REQUEST FOR APPLICATION

General and Fiscal Guidelines

applies to grants published on or after March 30, 2018

TEXAS EDUCATION AGENCY PAGE 1 OF 55

Contents

ntroduction to the Request for Application	6
Parts of the Request for Application	6.
General and Fiscal Guidelines	
Program Guidelines	7.

TEXAS EDUCATION AGENCY PAGE 2 OF 55

APPLICATION GUIDELINES—GENERAL AND FISCAL GUIDELINES

Application Format	16
Incomplete, Blank and Missing Schedules	
Requirements Common to Both Paper and eGrants Applications	17
Statutory Requirements	17
TEA Program Requirements	17
Fiscal-Related Documentation Required to Be on File	17
Local Educational Agencies: ISDs, OpenEnrollment Charter Schools, and ESCs	17
Open-Enrollment Charter Schools	17
Required Fiscal-Related Attachments	
Nonprofit Organizations, Excluding ISDs and Open-Enrollment Charter Schools	18
Institutions of Higher Education, For -Profit Entities, Governmental Entities	18
Required Program-Related Attachments	1.8
Submit(ien)g1th7e(t(ppDi)e4t3o(nu)3.7(v-0.7.(t))7.(i)1.7.(o)1.(n)]TJ.0.Tc.0.Tw.11.967.0.Td.(.)Tj0.003.Tc.0.003.Tw.	.01.670.T. d .8
eGrants Applications	19
Paper Applications	19
Competitive Application Due Date	20
Eligibility for Funding	20

APPLICATION GUIDELINES—GENERAL AND FISCAL GUIDELINES

Required Programmatic Reports	48
Activity, Progress, and Evaluation Reports	
Final Evaluation Report	
Limits on Contracted Evaluators	
Expenditure Reporting	
Interim Expenditure Reports	Δ0

Introduction to the Request for Application

Use the General and Fiscal Guidelines - New EDGAR with the Program Guidelines, the Standard Application System (SAS), and the instructions to each schedule in the SAS. For applicants selected for funding, all guidelines and instructions will be incorporated by reference into any Notice of Grant Award (NOGA) issued by the Texas Education Agency (TEA).

TEA may update these guidelines as additional information on the new EDGAR becomes available or periodically issue written guidelines concerning the managements application or clarifying previously issued grant guidelines. Any guidance issued after the initial approval of the application to be incorporated with these instructions. (See the Errata Notices section.)

TEA, as the pass-through entity¹ (and a non-federal entity), is the grantee² from the U.S. Department of Education (USDE) and TEA awards subgrants to non-federal entities³ such as local educational agencies (LEAs), including school districts, charter schools, and education service centers, and to a lesser degree institutions of higher education (IHEs), and nonprofit organizations (NPOs) who are the agency's subgrantees⁴. These guidelines apply to all subgrantees of TEA, regardless of

TEXAS EDUCATION AGENCY PAGE 6 OF 55

regarding the process to be used for distribution and management of grant funds. Always refer to the Program Guidelines for detailed information about the specific grant program. The Program Guidelines will, as necessary, refer the applicant back to the General and Fiscal Guidelines for general information.

Program Guidelines

The Program Guidelines provide information about the specific program, including the purpose of the grant, eligibility criteria, program description, statutory and TEA program requirements, any specific

TEXAS EDUCATION AGENCY PAGE 7 OF 55

General Provisions an d Assurances

This set of provisions and assurances applies to all applicants for all grants that TEA administers. It includes a summary of the terms of the subaward between TEA and the subgrantee and a list that includes but is not limited to the federal rules, laws, and regulations that apply to all state and federal programs.

Certification Regarding Debarment, Suspension, Inel.6 (u)-6.3 (o)-3.8 (n)0.6 (,)-2.1 (G)0.5 ()0.7 (Db.3 (n)i.4 (Db.3 (n)-6.3 (o)-3.8 (n)0.6 (,)-2.1 (G)0.5 (Db.3 (n)i.4 (Db.3 (n)-6.3 (o)-3.8 (n)0.6 (,)-2.1 (Db.3 (n)-6.3 (n)-6

TEXAS EDUCATION AGENCY PAGE 8 OF 55

Commencement and Performance of Project Activities

The subgrantee must commence and perform project activities according to established timelines. Failure to do so may result in reduction and reallocation of funds.

Competitive Bid Process

Applicants must comply with competitive bidding requirements outlined in the Texas Education Code, Section 44.031, and its implementing rules, where applicable.

Right to Revoke

The commissioner of education or his or her designee reserves the right to revoke a subgrant award for reasons including but not limited to the following:

Noncompliance with application's provisions and assurances

Failure to implement the grant program or to use grant funds and any required cost share or matching funds in accordance with the RFA, general fiscal guidelines, program rules and guidelines, the authorizing program statute, or the application approved by TEA

Lack of program success as evidenced by progress reports and program data

Failure to provide program data to TEA or its subcontractors

Failure to account for grant funds in accordance with standards for financial management, to retain proper documentation for grant expenditures, or to provide information to auditors and monitors

Identification by TEA as high-risk during the grant period, in which case TEA reserves the right to begin procedures immediately to terminate the grant. The subgrantee may be reimbursed for allowable expenditures up through the date of notification of high-risk status.

Failure to meet performance measures or standards as specified in the RFA

Failure to provide accurate, timely, and complete information as required by TEA to evaluate the effectiveness of the grant program

For a state-funded grant, a decision by the commissioner of education to revoke the grant award is final and may not be appealed.

Continuation Funding

Project funding in subsequent project periods will be based on satisfactory progress on the prior year(s) program implementation, objectives and activities, general budget approval by the commissioner of education or his or her designee, and appropriations by the state legislature or the US Congress, if the grant is federally funded.

Review and Approval of Grant Products

If specified by TEA, the program design and all materials, program activities, and other products produced or adapted by the subgrantee must be reviewed and approved in draft form and in final form by TEA.

Sole Property of TEA

All materials, conceptions, and products created or conceived by the subgrantee, its employees, agents, consultants, or subcontractors arising out of this subgrant shall be the sole property of TEA.

TEXAS EDUCATION AGENCY PAGE 10 OF 55

TEA, and/or the federal government for a federally funded project, shall hold the copyright and trademark to all materials, conceptions, and products created or conceived under this grant, unless the prior express written permission of the TEA Copyright Office is obtained. The subgrantee shall so bind all concerned through written agreements with subcontractors and consultants.

Applicant Assistance

Applicants are responsible for periodically checking the <u>TEA Grant Opportunities</u> page for any postings of frequently asked questions (FAQs), additional/clarifying information, or errata notices that pertain to this application.

TEA assumes no respons1.7lr1.7lonsu(a0-1 (EA)]TJ (,)Tj((no r)0.7 (es)-1.7 (po)5.0 Tc ()T(.7 (po)5.tb2aC B'

TEXAS EDUCATION AGENCY PAGE 11 OF 55

questions about the RFA must be submitted in writing to the TEA contact person listed in the Program Guidelines, Contact for Clarifying Information. The name of the RFA and the RFA number, located at the bottom of each page of the Program Guidelines, must be included in the written request for information.

Applicants must submit their written questions no later than 5:00 p.m. Central Time on the date specified in the Program Guidelines, Grant Timeline. The questions and their answers (in the form of FAQs) will be published on the <u>TEA Grant Opportunities</u> page on or before the date specified in the Program Guidelines, Grant Timeline. To provide all applicants with equal opportunity to review all FAQs prior to submitting the grant application, any questions received after

TEXAS EDUCATION AGENCY PAGE 12 OF 55

Grant information

To subscribe to Grants Administration Division bulletins, go to the <u>TEA Updates</u> page of the TEA website and submit your request to sign up. On the Quick Subscribe page, select the Grants Administration and Federal Program Compliance (GAFPC) topic from the Grants category.

Shared Services Arrangements

A shared services arrangement (SSA) is an agreement between two or more school districts, openenrollment charter schools, and/or ESCs. The SSA provides services for all of the entities involved. Such entities may desire to enter into an SSA for the performance and administration of a program in order to maximize the use of funds and services to be provided. In every SSA, a fiscal agent is designated to be ultimately responsible for compliance with grant requirements and conducting administrative duties. An eligible entity, as defined in the Program Guidelines, Shared Services Arrangement, must serve as the fiscal agent for an SSA.

Excluded Entities

The following entities are excluded from providing services through an SSA:

TEXAS EDUCATION AGENCY PAGE 13 OF 55

binding for the entire project period. You are advised to complete the process of obtaining local board approval, as appropriate, before submitting this form.

If your organization is a prospective applicant applying for a grant permitting an SSA, please submit the electronic Applicant Designation form by the date specified in the Program Guidelines, Grant Timeline.

Application Completion and Submission

This section describes the process of completing and submitting the application.

Coordination with the Business Office

To ensure compliance with required accounting procedures, all applicants are strongly encouraged to consult with their business office about assignment of budgeted items to the proper class/object codes before submitting the application. Advance coordination with the business office will expedite negotiation and processing of the application and may assist in avoiding audit exceptions for the subgrantee.

Supplement, Not Supplant

Unless otherwise specified in the Program Guidelines, Supplement, Not Supplant, funds for this program must be used to supplement (increase the level of services) and not supplant (replace) funds from federal, state, and local funds for similar activities. Any program activity required by state law, State Board of Education (SBOE) r

TEXAS EDUCATION AGENCY PAGE 15 OF 55

TEXAS EDUCATION AGENCY PAGE 17 OF 55

Required Fiscal -Related Attachments

For competitive applications, all required attachments must be attached to each copy of the application at the time the application is submitted for it to be eligible for funding. Applications that are missing any required attachments will not be eligible for review and scoring.

IMPORTANT NOTE: See the Audit Report Requirements section for details regarding the audit submission requirement as it applies to different applicant types.

Nonprofit Organizations, Excluding ISDs and Open - Enrollment Charter Schools

See the Fiscal-Related Documentation Required to Be on File section for the requirement that applies to open-enrollment charter schools sponsored by a nonprofit organization.

If Schedule #2 of the standard application indicates that a nonprofit organization must submit proof of nonprofit status as a required fiscal-related attachment, the following documents can be used:

- x Copy of a letter from the Internal Revenue Service recognizing that contributions to the organization are tax deductible under Section 501(c)(3) of the Internal Revenue Code
- x Statement from a state taxing body or the state attorney general certifying that the organization is a nonprofit organization operating within the state and that no part of its net earnings may lawfully benefit any private shareholder or individual
- x Certified copy of the applicant's cer

TEXAS EDUCATION AGENCY PAGE 18 OF 55

Applicants may request extensions to application deadlines for formula grants and noncompetitive discretionary grants, and the requests will be considered by TEA on a case-by-case basis. However, applicants may not request extensions, nor will they be granted, to competitive grant application deadlines.

eGrants Applications

The eGrants application must be certified and submitted by an individual who has been authorized by the applicant or subgrantee organization to enter the organization into a legally binding contractual agreement. The "Authorized Official" is the individual who will represent the applicant or subgrantee in the event any legal disputes arise. For school districts, this person is usually the superintendent. For education service centers (ESCs) and nonprofit organizations, this person is usually the executive director.

In establishing the time and date of receipt, the commissioner of education will rely solely on the date and time of the eGrants automated system. Competitive applications not submitted by 5:00 p.m. Central Time on the due date will not be accepted by TEA.

TEA accepts no responsibility for technical problems, delays, or insufficient capacity of technology that occurs at the applicant or originating organization. Applicants are strongly advised to submit competitive applications well before the deadline time and date in an effort to reduce or eliminate technical barriers.

Paper Applications

Copies and Signature

Per 2 CFR 200.335, for paper copies of the grant application, TEA requires one original copy of the application, and two copies of the application. All copies of the applications must be signed. The signature must be that of a person authorized to bind the applicant to a contractual agreement. See below for additional details:

- x Applications submitted by ISDs must be signed by the superintendent of the ISD or a designee. Applications submitted by regional ESCs must be signed by the executive director or a designee.
- x Applications submitted by open-enrollment charter schools must be signed by the chief operating officer of the school or a designee.

Х

essential to accomplish the objectives of the grant project. All items requested must be allowable expenditures under the authorizing program statutes, regulations, and rules.

In general, the budget schedules submitted by the applicant in the SAS must evidence the following:

Project costs are reasonable in relation to expected outcomes:

- x The amount requested would realistically be expected to have an impact on the stated needs.
- x The expected outcomes are sufficient to justify the amounts requested.

The program identifies and coordinates funding from several sources.

All expenditures are pertinent to and appropriate for the objectives and activities stated.

Reasonable Costs

A cost canC /P <</S 139>hh1/TT1 pn /TT2 1 Tf 3.4 (oun-1.7 (t)</MCID 248)/b 0tD 20 >gon tLBody << nb <math>e

TEXAS EDUCATION AGENCY PAGE 25 OF 55

Allowable Costs

Refer to the Program Guidelines, Allowable Activities and Use of Funds and Unallowable Activities and Use of Funds, for additional guidance pertaining to costs that are allowable and unallowable for the grant program.

To be allowable to be charged to a grant, costs must meet the following criteria per 2 CFR 200.403 and follow the subgrantee's local written procedures for allowability of costs:

Be reasonable for the performance of the grant and be allocable under the applicable cost principles

Conform to limitations or exclusions set forth in applicable cost principles or the grant agreement as to types or amount of costs

Be consistent with policies and procedures that apply uniformly to federally or state-funded activities and activities funded from other sources

Be accorded consistent treatment among all grant programs, regardless of funding source

Be determined in accordance with generally accepted accounting principles (GAAP)

Not be included as a cost or used to meet cost-sharing or matching requirements of any other federally or state-funded program in the current or a prior period

Be adequately documented

Not be used for lease-purchases (i.e., debt service) if for discretionary grants

Refer to the instructions for the specific SAS schedules for additional guidance pertaining to allowable and unallowable costs.

Cost of Equipmeal(E)-3.6 4tXBe determ(E)9nary grt1 (od)]TJ 0 S(r)0.7 (c)-1.-1 (v1)-3C /CS1 cs 0 0.2 0.1.69

TEXAS EDUCATION AGENCY PAGE 26 OF 55

Only the grant funds used to purchase equipment/supplies may be used to pay for repairs to that equipment/supplies. If the equipment/supplies is no longer needed for the original grant, and its use has been transferred to another federal grant as appropriate, repairs may be purchased with funds from the receiving grant.

If equipment can no longer be used, it may be disposed of as follows:

Items of equipment with a current per-unit fair market value of \$5,000 or less may be

TEXAS EDUCATION AGENCY PAGE 27 OF 55

to the application, which must be approved before tablet computers may be purchased using grant funds.

Personal Use of Computing Devices Purchased with Grant Funds

Subgrantees are strongly encouraged to develop and approve a policy pertaining to the personal use of technology items purchased with grant funds. The policy should include the following elements:

A statement detailing that software and/or applications that are solely for personal use should not be loaded/saved onto computing devices purchased with grant funds

Mechanisms/procedures for ensuring compliance with the policy

Consequences for noncompliance with the policy

Equipment Inventory for Technology Items That Do Not Meet the Capitalization Threshold

While items such as tablet computers, netbooks, and laptops may not meet the capitalization level established by the subgrantee or TEA, it is strongly recommended that these items be inventoried, tracked, and monitored as they are highly mobile and susceptible to loss.

Per 2 CFR 200.302 (b)(4)— "Effective control over, and accountability for, all funds, property, and other assets. The non-federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes."

)]TJ 0 fou k[(ldn a uni)-1 fu(e a7 ltc ()Tj 030.30.0)Tj EM-01 Tc 24.497 Tc 00615 00.328(i)-1 (nsi)-1.1 (a)5.8 (z)]TJ 0 d(y)3 Desktop Computer

A desktop computer is a computer that is not designed to be portable and that must be connected to an external power source (rather than running on an internal battery). Desktop computers may be designed so that the central processing unit, monitor, and keyboard are all separate components Peoa (ed s)-1. (ur)6.2 ng uniapt(p.Tc ()Tj 02es)33

TEXAS EDUCATION AGENCY PAGE 28 OF 55

Netbook

Netbooks were developed as a smaller, lighter, less expensive alternative to laptop computers. Netbooks generally lack advanced functions, such as a CD-ROM or DVD drive, of full-featured laptop computers. Over the period of their development, netbooks began to incorporate more and more features generally associated with laptop computers. The primary distinction, finally, came to be price, with netbooks being less expensive than laptops.

With the evolution of the tablet computer, and as smaller, lighter, less expensive laptops begin to be produced, the term "netbook" has ceased to be used to describe a category of technology items. Today, a subgrantee interested in what used to be called a netbook might choose either to pure,8 (be c)-1.7d [(I)-1 06 0 Td 2.519[(R)1.7 (O)-2.5 (M)3.4 Tw -37.749 -1.7 (e an)3.4 (.(puter)0.7 (s)-1.7 (...

TEXAS EDUCATION AGENCY PAGE 29 OF 55

Effective December 26, 2014, the uniform grants guidance consolidated the following OMB circulars: A-21, A-50, A-87, A-89, A-122, A-102, A-110, A-133.

Below is a list of entities that now follow 2 CFR 200, Subpart E – Cost Principles:

Type of Entity

Public school districts

Regional education service centers (ESCs)

All open-enrollment charter schools

Local governments (e.g., cities, counties)

Nonprofit organizations, including community-based organizations and faith-based organizations

IHEs

Application Review and Selection for Competitive unding

This section describes the process for reviewing, scoring

TEXAS EDUCATION AGENCY PAGE 30 OF 55

Review er Assurances: Conflict of Interest and Nondisclosure

All grant reviewers are required to sign a legally binding form certifying that they have no basis for any conflict of interest in the grants they are assigned to review. In addition, reviewers agree not to disclose the contents of any grant application they review to anyone but TEA's competitive review unit.

TEXAS EDUCATION AGENCY PAGE 31 OF 55

Expenditures and activities are supplemental to and do not supplant or duplicate services currently provided. (3 points)

Need for the Proposed Program

For this indicator, 20 points are possible.

Details of the needs assessment methodology are provided, and the magnitude or severity of the problem to be addressed by the proposed program is significant. (10 points)

As the result of a robust assessment effort, specific needs have been identified and strategies to address those needs have been described. (10 points)

Quality of Management Plan

For this indicator, 20 points are possible.

Qualifications, experience, and certifications of program personnel and external consultants are of sufficient quality and depth to ensure successful implementation. (5 points)

The management plan is designed to achieve the objectives of the proposed program on photomatom photomatom of the proposed program of the proposed pro

TEXAS EDUCATION AGENCY PAGE 32 OF 55

Strategies and activities are of sufficient quality and scope to ensure equitable access and participation among all eligible program participants. (5 points)

Strategies and activities are of sufficient quality and depth to ensure accomplishment of the goals and objectives of the program according to the relevant statute. (5 points)

Additional Possible Points

In addition, reviewers will consider the ability of the applicant to follow written directions, as follows:

Application is organized and completed according to instructions. (5 points possible)

Total Possible Points

For each application, a total of 105 points is possible.

Specific Review Criteria

For some grants, the standard review criteria do not fully address all fundamental aspects of the program the applicant is expected to design and describe in the application. In those cases, additional specific review criteria may be defined so that in addition to the indicators addressed by the standard review criteria, those other fundamental aspects may also be evaluated, reviewed, and scored by the grant reviewers. Any specific review criteria defined for the grant program will be listed in the Program Guidelines, Specific Review Criteria, along with the point value that corresponds to each criterion.

Priorities for Funding

In some grant programs, points are available to applicants that meet certain priorities for funding defined in statute or by TEA. These points are beyond those available through either the standard or specific review criteria. In general, applicants must receive 70% of points available through the standard and specific review criteria, before priority points will be awarded. Any priorities for funding (priority points) defined for the program will be listed in the Program Guidelines, Priorities for Funding. If used for the grant, priority points are assigned by TEA program staff.

Oral Interviews for Funding

In limited circumstances, the applicants receiving the most favorable ratings in the application review may be asked to send a representative to Austin, Texas, or conduct an electronic meeting or conference call, at a time and place to be arranged, for an oral presentation of the application. Applications may be rated again and re-ranked following the oral presentations. Points are designated and awarded by TEA program staff.

Selection for Funding

Applications for competitive grants are considered and selected on the basis of total points scored during review and, if applicable, as the result of any oral interviews, but awards are contingent upon availability of funds. In some cases, only applications that receive at least 70 percent or another minimum percentage of points established by TEA, will be considered for funding. Grant awards are generally made starting with the highest-scoring application and continuing to the next highest-scoring application until funds are exhausted or until the applications with the minimum percentage score or higher are funded, whichever is the case.

TEXAS EDUCATION AGENCY PAGE 33 OF 55

It is important that a diverse group of students and districts be represented in the operation of grant programs. Therefore, after all applications have received a final score, some additional factors may be considered before grant recipients are selected. The order in which applications are ranked may be changed to fund projects that represent a greater diversity of students and districts. In general, projects are selected to establish programs that accomplish the following:

Meet the intent and purposes of the authorizing statute

Are cost-effective (i.e., the total grant amount divided by the total number of students served equals the cost per student)

May be replicated in districts with similar demographics

Are diverse with respect to size of districts (include districts with small, medium, and large enrollment)

Are diverse with respect to geographic location in Texas (include different ESC regions or quadrants of the state)

Demonstrate greatest need

Meet any additional criteria identified in the Program Guidelines

To be considered for funding, applicants for competitive grants and continuation grants that have previously received discretionary grants from TEA must have a positive record of successfully managing programs. A positive record includes being in compliance with all requirements and conditions of those grants, including financial management requirements, and implementing the grant programs according to the timelines and descriptions proposed in the grant applications.

Final Recommendations

Based on final scores, the outcome of oral interviews, and any additional considerations as indicated above or identified in the program guidelines, final recommendations are assembled and presented to the commissioner of education or his designee who will do one of the following:

Approve the application in whole or in part

Notice of Grant Award

The NOGA incorporates this RFA, the instructions for each form, and the pappoon each form and th

TEXAS EDUCATION AGENCY PAGE 35 OF 55

TEXAS EDUCATION AGENCY PAGE 36 OF 55

subgrantee can request payment for expenditures even though they were incurred before the grant beginning date.

Review the program guidelines for the grant to determine whether pre-award costs are permitted and to learn the period during which they are allowable.

Requesting Pre -Award Costs

In order for the subgrantee to be reimbursed for pre-award costs, pre-award costs must generally



be requested in the originally approved grant application (including adding the request during negotiations of the original application). If an applicant did not request pre-award costs in the originally approved grant application, the applicant may subsequently request pre-award costs through an amendment if the subgrantee provides additional justification and documentation that explains why the request was not submitted in the original grant application.

IDEA-B High Cost and IDEA-B Discretionary Residential must follow the specific pre-award cost rules in the program guidelines for each application, respectively.

Pre-award costs are part of, and not in addition to, the total grant award.

Budgeting Pre -Award Costs

eGrant Applications

In eGrants applications, applicants must use the pre-award column, if available in the BS60XX – Program Budget and Support. Otherwise, the subgrantee is required to submit a pre-award attachment to request pre-award costs. The pre-award attachment will be included in the document library for the grant and is also linked to the <u>TEA Grant Opportunities</u> page.

Paper Applications

In paper applications where pre-award costs are permitted, all the budget schedules (Schedules #6-11) include a Pre-Award column. In the supporting budget schedules (Schedules #7-11), budget all pre-award costs in the Pre-Award column. The total pre-award costs budgeted on each of the supporting budget schedules must match the pre-award amount entered on the corresponding line of Schedule #6—Program Budget Summary.

Administrative Costs

Administrative funds include both direct and indirect costs.

Direct Administrative Costs

Funds requested for administrative use must be requested in the application on the appropriate budget schedules.

Direct administrative costs may include those costs associated with the following:

Accounting and other fiscal activities, including reporting expenditures to TEA

Auditing

Overall program administration

TEXAS EDUCATION AGENCY PAGE 37 OF 55

Evaluating and reporting on the progress and results of the grant program

Monitoring compliance with the program requirements

Salaries and benefits for staff who supervise activities of program staff

Insurance that protects the subgrantee

Direct administrative costs included in an approved direct cost allocation plan

The authorizing statute or TEA may limit the amount of funds that may be budgeted to administer the program, including direct administrative costs and indirect costs, to no more than 5% (or another amount specified in statute) of the total grant awarded for any fiscal year. Refer to the Program Guidelines: Limitation of Administrative Funds, to determine if administrative costs are limited for this grant.

Indirect Costs

Indirect costs are calculated and reimbursed based on actual expenditures when reported in the expenditure reporting system, regardless of the amount budgeted and approved in the grant application.

To calculate the maximum indirect costs that can be claimed for a grant, complete the Maximum Indirect Costs Worksheet, posted on the Grants Administration Division Indirect Cost Rates page.

Procurement Standards

Written Agreements and C ontracts

The subgrantee must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, and the subgrantee must conform with the following standards listed in 2 CFR 200.318, General procurement standards:

Must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in selection, award and administration of contracts.

Must award contracts only to responsible contractors sth the termi64ollMust ms(ds)-1.8 (.393 0 (on)5.7393 (

TEXAS EDUCATION AGENCY PAGE 38 OF 55

For contracts or agreements in excess of \$10,000, describe conditions under which the contract may be terminated for cause or for convenience and include the basis for settlement.

Maintain evidence that awards were made only to contractors or consultants possessing the ability to perform successfully under the terms and conditions of the proposed contract or procurement.

Select consultants based on demonstrated competence, qualifications, experience, and reasonableness of costs. Consideration must be given to contractor integrity, compliance with public policy, past performance, and financial and technical resources.

Contract only with persons not employed by your organization.

Do not participate in selection or award of a contract if a conflict of interest is involved.

Maintain records on services performed—date of service, purpose of service—ensuring that services are consistent and satisfactory as described in the signed contract or purchase order.

Make payment only after the service is performed and not before, according to state and federal law. Advance payment to contractors is prohibited.

If the contract is to develop materials, concepts, or products, ensure that the agreement or contract contains provisions that protect and retain ownership of such materials, concepts, or products by TEA, the State of Texas, and the federal government as applicable (including copyright, patent, trademark).

NOTE: Specifying an individual vendor in a grant application does not meet the applicable requirements for sole-source providers. TEA's approval of such grant applications does not constitute approval of a sole-source provider.

The subgrantee must also follow 2 CFR 200.320, Method of procurement unless

TEXAS EDUCATION AGENCY PAGE 39 OF 55

of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements for direct program or project costs and the proportionate share of any allowable indirect costs.

Subgrantees must have written procedures and internal controls for cash management to ensure that only the actual amount of cash needed from federal grant funds will be requested, and that the cash received will be paid out. Procedures should show that the subgrantee plans carefully for cash flows for grant projects and reviews cash requirements before each request for payment. Cash management procedures are monitored during monitoring visits and during the annual independent audit.

Subgrantees are not required to maintain separate bank accounts for federal grants. However, subgrantees must comply with the applicable standards for financial management in maintaining accounting records by fund source. (See 2 CFR 200.302 and 200.305) Subgrantees receiving federal grant payments may be required to return interest earned to the appropriate federal agency, as described in the following sections.

Return of Intere st Earned from Payments to all eligible entities

When the LEA has cash on hand from federal grant funds, interest begins to accrue from the date of receipt of the drawdown and will be required to be remitted back to the federal government once the total aggregate amount of interest earned on federal grant awards equals \$500.

In accordance with the requirements of 2 CFR 200.305, all organizations must deposit grant payments into an interest-bearing account. For each grant award, the subgrantee may retain an aggregate amount up to \$500 annually in interest earned for administrative expenses for all federal grant funds.

TEXAS EDUCATION AGENCY PAGE 42 OF 55

Noncompliance with Cash Management Requirements

Pursuant to the provisions of 2 CFR 200.338, subgrantee

TEXAS EDUCATION AGENCY PAGE 43 OF 55

Expenditure Payment Requests Requiring Manual Approval

In order to comply with federal regulations, TEA) monitors expenditure payment requests through a manual review and approval process. If a payment request requires manual approval, TEA staff contacts the subgrantee and asks for a simple narrative justification for the request. TEA will not ask for detailed supporting documentation unless the circumstances require it.

For more detailed information on the manual approval process, refer to "Expenditure Payment Requests Requiring Manual Approval," posted in the Expenditure Reporting Guidance section of the <u>Administering a Grant</u> page.

Cost Share/Match Requirement

Refer to the Program Guidelines, Cost Share or Matching Requirement, to see whether this grant program requires either a cost share or a match.

In general, cost share/matching funds may be derived from three sources: cash contributions, subgrantee in-kind contributions, and third-party (i.e., other than the subgrantee) in-kind contributions. Unless otherwise stated, federal funds may not be used to meet a cost-share/matching requirement; only local or state funding sources may be used.

For costs to be eligible to meet cost-share/matching requirements, the costs must first be allowable under the grant. Therefore, costs for items such as gifts, noneducational field trips, food, and construction are not eligible to be paid from cost share/matching funds.

Applicants must indicate cost share/matching amounts in the appropriate columns in the application. Applicants are not required to list cost share/matching amounts in the same class/object codes in which grant funds are budgeted. Applicants may distribute cost share/matching amounts among any of the class/object codes, so long as the costs are eligible to be paid from cost-share/matching funds and so long as the total cost share/matching amount is equal to or greater than the cost share/matching amount required by TEA (or the authorizing statute, whichever is the case).

Subgrantees are required to maintain the same auditable records, including time and effort documentation, if applicable, for all expenditures relating to cost share/matching funds as for the regular grant funds. These records must be

TEXAS EDUCATION AGENCY PAGE 44 OF 55

TEXAS EDUCATION AGENCY PAGE 45 OF 55

Priva te Nonprofit School Consultation

If private nonprofit school officials want their teachers or children to participate, the applicant must involve these officials during all phases of the development, design, and implementation of the program through ongoing communication between appropriate parties.

The applicant must consult with private nonprofit school officials before making any decision that affects the opportunities of their teachers or students to participate in the program, and this consultation shall continue throughout the implementation and assessment of the grant project. The applicant must give private nonprofit school officials a genuine opportunity to express their views regarding each issue. In general, these discussions are subject to the following requirements:

how the children's needs will be identified;

TEXAS EDUCATION AGENCY PAGE 46 OF 55

APPLICATION GUIDELINES—GENERAL AND FISCAL GUIDELINES

Maintenance of Effort

If the authorizing statute requires, a maintenance of effort (MOE) requirement shall apply to the federally-funded grant program.

In order for TEA to determine if the subgrantee is maintaining the appropriate fiscal effort, it verifies each LEA's MOE using PEIMS data available and notifies the subgrantee if fiscal effort has not been maintained.

Refer to the following pages of the TEA website for links to additional information and guidance regarding the MOE requirement for the ESSA

TEXAS EDUCATION AGENCY PAGE 48 OF 55

objective is not to be involved in any manner with the provision of program services or activities. Otherwise, the evaluator is, at least in part, evaluating its own services.

In addition, TEA is aware that some grant writers develop and design the grant program, write the entire grant application, and then wish to evaluate the grant program. TEA also believes that this scenario poses a conflict of interest for the evaluator, in that the evaluator is evaluating the grant program that he or she designed, developed, and wrote. Again, it is not possible for the evaluator to function independently and objectively if the evaluator performed in this capacity. It is certainly acceptable for the grant writer to receive some information from a potential evaluator to include in the evaluation section of the grant application with regard to an appropriate evaluation plan or design, but communication between the grant writer and evaluator should be limited to that specific topic.

Applicants should make every effort to ensure that contracted evaluators are independent and objective.

Expenditure Reporting

See the Requesting Payment through the Expenditure Reporting (ER) System section for more information on using ER for expenditure reporting.

Subgrantees in good standing may report expenditures at any time to receive payment, (see the Cash Management section above.) Subgrantees are strongly encouraged to request payment for legitimate expenditures regularly to indicate to TEA that funds are being spent and that activities are being carried out according to the established timelines, provided such payments conform to the rules pertaining to cash management.



The applicant agrees to report expenditures by class/object code in ER when it requests each payment. The subrecipient is responsible for ensuring the Grantee Manager and/or Grantee Official, or such person using the Grantee Manager or Grantee Official's credentials, has been authorized by the subrecipient organization to enter the organization into legally binding agreements for grant

payment purposes prior to the Grantee Manager or Grantee Official certifying and submitting expenditure payment requests in the ER system. This authorized official must certify each request for payment as described in 2 CFR 200.415.

Interim Expenditure Report s

As good grant management practice, semi-annual and other interim expenditure reports should be filed in ER. TEA does not require interim expenditure reports on any certain schedule.

Final Expenditure Report

In general, the final expenditure report must be filed in ER within 30 days after the ending date of the grant. (See TEA Grant Opportunities for due dates.) The total project costs of the grant, as provided on the final expenditure report, should equal and in no case may exceed the total expenditures by class/object code recorded in the financial accounting records of the subgrantee organization.

If cost share or matching is required in accordance with the Program Guidelines, the subgrantee must report the total cost share or match expended on the final expenditure report. The subgrantee

TEXAS EDUCATION AGENCY PAGE 49 OF 55

Request to Extend Reporting Deadline

An LEA that misses the deadline for a final or revised final expenditure report has 30 days to request an extension of the deadline. If there is no opportunity for a revised final

TEXAS EDUCATION AGENCY PAGE 51 OF 55

Beginning in fiscal year 2016, subrecipients of federal discretionary and federal discretionary continuation grants from TEA that are nonprofit organizations (other than charter schools) and universities or colleges and that expend \$750,000 or more total in federal awards in any fiscal year are required to conduct a Single Audit or program-specific audit in accordance with the requirements in Subpart F . Subgrantees must report audit findings as follows to TEA by mailing to Federal Fiscal Monitoring Division, Texas Education Agency, 1701 N. Congress Ave., Austin, TX 78701-1494:

TEXAS EDUCATION AGENCY PAGE 52 OF 55

HighRisk StatuspecificConditions, andRemedies for Noncompliance

Notice of Agency Policy

TEA conducts federal fiscal grant subrecipient monitoring and compliance reviews, and implements related remedies for noncompliance, in accordance with its established policies and procedures. These policies and procedures incorporate best practices and standards that may be similar to common auditing standards, but the agency does not apply a specific set of external standards, such as the US Government Accountability Office's Generally Accepted Government Auditing Standards (Yellow Book), nor is it required to do so.

TEA reserves the right not to award a discretionary grant to a high-risk subgrantee or to a subgrantee that is materially noncompliant with the terms and conditions of another award. If a subgrantee is identified as high risk by TEA during the grant period, TEA reserves the right to begin procedures immediately to terminate the grant. The subgrantee will be reimbursed for allowable expenditures up through the date of notification of high-risk status.

Specific Conditions

Pursuant to 2 CFR 200.207, if TEA identifies, in its sole determination, a subgrantee as posing a level of risk identified by the agency's risk criteria, the subgrantee has a history of failure to comply with the terms and conditions of the grant award, the subgrantee fails to meet performance goals, or is not otherwise responsible then TEA may impose additional specific award conditions on any

subgrant award.

Specific conditions may include 1) requiring payments as reimbursements rather than advance payments (cash advances), 2) withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period, 3) requiring additional, more detailed, financial reports, 4) requiring additional project monitoring, 5) requiring technical or management assistance, or 6) establishing additional prior approvals.

TEA may, in appropriate circumstances, designate the specific conditions established under 2 CFR 200.207 as "high-risk conditions" and designate a non-Federal entity subject to specific conditions

/)3(c)3.7 (Fede)stab(issh)eu6t(i)e1e(e26C1F(Ri)200(2010)7Tals a01t63thTribk((Orr)2014e(no)+3.24(C2F1R)i)347(4),5.08. (i))14(cs02thTxT12.67(116)38.47/(100)22)e06(

TEXAS EDUCATION AGENCY PAGE 53 OF 55

Remedies for Noncompliance

If TEA determines that noncompliance cannot be corrected by imposing the specific conditions, TEA may take one or more of the following remedies for noncompliance actions, as appropriate in the circumstances. 1) temporarily withhold cash payments pending correction of the deficiency, 2) disallow all or part of an activity or action not in compliance, 3) wholly or partly suspend or

terminate the grant award, 4) initiate suspension or disbarment proceedings under 2 CFR 180, 5) withhold further grant awards for the project, or 6) take other remedies that may be legally available pursuant to 2 CFR 200.338.

Notification of Remedies for Noncompliance and Opportunity for Hearing

Upon taking any remedy for non-compliance, TEA must provide the subrecipient an opportunity to object and provide information and documentation challenging the suspension or termination action. (2 CFR 200.341) In addition, 34 CFR 76.401 provides TEA with statutory authority for its procedure for hearing appeals related to the disapproval of an application for grant funding.

The procedure for the hearing of appeals arising under federal law and regulations is codified in Texas Administrative Code (TAC), Title 19, Part II, Subchapter CC, Section 157.1083.

TEA Actions That Result in Applicant's Opportunity for Hearing

Per <u>TAC</u>, <u>Section 157.1082</u>, applicants have the opportunity for a hearing when TEA disapproves or withholds grant funds, such as any of the following:

IDEA LEA, S, S

Appl icant Requirements

According to the procedures in <u>TAC</u>, <u>Section 157.1083</u>, the hearing must be requested within thirty (30) calendar days of the date of the enforcement letter and must be requested in accordance with the procedures specified in <u>TAC</u>, <u>Section 157.1083</u>.

In the request for hearing, the organization shall specify:

- 1. The action or proposed action that is the subject of the requested hearing;
- 2. The statutory or regulatory authority identifying and supporting a finding that a violation occurred by TEA in enforcing the decision; and
- 3. Specific facts supporting a finding that the action taken by TEA is in error.

The reques(pec)-1.17A(i))TdBne7Ten2e0raiC2a1.(r)(0)3((+1))OTC (reTw)(0.7-1e(9069)15.18 (+0)161563, (Englul(31).11juTOCEs1 0c5165 t(he)Tac)

TEXAS EDUCATION AGENCY PAGE 55 OF 55