

GRANT MANAGEMENT PROCEDURES

Table of Contents

Overview.....	3
Staff and Department Responsibilities.....	3
General Provisions	7
Pre-Federal Award Requirements	8
Grant Application Process.....	8
Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion.....	9
Lobbying Certification.....	10
Budgeting Grant Funds.....	10
Financial Management.....	11
Period of Performance.....	12
General Procurement Standards.....	12
Procurement Methods.....	14
Cost Principles	17
Responsibilities for Expenditures of Funds.....	17
General Requirements.....	18
Property Standards.....	19
Payroll, Including Time and Effort.....	23
Travel Expenditures	24
Reporting Requirements	25
State Funded Grants	25
Refunds and Program Income	25
Use of FAR Guide	26
Payroll Benefit Expenditures	26
Records Retention Guidelines	26
Title I.....	27
Title II Part A.....	28



INDEPENDENT SCHOOL DISTRICT

GRANT MANAGEMENT PROCEDURES

Title III, Part A LEP.....	29
Title I, Part C, Carl D. Perkins Grant.....	29
Special Education Consolidated Grant (IDEA & IDEA-B Preschool).....	29
State Compensatory.....	31

GRANT MANAGEMENT PROCEDURES

GRANTS AND RESTRICTED FUNDS

Overview

Grants and restricted revenue funds are funds accepted by the Board of Trustees from private, local, state and federal sources for the purpose of financing specific educational programs which are student-oriented and are beneficial to the children.

A grant is created when an application is filed with the Texas Education Agency (TEA), the U. S. Department of Education (USDE), or other funding agencies, and an agreement is made between the applicant and the agency. The agency approves the amount of the grant, the funding period and the conditions related to the approval of the funds. Approval is executed through the notification of grant award (NOGA). Funds cannot be encumbered or expended before the NOGA is received without specific approval from the Finance Department.

Other restricted funds come through allocations within the state funding formula. These funds are accounted for in the General Fund but still have special restrictions as to use, similar to grant funds.

The funds for the grants are obtained through state, federal, local and private agencies. State funds are authorized by statutory provisions and regulations of the TEA. Federal funds are authorized through categorical and other federal grants for public education. Funding can come directly from the federal agency or through TEA. Local funds come from sources such as city or county governments. Private funds are authorized by the Midway Education Foundation and other private donors and businesses.

All grants are to be utilized according to the terms of the approved budget, which has been approved by the grantor and the grantee. Any activities or expenditures must follow all normal financial procedures of Midway ISD. Any planned grant activities or expenditures which deviate from the normal financial procedures of Midway ISD must be preapproved by the Assistant Superintendent for Finance prior to the beginning of the grant. The budget is the financial plan of the grantee to carry out the program or grant.

Staff and Department Responsibilities for Management of Grants and Restricted Funds

Superintendent

- Directs responsibility for grant management to a specific administrator. Approves procedures manual and revisions on an ongoing basis.

Assistant Superintendent for Curriculum

Responsible for the management of grants and state restricted funds assigned by the Superintendent to the curriculum departments, campuses and Special Education.

- Responsible for all compliance matters related to the grants supervised.
- Oversees the Campus Improvement Planning (CIP) process.
 - Trains and supervises campus completion of CIPs as they relate to grant requirements.

GRANT MANAGEMENT PROCEDURES

- Responsible for approval of budgets and other application information in grants submitted.
- Works corroboratively with the Assistant Superintendent for Finance to:
 - Prepare estimates of grant funding for budget planning purposes.
 - Prepare allocations to campuses, determine district set-asides, and to otherwise plan use of grant funds.
 - Direct the budget preparation process, including campus budgeting.
 - Provide training and support to campuses for grant use and compliance.
 - Monitor CIPs for compliance with grant-related requirements, including campus needs assessments and financial planning.
 - Prepare information necessary for the grant application.
- Responsible for timely completion and submission of grant applications, including: Title I, Title II, and Title III.
- Responsible for all grant-related correspondence with TEA and other state or federal oversight agencies.
- Monitors the ongoing campus planning process and the expenditure of funds for compliance.
 - Ensures that CIPs and other budget information reflect expenditures that are allowable under state and federal law.
 - Periodically monitors actual expenditures and activities to ensure campus compliance with CIPs and other planning documents.
- Reports deficiencies and compliance matters to the Superintendent.

GT Coordinator

Supports the Assistant Superintendent for Curriculum in the oversight of programs funded with state GT funds.

- Assists administrators and campus principals with the design of GT programs that meet the requirements of the Texas Education Code (TEC).
- Reviews campus budgets and expenditures funded under Program Intent Code (PIC) 21 for compliance with the TEC as requested by the Assistant Superintendent for Curriculum.
 - Reports deficiencies and compliance matters to the Assistant Superintendent for Curriculum.

Bilingual/ESL Coordinator

Supports the Assistant Superintendent for Curriculum in the oversight of bilingual/ESL programs, including those funded with Title III, and state BL/ESL funds.

- Assists administrators and campus principals with the design of BL/ESL programs that meet the requirements of the Texas Education Code (TEC).
- Reviews campus budgets and expenditures funded under Program Intent Code (PIC) 25 and under Title III for compliance with federal grant requirements and the TEC as requested by the Assistant Superintendent for Curriculum.
 - Reports deficiencies and compliance matters to the Assistant Superintendent for Curriculum.

CTE Coordinator

GRANT MANAGEMENT PROCEDURES

Responsible for the management of grants and state restricted funds under the Assistant Superintendent for Curriculum, including: Carl Perkins (Career & Technical – Basic Grant); and, state CTE funds.

- Works under the direction of the Assistant Superintendent for Curriculum and with the Assistant Superintendent for Finance to:
 - Prepare estimates of grant funding for budget planning purposes.
 - Prepare allocations to campuses, budgets and related documentation.
 - Provide training and support to campuses for grant use and compliance.
 - Prepare all information necessary for the grant application.
- Responsible for timely completion and submission of grant applications.
- Responsible for all grant-related correspondence with TEA and other state or federal oversight agencies.
- Monitors the ongoing campus planning process and the expenditure of funds for compliance.
- Reports deficiencies and compliance matters to the Assistant Superintendent for Curriculum.
- Works under the direction of the principals to manage campus CTE programs.
 - Prepares budgets and related information for the financial management of programs.
 - Assists in the design of programs and classes to provide strong instructional programs that meet requirements of the TEC and which maximize state funding.
- Works under the direction of the Assistant Superintendent for Curriculum and with the Assistant Superintendent for Finance to manage local grant funding for CTE programs.

Principals and Grant Managers

Responsible for the management of grant and state restricted funds allocated to his or her campus.

- Responsible for the campus administration of the grant or program.
- Responsible for the preparation of campus budgets utilizing grant and state restricted funds, including:
 - Documentation of expenditures and staff in CIPs.
 - Amendment of CIPs and related documentation throughout the grant period.
- Responsible for compliance with payroll (time and effort, semi-annual certification, job descriptions, etc.) and other compliance requirements.
- Will ensure all approved grant activities are completed before the end of the grant.
- Will ensure that all expenditures from the grant funds are acceptable to the granting agency and are allowable under federal/state law or district guidelines.
- Will direct any questions about compliance to the Assistant Superintendent of Curriculum and/or to the Assistant Superintendent for Finance.
- Will submit any programmatic reports required by the grant.
- Will submit information required for the Midway Grant Closeout.

Grants will generally be assigned to and utilized by campuses and will be under the responsibility of a principal. Some grants may be assigned to and managed at a district level and will be under the responsibility of a grant manager (generally a coordinator). The grant manager will have the same responsibilities as a principal for such grants.

GRANT MANAGEMENT PROCEDURES

Director of Special Education

Responsible for the management of Special Education grants and state restricted funds under the Assistant Superintendent for Curriculum, including: all IDEA grants; SHARS & MAC funding; and, state restricted special education funding.

- Works under the direction of the Assistant Superintendent for Curriculum and with the Assistant Superintendent for Finance to:
 - Prepare estimates of grant funding for budget planning purposes.
 - Prepare allocations to campuses, determine district set-asides, and to otherwise plan use of grant funds.
 - Direct the budget preparation process, including campus budgeting.
 - Provide training and support to campuses for grant use and compliance.
 - Maintain compliance with maintenance of effort, comparability, excess costs, and other financial requirements.
 - Monitor CIPs for compliance with grant-related requirements, including campus needs assessments and financial planning.
 - Prepare information necessary for the grant application.
- Responsible for timely completion and submission of grant applications.
- Responsible for all grant-related correspondence with TEA and other state or federal oversight agencies.
- Monitors the ongoing campus planning process and the expenditure of funds for compliance.
 - Ensures that CIPs and other budget information reflect expenditures that are allowable under state and federal law.
 - Periodically monitors actual expenditures and activities to ensure campus compliance with CIPs and other planning documents.
- Reports deficiencies and compliance matters to the Assistant Superintendent for Curriculum.

Assistant Superintendent for Finance

Responsible for the financial management of all grants and state restricted funds in Midway ISD.

- Responsible for the design and execution of an efficient budget process to allocate resources effectively and in compliance with state and federal laws.
- Responsible for compliance with all financial requirements, including planning, staffing and payroll, documentation, and allowability of costs.
- Responsible for timely completion and submission of grant applications, including: Title I, Title II, and Title III.
- Responsible for all grant-related correspondence with TEA and other state or federal oversight agencies.
- Works corroboratively with the Assistant Superintendent for Curriculum to:
 - Prepare estimates of grant funding for budget planning purposes.
 - Prepare allocations to campuses, determine district set-asides, and to otherwise plan use of grant funds.
 - Direct the budget preparation process, including campus budgeting.
 - Provide training and support to campuses for grant use and compliance.

GRANT MANAGEMENT PROCEDURES

- Monitor CIPs for compliance with grant-related requirements, including campus needs assessments and financial planning.
 - Prepare information necessary for the grant application.
- Provides support to Curriculum, Special Education and other departments for the development and functioning of programs and activities that are compliant with state and federal laws, including the CIP and DIP processes.
- Maintains documentation to support compliance with maintenance of effort, comparability, excess costs, and other financial requirements.
- Responsible for the timely and accurate submission of all monthly, quarterly/final and any other expenditure or other financial reports.
- Reports deficiencies and compliance matters to the Superintendent.

Finance Assistant

- Prepares and files all monthly, quarterly/final and any other expenditure or other financial reports.
- Reviews expenditures during the course of their normal duties and reports any expenditure that does not appear in compliance with grant guidelines, or CIP and other budget documentation, to the Assistant Superintendent for Finance.

Assistant Superintendent for Human Resources

- Responsible for design and implementation of staffing plans that ensure that grant-funded staffing is supplemental and is allowable under grant requirements.

Federal Grants

Acronyms and definitions related to federal grant management are listed in the EDGAR, Subpart A, 200.1 through 200.99 and may be accessed at: <http://www.ecfr.gov/cgi-bin/text-idx?SID=bce3e6e14adb00a7863cc39935f3e35e&node=sg2.1.200.a.sg0&rgn=div7>

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

General Provisions:

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

1. The District has established a conflict of interest policy for all federal grant awards and shall disclose in writing any potential conflict of interest to the granting agency. The same conflict of interest questionnaire that is used for other district functions shall be utilized for compliance with this provision. Conflicts of interest, if any are reported, shall be posted on the district’s website

GRANT MANAGEMENT PROCEDURES

and reported to the granting agency. The Assistant Superintendent of Finance shall be responsible for overseeing and collecting the conflict of interest questionnaires.

2. The district shall comply with all additional conflict of interest requirements required by the federal granting agency and/or the pass-through entity (TEA).
3. The District shall disclose in writing to the granting agency and/or pass-through entities any violations of federal criminal law including fraud, bribery or gratuity violations affecting a federal grant award. Upon detection of any fraud, abuse or waste with federal grant funds, the District shall promptly notify the proper legal authorities and pursue appropriate criminal and/or civil actions. In addition, the district shall report to the granting agency and pass-through entity, the extent of the fraud or violations. In addition, the District shall reclassify fraudulent expenditures made with federal grant awards to local district funds, i.e. the General Fund. The Assistant Superintendent of Finance shall be responsible for overseeing, reporting and documenting any fraud, abuse or waste of federal grant funds.

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

Pre-Federal Award Requirements:

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

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

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

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

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

Grant Application Process

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

GRANT MANAGEMENT PROCEDURES

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

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

TEA’s Grant Opportunities webpage provides a wealth of information related to available grants such as: [<http://burlleson.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx>]

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

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

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 district and the grant application has been submitted to TEA**

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

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

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. Each vendor is required to acknowledge a statement that they are in compliance with this requirement. The statement is maintained with the purchase order for audit purposes.

GRANT MANAGEMENT PROCEDURES

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

Lobbying Certification

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

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 the finance department to ensure that the reclassification of funds is allowable under the grant management guidelines related to budget amendments. Some grants allow a transfer of funds, up to 25% of the grant award, but only within the same object class and if the new object code does not require specific approval from the granting agency.

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

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

The guidance document contains the following guidance:

- 1. Use Table 1 for federally funded grants and for grants funded from both federal and state sources.**
- 2. Use Table 2 for state-funded grants. Refer to the "Select Grantees" column if the NOGA is for over \$1 million.**

In addition to TEA's guidelines, federal regulations require that the district amend the grant application when we deviate from the original scope or grant objectives. Other amendments may be necessary when the district changes the designated Grant Manager, disengages from grant activities for more than three (3) months, or a 25% reduction in the time devoted by a grant manager.

GRANT MANAGEMENT PROCEDURES

The Grant Manager shall monitor the need for amendments at least quarterly throughout the grant period and at least one (1) month prior to the grant amendment deadline, if applicable. If an amendment is necessary for any of the reasons specified by the pass-through entity (TEA) or in federal regulations, the Grant Manager shall initiate the amendment process and collaborate with the finance department prior to submission of the grant amendment. The approval process of a grant amendment shall be the same as the grant application process, i.e. the Superintendent shall approve all federal grant amendments.

The finance department shall be responsible for ensuring that the finance system budget corresponds to the most recent grant NOGA.

Financial Management

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

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

Records Retention

The financial management system shall be utilized to store, maintain, and report all required federal grant information. Consequently, the district shall ensure that access to the data is restricted to authorized individuals in accordance with the district's Data Security and Access policies. In addition, the district shall retain all federal grant records for a period of 7 years in accordance with the district's Local Records Retention Plan. [Note: The district's retention period exceeds the three (3) year retention period required in the EDGAR.] The district's Records Management Officer (RMO), the Assistant Superintendent for Finance, shall be responsible to ensure that all records are retained, stored and accessible, as appropriate.

List of Federal Grant Awards

A list of all federal grant awards shall be maintained to include all EDGAR required data:

- **The CFDA title and number,**
- **Federal award identification number and year,**
- **Name of the Federal agency, and**
- **Name of the pass-through entity, if any.**

Payment

The district has determined that it will not accept advanced payments for federal grant funds.

GRANT MANAGEMENT PROCEDURES

The district shall seek reimbursement for federal grant expenditures, rather than using an advanced payment method. Consequently, the district shall prepare and submit a “draw-down” of federal grant funds only after the payments have been made and distributed to the vendor via mail, e-payables or other delivery method. The draw-down of expended funds shall be net of all rebates, refunds, contract settlements, audit recoveries and interest earned, as appropriate. The finance department shall be responsible for preparing the draw-down of federal grant funds.

Period of performance (Obligations)

All allowable grant expenditures shall be incurred during the grant period, i.e. begin date and end date of the federal grant award as designated on the Notice of Grant Award (NOGA). The grant periods for each federal grant award to ensure compliance is noted below:

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

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](#).

The Grant 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 15 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% |

General Procurement Standards

The district shall comply with the general procurement requirement of the EDGAR (2 CFR 200). The district shall utilize a purchase order and encumbrance system to manage the expenditure of all federal grant funds unless other methods such as credit cards, petty cash, direct payments, etc. are authorized in the district's operating procedures. All purchases shall be in accordance with the district's School Board Policies (CH Legal and Local).

GRANT MANAGEMENT PROCEDURES

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

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

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

Purchasing Efficiency Strategies

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

- **Consolidation of purchases to obtain volume pricing, as appropriate**
- **Evaluate the cost efficiencies of leases versus purchases of equipment**
- **Utilize cooperative purchasing agreements, as appropriate, to obtain volume pricing**
- **Utilize federal or state excess/surplus property supplies or equipment in lieu of purchasing new supplies or equipment, as appropriate**
- **Utilizing value-engineering in construction projects to seek cost reductions**
- **Develop vendor selection criteria to select the best vendor**
- **Develop a tracking system of all informal and formal procurements**
- **Avoid “time and materials” contracts if other alternatives exist**
- **Monitor vendor performance to ensure that the vendor to ensure that the vendor provides the services and/or goods, as appropriate**
- **Ensure that all contract and vendor disputes are resolved in the most advantageous manner**

GRANT MANAGEMENT PROCEDURES

- **Minimize the risk of jurisdictional issues by ensuring that all contracts would be litigated in a court within the county, city and/or state, as appropriate**

Procurement Methods

The district shall use one of the procurement methods allowed by federal regulations to procure goods and services with federal grant funds. In addition, the district shall comply with state purchasing laws and local Board Policy, CH Legal and Local.

The procurement method shall be determined based on the type of goods or services to be purchased with federal grant funds. The finance department shall be responsible for selecting the appropriate procurement method for each procurement.

Micro-Purchase Procedures

The Procurement by Micro-purchase may be most frequently used method due to the frequent purchase of goods or services that are less than \$3,500, as defined in CFR 200.67. The district shall purchase goods and services under this method from among qualified vendors, but will not competitively procure the micro-purchases, unless in the aggregate in a 12-month period (fiscal year), the district exceeds the state law thresholds, or the district's threshold in Board Policy CH Legal or Local. The Business Office shall distribute micro-purchases equitably among qualified vendors.

Small Purchase Procedures

The Procurement by Small Purchase Procedures shall be used by the district when the purchase of goods or services do not exceed \$50,000, the Simplified Acquisition Threshold (CFR 200.88). The purchasing department shall require written, emailed or faxed quotations from at least three (3) qualified vendors for all small purchases, i.e. purchases that do not exceed \$50,000. The district shall strive to obtain small purchases from qualified vendors under a Cooperative Purchasing Program. The district is currently participating in the following cooperative purchasing programs:

- TASB Buy Board
- TCPN
- TIPS/TAPS
- US Communities
- DIR
- TXMAS (SmartBuy)

Sealed Bid Procedures

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

- Bids must be solicited from an adequate number of bidders, but no less than two (2) bidders
- Bids must be publicly advertised and bidders shall be provided an adequate amount of time to prepare and submit their bid.

GRANT MANAGEMENT PROCEDURES

- The district shall publicly advertise all bids in accordance with state law, i.e. at least two (2) times in two separate weeks
- The district shall provide no less than ten (10) days for bidders to prepare and submit their bids
- Bids must contain detailed specifications to ensure that bidders have a clear understanding of the goods or services that the district is seeking to purchase
- Bids must specify the time, date and district location where bids will be opened publicly
- Bids must be awarded based on a fixed price contract to the lowest responsive and responsible bidder. The district shall consider discounts, transportation costs and life cycle costs only if these factors were included in the bid specifications. The district will not consider payment discounts because the district does not routinely take advantage of payment discounts.
- Bids will be evaluated, ranked and a recommendation for award made to the School Board at a regularly scheduled board meeting.
 - If no bidder is recommended, the district shall reject all bids and evaluate whether to modify the bid specifications to initiate a new bid process
- The district shall notify the successful bidder and process the contract documents and/or purchase orders, as appropriate

The district shall notify all of the unsuccessful bidders to ensure that qualified bidders are encouraged to submit bids during future bid opportunities

Competitive Proposal Procedures

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

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

Noncompetitive Proposal Procedures

GRANT MANAGEMENT PROCEDURES

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

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

Other Procurement Guidelines

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

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

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

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

The Assistant Superintendent for Finance shall be responsible to ensure that all purchases above this threshold are guaranteed with the appropriate bid guarantee, performance bond and payment bond.

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

The district shall retain all records related to the procurement of goods and services in accordance with federal, state and local requirements. In addition, all procurement records shall be available for inspection

GRANT MANAGEMENT PROCEDURES

and/or audit during the life of the records. The district shall maintain all procurement records for five (5) years in accordance with the district's Local Records Retention Schedule.

Cost Principles

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

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

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

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

Responsibilities for Expenditures of Funds

GRANT MANAGEMENT PROCEDURES

Midway ISD does not require the approval of purchases from multiple administrators to ensure grant compliance. Sufficient assurance is expected with these controls and requirements:

- CIPs and other budget-related planning documentation are expected to show adequate details for expenditures to sufficiently support the allowability of the expenditure under grant requirements.
- The Assistant Superintendents for Curriculum and for Finance, or their designees, are responsible for reviewing CIPs and other budget documentation to ensure material compliance with grant requirements.
- Campus principals are responsible for spending funds in accordance with CIPs and other budget documentation.
 - Campus principals are responsible for properly amending CIPs and other budget documentation related to grant expenditures.
- The Assistant Superintendents for Curriculum and for Finance, or their designees, are responsible for reviewing expenditures and budgets to the extent they consider necessary to insure that spending was in accordance with the CIPs and related budget documentation.
 - A final review of expenditures should be made prior to the end of the grant period to allow correction of unallowable expenditures.
- Campus principals are responsible for the prompt correction of any expenditure not in compliance with CIPs and budget documentation.
 - The principal is responsible for finding other campus funds to cover disallowed costs.

General Requirements

Supplement versus Supplant

Supplement, not supplant provisions are intended to ensure that services provided under grant and state restricted funding are used to supplement (increase the level of services), and not supplant (replace), services that would otherwise be provided to participating students with other state and local funds. The three areas that indicate possible supplanting problems are:

- Providing services or funding items that MISD is required to make available under other state or federal laws, or by local policy;
- Providing services or funding items that were provided in the prior school year with other funding; and,
- Providing services or funding items that are funded on other campuses with other funding sources.

MISD must maintain documentation that clearly demonstrates the supplementary nature of grant and restricted state funds.

Campuses and departments receiving federal funds, such as Title I, Part A, and state restricted funds, such as SCE, must document that all expenditures are planned for supplemental services. Documentation begins with the Comprehensive Needs Assessment and the resulting Campus Improvement Plan entries for these funds. The same documentation is required at the district level for any reserved funds.

Rebuttals to General Presumptions

GRANT MANAGEMENT PROCEDURES

The general presumptions of supplanting may be rebutted with proper documentation:

- Providing services that the LEA is required to make available under other federal law, state law, State Board of Education rule, or local policy.
 - Rebuttal: It is extremely hard to document and prove that the LEA would not have implemented the other federal, state, or local requirements. The review also considers how all other funds were expended.
- Providing services that the LEA provided the prior school year with nonfederal funds.
 - Rebuttal: This presumption may be rebutted with proper documentation; however, the documentation must show that the original source of funding is no longer available and the service or activity would not have been continued in the next year. This situation must be documented at the time the decisions to not continue the service or activity is made. The decision cannot be made due to Title I funds being available. This situation cannot be documented after the fact.
- Providing services to students participating in a Title I program that the LEA provides to non-Title I students or students at non-Title I schools with nonfederal funds.
 - Rebuttal: An example of a rebuttal to this presumption is the exclusion for Title I-like programs, such as SCE, which is allowed in statute for school-wide programs.

Approval by an assistant superintendent must be obtained in writing to fund items otherwise appearing to be supplanting.

Property Standards

The district shall safeguard all property (assets and inventory) purchased with federal grant funds under the same guidelines as property purchased with local funds.

Real Property

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

Equipment and Supplies

The district shall use federal grant funds to purchase equipment and supplies. The district shall not use federal grant funds to purchase intangible property. [Note. This is an option, subject to the CFR 200.315 .] The federally-funded equipment shall be used only for the authorized purposes and shall be disposed of, at the end of the useful life or end of the grant period, in accordance with the grant award guidelines. The district shall/shall not use the federally-funded equipment to generate program income. The federally-funded supplies shall be used only for the authorized purposes. Any residual (unused) supplies, in excess of \$5,000 in total aggregate value, at the end of the grant program or project may be used for any other federal grant program. Otherwise, the supplies shall be retained by the district or sold, but must reimburse the granting agency for the district use or sell of the supplies. The district shall implement purchasing deadlines for the purchase of federally-funded supplies to ensure that residual supplies are not available at the end of the grant period or project.

GRANT MANAGEMENT PROCEDURES

Equipment and Supplies

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

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

Acquisition Cost

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

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

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

GRANT MANAGEMENT PROCEDURES

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

The district has also defined technology-related “walkable” or “personal use” items with a unit cost less than \$1,000 as the following (these items shall be tracked by the Technology Department).

- I-Pads (Tablets)
- Computers with a cost under \$1,000
- Chromebooks

Identifying and Tracking Federally-Funded Assets

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

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

Maintaining Asset Inventory & Records

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

The district fixed asset procedures shall include an annual inventory (or more frequently if required by a granting agency) of all assets and reconciliation of the inventory reports. [Note. Federal requirements CFR 200.313 requires an inventory at least once every 2 years.]The district’s annual inventory of assets shall be conducted by August 31 of each fiscal year. Lost, damaged, or stolen assets shall be recorded on the fixed assets database with the date of the loss. The disposition records such as the loss report (police report for thefts) shall be maintained with the asset records.

In addition, the district shall track all grant-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

GRANT MANAGEMENT PROCEDURES

guidelines, if any. At a minimum, the disposition date, reason and sale price of all federally-funded assets shall be recorded in the fixed assets database.

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.

The District Accountant shall be responsible for maintaining the fixed asset database of all district assets, including all federally-funded assets.

Comparability

Comparability of services is a fiscal accountability requirement that applies to local educational agencies (LEAs) that receive funds under Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by the Every Student Succeeds Act of 2015 (ESSA). The intent of the comparability of services requirement is to ensure that an LEA does not discriminate (either intentionally or unintentionally) against its Title I schools when distributing resources funded from state and local sources simply because these schools receive federal funds. [TEA Title I, Part Comparability of Services Guidance Handbook, 2013]

The finance department shall conduct the comparability test on an annual basis and complete the Title I Part A Comparability Assurance Document (CAD). NOTE: If 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 finance department shall follow the process outlined below

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

GRANT MANAGEMENT PROCEDURES

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.

Indirect Cost

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

The district has applied for an Indirect Cost Rate extension through the pass-through entity (TEA) for a. After the extension period, the district shall apply for an indirect cost rate through the federal granting agency or pass-through entity (TEA) in accordance with the current regulations. The Assistant Superintendent for Finance shall complete and submit an Indirect Cost Rate Proposal by the established deadline as specified by the pass-through entity (TEA) on the Indirect Cost webpage at: <http://tea.texas.gov/index4.aspx?id=3842>

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

Payroll, Including Time and Effort

Grant funds may be used, if provided for in the grant agreement, to pay all or part of the salaries and allowable fringe benefits of personnel who are directly working on the grant project. The following is required to support all payroll expenditures:

- Grantees must maintain records to describe the job descriptions, duties and pay of each grant-funded position.
- All employees to be directly charged to the grant must be budgeted and approved on the Payroll Costs Schedule of the SAS (usually Schedule #3C).
- Grantees may charge the grant program only for the actual number of days worked and the actual percentage of time worked on the grant program based on time and effort documentation.
 - Refer to the SAS instructions and Appendix E for more information pertaining to time and effort documentation to support charges to payroll on federally funded grants.

All charges to payroll for grant-funded personnel must be based on one of the following: Certification; or, Time and effort records.

Certification For employees who are 100% funded from the grant: Employees who work under a single grant program or who work under a single cost objective are not required to maintain time and effort records. However, each employee must certify in writing, at least semi-annually, that he/she worked solely on that program or cost objective for the period covered by the certification. The Periodic Certification Form must be signed by the employee and by the supervisor having first-hand knowledge of the work performed. Charges to the grant must be supported by these semi-annual certifications.

GRANT MANAGEMENT PROCEDURES

Time and Effort Records for employees who are partially funded from the grant: Employees who work under multiple grant programs or who work under multiple cost objectives (i.e., whose salaries are prorated between or among different funding sources) must, in addition to the Periodic Certification Form, prepare a Personnel Activity Report, at least monthly, to coincide with pay periods. Each Personnel Activity Report must reflect an after-the-fact distribution of 100 percent of the employee's actual time and must be signed by the employee.

Charges to payroll records must be adjusted based on this documentation, at least quarterly to coincide with preparation and submittal of the quarterly expenditure report. This requirement applies to all projects, regardless of funding source, unless otherwise specified. For federally funded projects, time and effort records must be in accordance with the requirements in the applicable OMB cost principles.

Travel Expenditures with Grant Funds (Students & Staff)

The district may use federal grant funds for travel costs. All travel-related expenditures from grant funds shall comply with the allowable federal cost principles, the State Tex-Travel Guidelines, School Board Policy and the district's travel guidelines. 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 .575 cents but the local rate established 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.

- **A completed Travel Request form for all travel**
- **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 for district employees and students. 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 with grant funds.**

GRANT MANAGEMENT PROCEDURES

- **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.

The Finance Department will review all travel documentation to ensure the following:

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

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 – Curriculum department**
- 2) **Expenditure reports such as interim, draw down and final expenditure reports – Finance department**
- 3) **Compliance reports such as Comparability, Maintenance of Effort, Indirect Cost, etc. – Finance department**
- 4) **Highly Qualified Staff reports – Human Resources department**

State-Funded Grants

For state-funded grants, time and effort records must be maintained for those personnel whose salaries are prorated between or among different funding sources (and when not working under a single cost objective) to ensure state-funded grants bear their fair share of costs. Grantees must adjust payroll records and expenditures based on this documentation.

Refunds and Program Income

Any refund of state, federal or special funds must be deposited to the original fund account. State, federal and special funds should not be deposited in the budget.

GRANT MANAGEMENT PROCEDURES

Any income generated from or derived from grant programs must be deposited back in to the original fund account.

Use of the Financial Accountability System Resource Guide

Use the Financial Accounting and Reporting (FAR) Module of the Financial Accountability System Resource Guide to determine appropriate accounting codes. Documentation for all expenditures for each fund source on the eGrants application must be maintained. Documentation that local funds are used if either travel or transportation expenditures exceed state rates must be maintained.

Payroll Benefit Expenditures

TRS, Medicare, health insurance, longevity pay, critical needs stipends, and incentive pay will be deducted from grant budgets if payment of fringe benefits is permitted by grant guidelines as a part of payroll expenses. Federally funded grants normally allow for payment of all fringe benefits listed above. State of Texas grants do not normally permit TRS deductions.

Records Retention Guidelines

MISD must maintain its records and accounts in a manner which shall assure a full accounting for all funds received and expended in connection with the grant project. These records and accounts must be retained and made available for programmatic or financial audit by the grantor agency and by others authorized by law or regulation to make such an audit for a period of not less than **five to seven years** from the date of completion of the contract project or the date of the receipt by the grantor agency of the grantee's final claim for payment or final expenditure report in connection with this grant, whichever is later. If an audit has been announced, the records shall be retained until such audit has been completed.

The most common risk in records retention requirements is key management personnel changes. All campus and central departments must meet records retention requirements and ensure that these records are accessible. In addition, these records must be accessible to the appropriate Executive Director and campus or department support personnel. New campus and central administrators are responsible for the retention of records for prior years. The transition process must include the transfer of grant records for prior years.

Grant records must include, but are not limited to, the following:

- A copy of the approved grant application.
- Copies of all approved amendments.
- Time and Effort Documentation for employees assigned to grant activities and paid, in part or in full, by grant funds.
- Copies of all purchase orders.
- Receipts for all purchases.
- Agenda and minutes for all meetings regarding the implementation of the grant.

GRANT MANAGEMENT PROCEDURES

- Sign-in sheets and agenda for all grant related training sessions for teachers and/or parents.
- Sign-in sheets and agenda for all grant related student activities.
- Copies of all program evaluations and audits.

Title I

The purpose of Title I is to enable schools to provide opportunities for children served to acquire knowledge and skills contained in the challenging state content standards and to meet the challenging state performance standards developed for all children. This purpose is accomplished by:

- Ensuring high standards for all students
- Providing students with an enriched and accelerated educational program including the use of arts, school wide programs, or the increase of the amount and quality of instructional time so that students served with Title I funds receive at least the classroom instruction that other students receive;
- Promoting school wide reform and ensuring access of children to effective instructional strategies and challenging academic content that include complex thinking and problem-solving experiences;
- Providing substantial staff development opportunities to significantly upgrade the quality of instruction;
- Coordinating all Title I services with each other, with other educational services, with health and social service programs funded from other sources;
- Affording parents meaningful opportunities to participate in the education of their children at home and at school;
- Distributing resources, in amounts sufficient to make a difference, to areas and campuses where needs are the greatest;
- Improving accountability by using the State assessment system to measure how well Title I students are achieving the challenging State student performance standards expected of all students; and providing greater decision making authority and flexibility to schools and teachers in exchange for greater responsibility for student performance.

Regulations provide that school-wide programs must include a **comprehensive needs assessment** to determine the performance of its children in relation to the State assessment system and student performance standards, school wide reform strategies, highly qualified professional staff; professional development for teachers and other staff, increased parental involvement, plans for assisting children in the transition to receiving schools, measures to include teachers in the decisions regarding the use of assessments, and effective, timely additional assistance for students who experience difficulty mastering any of the performance standards.

Campuses are eligible for Title I school-wide funds when 40% or more of the students enrolled or living in the school's attendance area meets the district's low income criteria. All funds must benefit the children in the current funding year, and therefore, must be expended before the middle of the spring semester. The

GRANT MANAGEMENT PROCEDURES

use of the funds must be documented in the campus improvement plan and related to a need evident in the campus needs assessment.

The following questions should guide decisions in determining if an expenditure would be appropriate for Title I:

- Is the expenditure reasonable and necessary to carry out the intent of the Title I Program?
- Does the expenditure address a need identified in the campus needs assessment?
- Is the program activity or strategy described in the CIP or DIP to justify the expenditure?
- How will the expenditure be evaluated to measure positive impact on student achievement?
- How will this expenditure upgrade the entire school-wide educational program?
- How is the expenditure supplemental to other nonfederal programs?

MISD does not allow food costs from Title I, Part A, or other federal funds unless specified within the grant.

Title II, Part A

The purpose of Title II, Part A, is to increase the academic achievement of all students by helping schools and school districts improve teacher and principal quality and ensure that all teachers are highly qualified. Funds are received through a formula basis. The current Title II, Part A replaces the previous mathematics and science program in favor of support for teacher professional development across all core academic subjects with math and science remaining high priority for funding.

Districts are required to ensure that their strategies and funded activities are grounded in scientifically based research so that students benefit from teaching practices and methods. Schools and districts are given expanded flexibility to address the need for qualified teachers and principals not only through professional development for existing staff, but through efforts that include attracting qualified individuals into teaching and offering financial incentives and other structural changes to retain them.

The Title II funds must benefit the staff in the current funding year with requisitions being submitted in a timely manner. Title II funds may only be used to purchase materials for training purposes and not for classroom implementation. Allowable costs for the Title II, Part A program include recruitment, preparation and professional development, mentoring activities for new teachers, meeting the requirements for becoming highly qualified and expand performance systems that provide differential pay and bonuses for teachers who teach in specific schools and subject areas.

The intent and purpose of the class-size reduction program is to reduce the class size using highly qualified teachers to increase achievement for regular and special needs students by providing personal attention and a solid foundation for further learning so that all students learn to read independently. School wide programs that use Class-Size Reduction Program funds must reduce the size of classes, particularly in the early grades, using highly qualified teachers to increase achievement for regular or special needs children. District again, must use these funds only to supplement, and not supplant state

GRANT MANAGEMENT PROCEDURES

and local funds that, in the absence of the federal funds, would otherwise be spent for activities authorized by Class-Size Reduction.

Title III, Part A – LEP

The purpose of Title III, Part A is to improve the education of limited English proficient children by assisting the children to learn English, meet challenging State academic content and meet student academic achievement standards. All activities must use approaches and methodologies based on scientifically based research to teach LEP and immigrant children to develop and implement new language instruction educational programs and academic content instruction programs including programs of early childhood through secondary school; carry out highly focused, innovative, locally designed activities to expand or enhance existing language instruction education program; implement within an individual school, school-wide programs for restructuring, reforming, and upgrading all relevant programs, activities, and operations relating to language instruction educational programs; and implementing, within the entire jurisdiction of the LEA, LEA-wide programs for restructuring, reforming and upgrading all relevant programs, activities, and operating relating to language instruction educational programs and academic content instruction for LEP children.

Title I, Part C, Carl D. Perkins Grant

The purpose of Title I, Part C, is to develop more fully the academic and technical skills of secondary students who elect to enroll in career and technical education (CTE) programs. The grant has a project start date of July 1 and an end date of June 30th. The supplement not supplant guideline is effective for this grant.

The following are goals for CTE grant:

- Integrate academics with CTE programs using a coherent sequence of courses
- Link CTE at the secondary and postsecondary levels
- Provide students with strong experience in and understanding of all aspects of an industry
- Develop, improve, or expand the use of technology in CTE programs
- Provide professional development programs to teachers, faculty, administrators, and career guidance and academic counselors who are involved in integrating CTE programs
- Develop and implement evaluations of the CTE programs carried out with funds, including an assessment of how the needs of special populations are being met
- Initiate, improve, expand, and modernize quality CTE programs, including relevant technology
- Provide services and activities that are of sufficient size, scope, and quality to be effective
- Provide activities to prepare special populations for high-skill, high-wage, or high-demand occupations that will lead to self-sufficiency

State CTE funds will be distributed to school districts on the basis of the number of contact hours generated by eligible students enrolled in CTE during the entire school year. Courses offered will be funded by the allotment for which they are eligible. The Summary of Finances provided by the Division of State Funding will reflect the State CTE allotment for each LEA.

Special Education Consolidated Grant (IDEA and IDEA-B Preschool)

GRANT MANAGEMENT PROCEDURES

The purpose of this grant is to provide special education and related services to children with disabilities ages three through twenty-one under the Individuals with Disabilities Act (IDEA). The funds for this grant are based on a child count and projected population and poverty allocation from the United States Department of Education (USDE) as provided by TEA and the PEIMS data submitted. Part B of the IDEA authorizes expenditures to help LEAS's ensure that children with disabilities, have access to a free, appropriate public education to meet each child's unique needs and prepare him or her for further education, employment, and independent living.

Federal funds for these programs must be used to supplement (increase the level of services) and not supplant (replace) funds from nonfederal sources. Any program activity required by State law, SBOE rules or local board policy may not be paid with these funds. If the LEA maintains (or exceeds) its level of local – or state and local – expenditures for special education and related services from year to year, wither in total or per capita, then the Part B funds are, in fact, supplementing those local – or state and local – expenditures, and the LEA has met its maintenance of effort (MOE) and supplement/not supplant requirements. No requirement currently exists related to supplanting “particular costs” and if an LEA maintains local – or state and local – effort, it will not violate the supplement/not supplant requirements of the IDEA. Cost items that are used by all students should not be funded with Part B funds. Part B funds may be used for the costs of special education and related services, and supplementary aids and services, provided in a regular classroom or other education-related setting to a child with a disability in accordance with the IEP of the child, even if one or more nondisabled children benefit from these services.

In addition to the purpose of IDEA-B Formula funds, the regulations implementing the IDEA-B Preschool funds as a part of this act define the purpose of the act as a means to supplement and increase services beyond the level of State and local funds expended for preschool students ages three through five with disabilities. The priority for these funds is to provide all students with disabilities ages 3-5 with a comprehensive program that meets their individual needs by expanding and extending services already available to these students.

The district is responsible for setting aside 25% of its tentative IDEA-B Formula base entitlement or an equivalent amount of state and/or local funds to support costs of residential placement for students in the program. Equipment is defined by 2CFR Part 225 Appendix B as an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost that equals or exceeds the lesser of \$5,000 or the capitalization level established by the LEA for financial statements. Items that are under \$5,000 or under the capitalization level established by the LEA should be budgeted under class/object code 6300 supplies and materials.

Up to 15% of IDEA-B Formula and/or Preschool funds for any fiscal year may be used to develop and implement coordinated EIS (Early Intervening Services) for students in Kindergarten through Grade 12 (with a particular emphasis on students in Kindergarten through Grade 3) who are not currently identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general-education environment. (20 U.S.C. 1413(f), 34 CFR 300.226)

GRANT MANAGEMENT PROCEDURES

State Compensatory Education

A student at-risk of dropping out of school includes each student who is under twenty-one years of age and who meets one or more of the following indicators:

1. Is in prekindergarten, kindergarten or grade 1,2 or 3 and did not perform satisfactorily on a readiness test or assessment instrument administered during the current school year;
2. Is in grade 7, 8, 9, 10, 11, or 12 and did not maintain an average equivalent to 70 on a scale of 100 in two or more subjects in the foundation curriculum during a semester in the preceding or current school year or is not maintaining such an average in two or more subjects in the foundation curriculum in the current semester;
3. Was not advanced from one grade level to the next for one or more school years;
4. Did not perform satisfactorily on an assessment instrument administered to the student under TEC Subchapter B, Chapter 30, and who has not in the previous or current school year subsequently performed on that instrument on another appropriate instrument at a level equal to at least 110 percent of the level of satisfactory performance on that instrument;
5. Is pregnant or is a parent;
6. Has been placed in an alternative education program in accordance with TEC 37.006 during the preceding or current school year;
7. Has been expelled in accordance with TEC 37.007 during the preceding or current school year;
8. Is currently on parole, probation, deferred prosecution, or other conditional release;
9. Was previously reported through the Public Education Information Management System (PEIMS) to have dropped out of school;
10. Is a student of limited English proficiency, as defined by TEC 29.052;
11. Is in the custody or care of the Department of Protective and Regulatory Services or has, during the current school year, been referred to the department by a school official, officer of the juvenile court, or law enforcement official;
12. Is homeless, as defined by 42 U.S.C. Section 11302, and its subsequent amendments; or
13. Resided in the preceding school year or resides in the current school year in a residential placement facility in the district; including a detention facility, substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, or foster group home.

MIDWAY

INDEPENDENT SCHOOL DISTRICT

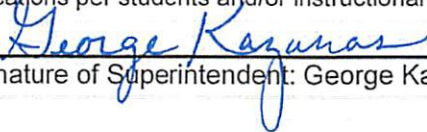
GRANT MANAGEMENT PROCEDURES

12. Is homeless, as defined by 42 U.S.C. Section 11302, and its subsequent amendments; or
13. Resided in the preceding school year or resides in the current school year in a residential placement facility in the district; including a detention facility, substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, or foster group home.

All purchases/services must be supplemental and directly related to State Comp Ed, and/or improving student achievement in language arts and/or mathematics. All Comp Ed funds must benefit the children in the current funding year.

The Texas Education Code requires each school district to have a district and campus improvement plan with the state compensatory education program described in the campus plan if the program is implemented at the campus level or to be described in the district plan if the SCE program is implemented district wide. The district and campus improvement plans are the primary record supporting expenditures attributed to the state compensatory education program.

School districts are required to have local policies and procedures to identify students who are at risk of dropping out of school under the criteria in Section 29.081, TEC; students who are at risk of dropping out of school under local criteria and document compliance with the 10% cap in Section 29.081, TEC; how students are entered into the SCE program and how students are exited from the program; the methodologies involving calculation of 110% satisfactory performance on all assessment instruments, in accordance with Section 29.081, TEC; and the cost of the regular education program in relation to budget allocations per students and/or instructional staff per student ratio.



Signature of Superintendent: George Kazanas, Ed.D.