



# State & Federal Grants Manual

---

2016-2017

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

Effective July 1, 2015  
January 25, 2016

These federal grant policies and procedures are applicable to all federal grants awarded to the District. All employees who deal with federal grants must be familiar with them and must fully comply with all requirements contained herein

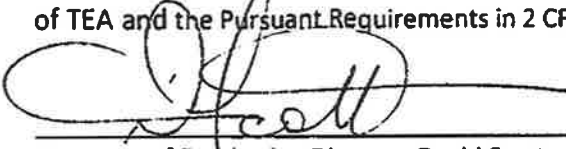
Pursuant to Requirements in 2 CFR Part 200

DeSoto Independent School District  
Name of School District

Dallas  
County

057-906  
Co.-Dist. Number

We, the undersigned, have reviewed and approved the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Education Department General Administrative Regulations (EDGAR), to best of our understanding, in accordance with the guidance of TEA and the Pursuant Requirements in 2 CFR Part 200.



Signature of Purchasing Director, David Scott



Signature of Controller, Gisselle Rivera-Franco



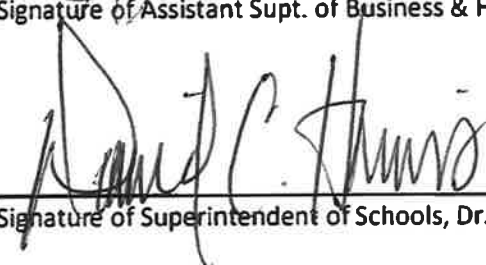
Signature of Director of Financial Services, William Wooten



Signature of Interim Assistant Supt. of Curriculum & Federal Programs, Dr. C. Ensley



Signature of Assistant Supt. of Business & Human Resources, Bobby LaBorde



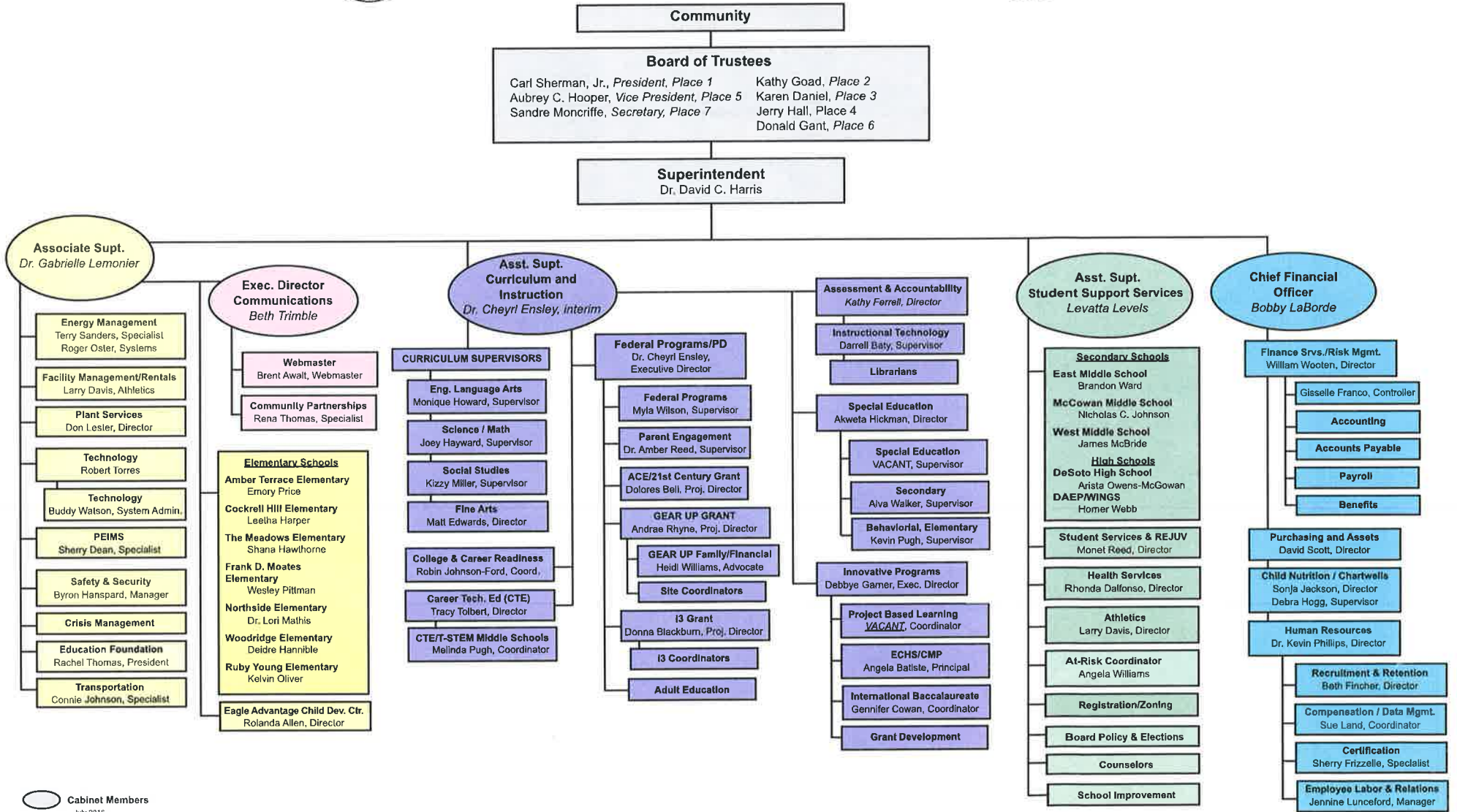
Signature of Superintendent of Schools, Dr. David Harris

These federal grant policies and procedures are applicable to all federal grants awarded to the District. All employees who deal with federal grants must be familiar with them and must fully comply with all requirements contained herein.

Pursuant to Requirements in 2 CFR Part 200



# DeSoto Independent School District 2016-17 Organization Team



○ Cabinet Members  
July 2016

# Contents

General Information.....	4
Business Department Mission.....	4
Business Department Staff.....	4
Organizational Chart (See Appendix) .....	6
General Ledger Maintenance (+) .....	6
Journal Entries(+) .....	6
Data Entry and Validation(+).....	7
General Ledger Transaction (Minimum Data Required) – (+).....	7
End of Month Process .....	8
End of Fiscal Year Process .....	8
Segregation of Duties(+) .....	9
Retention of Records(+) .....	10
Data System Security & Access to Records(+).....	10
Assignment of Access and Passwords(+) .....	11
Revoking Access(+).....	11
Business Staff Training(+).....	11
State and Federal Grant Management(+).....	12
900 – State and Federal Programs/Grants(+) .....	15
901        State Programs – Allotments.....	16
901.3    Special Education.....	18
901.4    Compensatory Education (SCE).....	18
901.5    Bilingual and ESL.....	19
901.6    High School Allotment.....	19
902        Federal Grants.....	20
902.2    General Provisions and Assurances.....	25
902.3    Budgeting Grant Funds.....	25
902.4    Standards for Financial and Program Management.....	26
902.41   Financial Management.....	26

These federal grant policies and procedures are applicable to all federal grants awarded to the District. All employees who deal with federal grants must be familiar with them and must fully comply with all requirements contained herein

902.42	Internal Controls.....	27
902.43	Bonds.....	28
902.44	Payment .....	28
902.45	Cost sharing or matching funds.....	28
902.46	Program Income .....	28
902.47	Period of performance (Obligations).....	28
902.5	Procurement Standards/Expenditure of Grant Funds .....	29
902.51	General Procurement Standards.....	29
902.52	Vendor Competition .....	31
902.53	Procurement Methods .....	32
902.6	Property Standards.....	35
902.7	Cost Principles .....	38
	TRAVEL SERVICES .....	56
	PRIOR APPROVAL REQUIRED .....	57
	TRAVEL EXPENSES .....	57
	DOCUMENTATION REQUIRED.....	57
902.78	Preparing Expenditure Reports & Draw Down of Funds.....	59
902.8	Grant Compliance Areas .....	61
902.85	Reporting Requirements .....	64
902.86	Grant Monitoring and Accountability.....	65
902.9	Grant Awards .....	66
	List of Grant Awards (including Grant Manager, grant funding source, grant period, and grant amount].....	66

These federal grant policies and procedures are applicable to all federal grants awarded to the District. All employees who deal with federal grants must be familiar with them and must fully comply with all requirements contained herein

## General Information

The district has established fiscal procedures that apply to all financial transactions regardless of the funding source. **Procedures that relate directly and/or indirectly to federal and state grant compliance are indicated with a (†).**

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

## Business Department Mission

*The mission of the DeSoto Independent School District Business Office is as follows:*

- 1) to provide support to campuses and staff**
- 2) to ensure that all operations are supportive of the instructional goals and objectives of the district**
- 3) we will grow and prosper by building relationships based on top quality service, high ethical standards, and a focus on DeSoto ISD goals and objectives**

*The Business Division'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.*

*In addition, the Business Office will provide accurate and timely financial and budget information to our Board of Trustees so that they have the information needed to make informed decisions that support the district goal of high achievement for all students.*

## Business Department Staff

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

All Business Department staff are expected to comply with the:

- **Code of Ethics and Standard Practices for Texas Educators [Board Policy DH (Exhibit),**
- **School Board Policy CAA Local regarding fraud,**
- **DeSoto ISD Code of Conduct (Employee Handbook),**

- **Confidentiality Agreement, and**
- **DeSoto ISD Acceptable Use Guidelines.**

In addition to the business staff compliance to the aforementioned policies and procedures, all employees are required to report any form of collusion, fraud, waste and abuse concerning DeSoto Independent School District to the State Auditor’s Office who will investigate allegation of fraud, waste and abuse related to expenditures of grant money.

To report fraud, waste, or abuse, call the SAO Hotline at 1-800-TX-AUDIT (892-8348). In addition, employees can mail any suspect fraud, waste and abuse concerns to:

**State Auditor’s Office  
Attn: SIU  
P.O. Box 12067  
Austin, TX 78711-2067**

To this end, TEA accepts fraud concerns; employee will need to file a written complaint with TEA by filling out the complaint form online or by mailing or faxing a hard copy to the address on the form.

Additional information about how to file a complaint can be found on the TEA Complaints Management webpage. Answers to frequently asked questions about the TEA complaints process also provide useful information.

The Business Office staff consists of:

Employee Name	Email	Extension	Title
Lorraine Valdez	<a href="mailto:Lorraine.Valdez@desotoisd.org">Lorraine.Valdez@desotoisd.org</a>	215	Financial & Accounting Clerk System
Brandi Rhea	<a href="mailto:Brandi.Rhea@desotoisd.org">Brandi.Rhea@desotoisd.org</a>	210	Financial & Accounting Clerk System
Joey White	<a href="mailto:joey.white@desotoisd.org">joey.white@desotoisd.org</a>	222	Financial & Accounting Clerk System
Tracie Cook	<a href="mailto:Tracie.Cook@desotoisd.org">Tracie.Cook@desotoisd.org</a>	406	Financial & Accounting Clerk System
Billy Martin	<a href="mailto:William.Marting@desotoisd.org">William.Marting@desotoisd.org</a>	427	Payroll & Benefits Specialist
Theresa Jackson	<a href="mailto:Theresa.Jackson@desotoisd.org">Theresa.Jackson@desotoisd.org</a>	208	Payroll & Benefits Specialist
Karen Rowlands	<a href="mailto:Karen.Rowlands@desotoisd.org">Karen.Rowlands@desotoisd.org</a>	211	Payroll & Benefits Specialist
Gloria James	<a href="mailto:Gloria.James@desotoisd.org">Gloria.James@desotoisd.org</a>	212	Administrative Assistant III
Andrea Hall	<a href="mailto:Andrea.Hall@desotoisd.org">Andrea.Hall@desotoisd.org</a>	494	Executive Administrative Assistant
Gisselle Franco	<a href="mailto:Gisselle.Franco@desotoisd.org">Gisselle.Franco@desotoisd.org</a>	225	Controller
William Wooten	<a href="mailto:William.Wooten@desotoisd.org">William.Wooten@desotoisd.org</a>	212	Director of Business & Financial Services
Bobby LaBorde	<a href="mailto:Bobby.LaBorde@desotoisd.org">Bobby.LaBorde@desotoisd.org</a>	213	Assistant Superintendent of Business/Finance & Hum Resources

Each staff member shall have an up-to-date job description on file in the Human Resources department. Changes to job descriptions should be made when substantial changes occur in job duties or responsibilities.

## Organizational Chart (See Appendix)

### General Ledger Maintenance (†)

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

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

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

### Journal Entries(†)

All general ledger entries shall be in balance (debits shall equal credits). A **Journal Voucher** form 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. Finance & Accounting System Clerks shall be authorized to create journal entries but only the Director Business & Financial Services and the Controller shall be authorized to approve the journal entries to be posted to the general ledger.

All payroll general journals shall be interfaced to the finance system by the payroll department. The Controller shall verify that the payroll journals and the finance journals are in balance and posted accurately to the general ledger. All payrolls must be posted to the 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.

A monthly financial report shall be prepared by the Director of Business & Financial Services for the previous month and forwarded to the Assistant Superintendent of Business & Human Resources for Board review at the monthly Board meeting.

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



- General Ledger Summary
- Journal Entries
- Check Payments Copies
- Cash Receipt Copies

The Director Business and Financial Services and Controller 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 balances shall be in place to ensure that all postings to the general ledger result in the desired outcome. For example, a cash receipt shall be validated to ensure that the total amount deposited matches the posted cash receipt.

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

These federal grant policies and procedures are applicable to all federal grants awarded to the District. All employees who deal with federal grants must be familiar with them and must fully comply with all requirements contained herein.

- **Journal [transaction] number** – the number assigned will be automatically assigned in a sequential order
- **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 paper journal entry form for audit tracking purposes
- **All journal entries for the current fiscal year** shall be filed sequentially with supporting documentation attached and stored in the Accounting department; journal entries for the previous fiscal year shall be filed sequentially with supporting documentation attached and stored in the Accounting vault

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 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 Controller to ensure that the appropriate accounts are created in the finance system.

## End of Month Process

Within 20 days after the end of the month, all end-of-month reports should be printed and verified and the end-of-month process completed. There are five (5) steps in completing the End-of-Month process as listed below:

- Reconciliation of all bank accounts
- Posting of all journal entries
- Prepare EOM reports
- Distribute EOM reports for review
- Process the EOM close
- Federal Expenditure Drawdowns
- Report all EOM reports to Director of Business & Financial Services

## 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 general ledger balances as of June 30, as reflected on the respective monthly statement.
- **Reconcile all revenue accounts with amounts received and/or earned as of June 30** – All measurable revenue should be posted to the general ledger. The district shall calculate all state aid earned and post to the appropriate state revenue accounts. The Summary of Finance report from TEA shall act as a comparison tool.
- **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 payable to the granting agency, unless the excess revenue is an advance payment (deferred revenue). 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 June 30, shall be posted to the general ledger. The receivables shall be measurable and expected to be received within 60 days after the end of the fiscal year in accordance with the district’s accounting standards.
- **Reconcile and post all accounts payables** – all payables due to others (vendors especially), as of June 30, shall be posted to the general ledger. The amounts due for all goods and/or services received as of June 30, are classified as accounts payable and are accrued and paid during the next fiscal year, but the expense will be charge to the prior year. The district has established an August 31<sup>th</sup> cut-off for prior year accounts payables, unless the accounts payable expense is material and is known prior to the end of the audit field work.
- **Reconcile all accrued wages and benefits as of June 30** – All accrued wages 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 July 1<sup>st</sup>).
- **Reconcile all prepaid expenses as of June 30** – All individually material prepaid expenses shall be posted to the general ledger to object code 14XX. A prepaid expense is typically one that represents a disbursement of funds (payment) for goods or services that will be received or utilized in the next fiscal year. For example, a maintenance agreement that has a term of January 1<sup>st</sup> through December 31<sup>st</sup>, would have an expense for 6 months in the current fiscal and a prepaid expense of 6 months at the end of the fiscal year. [Note. The prepaid expenses should be cleared in the next fiscal year by posting the expense to the appropriate expense account code(s).]
- **Reconcile the fixed assets ledger with all fixed asset additions, deletions, or changes** – All assets acquired during the fiscal year shall be added to the fixed asset ledger . 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.

### Segregation of Duties(†)

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

- **Endorsement of checks** – The same staff member shall not prepare and endorse accounts payable or payroll checks.
- **Bank reconciliations** – The same staff member shall not prepare cash disbursements, cash deposits, or other cash transactions and reconcile the district’s bank accounts.
- **Maintain non-cash accounting records** – The same staff member shall not prepare non-cash general ledger transactions and post the transactions to the general ledger.
- **Purchasing and Receiving functions** – The same staff member shall not serve as the final approver of a purchase order and verify receipt of the goods.
- **Drawdowns**- The same staff member shall not prepare and request funds through TEA expenditure reporting. One staff will pull the account transaction report; one will check

data and request drawdown via TEA and DOE expenditure reporting.

- **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(†)**

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

The district shall maintain grant-related records in a combination of paper and electronic formats when appropriate.

In accordance with federal regulations, the district shall maintain the grant-related records in an open and machine readable format. Specifically, the district shall use the following formats to store electronic data.

- Microsoft products such as Word, Excel, Access, etc.
- PDF
- TEAMS finance module

The Records Custodian for the financial records of the district is the Controller. All questions related to the retention, destruction, and/or addition of new record series shall be directed to the District’s Records Management Officer (RMO), Director of Human Resources.

### **Data System Security & Access to Records(†)**

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.

Unless required by Federal, state, and local statute, the district is not required to permit public access to their records. The district shall make all grant-related records available for access to the federal granting agency and/or pass-through entity upon request.

All business office staff shall sign a **Confidentiality Agreement** on an annual basis. Among the most critical information is documentation related to employee’s Personally-Identifiable Information (PII) such as health, benefits, financial, family members, or other personal information. Violators will be subject to discipline, employment termination, and/or may be reported to the appropriate legal authorities. Violations of some protected information, such as health or medical information, is also protected by federal laws, such as HIPPA.

Unless notified otherwise by the federal granting agency, the district shall retain all financial and program

records related to the grant award in accordance with the federal grant. Upon request from the federal granting agency, the district shall transfer the records to the requesting federal agency.

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 assignments of each staff member. TEAMS security is assigned based on a Personnel Control Number (PCN). Employees are hired into PCNs which define their job duties and determine their financial system access. Except for limited exceptions, staff will not be given unilateral access to all modules in the financial, payroll and human resource systems. For example, a payroll staff member will not have access to the human resource entry points unless the access is limited in scope or "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 entry points and fields shall be determined by the employee's supervisor and department supervisor. Each staff member shall have access to their respective entry points and tabs within the TEAMS software based on their position. Security roles will be established and assigned with the specific access to their job duties. 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 Security Administrator(s), regarding the ability to access the restricted entry points and fields.

### **Revoking Access(†)**

Access to data systems are subject to change and/or revocation when changes occur to a staff member's position, duties or responsibilities. Access to data systems are also subject to revocation when a staff member violates the Acceptable Use For Technology Resources Employee User Policy Guidelines.

---

### **Business Staff Training(†)**

Every staff member responsible for budget, payroll, grants management or other business functions will be scheduled to attend at least one training and/or conference opportunity per year.

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

- **Account coding**
- **Payroll and Human Resources Compliance Issues**
- **Benefits Issues**
- **Audit requirements**
- **Legal changes, such as Purchasing**
- **State and Federal Grants Management**
- **Data system (software)**
- **Travel Guidelines**
- **Activity Account Management**
- **Budget Development Process**
- **Cash Management**
- **EDGAR**

Staff members that have attained TASBO certification status will be afforded an opportunity to attend TASBO or a TASBO-approved CEU provider classes within the Dallas Fort Worth area. TASBO classes outside of DFW will be considered on a case by case basis. 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 district's Controller – District Trainer. 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.

The business office shall conduct trainings for campus and department administrative and support staff, as appropriate.

The district's Controller – District Trainer shall be responsible for developing the training calendar and will contact new hires (who are responsible for business functions) throughout the year to perform initial training in the appropriate areas. In addition, the district's Controller – District Trainer will monitor new hires progress throughout their first year and provide additional training as needed.

### **State and Federal Grant Management(†)**

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.

## **Federal Regulations for Federal Grant Awards**

All federal grant funds are subject to the compliance with Administrative (EDGAR) and Programmatic (NSLP, IDEA, etc.) regulations for each federal grant award. Title 34, Code of Federal Regulations (CFR), Parts 75-79, 81 to 86 and 97-99 EDGAR is currently in transition. For awards made prior to 12/26/2014, EDGAR Parts 74 and 80 still apply. For awards made on or after 12/26/2014, 2 CFR Part 200, which includes the substance formerly in parts 74 and 80, applies. For state-administered federal grants, TEA shall notify the district on the Notice of Grant Award (NOGA) of the applicable administrative regulations. The State and Federal Grants Addendum contains guidance for pre- December 26, 2014 federal grant awards. The date of the award to the district (or pass-through entity such as TEA) shall determine the appropriate regulations.

When the district's local policies and/or procedures conflict with the federal regulations, the district shall comply with the more restrictive regulations shall be adhered to in all aspects of federal and state grants management.

Overview of the Education Department General Administrative Regulations (EDGAR). The EDGAR, as amended on December 26, 2014, includes five (5) subparts under 2 CFR Part 200 of EDGAR as noted below:

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

The EDGAR in its entirety can be accessed at: <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>

To ensure consistency with the EDGAR, the district shall utilize the acronyms and definitions included in the EDGAR for general terms related to the management of federal grant funds. Definitions as they pertain to federal grants appear in two places: [34 CFR Part 77 – Definitions That Apply to Department Regulations](#), and The EDGAR in [2 CFR Part 200](#). District employees who deal with federal grants must be familiar with the

definitions in both.

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 Program 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 Program 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 Program 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. District funds all projects with general fund and request a reimbursement from TEA or DOE. If the district request federal funds prior to the project, then the district has three days to move the funds from district bank account to pay for the liability.
- 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 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). Currently grant funded job description are in custody of Interim Superintendent of Curriculum & Federal Programs
- 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 Program 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

## **Program 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.
- Assisting the Human Resources department with determining the payroll distribution code(s) for all grant-funded staff.
- 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 Human Resources 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(†)**



percentages for each special program. The allocated expenditures by program intent code (PIC) shall be used to determine compliance. In the event that estimated allocated expenditures fall below the mandated percentages, the Director of Financial Services 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 33 PK – Special Education
- PIC 34 PK – Compensatory Education
- PIC 35 PK – 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 June 30(for 11&12 month employees) and by August 31(for 10 month employees) of each school year, the Payroll Assistant shall prepare a staff roster report by PIC code that is based on the current payroll distribution codes. The report shall reflect the names of all staff, the role name, job title and current account code distribution percentages by PIC code.

Special Program Administrators shall receive the staff roster report by PIC code for their assigned area of responsibility. The Program Administrator shall compare the staff roster report by PIC code to the current master schedule or other data available to support assigned duties. Each employee will be noted as either 1) same as prior year or 2) indicate new PIC coding percentages.

After approval of the staff roster report by PIC code, the Special Program Administrators shall submit the staff roster report by PIC code to the payroll department no later than the deadline of the third Friday in September of each fiscal year, for the purpose of updating the payroll distribution record(s) of each district employee.

The Director of Business & Financial Services 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 Director of Business & Financial Services.

Human Resources Department shall be responsible to ensure that any changes to staff assignments are submitted to the Payroll & Benefits Specialists within five days of the assignment change.

**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.

These federal grant policies and procedures are applicable to all federal grants awarded to the District. All employees who deal with federal grants must be familiar with them and must fully comply with all requirements contained herein

The attendance and/or contact hour data for funding purposes shall be submitted to TEA through the PEIMS Summer Submission.

The Special Program Administrator with oversight responsibility to certify the Gifted & Talented special program data prior to submission to TEA shall be the Executive Director, Federal Programs.

### **Career and Technical Education (CATE)**

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 Special Program Administrator with oversight responsibility to certify the CTE special program data prior to submission to TEA shall be the Director of Career & Technical Education, Counseling, and Nurses.

### **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 Special Program Administrator with oversight responsibility to certify the Special Education program data prior to submission to TEA shall be the Director, Special Education .

### **901.4 Compensatory Education (SCE)**

The Compensatory Education program must adhere to state law, Texas Education Code (TEC) 29.081 and TEC 42.152. Chapter 29 addresses the programmatic guidelines related to eligibility, "at risk"

identification, and program services. Chapter 42 addresses the funding formula and allowable costs. The SCE program is funded based on the highest six (6) months of free and reduced lunch eligibility students in the prior school year. The Director of Child Nutrition or designee shall provide the monthly counts of free and reduced lunch eligibility to the Director of Business & Financial Services and Controller 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 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.

Financial guidelines related to 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 Special Program Administrator with oversight responsibility to certify the Bilingual and ESL special program data prior to submission to TEA shall be the Director of Bilingual & ESL Education.

#### **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 Director of Business & Financial Services will annually review a staff roster report provided by the Payroll & Benefits Specialist to verify that costs are eligible for HSA funds, and provide any corrections to the Payroll & Benefits Specialist no later than the third Friday in September of each fiscal year.

## **902 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/acronyms>

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 Superintendent shall execute an Organizational Conflict of Interest document to disclose if any conflicts exist in the application, receipt of, or expenditure of Federal grant funds.
2. The District's Program Managers, Assistant Superintendent for Curriculum, Assistant Superintendent of Business & Human Resources and Purchasing shall each execute a Conflict of Interest Form to disclose a real or apparent conflict of interest, as appropriate, related to the selection, award, or administration of a contract supported by a Federal award.
3. No District employee, officer, or agent may participate in the selection, award, or administration

of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, of an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a District contract. A "financial interest" may not be considered substantial if it does not meet the standards found in Texas Local Government Code Chapter 176. Immediate family member shall include a parent, child (including an adopted child) or spouse.

4. **All District employees and Board members are prohibited from soliciting or accepting gratuities, favors, or anything of monetary value from vendors, contractors, potential contractors, parties to subagreements or other parties who are affected by (or have an interest in) a federal grant award. However, the District may establish minimum rules where the gift is an unsolicited item of nominal intrinsic value.**
5. All employees shall comply with the Educators' Code of Ethics (Board Policy DH (Exhibit)), as well as Board Policies BBFB (Prohibited Practices), DH (Employee Standards of Conduct), DBD (Conflicts of Interest), and CBB (Federal Revenue Sources). Violators of the Educators' Code of Ethics and/or Board Policies shall be subject to disciplinary action, including but not limited to, termination of employment with the District.
6. The District's Controller shall be responsible for overseeing and collecting the conflict of interest forms.
7. Upon detection of any fraud, abuse or waste related to federal grant funds, the District shall promptly notify the proper legal authorities and pursue appropriate criminal and/or civil actions. The District shall report the extent of the fraud or violations to the federal granting agency and/or pass-through entity. In addition, the District shall reclassify fraudulent expenditures made with federal grant awards to local district funds, i.e. the General Fund. The appropriate Program Grant Manager shall be responsible for overseeing, reporting and documenting any fraud, abuse or waste of federal grant funds.

District employees who violate any of the above administrative guidelines shall be subject to disciplinary action, up to and including termination of employment with the district. Violations shall be reported to the federal granting agency and/or pass-through entity by the appropriate Program Grant Manager.

**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.

### **902.1 Grant Application Process**

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

Federal entitlement grant funds include, but are not limited to, No Child Left Behind (NCLB), 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/>.

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/>. 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.

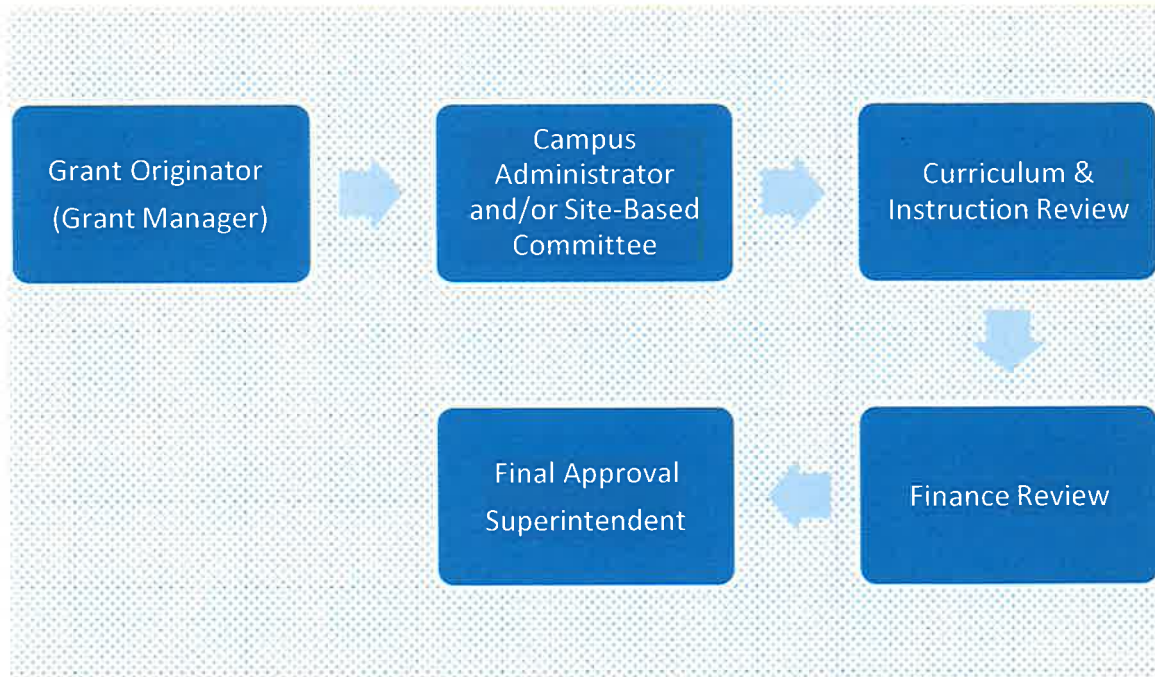
TEA’s Grant Opportunities webpage provides a wealth of information related to available grants such as: <http://tea.state.tx.us/GrantOpportunities>

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

- **General and Fiscal Guidelines**
- **Program Guidelines**
- **Program-Specific Provisions and Assurances**
- **General Provisions and Assurances:** Required for every TEA grant agreement

- **Debarment and Suspension:** Required for all federal grants, regardless of dollar amount
- **Lobbying Certification:** Required for all federal grants greater than \$100,000
- **Sample Application**
- **No Child Left Behind Act of 2001:** Required for all programs funded under the Elementary and Secondary Education Act of 1965, as amended by Public Law 107-110, No Child Left Behind Act of 2001
- **Deadlines and Due Dates for: grant application, amendments and grant reporting.**

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 and curriculum department. In addition, all grant applications that will support student instruction at one or more campuses, must be developed in collaboration with the respective campus principal(s). Specific grant activities to support the academic program at a campus should be reflected in the Campus Improvement Plan.



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

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

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

- Student field trips
- Hosting conferences
- Out-of-state travel

Grants that require matching or in-kind district contributions shall be evaluated for overall impact on the current and future 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 district and the grant application has been submitted to TEA

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

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

### **902.2 General Provisions and Assurances**

General Provisions and Assurances apply to all grants administered by TEA. Additional provisions and assurances may apply to specific grants. The Director of Business & Financial Services 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 purchasing department shall comply with federal law regarding debarment, suspension, ineligibility, and voluntary exclusion.

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

### **902.3 Budgeting Grant Funds**

The grant managers and 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.

Federal grant funds shall be budgeted and available for use no later than 75 days after receipt of the NOGA or from the stamp-in date.

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 Director of Business & Financial Services and Controller 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 between object codes, up to 25% of the grant award, without a formal budget amendment but only 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 TEA. The guidance document is posted on the TEA website at: [http://tea.texas.gov/Finance and Grants/Administering a Grant.aspx](http://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx).

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.

The Program 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 Program Grant Manager shall initiate the amendment process and collaborate with the finance department prior to submission of the grant amendment.

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

#### **902.4 Standards for Financial and Program Management**

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

##### **902.41 Financial Management**

The District’s financial management system, TEAMS Finance 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 five (5) 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 Record Management Officer (RMO) shall be responsible to ensure that all records are retained, stored and accessible, as appropriate.

### **List of Federal Grant Awards**

A list of all federal grant awards shall be maintained to include all EDGAR required data (denoted with an \*) and district-required information listed below: [List of all federal grant awards with the required identification information is included in the Exhibit Section]

- 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.
- Grant manager for each grant
- Subgrants, if any

On at least a monthly basis, the Grant Managers and the Director of Business & Financial Services shall review the status of each federal grant fund. The review shall include a comparison of budget to expenditures.

On a quarterly basis, the Director of Business & Financial Services shall provide the Program Grant Managers with a quarterly reminder of time and effort reporting requirements along with year to date budget and expenditure data for review.

### **902.42 Internal Controls**

The district' internal control procedures over financial management, developed in accordance with the Internal Control Integrated Framework (COSO), shall be made available to all staff involved in the management of federal grant funds. The internal control procedures shall be reviewed on at least an annual basis and updated as appropriate. If any weakness in an internal control is detected, the internal control procedures shall be revised to incorporate the weakness(es) at either the annual review or as the need arises dependent upon the severity (materiality) of the weakness.

A copy of the district's **Internal Control Procedures** are embedded with this manual and available from the business department. The Director of Business & Financial Services shall be responsible for the annual review and update of the Internal Control Procedures.

#### **902.43 Bonds**

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

#### **902.44 Payment**

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

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

The district shall seek reimbursement for federal grant expenditures, rather than using an advanced payment method. Consequently, the district shall prepare and submit a "draw-down" of federal grant funds only after the payments have been made and distributed to the vendor via mail, e-payables or other delivery method. The draw-down of expended funds shall be net of all rebates, refunds, contract settlements, audit recoveries and interest earned, as appropriate. The Director of Business & Financial Services and Controller shall be responsible for preparing the draw-down of federal grant funds. All draw-downs shall be posted to a cash account upon receipt of the reimbursement.

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

The Program Grant Manager over each federal grant award shall ensure that requirements for cost sharing and/or matching funds are approved through the grant approval process prior to the submission of the grant. At a minimum, the Assistant Superintendent of Business/Finance & Human Resources, must approve the commitment of all cost sharing and matching grant funds.

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

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

#### **902.46 Program Income**

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

#### **902.47 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 Program Grant Manager shall notify the appropriate departments, such as Purchasing, Human Resources, Finance, Payroll, etc. of the grant periods for each federal grant award to ensure compliance as 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 Program 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 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%

**902.5 Procurement Standards/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.

**902.51 General Procurement Standards**

When Federal funds are used for procurement, the following shall apply:

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). **The district purchasing procedures shall comply with all federal, state and local procurement requirements.**

The Purchasing Director 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 provides the services and/or goods, as appropriate
- Ensure that all contract and vendor disputes are resolved in the most advantageous manner
- 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

The district shall complete a review of the procurement system on at least a bi-annual basis to self-certify that the procurement system is efficient and effective. The Purchasing Director shall oversee the completion of the self-certification. The results of the certification shall be distributed to all grant management staff. If deficiencies are noted, the Purchasing Director shall develop a Corrective Action Plan to remedy the deficiencies, as appropriate.

## **902.52 Vendor Competition**

When Federal funds are used for procurement, the following shall apply:

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

### Vendor Selection Criteria

The district has selected vendor qualification criteria that includes, but is not limited to, the following:

- As required for consideration by Texas Statutes and Codes and EDGAR when federal funds are expended on the contract sought.

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

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

A vendor database shall be maintained by the Purchasing Department. Vendor selection shall include the following criteria:

- Has not been debarred or suspended from contracting under federal grants over when required by law. Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement for goods or services equal to or in excess

of \$25,000. Contractors receiving individual awards for \$25,000 or more and all sub-recipients must certify that the organization and its principals are not suspended or debarred.

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

- Vendor file is maintained in TEAMS
- Form W-9
- Conflict of Interest Questionnaire when a conflict exists-vendors self-reporting per Texas law
- Felony Conviction Notice – if awarded under a bid or RFP by the District. If using a cooperative contract, the cooperative maintains the notice for the bid or RFP.
- Texas Education code §22 Fingerprinting when applicable (Form is not maintained but the information is available for District review in the FAST system)
- As applicable, contract provisions as prescribed by EDGAR, debarment certification

When a bid or request for proposals is issued, the district shall develop written bid/proposal specifications that are available to every qualified vendor to ensure consistency in the procurement process. At no time shall the district allow a specific vendor to develop the bid/proposal specifications as this may provide a barrier to open, competition among the qualified vendors. The District may consult the industry to gather information regarding what features that are commonplace in the market for a particular good to aid in the development of reasonable specifications. The bid/proposal documents must include guidance to vendors regarding the following:

- Time, date and place of bid/proposal opening
- Written specifications and addendums, as appropriate
- List of all bid/proposal required documents as required by statute or regulation
- Bid/Proposal evaluation criteria, including the weights, as required by law

The Purchasing Director shall oversee all bid/proposal documents before release to the vendor to ensure the documents comply with the federal requirements.

### **902.53 Procurement Methods**

When Federal funds are used for procurement, the follow shall apply:

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 purchasing department may utilize cooperative purchasing methods as permitted by law**

The procurement method shall be determined based on the type of goods or services to be purchased

with federal grant funds. The Purchasing Director or designee shall be responsible for selecting the appropriate procurement method for each procurement.

### **Micro-Purchase Procedures**

The **Procurement by Micro-purchase** may be the most frequently used method due to the frequent purchase of goods or services that are 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 is not required to 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. When non-competitive processes are used for micro-purchases, the Purchasing Department shall distribute micro-purchases equitably among qualified vendors except when utilizing cooperative contracts that have already been competitively procured.

### **Small Purchase Procedures**

The **Procurement by Small Purchase Procedures** shall be used by the district when the purchase of goods or services are greater than \$3000, but do not exceed \$50,000. The purchasing department shall require written, either directly from the vendor or documented verbal quotations on a written form, or emailed or faxed quotations from at least three (3) qualified vendors, if available, for all purchases in this category, i.e. purchases that do not exceed \$50,000 unless the purchase is through a cooperative contract that has already been competed through a bid or Request for Proposal process. The district shall strive to obtain small purchases from qualified vendors under a Cooperative Purchasing Program or an awarded District RFP. The district is currently participating in several cooperative purchasing programs.

### **Sealed Bid Procedures**

The **Procurement by Sealed Bids** method may 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 through public publication and sending notices to HUB companies if on the CMBL or list cited in the EDGAR and companies registered in the District's vendor registration software when available.
- Bids must be publicly advertised and bidders shall be provided an adequate amount of time to prepare and submit their bid.
  - The district shall publicly advertise all bids in accordance with state law, i.e. at least two (2) times in two separate weeks
  - The district shall provide no less than ten (10) days for bidders to prepare and submit their bids from the first published date
- Proposals shall be solicited from an adequate number of proposers through public publication and sending notices to HUB companies if on the TEXAS CMBL or list cited in the EDGAR and companies registered in the District's vendor registration software when available.
- 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 when required by local policy.
  - 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

**Competitive Proposal Procedures**

The **Procurement by Competitive Proposal** method may 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 proposal requirements, as defined by the EDGAR, as noted below:

- Requests for Proposals (RFP) must be publicly advertised as required by Texas law
  - 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 from the first published date.
- The RFP shall identify the evaluation factors and their weight, if applicable, in awarding the proposal.
- Proposals shall be solicited from an adequate number of proposers through public publication and sending notices to HUB companies if on the TEXAS CMBL or list cited in the EDGAR and companies registered in the District’s vendor registration software when available.
- Proposals shall be evaluated, ranked and a recommendation for award made to the School Board at a regularly scheduled board meeting when required by local policy
  - The District shall evaluate, negotiate and award according to the prescribed method in the Texas Education code § 44, unless it conflicts with EDGAR, at which time the EDGAR rules shall control.

**Noncompetitive Proposal Procedures**

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

- The goods or services are only available from a single source
- 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. Work with the Purchasing Director for the cost or price analysis process. Secondly, for construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, shall comply with federal and State of Texas 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 of Business & Human Resources shall be responsible to ensure that all purchases above this threshold are guaranteed with the appropriate bid guarantee, performance bond and payment bond.

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

### **902.6 Property Standards**

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

with federal grant funds shall be acquired if specifically required by a federal grant award. The Assistant Superintendent of Business shall oversee the acquisition of insurance for all federally funded property.

### Real Property

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

### Equipment and Supplies

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 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. The District staff is notified of the purchasing deadlines each spring.

### Capitalization Policy and Definitions

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

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

- Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.
- *Supplies* means all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. (CFR 200.94)

### **Acquisition Cost**

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

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

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

Future implementation plan. 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
- Kindle/Nook
- Computers with a cost under \$1,000
- Calculators

### **902.61 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) Life of asset
- 9) Location of asset
- 10) Depreciation of asset
- 11) 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 inventory every two years (or more frequently if required by a granting agency) of all assets and reconciliation of the inventory reports. The district's inventory of assets shall be conducted by the Technology Department. 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 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 Director of Purchasing shall be responsible for maintaining the fixed asset database of all district assets, including all federally-funded assets.

### **902.7 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** 2 CFR 200.404
- 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. Reasonable means that sound business practices were followed, and purchases were

- comparable to current market prices.
- Necessary is defined as costs needed to carry out the grant activities or program
- **Be allocable** to Federal awards if the goods or services involved are chargeable and assignable to the federal award in accordance with the relative benefits [2 CFR 200.405](#)
- **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 District (or 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 another Federal award as an indirect cost.
- Except as otherwise provided for in EDGAR 2 CFR Part 200, be determined in accordance with generally accepted accounting principles (GAAP).
- 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.** [2 CFR 200.406](#)
- **Be adequately documented** with original source documentation.

The appropriate Grant Manager shall be responsible for verification that all proposed obligations and expenditures meet the Cost Principles.

The **total cost** of a federal award is the sum of allowable direct and allocable indirect costs less any applicable credits. All refunds, rebates, discounts or other credits to grant expenditures shall be posted to the finance general ledger as soon as the credit is known. The district shall ensure that all known credits have been posted to the general ledger prior to the drawdown on federal grant reimbursements. The Controller shall ensure that all applicable credits have been posted to the general ledger prior to preparing and submitting a federal grant draw-down request from the granting or pass-through entity.

All district costs with federal grant 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.**

#### **Selected Items of Costs**

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

for both compensation/benefits and non-compensation expenditures.

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

Item of Cost	Citation of Allowability Rule
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451

Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458
Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs (TEA restricts to actual costs, not per diem)	2 CFR § 200.474
Trustees	2 CFR § 200.475

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

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

Most federal programs also contain the supplement, not supplant requirements. In general, this means that the District cannot use federal grant funds to pay for a cost or activity that is usually supported by

state or local funds.

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

- ✓ reasonable in cost (as described above)
- ✓ necessary to accomplish the objectives of the grant program (as described above)
- ✓ based on an identified need, concern, or area of weakness within the grant program
- ✓ appropriate under the authorizing program statute
- ✓ consistent with the underlying needs of the program in that it benefits the intended population of students or teachers for which the funds are appropriated
- ✓ allocable to the grant based on the relative benefits received (as described above)
- ✓ authorized or not prohibited under state or local laws or regulations
- ✓ consistent with policies, regulations, and procedures that apply to all activities, including other grants and state and local activities
- ✓ treated consistently as either a direct cost or as an indirect cost
- ✓ determined in accordance with GAAP
- ✓ not used to meet cost sharing or matching requirements of another federal grant (unless specifically permitted in the other program statute or regulations)
- ✓ consistent with the terms and conditions of the grant award
- ✓ budgeted in the approved grant application
- ✓ adequately documented with appropriate supporting original source documentation
- ✓ the net of any applicable credits such as rebates or discounts
- ✓ allowable under the federal cost principles
- ✓ in most cases, supplemental to the core foundation program of the school and to other activities normally conducted by the school (i.e., supplement, not supplant)
- ✓ if the school is a Title I schoolwide program, the grant program's activities and applicable costs must be included in the schoolwide plan, the school must have conducted a comprehensive needs assessment, and the plan must contain the required components specified in statute (see Title I, Part A, §1114[b]).
- ✓ The net of all applicable credits. The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments, erroneous charges, such as credits. To the extent that such credits accruing to or received by the District relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. 2 CFR § 200.406.

***Treatment of miles, points, or awards accrued for travel: Any miles, points, credits, or awards accrued or earned for employee travel using a district-issued credit card (where the credit card bill is paid directly by the District) are the property of the District and will be used for employees travelling on behalf of the District to reduce the overall cost to the District. Any such miles, points, credits, or awards accrued will not be used for personal travel.***

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

**902.71 Compensation & Benefits – Employee (Payroll Expenditures)** Compensation and benefits (payroll expenditures) are allowable costs for personal services rendered by district employees during the period of performance under the federal grants.

### **Compensation Costs**

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

- The costs are reasonable for the services rendered and conforms to the established district compensation and benefit plans for expenditures with all other funds, i.e. local funds,
- The employees have been employed in accordance with the district's established **Hiring Procedures**, and
- The costs are supported by the appropriate timekeeping, absence tracking, time & effort certifications or other documentation, as appropriate,
- Federally-funded employees shall report all outside employment or professional services rendered to other entities. The external employment and/or professional services shall not conflict with the federally-funded activities with the district,
- Incentive compensation, such as stipends, awards, early resignation incentive, attendance incentive, etc. in accordance with the district's written plans for each of these incentives,
- Stipend compensation for other non-federal grant award duties shall be supported by a **Supplemental Duties Job Description/Pay Notice**. The additional duties shall not conflict with the federally-funded activities with the district.

### **Benefit Costs**

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

- All benefit costs shall be in accordance with the district's **Compensation and Benefits** as defined in the Employee Handbook.
- All leave benefits shall be in accordance with the district's written **Leaves and Absences Policy (DEC Local)**
- The benefit costs shall be distributed equitably at the same allocation rate (percentage) as the

- base compensation
- The benefit costs were earned and paid during the grant period
- All benefit costs shall be allowable under the Internal Revenue Service, Fringe Benefits Guide (as subjected to taxes, as required by federal statute)

**Documentation of Compensation and Benefit Costs**

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

- **Exempt staff**
  - Employment agreement, contract, or reasonable assurance, as appropriate
  - Job description signed by the employee with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet state standards.*
  - *Supplemental duties, if any, shall be supported by a **Supplemental Duties Job Description/Pay Notice***
  - Absence records, if any
  - Time and Effort documentation, as appropriate (Semi-Annual Certification, Periodic Time and Effort, or the Substitute System for Time and Effort)
  
- **Non-Exempt staff**
  - Employment agreement, contract, or reasonable assurance, as appropriate
  - Job description signed by the employee with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet state standards.*
  - Absence records, if any
  - Time and Effort documentation, as appropriate (Semi-Annual Certification, Periodic Time and Effort, or the Substitute System for Time and Effort),
  - Timekeeping records (actual work hours per workweek) in accordance with the FLSA and the district’s *Timekeeping Procedures*.

The Grant Manager 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.

**902.72 Selection of Grant-Funded Staff**

The Grants Manager shall work collaboratively with the appropriate stakeholders (campuses and departments) to identify all staff needed to accomplish the grant activities. The Grant Manager shall work collaboratively with the Finance Department to obtain estimated salaries for proposed grant- funded staff prior to the completion of the grant application. And, the Grant Manager shall provide a copy of the Payroll Summary of each grant program to each of the campuses and departments noted above upon approval of the grant application.

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 [Purchasing, Budgeting, Accounting and Payroll] departments. Each campus and/or department plays an essential role in ensuring that all federal grant requirements are met.

The School Board approved Teacher Hiring and Mid-Point Pay Scale shall be used to compensate all district staff whether paid from local, state or federal grant funds. In addition, the district shall provide the same employer-provided benefits for all district staff whether paid from local, state or federal grant funds.

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

Incentive payments, such as performance, perfect attendance, safety, etc. for grant-funded staff shall be allowable with federal grant funds if they are based on the same criteria as non-federal grant funded staff.

### **New Positions**

New grant-funded positions shall be created only when a job description has been developed and approved by the Human Resources and the Grant Manager. The Grant 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.

### **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. The Grants 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 Finance department shall review the request to ensure that adequate funds exist in the appropriate account code(s). If funds do not exist, the Finance Department shall notify the Grants Manager to determine if funds will be re-appropriated to the account code(s). After approval from the Grants Manager and Finance department, 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.]

### **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 exists 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.

### **Substitute Teachers**

Salary expenditures for a 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).The School-Board approved substitute pay scale shall be used to compensation all substitute teachers whether paid from local, state or federal grant funds.

### **Stipends and Extra Duty Pay**

Stipend and extra duty pay expenditures are allowable for authorized and approved activities. A schedule, work log or other appropriate documentation (as approved by the Grant Manager) shall be maintained to substantiate the stipend and/or extra duty pay. The School-Board approved ***Stipend and Extra Duty Pay Schedule*** shall be used whether paid from local, state or federal grant funds.

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 should be \$100 per day, too.

## **902.73 Time and Effort Documentation**

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

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

### **Job description for all grant funded staff**

Each employee must have a current job description on file. 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 all programs and funding sources, and the job duties as they relate to the grant position.

The grant-funded staff shall sign the job description at employment and on an annual basis, or at a minimum, when the funding source, job title or other change occurs in the employment or assignment of the staff member.

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

### **Roster of all grant funded staff**

The Grant Manager 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 roster of grant funded staff shall include all staff paid with non-federal grant funds whose compensation/benefits are paid as part of a matching or cost sharing requirement of a federal grant fund.

The 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 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 quarterly 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.

#### 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 Grant Manager shall ensure that the Grant Personnel Schedule of the grant application matches the budget and payroll account code(s).

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.

#### **Time and Effort Procedures**

Time-and-effort records must be maintained contemporaneously (as the work occurs); recommended daily) and must contain the following three elements:

- the activity (a brief description of what the employee did)
- time frame (the amount of time it took the employee to do it, and
- funding source/program or other cost objective (the funding source/program/cost objective if will be charged to.

Time-and-effort records must also:

- Be executed after or as the work is completed, and not before
- Account for the total activities of the employee (100% of their time), including employees working part-time schedules or overtime
- Specify the reporting period
- Be signed and dated by the employee

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

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

- Semi-annual certification (for employees who work 100% of the time on a single program and/or cost objective (except for programs covered under Ed-Flex [as long as Texas remains an Ed-Flex state], in which case a signed and dated job description must be in the employee's personnel file); also see exception for schoolwide programs below)
- Time-and-effort records (for employees working on more than one program and/or multiple cost objectives)
- Substitute system

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

### **Semi-Annual Certification**

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

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

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

The semi-annual certification must

- be executed after the work has been completed, and not before
- state that the employee worked solely (i.e., 100% of the time) on activities related to one particular grant program or single cost objective

- identify the grant program or cost objective
- specify the 6-month reporting period
- be signed and dated by the employee and a supervisor with first-hand knowledge of the work performed

The Grant 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
- 2) Collect and review all Semi-Annual Certification Forms. Any certifications that reflect a percentage other than 100% shall be forwarded to the finance department for adjustment of the grant payroll expenditures for the certification period.
- 3) The Grant Manager shall file the certifications for audit purposes.

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

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

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

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

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

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

Examples of employees who work on multiple cost objectives:

- An employee who works partially on administering programs included in NCLB consolidated

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

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

These employees are required to maintain a ***Time and Effort Worksheet*** or to account for their time under a substitute system. Employees must prepare time and effort reports at least monthly to coincide with the district 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.

Grant-funded staff under this category shall complete a Time and Effort Worksheet 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.

The immediate supervisor shall submit all signed time and effort reports to the Grant Manager. The Grant Manager review shall consist of 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 (or semi-monthly) payroll charges
- 2) If the time and effort report reflects the same percentage, the report may be filed for audit purposes
- 3) 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 finance department for adjustment of the payroll charges on the general ledger.

The finance department shall prepare a journal entry to reclassify the expenditures as noted on the reconciliation of the time and effort report(s). According to federal regulations, the final amount charged to each grant award must be accurate, allowable and properly allocated. The finance department shall post variances to the general ledger.

## **Substitute Systems in Lieu of Time-and-Effort Reports**

The US Department of Education (USDE) and the Texas Education Agency (TEA) have authorized the use of a substitute system for time and effort. Refer to 2 CFR § 200.430(i)(5) for detailed requirements. The substitute system must be approved by TEA. In the event that the district determines that it is in its best interest to use the Time and Effort Substitute System, the Management Certification shall be completed, signed by the Superintendent 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.

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

### **Daily Class Schedules**

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

## **902.74 Non-Payroll Expenditures**

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

The grants manager with approval authority for each federal grant is listed in Exhibit #902.9.

### **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.

### **Selected Items of Cost – Professional Services**

## **902.75 Contracts and Professional Services with GrantFunds**

The district's **Contract Management Procedures (Exhibit Section)** shall be adhered to in procuring, evaluating, selecting and awarding contracts. The vendor shall complete the Vendor Application Package to include, at a minimum, the following documents:

- Vendor application
- 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 Grant Manager and Purchasing Department shall review and approve all consultant services agreements for compliance with federal regulations regarding professional service costs (2 CFR 200.459).

The Grant Manager and Purchasing Department review shall consist of the following:

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

The purchasing department shall review and approve all contracts. The review shall consist of confirming compliance with the district's **Contract Management Procedures** and any other requirements specific to the contract and/or federal grants.

The final approval authority for all contracts shall be based upon the signature authority designations approved by the Superintendent, 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.

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

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

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

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

Additional district contract provisions shall include:

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

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

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

The Grant Manager 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

In an effort to meet all obligation and liquidation requirements of grant funds, the following purchase order deadlines shall be adhered to by all purchase order originators.

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

- 1) Invoice amount exceeds the purchase order by \$50 or more.
- 2) Payment of an invoice will be paid by an account code(s) other than the original account code(s) that were used to encumber the purchase order
- 3) Travel expenditures, if not encumbered through the purchase order system
- 4) Non-purchase order payment such as petty cash, credit card, direct invoice, reimbursement, etc.
- 5) Reclassification of a prior expenditure from one account code(s) to another

All finance department staff (finance & accounting system 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.

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

The district may use district-issued credit cards to make purchases with federal grant funds. An original,

detailed receipt shall be required for all credit 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 credit cards be used to withdraw cash. Director of Financial Services maintains control over the credit card by enforcing credit card procedure, substantiate of receipts, minimize monthly spend limit to \$500, unless employee is on official government travel or with Cabinet Leadership approval, adding merchant ID to the restrict vendor list via the banks website, and regular review of credit card statements.

The Grant Manager shall review and approve all credit card expenditures of all district employees (i.e. teachers, para-professional, principals, directors, and cabinet) who have a credit card and funds are federally received.

The Grant Manager 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 credit card purchase meets the allowable costs principles.

The district shall not reimburse any purchases made with a non-district credit card, except for travel-related expenditures, as appropriate.

Fraudulent credit cards 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.]**

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

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

#### **902.77 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.

---

**Note:** For guidance regarding employee expense reimbursement, including per diem reimbursement, and income tax issues, see the *TEA Financial Accountability System Resource Guide*, Section 1.9.2.2 Employee/Board Member Travel and Business Expenses.

---

#### **TRAVEL SERVICES**

An employee of a district who is engaged in official business may participate in the comptroller's contract for travel services. *Gov't Code 2171.055(f)*

PRIOR-APPROVAL REQUIRED	An employee shall be reimbursed for reasonable, allowable expenses incurred in carrying out District business only with the prior approval of the employee's immediate supervisor.
TRAVEL EXPENSES	Reimbursement for authorized travel shall be in accordance with legal requirements.  Accounting records shall accurately reflect that no state or federal funds were used to reimburse travel expenses beyond those authorized for state employees.
DOCUMENTATION REQUIRED	For any authorized expense incurred, the employee shall submit receipts, documenting actual expenses and in accordance with administrative procedures.

Travel request and Expense documents must be prior approved and submitted into district financial accounting system. All travelers must provide documentation with estimate cost before the trip is approved by program and fiscal officer. Upon completion of the trip all travellers must provide actual receipts documenting the expenses. Travel expense must be submitted to finance within 5 business day from your return date of travel.

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 for district employees and students. Non-overnight travel meals expenses shall not be allowed. The district shall reimburse meal expenses, subject to the GSA limits, on an *accountable* per diem basis only. The traveler shall submit a travel request with the actual meal costs for work-related meals. Upon completion of travel, the traveler has 5 business days to submit expense document to finance. 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 which indicate a zero balance or final bill has been paid. Recreational or personal services such as gyms, spas, etc. shall not be allowed with grant funds. A State Tax Exempt form will cover State tax only.
- **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 district shall not allow any "family-friendly" travel expenditures, such as dependent care travel costs, with federal grant funds.

Temporary Dependent Care Costs: Pursuant to the provisions in 2 CFR § 200.474(c), the District may reimburse an employee on travel status for temporary dependent care costs above and beyond regular dependent care that directly results from travel to conferences. Such travel is allowable provided that all of the following conditions are met:

1. The costs are a direct result of the individual's travel for the federal grant.
2. The costs are consistent with the District's documented travel policy for all District travel regardless of funding source of the employee or of the travel.
3. The dependent care costs are only temporary during the travel period.

Travel costs for dependents are unallowable.

The District does not reimburse employees for temporary dependent care costs.

Documentation that Travel Costs are Reasonable and Justifiable: Additionally, costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be deemed by the District to be reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations as the result of its written travel policy.

Pursuant to the requirements in 2 CFR § 200.474(b), documentation must be maintained that justifies that (1) participation of the particular individual is necessary to the federal award; and (2) the costs are reasonable and consistent with the District's established policy.

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

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

The Grant Manager review shall consist of the following:

1. All original, detailed receipts include an itemized list of what was purchased
2. The traveler has documented a valid reason for the travel which is consistent with the grant guidelines and purpose
3. The travel expenditures meet the allowable cost time and 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 purpose

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)

## **902.78 Preparing Expenditure Reports & Draw Down of Funds**

### **902.41 Draw-down of Grant Funds**

The district shall on at least a monthly basis and no less than 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. The district shall submit a draw-down of federal grant funds only when the following has occurred:

- The expenditure has been made as evidenced by distribution of a paycheck to a grant funded staff member or mailing, e-paying, or delivering a payment to a vendor.

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 Director of Business & Financial Services. A detailed 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 the district has funds available for draw down, a summary ledger should be generated and forwarded to the Grant Manager for their review and approval.

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 Grant Manager review shall consist of the following:

- 1) A review of the reimbursement request, including the GL budget balance and YTD expenditures.
- 2) Monitor the percentage of expenditures-to-date to ensure that the grant funds are expended on a timely basis throughout the grant period. [NOTE: TEA may disallow grant fund expenditures that appear to be made outside of the grant period or so late in the grant period that the district and its student did not benefit from the delayed expenditure. Upon approval from the Grants Manager, finance shall prepare the paper or electronic draw-down request. At year end, a receivable shall be recorded on the general ledger and a copy of all supporting documentation such as the detailed general ledger, approval from the grant management department, and other supporting documentation shall be filed for audit purposes. The Controller shall prepare and enter the receivable journal ledger entry and shall post the to the finance general ledger.

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, Controller shall respond to the request within the allotted time to avoid designation as a “high risk” grantee.

The Controller 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.

Federal regulations (CFR 200.415) requires that the district certify the accuracy of the annual and fiscal reports or vouchers requesting payments be signed by the authorized individual(s). The Grant Manager and Director of Business & Financial Services shall jointly certify every draw-down of funds, including the final expenditure report (draw-down of funds) as noted below:

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

If a final drawdown deadline is missed, the Controller 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.]

The receivable from the granting agency shall be recorded in the general ledger. 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.]

### **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.

The district shall record all grant fund receipts upon receipt from the granting agency. The receipt of grant funds shall be posted to the general ledger to the appropriate account code. In the event that the grant funds received do not match the draw-down of funds report, the Controller 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 Controller shall prepare the adjusting journal ledger entry and post the entry to the finance general ledger.

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

### **Tracking and Recording Receivables**

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 Controller shall prepare the journal ledger entry and post the entry to the finance general ledger.

### **902.8 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.

#### **902.81 Supplement, Not Supplant**

The term —supplement, not supplant is that federal funds are not meant to substitute for state or local funds, but rather provide for an additional layer of support for students who need extra academic assistance in order to succeed in school. Districts must demonstrate that federal funds are used to purchase additional academic and support services, staff, programs, or materials the state or district would not normally provide. The term —supplement, not supplant is a provision common to many federal statutes authorizing education grant programs. There is no single supplement, not supplant provision. Rather, the wording of the provision varies depending on the statute that contains it.

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



The district process to ensure that all grant funded activities are supplemental shall be a collaborative effort between the grants management, finance, and purchasing departments.

The Grants Manager shall review and approve all purchase orders (and non-purchase order payments). The Grant Manager 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.
- 4) State and local funds may not be diverted for other purposes due to availability if federal funds

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

### **902.82 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 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 annual deadline.

In completing the CAD and CCF, the finance department 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 Superintendent 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 accounting and grants management departments shall work collaboratively to address the non-compliance. In addition, the district shall adjust the budgets as appropriate until the district is in compliance with the comparability requirement.

### **902.83 Indirect Cost**

Grantees must have a current, approved federal indirect cost rate to charge indirect costs to the grant. Those specified costs may not be charged as direct costs to the grant under any circumstances. Indirect Cost Rate Handbook

The district has applied for an Indirect Cost Rate extension through the pass-through entity (TEA) for a 4-year period, from July 1, 2015 to June 30, 2019. 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 Director of Business & Financial Services 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.

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, Controller, shall prepare a general ledger entry for the indirect costs. The Controller shall post the entry to the finance general ledger.

### **902.84 Maintenance of Effort**

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

#### **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 accounting department, Controller & Director of Business & Financial Services, 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.

### **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 accounting department, Controller & Director of Business & Financial Services, 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.

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

As part of the IDEA-B grant application process, the Grant Manager will need to know the prior year Special Education expenditures and the next fiscal year budgeted Special Education Expenditures. The finance department, Controller & Director of Business & Financial Services, shall provide these amounts to the Grants Manager not later than April 1 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, Controller and Director of Business/Financial Services, shall be submitted to the Grant Manager, as appropriate.

## **902.85 Reporting Requirements**

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

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

- 1) Programmatic reports such as activity, progress and evaluations – Grant Managers
- 2) Expenditure reports such as interim, draw down and final expenditure reports –Accounting department, Accounting Supervisor
- 3) Compliance reports such as Comparability, Maintenance of Effort, Indirect Cost, etc. – Accounting department, Controller and Director of Financial Services
- 4) Highly Qualified Staff reports – Human Resources department, Certification Officer

The Grant Manager(s) shall monitor the overall master list to ensure that all reporting requirements have been completed by the appropriate department.

### **902.86 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 Grant Manager for each federal grant shall be responsible for the programmatic and evaluation compliance and the Controller and Director of Financial Services shall be responsible for the financial compliance. The use of “Grant Manager” throughout this document shall refer to the specific Grant Manager by federal grant as listed on Exhibit 902.9.

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

- Cost overruns or high unit costs
- Construction projects – certification of project completeness

- Significant developments that may result in an inability to complete the grant activities

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 Plan 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.

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

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

#### **Grant Closeout Procedures**

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

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

### **902.9 Grant Awards**

#### **List of Grant Awards (including Grant Manager, grant funding source, grant period, and grant amount]**

Grant Title/#	CFDA #	Grant Period	Amount	Grant Manager
Title I, Part A	84.010A	07/31/2015 08/30/2016	\$1,853,657	Dr. C. Ensley
Title II, Part A	84.367A	07/31/2015 08/30/2016	\$105,734	Dr. C. Ensley
Title III, Part A-LEP	84.365A	07/31/2015 08/30/2016	\$67,167	Dr. C. Ensley
IDEA-B, Formula	84.027	07/31/2015 08/30/2016	\$2,084,683	Mrs. A. Hickman
IDEA-B, Preschool	84.173	07/31/2015 08/30/2016	\$22,585	Mrs. A. Hickman
IDEA-B Disc-Res	84.017	07/31/2015 08/30/2016	\$26,471	Mrs. A. Hickman
Carl D. Perkins	84.048	07/01/2015 06/30/2016	\$105,548	Dr. Tolbert
Pre-K	79.06	06/01/2016 10/31/2017	\$150,300	Dr. G. Lemonier
Pre-K	79.05	06/01/2016 10/31/2017	\$152,162	Dr. G. Lemonier
Gear-UP	84.334A	07/31/2015 08/30/2016	\$1,125,428	Mr. A. Rhyne
i3	84.03	07/31/2015 08/30/2016	\$955,554	Mrs. D. Blackburn
Educate Texas	Local Grant	07/31/2015 08/30/2016	\$25,000	Mrs. Pugh
Project Lead The Way	Local Grant	06/01/2016 5/31/2017	\$10,000	Mr. Hayward
Success Maker	Local Grant	06/01/2016 6/30/2017	\$67,500	Dr. A. Reed
Child Nutrition	Special Revenue	07/01/2015 6/30/2016	\$5,693,925	Finance

**TEA Grant Opportunities:** [The following resources are available online for each grant program]

- General and Fiscal Guidelines
- Program Guidelines
- Program-Specific Provisions and Assurances

### Forms, Exhibits & Procedures

Forms/Exhibits	link
Confidentiality Agreement	See Appendix
Acceptable Use for Technology Resources	Pending
Travel	<a href="#">Travel Guidelines</a>
Conflict of Interest Form	See Appendix
TEA Conflict of Interest Disclosure	<a href="#">EDGAR Conflict of Interest Form</a>
Delegation of School District Signature Authority	<a href="#">Purchasing Procedures Manual (Superintendent or Designee)</a>
Facility Use and Guidelines Forms	<a href="#">Facility Use Guidelines</a>

Activity Account Manual	<a href="#">Activity Account Manual</a>
Booster Organization Guidelines	<a href="#">Booster Organization Guidelines</a>
Accounting Process and Internal Control	<a href="#">Internal Controls</a>
Cash Handling Procedures	<a href="#">Cash Handling</a>
American Express/Comerica Master Card- Purchase Card	<a href="#">Procurement Cards</a>

**Forms, Exhibits & Procedures**

**Drawdown Procedure**

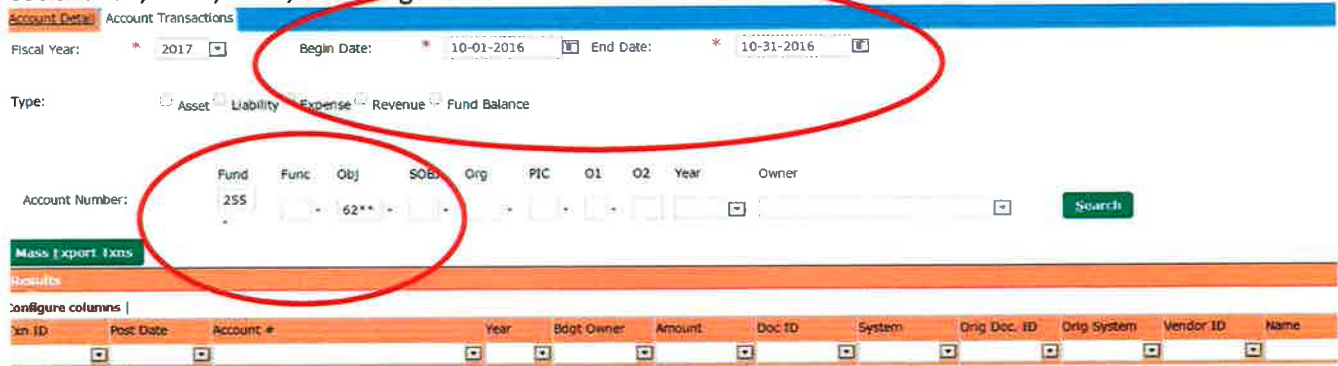
Step 1: Identify the Fund (i.e. 2\*\*)



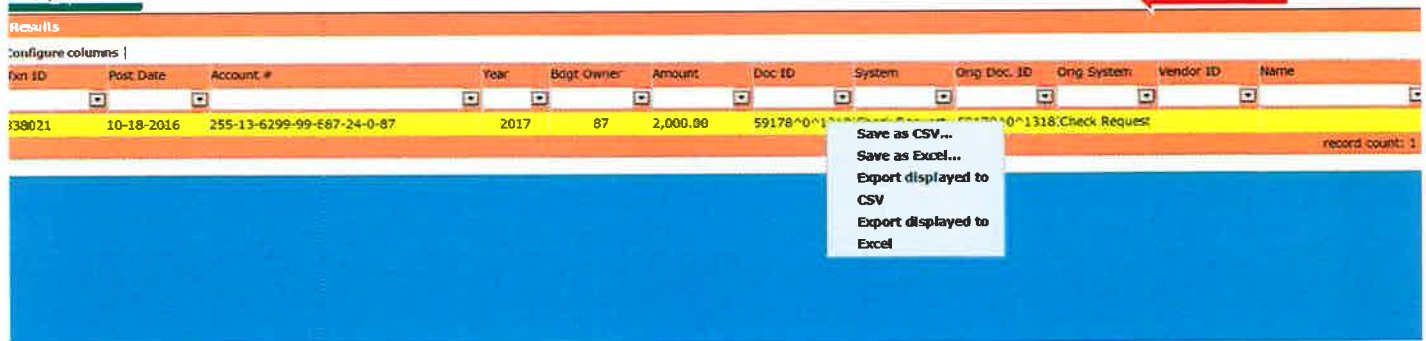
Step 2: Pull transactions for timeframe needed. Start by going into the TEAMS search bar and type in MY ACCOUNTS and click on it.



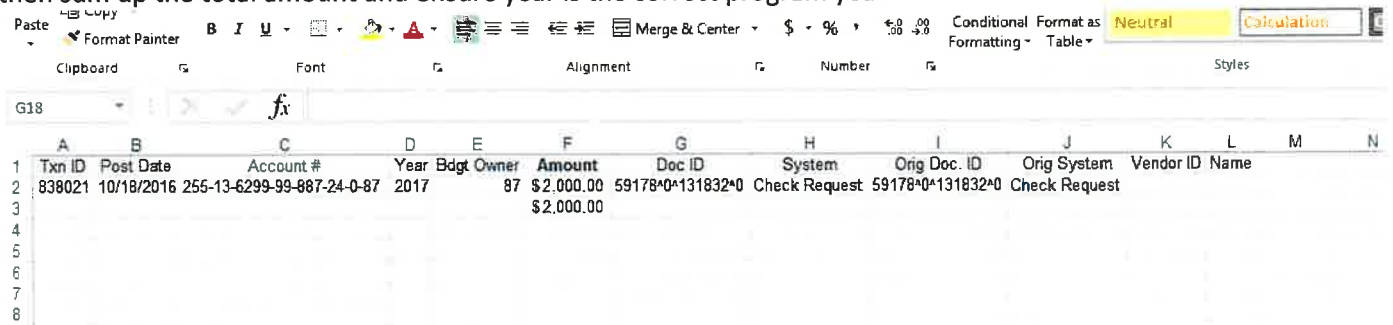
Step 3: Enter the Date range, Fund and Object code and then click search. Repeat the process for each object code. 6100, 6200, 6300, 6400 to generate the Account Transaction Report



Step 4: Convert the Account Transaction Report transactions into an Excel spreadsheet



Step 5: Filter and sort the dates and account transactions on the spreadsheet. Take out any zero amounts and then sum up the total amount and ensure year is the correct program year



Step 6: Take the total amount and enter it into the Fund Expenditure Report. Each month you just add on to the balance to keep a TO DATE Revenue balance.

DESOTO INDEPENDENT SCHOOL DISTRICT

Report for the Period Ending 10/31/16  
NOGA ID #16694501057906 Fund 255

NOTES: (1) Indirect Costs -0-

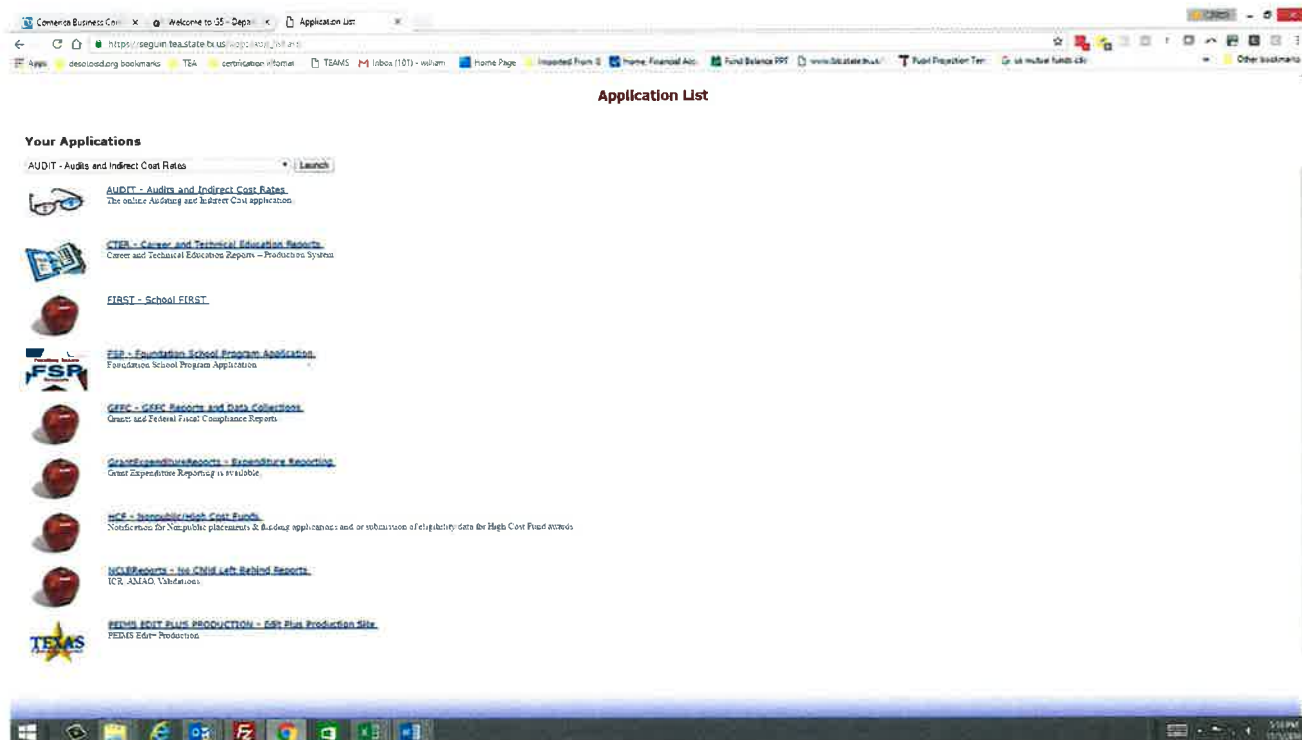
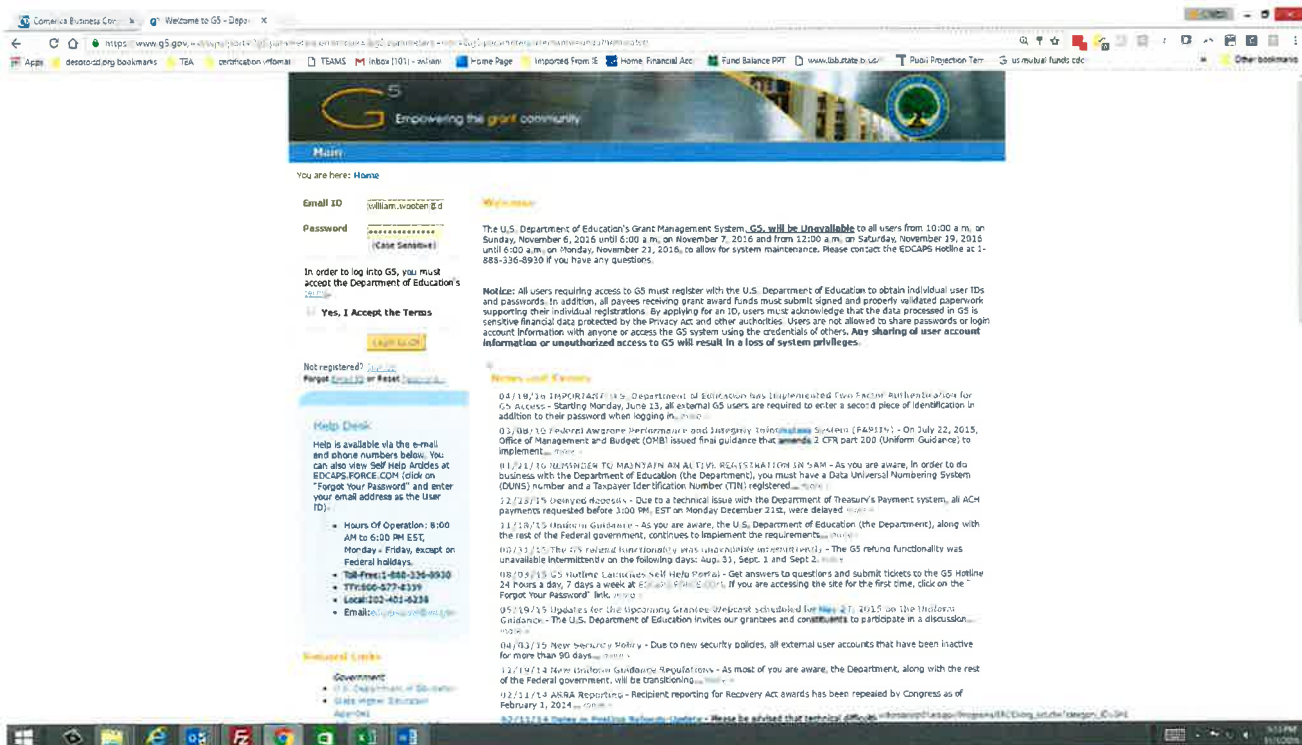
(1) Period: 07/01/15 - 9/30/16

Report Period: 07/01/16 - 09/30/17

	BUDGET ESEA TITLE I - A 255	EXPEND/ REVENUE TO DATE	ENDING BALANCE	%-age of LINE BUDGET SPENT	%-age of TOTAL BUDGET SPENT
1 Payroll	6100 40,819.00	-	40,819.00	0%	0.00%
2 Contracts	6200 43,477.00	2,000.00	41,477.00	1%	1.94%
3 Supplies/Mat.	6300 5,710.00	0.00	5,710.00	0%	0.00%
4 Other Op. Exp.	6400 12,956.00	0.00	12,956.00	0.00%	0.00%
5 Debt Service	6500		0.00		0.00%
6 Capital Outlay	6600	0.00	0.00	0.00%	0.00%
7 Total Direct Costs	102,956	2,000.00	100,956.00	1.94%	1.94%
Indirect Costs @6-30-14					
8		2,000.00	2,000.00	0.00%	1.94%
Less accruals		-			
9 Total Project Cumulative Exp	102,956	2,000.00	100,956.00	1.94%	3.89%

Step7: Once all Object code totals have been entered and everything has been checked twice, print off and place in Fund Folder. Folder is to be turned into the Director of Finance for review. DOF will then review, approve and enter information into appropriate reporting site (TEA/D.O.E G5) to request reimbursement. All pending reimbursements amount will be given to Controller to ensure appropriate amounts is allocated to the correct account code. All federal dollars must be reconciled; each \$1 spent must match \$1 expenditure

These federal grant policies and procedures are applicable to all federal grants awarded to the District. All employees who deal with federal grants must be familiar with them and must fully comply with all requirements contained herein



**Please Note:**

These federal grant policies and procedures are applicable to all federal grants awarded to the District. All employees who deal with federal grants must be familiar with them and must fully comply with all requirements contained herein

Pursuant to Requirements in 2 CFR Part 200

**The Director of Finance and the Program Directors will review all data prior to expenditure drawdown. The Director of Finance is the official responsible to certification of funds request.**

**Open Encumbrance Report**

An **Encumbrance** is the name given to funds that have been reserved when a purchase requisition is finalized and encumbered. When a requisition is processed, funds are placed aside for that transaction. The purpose and main benefit of **encumbrance accounting** is avoiding budget overspending.

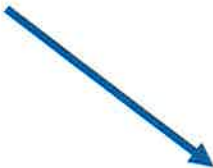
***Frequency: Report is reviewed monthly; our goal is to clear QTRLY***

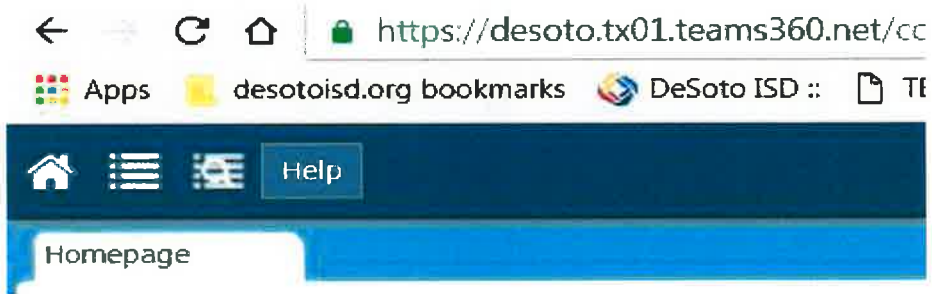
***General Funds: Paid by June 30***

***Federal Funds: Paid by August 31***

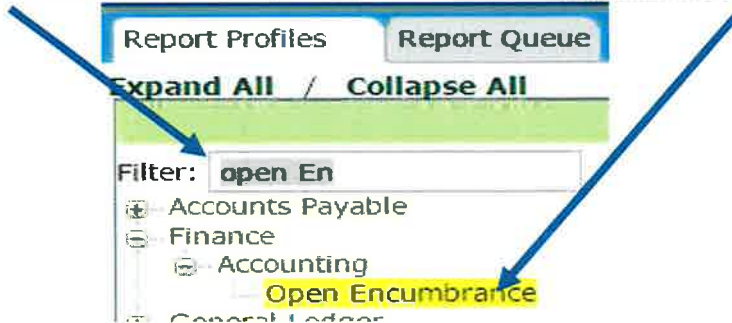
***How to Retrieve Open Encumbrance Report in TEAMS:***

***My Reports Profile:***





Type **Open Encumbrance**, in **FILTER**. Next select the **highlighted section**

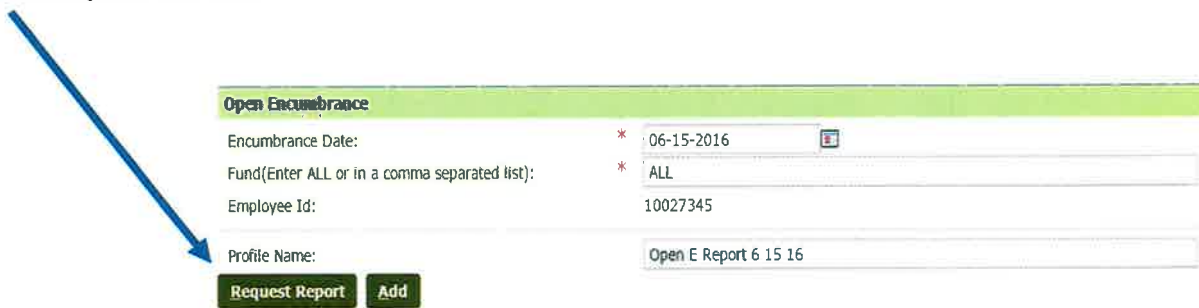


Next you will enter **Date (current)**

**ALL**

**Profile Name: Open Encumbrance XX-XX-XX (month date year)**

**Select REQUEST REPORT**



**REPORT OUTPUT TYPE: Excel**

**Select - OK**

**Open Encumbrance**

Encumbrance Date: \* 06-15-2016

Fund(Enter ALL or in a comma separated list): \* ALL

Employee Id: 10027345

Profile Name: Open E Report 6 15 16

**Request Report** **Add**

**Please Select an Output Type**

Report Output Type: Microsoft Excel (XLS)

**Ok** **Cancel**

**You Will Get The Message Below:**

**i** Report request processed. To request another report, select a report from the tree.

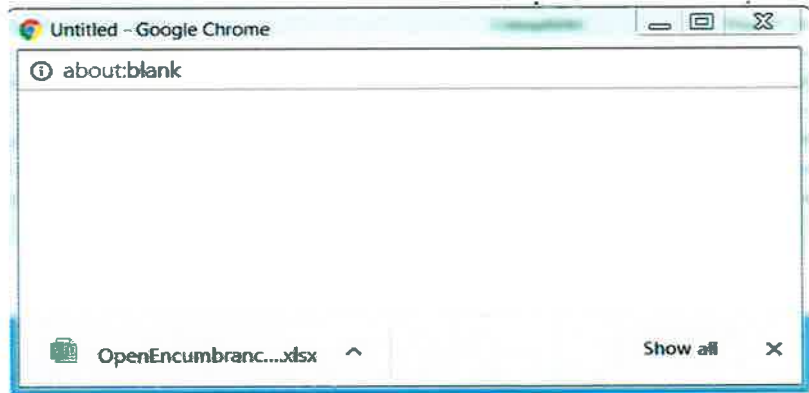
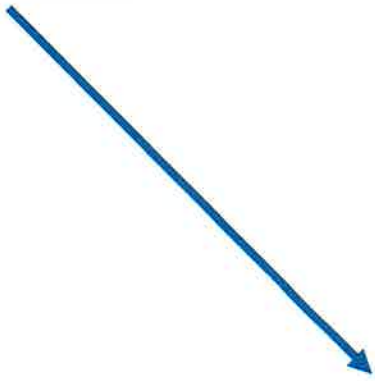
**GO – TO  
Report Queue**

**Report Profiles** **Report Queue**

**Select Your Report:**

Submitted Report Requests							
Sort / Clear Sorted by: (default)							
Name	Request Date	Status	Status Message	Queue Position	Wait Time	Processing Time	
Open Encumbrance	11-02-2016 10:44	Complete	Report request complete. Report is available.	N/A	0 seconds	19 seconds	

**Open Excel File:**



**Your Report Should Look Like This:**

	A	B	C	D	E
1	<b>Open Encumbrance</b>				
2	<b>Encumbrance Date:</b>		<b>06-15-2016</b>		
3	<b>PO/CR/EAR #</b>	<b>TYPE</b>	<b>POSTED DATE</b>	<b>ACCOUNT NUMBER</b>	<b>AMOUNT</b>
4	107244	CheckRequest	02/25/2016	199-23-6495-01-001-99-0-01	275.00
5	107713	CheckRequest	03/04/2016	240-35-6146-00-938-99-0-38	191,724.44
6	108384	CheckRequest	03/11/2016	199-31-6499-12-102-99-0-12	901.34
7	108384	CheckRequest	03/11/2016	461-36-6343-VM-102-99-0-12	901.34
8	108388	CheckRequest	03/11/2016	211-13-6411-29-888-24-0-88	1,100.00
9	110541	CheckRequest	03/28/2016	211-13-6411-99-043-24-0-87	370.00
10	115031	CheckRequest	05/13/2016	288-13-6411-13-887-31-0-90	630.00
11	118207	CheckRequest	06/07/2016	224-11-6219-82-881-23-0-81	200.00
12	118208	CheckRequest	06/07/2016	224-11-6219-82-881-23-0-81	10,385.00
13	118220	CheckRequest	06/07/2016	224-21-6499-82-881-23-0-81	110.00
14	118246	CheckRequest	06/07/2016	224-11-6219-82-881-23-0-81	1,650.00
15	118480	CheckRequest	06/09/2016	199-13-6411-55-001-22-0-75	965.00
16	118482	CheckRequest	06/09/2016	199-13-6411-55-001-22-0-75	350.00
17	118872	CheckRequest	06/09/2016	461-36-6495-36-001-99-0-01	84.00
18	118958	CheckRequest	06/13/2016	199-11-6412-20-001-11-0-01	1,075.50
19	118983	CheckRequest	06/14/2016	199-32-6499-97-735-99-0-38	419.40
20	119180	CheckRequest	06/14/2016	199-41-6499-99-701-99-0-71	1,000.00
21	119185	CheckRequest	06/14/2016	199-32-6499-97-735-99-0-38	578.00
22	119273	CheckRequest	06/15/2016	199-11-6499-29-001-11-0-01	717.00
23	119279	CheckRequest	06/15/2016	199-23-6399-EC-871-99-0-90	125.50
24	119281	CheckRequest	06/15/2016	199-11-6411-99-887-24-0-87	2,350.00
25	119284	CheckRequest	06/15/2016	199-11-6411-55-001-22-0-75	540.00
26	119332	CheckRequest	06/15/2016	461-36-6399-78-042-99-0-42	879.32
27	119332	CheckRequest	06/15/2016	461-36-6399-ID-042-99-0-42	879.32
28	12561	CheckRequest	11/14/2013	199-13-6399-99-887-24-0-87	1,200.00
29	160203	PO	07/30/2015	199-41-6269-99-744-99-0-44	2,349.00

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

Period of Availability of Federal Funds

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

TEA Grants: As a rule, federal funds administered by TEA are available for obligation within the fiscal year for which Congress appropriated the funds. However, given the unique nature of educational institutions, for many formula education grants, pursuant to provisions in the General Education Provisions Act (GEPA), the period of availability is 27 months. This consists of an initial grant period of 15 months (i.e., July 1 – September 30 of the following year), plus a 12-month carryover period authorized by the

These federal grant policies and procedures are applicable to all federal grants awarded to the District. All employees who deal with federal grants must be familiar with them and must fully comply with all requirements contained herein



“Tydings Amendment.” 34 CFR §

76.709. For example, funds awarded on July 1, 2015, would remain available for obligation by TEA through September 30, 2017.

July – September (Forward Funding)	3 months
October – September (Federal fiscal year)	12 months
October – September (carryover period; Tydings Amendment)	12 months-27 months

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

TEA calculates and manages the carryover process each year after final expenditure reports from the prior year are processed. Any carryover funds from the prior year are added to the application and NOGA for the subsequent year. Carryover funds must be used in accordance with the federal statute and regulations in effect for the carryover period and with any approved state plan or application. 34 CFR 76.710

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

Liquidation of Obligations

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

2 CFR §200.343(b).

Any funds not obligated within the period of availability or not liquidated within the appropriate timeframe are said to lapse and must be returned to the awarding agency. 2 CFR § 200.343(d).

Lapsing of funds is usually considered by TEA to be an indicator of poor planning and may cause the District to be identified as high risk. Consequently, the District closely monitors grant spending throughout the grant cycle.

All goods and services must be received and provided 10 days prior to the end of the current grant cycle. In the event that an item is not utilized by this time the item is either cancelled or the purchase is incurred for the next grant cycle. The accounts payable department receives the bills and makes this determination according to the calendar date upon receipt.

### Carryover

TEA Grants: As previously described, the Tydings Amendment typically extends the period of availability for formula grants for an additional 12 months. Accordingly, the District may have multiple years of grant funds available under the same program at the same time. Usually, TEA discretionary grants do not have a carryover period, as any unobligated and unexpended funds are carried over at the state level and are used to issue NOGAs for the subsequent funding period. TEA discretionary grantees must request to extend the ending date of the project/NOGA directly from TEA if such an extension is allowable pursuant to the guidelines related to a particular grant.

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

- The terms and conditions of the Federal award prohibit the extension;
- The extension requires additional Federal funds; or
- The extension involves any change in the approved objectives or scope of the project.

2 CFR § 200.308(d)(2)

The Business Office is responsible for maintaining the official accounting records of the District.

**SECTION A.**

Action Item. Customer Procedures to Reconcile American Express Corporate Card

- Verify each receipt against monthly statement
- Copy one Receipt (s) to an 8 x 11 paper
- Complete Sec B, justifying why the purchase was reasonable and necessary?
- Complete Sec C, Write the account code at the bottom of this paper
- Complete Sec. D, get approval from Supervisor (i.e. Asst. Supt, Principals, Chiefs)
- Upon Receipt of credit card statement, reconcile and send all receipts by the 5<sup>th</sup> day each month
- Submit scan or in-person to **Mr. Joey White**, Finance Department

**SECTION B.**

**Justification:**

**ACCOUNTING CODE :**

**SECTION D Approvals.**

\_\_\_\_\_  
**Originator**

\_\_\_\_\_  
**Supervisor**

**In this Fiscal Year, follow the aforementioned procedures. \*\*Expectation is for all cards to be reconciled by the cardholder each week and submitted to Mr. Joey White, weekly. Secondly, upon receiving the monthly statement, cards that are not reconciled may be deactivated, until further notice and/or until reconciliation is complete. All reconciliation documentation is due to finance weekly by Friday.**

Internal Office Use Only

- Verify each receipt against monthly statement
- Finance enters request for payment into TEAMS
- All Credit Card ACHs will be entered and submitted and via TEAMS by Finance, checks shall reconcile to wire sent to banks. The dollar amount should match.
  - Meet with Director of Finance on the 8th of each month to review audit receipts in credit card binder and amounts are consistent with bank statements and General Ledger amounts.
  - Ensure all employees expenses are filed individually and by name.

Signature of Finance & Accounting System Employee: \_\_\_\_\_

Reviewer/Approval:

\_\_\_\_\_  
**Controller**

\_\_\_\_\_  
**Director of Financial Services**

# PROCEDURES: Budgeting

---

DeSoto Independent School District Fiscal Year End is June 30.

## Legal Requirements for Budgeting

Sections 44.002 through 44.006 of the Texas Education Code establish the legal basis for budget development in school districts. The following six items summarize the legal requirements from the code:

- The superintendent is the budget officer for the district and prepares or causes the budget to be prepared.

Note: TEA recommends that an interactive approach between the board of trustees and the superintendent be taken to establish the budget process and define related roles and responsibilities.

- The district budget must be prepared by a date set by the state board of education, currently June 20<sup>th</sup>.
- The president of the board of trustees must call a public meeting of the board of trustees, giving ten days public notice in a newspaper, for the adoption of the district budget. Any taxpayer in the district may be present and participate in the meeting.
- No funds may be expended in any manner other than as provided for in the adopted budget. The board does have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.
- The budget must be prepared in accordance with GAAP (generally accepted accounting principles) and state guidelines.

The budget must be legally adopted before the adoption of the tax rate. A school district must publish a revised notice and hold another public meeting before the district may adopt a tax rate that exceeds the following:

- The rate proposed in the notice prepared using the estimate; or
- The district's rollback rate determined under Section 26.08, Tax Code, using the certified appraisal roll.
- TEA has developed additional requirements for school district budget preparation as follows:
  - The board of trustees, inclusive of amendments, must adopt the budget no later than June 30<sup>th</sup>.
  - Minutes from district board meetings will be used by TEA to record adoption of and amendments to the budget.

Budgets for the General Fund, the Food Service Fund (whether accounted for in the General Fund, a Special Revenue Fund or Enterprise Fund) and the Debt Service Fund must be included in the official district budget (legal or fiscal year basis). These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.

Note: Districts may prepare and approve budgets for other funds and/or with even greater detail at their

discretion. Such local decisions may affect the need for budget amendments and financial reporting requirements.

The officially adopted district budget, as amended, must be filed with TEA through PEIMS (Public Education Information Management System) by the date prescribed in the annual system guidelines. Revenues, other sources, other uses, and fund balances must be reported by fund, object (at the fourth level), fiscal year, and amount. Expenditures must be reported by fund, function, object (at the second level), organization, fiscal year, program intent and amount.

A school district must amend the official budget before exceeding a functional expenditure category, i.e., instruction, administration, etc., in the total district budget. The annual financial and compliance report should reflect the amended budget amounts on the schedule comparing budgeted and actual amounts. The requirement for filing the amended budget with TEA is satisfied when the school district files its Annual Financial and Compliance Report.

In addition to state legal requirements, individual school districts may establish their own requirements for annual budget preparation. Local fiscal policies may dictate budgetary requirements, which go beyond those required by the Texas Education Code and TEA. These policies may include:

- Fund balance levels (Debt service fund balance accumulation)
- Financial performance comparison measures
- Staffing levels

There are four truth-in-taxation principles, which apply to taxing units:

- Property owners have the right to know of increases in their properties' appraised values and to be notified of the taxes that could result from the new value.
- A taxing unit must calculate and publish the effective and rollback tax rates before adopting an actual tax rate.
- A unit must publish special notices and hold a public hearing before adopting a tax rate that exceeds the effective tax rate plus three percent or the rollback rate.
- If the unit adopts a rate that exceeds the rollback rate, voters may start a petition for an election to limit the rate to the rollback rate. School districts must hold rollback elections to limit tax increases above the rollback rate for the current year, without a petition.

Education Code Section 45.003 limits the maintenance tax rate per \$100 of taxable value adopted by the school district to not exceed the rate equal to the sum of \$0.17 and the product of the state compression percentage, as determined under Education Code Section 42.2516, multiplied by \$1.50.

**Note:** Districts should consult the comptroller's Guide for Setting Tax Rates: Truth in Taxation publication and/or TEA for more information on tax rate limitations and rollback worksheets.

The district's current tax rates are posted on the Silsbeeisd.org website under the Business Department.

### **Revenue Estimates and “Recapture”**

The Business Manager will prepare all revenue estimates for the coming year. The Business Manager will use these revenue estimates to prepare the preliminary “Recapture” calculation. Under current school finance law, the “Recapture” calculation itself is a complex set of formulas that accomplish a fairly simple task – that of determining how much of the District’s tax revenue we can keep and how much must be given away under Chapter 41 of the Texas Education Code, if necessary. Recapture does not apply to DeSoto Independent School District.

### **Budgeting for Funds Other than the General Fund**

The District has many different fund accounts. The General Fund 199 accounts for the vast majority of salaries, benefits and other day-to-day operational costs of the District. However, other funds account for various special purpose activities within the District. There are numerous federal grant programs, debt service and capital project funds, internal service, agency and activity funds and fund groups that exist for accounting purposes. The only funds that require a legally adopted budget are the General, Debt Service and Food Service funds. Other funds may utilize a managerial budget, or one which does not necessarily require legal approval by the Board of Trustees.

Budget preparation for these funds should take place during the normal budget process or as soon thereafter as possible. Notices of Grant Awards (NOGAs) are not usually received until late summer; therefore, DeSoto does not adopt special revenue (federal grant) funds each year.

### **Budget Amendments**

There are two types of budget amendments:

- amendments that move budgeted funds between accounts but within the same function and object do not require Board of Trustee approval and can be processed at any time during the year
- amendments that move funds from one account to another and which also change

function or object codes must by law be presented to the Board of Trustees for approval.

### **Account Code Structure**

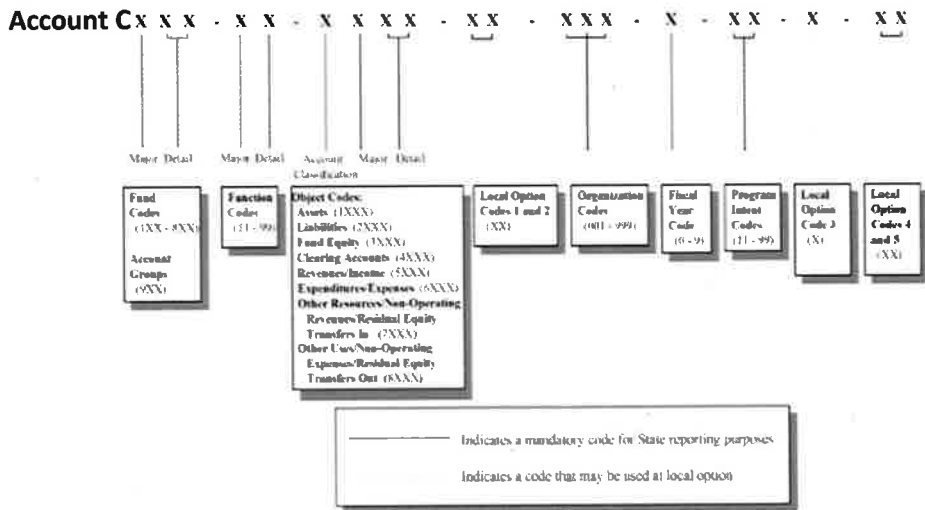
Section 44.007 of the Texas Education Code (Code or TEC) requires that a standard school district fiscal accounting system be adopted by each school district. The system must meet at least the minimum requirements prescribed by the State Board of Education and also be subject to review and comment by the state auditor. Additionally, the accounting system must conform with Generally Accepted Accounting Principles (GAAP). This section further requires that a report be provided at the time that the school district budget is filed, showing financial information sufficient to enable the state board of education to monitor the funding process, and to determine educational system costs by school district, campus and program.

The Texas Education Code, Section 44.008, requires each school district to have an annual independent audit conducted that meets the minimum requirements of the state board of education, subject to review and comment by the state auditor. The annual audit must include the performance of certain audit procedures for the purpose of reviewing the accuracy of the fiscal information provided by the district through the Public

Education Information Management System (PEIMS). The audit procedures are to be adequate to detect material errors in the school district’s fiscal data to be reported through the PEIMS system for the fiscal period under audit.

A major purpose of the following accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all school districts in accordance with generally accepted accounting principles.

**The Code Structure**



**Account Code Determination**

- Fund ➤ How the expenditure is financed?
- Function ➤ Why the expenditure was made – the purpose?
- Object ➤ What was purchased?
- Sub-Object ➤ Optional use for greater detail accounting
- Organization ➤ Where is the beneficiary of the expenditure located?
- Fiscal year ➤ No fiscal year in our account codes
- PIC ➤ What is the intent of the program provided to students?
- Optional Codes ➤ Three-digit code – optional use for greater detail

**Appendix:**

**§ 200.320 Methods of procurement to be followed.**

The non-Federal entity must use one of the following methods of procurement. (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micropurchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable. (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. (c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply. (1) In order for sealed bidding to be feasible, the following conditions should be present: (i) A complete, adequate, and realistic specification or purchase description is available; (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price. (2) If sealed bids are used, the following requirements apply: (i) The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids; (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond; (iii) All bids will be publicly opened at the time and place prescribed in the invitation for bids; (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and (v) Any or all bids may be rejected if there is a sound documented reason. (d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply: (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical; (2) Proposals must be solicited from an adequate number of qualified sources; (3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients; (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and (5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort. (e) [Reserved] (f) Procurement by noncompetitive proposals.



Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply: (1) The item is available only from a single source; (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or (4) After solicitation of a number of sources, competition is determined inadequate.

#### **§ 200.321 Contracting.**

Small and minority businesses, women’s business enterprises, and labor surplus area firms. (a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible. (b) Affirmative steps must include: (1) Placing qualified small and minority businesses and women’s business enterprises on solicitation lists; (2) Assuring that small and minority businesses, and women’s business enterprises are solicited whenever they are potential sources; (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women’s business enterprises; (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women’s business enterprises; (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

#### **§ 200.322 Procurement of recovered materials.**

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

#### **Additional Detail. Property Management System**

##### **A. Property Classifications**

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

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 \$5,000, regardless of the length of its useful life. 2 CFR § 200.94.

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or

storing electronic information. 2 CFR § 200.20.

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

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

#### B. Inventory Procedure

Capital Equipment is received at the Central Distribution Center (CDC). Personnel at the CDC will ensure the items received match the District's purchase order and that items are received in good condition. CDC personnel are responsible for logging receiving records TEAMS financial system by line item on the purchase order.

Property classified as capital equipment is tagged by CDC personnel. Although some electronic equipment does not qualify as capital equipment, due to their mobility, the information technology department will affix inventory stickers. These items are entered into a database maintained by the department. The information technology department is responsible for configuring and installing such electronic equipment.

#### C. Inventory Records

For each equipment and computing device purchased with federal funds, the following information is maintained: Capital assets are entered in the TEAMS financial software database by the Director of Purchasing. The database is balanced to the district financial reports that indicate a year to date total for capital equipment. All adjustments and retirements are also entered by the Director of Accounting.

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

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

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

The District will dispose of surplus items through an auction process. Items that are sold are reported to the Director of Purchasing along with the amount received for each item by check from the auction company. Items lost, stolen, or scrapped are reported to the Director of Purchasing during the physical inventory process. The Director is responsible for removing the items from the TEAMS database.

#### D. Physical Inventory

A physical inventory of the property is taken and the results reconciled with the property records every two years. DeSoto conducts a physical inventory of capital equipment every two years. The Director of Purchasing will coordinate the process with campuses and administration offices. Items reported lost or unallocated will be reviewed and a determination made if the item should be removed from inventory. If so, the Director of Purchasing will remove the item from the TEAMS database.

#### E. Equipment Insurance and Maintenance of Equipment

The District insures equipment acquired or improved with federal funds at the same levels and in accordance with the same policies as provided to equipment purchased with state or local funds unless required to be insured by terms and conditions of the federal grant. 2 CFR § 200.310.

### **Written Compensation Policies**

#### **Allowable Compensation**

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

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

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

#### Reasonable Compensation

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

Professional Activities Outside the District unless an arrangement is specifically authorized by TEA or other

awarding agency, the District must follow its written policies and practices concerning the permissible extent District employees may provide professional services outside the District for non-District compensation.

If a policy does not exist or does not adequately define the permissible extent of consulting or other non-District activities undertaken by an employee for extra outside pay, the federal government may require that the effort of professional staff working on federal awards be allocated between:

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

If TEA or other awarding agency considers the extent of non-District professional effort excessive or inconsistent with the conflicts-of-interest terms and conditions of the federal award, appropriate arrangements governing compensation will be negotiated on a case-by-case basis. Therefore, the District's policy which governs employees obtaining payment for performing professional services outside the District is incorporated into the District's written employee compensation policy. Any employee wishing to perform professional services outside the District and receive payment for such services by another entity must complete, sign and submit the Conflict of Interest form prior to agreeing to perform professional services outside the District. The purpose of the Conflict of Interest form is to disclose the nature of the professional services to be performed outside the district to ensure a conflict of interest does not exist for the District. The completed, signed form will be submitted to immediate supervisor as per local policy for review and determination of whether a potential conflict of interest exists.

The District complies with other requirements pertaining to allowable and unallowable costs as specified in 2 CFR § 200.430(d), (e), and (f), including:

1. Compensation for certain employees of cost-reimbursement contracts covered under 10 USC 324(e)(1)(P); 41 USC 1127; and 41 USC 4304(a)(16);
2. Changes in compensation resulting in a substantial increase in the District's employees' level of compensation; and
3. Incentive compensation based on cost reduction, efficient performance, suggestion awards, safety awards, etc.

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

#### Job Descriptions

Each employee must have a current job description on file. The immediate supervisor or manager is responsible for developing a complete and accurate job description for each employee under his or her supervision. The job description must describe the employee's job responsibilities as well as delineate all programs or cost objectives under which the employee works. Job descriptions must be updated as new assignments are made. The supervisor must review the job description with the employee upon hiring and as the job description is updated. The employee must sign and date that he or she has read and understands the job description and the programs under which he or she is working.

The job description must be immediately available upon request by an auditor or monitor. Each employee who is paid in whole or in part with federal funds is issued a job description each year to sign. The signed job description is stored in the employee's personnel file.

#### **A. Documentation of Personnel Expenses**

Standards for Documentation of Personnel Expenses Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In accordance with 2 CFR § 200.430, these records must:

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

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spend on grant activities. This includes an employee whose salary is paid with state or local funds but is used to meet a required match or cost share for a federal program. These documents, known as time-and-effort records, are maintained in order to charge personnel costs to federal grants. In addition, current and up-to-date job descriptions for each employee are maintained.

District will use financial system to record personnel expenses of both federal assisted and all other activities compensated to the employee.

#### **Time and Effort Procedures**

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

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

- Semi-annual certification (for employees who work 100% of the time on a single program and/or cost

objective [except for programs covered under Ed-Flex, as long as Texas remains an Ed-Flex state], in which case a signed and dated job description must be in the employee's personnel file; also see exception for schoolwide programs below)

- Time-and-effort records (for employees working on more than one program and/or more than one cost objective)
- Substitute system

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

#### Semi-Annual Certification

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

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

\*"Cost objective" means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. A cost objective may be a major function of the District, a particular service or product, a federal award, or an indirect cost activity. These employees are not required to maintain time-and-effort records. However, each employee must certify in writing, at least semi-annually, that he/she worked solely on the program or single cost objective for the period covered by the certification. The employee must sign the certification or by the supervisor having first-hand, knowledge of the work performed and should reference the employee's signed and dated job description maintained in their personnel file. Charges to the grant must be supported by these semi-annual certifications. The semi-annual Certifications are maintained by the Payroll Department of the District. (See the exceptions for school wide programs and Ed-Flex programs below.)

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

The semi-annual certification must:

- be executed after the work has been completed, and not before
- state that the employee worked solely (i.e., 100% of the time) on activities related to one particular grant program or single cost objective
- identify the grant program or cost objective

- specify the 6-month reporting period
  - be signed and dated by the employee or a supervisor with first-hand knowledge of the work performed
- charges to the grant must be supported by these semi-annual certifications. All certifications must be retained for audit and monitoring purposes. It is recommended that the certifications be retained in a central location to facilitate an audit.

Other examples:

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

A statutory set-aside within a program is a cost objective. For example, Title I, Part A requires that districts receiving \$500,000 or more in Title I, Part A reserve not less than 1% of their Title I, Part A allocation (at the LEA level, not at the campus level) to carry out parental involvement activities. In order to track the 1% expended for this activity, this parental involvement activity must be identified as a separate activity or cost objective for time and effort purposes. Special Note on Single Cost Objectives: Per TEA, some districts have received an audit finding for identifying the following or something similar as a single cost objective. Auditors do not view these and similar as single cost objectives because there are multiple set-asides and cost objectives within each of these areas.

Special Note for School wide Programs: A Title I, Part A, school wide program is considered a “single cost objective.” This has different implications depending on the types of funding consolidated on the schoolwide program.

Federal Consolidation: If only federal funds are consolidated, for the employees funded from the consolidated pool, normally the semi-annual certification would be required. However, if all federal funds included in the consolidation are Ed-Flex programs, then the semi-annual certification for school districts is automatically waived. Note: Not all NCLB programs are Ed-Flex programs. If one or more of the programs included in the consolidation is not an Ed-Flex program, then the semi-annual certification nor time and effort is required. There is no distinction between staff paid with federal funds and staff paid with state or local funds.

Authorized under the Education Flexibility Partnership Act of 1999 and amended on April 13, 2006, the Ed-Flex waivers approved for Texas provide relief to grantees from certain administrative requirements, as well as from certain programmatic requirements. Refer to the Ed-Flex Waivers page on TEA’s website for information on Texas’ Ed-Flex waivers. Also refer to the NCLB Program Appendix on Ed-Flex. For example, Texas provides an Ed-Flex statewide administrative waiver for the applicable programs from the requirement to complete the semi-annual certification for employees who work 100% of their time on a single grant program or single cost objective. This is allowable for these applicable programs as long as the employee’s job description clearly states that the employee is assigned 100% to the program or cost objective.

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

- No Child Left Behind Act of 2001
- Title I, Part A (except sections 1111 and 1116, school improvement grants)

- Title I, Part C (Migrant Education)
- Title I, Part D (Neglected and Delinquent)
- Title I, Part F (Comprehensive School Reform – no longer funded)
- Title II, Part A, Subparts 2 and 3 (Teacher and Principal Training and Recruiting)
- Title II, Part D, Subpart 1 (Educational Technology)
- Title III, Part B, Subpart 4 (Emergency Immigrant Education)
- Title IV, Part A, Subpart 1 (Safe and Drug-Free Schools – no longer funded)
- Title V, Part A (Innovative Programs – no longer funded)
- Carl D. Perkins Career and Technical Education Act of 2006

Ed-Flex waivers are NOT available for all NCLB programs. Therefore, relief from the requirement to complete the semi-annual certification for employees who work 100% of their time on a single grant program is NOT available for programs not covered under Ed-Flex. Those employees must maintain time and effort in accordance with the requirements specified below.

Employees paid with non-Ed-Flex program funds who work 100% of their time on non Ed-Flex program activities must complete the certification every six months and submit it to the Payroll Department.

Employees paid with non-Ed-Flex program funds who work only a portion of their time on non-Ed-flex program activities must complete time-and-effort records and submit them to the Payroll Department at least monthly to coincide with the pay period. Implementing any of the Ed-Flex waivers for a non-Ed-Flex program will result in findings during an audit or monitoring visit and potentially the repayment of funds.

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

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

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

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

Examples of employees who work on multiple cost objectives:

- An employee who works partially on administering programs included in NCLB consolidated administrative funds pool, and partially on administering other programs (not included in NCLB consolidated administrative funds pool), must maintain time-and-effort records or account for his or her time under a substitute system. These are two different cost objectives.
- An employee who works partially on administrative activities (paid from administrative funds) and partially on program activities (paid from program funds) of the same program must maintain time-and-effort records or account for his or her time under a substitute system. These are two different cost objectives.
- An employee who works on regular Title I activities and Title I parent involvement activities must maintain time-and-effort records. (The LEA must document the 1% of its allocation expended on parent involvement



activities if the LEA receives more than \$500,000 in Title I, Part A.) These are two different cost objectives.

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

#### Substitute Systems in Lieu of Time-and-Effort Reports

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

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

TEA Substitute System of Federal Time-and-Effort Reporting for Employees Supported by Multiple Cost Objectives TEA issued guidance in a letter dated December 12, 2012, pertaining to Substitute System of Federal Time-and-Effort Reporting for Employees Supported by Multiple Cost Objectives.

Pursuant to this guidance, employees who work on multiple cost objectives (i.e., more than one federal grant award or more than one cost objective) and who meet certain conditions may complete a schedule at the beginning of the reporting period and a certificate (similar to the semi-annual certification) at the end of the reporting period in lieu of traditional time-and-effort records.

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

#### Daily Class Schedules

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

#### Reconciliation and Closeout Procedures

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. Grantees may initially charge payroll costs based on budget estimates.

Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided

that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

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

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

If the reconciled difference is less than 10%, the District will adjust the accounting records annually. But in all cases, the accounting records will be adjusted to reflect actual time-and-effort records. Please note that the 10% variance only governs how often the reconciliation will occur.

It does not govern whether or not the reconciliation will occur.

#### Employee Exits

For an employee that is separating his or her services with the District. The employee will complete the required paperwork and submit his or her final certification or time-and-effort report to the Human Resources Department or Ex Federal Programs. The HR department will verify the final paperwork as complete and notify the Business Office of completion prior to the issuance of the final paycheck.

#### Full and Open Competition

All procurement transactions paid with federal funds are conducted in a manner providing *full and open competition* consistent with 2 C.F.R § 200.319. In an environment of full and open competition, no proposer or bidder has a competitive advantage over another. All potential proposers and bidders must be provided the same information and have the same opportunity to submit a bid or proposal. Providing a competitive advantage to one or more potential proposers or bidders over another can open up the potential for disputes and lawsuits that can be costly and can significantly delay the completion of projects. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals (RFPs) are excluded from competing for such procurements. The District does not engage in the following situations that may restrict *full and open competition*, including but not limited to:

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

### Purchase Methods When Using Federal Funds

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

### **State Requirements Related to Purchasing Methods**

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

Texas Education Code § 44.031 (a) states that all school district contracts for the purchase of goods and services valued at **\$50,000 or more** in the aggregate, for each 12-month period are to be made by the method that provides the best value to the district. This does not apply to contracts for the purchase of produce or vehicle fuel. The law enumerates several options for competitive procurement that are available to school districts. One of these options must be used for contracts expected to equal or exceed \$50,000 regardless of the funding source (i.e., state, local, or federal):

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

### **Professional and Consulting Services**

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

The federal cost principles (specifically in 2 CFR § 200.459) broadly define *professional and*

*consultant services* as those services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the District.

*Professional services* are further defined in the *Handbook on Purchasing* as “infrequent, technical, and/or unique functions performed by independent contractors whose occupation is the rendering of such services.” Finally, professional services as described in Attorney General Opinion DM-418, referenced in the *Handbook*, includes not only the services of lawyers, physicians, or theologians, “but also those members of disciplines requiring special knowledge or attainment and a high order of learning, skill, and intelligence including guest speakers, consultants, writers, and artists.” A professional is only one who “is a member of [a] discipline with widely accepted standards of required study or specified attainments in special knowledge as distinguished from mere skill.” Id. (quoting Wooddell, 230 S.E.2d at 470). Certain *professional services*, specifically those covered under Chapter 2254, Subchapter A of the Texas Government Code, (i.e., architects, CPAs, registered engineers, optometrists, physicians, surgeons, land surveyors, landscape architects, registered nurses and state certified or state licensed real estate appraisers) are not selected based on competitive bidding. Rather, they must be selected based on demonstrated competence and qualifications obtained through a *Request for Qualifications* or similar document. After the District makes its selection based on demonstrated competence and qualifications, a fair and reasonable price for the services is then negotiated and agreed upon.

*Consulting services*: According to FAR (Module 1 of TEA’s FASRG), consulting services “refer to the practice of helping districts to improve performance through analysis of existing problems and development of future plans. Consulting may involve the identification and cross-fertilization of best practices, analytical techniques, change management and coaching skills, technology implementations, strategy development, or operational improvement. Consultants often rely on their outsider’s perspective to provide unbiased recommendations. They generally bring formal frameworks or methodologies to identify problems or suggest more effective or efficient ways of performing tasks. Consulting services cover all functional areas such as instruction, curriculum, and administration. Consulting does not include a routine service/activity that is necessary to the functioning of a school district’s programs, such as hiring additional people on contract to supplement present staff. It also does *not* apply to services provided to conduct organized activities (such as training or other similar educational activities.)”

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

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

### **Documentation Associated With Using District Credit Cards/Pro-Cards**

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

Employees who receive and use district-issued credit cards must submit to the Accounting Office *the original itemized receipt* that identifies each item purchased (and not just the credit card receipt). The itemized receipt constitutes the required original source documentation and must be legible and must clearly identify the date of the transaction and *each item* that was purchased.

The employee must provide documentation, either on the receipt itself, or in a separate file cross referencing that particular transaction, how each item was used to benefit the grant program. If the employee does not provide an original, itemized receipt, the expenditure will not be charged to a federal grant. The District must also maintain all other appropriate internal accounting records, such as travel vouchers, expense reimbursement vouchers, purchase orders, etc., related to the credit card purchase.

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

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

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

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

#### Purchase Cards

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

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

- Holds reviewers of credit card purchases to the same standards as cardholders.
- Applies the same set of rules to all card users, although spending limits may vary.
- Restricts card usage by spending limits, unauthorized merchant category codes, and time

of use to business hours.

- Issues cards to employees only after they have completed training on the purchasing card program.

#### Segregation of Duties

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

#### Cardholders

- Requires cardholders to turn in detailed receipts in accordance with policies and documenting the business reason. Restaurant receipts must include line-by-line detail of the order.
- Requires cardholders to complete training prior to receiving a card and acknowledge in writing receipt of the policy and procedure manual. Cardholders are any district employee who the chain command deems necessary to receive a card. Card holders limit is \$500, with the exception of travel.

#### Reviewers

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

#### Monitoring and Oversight

- Is selective when issuing cards--focus on repetitive, small-dollar purchases.
- Keeps limits as low as possible to accommodate normal business needs. If there is a need to allow for emergency purchases, certain employees can have a higher limit.
- Card reviewers must follow the same high standards applied to cardholders.
- The business office staff reviews the work of the card reviewers, and the list of P-card users is reviewed annually.
- Uses the software to review the average spent by cardholder, purchases from unauthorized suppliers, purchases shipped to the cardholder's home, and purchase amounts slightly below purchase limits.
- Reviews reports provided by the p-card programs such as declined authorizations report, disputes report, and lost/stolen card report which can reveal employees in need of additional training or attempting to misuse the card.
- Reviews district-wide activity periodically to identify frequently used vendors or products to consider negotiating volume discounts in order to obtain best prices for the district.
- Encourages staff to contact the hotline used to report any fraud. Each credit card transaction must be properly accounted for. Refer to *II. Financial Management System, E. Accounting Records, Documentation Associated with Using District Credit/Pro Cards*, for specific information related to the proper accounting of credit card purchases.

**Documentation that Travel Costs are Reasonable and Justifiable:** Additionally, costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be deemed by the District to be *reasonable* and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations as the result of its written travel policy.

Pursuant to the requirements in 2 CFR § 200.474(b), documentation must be maintained that *justifies* that (1) participation of the particular *individual* is *necessary* to the federal award; and (2) the costs are *reasonable* and *consistent* with the District's established policy.

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

The District's Travel Policies are detailed in the DeSoto's Travel Manual.

#### *Request to Travel via TEAMS*

Employees who plan to travel must complete a *Request to Travel* (or similar document) *prior* to travel, detailing the dates of the proposed travel, purpose of the travel, how it will benefit the grant program, and *estimated* travel expenses. The *Request to Travel* (or similar document) must be approved by the employee's supervisor and by the Accounting Department. The supervisor will verify that the travel by the particular *individual* is necessary to accomplish the objectives of the grant program. The Accounting Department will verify that costs are reasonable and consistent with the District's travel policies. The Accounting Department will also ensure that sufficient funds are budgeted and available for travel in the appropriate grant program prior to the employee incurring any travel expenditures.

#### *Request Expense Report via TEAMS*

Travel costs must be properly documented to be reimbursable by the District. The employee must document travel costs with a *Travel Voucher* (or other comparable documentation) that is completed *after* the travel has occurred. The *Travel Voucher* (or similar documentation) must include the following at a minimum:

- Name of the individual claiming travel reimbursement
- Destination and purpose of the trip, including how it was necessary for this particular individual to travel on this particular trip in order to accomplish the objectives of the grant program
- Dates of travel
- Actual mileage (not to exceed reimbursement at the maximum allowable rate). Travelers are required to calculate mileage by one of the following two methods:
  - Electronic mapping source (such as that on [www.Mapquest.com](http://www.Mapquest.com) or any other online mapping service). If this method is chosen, the traveler must print out the driving directions provided by the site and attach them to the expense report.

District Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the

final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.

### **Collection and Transmission of Records**

It is becoming more common to store records electronically to conserve storage space. Storing records electronically is acceptable and is encouraged. In accordance with the provisions in 2 CFR § 200.335, whenever practical, the District will collect, transmit, and store federal grant-related information in open and machine readable formats rather than in closed formats or on paper. However, TEA or other awarding agency must always provide or accept paper versions of grant-related information to and from the District upon request.

When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable. The retention period is the same whether the record is paper or electronic. However, a few precautions are in place.

It is permissible to scan hard copies of records and then store them electronically. The District must comply with *Electronic Records Standards and Procedures* (Local Government Bulletin B on TSLAC's website) when scanning records. The District's designated *Records Management Officer* is aware of these standards.

Prior to scanning, the employee must ensure that the original document has not been altered in any way. It is permissible to have *additional* hand-written notes on an original record, but the hand-written notes cannot obscure the contents of the original document in any way.

When scanning records, the employee must conduct *visual quality control* on each page of each document to ensure the scan is high quality and that it is *entirely* legible. Even one illegible line, word, or number on a scanned document can render the scanned document as unacceptable by auditors, monitors, TEA, and other oversight agencies.

Once the original has been scanned and the employee has conducted a thorough visual quality control **on each page of each document**, the scanned version becomes the official record and the originals can be destroyed. However, *before destroying any documents*, the employee must check with the District's designated *Records Management Official*. He or she may wish to confer with legal counsel or the auditor. There may be legal reasons for not destroying the originals.

Also before destroying the originals, the employee will want to consider if there is any historical value to retaining the original, and if so, perhaps retain the original for historical purposes.

The employee must also ensure that each scanned document is properly indexed (labeled) so that a specific document can be easily searched and retrieved at a moment's notice. Failure to properly index a scanned document can result in the inability to retrieve it in a timely manner for audit or monitoring purposes, which could ultimately result in an audit or monitoring finding and the repayment of grant dollars. The District must also ensure that scanned versions can be preserved over the long term as technology becomes obsolete. The District considers archival quality microfilm for some records.



Records that are available only in electronic format are backed up on a regular schedule (such as nightly) in another physical location [this is best practice and is absolutely necessary to avoid loss of electronic records as a result of fire, tornado, hurricane, flood, etc.). If the original electronic records are destroyed or lost due to any reason, the backup location will have a duplicate copy of the records.

## Creating Travel Requests

Use the **Create Travel Request** entry point to create a travel request on behalf of another employee. To create travel requests for yourself, use the **Employee Service Center** entry point.

### Creating a Travel Request for Another Employee

1. Navigate to the TEAMS Home page and locate the **Travel Request Maintenance** menu.

**Note:** The exact name of the menu you use to access this entry point depends on how your district has configured its TEAMS Home page. If you are unsure of the menu name, you can enter the entry point name in the Search Menu Items field to quickly locate it.

2. Click the **Create Travel Request** link. The **General** tab appears. This tab allows you to set up basic information that is used in the rest of the Travel Request sections.



**Note:** If the Event has been completely set up, the Event Number, Activity/Purpose, Destination State, Destination City, Departure Date, Departure Time, Return Date and Return Time fields on this page are automatically filled in.

5. Enter the purpose of the trip in the **Activity/Purpose** field, if it was not predefined.
6. Select the **Destination State** and **City** from the drop-down list.
7. Select the **Departure Date** and **Time** and the **Return Date** and **Time** in the appropriate fields.
8. Select *Yes* or *No* for the **Will an advance of expenses be expected** question.

If *Yes*, select *Direct Deposit* or *Paper Check* from the **Advance Delivery Method** drop-down list.

**Note:** The number of days prior to your trip that you can request an advance is controlled by a Business Rule set by your district. For example, if the rule is set to 3, then you cannot request an advance for travel within 3 days of the date on which you entered the Travel Request. Districts may also set the Business Rule so that no advances for travel expenses are allowed; if this is the case for your district, you cannot choose *Yes* as an answer to the advance question.

9. Select the **Account Type** from the drop-down list. You can choose *Student*, *Non-Employee*, or *Employee*.
10. Enter an account number to associate with the Account Type, then click the **Add Account Type** button. After you enter the Account Number, it is saved to the account and appears as the default account number in all subsequent sections.

If you do not add an Account Type on the General tab, you must add one for each tab separately.

11. Once the General tab is completely filled out, click the **Save Request** box.
12. Add any appropriate attachments.
  - a. Click the request in the Travel Requests list to select it.
  - b. Click the **Attachments** button to view the **Travel Request Attachment** tab.
  - c. On the Travel Requests Attachments tab, click the **+** button to show a new **File** box.
  - d. Click the **Choose File** button in the File box.
  - e. Navigate to the file you want to attach to this request.
  - f. Click the **Open** button.
  - g. Repeat steps c through f to continue adding files.
  - h. Click the **Save** button when you are finished adding files.
13. Click the **Continue** button to proceed to the Registration tab.

You can click the **View Approval History** button to view previously approved travel requests for this employee.

## Entering Registration Expenses

You can fill out the registration expense portion of the travel request on the **Registration** tab.

1. At the **Do you need to enter Registration Information?** prompt, click the **Yes** button to proceed to the Registration tab. Click the **No** button to skip Registration and move on to Lodging Expenses.

**Registration Expense**

Advance Required: \*  Yes  No

Expense For: \*  Payment Type: \*

Registration Title: \*

Begin Date:

Projected Amount:

Fund	Func	Obj	SubObj	Org	PI	Local	Year	Owner Prot	Amount	Available Budget Balance
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	100%	0.00	\$0.00
									<b>\$0.00</b>	

Attachments: **File**

Notes:   Characters remaining: 2000 ( 2000 max)

**Registration Expenses**

Configure columns | Sort | Clear **Sorted by: (default)**

Type	For	Projected Amount	Event Name	Traveler	A	N
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

record count: 0 of 0

Figure 19: Create Travel Request entry point, Registration tab

2. Select Yes or No in the **Advance Required** field.  
If Yes, enter a date in the **Needed By** field and select *Direct Deposit* or *Paper Check* from the **Delivery** drop-down list.

**Note:** The number of days prior to your trip that you can request an advance is controlled by a Business Rule set by your district. For example, if the rule is set to 3, then you cannot request an advance for travel within 3 days of the date on which you entered the Travel Request. Districts may also set the Business Rule so that no advances for travel expenses are allowed; if this is the case for your district, you cannot choose Yes as an answer to the advance question.

3. Select *Student*, *Non-Employee*, or *Employee* from the **Expense For** drop-down list.
4. Select the **Payment Type** from the drop-down list. You can select *Department Credit Card*, *Reimbursement*, *Check to Vendor*, or *District Credit Card*. If you select *Check to Vendor*, you must add the **Vendor ID** from the **Vendor Remit-To** field. This ID is automatically filled in for all subsequent sections.
5. Enter the **Registration Title**, **Begin Date**, and **Projected Amount**.
6. If you did not enter an Account Type and number on the General tab, enter an account number.
7. Add **Attachments** or **Notes** in their respective boxes, if desired.
8. Click the **Save and Continue** button to proceed to the Lodging tab, or click the **Save and Add/Edit Another** button to add or edit another registration expense.

## Entering Lodging Expenses

You can fill out the Lodging Expenses section of the travel request on the **Lodging** tab.

1. At the **Do you need to enter Lodging Information?** prompt, click the **Yes** button to proceed to the Lodging Expenses tab. Click the **No** button to skip Lodging Expenses and move on to Vehicle Expenses.

**Lodging Expense**

Advance Required: \*  Yes  No

Expense For: \*  Payment Type: \*

---

Hotel/Motel: \*

Phone Number: \*

Zip Code: \*  -

Address Line 1: \*

Address Line 2:

State: \*

City: \*

Employee

Number of Occupants: \*

Number of Rooms: \*

Number of Nights: \*

Estimated Rate: \*

Rate is Above GSA: \*  Yes  No

Confirmation Number:

Projected Amount:

Fund	Func	Obj	SubObj	Org	PI	Local	Year	Owner Prct	Amount	Available Budget Balance
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	100	0.00	\$0.00
								<b>100%</b>	<b>\$0.00</b>	

Attachments

File

Notes:    
 Characters remaining: 2000 ( 2000 max)

**Lodging Expenses**

Configure columns | Sort | Clear Sorted by: (default)

Type	For	Projected Amount	Lodge Name	Traveler	A	N
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

record count: 0 of 0

Figure 20: Create Travel Request entry point, Lodging tab

2. Select *Yes* or *No* in the **Advance Required** field.

If *Yes*, enter a date in the **Needed By** field and select *Direct Deposit* or *Paper Check* from the **Delivery** drop-down list.

**Note:** The number of days prior to your trip that you can request an advance is controlled by a Business Rule set by your district. For example, if the rule is set to 3, then you cannot request an advance for travel within 3 days of the date on which you entered the Travel Request. Districts may also set the Business Rule so that no advances for travel expenses are allowed; if this is the case for your district, you cannot choose *Yes* as an answer to the advance question.

3. Select *Student*, *Non-Employee*, or *Employee* from the **Expense For** drop-down list.
4. Select the **Payment Type** from the drop-down list. You can select *Department Credit Card*, *Reimbursement*, *Check to Vendor*, or *District Credit Card*.
5. Enter the name of the **Hotel/Motel**, and its **Phone Number**, **Zip Code**, **Address**, **State**, and **City** in the appropriate fields.
6. Enter the **Number of Occupants**, **Number of Rooms**, **Number of Nights**, and **Estimated Rate** in the appropriate fields.
7. Select *Yes* or *No* for **Rate is Above GSA**. The District Business Rule *Rate is Above GSA Required* under Travel Management controls whether this field is required or optional.
8. Optionally, you can enter the **Confirmation Number**. The **Projected Amount** is auto-calculated based on previous information provided, and can be manually adjusted.
9. If you did not enter an Account Type and number on the General tab, enter an account number.
10. Add **Attachments** or **Notes** in their respective boxes, if desired.
11. Click the **Save and Continue** button to proceed to the Vehicle tab, or click the **Save and Add/Edit Another** button to add or edit another lodging expense.



## Entering Vehicle Expenses

You can enter vehicle expenses on the **Vehicle** tab.

1. At the **Do you need to enter Rental Car or Personal Mileage Information?** prompt, click the **Yes** button to proceed to the Vehicle Expenses tab. Click the **No** button to skip Vehicle Expenses and move on to Airline Expenses.

**Vehicle Expense**

Advance Required: \*  Yes  No

Expense For: \*  Payment Type: \*

Vehicle Type: \*

Passenger Names:   
Characters remaining: 1024 ( 1024 max)

Projected Amount:

Fund	Func	Obj	SubObj	Org	PI	Local	Year	Owner Prct	Amount	Available Budget Balance	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	100%	0.00	\$0.00	
									<b>100%</b>	<b>\$0.00</b>	

Attachments  
File:

Notes:    
Characters remaining: 2000 ( 2000 max)

**Vehicle Expenses**

Configure columns | Sort | Clear **Sorted by:** (default)

Type	For	Projected Amount	Actual Amount	Vehicle Type	Traveler	A	N
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

record count: 0 of 0

Figure 21: Create Travel Request entry point, Vehicle tab


2. Select Yes or No in the **Advance Required** field.

If Yes, enter a date in the **Needed By** field and select *Direct Deposit* or *Paper Check* from the **Delivery** drop-down list.

**Note:** The number of days prior to your trip that you can request an advance is controlled by a Business Rule set by your district. For example, if the rule is set to 3, then you cannot request an advance for travel within 3 days of the date on which you entered the Travel Request. Districts may also set the Business Rule so that no advances for travel expenses are allowed; if this is the case for your district, you cannot choose Yes as an answer to the advance question.

3. Select *Student*, *Non-Employee*, or *Employee* from the **Expense For** drop-down list.
4. Select the **Vehicle Type**. You can select *District*, *Rental*, or *Personal*. If *District*, you must enter the Employee ID for use of the District Vehicle. If *Rental*, you must enter the name of the **Rental Company** and the **Confirmation ID**. If *Personal*, you must enter the **Projected Mileage** for use with the Mileage Reimbursement Rate for reimbursements.

**Note:** Projected Mileage must be entered as a whole number.

5. Enter the **Employee ID**. If needed, click the  icon to use the Employee Lookup function.
6. Enter the **Passenger Names**.
7. If you did not enter an Account Type and number on the General tab, enter an account number.
8. Add **Attachments** or **Notes** in their respective boxes, if desired.
9. Click the **Save and Continue** button to proceed to the Airline Expense tab, or click the **Save and Add/Edit Another** button to add or edit another vehicle expense.

## Entering Airline Expenses

You can enter the airline ticketing information for the Travel Request on the **Airline Expense** tab.

1. At the **Do you need to enter Flight Information?** prompt, click the **Yes** button to proceed to the Airline tab. Click the **No** button to skip Airline Expenses and move on to Meal Expenses.

**Airline Expense**

Advance Required: \*  Yes  No

Expense For: \*  Payment Type: \*

---

Contact Phone #: \*

Birth Date of Traveler: \*

Gender of Traveler: \*  Male  Female

**Departure:**

Preferred Airline:  Date:  Time:

Flight Number:  Confirmation Number:

**Return:**

Preferred Airline:  Date:  Time:

Flight Number:  Confirmation Number:

Projected Amount:

Fund	Func	Obj	SubObj	Org	PI	Local	Year	Owner Prct	Amount	Available Budget Balance
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	100	0.00	\$0.00
								100%	\$0.00	

Attachments

File  No file chosen

Notes:   Characters remaining: 2000 (2000 max)

**Airline Expenses**

Configure columns | Sort | Clear Sorted by: (default)

Type	For	Project Actual	Departure Airline	Return Airline	Traveler	A	N
		Amoun	Amoun				
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

record count: 0 of 0

Figure 22: Create Travel Request entry point, Airline tab

2. Select *Yes* or *No* in the **Advance Required** field.

If *Yes*, enter a date in the **Needed By** field and select *Direct Deposit* or *Paper Check* from the **Delivery** drop-down list.

**Note:** The number of days prior to your trip that you can request an advance is controlled by a Business Rule set by your district. For example, if the rule is set to 3, then you cannot request an advance for travel within 3 days of the date on which you entered the Travel Request. Districts may also set the Business Rule so that no advances for travel expenses are allowed; if this is the case for your district, you cannot choose *Yes* as an answer to the advance question.

3. Select *Student*, *Non-Employee*, or *Employee* from the **Expense For** drop-down list.
4. Enter the **Contact Phone number**, **Birth Date of Traveler** and select *Male* or *Female* for the **Gender of Traveler**.

If this information is already in the system, these fields are automatically populated, and you do not need to add the information manually.

5. In the Departure section, select the **Preferred Airline** from the drop-down list, if available. If not, select *Other* to add a custom name. Information in the Return section is auto-populated based on information entered in the Departure section.
6. Select the **Date**, **Time**, **Flight Number**, and **Confirmation Number** for the flight.

**Note:** The District Business Rule Flight Number Required controls whether or not the Flight Number is required in this field.

7. Information in the Return section is populated based on information entered in the Departure section. You may edit this information, if necessary.
8. Enter the **Project Amount** of the Airline Expense.
9. If you did not enter an Account Type and number on the General tab, enter an account number.
10. Add **Attachments** or **Notes** in their respective boxes, if desired.
11. Click the **Save and Continue** button to proceed to the Meals tab, or click the **Save and Add/Edit Another** button to add or edit another airline expense.

## Entering Meal Expenses

You can enter the meal expenses for the Travel Request on the **Meals** tab.

1. At the **Do you need to enter Meal Information?** prompt, click the **Yes** button to proceed to the Meals tab. Click the **No** button to skip Meal Expenses and move on to Other Expenses.

Figure 23: Create Travel Request entry point, Meals tab

2. Select **Yes** or **No** in the **Advance Required** field.

If **Yes**, enter a date in the **Needed By** field and select *Direct Deposit* or *Paper Check* from the **Delivery** drop-down list.

**Note:** The number of days prior to your trip that you can request an advance is controlled by a Business Rule set by your district. For example, if the rule is set to 3, then you cannot request an advance for travel within 3 days of the date on which you entered the Travel Request. Districts may also set the Business Rule so that no advances for travel expenses are allowed; if this is the case for your district, you cannot choose **Yes** as an answer to the advance question.

3. Select *Student*, *Non-Employee*, or *Employee* from the **Expense For** drop-down list.
4. Enter the **Number of Employees** for whom the expense applies.

- Click the **Continue** button to expand the Meal Expense section.

**Meals Expense**

Advance Required: \* Yes \* No

Expense For: \* Employee \* Payment Type: \* Reimbursement \*

Number of Employees: \* 1

Date	Day of Week	Meal	District Paid	Provided	Per Diem	Projected
06-24-2016	Friday	Breakfast			0.00	0.00
		Lunch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11.00	11.00
		Dinner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	22.00	22.00
06-25-2016	Saturday	Breakfast	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7.00	7.00
		Lunch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11.00	11.00
		Dinner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	22.00	22.00
06-26-2016	Sunday	Breakfast	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7.00	7.00
		Lunch			0.00	0.00
		Dinner			0.00	0.00

Totals: Max Reimbursement 80.00

Fund - Func - Obj - SubObj - Org - PI - Local - Year - Owner - Prct - Amount - Available Budget Balance

100% \$80.00 \$12,146.68

Attachments: File: Choose File No file chosen

Notes:  Characters remaining: 2000 ( 2000 max)

Save and Add/Edit Another Save and Continue

Figure 24: Meals tab, Meal Expense section

- The next section shows the days of the trip as previously submitted. For each day of the trip, enter the expenses for Breakfast, Lunch, and Dinner. Indicate whether the meal was *District Paid* or *Provided*. If you choose District Paid, then the projected cost of the meal appears in the **Projected** column.

**Note:** There are District Business Rules under Travel Management to define the cut off times for Breakfast, Lunch and Dinner meal times.

The **Max Reimbursement** field shows the maximum reimbursement amount for the overall trip.

- If you did not enter an Account Type and number on the General tab, enter an account number.
- Add **Attachments** or **Notes** in their respective boxes, if desired.
- Click the **Save and Continue** button to proceed to the Other Expenses tab, or click the **Save and Add/Edit Another** button to add or edit another meal expense.

## Other Expenses

You can enter other projected expenses for the travel request on the **Other Expenses** tab.

1. At the **Do you need to enter Other Expense Information (Taxis, Parking, etc.)?** prompt, click the **Yes** button to proceed to the Other Expenses tab. Click the **No** button to skip Other Expenses and move on to the Submit tab.

**Other Expense**

Advance Required: \*  Yes  No

Expense For: \*  Payment Type: \*

Expense Name: \*

Projected Amount:

Fund	Func	Obj	SubObj	Org	PI	Local	Year	Owner Prct	Amount	Available Budget Balance
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	100	0.00	\$0.00
								100%	\$0.00	

Attachments  
File  
 No file chosen

Notes:    
Characters remaining: 2000 ( 2000 max)

**Other Expenses**

Configure columns | Sort | Clear Sorted by: (default)

Type	For	Projecte Actual Amount	Expense Name	Traveler	A	N
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

record count: 0 of 0

Figure 25: Create Travel Request entry point, Other Expenses tab

2. Select Yes or No in the **Advance Required** field.

If Yes, enter a date in the **Needed By** field, and select *Direct Deposit* or *Paper Check* from the **Delivery** drop-down list.

**Note:** The number of days prior to your trip that you can request an advance is controlled by a Business Rule set by your district. For example, if the rule is set to 3, then you cannot request an advance for travel within 3 days of the date on which you entered the Travel Request. Districts may also set the Business Rule so that no advances for travel expenses are allowed; if this is the case for your district, you cannot choose Yes as an answer to the advance question.

3. Select *Student*, *Non-Employee*, or *Employee* from the **Expense For** drop-down list.
4. Select the **Expense Name**. You can select *Other*, *Parking Fees*, *Rental Gas*, and *Taxi Fares*.
5. Enter the **Expense Description** and **Projected Amount**.
6. If you did not enter an Account Type and number on the General tab, enter an account number.
7. Add **Attachments** or **Notes** in their respective boxes, if desired.
8. Click the **Save and Continue** button to proceed to the Submit tab, or click the **Save and Add/Edit Another** button to add or edit another expense.



## Submitting Travel Requests

You can submit travel requests for approval via the **Submit** tab.

**Summary**

Configure columns | Sort | Clear Sorted by: (default)

Expense Type	Expense Description	Payment Type	Expense For	Proj Amt	Actl Amt	Account Number	Traveler	Vendor	Check Number	Check Date	A	N
Lodging	Holiday Inn	Reimburse Employee		85.00								
Event Registration	TASBO	Reimburse Employee		50.00								
Airline	Southwest	Reimburse Employee		350.00								
Other	Parking	Reimburse Employee		15.00								
Vehicle	Personal	Reimburse Employee		27.00								
Meals		Reimburse Employee		80.00								

record count: 6 of 6

Projected Total: 607.00  
Actual Total: 0.00

**General Section Attachments**

Configure columns | Sort | Clear Sorted by: (default)

Request ID	Event	City	Status	Next in Workflow	State	Departur Date	Return Date	Reiml Expect	Traveler	A
50	Testing	ABILENE	Entered		TX	06-24-2016	06-26-2016	N		

record count: 1 of 1

**Submit**

Figure 26: Create Travel Request entry point, Submit tab

Each section that has been completed and added to the Travel Request will have a check next to it on the **My Travel** sidebar. Once all expenses have been added, confirm the Expense Types and Projected Amounts are correct, and then click the **Submit** button to submit the Travel Request for approval.

## Creating Expense Reports

Use the **Create Expense Report** entry point to create an expense report on behalf of another employee. To create travel requests for yourself, use the Employee Service Center function. Expense Reports can not be created unless a related Travel Request was previously submitted and approved.

### Creating an Expense Report for Another Employee

1. Navigate to the TEAMS Home page and locate the **Travel Request Maintenance** menu.

**Note:** The exact name of the menu you use to access this entry point depends on how your district has configured its TEAMS Home page. If you are unsure of the menu name, you can enter the entry point name in the Search Menu Items field to quickly locate it.

2. Click the **Create Expense Report** link. The General tab appears.

The screenshot shows the 'Travel Requests' interface. At the top, there's a table with columns: Request ID, Event, City, Status, Next in Workflow, State, Departure Date, Return Date, Reimb Expect, Traveler, and A. Two rows are visible: one for 'Travel Request 020216 01' in ACE, TX, and one for 'TABSE 2016 CONFERENCE' in PLANO, TX. Below the table are buttons for 'Edit', 'Attachments', and 'View Approval History'. The 'General' tab is active, showing fields for Event, Event Number, Activity/Purpose, Destination, State (Texas), City, Departure Date and Time, and Return Date and Time. A 'Reimbursement Delivery Method' dropdown is also present. At the bottom, there's a 'Continue' button.

Figure 27: Create Expense Report entry point, General tab

3. Select the appropriate **Travel Request** from the list of approved Travel Requests.

4. Add the dates and times of the trip and select a **Reimbursement Delivery Method** from the drop-down list.
5. Select *Direct Deposit* or *Paper Check*.
6. Click **Continue** to proceed to the Registration tab.

**Note:** After selecting the appropriate Travel Request, the values on each tab are populated according to the estimates made during the Travel Request. You must confirm the **Payment Type** by selecting *Department Credit Card*, *Reimbursement*, *Check to Vendor*, or *District Credit Card*. You must then confirm the Actual Amount and click the **Save Changes** button. If no Travel Request was submitted, it does not need to be confirmed.

## Confirming Event Registration Expenses

You can confirm your event registration expense reports on the **Registration** tab.

1. At the **Do you need to enter Registration Information?** prompt, click the **Yes** button to proceed to the Registration tab. Click the **No** button to skip Registration and move on to Lodging Expenses.

**Registration Expense**

Advance Required: \* Yes  No

Expense For: \* Employee  Payment Type: \*

Registration Title: \*

Begin Date: 03-03-2016

Projected Amount:  Actual Amount:

Fund	Func	Obj	SubObj	Org	PI	Local Year	Owner	Prct	Amount	Available Budget Balance
						2016		100	0.00	\$-10,290.86
								100%	\$0.00	

Attachments  
File  
Choose File: No file chosen

Notes:   
Characters remaining: 2000 ( 2000 max)

**Registration Expenses**

Configure columns | Sort | Clear | Sorted by: (default)

Type	For	Projected Amount	Actual Amount	Event Name	Traveler	A	N

record count: 0 of 0

Figure 28: Create Expense Report entry point, Registration tab

2. Enter the **Actual Amount** of the registration expense.
3. Add **Attachments** or **Notes** in their respective boxes, if desired.
4. You can **Edit** expenses and **Add** additional expenses through the related buttons at the bottom of the screen.
5. When you are finished, click the **Save and Continue** button, or click the **Save and Add/Edit Another** button to add or edit other registration expenses.

## Confirming Lodging Expenses

You can confirm your event lodging expenses on the **Lodging** tab.

1. At the **Do you need to enter Lodging Information?** prompt, click the **Yes** button to proceed to the Lodging Expenses tab. Click the **No** button to skip Lodging Expenses and move on to Vehicle Expenses.

**Lodging Expense**

Advance Required: Y      Needed By: 02-26-2016  
 Delivery: Paper Check  
 Expense For: Employee

---

Hotel/Motel: Other  
 Other Hotel/Motel Name: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 Zip Code: \_\_\_\_\_  
 Address Line 1: \_\_\_\_\_  
 Address Line 2: \_\_\_\_\_  
 State: Texas  
 City: PLANO  
 Employee

Number of Occupants: 1  
 Number of Rooms: 1  
 Number of Nights: 3  
 Estimated Rate: 101.27  
 Rate is Above GSA: N  
 Confirmation Number: \_\_\_\_\_  
 Projected Amount: 303.81      Actual Amount:

Fund	Func	Obj	SubObj	Org	PI	Local	Year	Owner	Prct	Amount	Available Budget Balance
...	...	...	...	...	...	...	...	...	100	303.81	\$-10,290.86
<b>100%</b>										<b>\$303.81</b>	

Attachments  
 File  No file chosen  
 Notes:    
 Characters remaining: 2000 (2000 max)

**Lodging Expenses**

Configure columns | Sort | Clear      Sorted by: (default)

Type	For	Projected Amount	Actual Amount	Lodge Name	Traveler	A	N
Lodging	Employee	303.81		Other			

record count: 1 of 1

Figure 29: Create Expense Report entry point, Lodging tab

2. Select the appropriate **Payment Type**.
  - For *Department Credit Card*, select the **Credit Card** from the drop-down list of approved credit cards.
  - For *Reimbursement*, no other information is required.
  - For *Check to Vendor*, choose the **Route To** information from the drop-down list. You can select *Hold for Pick-Up*, *Send to vendor*, or *Return to Requestor*.
  - For *District Credit Card*, no other information is required.
3. After selecting the Payment Type, enter the **Actual Amount** of the lodging expense.
4. Add **Attachments** or **Notes** in their respective boxes, if desired.
5. You can **Edit** expenses and **Add** additional expenses through the related buttons at the bottom of the screen.
6. When you are finished, click the **Save and Continue** button, or click the **Save and Add/Edit Another** button to add or edit other lodging expenses.

## Confirming Vehicle Expenses

You can confirm your vehicle expenses on the **Vehicle** tab.

1. At the **Do you need to enter Rental Car or Personal Mileage Information?** prompt, click the **Yes** button to proceed to the Vehicle Expenses tab. Click the **No** button to skip Vehicle Expenses and move on to Airline Expenses.

**Vehicle Expense**

Advance Required: Y      Needed By: 02-26-2016  
 Delivery: Paper Check  
 Expense For: Employee

Vehicle Type: Personal  
 Projected Mileage: 72      Actual Mileage:   
 (round up to nearest mile)      (round up to nearest mile)  
 Passenger Names:   
 Projected Amount: 38.88      Actual Amount:

Fund	Func	Obj	SubObj	Org	PI	Local	Year	Owner	Prct	Amount	Available Budget Balance
1000		1000		400	00	000	2016	100%	100	38.88	\$-10,290.86
									<b>100%</b>	<b>\$38.88</b>	

Attachments  
 File:  Choose File: No file chosen  
 Notes:  Characters remaining: 2000 (2000 max)

**Vehicle Expenses**

Configure columns | Sort | Clear      Sorted by: (default)

Type	For	Projected Amount	Actual Amount	Vehicle Type	Traveler	A	N
Vehicle	Employee	38.88		Personal			

record count: 1 of 1

Figure 30: Create Expense Report entry point, Vehicle tab

2. Enter the **Actual Amount** of the vehicle expense.
3. Add **Attachments** or **Notes** in their respective boxes, if desired.
4. You can **Edit** expenses and **Add** additional expenses through the related buttons at the bottom of the screen.
5. When you are finished, click the **Save and Continue** button, or click the **Save and Add/Edit Another** button to add or edit other vehicle expenses.

## Confirming Airline Expenses

You can confirm your airline expenses on the **Airline** tab.

1. At the **Do you need to enter Flight Information?** prompt, click the **Yes** button to proceed to the Airline tab. Click the **No** button to skip Airline Expenses and move on to Meal Expenses.

**Airline Expense**

Advance Required: \* Yes  No

Expense For: \* Employee  Payment Type: \*

Contact Phone #: \*

Birth Date of Traveler: \* 01-01-1970

Gender of Traveler: \*  Male  Female

**Departure:**

Preferred Airline:  Date:  Time:

Flight Number:  Confirmation Number:

**Return:**

Preferred Airline:  Date:  Time:

Flight Number:  Confirmation Number:

Projected Amount:  Actual Amount:

Fund	Func	Obj	SubObj	Org	PI	Local	Year	Owner	Prct	Amount	Available Budget Balance	
								001	HS	100	0.00	\$-10,290.86
										100%	\$0.00	

Attachments

File:  Choose File: No file chosen

Notes:

Characters remaining: 2000 ( 2000 max)

**Airline Expenses**

Configure columns | Sort | Clear | Sorted by: (default)

Type	For	Project	Actual	Departure Airline	Return Airline	Traveler	A	N
		Amount	Amount					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

record count: 0 of 0

Figure 31: Create Expense Report entry point, Airline tab

2. Select the appropriate **Payment Type**.
  - o For *Department Credit Card*, select the **Credit Card** from the drop-down list of approved credit cards.
  - o For *Reimbursement*, no other information is required.



- For *District Credit Card*, no other information is required.
  - For *Direct Bill*, no other information is required.
3. After selecting the Payment Type, enter the **Actual Amount** of the airline expense.
  4. Add **Attachments** or **Notes** in their respective boxes, if desired.
  5. You can **Edit** expenses and **Add** additional expenses through the related buttons at the bottom of the screen.
  6. When you are finished, click the **Save and Continue** button, or click the **Save and Add/Edit Another** button to add or edit other airline expenses.

## Confirming Meal Expenses

You can confirm your meal expenses on the **Meals** tab.

1. At the **Do you need to enter Meal Information?** prompt, click the **Yes** button to proceed to the Meals tab. Click the **No** button to skip Meal Expenses and move on to Other Expenses.

**Meals Expense**

Advance Required: N  
 Expense For: Employee      Payment Type: Reimbursement

Number of Employees: 1  
 Continue

**Meals Expenses**

Configure columns | Sort | Clear    Sorted by: (default)

Type	For	Projected Amount	Actual Amount	Traveler	A	N
Meals	Employee		113.0			

record count: 1 of 1

Edit    Add

Figure 32: Create Expense Report entry point, Meals tab

2. Select the appropriate **Payment Type**.
  - o For *Department Credit Card*, select the **Credit Card** from the drop-down list of approved credit cards.
  - o For *Reimbursement*, no other information is required.
  - o For *District Credit Card*, no other information is required.

3. Click the **Continue** button to expand the Meals Expenses section.

**Meals Expense**

Advance Required: N

Expense For: Employee      Payment Type: Reimbursement

Number of Employees: 1

Date	Day of Week	Meal	District Paid	Provided	Per Diem	Projected	Actual
03-08-2016	Tuesday	Breakfast		<input type="checkbox"/>	0.00	0.00	0.00
		Lunch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11.00	0.00	11.00
		Dinner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	22.00	0.00	22.00
03-09-2016	Wednesday	Breakfast	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7.00	0.00	7.00
		Lunch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11.00	0.00	11.00
		Dinner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	22.00	0.00	22.00
03-10-2016	Thursday	Breakfast	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7.00	0.00	7.00
		Lunch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11.00	0.00	11.00
		Dinner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	22.00	0.00	22.00
03-11-2016	Friday	Breakfast		<input type="checkbox"/>	0.00	0.00	0.00
		Lunch		<input type="checkbox"/>	0.00	0.00	0.00
		Dinner		<input type="checkbox"/>	0.00	0.00	0.00

**Totals:**      Max Reimbursement      Actual      Reimbursement

   113.00      113.00      113.00

Fund	Func	Obj	SubObj	Org	PI	Local	Year	Owner	Prct	Amount	Available Budget Balance
									100	113.00	\$-10,290.86
									<b>100%</b>	<b>\$113.00</b>	

**Attachments**

File:  No file chosen

**Notes:**

Characters remaining: 2000 ( 2000 max)

Figure 33: Meals tab, Meals Expenses section

4. After selecting the Payment Type, enter the **Actual Amount** of the expenses for each meal.
5. Add **Attachments** or **Notes** in their respective boxes, if desired.
6. You can **Edit** expenses and **Add** additional expenses through the related buttons at the bottom of the screen.

**Note:** The Reimbursement value will never exceed the Max Reimbursement value, regardless of the actual expense.

7. When you are finished, click the **Save and Continue** button, or click the **Save and Add/Edit Another** button to add or edit other meal expenses.

## Confirming Other Expenses

You can confirm your other travel expenses on the **Other** tab.

1. At the **Do you need to enter Other Expense Information (Taxis, Parking, etc.)?** prompt, click the **Yes** button to proceed to the Other Expenses tab. Click the **No** button to skip Other Expenses and move on to the Submit tab.

Figure 34: Create Expense Report entry point, Other Expenses tab

2. Select the appropriate **Payment Type**.
  - o For *Department Credit Card*, select the **Credit Card** from the drop-down list of approved credit cards.
  - o For *Reimbursement*, no other information is required.
  - o For *District Credit Card*, no other information is required.
3. After selecting the Payment Type, enter the **Actual Amount** of the other expenses.
4. Add **Attachments** or **Notes** in their respective boxes, if desired.
5. You can **Edit** expenses and **Add** additional expenses through the related buttons at the bottom of the screen.
6. When you are finished, click the **Save and Continue** button, or click the **Save and Add/Edit Another** button to add or edit another expense.

## Submitting Expenses for Approval

You can confirm and submit Expense Reports for approval on the **Submit** tab.

Entered By: [Name] Departure: 03-08-2016 Activity/Purpose: TABSE 2016 CONFERENCE Request ID: 11 Advances 342.69 - Expenses 113.00 = You Owe 229.69

**Summary**

Configure columns | Sort | Clear Sorted by: (default)

Expense Type	Expense Description	Payment Type	Expense For	Proj Amt	Actl Amt	Account Number	Traveler	Vendor	Check Number	Check Date	A	N
Vehicle	Personal	Advance	Employee	38.88						02-26-2016		
Lodging		Advance	Employee	303.88						02-26-2016		
Meals		Reimburse	Employee		113.00							

record count: 3 of 3

Projected Total: 342.69  
Actual Total: 113.00

**General Section Attachments**

Configure columns | Sort | Clear Sorted by: (default)

Request ID	Event	City	Status	Next in Workflow	State	Departure Date	Return Date	Reimb Expect	Traveler	A
11	TABSE 2016 CONFERENCE	PLANO	Not Started		TX	03-08-2016	03-11-2016	Y		

record count: 1 of 1

Figure 35: Create Expense Report entry point, Submit tab

The far right of the header contains either your reimbursement amount in green or the amount you owe in red.

## Approving Travel Requests

You can approve or deny travel requests via the **Travel Request Approval** entry point.

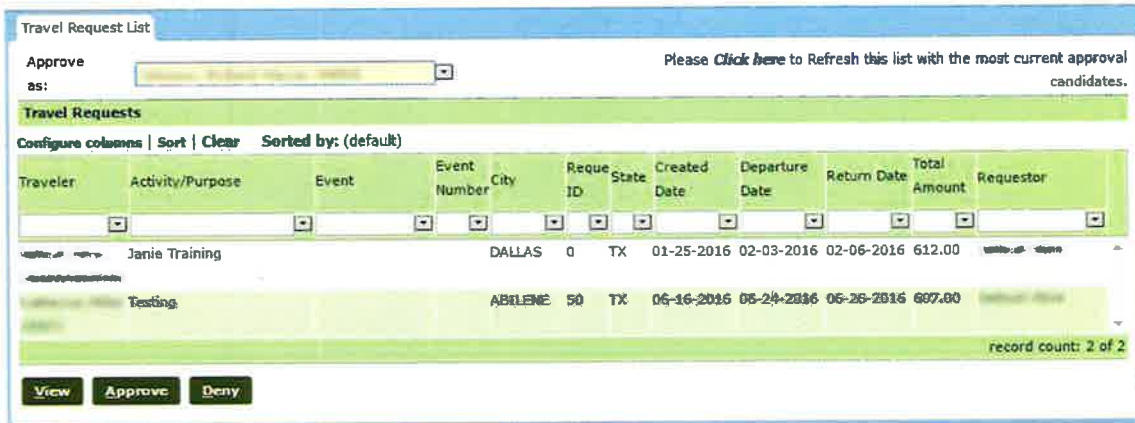


Figure 36: Travel Request Approval entry point

## Viewing a Travel Request

1. Click the travel request to highlight it on the **Travel Request List** tab, then click the **View** button.
2. View the travel request and make changes as needed in each tab.

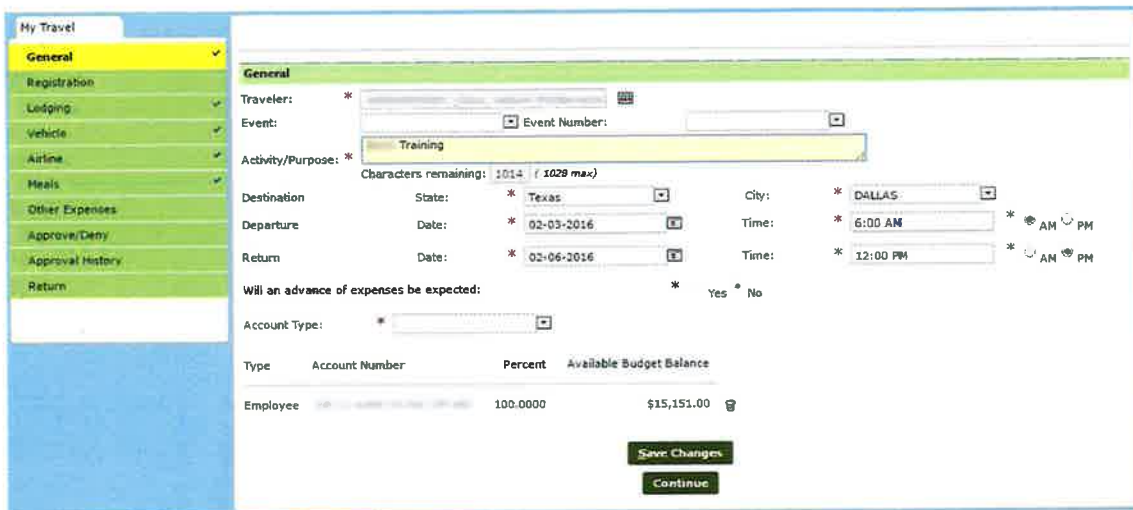


Figure 37: View Travel Request

You also approve or deny a travel request while viewing it, via the **Approve/Deny** tab.

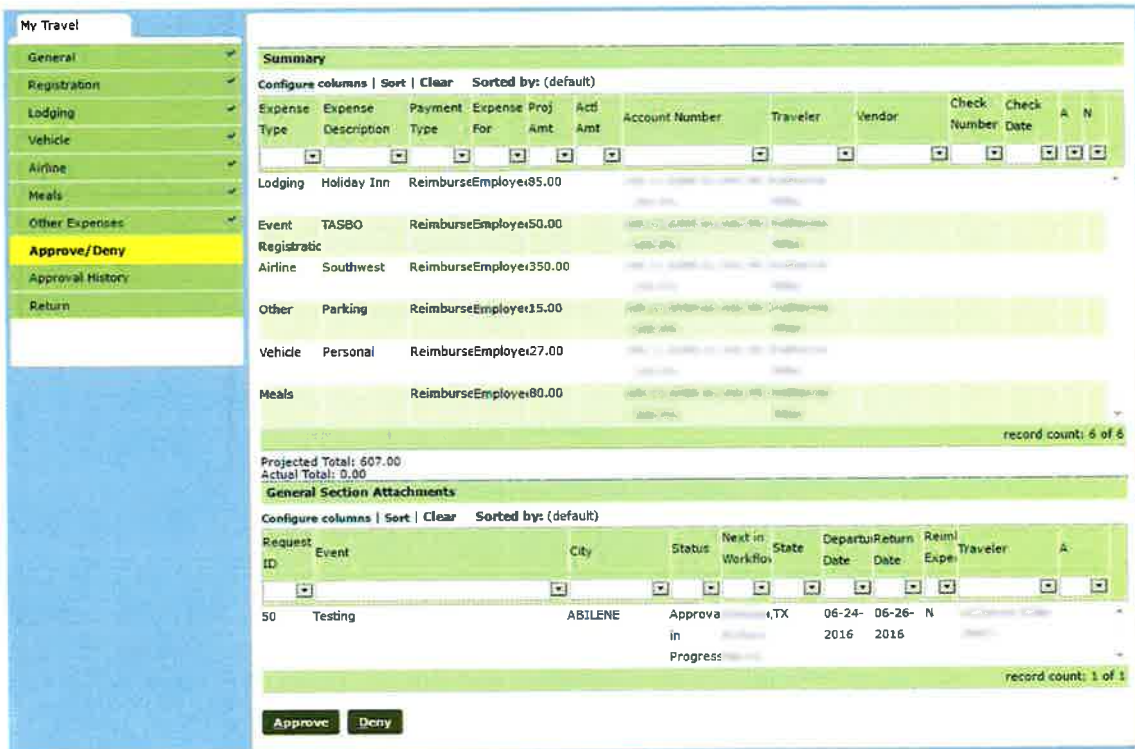


Figure 38: View Travel Request, Approve/Deny tab

To approve the request, click the **Approve** button.

To deny the request:

1. Click the **Deny** button.
2. Select a **Denial Reason** from the drop-down menu in the pop-up window.
3. Enter a **Denial Note** to add more detail, if needed.
4. Click the **Ok** button.

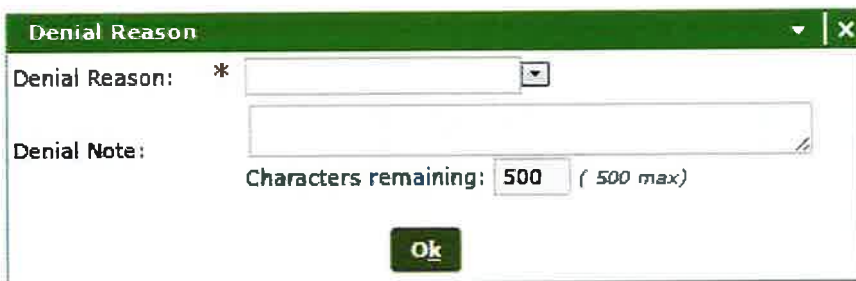


Figure 39: Denial Reason pop-up window



## Approving a Travel Request

Click the travel request to highlight it on the **Travel Request List** tab, then click the **Approve** button

## Denying a Travel Request

1. Click the travel request to highlight it on the **Travel Request List** tab, then click the **Deny** button.
2. Select a **Denial Reason** from the drop-down menu in the pop-up window.
3. Enter a **Denial Note** to add more detail, if needed.
4. Click the **Ok** button.

## Approving Expense Reports

You can approve or reject expense reports via the **Expense Report Approval** entry point.

The screenshot shows the 'Expense Report List' interface. At the top, there is a tab labeled 'Expense Report List'. Below it, there is a section for 'Approve as:' with a dropdown menu and a link that says 'Please Click here to Refresh this list with the most current approval candidates.' Below this is a green header bar for 'Expense Reports'. Underneath, there are links for 'Configure columns', 'Sort', and 'Clear', followed by 'Sorted by: (default)'. A table with 13 columns is displayed: Traveler, Activity/Purpose, Event, Event Number, City, Reque ID, State, Created Date, Departure Date, Return Date, Total Amount, Requestor, and Reimburse Amount. Each column has a dropdown arrow. Below the table, it says 'record count: 0 of 0'. At the bottom, there are three buttons: 'View', 'Approve', and 'Reject'.

Figure 40: Expense Report Approval entry point

## Viewing Expense Reports

1. Click the expense report to highlight it on the **Expense Report List** tab, then click the **View** button.
2. View the expense report and make changes as needed in each tab.

The screenshot shows the 'View Expense Report' interface. On the left is a sidebar with a 'My Travel' tab and several sub-tabs: General (selected), Registration, Lodging, Vehicle, Airline, Meals, Other Expenses, Approve/Reject, Approval History, and Return. The main content area is titled 'General' and shows the following details: Event: Security Training, Event Number: (blank), Activity/Purpose: Security Training, Destination: Texas, City: ABILENE, State: Texas. The departure date is 01-28-2016 at 2:00 PM, and the return date is 01-31-2016 at 2:00 PM. The Reimbursement Delivery Method is set to Direct Deposit. A 'Continue' button is at the bottom.

Figure 41: View Expense Report

You can also approve or reject an expense report while viewing it, via the **Approve/Reject** tab.

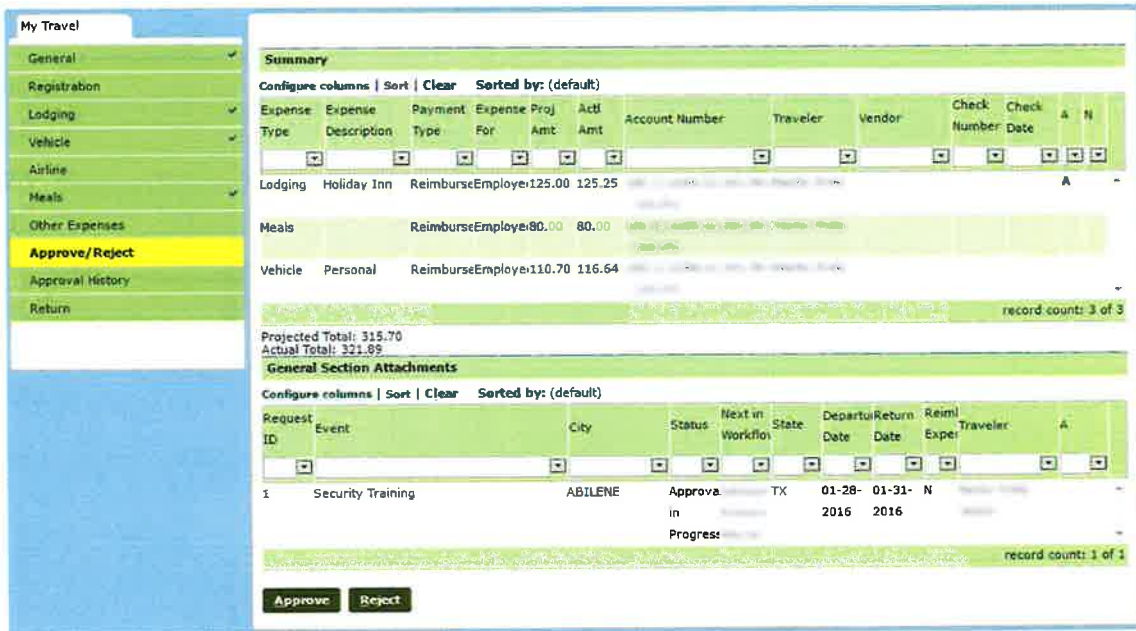


Figure 42: View Expense Report, Approve/Reject tab

To approve the report, click the **Approve** button.

To reject the report:

1. Click the **Reject** button.
2. Select a **Reject Reason** from the drop-down menu in the pop-up window.
3. Enter a **Reject Note** to add more detail, if needed.
4. Click the **Ok** button.

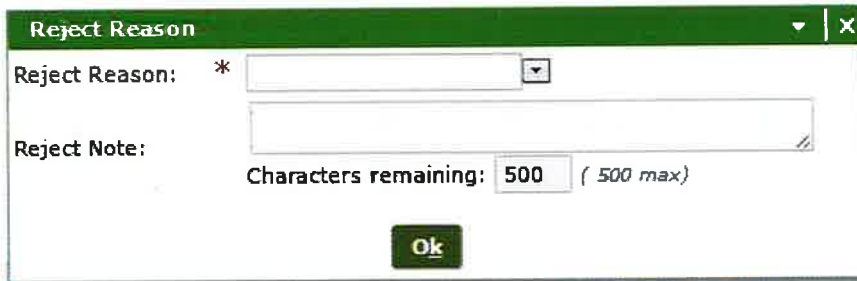


Figure 43: Reject Reason pop-up window

## Approving Expense Reports

Click the expense report to highlight it on the **Expense Report List** tab, then click the **Approve** button.

## Rejecting Expense Reports

1. Click the expense report to highlight it on the **Expense Report List** tab, then click the **Reject** button.
2. Select a **Reject Reason** from the drop-down menu in the pop-up window.
3. Enter a **Reject Note** to add more detail, if needed.
4. Click the **Ok** button.


## Searching for Travel Requests

Use the **Travel Request Search** entry point to search for travel requests based on a set of criteria. Enter your search criteria and click **Search** to view the Travel Request Search Results tab. On this tab, travel requests can be viewed but not edited.

The screenshot shows the 'Travel Request Search' form. It has a blue header bar with the text 'Travel Request Search' and a green bar below it with 'Travel Request Search' in white. The form contains several input fields and a search button. The fields are: Traveler (text), Request ID (text), Event (text), Activity/Purpose (text), Status (dropdown), Travel Request Create Date (calendar icon), Departure Date (calendar icon), Return Date (calendar icon), Destination State (dropdown), City (text), Minimum (calendar icon), and Maximum (calendar icon). A blue 'Search' button is at the bottom right.

Figure 44: Travel Request Search entry point

The following criteria are available to use in the search process. No particular criterion is required. Use as much or little information as you have.

- **Traveler.** Enter the name of the employee or click the  button on the right to go to the Employee Lookup function.
- **Request ID.** Enter the Request ID of the travel request.
- **Event.** Select the predefined event from the drop-down list.
- **Event Number.** Select the predefined Event Number.
- **Activity/Purpose.** Enter the appropriate Activity/Purpose description.
- **Status.** Select *Entered*, *Approved*, *Approval in Progress*, *Not Started*, or *Rejected* from the drop-down list.
- **Travel Request Create Date.** Enter the date the travel request was created.
- **Departure Date.** Enter the departure date of the travel request.
- **Return Date.** Enter the return date of the travel request.
- **Destination State.** Enter the state where the event took place.
- **City.** Enter the city where the event took place.

## Sending Expense Report Reminders

When a request has the Expense Report Status of *Not Started*, the Send Expense Report Reminder button appears on the Travel Request Search Results tab. Select a request and click the **Send Expense Report Reminder** button to send a reminder to the Traveler to submit their expense report.

If the Expense Report Status is anything other than *Not Started*, the button is unavailable for selection.

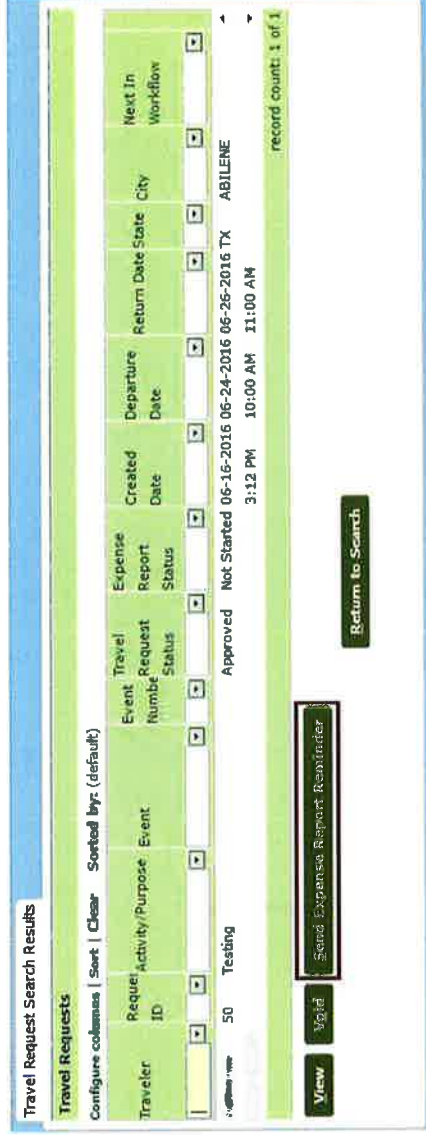



Figure 45: Send Expense Report Reminder button

## Searching for Expense Reports

Use the **Expense Report Search** entry point to search for expense reports based on a set of criteria. Enter your search criteria and click **Search** to view the Expense Report Search Results tab. On this tab, expense reports can be viewed but not edited.

Figure 46: Expense Report Search entry point

The following criteria are available to use in the search process. No particular criterion is required. Use as much or little information as you have.

- **Traveler.** Enter the name of the employee or click the  button on the right to go to the Employee Lookup function.
- **Request ID.** Enter the Request ID of the expense report.
- **Event.** Select the predefined event from the drop-down list.
- **Event Number.** Select the predefined Event Number.
- **Activity/Purpose.** Enter an activity or purpose name.
- **Status.** Select *Entered*, *Approved*, *Approval in Progress*, *Not Started*, or *Rejected* from the drop-down list.
- **Expense Report Create Date.** Select the creation date of the expense report.
- **Departure Date.** Select the departure date of the trip/event.
- **Return Date.** Select the return date of the trip/event.
- **Destination State.** Select the state where the trip/event was located.
- **City.** Enter the city where the trip/event took place.