

# Gonzales Independent School District



## Federal Grants Manual

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## **1.0 General Information**

### **1.1 Purpose of this Manual**

The purpose of this manual is to establish the responsibilities, controls, and a procedural framework for the financial management and administration of federal funds and grants.

This manual constitutes the administrative procedures of GISD relating to federal funds and grants. Administration shall review this manual on an annual basis, or, if federal, state or local changes in regulations or policy warrant, more frequently.

Administrative procedures are subject to Board review but shall not be adopted by the Board.

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## **2.0 Organization**

Managing State and Federal Grants in GISD is a collaborative process between the Finance Department, represented by the Chief Financial Officer, the Human Resources Department, and the Curriculum and Instruction Department. Each respective department shall be responsible for the duties and responsibilities as they are described in, but not limited to, this manual.

### **2.1 Functional Mission for Federal and State Grants Management**

Gonzales Independent School District will manage federal and state grants in ways that mitigate risk by budgeting, expending, and accounting for federal and state grant funds in accordance with the rules and regulations of EDGAR (2 CFR 200) and FASRG (the Texas Education Agency's Financial Accountability Resource Guide).

Alignment between grant fund expenditures and achievement of program goals will be assured through the close, cross-departmental work between the Chief Financial Officer, the Executive Director of Recruitment, Leadership, and Professional Development, and the Executive Director of State and Federal Programs.

### **3.0 Internal Controls**

GISD's system of internal controls is in place to prevent, detect, and reduce the risks of fraud, waste, and abuse of federal grant funds. The purpose of the system is to ensure that the district provides reasonable assurance that grant objectives have been met as required by federal regulations and guidelines. The system and its processes are described in this manual.

#### **3.1 Implementation (2 CFR 200.303)**

The system of internal controls:

1. Provides reasonable assurance that GISD is in compliance with the statutes, regulations, and terms and conditions of the grant;
2. Establishes a schedule for evaluating and monitoring this compliance;
3. Enables GISD to take prompt action when instances of noncompliance are identified;
4. Safeguards protected personal or sensitive information that may be subject to grant program activities;
5. Ensures that grant expenditures and payments are appropriately booked in the district's financial system;
6. Ensures a separation of duties within the accounts payable, accounts receivable, payroll, and purchasing functions;
7. Ensures that charges to grant budgets are only for those activities that are allowable and allocable to the grant.

#### **3.2 Authorities for Grant and Funding Administration**

The Executive Director of State and Federal Programs ensures that GISD administers federal grant funds according to the regulations in Title 2 Part 200 of the Code of Federal Regulations (2 CFR 200) which specifies the U.S. Education Department General Administrative Regulations, known as EDGAR.

The Chief Financial Officer administers state and local funds according to the regulations in the Texas Education Agency's Financial Accountability Resource Guide, known as FASRG, and local Board policies.

GISD follows the most restrictive requirements in the provisions for budgeting and expending each source of funds. This manual specifies the most restrictive requirements and when EDGAR or FASRG regulations are to be used.

### 3.3 Applying for Grants

Most grants applied for and received by GISD are based on formula funding and are renewed each year, based on an application submitted to the funding agency by the district. The Executive Director of State and Federal Programs is ultimately responsible for completing and submitting these applications.

Departmental or campus staff seeking to apply for competitive or discretionary grants must receive approval by their supervisor and work in collaboration with the Executive Director of State and Federal Programs to complete the application.

### 3.4 Departmental Functions and Responsibilities

The duties of each department are listed below in general terms. Additional, specific duties and responsibilities may be listed within an area of compliance within this Manual.

#### Finance Department

- Assisting the Grant Manager with budgeting grants funds. Preparing and posting the initial budget and all amendments to the general ledger.
- Assisting the Human Resources department with determining the payroll distribution code(s) for all grant-funded staff.
- Preparing all grant-related financial reports (monthly, quarterly and/or annual).
- Preparing all financial records for the annual financial audit and single audit, as appropriate.
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures.
- Adjusting the general ledger, as appropriate, after the Grant Manager's reconciliation of the time and effort reports, as appropriate if adjustments are necessary
- Managing the day-to-day cash needs for grant expenditures and drawing-down cash reimbursements, as appropriate
- Providing support to the Grant Manager for 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
- Assisting with all fixed capital assets (\$5,000<) inventory

#### 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 indicating the position is federally funded on an annual basis)
- Preparing the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate

- Maintaining audit-ready HR employee files for financial audit or single audit purposes, as appropriate
- Developing and maintaining all salary schedules to ensure consistency between local and non-local pay rates (Includes base salaries, stipends and extra-duty rates of pay)
- Assisting the Grant Manager with determining the position title, Role ID and other salary information for use in completing the grant application
- Retaining all personnel records for the required length of time (5 years) for audit purposes

#### **Executive Director of State and Federal Programs/Grant Manager**

- Working cooperatively with the district and campus administrative staff to ensure that all grant activities are collaboratively planned and appropriate to each campus improvement plan as well as the district improvement plan.
- 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.
- 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 has a job description with the grant-related duties and funding. (And, that all grant-funded staff sign a job description indicating the position is federally funded 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



### **3.5 Program and Financial Grant Provisions and Assurances**

The Executive Director of State and Federal Programs is responsible for managing federal grant funds according to the programmatic provisions and assurances stated in the grant documents and Notice of Grant Award (NOGA).

The Chief Financial Officer is responsible for managing those funds according to the financial provisions and assurances stated in the NOGA and accompanying grant information.

### **3.6 Fund Identification Requirements and Standards (2 CFR 200.302)**

The Chief Financial Officer maintains a system to meet the requirements of 2 CFR 200.302 by documenting:

1. The federal Catalog of Federal Domestic Assistance (CFDA) number;
2. The name of the Federal Agency (usually the U.S. Department of Education);
3. The name of the pass through agency (usually the Texas Education Agency);
4. Accurate, current, and complete revenue, expenditure, and carry forward information;
5. Comparison of budgeted and expended amounts;
6. Identification of, and control over, funds, property, and other assets.

### **3.7 Records Management**

The Superintendent is the District's records management officer, per Board policy. The records management officer is responsible for documenting and carrying out a records management and maintenance system for the district. The system established by the Records Management Officer shall manage federal financial records shall be managed in accordance with EDGAR, 2 CFR 200.330, et seq, and the GISD Local Records Retention Schedule, which is established by the Texas State Library and Archives Commission. Records of grant-funded financial transactions will be maintained for a period of at least five years after either the final expenditure report due date (for formula grants such as Title I, IDEA-B, or Perkins CTE) or the last day of the grant period (for federal discretionary and competitive grants).

The District shall maintain grant-related records in a combination of paper and electronic formats. The following records shall be maintained in paper format (2 CFR §200.335):

- Grant applications and grant award notifications (paper and pdf files)
- Grant revenues and expenditures (Skyward Finance System)
- Grant purchasing records (Skyward Finance System)
- Grant expenditure draw-down (reimbursements) (Paper)

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 Office products such as Word, Excel, etc.

- Skyward Financial Management System modules

### 3.8 Risk Mitigation

Risk indicators for managing federal funds are published in EDGAR 2 CFR 200.205 and 2 CFR 200.207. In addition, the Texas Education Agency establishes risk indicators to assess school district risk annually. The Chief Financial Officer is responsible for mitigating GISD risk exposure by establishing, documenting, and maintaining systems to address the standards defined in the EDGAR regulations and TEA procedures. The standards include, but are not necessarily limited to, GISD's ability to demonstrate:

- Financial stability;
- Quality financial management systems;
- A satisfactory history of performance in managing federal grant programs;
- Procedural systems capable of minimizing audit findings and satisfactorily addressing and resolving them should they occur;
- The ability to effectively implement statutory, regulatory, and other requirements specified in grant programmatic and financial provisions and assurances and NOGAs.

The Chief Financial Officer, as appropriate, is responsible for assessing GISD financial risk levels and correcting risk related findings by independent and grant fund-specific auditors.

The Chief Financial Officer, as appropriate, reports current risk assessment designations and findings to the Superintendent.

### 3.9 Budgetary Controls

#### **Posting Grant Budget Amendments in Skyward Finance**

When a new NOGA is received, the grants manager forwards a copy to the Chief Financial Officer (Business Manager in CFO's absence). The CFO then:

- Prints a copy of the NOGA for the grant vault file;
- Confirms the current budget is accurate in Skyward Finance by running current budget reports in Skyward Finance for the current and previous year(s) (current year revised budget, prior year expenditures, & indirect cost budget should equal the total grant amount before the addition/decrease is posted);
  - If amendments are needed to the current budget, that is done prior to the addition/revision being posted.
- Enters & posts a budget revision for the needed amount per the new NOGA;
  - If enough room is available in the 63xx object class, the additional amount is posted to district-wide general supplies or to the appropriate object class, as indicated on the grant application.
- Sends an email to the grant manager and secretary notifying them the budget has been made available for spending/movement to another code, as necessary;

- A budget revision report is included so the grant manager knows with certainty where the new funds have been placed.
- Prints a copy of all documentation for filing in the grant vault file with the NOGA.

#### **4.0 System Controls for Payment to GISD (2 CFR 200.305)**

Unless otherwise noted in the financial provisions and assurances, Notice of Grant Award (NOGA), or procedures of the awarding agency for a particular grant, GISD will operate on a reimbursement basis for grant-funded expenditures. The Chief Financial Officer (1) maintains access controls and passwords to the pass-through agency's financial or reimbursement system, and (2) records in the district's financial system the expenditures, reimbursement requests, reimbursements and fund transfers, and deposits into bank account(s) maintained by the district.

The district does not request or receive advance payments from TEA; however, in the event that the district does receive an advance payment from a federal granting agency, the district shall ensure that it expends the advanced funds in a timely manner. Excess funds may earn interest, which may require return to the federal granting agency if the interest meets the federal threshold. The Chief Financial Officer is responsible for accounting entries and bank reconciliations related to grant accounts payables, payments, and accounts receivables.

#### **5.0 Procurement**

The Chief Financial Officer is responsible for overseeing a system of procurement that:

1. Relies on documented procedures
2. Establishes standards of conduct and conflict of interest;
3. Promotes transparency and competition;
4. Adheres to the most rigorous procurement standards established in either state law or federal regulation.

#### **5.1 Purchasing Procedures for Grant Funds**

The Chief Financial Officer establishes general procedures to manage GISD purchasing practices and activities. The procedures ensure the conformity, rigor, and transparency of the district procurement process, and specify rules for purchasing within price thresholds and solicitation requirements, including quotes, bids and proposals.

The procedures specify and ensure that the most rigorous federal, state, or local purchasing regulations or procedures are followed (either EDGAR 2 CFR 200.200 Appendix II320, Texas Education Code §44.031, or local Board or district administrative policy), depending on the fund source and value of the goods or services being purchased.

GISD campuses and departments may not “stockpile” supplies and materials with grant funds. In this instance “stockpiling” means the purchase of supplies and materials in the last calendar quarter in a way that is disproportionate to the benefit that students receive from the amount of supplies and materials purchased with grant funds.

The Chief Financial Officer maintains the financial procedures on the GISD departmental website.

## **5.2 Conflict of Interest**

Gonzales ISD ensures that its employees or agents adhere to standards of conduct that comply with state law and federal regulations. The Chief Human Resources Officer is responsible for developing a Standards of Conduct and Conflict of Interest form that complies with 2 CFR 200.318(c) and for ensuring that each employee, officer or agent signs the form. The signed forms are maintained in the personnel files in the Human Resources Department.

A conflict of interest would arise when an employee, officer, 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.

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. In addition, no employee, officer, or agent of the district may solicit or accept gratuities, favors or anything of monetary value from contractors or parties to subcontractors. All employees shall comply with the Educators’ Code of Ethics. Violators of the Code of Ethics shall be subject to disciplinary action, including but not limited to termination of employment with the district (2 CFR §200.318(c)(1)).

Specific to purchases made with grant funds, when a conflict arises the following forms shall be utilized, when appropriate:

- Conflict of Interest Disclosure Form - TEA Division of Grants Administration
- Mandatory Disclosure Form - TEA Division of Grants Administration.

The District shall reclassify fraudulent expenditures made with federal grant awards to local district funds (i.e. the General Fund). Refer to the Financial Procedures Manual for further information related to Conflicts of Interest.

## **5.3 Contract Development and Oversight**

The district will perform a cost or price analysis in connection with every contract greater than \$150,000 and will negotiate profit as a separate element of the price for each contract above this threshold (2 CFR 200.323).

The district will take all affirmative steps necessary to ensure that minority-owned businesses, women-owned businesses, and labor surplus firms are used as contractors when possible (2 CFR 200.321).

In general, Gonzales ISD will use its contracts when engaging vendors for the delivery of goods or services.

The Chief Financial Officer and Executive Director of State and Federal Programs work together to ensure that the provisions and conditions of the contracts created by GISD are aligned with the EDGAR regulations in 2 CFR 200 Appendix II and other provisions required by the agency funding the grant from which the contract is issued.

Requirements specified in provisions of 2 CFR 200 Appendix II include:

- A. Contracts for more than \$150,000 must address administrative, contractual, or legal remedies where contractors violate or breach contract terms and provide for sanctions and penalties as appropriate;
- B. Contract for more than \$10,000 must address termination for cause and for convenience, including the manner by which this provision is effected and the basis for settlement;
- C. Equal employment opportunity;
- D. The Davis-Bacon Act;
- E. Work Hours and Safety Standards;
- F. Rights to Inventions;
- G. The Clean Air Act;
- H. Debarment and Suspension;
- I. The Byrd Anti-Lobbying Amendment.

GISD will avoid unnecessary or duplicative items through its purchasing process and will also consider how contracts can best be structured to obtain the most economical price for the district. The District, through the analysis or bid, quote, or proposal scoring process will take into consideration the potential awarding of contracts to responsible contractors with the ability to perform successfully the scope of work specified in the contract.

The Chief Financial Officer will maintain records of contracts awarded by the district (2 CFR 200.318). The records may be in paper or in the electronic format compatible with the district's financial system and will include, at minimum:

1. Rationale for the method of procurement used in to develop the contract;
2. The type of contract used and the solicitation used to acquire the contracted goods or services;
3. Scoring of the proposals, including the names of the members of the scoring committee and the scores given to each proposal;

4. The signed contract, with changes agreed to by the district and vendor;
5. The contract price and budget;
6. The purchase order for the contract;
7. Payments made to the contractor;
8. Documentation of contract amendments;
9. Documentation of vendor any disciplinary actions or sanctions;
10. Documentation of remedies associated with those actions or sanctions

#### **5.4 Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion**

GISD does 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 Chief Financial Officer and Executive Director of State and Federal Programs should oversee the verification of the eligibility of each vendor with this certification requirement by requesting that the vendor execute a Certification Form before awarding a contract. A copy of the Certification Form is maintained with the contract and/or purchase order for audit purposes.

The Chief Financial Officer and Executive Director of State and Federal Programs are responsible for monitoring ongoing contracts to verify the contractor's compliance with the debarment, suspension, ineligibility and voluntary exclusion provisions. In the event that a vendor is suspended or debarred during a contract, the district shall continue the contract in force until the contract lapses. The contract term shall not include any extensions to the original term of the contract.

#### **5.5 Lobbying Certification**

For all federal grants in excess of \$100,000, GISD certifies on the grant application that no federal grant funds are expended for the purpose of lobbying. The grants management and finance departments shall jointly execute a Lobbying Certification Form, as applicable, if the district used funds other than federal grant funds for lobbying activities.

The Chief Financial Officer and Executive Director of State and Federal Programs should ensure that all contract award documents with federal grant funds contain the appropriate lobbying certification language.

#### **5.5 Procurement Thresholds**

GISD follows the most restrictive purchasing requirements, either federal as specified in EDGAR or state, as specified in FASRG.

1. Unless otherwise stated in local Board or district administrative policy, purchases of goods or services with federal funds valued up to \$49,999 follow federal rules for **micro- purchases**, found in [2 CFR §200.320](#). These rules specify that price quotes are not required for purchases at this level.
  - a. Skyward's commodity code feature is utilized on all purchase orders as a means of tracking how much the district spends for each "like-type" item. Once the \$49,999 threshold is reached in a single "like-type", the district must begin using the small purchase procedures and receive a minimum of two quotes.
    - i. Note: Purchases from the regional service center do not require quotes as they are political subdivisions and considered to be an extension of the Texas Education Agency.
  - b. The district has defined "like-types" using the National Institute of Governmental Purchasing (NIGP) Commodity/Services Codes. The district began phasing in NIGP codes in the 2018-19 year. Beginning with the 2019-20 year, all purchase orders issued with grant funds will have an NIGP code identified. During the phase in process, the district will utilize a blending of locally defined codes and NIGP.
  - c. The district has elected to self-certify a threshold up to \$49,999 in accordance with Texas law (TEC 44.031). The Executive Director of State and Federal Programs shall oversee the completion of the Self-Certification of Increased Micro-purchase Threshold Form on an annual basis within 30 days prior to the start of each fiscal year.
2. Purchases of goods or services with federal funds between \$50,000 and \$74,999 follow federal **Small Purchase Procedures**. Three quotes from qualified vendors are required prior to a purchase requisition being created. The quotes must be attached to the purchase requisition in Skyward Finance. A single purchase valued at \$74,999 or purchases from the same vendor totaling in the aggregate \$74,999 require competitive procurement. Single purchases valued at \$75,000 or more require competitive procurement and GISD Board of Education approval.
3. Purchases of goods or services between \$75,000 and \$250,000 follow state competitive purchasing requirements set forth in the Texas Education Code §44.031 and detailed in FASRG Purchasing Module, Module 3, Section 3.2.3, as well as the small purchase procedures. Purchases within these thresholds require Board consideration and approval if in excess of \$75,000. A Board agenda item is required and must be prepared according to timelines established by the Board's administrative assistant. Purchases within these thresholds must be made through a public solicitation with a formal Request for Proposal (RFP) or a Request for Qualifications (RFQ) or Competitive Bidding. Proposals or Qualifications received in response to an RFP or RFQ are to be scored by a committee and a scorecard aligned with the best value criteria established in the Texas Education Code and according to district purchasing procedures.
4. Purchases above \$250,001 require Board consideration and approval. A Board agenda item is required and must be prepared according to timelines established by the Board's administrative assistant. These purchases must be publicly solicited through RFPs or RFQs and adhere to the Texas Education Code §44.031 and the cost analysis criteria in EDGAR, 2 CFR 200.320 (c).

However, while “best value” determinations can be used in applying requirements of the Texas Education Code to purchases between \$50,000 and \$250,000, according to the EDGAR requirements, procurements made above \$250,001 must be awarded to the vendor with the lowest bid or price. Proposals or Qualifications received in response to an RFP or RFQ are to be scored by a committee and a scorecard aligned with EDGAR 2 CFR 200.320 (c) established according to purchasing procedures.

Purchases with Federal Grant Funds					
Purchase Commitment Amount	Support Required	Additional Forms	RFP/RFQ/Bid	Board Approval	Advertising
For purchases less than \$49,999.00 (Micro-Purchases)	N/A	<a href="#">GISD EDGAR Certifications Addendum</a>	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED
For purchases \$50,000.00 - \$74,999.99 (Small Purchases) (Competitive Procurement)	3 Quotes (This includes Co-op/Catalog Purchases)	<a href="#">GISD EDGAR Certifications Addendum</a>	REQUIRED	NOT REQUIRED	REQUIRED 2 consecutive weeks
For purchases \$75,000.00 and over (Competitive Procurement)	FORMAL BIDS/ PROPOSALS (Education Code 44.031)	-Bid or Proposal Tabulation or Score Card <a href="#">-GISD EDGAR Certifications Addendum</a>	REQUIRED	AGENDA ACTION ITEM	REQUIRED 2 consecutive weeks
Sole Source Purchase	1 QUOTE	-Sole Source Affidavit <a href="#">-GISD EDGAR Certifications Addendum</a>	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED



## 5.6 Purchasing Approval with Federal Funds

The Executive Director of State and Federal Programs approves all proposed purchases with federal grant funds before they are processed by the Financial Services Department. The director's approval is based on whether the proposed purchase is allowable, reasonable, and allocable to the grant fund proposed for the purchase. The "test" for any cost attributed to a grant is that it meets all three criteria.

## 6.0 Cost Principles

### General Principles

The general principles of EDGAR state that:

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

### Allowable Costs

The Executive Director of State and Federal Programs determines whether a cost is allowable through consideration of whether the item or service and its associated cost are necessary and reasonable for the purpose and performance of the grant (2 CFR 200.403). To be considered allowable, the cost must be adequately documented, which occurs when the purchase requester follows the district's purchasing procedures.

### Reasonable Costs

The Executive Director of State and Federal Programs determines whether a cost is reasonable through

consideration of whether the cost exceeds a comparative cost which would be incurred by a prudent person with state and local funds (2 CFR 200.404).

### **Allocable Costs**

The Executive Director of State and Federal Programs determines whether a cost is allocable to a federal grant if it is incurred specifically for the purpose and performance of the grant. In addition, the director will take into consideration whether it benefits the grant and other district functions and services funded with state and local funds, and whether the goods and services paid with the cost are assignable in part to the purpose and performance of the grant (2 CFR 200.405).

### **6.1 Obligation and Use of Funds**

The Chief Financial Officer retains paper copies of GISD NOGAs for federal grants. The Federal Grants Department will not approve and the Finance Department will not authorize the expenditure of federal grant funds prior to the receipt of the Notice of Grant Award (NOGA) from the Texas Education Agency or other funding agency or independent organization.

GISD campuses and departments may negotiate contracts for goods or services but the contract may not be signed and work authorized by the contract may not begin prior to the date of receipt of the NOGA and shall end by the final day of the grant period specified in the NOGA.

The following list details timelines related to the obligation of federal grant funds. For the activities on this list, the obligation is made:

1. For acquisition of real property, on the date the district makes a binding written commitment to acquire the property;
2. For personal services performed by a district employee, on the date on which the services are performed;
3. For personal services performed by a contractor who is not a district employee, on the date on which the district makes a binding written commitment;
4. For performance of work other than personal services, on the date on which the district makes a binding written commitment;
5. For utility services, on the date on which the district receives the services;
6. For rental or real or personal property on the date when the district uses the property;
7. For approved pre grant award costs, on the first day of the contract period.

(34 CFR 75.707)

## 7.0 Federally-Funded Positions

The Executive Director of Recruitment, Leadership, and Professional Development works with the Executive Director of State and Federal Programs to establish roles, functions, and review pay scales for approved positions funded with federal grant funds. The Executive Director of State and Federal Programs will approve the allowability, reasonableness and allocability of these positions prior to their posting or, for open postings.

Once the allowability, reasonableness and allocability of the position has been approved by the Executive Director of State and Federal Programs, the Executive Director of Recruitment, Leadership, and Professional Development works with the Superintendent to establish the salary and fringe benefits according to local policy. These costs for the position, according to the application(s) funding the position, may be paid from a single grant, multiple grants, or a combination of grant and state and local funds.

The allowability of a federally-funded position is determined by:

1. Its inclusion in the grant application;
2. Whether the creation, approval, and appointment of staff to the position follows written GISD Human Resources policies and procedures;
3. Whether the scope and salary is comparable to those of similar positions, as stated in district Human Resources policies and positions.

Reasonableness of compensation for a federally-funded position is determined by comparing the salary and benefits of the position to other, non-federally funded positions in the district, or, if the position is new to the district, a comparison of the proposed salary and benefits to similar positions in the labor force. For assistance in determining reasonableness of compensation the Texas Association of School Boards periodically makes available salary studies to its member districts.

The allocability of a federally-funded position to a grant is determined by its inclusion in the approved grant application that funds the position. The amount or percent of a position's salary and benefits are allocable to a federal grant to the same extent that the portion or the total hours of that position are included in the grant application. The percentage of salary of a position paid with grant funds may not exceed the percentage of time that the position is funded with that grant.

### 7.1 Time and Effort

Gonzales ISD employees that are funded in whole or in part by at least one federal grant fund must report time and effort, or the time that they spend performing their various job functions, according to the EDGAR requirements detailed in 2 CFR 200.430(i) and to the requirements of the Texas Education Agency's Substitute Time and Effort Reporting System. Time and effort records should accurately reflect the work performed and that have been prepared under the organization's overall system of internal controls.

Federal funding of district positions is specified in the district's formula and discretionary federal grant applications. The Executive Director of State and Federal Programs approves the funding for those positions and files the time and effort management certification form with the Texas Education Agency each year. The Executive Director of Recruitment, Leadership, and Professional Development maintains the district's time and effort system, including job descriptions, whether a position fulfills one or more than one cost objective, and the monthly or semi-annual reports filed by employees in federally-funded positions.

Federally-funded wage and salary budgets are not sufficient records for time and effort reporting. Employees whose positions are funded with federal funds report time and effort based on time worked through the ED-Flex waiver system (through the 2023-2024 school year), the substitute system, or personnel activity reports, as specified by Texas Education Agency rules.

GISD's time and effort system conforms to the specifications of EDGAR by:

1. Documenting that salaries and wages charged to a federal grant are based on records which accurately reflect the work performed;
2. Supporting the documentation with a system of internal controls to ensure the accuracy, allowability, and allocability of the charges to the grant;
3. Incorporating the documentation into the official financial and human resources records of the district;
4. Encompassing all activities, both those charged to the federal grant and those charged to other sources of funds;
5. Complying with district accounting policies and procedures; and
6. Supporting employee reporting of work on multiple cost objectives.

## **8.0 Property Standards**

The Executive Director of Operations is responsible for ensuring that GISD safeguards all property (assets and inventory) purchased with federal grant funds under the same guidelines as property purchased with local funds. The district will purchase additional insurance for property purchased with federal grant funds if specifically required by a federal grant award. The Executive Director of Operations oversees the acquisition of insurance for all federally funded property.

GISD does not use federal grant funds to purchase real property. GISD may use federal grant funds to purchase equipment and supplies. However, the district does not use federal grant funds to purchase intangible property. The federally-funded equipment is to be used only for the authorized purposes and is to be disposed of at the end of the useful life or end of the grant period, in accordance with the grant award guidelines.

GISD does not use federally-funded equipment to generate program income. The federally-funded

supplies are to 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 sale 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 purchasing deadlines are posted on the Business webpage at [www.gonzalesisd.net](http://www.gonzalesisd.net).

### **8.1 Capitalization Policy**

The district uses the same capitalization policy for non-grant and grant-funded asset purchases. The district's capitalization threshold for assets is \$5000.00 per unit cost. The district has adopted the EDGAR (2 CFR 200.12) definitions of property.

### **8.2 Acquisition Cost**

The district has adopted the EDGAR definition (2 CFR 200.2) of Acquisition costs.

### **8.3 Identifying and Tracking Federally-Funded Assets**

Title to federally funded equipment and supply purchases is retained by the district, unless otherwise notified by the granting agency. As district property, the district affixes a tag, inventory, and dispose of all assets (non-grant and grant-funded) according to the district's fixed asset procedures.

### **8.4 Maintaining Asset Inventory & Records**

All federally-funded assets are to 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.

Federal requirements 2 CFR 200.313 requires an inventory of equipment at least once every 2 years. The district fixed asset procedures require an annual inventory (or more frequently if required by a granting agency) of all assets and reconciliation of the inventory reports. The district's annual inventory of capital assets is overseen by the Chief Financial Officer. 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 tracks 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 ensures 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 Chief Financial Officer oversees the maintenance of the capital fixed asset database of all district assets over \$5,000 per unit, including all federally-funded assets.

## 9.0 State Programs – Program Allocations

State Program Allocations are estimated and paid to school districts through the state Foundation School Program by the Texas Education Agency (TEA). Rules governing the use and expenditures of these funds are provided in TEA's Financial Accountability System Resource Guide (FASRG), Modules 1 and 9.

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

1. Special Education 52% PIC 23;
2. Career & Technical Education 58% PIC 22;
3. Gifted & Talented Education 55% PIC 21;
4. State Compensatory Education (SCE) 52% PIC 24-30 (except 25& 27); and
5. Bilingual/ESL Education 52% PIC 25

During the budget process, the estimated state allotment is calculated based on the Summary of Finance template which is accessible through the ESC Region 13 website.

The Special Program Administrators are responsible for programmatic compliance in their respective program(s). Programmatic compliance shall include, but is not limited to: program eligibility, program design, instructional delivery, entry/exit procedures, professional development and certification.

The Chief Financial Officer is responsible for the financial spending compliance in each of these special programs. Financial compliance shall include, but is not limited to: budgeting development & monitoring, approval of expenditures, financial reporting to TEA, financial audit and compliance reporting.

As part of the budget adoption process, the Chief Financial Officer verifies that the proposed budget for each of the allocation and Program Intent Codes listed above includes appropriations of *no less* than the percentages stated above as required direct expenditures for each special program. [If the District does not budget to compliance, it may not spend to compliance.]

Throughout the fiscal year and at the end of the fiscal year, the Chief Financial Officer shall calculate the periodic and final spend percentages for each special program allocation. These calculations are used to determine compliance. In the event that direct program expenditures fall below the mandated

percentages, the Chief Financial Officer shall work with the Special Program Administrator and/or the department budget manager to ensure that the deficit amount is corrected.

## Appendix 1: Roles and Responsibilities

EDGAR Manual Section	Responsible Officer	EDGAR Citation
2.0 Organization	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> <li>Executive Director of Recruitment, Leadership, and Professional Development</li> <li>Executive Director of State and Federal Programs</li> </ul>	
3.1 Implementation	<ul style="list-style-type: none"> <li>Executive Director of State and Federal Programs</li> </ul>	2 CFR 200.303
3.2 Authorities	<ul style="list-style-type: none"> <li>Executive Director of State and Federal Programs</li> </ul>	2 CFR 200
3.3 Applying for Grants	<ul style="list-style-type: none"> <li>Executive Director of State and Federal Programs</li> </ul>	
3.5 Program and Financial Provisions and Assurances	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> <li>Executive Director of State and Federal Programs</li> </ul>	
3.6 Fund Identification Requirements and Standards	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>	2 CFR 200.302
3.7 Records Management	<ul style="list-style-type: none"> <li>Superintendent</li> </ul>	2 CFR 200.330
3.8 Risk Mitigation	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> <li>Executive Director of State and Federal Programs</li> </ul>	2 CFR 200.205& 207
4.0 System Controls for Payment	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>	2 CFR 200.305
5.1 Purchasing Procedures	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> <li>Executive Director of State and Federal Programs</li> </ul>	2 CFR 200.318-320
5.2 Conflict of Interest	<ul style="list-style-type: none"> <li>Executive Director of Recruitment, Leadership, and Professional Development</li> <li>Chief Financial Officer</li> </ul>	2 CFR 200.318



5.3 Contract Development and Oversight	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>	2 CFR 200.318 2 CFR 200.321, 2 CFR 200.323, 2 CFR 200 Appendix II
5.4 Debarment	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> <li>Executive Director of State and Federal Programs</li> </ul>	
5.5 Lobbying Certification	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> <li>Executive Director of State and Federal Programs</li> </ul>	
5.5 Procurement Thresholds	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>	2 CFR 200.320
6.0 Cost Principles	<ul style="list-style-type: none"> <li>Executive Director of State and Federal Programs</li> </ul>	2 CFR 200.403-405
6.1 Obligation and Use of Funds	<ul style="list-style-type: none"> <li>Executive Director of State and Federal Programs</li> </ul>	34 CFR 75.707
7.0 Federally-Funded Positions	<ul style="list-style-type: none"> <li>Executive Director of Recruitment, Leadership, and Professional Development</li> <li>Executive Director of State and Federal Programs</li> </ul>	
7.1 Time and Effort	<ul style="list-style-type: none"> <li>Executive Director of Recruitment, Leadership, and Professional Development</li> <li>Executive Director of State and Federal Programs</li> </ul>	2 CFR 200.430
8.0 Property Standards	<ul style="list-style-type: none"> <li>Executive Director of Operations</li> </ul>	
8.1 Capitalization Policy	<ul style="list-style-type: none"> <li>Executive Director of Operations</li> </ul>	2 CFR 200.12
8.2 Acquisition Cost	<ul style="list-style-type: none"> <li>Executive Director of Operations</li> </ul>	2 CFR 200.2