



# GRANTS MANAGEMENT

# PROCEDURES MANUAL

# Grand Saline ISD

## Table of Contents

---

Staff Directory	3
General Guidelines	3
Responsibilities of Grant Management	4
Staff Responsibilities	5
Business Office Responsibilities	6
Supplement Not Supplant Procedures	7
Time and Effort Requirements	11
Job Descriptions	13
Budgeting For Grants	13
Budget Amendments	14
Accounting Records	14
Purchasing and Disposition Guidelines	15
Reporting Fraud, Waste & Abuse of State/Federal Funds	21

## Staff Directory

Name	Title	E-Mail	Phone
Micah Lewis	Superintendent	<a href="mailto:Micah.Lewis@grandsalineisd.net">Micah.Lewis@grandsalineisd.net</a>	903-962-7546
Debby Morse	Assistant Superintendent	<a href="mailto:dmorse@grandsalineisd.net">dmorse@grandsalineisd.net</a>	903-962-8171
Laura Griffith	Director of Finance (DOF)	<a href="mailto:dmorse@grandsalineisd.net">dmorse@grandsalineisd.net</a>	903-962-7546
Kim McVey	Director of Special Education	<a href="mailto:kmcvey@grandsalineisd.net">kmcvey@grandsalineisd.net</a>	903-962-7546

## **General Guidelines**

GSISD is responsible for the efficient and effective administration of Federal awards through the application of sound management practices and assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award. Furthermore, in recognition of its own unique combination of staff, facilities, and experience, GSISD has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the Federal award. The accounting practices of GSISD are consistent with the cost principles and support the accumulation of costs as required by the principles, and provide for adequate documentation to support costs charged to Federal awards. GSISD does not earn or keep any profit resulting from Federal financial assistance, unless explicitly authorized by the terms and conditions of the Federal award.

Grants management procedures are used for the financial and regulatory administration of all state and federal financial assistance to the district. Overall responsibility for submitting proposals and for executing and submitting awards rests with the Superintendent. The guidelines establish lines of authority within the district related to financial transactions on government assistance received.

General information provided in this document is based on multiple sources. For more specific information, consult the grant application and regulations and [2 CFR 200—Part E](#) for federal cost principles. All applicable GSISD Policies and Procedures and Administrative Guidelines and Purchasing Procedures are to be followed for expenditures.

In instances where state or local policies are more stringent and limiting than federal guidelines, GSISD will adhere to the more restrictive requirements.

## **Responsibilities of Grant Management**

---

Grants Management is handled by various individuals dependent upon the Program; the Superintendent, Assistant Superintendent, Director of Finance, Grand Saline Independent School District (GSISD) Board of Trustees, and the granting agencies.

Overall responsibility for submitting proposals and for executing and administering awards rests with the Superintendent. The district has adopted an institutional oversight model for state and federal financial assistance. The oversight model establishes lines of authority within the district related to financial transactions on government assistance received. There are three fundamental principles:

1. The Director of Finance (DOF) is the final approval authority for all grant activity prior to submission to the Superintendent.
2. Responsibility is defined as the authority to make a decision and be accountable for any outcomes associated with that decision.
3. Oversight is always distinct from the operating unit that makes the decisions.

The overall responsibilities of the Grants Management function include, but are not limited to:

- a. Reviewing all grant applications that have a financial reporting or compliance requirement prior to submission for approval by the Superintendent;
- b. Establishing, communicating and promoting policies and procedures consistent with federal, state, and local regulations;
- c. Providing assistance to project managers for the preparation of grant applications;
- d. Exercising budgetary control of grant funds;
- e. Providing overall financial support and monitoring; and
- f. Providing overall compliance monitoring to include:
  - Maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to the state and federal regulations;
  - Coordinating formal agency audits or interim reviews of grants by federal or state agencies; and
  - Providing support and guidance to campus and central administrative offices for the effective administration and financial management of grants.

GSISD's financial management system provides for compliance with the identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification includes, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity. Accurate, current, and complete disclosure of the financial results of each Federal award or program is provided in accordance with the reporting requirements and the monitoring and reporting of program performance. GSISD maintains records that identify adequately the source and application of funds for federally-funded activities. These records contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and are supported by source documentation. GSISD maintains effective control over, and accountability for, all funds, property, and other assets and adequately safeguards all assets and assures that they are used solely for authorized purposes. GSISD compares expenditures with budget amounts for each Federal award and provides written procedures to implement the requirements of payment. Written procedures are in place for determining the allowable use of costs (see Procedures for Determining Allowable Costs below) in accordance with applicable cost principles and the terms

and conditions of the Federal award. Advance payments of Federal funds are deposited and maintained in insured accounts whenever possible. GSISD maintains effective control over, and accountability for, all funds, property, and other assets, and the district adequately safeguards all assets and assures that they are used solely for authorized purposes. GSISD does not earn or keep any profit resulting from Federal financial assistance unless explicitly authorized by the terms and conditions of the Federal award.

If the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award, or give prior approval for how program income is to be used, then program income will be deducted from the total allowable costs to determine the net allowable costs. Program income will be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the GSISD did not anticipate at the time of the Federal award will be used to reduce the Federal award and GSISD contributions rather than to increase the funds committed to the project.

## **Staff Responsibilities**

### **Superintendent**

- Approve applications for grants
- Making sure that the district meets compliance standards and follows the DIP and CIP related to the federal programs

**Director of Finance** – Reports directly to the Superintendent and is responsible for:

- Monitoring finance of all state and federal grants  
Reporting expenditure reports
- Working with campuses and other departments to verify that each is aware of their allocated budget, if any, and the allowable uses for that budget
- Final approver of all requisitions and verifying expenditures are allowable and within allowable ranges
- Compiling, verifying and filing of expenditure reports
- Files accurate quarterly reports for programs requiring such filing
- Advising all district staff on non-program specific local, state and federal purchasing guidelines Reconciling district financial records to federal reports to verify accuracy
- Maintaining financial records and working with financial auditors to prove financial compliance with grant requirements
- Working with Directors to ensure compliance with supplement vs. supplant issues
- Working with Directors to ensure MOE issues where applicable

**Assistant Superintendent (Federal Programs Director)**– Reports to the Superintendent and is responsible for:

- Submitting all state and federal grant applications
- Reporting unusual or irregular activities related to grants to the Superintendent
- Maintaining current knowledge of federal, state and District policies related to grants
- Providing central staff and campus training for federal and state grants, as appropriate  
And monitoring compliance of all state and federal grants
- Responsible for making sure the federal program goals and objectives are listed correctly in the DIP and CIP

- Making sure that the district meets compliance standards and follows the DIP and CIP related to the federal programs
- Monitoring finance and compliance of stated grants
- Monitoring unusual or irregular activities related to grants
- Maintaining current knowledge of federal, state and district policies related to grants
- Working with Superintendent, Directors and Principals to verify that the use of grant proceeds is aimed at meeting the needs of DIP and CIP, and is in the best interest of our students, employees and taxpayers
- Coordinating the responsibilities of staff involved in all state and federal grants to verify that all aspects of grant compliance are being considered and adhered to
- Reviewing grant information and educating district fiscal and program personnel on the allowable purposes of each grant they are responsible for
- Complete amendments to grants as required by grant and district
- Working with principals and directors in relationship to compliance with program specific purchasing issues as needed

**Director of Special Education** - Reports directly to the Superintendent and is responsible for:

- Administration of the following Grants:
  - IDEA–B Formula
  - IDEA-B Preschool
- Submitting state and federal grant applications mentioned above
- Monitoring finance and compliance of stated grants
- Reporting unusual or irregular activities related to grants to the DOF
- Maintaining current knowledge of federal, state and district policies related to grants

### **Business Office Responsibilities**

**Business Office responsibilities include:**

- Maintaining fiduciary and financial responsibility for all grant activities
- Processing and maintaining the accounting data for grants
- Grant accounting shall include the details of all grant transactions from the approval of the proposed grant to final action by the grantee and grantor
- Assisting the DOF in the requesting drawdowns of funds
- Assisting the DOF preparing and submitting periodic, final and revised expenditure reports and certifying expenses are true and correct
- Assisting the DOF in classifying and reporting accounting transactions properly according to TEA guidelines
- Assisting DOF in requisition and purchase order processing including the initiation of the process, verification and payment

### **Supplement, Not Supplant Procedures**

---

GSISD has implemented guidelines to ensure compliance with the federal fiscal requirement of supplement, not supplant. The purpose of the procedures is to ensure that the level of state and local support for programs remains at least constant and is not replaced by federal funds. Federal funds are used to supplement (add to, enhance, to expand, or increase) the funds available from non-federal sources, and not to supplant (replace or take the place of) the existing non-federal funds.

1. Federal funds shall not be used to provide services that the district is required to provide under federal, state, or local laws/policies.
  - a. Salary expenditures for staff required by federal, state, or local policy shall not be paid from federal funds. For example, teacher FTEs that meet the state's 22:1 student-teacher ratio for grades PK through 4th will not be funded from federal funds. Excess teacher units, if any, may be eligible for payment through federal funds. Documentation shall include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.
  - b. Salary expenditures for staff required by local policy shall not be paid from federal funds. Excess staff units, if any, may be eligible for payment through federal funds. Documentation shall include Board minutes or local policy reflecting the staffing requirement and a report that reflects the staff units throughout the district mandated by the local minutes/policy and the excess units, if any.
  - c. The salaries of administrative and clerical staff (i.e., non-instructional staff) will be treated as indirect costs. Direct charging of these costs may be appropriate only if administrative or clerical services are integral to a specific project or activity, if the individuals involved can also be specifically identified with the project or activity, if such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency, and if the costs are not also recovered as indirect costs. Documentation shall include job descriptions that relate duties directly to the federally-funded program.
  - d. Federal funds shall not be used to pay for state required activities, such as state-mandated assessments. Documentation shall include purchase orders for state required activities. The purchase orders shall reflect that non-federal funds were used to pay for the expenditures.
2. Procedures for determining that a school participating in a school-wide program is using federal funds available only to supplement the amount of funds that would, in the absence of ESSA federal funds, be available from non-federal sources for the school (including funds needed to provide services for children with disabilities and children with limited English proficiency.) Note: In a Title I schoolwide program, a school is not required to provide supplemental services to identified children (currently GSISD is Title I school-wide).
3. Procedures for determining supplement, not supplant when state or local funds are no longer available. Federal funds shall not be used to provide services that the district is required to make available under other Federal, State or local laws (Board Policy).
  - a. Salary expenditures for staff required by federal, state, or local policy shall not be paid from federal funds. For example, teacher FTEs that meet the state's 22:1 student-teacher ratio for grades PK through 4th will not be funded from federal funds. Excess teacher units, if any, may be eligible for payment through federal funds. Documentation shall include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.
  - b. Salary expenditures for staff required by local policy shall not be paid from federal funds. Excess staff units, if any, may be eligible for payment through federal funds.



Documentation shall include the Board minutes or policy and a report that reflects the staff units throughout the district mandated by the minutes or policy and the excess units, if any.

- c. Federal funds shall not be used to pay for state required activities, such as state-mandated assessments.

Documentation shall include purchase orders for state required activities. The purchase orders shall reflect that non-federal funds were used to pay for the expenditures.

4. Procedures for determining that program-specific supplement, not supplant provisions are met.  
A review of the non-federal funds available to each campus (school-wide and non-participating) shall be conducted on an annual basis by the Superintendent, Director of Finance and Grant Directors.
  - a. TEA's Comparability Computation Report (CCR) should provide valuable information related to the level of state and local funding available at each Title I A participating and non-participating campus.
  - b. All purchase orders with federal funds shall be reviewed by the Director of Finance and the Director in charge of a particular federal program to ensure compliance with the supplement, not supplant provision. The final approver's signature and date is his/her representation that the grantee complied with local policy and procedure and state and/or federal law, rules and/or grant requirement, as applicable
5. Procedures for determining supplement, not supplant when state or local funds are no longer available
  - a. Federal funds shall not be used to provide staff that the district provided with non-federal funds in the prior year.  
Documentation may include a report that reflects the staff units throughout the district and the prior year and current year source of funding.
  - b. Federal funds shall not be used to pay for goods or services that the district provided with non-federal funds in the prior year.  
Documentation may include Budget Worksheets or other budget documents.
6. Procedures for determining that program-specific supplement, not supplant provisions are met.
  - a. Title I, Part A – Improving Basic Programs:
    - i. Title I, Part A federal funds shall be used only to supplement the amount of funds available from non-federal sources for the campus including funds needed to provide services that are required by law for children with disabilities and children with limited English proficiency. A schoolwide campus does not have to demonstrate that activities are supplemental. The school is not required to identify particular children or to provide supplemental services to identified children.
    - ii. A review of the non-federal funds available shall be conducted on an annual basis.
  - b. Title II, Part A – Teacher/Principal Training and Recruitment :
    - i. Using Title II, Part A funds to meet any state mandate or local board policy would be considered a supplant. For example, if an LEA decides to use Title II, Part A funds to hire additional teachers to reduce class size in Grade 2, the state mandate of 22:1 must be met with state and/or local funds before additional teachers may be hired with Title II, Part A funds.
    - ii. Documentation may include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.
  - c. Title III, Part A – LEP



- i. Title III, Part A funds shall be used so as to supplement the level of Federal, State, and local public funds that, in the absence of such availability, would have been expended for programs for limited English proficient children and immigrant children and youth and in no case to supplant such Federal, State, and local public funds.
  - ii. Documentation may include a report that reflects the state and/or local funds used to provide Bilingual education or ESL services to students as required by state law and the federal funds used to provide additional services beyond the basic education program that is already provided.
- d. Title VI, Part B, Subpart 2 – Rural & Low-Income School Program
- i. Title VI, Part B, Subpart 2 Rural and Low-Income School Program shall be used to address local academic needs more effectively by giving greater flexibility in the use of limited federal resources. It is designed to address the unique needs of rural school districts that frequently (1) lack the personnel and resources needed to compete effectively for federal competitive grants and (2) receive formula allocations in amounts too small to be effective in meeting their intended purposes.
  - ii. Using Title VI, Part B, Subpart 2 Rural and Low-Income School Program funds to meet any state mandate or local board policy would be considered a supplant. For example, if an LEA has been using state and/or local funds to conduct national background checks on employees, the LEA may not decide to use Title IV, Part A funds for the next school year.
  - iii. Documentation may include a report that reflects state and local funds used to comply with state mandated requirements.

## **Time and Effort Requirements**

GSISD will strive to keep all employees hired with federal or state sources with a single purpose and a sole funding source when possible. Such job responsibilities with funding source limitations will be duly noted on their job descriptions and communicated to the employee, their supervisor and district level staff.

Supervisors should pay careful attention when assigning other duties to any employee on campus and recruiting employees for additional work. In cases involving employees with special funding sources, supervisors should know that additional timekeeping requirements are imposed on the district, the supervisor and the employee. If a situation warrants other assignments to these specially funded employees, the supervisor should contact the Director of Finance or Grant Director immediately to determine what needs to be done to maintain district compliance with governing standards.

### **Sole purpose /Single funding source employees**

In an effort to verify this time and effort, reports will be given to campus administrators and employees, at the beginning of each fall and spring semester asking the administrators and employees to verify and sign off as to their agreement that the work the administrator assigns these employees is that single purpose with no other funding source. Although semi-annual certifications are waived in Texas, when applicable, personnel assigned to a Title I, Part A Schoolwide campus and funded with such funds will have in their job description a statement that 100% of their instructional duties are performed on such a campus. At the end of each fall and spring semester the report will be given to the employee to verify their work for that prior semester, noting any variances from that sole purpose and funding source. Examples of these other roles or funding sources are: tutorials paid from other funds, bus

duties or any kind, working athletic events and so on. The reports once completed will be submitted to the Director of Finance or Grant Director for verification and compiling with other district compliance records.

In situations where specially funded employees work summer school or other assignments outside of their contract calendar, another report will be completed by the supervisor and employee. It will then be submitted to the Director of Finance or Grant Director showing the time worked and noting that it was outside of their contract calendar for their federally funded position.

To reduce the time and effort burden of monthly reports, the U.S. Department of Education (USDE) has approved a substitute system. Under the substitute system, employees may submit twice annual certifications instead of monthly personnel activity reports (PAR). In the event that GSISD decides to take advantage of the substitute system, the district will submit a management certification form to TEA before any employees may participate in the substitute system. This form will be submitted within the timeline parameters set down by TEA and a new management certification will be submitted for each school year that GSISD decides to participate. Copies of the necessary forms are available for viewing on TEA's [Substitute System of Time and Effort Reporting](#) web page.

#### Dual job assignments /Multiple funding sources

If circumstances make it necessary to use employees in more than one role, or to fund the employee from more than one source, the following guidelines will apply. Monthly reports will be completed by the employee and their immediate supervisor showing time worked at each of the various employment responsibilities to account for 100% of the employee's time. Signatures of each shall be affixed and the report forwarded again to the Director of Finance or Grant Director for verification and retention. If the separate assignments are notable by different timekeeping rules, supervisors should print out a copy of the employee's time records for the month in question and submit those along with the report.

## **Procurement**

---

Procurement transactions are conducted in a manner providing full and open competition. 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 are excluded from competing for such procurements.

GSISD conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

GSISD also has adopted written procedures for procurement transactions as follows:

- a) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description does not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, sets forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications are avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate

description of the technical requirements, a “brand name or equivalent” description will be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brands which are met by offers that are clearly stated.

- b) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

GSISD further ensures that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the district does not preclude potential bidders from qualifying during the solicitation period.

Methods of procurement :

*Procurement by micro-purchases* is where the aggregate dollar amount of the acquired supplies or services does not exceed the micro-purchase threshold. To the extent practicable, GSISD distributes micro-purchases equitably among qualified suppliers. Micro-purchases are awarded without soliciting competitive quotations if GSISD considers the price to be reasonable. The Micro-purchase threshold has now been increased to \$10,000.00 effective July 1, 2018.

*Procurement by small purchase procedures* is a relatively simple and informal procurement for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used for purchases above \$10,000 but less than \$250,000, price or rate quotations are obtained from an adequate number of qualified sources.

*Procurement by sealed bids* is where a 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 GSISD’s preferred method for procuring construction if a complete, adequate, and realistic specification or purchase description is available, if two or more responsible bidders are willing and able to compete effectively for the business, and if 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. Under EDGAR, purchases at \$250,000 and above require competition. A federal cost or price analysis is required and state procurement rules in FARG also apply.

When sealed bids are used, GSISD imposes the following requirements:

- a) The 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, for state, local, and tribal governments, the invitation for bids must be publically advertised;
- b) 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;
- c) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- d) 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,
- e) Any or all bids may be rejected if there is a sound documented reason.

*Procurement by competitive proposals* is where competitive proposals are 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, GSISD imposes the following requirements:

- a) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals will be considered to the maximum extent practical;
- b) Proposals will be solicited from an adequate number of qualified sources;
- c) GSISD has a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- d) Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and,
- e) GSISD 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, will only be used in procurement of A/E professional services.

## **Job Descriptions**

---

GSISD will maintain job descriptions for all district employees, including grant-funded personnel. Job descriptions for employees involved with grant programs will have specific reference made on the job description as to the source of their grant funding. At the time of hiring or changing the responsibilities for any employee in the district, including a grant funded employee, supervisors must notify the Director of Finance or Grant Director and obtain appropriate approval. Additionally, other district policies must be followed in relation to these changes, such as board approval for new professional employees.

All employees in the district with hiring responsibilities must ensure that each employee hired is either highly qualified at the time of hire or has a plan laid out that will ensure that they are highly qualified within allowable timeframes. Evidence of this criteria will be maintained by the in the employees personnel folder located in the business office.

## **Budgeting for Grants**

---

In order to establish a budget in the district's accounting system for federal funds, each year a copy of the budget program summary from the TEA system must be submitted to the DOF along with an individual account code breakdown of how it should be budgeted in the district accounting system. Business office personnel will provide each director with a worksheet to use in preparing the individual account breakdown upon request, or the director may use the system reports to produce such on their own. From this information business office personnel will input budgets into the district accounting system as promptly as possible.

Monthly, business office staff will submit program expenditures through the TEASE federal expenditure reporting system. At this time, the budget amount reflected in this system will be compared to the budget as listed in the district's accounting system. If the amounts do not match, the director of said program will be contacted concerning the difference and asked to provide information to the business office to correct the budget variance.

Each time the budget for one of these special program funds changes, the director of that program must submit a copy of the updated budget and information on how it should be accounted for in the budget system so that the two amounts agree at all times. Business office staff will communicate to program directors that the budget has been updated. Program directors or their staff should use system provided reports to verify that system budgets agree with the information they submitted, and if variances exist, report those variances to the Director of Finance immediately.

Budget amounts for personnel and related benefits for payroll will be calculated during the annual budget process based on the employees reported to the Director of Finance as being paid for by each special program. Once the budget process is complete, these amounts will be given to each special director along with detail reports showing the employees and the related expenses being charged to each individual account. Directors should verify the accuracy of the personnel in these reports and report and discuss variances with the Director of Finance.

Any payroll costs not associated with individual employees, example summer school payroll, tutorials, will not automatically be calculated by the system. Programs that paying for these type expenses should included these amounts in their budget requests given to the business office. Business Office budget staff will also help special program directors in establishing the amounts needed in these accounts based on historical data. Program directors are responsible for determining the variances between historical data and current year program needs. Additionally business office staff will help with providing rates of pay so these estimates can me calculated as accurately as possible.

By maintaining accurate budgets, the business office staff will be able to ensure that accounts are not overspent based on program approved budgets. It is the responsibility of the special program directors to ensure that amounts being spent and the personnel being charged to the individual programs meet the requirements of said program. Business office staff will verify proper coding practices are followed when requisitions are submitted, but are not responsible for verifying their appropriateness in each program. If business office staff question the coding used on any expenditure the requisition will be returned for director's consideration. If the correction to the coding changes the needed budget, it is required that the TEA budget program be amended prior to making any district system correction if applicable.

Any discrepancies noted from either side should be communicated as soon as noticed so as the system can be maintained accurately. Doing so will allow all parties to be able to analyze information and maintain control over the programs.

## **Budget Amendments**

---

In the event the DOF or Program Director should need to amend the application and/or the budget, approval must be granted prior to the date the applicant encumbers such funds and/or such services are rendered by submitting an amendment to the appropriate governing authority. There are certain instances when re-budgeting is permitted without a written approved amendment. However, other types of changes require the prior written approval from the authorized authority via a written amendment. The DOF or Program Director must refer to the specific grant instructions for guidelines regarding budget amendments.

Budget amendments are required under the following circumstances:

- a) To add a class/object code not previously budgeted.
- b) To increase or decrease the amount of funds currently approved in a class/object code on the Program Budget Summary by more than 25% of the total budgeted amount.
- c) To increase or decrease the number of positions approved by 20% or more.
- d) To add a new item or increase the quantity of capital outlay items approved for articles costing \$5,000 or more.

## **Accounting Records**

---

GSISD utilizes TxEIS, a school specific software for its financial general ledger and budgeting and student attendance reporting needs. Employee time and attendance is maintained by a time clock fingerprint system. Any reference to reports throughout this section, unless otherwise noted, will be information produced using this software package.

All grant fiscal/accounting records are to be maintained and should include at a minimum a general ledger of all expenditures, time and effort records for employees, charges made to payroll as documented in a payroll ledger or other appropriate internal accounting documents, purchase orders, invoices, receipts, travel vouchers showing expenses reimbursed to employees, cancelled checks, bank statements, and any other documentation that supports the financial transactions shown on the general ledger for said grant. These same accounting records are required to substantiate draw down requests submitted to TEA via the TEASE system.

Program records would be any documentation which provides evidence that program activities as described in the application authorizing program statute actually occurred. Program records might include: class rosters, attendance rosters, sign-in sheets, lesson plans, student test scores, agendas of meetings/trainings, copies of materials, handouts, minutes from meetings, etc. Financial information will be collected and reported with the frequency required by the terms and conditions of the Federal award.

## **Purchasing and Disposition Guidelines**

---

The district must make its purchases follow relevant statutes and policies. Although bound by these constraints, the district's objective is to purchase the best products, materials and services at the lowest practical prices. Purchasing for grants should follow the same standards applied for all GSISD purchasing. Only exceptions to those standards will be those imposed by the specific grants themselves. Each program director is responsible for noting the differences from normal district procedures and communicating those to district staff. Business office staff will maintain compliance



with normal procedures unless evidence of grant compliance is shown for a variance and that evidence will be maintained with purchasing records for those items. District purchasing guidelines should be considered an integral part of this manual and followed by all employees involved with grant management to verify compliance with federal grants internal control policies. GSISD will continue to follow the state rules related to small purchase acquisition procedures where those procedures are deemed stricter than the federal rules. The following procedures are based on State of Texas statutes, GSISD Policies and Procedures.

A purchase request in the form of a requisition gives staff members a method to ask for goods and services. Requisitions are generated utilizing the district's current accounting software. Each requisition must include a detailed description of goods and/or services including unit of issue, price and quantity. Once requisitions are created and submitted, they are sent through an approval process in which they are evaluated and the need verified and correct coding assigned to the purchase. The Director of Finance is the final approver. The requisition creates a purchase order once the final approver has approved the purchase. A purchase is generated by the accounts payable department which encumbers the order in the financial program. The order is placed at the district level. Once shipments have been processed and received, the accounts payable department will match invoice, receipts and purchase order to process for payment. Vendor invoices and receipts must contain a detailed description of items or services purchased that includes quantities, service dates/hours and number of students to whom the services were provided, as applicable.

Purchases using special revenue funds must match the approved grant application from the funding agency and comply with all program guidelines and assurances. These purchases will begin with a requisition and follow the same purchasing guidelines as outlined by the district.

**District credit cards:** Credit cards will only be issued to employees with an approved credit card approval form. Employees with these cards must sign documentation agreeing to follow district guidelines for their use and approving payroll reductions if used outside of agreed upon purchases. These forms include the card to be used, the purpose of the purchase, budget accounts to be used and the signature approval of the employee's department supervisor. Each card is signed in and signed out to employees utilizing a credit card in/out sheet. This sheet is kept and maintained in the business office. The original receipt must be turned in with the return of the card. The receipt and approval form accompany a purchase voucher that is used for payment purposes. These cards are used solely for convenience and workload reduction.

**Grant retention records:** Financial and program records, supporting documents, statistical records and all other records pertinent to program regulations on an awarded grant must be retained for a period of Fiscal Year End + 5 years. Such records are kept in business offices storage for a period of Fiscal Year End + 2 years and then moved to a third party document imaging/retention contractor for storage. Disposal of such records are initiated by the contractor utilizing state and federal guidelines and approved by the Director of Finance, Program Director, when grant related, and Superintendent.

**Reimbursements:** Expenses incurred that are charged to federal funds must follow federal program allowable cost guidelines. Employees seeking reimbursement for prior approved expenses incurred out of pocket should submit a check request to the business office requesting reimbursement of expenses with original itemized receipts. Expenses incurred and charged to federal funds must follow federal program allowable cost guidelines.

**Internal controls:** Internal control is a process implemented by the district to provide reasonable assurance regarding the achievement of these objectives: effectiveness and efficiency of operations;



reliability of reporting for internal and external use; and compliance with applicable laws and regulations. The controls will include all methods adopted by the district to safeguard its assets, comply with management policies and grant items and conditions and provide reliability of accounting information data. The district has adopted policies to comply with internal controls and the controls are tested each year by an independent audit firm.

GSISD's internal controls process also provides reasonable assurance that transactions are properly recorded and accounted for, in order to 1) permit the preparation of reliable financial statements and Federal reports; 2) maintain accountability over assets; and 3) Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Transactions are furthermore executed in compliance with 1) federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program; and 2) any other Federal statutes and regulations that are identified in the Compliance Supplement. This process further ensures that federal funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

No expenditures above and beyond approved negotiated grant amounts are to be made without documentation being given to the Director of Finance for amending the budget accordingly. This documentation will be maintained with annual budget work papers for substantiation of budget and expenses.

GSISD does not allow for the purchase of any type of pre-purchase card or certificate for making any purchase on behalf of the district and does not maintain a petty cash fund.

**Cash Management Requirements:** The district operates on a reimbursement basis for expenditures incurred for federal programs. The expenditures must be paid before requesting reimbursement for TEA via the grant expenditure reporting system. All transactions for requesting reimbursement of funds are maintained with the monthly expenditure report to justify the request for reimbursement. The district should not have more cash on hand than is necessary to meet three days cash needs for federal programs.

**Fixed Assets Guidelines:** Like items with an aggregate cost of \$5,000 or more must be capitalized. They must have a useful life of at least seven years, be non-expendable; retain original shape and appearance; and not lose its identity through incorporation into a different or more complex unit or substance. If parts are purchased separately to assemble into one item or unit, the total cost determines if the unit is to be considered a fixed asset. Source documents for all fixed assets in the district are maintained for the life of the asset plus five years and will be maintained with other district records according to our records retention plan. Fixed assets are to be coded as such in the district's accounting system.

Fixed assets that are no longer in working condition are to be disposed of following district policy guidelines. Proceeds from sale of property will be booked as revenue from sale of property. Fixed assets that are no longer in working condition or have been stolen or destroyed must be removed from fixed asset reports maintained by the district auditor. Fixed assets associated with grants will be disposed of following grant policies. Program directors will contact state and or federal authorities for permission to dispose of the asset and get directions as to what the proceeds from that disposal are to be used for. Such correspondence should be noted and kept with district records as required.

Individuals wishing to purchase property or capital assets from grant resources must first have such purchase approved through the grant application process. Such approval should be shown to the

Director of Finance for set up of budget for those items. Source documents for all fixed assets in the district are maintained for the life of the asset plus five years and will be maintained with other district records according to our records retention plan.

**Procedures for Determining Allowable Costs:** An allowable cost is a cost that complies with all legal requirements that apply to a particular Federal education program including statutes, regulations, guidance, applications and approved grant awards. Full guidelines for allowable costs under the grant can be found in 2 CFR 200—Part E. In addition, processes in GSISD Policies and Procedures must be followed. The purchases must be aligned with the appropriate comprehensive needs assessment, campus/district plan and must follow cost principles as well as the applicable grant requirements in determining reasonableness, allowableness and allocable costs. Purchases must be approved by the appropriate federal program administrator as part of the process. Funds must be expended for reasonable and necessary costs in conducting grant activities.

Federal grant programs are governed by a variety of Federal rules including statutes, regulations, and non-regulatory guidance. To determine whether a cost may be paid with Federal funds, i.e. whether the cost is allowable, staff must be familiar with these rules and how they work together. Generally, when analyzing whether a particular cost is permissible, it is useful to perform the following analysis:

- a) Is the cost reasonable, necessary and allocable to the program budget?
- b) Is the cost specifically included in the district's approved grant budget?
- c) Is the cost included in the campus/district CNA, CIP, DIP?
- d) Is the cost forbidden by Federal laws? (see below for examples)
- e) Is the cost consistent with generally accepted accounting principles?
- f) Is the cost permissible under the relevant Federal program?
- g) Is the cost consistent with the Federal cost principles in 2 CFR 200—Part E?
- h) Is the cost consistent with program specific fiscal rules as well as state/local policies?
- i) Is the cost adequately supported with documentation?
- j) Is the cost consistent with an approved program plan and budget, as well as any special conditions imposed on the grant?

While there are other important considerations District staff must take into account when analyzing whether a specific proposed cost is permissible, the above questions can provide a useful framework for the analysis.

The following costs are always unallowable unless otherwise noted:

- a) Advertising and public relations costs (with limited exceptions for a specific program purpose), are prohibited and includes promotional items and memorabilia, including models, gifts and souvenirs
- b) Alcoholic beverages
- c) Bad debts
- d) Contingency provisions (with limited exceptions)
- e) Fundraising and investment management costs (with limited exceptions)
- f) Donations
- g) Contributions
- h) Entertainment (includes field trips unless prior TEA approval is obtained)
- i) Fines and penalties

- j) General government expenses (with limited exceptions pertaining to Indian tribal governments and Councils of Government [COGs])
- k) Goods or services for personal use
- l) Interest
- m) Lobbying
- n) Selling and marketing costs (with limited exceptions)
- o) The use of funds for religion
- p) The acquisition of real property (unless specifically permitted by programmatic statute)
- q) The use of funds for construction (unless specifically permitted by programmatic statute)
- r) Charging tuition or fees collected from students toward meeting matching, cost sharing, or maintenance of effort requirements of a program

GSISD provides training on the allowable use of federal funds to all staff involved in federal programs by distributing federal guidance documents, developing templates, checklists and other guidance documents as appropriate, internal training sessions, routine staff meetings and informal technical assistance.

**Professional and Contracted Services General Guidelines:** Any letter of intent shall contain a provision that the future contract is contingent upon receipt of the specific NOGA and such contract should be executed only after the NOGA is issued. If the obligation is for personal services by a contractor who is not the State or subgrantee, then the obligation is made on the date on which the subgrantee makes a binding written commitment to obtain the services. If the obligation is for work other than personal services, then the obligation is made on the date on which the subgrantee makes a binding written commitment to obtain the work. In determining the allowability of costs in a particular case, no single factor or any special combination of factors will be determinative; however, GSISD will take into account the following relevant factors:

- a. The nature and scope of the service rendered in relation to the service required.
- b. The necessity of contracting for the service, considering the non-Federal entity's capability in the particular area.
- c. The past pattern of such costs, particularly in the years prior to Federal awards.
- d. The impact of Federal awards on the non-Federal entity's business (i.e., what new problems have arisen).
- e. Whether the proportion of Federal work to the non-Federal entity's total business is such as to influence the non-Federal entity in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal awards.
- f. Whether the service can be performed more economically by direct employment rather than contracting.
- g. The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities.
- h. Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).

**Equipment:** Equipment refers to 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. For equipment purchased with federal funds, the title vests in GSISD provided that: 1) the equipment is used for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project; 2) the property is not encumbered without approval of the Federal awarding agency or pass-through entity (i.e., TEA);

and, 3) the equipment is disposed of in accordance with applicable rules. In addition, when acquiring replacement equipment, GSISD may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

When equipment is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, GSISD will request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made in accordance with the requirements of paragraphs (e)(1)(2)(3) and (4) Part 200.313 of the Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards.

**Supplies:** Supplies means all tangible personal property other than those described in “Equipment” above. 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.

**Capital Outlay:** If the district purchases capital outlay (furniture and/or equipment) to accomplish the goals of the project, the title will remain with the district until disposed of by the district. When capital outlay items are no longer needed for the originally authorized purposes, the items may be used by other activities currently or previously supported by TEA.

**Property Management Requirements:** The district is required to manage property acquired in whole or in part with grant funds by establishing and using procedures that meet 34 CRF 80.32 including the following:

- a) Maintain property records within a fixed asset inventory system to include the description of the property and the serial number;
- b) the source of the property, the name of the entity that holds title;
- c) the acquisition date and cost;
- d) the percentage of federal/state participation in the cost of the property;
- e) the location and condition of the property; and
- f) any disposition data including date of sale of the property.

TEA must be contacted for written instructions on the disposal of property.

**Adequate Documentation:** In order to adequately document expenditures, GSISD requires written information that includes the amount of grant funds being expended, how those funds will be used and the total cost of the proposed project. The documentation should also specify any share of costs from additional funding sources, records that support the compliance and performance related to federal and state mandates and any other records/reports that might support the expenditure.

**Allocable Standard:** In order for a purchase or cost to be allocable to federal funds, it must be acquired specifically for a federally-funded program. It must also be necessary for the overall operation of GSISD’s planned program goals/objects as well as being assignable to the federal program in accordance with all applicable cost principals.

**Documentation for Personal Expenses:** Personal expense records for personnel engaged in federal program activities are supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated, are incorporated into the official

records of GSISD, and reasonably reflect the total activity for which the employee is compensated, not exceeding 100% of compensated activities. Internal control involves, at a minimum review of the expense documentation by the employee's direct supervisor, the business office director and, if appealed by the employee, the superintendent. The review will include on site interpretation of 2 CFR 200.430 by GSISD personnel and, if appealed by the employee, interpretation by audit personnel of the pass-through agency (TEA) as final arbiter.

**Conflict of Interest:** GSISD discloses in writing any potential conflict of interest to the Federal awarding agency (USDE) or pass-through entity (TEA) in accordance with applicable Federal awarding agency policy. GSISD maintains written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of GSISD may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, GSISD may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct also provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of GSISD.

**Substitute Teachers:**

It is the policy of GSISD that substitute teachers will always be paid from local funds.

**Travel Costs and Reimbursement:** The need for travel tied to the goals of grant programs must be determined prior to travel. In order for travel costs to be paid or reimbursed, the employee must complete a district-approved travel form and receive a department supervisor's approval. Lodging and subsistence expenses must be reasonable and consistent with GSISD's established travel and reimbursement policy. Temporary dependent care costs (as dependent is defined in 26 U.S.C. 152) above and beyond regular dependent care that directly results from travel to conferences will be reimbursed if the costs are a direct result of the individual's travel for the Federal award, if the costs are consistent with the non-Federal entity's documented travel policy for all entity travel, and are only temporary during the travel period. All itemized receipts for costs incurred must be submitted after travel. After attending a conference/training/ meeting, verification documentation of completion of the event must be submitted. Travel costs must comply with 2 CFR 200.474 and district travel policy. The DOF or grant program director shall ensure that the allowable costs expended to federal funds do not exceed allowed rates as indicated. Mileage and meal reimbursement will be paid at the state or district rate, whichever is lower. Only exceptions to those standards will be those imposed by the specific grants themselves. Each individual program director is responsible for noting the differences from normal district procedures and communicating those to district staff. Business office staff will maintain compliance with normal procedures unless evidence of grant compliance is shown for a variance and that evidence will be maintained with purchasing records for those items. District travel guidelines should be considered an integral part of this manual and followed by all employees involved with grant management to verify compliance with federal grants internal control policies.

## Reporting Fraud, Waste and Abuse of State/Federal Funds

---

The State Auditor's Office (SAO) investigates allegations of fraud, waste or abuse involving state funds and resources. To report fraud, waste or abuse (or suspicion of fraud, waste or abuse) to the SAO, call the SAO Hotline at 800-TX-AUDIT (892-8348) or submit a report to the [SAO's Online Reporting Hotline](#).

The United States Department of Education's (USDE) Office of Inspector General (OIG) investigates allegations of fraud, waste and abuse related to federal education funds and federally funded programs. To report fraud, waste, or abuse (or suspicion of fraud, waste or abuse) to the USDE OIG, contact the [Special Agent in Charge for Texas](#) (Neil Sanchez., (214) 661-9546, 1999 Bryan Street, Suite 1440, Dallas, TX 75201-6817); email [oig.hotline@ed.gov](mailto:oig.hotline@ed.gov); call 1-800-MISUSED (1-800-647-8733); or write the Inspector General's Hotline, Office of Inspector General, U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20202-1500. USDE OIG provides additional guidance for reporting at [OIG Hotline: Fraud Prevention](#).