

Dedicated to Excellence



*Randolph Field
Independent School District*

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**FEDERAL AND STATE
GRANT PROCEDURES
MANUAL
2011 - 2012**

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RESPONSIBILITIES OF THE GRANTS MANAGERS:

Grants Management is in the Finance Department under the direction of the Chief Financial Officer (CFO) along with the Director of Curriculum, who administers the program side of the grants. They are both responsible to the Superintendent of Randolph Field Independent School District (“the District”, “RFISD”), the Board of Trustees and to the granting agencies 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 administering awards rests with the Superintendent. The District follows the procedures below for state and federal financial assistance. The procedures establish lines of authority within the District related to financial transactions on government assistance received. There are three fundamental principles:

1. The CFO and Director of Curriculum are 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 requirements 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.

Grants Manager Responsibilities Include:

- Writing, administering, and evaluating all Federal & State grants including, but not limited to: Impact Aid, Impact Aid Construction, Title I, Part A; Title II, Part A; IDEA-B Formula, IDEA-B Preschool, Student Success Initiative (SSI) and State Compensatory Education; DoDEA Student Achievement Grant; also ARRA funding
- Developing and maintaining budgets for all special revenue funds
- Monitoring finance and compliance of all state and federal grants
- 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
- Coordinating required components and documentation for all employees funded by special revenue funds (time and effort, employment certifications, etc.)
- Facilitating site-based decision making teams including Campus Teams and the Superintendent's Council
- Coordinating the drafting, implementation and monitoring of the District Improvement Plan and Campus Improvement Plans
- Working with Campuses in the School Improvement Program to ensure compliance with State & Federal requirements
- Overseeing all aspects of ARRA funding, including application, administration, and reporting of ARRA Impact Aid Construction Grants, State Fiscal Stabilization Funds and Job Education Funds Grants

SUPPLEMENT NOT SUPPLANT PROCEDURES:

Randolph Field ISD 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.
 - 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.
 - c. Federal funds shall not be used to pay for state required activities, such as state mandated assessments.
2. Procedures for determining that program-specific supplement, not supplant provisions are met.
 - a. A review of the non-federal funds available to each Campus shall be conducted on an annual basis by CFO and Superintendent
 - i. 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.
 - ii. All purchase orders with federal funds shall be reviewed by the CFO 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
3. 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 nonfederal funds in the prior year.
 - 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.

TIME AND EFFORT REPORTING:

Time and effort certifications or time and effort logs are required from all grant funded District personnel. Time and effort forms are required to be completed at the end of each semester by any central administrative personnel that are grant funded. Campus personnel that are 100% grant funded are to complete a time and effort certification at the end of each semester. All personnel that are split-funded must complete a monthly time and effort form which reflects daily duties that were performed during the month. The certifications and time and effort logs must be signed by the employee and their supervisor. All completed forms are to be submitted to the Director of Human Resources in a timely manner. The Director of Human Resources is responsible for reconciling time and effort to actual pay and making necessary adjustments.

EXPENDITURE REPORTING:

Federal and State grant expenditure reports will be prepared and filed by the CFO. The CFO will review the expenditure reports prior to submission. Expenditure Reports with TEA are filed through eGrants. Expenditures must be recorded at least semi-annually. Semi-annual and other interim reports are due to TEA within 15 days after the end of each reporting period. Must adhere to report due dates, including the submission of expenditure reports showing \$0.00 expended. Final expenditure reports are due within 45 days after the end of the grant. Final payment is contingent upon receipt of the eGrants expenditure report and all required programmatic reports and documents.

Grant administrators are responsible for filing all required programmatic reports and documents.

Local grants often require expenditure reports to be filed by either the campus or teacher. Please check with the CFO regarding reporting requirements for local grants.

TEA GRANT CODES:

Special Revenue Funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue funding is received from outside entities (Federal, State, and Local) in the form of restricted funding, grants, and donations. Often this type of funding will have strict rules, regulations, and reporting requirements. It is important for administrators and campuses to work closely with the business office with these funds.

Special Revenue Funds are classified as Federal, State, or Local depending on the funding source.

***Federal Funds** are accounted for in funds 200-289 (290-379 Shared Service)

Federal grants and funding received either directly from the federal government or through grant applications filed with TEA.

Example: Fund 211 ESEA Title I Part A or Fund 224 IDEA B Formula

***State Funds** are accounted for in funds 380-429 (430-459 Shared Service):

State funding and grants received from state agencies or through grant applications filed with TEA.

Example: Fund 404 Accelerated Reading Instruction and Accelerated Math Instruction or Fund 394 Life Skills

***Local Funds** are accounted for in funds 460-499:

Local grants and donations received from corporations, local businesses, or organizations that require the funds be expended for a specific purpose.

Example: Fund 488 – LEF Grants to Teachers or Fund 482 Meadows Grant

Receipt of Grant Award or Donation

Federal and State grants from TEA are typically awarded through the Notice of Grant Award (NOGA). The NOGA is the entire grant document. It contains all the information regarding the grant period, award, budget, reporting requirements, assurances, rules, and regulations. Local grants are usually awarded through less formal documents.

Grant Budget Request

Administrators and campuses will need to work with the CFO to enter the grant budget in the financial system. The grant budget entered into the financial system must match the grant budget as stated in the award documents. Budget amendments occur when “new money” is added to a

budget, for example, when grants or donations are received. When a budget amendment is needed for new grant funds, complete a [Grant Budget Request form](#) and send it, along with the supporting documentation, to the CFO.

Expenditures

Grant funds and awards may only be expended in accordance with the approved grant application. Grantees must maintain effective control over and accountability for all funds, property, and other assets. Funds requested must only be for those items that are reasonable and necessary for accomplishing the objectives of the program and for implementing activities as described in the application. Purchase orders must be used for these funds, even when the amount is less than \$25.

- **Reasonable and Necessary** – Costs are essential to accomplish the objectives of the grant/award project.
- **Allowable** – all items requested must be allowable expenditures under the authorizing program statute, regulations, and rules. Must be in accordance with GAAP and OMB Circular A-87.
- **Reasonable** – Costs are generally recognized as ordinary and necessary for the operation of the organization or grant performance.
- **Allocable** – A cost is allocable to a particular grant/award based on benefits received and if it is treated consistently with other cost incurred for the same purpose in like circumstances.

To determine allowability of certain cost, always consult the original applicable circular pertaining to cost principles for the full text.

OMB A-87 State, Local, and Indian Tribal Governments

All encumbrances, expenditures, and obligations of funds for a grant/award must occur within the grant beginning and ending dates listed on the Notice of Grant Award (NOGA). All goods must be received and all services must be rendered between the beginning and ending dates of the grant. Travel expenditures for federal and state grants must comply with [specific travel guidelines](#).

Grant deadlines vary from grant to grant so it is important to understand and review each grant award document.

Federal Grant Funds (200-289)

Grants ending 06/30/10:

All goods and services must be encumbered and paid by 09/30/10, except for fund 244 for which these must be encumbered and paid by 06/30/10. Supplies and materials should not be encumbered close to the grant deadline without justification as to how it benefits the current grant year.

Fund 204 – ESEA Title IV SDFS

Fund 211 – ESEA Title I Part A

Fund 224 – IDEA B Formula and Capacity Building

Fund 225 – IDEA B Preschool

Fund 244 – Carl D Perkins C & T

Fund 255 – ESEA Title II Part A TPTR

Fund 262 – ESEA Title II Part D Technology

Fund 263 – Title III LEP

2-Year Stimulus Grants:

These end in 2011 and have no encumbrance deadlines for FY10. Balances will be carried forward to FY11.

Fund 266 – Title XIV ARRA SFSF

Fund 279 – Title II Part D Technology ARRA

Fund 283 – IDEA B Formula ARRA

Fund 284 – IDEA B Preschool ARRA

NOTE: Employees paid from the grant must complete and submit to the CFO either:

[Monthly Time & Effort Form](#) – if partially paid from the grant.

[Semi Annual Certification Form](#) – if fully paid from the grant. Due in December and May. (Funds 224, 225, 244, 263, 283, and 284 only; all others are covered under job descriptions per Ed-Flex waiver.)

State Grant Funds (380-429)

State grants end at varying times. Award documents must be reviewed for ending dates. Except for Texas Fitness Now, all goods and services must be received and rendered by grant ending date. All encumbrances/accounts payable must be paid by 09/30/10. Supplies and materials should not be encumbered close to the grant deadline without justification as to how it benefits the current grant year. For Texas Fitness Now, all expenditures and encumbrances must be recorded and all services and travel must occur by 08/31/10. All goods must be received and all encumbrances/accounts payable paid by 09/30/10.

Fund 385 – State Visual Impairment Supplement - ends 06/30/10

Fund 393 – Texas Successful Schools - no ending date

Fund 394 – Life Skills* - ends 08/31/10

Fund 397 – AP/IB - no ending date

Fund 404 – ARI/AMI - ends 08/31/10

Fund 426 – TEEG2 - ended 12/31/09

Fund 426 – TEEG3 - ended 02/28/10

Fund 429 – Texas Fitness Now - ends 08/31/10

Fund 399 – Investment Capital Fund - ends
08/31/10

* Personnel fully paid from the grant must complete and submit to the CFO [Semi Annual Certification Form](#). This is an "after the fact" certification due in March and September.

Local Grant Funds (460-499)

Local grants end at varying times. Award documents must be reviewed for ending dates. All goods and services must be completed and received by grant ending date.

Sample of Local Grant Ending Dates:

Fund 482 – Meadows Foundation – ends April 1

Fund 483 – Coppell Education Development Corporation– ends May 15

Fund 488 – LEF Teacher Awards – ends May 31

FEDERAL FUNDING GUIDELINES:

The Single Audit Act of 1984 established requirements for audits of States, local governments, and Indian tribal governments that administer Federal financial assistance programs. In 1985, the Office of Management and Budget (OMB) issued OMB Circular A-128, "Audits of State and Local Governments," to provide implementing guidance. In 1990, OMB administratively extended the single audit process to non-profit organizations by issuing OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-Profit Organizations."

On July 5, 1996, the President signed the Single Audit Act Amendments of 1996 (31 USC Chapter 75). The 1996 Amendments extended the statutory audit requirement to non-profit organizations and substantially revised various provisions of the 1984 Act. On June 30, 1997, OMB issued revisions to Circular A-133 (62 FR 35278) to implement the 1996 Amendments, extend OMB Circular A-133's coverage to States, local governments, and Indian tribal governments, and rescind OMB Circular A-128. The 1996 Amendments required the Director, OMB, to periodically review the audit threshold. On June 27, 2003, OMB amended Circular A-133 (68 FR 38401) to increase the audit threshold to an aggregate expenditure of \$500,000 in Federal funds and to make changes in the thresholds for cognizant and oversight agencies. Those changes took effect for fiscal years ending after December 31, 2003. OMB further amended Circular A-133 on June 26, 2007 (72 FR 35080) to: (1) update internal control terminology and related definitions in Circular A-133 and (2) simplify the auditee reporting package submission requirement.

This Compliance Supplement is based on the requirements of the 1996 Amendments and 1997 revisions to OMB Circular A-133, which provide for the issuance of a compliance supplement to assist auditors in performing the required audits. The Senate and House Reports supporting the 1996 Amendments cited studies of the single audit process performed by the Government Accountability Office, the President's Council on Integrity and Efficiency and the National State Auditors Association (NSAA). All three studies supported the need for a current compliance supplement. The NSAA study stated, "The Compliance Supplement provides an invaluable tool to both Federal agencies and auditors in setting forth the important provisions of Federal assistance programs. This tool allows Federal agencies to effectively communicate items that they believe are important to the successful management of the program and legislative intent. Such a valuable tool requires constant review and update."

The compliance supplement serves to identify existing important compliance requirements that the Federal Government expects to be considered as part of an audit required by the 1996 Amendments. Without this Supplement, auditors would need to research many laws and regulations for each program under audit to determine which compliance requirements are important to the Federal Government and could have a direct and material effect on a program. Providing this Supplement is a more efficient and cost-effective approach to performing this research. For the programs contained herein, this Supplement provides a source of information for auditors to understand the Federal program's objectives, procedures, and compliance requirements relevant to the audit as well as audit objectives and suggested audit procedures for determining compliance with these requirements.

This Supplement also provides guidance to assist auditors in determining compliance requirements relevant to the audit, audit objectives, and suggested audit procedures for programs not included herein. For single audits, this Supplement replaces agency audit guides and other audit requirement documents for individual Federal programs.

OMB Circular A-133 provides that Federal agencies are responsible to annually inform OMB of any updates needed to this Supplement. This responsibility includes ensuring that program objectives, procedures, and compliance requirements, noncompliance with which could have a direct and material effect on these individual Federal programs, are provided to OMB for inclusion in this Supplement, and that agencies keep current these program objectives, procedures, and compliance requirements (including statutory and regulatory citations). To facilitate agency efforts to meet this responsibility, Parts 4 and 5 of this Supplement provide a stand-alone section for each program included in this Supplement, which contains program objectives, program procedures, and compliance requirements. For some programs a separate section (IV, "Other Information") is also included to communicate additional information concerning the program. For example, when a program allows funds to be transferred to another program, section IV will provide guidance on how those funds should be treated on the Schedule of Expenditures of Federal Awards and Type A program determinations. See Appendix IV for a list of programs that contain this section. These program-specific sections can be updated or replaced as Federal programs change. Also, sections will be included as part of the annual update for additional programs once the program objectives, program procedures, and compliance requirements relevant to the program are developed.

The grants managers at RFISD will look to the Supplement and OMB Guidelines in carrying out the grant management process.

ADDITIONAL GUIDANCE FOR GRANTS MANAGEMENT:

Guidance to assist grant managers in accordance with OMB Circular A-133 can be obtained from the following sources.

Office of Management and Budget

The following information is located under the grants management heading on OMB's Internet home page (<http://www.omb.gov>).

- OMB publications, including OMB Circulars and this Supplement for audits under OMB Circular A-133.
- SF-SAC, *Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations*.
- Codification of Certain Government-wide Grants Requirements by Department (including the A-102 Common Rule and OMB Circular A-110 (2 CFR part 215)).

General Services Administration (GSA)

- *Catalog of Federal Domestic Assistance (CFDA)*.

A searchable copy of the CFDA and a pdf version are available through the Internet on the GSA Home Page (<http://www.gsa.gov/cfda>). The CFDA is also available on machine-readable magnetic tape, high-density floppy diskettes and CD-ROM from GSA at 202-208-4296).

Government Printing Office (GPO)

Superintendent of Documents

P.O. Box 371954

Pittsburgh, PA 15250-7954

Telephone: (202) 512-1800

- Government Auditing Standards (stock number 020-000-00-265-4).
- March 2009 Circular A-133 Compliance Supplement (stock number: 041-001-00667-2).

Inspectors General

IGnet Home Page on the Internet (<http://www.ignet.gov>) contains an Inspector General Directory and the Inspector General Act.

Federal Audit Clearinghouse

The Federal Audit Clearinghouse acts as an agent for OMB to: (1) establish and maintain a government-wide database of single audit results and related Federal award information; (2) serve as the Federal repository of single audit reports; and (3) distribute single audit reports to Federal agencies.

The Clearinghouse maintains a site on the Internet at <http://harvester.census.gov/sac/>. For Data Collection Form (SF-SAC) and OMB Circular A-133 submission questions, contact the Federal Audit Clearinghouse by e-mail (govs.fac@census.gov), phone (301-763-1551 (voice) and 800-253-0696 (toll free)), or fax 301-457-1592. For questions regarding previous submissions, contact the Federal Audit Clearinghouse Processing Unit at 888-222-9907. The Form SF-SAC and A-133 submission should be mailed to Federal Audit Clearinghouse, 1201 E. 10th Street, Jeffersonville, IN 47132.