the Director of CCSSA not later than September to ensure that the most accurate amounts are reflected in the grant application. Changes to these amounts, as they are known, by the finance department, Business Manager, shall be submitted to the Director of CCSSA, as appropriate.

903 Reporting Requirements

The district shall ensure that all reporting requirements for grant programs are met within the established timelines. Completion of the reports may require the collaboration of several departments; however, the ultimate responsibility for the reporting requirement shall be as noted below:

- 1) Programmatic reports such as activity, progress and evaluations – **Grant Director and/or Superintendent**
- 2) Expenditure reports such as interim, draw down and final expenditure reports – **Business Manager**
- 3) Compliance reports such as Comparability, Maintenance of Effort, Indirect Cost, etc. –**Special Programs Director**
- 4) Highly Qualified Staff reports – **Special Programs Director**

904 Grant Monitoring and Accountability

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

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

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

Auditing findings or deficiencies shall be addressed in a timely manner upon receipt of the notification. The finance, human resources and grant management staff shall work collaboratively to develop and implement a Corrective Action Plan to resolve the findings or deficiencies. The Superintendent, or designee, shall approve the Corrective Action and monitor the timely implementation of corrective strategies.

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

904.10 Internal Controls

The District will establish and maintain effective internal control over Federal awards that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statues, regulations, and the terms and conditions of the Federal award. The internal controls will be in compliance with guidance in “Standards for Internal Control in the Federal Government” 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).

905 Grant Awards

905.1 Exhibit A-List of Grant Awards (including Grant Manager, grant funding source, grant period, and grant amount)

Award	Amount	Source	Manager	Period
Title I, Part A – Improving Basic Programs	\$53,043	Federal	Karen Spurlin	2015-16
Title II, Part A – Teacher and Principal Training & Recruiting	\$10,424	Federal	Karen Spurlin	2015-16
G5 Grant	\$28,793	Federal	Cathy May	2015-16